RAILWAY NATIONALISATION AND THE FARMER :: :: :: :: :: By WILLIAM H. MOORE

RAILWAY NATIONALISATION AND THE FARMER

RAILWAY NATIONALISATION AND THE FARMER :: :: :: :: :: BY WILLIAM H. MOORE

McCLELLAND, GOODCHILD & STEWART
PUBLISHERS, :-: :-: TORONTO

PRINTED IN CANADA

INTRODUCTION

"Railway Nationalisation and the Farmer," is the natural outcome of criticism levelled against "Railway Nationalisation and the Average Citizen." I had written that book before the Smith Report and the Drayton-Acworth Report on the railway situation in Canada were published; but refrained from giving it to the public until I had an opportunity of reading those reports. Having done so, I decided to let the book stand as it was, and to issue a new treatise, mainly in criticism of the work of Sir Henry Drayton and Mr. Acworth, which I called "The Irresponsible Five" —"A New Family Compact." The two books, appearing about the same time as the publication of the reports of the Canadian Commission, drew upon themselves the criticism of the nationalisers. But I am pleased to say that this criticism has left the statements of the books intact. It is much nicer to compliment one's critics than to condemn them, but candour compels me to say that the nationalisers are seldom fair in their criticism and

habitually inaccurate in their statements. It is unnecessary to go further than consider what they have said of my books, to illustrate.

"The Toronto Daily News," in an editorial which I admit is complimentary to myself as an author —and I am fond of praise—stated that I had exposed myself to an "enfilanding fire," and then proceeded to fire enfiladingly. The editor, speaking of the author of "Railway Nationalisation and the Average Citizen," said:

> "He contends that branch lines would get a poor service under a self-satisfied public-ownership Commission. 'The roadbeds would be unsafe, the trains irregular, the cars cold and dirty.'"

In military training, soldiers sometimes build a mock ship or other target which they fondly imagine belongs to the enemy, bang away at it, and invariably destroy it—to their own satisfaction. This is what the "News" editor has done in this statement; for the book did not contain the words which in quotation marks he has attributed to my pen. The reader may learn this for himself by referring to page 69 of "Railway Nationalisation and the Average Citizen." It will be found that

in discussing the efficacy of the Railway Board's control over the company-system, I gave a number of illustrations, and among them, this:

"The inhabitants of an out-of-the-way place on a branch-line, submit that the service provided by the railway is unsatisfactory, the roadbed unsafe, the trains irregular, the cars cold and dirty. More investigations, more orders; the service is made right."

Surely this idea is not what the "News" editor says it is! Surely it is only fair to assume that there is something wrong with the cause when an able writer is driven to this means of supporting it. In further criticism of the two books, and in the same editorial, the editor says:

"He goes so far as to say that government-operation of Canadian railways, which run thousands of miles of track in the United States, would lead to serious friction between the Governments of the Republic and the Dominion. This is surely a far-fetched argument, unworthly of consideration."

When I commenced writing "Railway Nationalisation and the Average Citizen," this was one of the several objections against government-ownership in Canada that appealed to me as fatal. I discussed the matter with two eminent jurists

whose opinions confirmed me in my belief. Upon reference to the majority report on the railway situation (page xlvi) it will be found that Sir Henry Drayton and Mr. W. M. Acworth, say:

"Another strong argument against government-operation is to be found in the fact that the three great Canadian companies amongst them either own, lease, or control no less than seven thousand miles of railway situated in the United States."

If my memory serves me right, "The Toronto Daily News" editorially discussing the Drayton-Acworth Report, did not refer to this paragraph as a "far-fetched argument, unworthy of consideration." This goes to show that with a great many writers it is who says a thing, not what is said, that counts.

If I may be permitted to follow this point just a step farther—for, with an international bearing it is well to have an opinion from across the border—I shall quote from the "New York Times Annalist," which, reviewing "Nationalisation and the Average Citizen," said:

"Moreover, individual Canadian railways own hundreds of miles of track in the United States, to a total of thousands of miles. Clearly it is contrary

to the interests of either the United States or Canada that there should be government-ownership in either, or in both, with the result of engaging the governments in a sort of competition better left to individuals under legal regulation."

The Toronto "Globe," reviewing "Railway Nationalisation and the Average Citizen," said:

"It is a clever piece of special pleading, though Mr. Moore's attitude to opponents is not always respectful. The advocates of the public-ownership of railways are described as 'platitudinarians' and 'doctrinaries,' and the journalistic contributions to the subject are regarded as worthless."

I am not conscious of having been guilty of lack of respect to my opponents. In the course of my corporation life-time, I have been called many names by the nationalisers. Were I to fling them back, then there would be just cause to accuse me of not being respectful. But when you cite from a man's works a half dozen platitudes, and could have cited scores of them if you had thought it worth while, it is surely only ordinary nomenclature to call the writer a platitudinarian. Nor can it be properly considered lack of respect to tag a man as belonging to the "doctrinaire school," when, in the course of a dozen articles or

more on railway nationalisation he clearly proves his lack of familiarity with the practical business of transportation. And this may be said of most writers in favour of nationalisation. It is necessarily so, for they attempt to write of technical matters, often without even a borrowing acquaintance with those of technical training. However, if these be the worst things that the Toronto "Globe" can say of my book—and "The Globe" is a confirmed nationalising journal—the public may be pretty sure the argument of the book is fairly impregnable.

But I have been accused of special pleading. I am not quite sure what this means, but I have an idea that it was intended to convey the meaning that I had skillfully patched a rent garment. The nationalising press—not "The Globe" alone—have accused me of special pleading; but they have not shown the rent in the garment, nor have they denied the rents which I uncovered in their own garments, although my books were both devoted to this objcet.

In my little book, "The Irresponsible Five—A New Family Compact," I have over and over

again accused Sir Henry and Mr. Acworth of making mis-statements in their report to the Government; and Sir Henry Drayton before the Canadian Club at Winnipeg, refers at some length to my treatise.

I have a copy of the address which was given to the press. The answers to my book are in brief these:

1. The author signed his house address to the introduction,—Fairport Farm, Dunbarton—but he is not a farmer.

2. The proposed directors of the government-owned railways were intended to be no more irresponsible to the owners for their administration than High Court Judges or the Auditor General.

3. If a Family Compact would be the result of the Drayton-Acworth scheme of administration—well, there are family compacts under the present system.

4. The author of the "Irresponsible Five" was wrong in thinking that any idea of control of the Railway Board is mere moonshine, because:

(*a*) The Board cannot fine to-day for the companies haven't the money to pay the fines;

(*b*) The Railway Board could jail the members of the "Permanent Board" in the same way that they can jail the officials of the railway companies.

These are the objections raised to my book elaborated in several pages of manuscript the answers to sixty pages devoted to pointing out mistakes and fallacies in the Drayton-Acworth Reports. I cite Sir Henry's objections, not to answer them—and they are all answerable—but to point out the obvious difficulty Sir Henry had in finding fault with the contents of "The Irresponsible Five."

There was just one other point referring to "The Irresponsible Five" raised by Sir Henry in his Winnipeg Canadian Club address; that I must briefly answer. Sir Henry congratulates me in that I am the only man he has found that can laugh at the railway situation. But no sincere reader of books can say that I laughed at the railway situation. I may have smiled at Sir Henry's solution, but the "Wall Street Journal," and others who pay particular attention to transportation matters, smiled too. Perhaps it was very wrong of us, for,

after all, reporting for the government is a very serious business; and action taken by governments upon the reports they receive, are often serious business for the country.

It is within my inclination to continue answering the critics of "Railway Nationalisation and the Average Citizen," but I must not forget that I am writing an introduction to another book.

The nationalisers used to cite Germany as an example of railway nationalisation, but since the war they have preferred Australia. I had found it difficult to meet them on a common ground, for drawing upon the imagination has never seemed to me a fair way of presenting an argument. I could not believe that the pictures drawn of Utopian conditions which prevailed under government-ownership in Australia were true to life, because a thing which is wrong in principle is never right in practice. But I could not paint the true picture, for I lacked the material. Much had been written on the subject, but it was mainly comment on conditions by partisans for and against government-ownership. It did not seem good enough. Fortunately, while in my quandary I obtained the

reports of the Dominions Royal Commission, which give a comprehensive view of the actual situation of the government-operated railways in Australia and New Zealand. The members of the Commission were appointed from different parts of the British Empire, and were men trained in public affairs. They were not partisans; the evidence on government-ownership was merely a part of their general economic survey. However, I shall not here dilate upon the trustworthiness of their work; the evidence that I cite verbatim speaks for itself.

It is unnecessary for me to express my debt of gratitude to the Commission, as, in part, this book is a reprint of evidence which it has taken and conclusions which it has formed, and in every case credit has been duly given.

I am indebted to my friend, Price-Green, who has shared in the digging of facts from the reports of the Dominions Royal Commission, has prepared the index, and given good counsel in the preparation of the manuscript. To another friend I am indebted, Mr. W. J. Whiteside, for he has read the proofs and struggled to bring my wandering,

sometimes defiant, steps into the paths of the King's English.

WILLIAM H. MOORE.

Fairport Farm, Dunbarton,
July 30, 1917.

CONTENTS

CHAPTER I.

A FOOTING ON THE SOLID GROUND OF EXPERIENCE.

Swapping jack-knives "sight and unseen," used to be a common practice, an exciting game; for each trader knew how bad was his own jack-knife, and felt confident that the other fellow's must be better. Half the time it wasn't, but the game went on just the same, for there was always the chance that the next trade would be a better one.

We are asked to swap our present railway system for one we know little or nothing about. We know how bad is our present system under company-administration—the emphasis has been all on the badness—and we have seldom stopped to even enquire if it had goodness. It is now suggested we should trade it off for administration under government-ownership.

It is true we have had a taste of government-ownership in the National Transcontinental Railway and the Intercolonial Railway. And the taste not altogether to our liking. The National Transcontinental Railway has cost exactly twice

as much as a railway built under company-direction in similar territory. The Intercolonial —well, it is a long story, but sometimes a long story may be well told in a few words. This one, Mr. W. M. Acworth, who was recently one of the investigators into the Canadian Railway situation, tells as follows: "I may add that in all the voluminous literature of the subject I have never seen this line (the Intercolonial) cited as an example of the benefits of State management." Pages could be filled with the details of the Intercolonial Railway mismanagement, and the real point of the issue not driven home as well as by the words of Mr. Acworth. Even the government-ownership advocates ask us not to judge their theory by the results from the present Canadian nationalised railways. When all the railways are nationalised, then we will have different results, better results they say.

But shall we have them? Up to the present time that has been largely a matter of speculation. The nationalisers say we will, and the anti-nationalisers say we won't. And there you are! The public is confused between the two opinions. But there

is no longer need for confusion. At least there is evidence at hand from which may be determined what government-ownership would be like in this country. And, significantly enough, the nationalisers have made no use of it. Perhaps they don't know of its existence. I stumbled across it by accident, and ask for no credit as discoverer.

Not long ago, as I sat in the office of a statesman friend at Ottawa listening to his theories of railway nationalisation, my glance chanced to light on a mass of blue books lying on a nearby table. I picked up one of the volumes and soon lost the thread of his discourse. It was probably both impolite and impertinent, and it only remains to relieve my soul by confession. My friend, noticing my inattention, abruptly concluded the dissertation.

"Do you want those things?" he asked.

"They are just what I want," was my covetous reply. "But I do not want to deprive you," I added insincerely.

"Oh, take them and welcome! If you were in politics you would realise that we politicians have little opportunity to read government reports."

I hurried away with my treasures. Upon reaching home, I applied a ruling gauge to them, and found the books measured fourteen inches long, eight inches wide, and when stacked together were nine inches deep. I weighed them, and they tipped the scales at 16 lbs. 6 ozs. avoirdupois. There was no word for it, but Dominie Samson's favourite "pro-di-gious." They are indeed weighty books and weighty in more ways than one; for, in the words of His Gracious Majesty, King George, they are no less than:

"A report upon the natural resources of Our Dominion of Canada, Our Commonwealth of Australia, Our Dominion of New Zealand, Our Union of South Africa, and Our Colony of Newfoundland: and, further, upon the development of such resources, whether attained or attainable: upon the facilities which exist or may be created for the production, manufacture, and distribution of all articles of commerce in these parts of Our Empire: upon the requirements of each such part and of Our United Kingdom in the matter of food and raw materials and the available sources of such: upon the trade of each such part of Our Empire with the other parts, with Our United Kingdom, and with the rest of the world: upon the extent, if any, to which the

mutual trade of the several parts of Our Empire has been or is being affected beneficially or otherwise by the laws now in force, other than fiscal laws: and, generally, to suggest any methods, consistent always with the existing fiscal policy of each part of Our Empire, by which the trade of each part with the others and with Our United Kingdom may be improved and extended."

Could such subjects, so far-reaching, and of such vast importance, be dealt with in books weighing an ounce less?

On February 24, 1913, the following "trusty and well-beloved subjects" of King George: Sir Edgar Vincent, Sir Henry Rider Haggard, Tom Garnett, William Lorimer, Joseph Tatlow, Sir Alfred Edmund Bateman, the Honourable George Eulas Foster, Donald Campbell, the Honourable Sir Robert Sinclair, the Honourable Sir Richard Solomon, and the Honourable Edgar Rennie, were appointed a commission to investigate these matters.

The Dominions Royal Commission was appointed in April, 1912; and the commission named in 1913 constituted, in reality, its successor. Since its birth, many things have happened which would have diverted a less resolute commission from its

quest. But this one plodded along, changing its course only to suit the altering conditions. It's work was delayed by the war, but the Commission's purpose remained undisturbed.

The Dominions Royal Commission travelled extensively; and, from the date of its appointment until February, 1917, when the final report was presented, covered "many tens of thousands of miles" of land and water that constitute and separate the dominions upon which the sun never sets. Everywhere it asked questions. From farmers, merchants, manufacturers, railway men, from everyone that had light, light was sought. In short, the Commission intensively cultivated its field.

The result is an imperial encyclopedia of information in which is embedded evidence that shows government-owned railways in actual everyday working order. There are many more pages of it than can be reprinted here, and I propose to relate only those parts that affect agriculture. There are two reasons for limiting my enquiry into the effects of railway nationalisation upon the farm.

First. The basic industry of Canada and the United States is agriculture. If a thing be wrong for the foundation of the country's economics, then it should go without much argument that it is wrong for the rest of the structure. And if it be right for the foundation, the chances are that it is good enough for the rest of the structure. Again, and in a more direct way, the farmer, after all, has the main interest in the railway situation. From his products are provided nearly one-third of the railway's total tonnage in Canada; and from the commodities he uses in daily work and social life, a large but indeterminable part of the remainder of the tonnage.

Second. The farmer is the most thinking member of the community; and, having credited him with superior intelligence, I may be pardoned for saying that, like the rest of the community, he has not given sufficient thought to the effects of railway nationalisation upon the economic structure of the country.

This opinion is borrowed from a friend who, interested in public affairs, the other day said to the vice-president of a farmers' society: "Mr.

Blank, I agree with your organisation's program in the main, but I must confess my inability to support the government-ownership of railways. I cannot believe it in the best interests of the country."

"I can't say that I believe it myself," was the frank reply, "for I have not studied the question enough."

"But your organisation passed a resolution in its favour," protested my friend.

"Well," replied the vice-president reflectively, "that may be because the organisation has not studied the question enough."

The lack of study has been due to lack of reliable information rather than to lack of interest. I may write against railway nationalisation, and another man in its favour; we may both cite facts and figures but there is a suspicion that, as partisans, both of us have dressed our facts and twisted our figures to suit our pre-conceived conclusions. That is the way of partisans; even writers on religious topics have not been free from such accusation.

The report of the Dominions Royal Commission

is of vital importance to the puzzled, thinking farmer, since it sets forth the conditions of agriculture in Australia, under railway nationalisation. Having its facts in his possession, he may compare them with conditions under private-ownership in Canada, and once for all determine which system is better for Canada and its basic industry.

CHAPTER II.

CAR SHORTAGE.

It is a long-drawn-out course from the break of spring to the late autumn or early winter when, threshing done, the grain is pyramided on the prairies. Strenuous days in that course! All bent to one end—crop production—days of employer's worry, labourers' toil, and capitalist's costs, for the Canadian grain-grower is a three-in-one man. The reward is there—usually—but the burdens, like taxes, are sure. And in this adjustment of burdens and rewards, lies a story. As employer, the grain-grower must pay wages on a certain day each month; as capitalist, he must meet fixed charges and running expenses with clock-like regularity; but as a labourer and investor, he himself draws wages and interest mainly once a year—when the crop is sold. Hence, the crop once threshed, a pressing anxiety to convert it into currency.

When this man is told by the railway agent that there is no car to take his grain to market; or,

worse still, is promised day by day and week by week the car that never seems to come; to him the railway nationalisers' story has a special charm. The nationalisers promise cars for everyone, cars when and where they are wanted. Government-ownership, they say, will solve the difficulties of seasonal movements. In my opinion, this was the one argument in the nationalisers' kit-bag worth looking at; and many a time I have reflected if the nationalisers could deliver the cars, then, after all, government-ownership might be justifiable; its other weaknesses—and their name is legion—might be off-set by this advantage to the farmer. But, after reading the evidence gathered by the Dominions Royal Commission in the Eldorado of government-ownership, I hesitate no longer; for the car-supply argument is as flimsy as the rest of the nationalisers' stock-in-trade. To turn from the company-system to government-ownership in search of cars, is like jumping from the frying-pan into the fire.

Look at the evidence of car-shortages, gathered by the Dominions Royal Commission from Australia. It was taken in the City of Adelaide. Mr.

John Darling, a prominent grain-merchant, is the witness; the Honourable Mr. Sinclair, the examiner.

"Are the railways equipped with sufficient trucks (cars) to carry the wheat away quickly to the ports?" asked Mr. Sinclair.

"I am sorry to say," replied Mr. Darling, "that is a great fault. We want the wheat carried during the proper seasons, and not left over till winter, and I fear the railways of Australia are not up to the mark at present. It is particularly bad in New South Wales this year."

"Is it a shortage of trucks (cars) or want of duplication of lines?"

"As far as New South Wales is concerned, it is want of rolling-stock."

"And this State?"

"I think it is want of rolling-stock and of motive power."

Mr. Tatlow, who represented the United Kingdom on the Commission, then, as the lawyers say, took the witness in hand.

"You spoke of the delay in transit to the seaboard, owing to want of trucks (cars). Does

that refer to South Australia as well as New South Wales?"

"It is worse in New South Wales," was Mr. Darling's decisive reply.

Mr. Darling is a grain merchant. It may be thought he was unreasonable in his requirements, or unduly selfish in his interests. But what have the Australian farmers to say of car-shortage under government-ownership? There are several farm-organisations in Australia, first cousins of the Grain-Growers' Association in Western Canada. Of these, the Farmers' and Settlers' Association of New South Wales has, as Vice-President, Mr. A. K. Trethowan. He gave evidence before the Commission, and speaking of delays in shipments, said:

"Particularly in regard to hay and chaff, we labour under tremendous difficulties. Unless there is a truck waiting at the station, they will not allow you to unload your chaff, and you have to take it back again. They will not allow you to put it in the sheds."

"You either have to wait until you get a truck (car) or you must take it away again?" was the

suggestion of a commissioner.

"Yes."

"Neither of which contingencies is conducive to good temper?"

"No," replied Mr. Trethowan. "Not if you have brought the produce fifteen or twenty miles," he added with what may well be imagined was a touch of sarcasm.

Mr. Tatlow then interjected, "You stated that delays in transit constitute one of the great difficulties under which you labour?"

"Yes," was the reply of the Vice-President of the Grain-Growers' Australian counterpart.

"Did you refer more particularly to live-stock?" asked Mr. Tatlow.

"No," was the reply. "Live-stock, wheat, chaff, and in fact all products from rural districts."

Merchant and farmer, both complain of car-shortage and its disastrous effects upon trade, under government-ownership. Now what of the government-owned railway's side of the case? Mr. Moncrieff, the Commissioner for the South Australian railways, was asked by Mr. Tatlow the following questions:

"Complaint has been made that much delay has occurred in the transit of wheat, owing to the lack of wagons (cars). Is that unavoidable?"

"The facts of the case are that the merchants store the wheat at out-lying stations and then when they succeed in selling they want it all brought down at once, and there is no railway system in the world that could do such a thing as that on single lines for such long distances. It is just like trying to put a regiment of soldiers into a single tram car: they will not go into the next one and they will not wait. It is for want of proper arrangements in stacking at ports that there may be congestion for a short time each season," replied the Commissioner.

"You contend that on the whole your supply of rolling-stock is adequate?"

"We do not get the full advantage of that rolling-stock on account of the break of gauge. The rolling-stock is fairly sufficient now for the business of the State. The remark I made in reference to wheat, applies also to live-stock. They want all sorts of live-stock brought down on a certain day."

An argument as old as the hills, and doubtless as enduring! Sensible, too, but not what we have been promised from government-ownership!

Later on, in the taking of evidence, the Commission returned to the subject, one of its members asking Mr. Moncrieff: "If that wheat which is stacked along the railway line at present, were conveyed to the port of shipment and stacked there, the call on your Department for carriage at a special time and within certain days would be diminished?"

"That is right," replied Mr. Moncrieff. "I hold very strongly that the only method of handling wheat satisfactorily in this State, is to stack at the ports in good sheds of large size, with modern methods of handling transmitters, and when the ship comes in, fill her at once, loading at every hatch. If that machinery were provided at the ports to take the wheat from the trucks into the store, and from the store into the ship, it would relieve to a very great extent the alleged congestion due to the want of rolling-stock."

"That would be better for the carrier, better for the trader, and better for your Department?"

"Yes, it would be better in every way. It would be a modification of what is being done now on Darling Island in Sydney, and also at one of the wharves in Melbourne. It has been touched, but it has not been developed in this State as it ought to be."

"Do you provide any facilities for stacking or storage along your railway lines?" was the next question.

"I rent portions of the station-yard adjoining the siding on which the owners of the wheat stack the wheat, and in some cases they erect sheds to keep the weather off. The wheat may stay at those up-country stations for six or eight months, sometimes more."

"Your Department is doing nothing other than that?"

"That is so," Mr. Moncrieff assented.

"The rest is left to the producer and to the owner?"

"Yes."

CHAPTER III.

THE UNSATISFIED LAND-HUNGER.

In this old world of ours things never seem to settle to a perfect balance. It is always a case of too much or too little. In Canada our railway troubles are said to be due to too much railway mileage in the outlying parts of the Dominion. There are arable lands crossed by hundreds of miles of railways, and no farmers to turn their productivity into bank accounts. That is an admitted difficulty of the situation. It is partly the result of the keen desire of individual interest to anticipate the needs and the profits of the future. It is to be remedied, the nationaliser says, by government-ownership; and if we are to follow the Australian example, it will be remedied with a vengeance, for in Australia the conditions are reversed.

Mr. Trethowan told the Commissioners: "Our principal drawback in wheat-growing and the development of the country, speaking from the wheat-growers' point of view, is lack of sufficient labour

and inadequate facilities. The smaller settler has to push farther out into the back country, and is naturally under a great disadvantage when he gets to the railways. The building of railways in this State has not kept up with the production. Closer settlement has gone ahead faster than the Public Works Department has been able to build the railways."

"Is the wheat area developing rapidly?" he was asked.

"It would develop very much more rapidly if they could push on with transit facilities. It does not pay to grow wheat any distance from the railway line."

In Canada, the Eastern theorists look askance at the map of Manitoba, Saskatchewan, and Alberta, on which parallel lines of railway are shown as crossing the prairies. Little do they understand that these lines, close together as they are, are necessary in the work of production in Western Canada, and nothing short of exchanging the arm-chair for the farmer's wagon, will make them understand.

"What is the greatest distance from a railway,

within which wheat can be profitably grown?"

"Taking the average price of wheat at 72c. per bushel, I take it that 25 miles is the limit within which you can grow wheat with any degree of certainty as to its being profitable."

"From ten to fifteen miles would be a much safer distance to be from the railway," suggested the Commissioner.

"Yes," agreed Mr. Trethowan. "The growers are coming to recognise that they must get back the same night, if wheat farming is to be profitable."

Commissioners Drayton and Acworth, who recently reported upon the railway situation in Canada, bewailed the building into Canada's back-country, and if the railways had not been built there, they or somebody in their stead would have bewailed, as they do in Australia, that the railways had neglected to develop the outlying arable and wooded lands of the country.

Mr. H. Y. Braddon is a prominent citizen of Sydney, in fact, the president of its Chamber of Commerce, and Sydney is a city having 629,503 inhabitants.

"Why is it that the railways are not more rapidly built into the country suitable for closer settlement and food production?" he was asked by Sir Edgar Vincent.

"That is a question of politics," answered Mr. Braddon. "And a question of available government funds," he added.

"Is it your opinion that the Government is not able to overtake sufficiently quickly the demand for providing those parts of the railway?" In this question Sir Edgar was treading on dangerous ground, for the Commission sought to avoid politics in the narrow sense of the word, sought to avoid criticism of the administration of the overseas government; yet the Commission's warrant was to find out all about trade, and in Australia the State is in trade.

"It looks so," said Mr. Braddon, "especially when it is coupled with the other difficulty that ought to have been faced earlier, the difficulty of duplication which means a very great expense."

Ye little fishes, lack of duplication of railways a detriment to the country! This makes strange sound to American ears. It is, truly, an antipo-

dean sort of place, Australia.

The Commissioner of railways for Victoria, when asked by Mr. Garnett if he had found the extension of railways to bring about a corresponding increase of population in the country districts, replied: "Yes. The construction of railways is a great factor in promoting the development of the country."

The Railway Commissioner for South Australia, Mr. A. B. Moncrieff, when asked by the Chairman:

"In your opinion, it would be sound policy for your government to plan judicious lines in suitable country in order to get population?" replied:

"Yes. It is the only way to satisfy the hunger for land in South Australia, and I believe all through the States."

"And the bringing of more population on to the land, serves two purposes: it increases the production of the soil, and it also creates new markets, so to speak, for the people who settle on the soil; and thus there are more wants to be supplied in connection with the people in the towns. It reacts in both ways?"

"Yes," assented the state official.

"Therefore, the more railways you have judiciously placed, the better it is for the Commonwealth?"

"Undoubtedly."

Mr. Leslie Augustus Burton Wade is an important person in the State of New South Wales, for he is Commissioner for Irrigation in a land where a reliable rain-maker would soon acquire a fortune. During the sessions at Sydney, he gave his views on the means of extending the pastoral areas of his State. Said Mr. Wade: "I think the dry areas are to be secured by means of railways. We have known of only one universal drought, namely, that of 1902. At other times, our droughts have been partial, and there has always been good country with a surplus of food to which stock could have been brought from the drought-stricken districts if railway facilities had been afforded. I think the solution of the pastoral problem lies in the extension of our railways."

"But irrigation would be a partial insurance?" it was suggested.

"Yes, with regard to high-class stock, but the extension of the railways is the best means of

securing dry country against drought for ordinary class stock."

"With regard to the question of railway extension, will it be necessary to go to any considerable expense in extending railways in their irrigation areas?"

"The southern portion of the area is already supplied by the existing railway. The northern portion of the area will be served by a railway, the construction of which has been approved by Parliament, and will be put in hand during the next twelve months."

"At what distance from the railway are the farms situated?" Mr. Wade was asked.

"At the present time the farthest farm is not more than nine or ten miles from the line. The settlers are already agitating for a branch line to bring them within three or four miles."

A seat in the parliament of a government-ownership State, must be covered with something more irritating than nettles. There are farmers in Australia, so witnesses told the Dominions Royal Commission, that must haul their produce twenty-five miles or more to a railway station; and here

are farmers in Australia, not more than nine or ten miles from a railway, already framing up pressure upon the politicians for a line still nearer their own barn-doors!

The opinions of the government-ownership railway officials were drawn out, it will be observed, prompted if you please, by the members of the Dominions Royal Commission. Fault-finding with conditions for which the government is responsible, is never a safe pastime for civil servants.

The farmers' spokesman, Mr. Trethowan, as was to be expected, was bolder in criticism. He said: "The land is not made available quickly enough for the people who are prepared to settle, even without railway facilities. The Government seem to go from one extreme to the other; at one time they seek to force land on the people, and at another they introduce such stringent regulations as to prevent people from getting land."

There is thus a land-hunger in Australia which cannot be satisfied because government-ownership will not make the land accessible to the people. Such was the evidence of the witnesses and such the findings of the Dominions Royal Commission. "The

agricultural and pastoral industries of the self governing portions of the Empire, are but in their infancy," states the Commission in its conclusions. "This seems to us to be particularly true of the vast island continent of Australia."

There are 200 million acres of land in Australia suitable for the production of wheat, and of these only 12 million and a half acres are now producing this cereal. There are lands in addition, vast areas of them, well-suited for pasturage. Of cattle, sheep, horses, and pigs, the Commission reports "their number might be multiplied many times." The Commission boldly faces the facts of the evidence which it received. In reference to the backward condition of farming in Australia, it concludes "easy communications are absolutely necessary to the success of grain-growing, which cannot be profitably undertaken at a distance of more than 12 miles from a railway station on account of the cost of haulage. Therefore, there are great areas awaiting the plough, that can be put to no practical use until they are traversed by railways."

And this under government-ownership in a country which, governed as is Canada, like Canada professes to regard agriculture as a basic industry!

CHAPTER IV.

HOW THE NATIONALISED RAILWAY MISCARRIES LIVE-STOCK.

Near the Emerald City in the home of Glinda the Good, is a book in which are recorded pictures of the happenings day by day in the wonderful Land of Oz—a delightful creation of the magic mind of Frank L. Baum, a children's story-teller. But in real life the happenings of the world are recorded in the books of London Town. And thus it came about that soon after beginning work, the Commission caught, in the heart of the Empire, the first signal of distress from the nationalised railway in far-off Australia.

The subject of investigation was live-stock; the witness was Mr. George Goodsir, representing Messrs. Weddel and Company, wholesale meat-importers.

"In Australia the distances are long?" it was suggested to Mr. Goodsir.

"Yes. The distances may be five hundred or even a thousand miles."

"Is the transit satisfactory, speaking generally?"

"No. The railway facilities there are distinctly inadequate."

"Does the cattle deteriorate greatly in transit?"

"Inevitably."

"And loses a great deal?"

"Yes."

"Is that from want of food and water?"

"Yes," said Mr. Goodsir. "Want of water sometimes, and want of food."

"Have you any idea of the duration of the average journey?" he was asked.

"I should think it would range from a half to three days."

Little further was said on the subject at the London investigation, but when the Commissioners arrived in Australia they followed it to the end. They wanted the truth—the facts, whether they helped or hurt. They were investigators, not partisans seeking to bolster up their own or others' preconceived notions of things.

It was to Tom Richard Johnson, the Chief Commissioner of railways for New South Wales, the Commission directed its next serious inquiry as

to the manner in which live-stock is carried under government-ownership.

"We have heard complaints," said a commissioner, "that very considerable delay is caused to the traffic by the want of duplication, particularly to live-stock traffic. Is it the case that such delays occur in the conveyance of live-stock on the railway?"

"Considering the distance that the live-stock has to be carried, I do not think the delays are very serious," replied Mr. Johnson. "From the point of view of the stock-raiser, or the stock-salesman, they are serious. It takes from 30 to 40 hours to get a train of live-stock a distance of 300 miles."

"That is slow transit?"

"Ten miles an hour."

"That is very slow, as compared with what we do in England and Ireland?"

"Yes," admitted Mr. Johnson, and then added: "But I do not suppose that in England there is a single case in which live-stock is carried 300 miles."

"In Ireland, stock is carried nearly 200 miles on trains which have a speed of from 15 to 18

miles an hour, and where two-thirds of the length is single line," retorted the Commissioner. The Irish Commissioner apparently had the best of the tilt. It may be interesting, with these figures in mind, to have some evidence from Canada.

The records of the Canadian Northern Railway show that from July, 1916, to April, 1917, the slowest stock-train from Winnipeg to Toronto made an average speed of 13 miles an hour, and the fastest 15 miles an hour. This looks well for the efficiency of the Canadian company-system; but it is even better than it looks, for all trains were twice stopped between Winnipeg and Toronto, that the stock might be rested, watered, and fed—and this took 13 hours, for which no deduction has been made in calculating the average speed.

The Australian live-stock train takes 30 to 40 hours to travel 300 miles; and the Canadian, in just a little more than twice the time, travels 1,305 miles. A striking, concrete example of the inferior service the stock-industry receives under government-ownership!

While Mr. Johnson was on the witness-stand, our own Sir George Foster, always interested in

humane subjects, took part in the probing. Said Sir George to the Commissioner: "I was surprised to hear you say that no provision is made for accommodation for the watering or feeding of stock which has to be carried over long railway-journeys."

"No. It is a moot point whether it is a good thing to water stock when travelling," answered the government-ownership administrator.

Sir George Foster refused to accept this as conclusive.

"If you carry sheep without rest, water, or feed, forty or fifty hours, you make the conditions very hard for the poor animals," he gently insisted.

"On the face of it, it looks as if there was a little want of consideration, but in the result it is not really so bad as it seems," replied the Government's Director of Railways.

Sir George, for the moment, contented himself with drily remarking that in Canada humanitarian principles prevailed, and that it was obligatory to properly rest sheep in transit at certain watering and feeding stations.

The matter was referred to, again, at Adelaide,

when the State Commissioner of Railways for South Australia, Mr. Bain Moncrieff, was under examination. Significantly enough, the Commissioner of South Australia did not agree with the Commissioner of New South Wales, that animals did not require feed and water when travelling on government-owned railways. Sir Rider Haggard asked the questions.

"With respect to live-stock, I gathered from your remarks that you think those creatures suffer a good deal on long journeys in the heat of the sun?"

"In the hot weather, I think that 42 hours is too long to keep the beasts without food and water," was Mr. Moncrieff's reply.

"Is there any practicable method that you can suggest whereby those troubles could be obviated?" asked Sir Rider.

"I would place a time limit and insist on the animals being turned out and watered and fed," said the Government Director of Railways, and then cautiously added: "But that is a costly matter."

"Then it is a mere matter of money?"

"Yes."

And this, remember, under government-ownership, advertised on the concession-lines and cross-roads of this country as a just institution, ever-ready and willing to remove all ills. What is money to a government when appliances are required for the protection of life, or for that matter the discharge of humanitarian principles? say the nationalisers. But government-ownership is largely a matter of theory in America; it is practice in Australia. Between the two there is the usual gulf.

Sir Rider asked if Mr. Moncrieff had brought this matter before the Government.

"Yes," he replied. "There has been a good deal of correspondence about it between the State Government and the Federal Government."

"Has anything happened?" Sir Rider has had experience with governments, and was apparently prepared for the reply.

"There has been really no change," answered Mr. Moncrieff.

How strikingly suggestive this is of what happens daily in Canada, in the United States, everywhere with matters of government concern; passed

from one department to another, red-pencilled, blue-pencilled, and pigeon-holed, resurrected from cob-webbed cells only to be passed around the departments again in their endless chain towards a settlement.

"In view of the fact that the sufferings could be easily obviated, do you think it likely that there will be a change?" asked Sir Rider.

"I think it will largely depend upon the growth of public opinion," a stock phrase of the Civil Service!

For every hundred people in Australia, sixty-five live in cities of ten thousand population and over. Thus, public opinion is located in the urbanite stomach. It is of lambs when roasted and served with mint sauce, and of sheep translated into mutton. Public opinion will not justify the expenditure, because public opinion is not concerned—or concerned, has no outlet under government-ownership through which to exert itself. I have always maintained that the State's duty is that of regulation. Such conditions as exist in the live-stock trade under government-ownership in Australia, are, under the company-system in Can-

ada, punishable under the criminal code.

But there are other sides than the humane to the Australian Government's maladministration of live-stock transportation. Mr. Johnson, the New South Wales Commissioner, on the witness-stand, when asked by Mr. Garnett if the increase of railway lines in certain areas would facilitate the removal of stock from drought areas to areas of food, he replied:

"Yes. That is what is called here 'agistment' purposes."

"I have heard it stated," continued Mr. Garnett, "that while the Continent generally is carrying, under existing circumstances, as much stuff as it can, greater railway facilities for the removal of stock from place to place would result in a larger carrying capacity."

"I think so," answered the Commissioner. "At the present time the Continent is carrying as much as it can, is correct; and I agree that if there were greater facilities to afford the means of getting stock away to pasturage in times of drought, the Continent would be able to carry much more."

To Mr. John Cook, of Melbourne, a merchant

who exports meats, Mr. Garnett put this question: "I heard it put forward by a pastoralist from Queensland that proper railway communications would probably result in doubling the stock-carrying capacity of the Australian Government. Do you consider that too high an estimate?"

"I certainly do not," was Mr. Cook's decisive and significant reply. "I think it quite a correct estimate," he added as if to give good measure to his punch.

"Then you put railway communication amongst the first necessities for an increase in stock, apart from all the other benefits that would flow from it?"

"Yes," replied Mr. Cook.

Mr. T. R. McCulloch is also a merchant in Australia, with strong views on live-stock transportation. He said: "There is room for great improvement in the trucks for the carriage of live-stock; the construction of them is very bad."

"To obtain what purpose? Do you mean the animals will arrive in better condition?" queried the Chairman of the Commission.

"Yes. The trains run very slowly."

"Does the quality of the meat suffer?"

"Naturally the sheep fall away in condition. It is more loss of weight, but the quality also suffers."

CHAPTER V.

HOW THE NATIONALISED RAILWAY MIS-HANDLES GRAIN.

Australia may be said to have grown up, or failed to grow up, under government-ownership. It has continuously lacked the spur of private initiative which has worked out the hundred and one details that, fitted together, make up the industrial machinery of progressive nations.

In "Railway Nationalisation and the Average Citizen," I stated that there are no grain elevators under government-ownership in Australia. A critic, having more zeal than knowledge, rapped me over the knuckles for referring to the fact as evidence against government-ownership. "Elevators, as we have them in the United States and Canada, are not needed in Australia for climatic and other reasons," he wrote. At the writing, I had not the reports of the Dominions' Royal Commission before me. They contain evidence on the subject which clearly places my correspondent out of court.

Sir Rider Haggard was mainly responsible for bringing out the facts. He asked Mr. Darling, a grain merchant, at the Adelaide Session why the grain was shipped in bags.

"There are no conveniences except to carry it in bags or some sort of package," replied Mr. Darling.

The famous author of "She," who, I am told, is a practical farmer in the homeland, apparently could scarcely believe his ears. He has investigated agriculture in many lands. No one better knows its needs. Mr. Darling's statement that there was no shipping of grain in bulk under government-ownership in Australia, was almost unbelievable.

"The Government does not provide any storage at the station?" enquired Sir Rider Haggard.

"No. All the Railway Department does, is to provide a block of land," replied Mr. Darling. And upon this land the farmer or grain-merchant is allowed, by a generous government, to stack his bags of grain. He may cover them with a tarpaulin, if he pleases, even build a house over them—at his own expense, of course. Sometimes

the government charges a pound sterling for the space.

"Is the wheat stacked at the side of the line while awaiting railway transport?" Mr. Darling was asked.

"Yes," was the reply. "The greater part is brought in by the farmers during three months of the year. We stack the wheat and await the chance of sending it forward."

"There is loss in stacking?"

"Yes. It is like twice-handling."

And you may rest assured that whoever does the stacking, the cost of this twice-handling comes out of the pocket-book of the farmer in the land of government-ownership.

Mr. Trethowan, who has been introduced already as one of the main men of the Australian counterpart of the Grain-Growers' Association, used plain language in speaking of the Government's neglect in failing to provide proper facilities for carrying grain.

"We still have the old bag system of handling grain which is very cumbersome and slow," said he.

Nor did Mr. Trethowan neglect to place the

blame where it belonged, and make clear that it was not due to a lack of forwardness of the farmers of the fifth continent.

"We have asked the Government to initiate a system of bulk-handling," he continued, "so far without success. They say that our production is not sufficiently large to warrant it. Our argument is, given these facilities the production would soon be there."

Such is the stock answer of governments who undertake to supply public utilities! Such, the disastrous results to the farmers and producers dependent upon government-ownership for progress. And the helplessness of it all, for there is no remedy!

"Bulk-handling would involve elevators and grading. At present you have no grading," it was suggested to Mr. Trethowan.

"No," replied he. "There is no inducement for a man to grow good wheat. The good wheat is averaged with the bad wheat. They fix a fair average quality sample. It naturally follows that the man who produces a good wheat has to lose a lot of its value to bring the bad up to the f.a.q.

standard. If we had a system of grading, the man who produces good wheat would get the good price."

"If you have a thousand bushels of grain of prime quality, do you mean to say that you do not get from the buyer a better price than if you had an average sample under the f.a.q. system?" was the next question which bespoke the incredulity of the examiner.

"You might get a fraction more by worrying about among the different men," was the reply. "But, as a rule, if your wheat is up to the f.a.q. standard, they give you a certain price; it does not matter how much above the standard it goes. But if it is below, they dock you."

No elevators, no bulk shipments, no grading under government-ownership! It is almost inconceivable that such things could be in a State supposed to be striving for agrarian prestige. Why have the farmers not provided their own elevators in Australia, as they have done often in Canada? The answer is plain. Co-operative group undertakings are opposed to the principle of government-ownership. Under nationalisation, indivi-

dual and group efforts are alike swallowed up in the State. After a while, the will of both to do is lost; in the course of time its possibility is forgotten, remembered only when comparison with other countries brings home the realisation that these things make for progress.

The grain elevator in Canada is due to private initiative. West of the Great Lakes the first collecting elevator, a small affair, was built in 1883. A year later the Canadian Pacific Railway erected the first terminal elevator for the storage of prairie grain at Port Arthur, providing a capacity of 325 thousand bushels. From that time onwards, the course has been towards more elevators and bigger elevators, the ownership and control being divided among private companies, railway companies, and co-operative farmers' associations. Government-ownership has had one trial, the Manitoba Government assuming to operate the province's elevators, but quickly showing its incapacity had, strangely enough, the good sense to let go; government-ownership is to have another trial, for the Federal Government has recently essayed an experiment in terminal elevators, the success of

which is not yet determined. In Canada, individual effort has led the way in providing grain storage space; the Government has followed. In Australia, where individual effort is discouraged in such matters, there being no pace to follow, the Government has done nothing.

It is true the government has functions to perform in connection with the grain movement; but they are of regulation, not of operation. Where the Manitoba Government failed and the Federal Government has not yet succeeded in operating, the Federal Government has had fair success in regulating. When shall we learn that the Government's function is to regulate, not operate, and that this principle can be violated only with disastrous results?

But let us go back to the evidence. We left Mr. Trethowan on the stand, Sir Rider Haggard examining.

"Do serious delays occur in the transit of wheat?" Mr. Trethowan was asked.

"Yes," he replied.

"To what extent?"

"The wheat, of course, is all delivered at the

local railway station in about two months of the year. Sometimes it is under cover; sometimes it is not, and it is at the mercy of the elements. Take the present season, for example: it will take the Department fully nine months to shift the wheat."

Goodness knows the railways of this Continent are slow enough in moving the Western crop to market, but their average haul is several times the distance of that of the Australian roads! They have difficulties of snow and ice to overcome, and yet make a better record.

It may be urged that government-operation in Canada would do better and the services of the National Transcontinental Railway and the Intercolonial Railway may be cited in support of the contention. But these railways are operated in competition with the roads of the company-system. Once remove competition, and what assurance is there that the Canadian Government will do better than the Governments of Australia. It may take time to revert to where Australia is to-day, but no time will be lost in ceasing to go forward. We shall stand still; that is certain—if the history

of government-ownership repeats itself.

The Commission has not confined its energies to taking evidence. It has set forth the lessons to be drawn from the evidence. In this matter of bulk-handling, the Commission concludes: "We received a considerable amount of evidence in Australia in favour of the bulk-handling of wheat for export. It is somewhat surprising that, in a country which produces a large quantity of wheat and suffers from a shortage of rural labour, there should have been hitherto no practical attempt to introduce the system under which the greater part of the grain harvest of North America is handled. The cost of bags alone in Australia amounts to 2d. per bushel of wheat bagged, and the evidence tendered us went to show that with the use of elevators there would be material lessening in the cost of loading the wheat at the ports. In addition, there would be a saving of labour on the farms and at railway stations."

CHAPTER VI.

DUPLICATIONS—AN URGENT NEED.

We have already found Australia to be our antipodes in more senses than one, but I will wager the head of my Durham herd, sired and dammed out of the best families, against a gasping roupy pullet, that the average reader would not have expected to find people crying for duplication of tracks in the paradise of government-ownership. Railway duplication is but a shameful waste of money, according to the nationalising press, and they say so in words that are intended to admit of no contradiction.

Let us, first of all, get clearly into our heads what and why is duplication. It is simply trackage supplied in addition to that already in existence, for the purpose of moving tonnage between given points. We may take Toronto and Montreal as an illustration. Duplications between these cities is charged. Not long ago there was congestion in the traffic moving between Toronto and Montreal. The Grand Trunk had a double track,

and the Canadian Pacific had a single track between these two points. Yet there was congestion. Since then the Canadian Pacific has built another track from Toronto to Montreal, and the Canadian Northern has still another track all but ready for operation. And these new-built tracks have been denounced as wasteful duplication; although, before they were built, there was congestion; and although to-day each of the several tracks between Montreal and Toronto pays its way.

There are two ways of securing duplications between given points. The additional trackage may be built on the same right-of-way as the original mileage; then we have a double track or a treble track, as the case may be. The Canadian Pacific Railway has built hundreds of miles of second track west of the Great lakes—without serious criticism of its wisdom. Again, the additional trackage may be built on a new right-of-way. This may be done for the purpose of supplying new local service or securing grade reduction. The new line of the Canadian Pacific from Toronto towards Ottawa, may be cited as an instance of duplication for the purpose of securing new traffic,

and the Canadian Northern across the hinterland of Ontario may be cited as an instance of local service provided and grade reduction secured, by duplication through the use of new right-of-way. With strange inconsistency, the nationalisers, accepting double-track in the West as a necessity, condemned additional tracks, when built on new lines, as unnecessary duplications. Both were designed to relieve congestion in through-traffic. One would naturally think duplication by diversion the more meritorious because of its services to shippers between terminals, especially as to many it brought their first rail facilities and to the remainder it gave the dearly-prized boon of competition.

We shall see that in Australia duplications have taken, and it is proposed shall take, both forms which I have outlined. But it is not so much the manner as the necessity of duplication in which we are immediately concerned.

The Honourable Arthur Griffith, M.L.A., Minister of Public Works, speaking at the hearing at Sydney, New South Wales, April, 1913, replied to a question of the chairman regarding duplica-

tion: "We have found that congestion of traffic on our lines is so great that we are agreed with the railway commissioner that it is more important to duplicate existing lines than to spend the money in building new ones."

"The general picture which you give is that capital can be very usefully spent upon railway duplications and railway development?"

"Yes."

Mr. Moncrieff, the Commissioner of Railways for South Australia, was asked by Mr. Sinclair: "Do the trains come through now from the starting to the destination as rapidly as they would if the lines were duplicated?"

"No."

"Duplication then would facilitate transit?"

"Yes," replied the monosyllabic witness.

We are reminded of what the new railways have done for Canada, in the statement of Mr. Tom Richard Johnson, Chief Commissioner of Railways, as to the policy followed in New South Wales in the matter of duplication.

"Every duplication takes into account the improvement of grades. Sometimes, as in this very

important duplication on the southern line between Cullerin and Harden, the work of duplication takes the form of a deviation to get an improved gradient on the up-journey to Sydney against the load. There, we propose to reduce the grade from one to forty, to about one to seventy-five," said the state official.

"Which permits of a largely increased train-load?"

"Clearly, with the same haulage power you can increase your load nearly one hundred per cent."

There you have the argument for the building of new railways across the hinterland of Ontario and through British Columbia to the Pacific Coast. The Canadian Pacific already had lines through these districts. They were congested. Grain-merchants called for cars when the lakes were frozen over, but often they were not to be had. Duplication was necessary, and preferably duplication which would yield grade reduction. The old road-beds had been built when train-loads were light and the importance of grade reductions not fully realised or required. There was no good reason why the new tracks should be laid on the

old right-of-way, when a new route offered easier grades for less money.

In the Antipodes, duplication appears to be a burning question. The necessity for it is regarded by the railway men—and they are government administrators—as more important than opening up new territory. The farmers who have to haul their products 25 miles to a station, might think otherwise. Mr. Johnson, of New South Wales, was asked this question by Sir George Foster: "With reference to railway development and its posibilities, I would like to know whether the prospects of productive railway development in other portions of the country are as promising as the development which has already taken place in the areas now served by railways."

"Given the completion of the duplication of the trunk line, I think there is great promise in connection with the construction of railways in certain districts," was the reply.

"You think that there is a large area yet to be opened up that will prove profitable from a railway point of view?"

"Yes. In one district there are two million

acres of Crown lands," admitted the government-ownership director.

The government owned the land, the government owned the machinery, which alone could make it valuable; and, with in-born government stupidity in business matters, neglected its opportunity.

"You say that with duplication of the lines, sheep in transit would not be so long on the road?" said the Chairman of the Dominions Royal Commission to Mr. T. R. McCulloch, whom the reader will remember as a meat-exporter.

"That is so," was the reply.

"Are there many cases of excessive delay now?"

"Yes. The trains run very slowly."

"You have told us that the first requirement for more speedy transit of stock is duplication of the railways?" said Commissioner Sinclair.

"Yes. That is so," answered the witness.

"Our main trunk lines should be duplicated to cope with the traffic," said Farmer Trethowan.

"You consider duplication very urgent," commented a Commissioner.

"It is the most urgent work in the State," replied

the man appointed to press the farmers' case before the Dominions Royal Commission.

CHAPTER VII.

PASSING THE BUCK.

Deferring action is the cardinal sin of governments. "We shall take the matter into our serious consideration," is a stock answer of those charged with government-administration. Our old dominies used to say that large bodies move slowly. They should have excluded the world, for if it moved no faster than an express train, it would take a thousand years, instead of one, to encircle the sun. However, their maxim holds good of the State: it is a large body and, when it moves, it moves slowly.

It is an established state characteristic that has crippled more than one attempt at government-operation. This is not a matter of speculation. An ounce of experience is worth a long ton of theory; and, fortunately, in the reports of the Dominions Royal Commission is an inexhaustible store-house from which to draw our lessons. I do not cry "wolf" through a disordered imagination.

You may remember when Sir Rider Haggard

asked the Commissioner of Railways for South Australia if the deplorable condition in which live-stock was being handled, had been brought to the Government's attention, that the Commissioner replied:

"Yes. There has been a good deal of correspondence about it between the State Government and the Federal Government."

"Has anything happened?" asked Sir Rider.

"There has been really no change," was the government official's reply.

Think not this a solitary instance of the government's delay in providing facilities that were required for the service, and remember, please, that it is given in the words of an official employed by the government to administer its railways.

Let us have another illustration of the same thing.

"Are the wharf facilities in Sydney satisfactory?" Sir Alfred Bateman asked a merchant who was on the witness-stand.

"No. That is with the exception of one or two wharves. They lack railway facilities."

"That is wanted."

"Yes, wanted very badly."

"Would the supply of those facilities involve a very large expenditure?"

"I should not think so."

"Have you ever made representations in favour of the supply of those facilities to the government?"

"We did some years ago, but nothing seems to have been done."

Possibly even the ardent nationalisers will be prepared to admit that delay, continuous and constant delays, must be expected under government-ownership. But the matter is important; and, surely, to give still another illustration will be in good order.

When the Director of Agriculture for the State of Victoria was being examined, he was asked:

"Regarding the handling of wheat in bulk by elevators, etc., has that question come under the notice of your department?"

"Yes. That is a question to which consideration has been given for many years past. Just at the present time there is a commission sitting which I believe has taken a good deal of evidence, and is

now engaged in preparing its report. It is called the Wheat Commission and has been sitting for two years."

You may laugh, if you will, at these naive relations before the Dominions Royal Commission. But governments move the same way the world over—except in checking corporate action.

However, we must not yet attempt to draw conclusions in this matter, for there is still left a single loop-hole through which the nationaliser may attempt to escape. He may argue that, away from representative government, these things, fatal to progress, are impossible. It is difficult to see how either in Canada or the United States, we are to get away, or should get away from the principles of representative government; but, for the moment, let us suppose it possible in this country to do things—in a railway sense—as they do them in Germany.

When a deviation from the existing rates is sought for, on the Prussian State Railway, this course is followed:

"In the first instance application has to be made to the local Railway Direction concerned, setting

forth in full the reasons for the request, with complete statistical details as to the effect of the existing tariffs and the necessity for reduction in the charges, not only from the individual standpoint, but as affecting the whole of the particular industry in that district. The effect of a change upon similar industries in competition (if such exist) in other parts of the State must also be touched upon.

"The matter is then considered by the president of the local Railway Direction and if it should only affect his own particular district, it is within his powers to decide the question on his own responsibility or to arrange for the subject to be brought before the District Railway Council (if the president favourably regards the proposal, that is the usual course adopted).

"If the question is of general national importance it must be referred to the Minister, who again at his discretion may refer the matter to the General Railway Council (this latter is, of course, the rule in those States where District Railway Councils do not exist). Obviously this procedure entails considerable delay, as the Councils or their committees can only meet at fairly long intervals, and if the Minister, on his own responsibility, does not see his way to grant the reduced rate, and very rarely does he do so, considerable time is involved, instances

being known not only of a delay of months but of a year or more."

I do not know the German language for this sort of thing; but an Americanism, taken from the poker table, expressively calls it, "passing the buck."

How do I know railway rates are settled by this tortuous drawn-out means in Prussia? Because it is thus set forth by Messrs. C. H. Pearson and Nicholas S. Reyntiens, in their report to the British Board of Trade Railway Conference, on "Railways in Germany."

The railway business requires action, real action, three hundred and sixty-five days in the year. And the company-system is the best for action.

The railway is, or rather ought to be, a flexible machine adaptable to the changing needs of the country's business. In new countries, growing countries, flexibility is essential, and it cannot be secured under government-ownership.

CHAPTER VIII.

THE RAILWAY COMPANIES AND THE FARMER.

It may be taken for granted that at their best the railways in Canada are no better than they ought to be, oftentimes not as good. Agreed upon this, we may safely proceed further. Under the company-system the farmers are given many advantages in transportation that are not possessed by other classes of the community. Farmers seldom give the devil his due—when the particular devil happens to be the railway. They prefer to give the railway the devil. But nonetheless, the railway gives the farmer the preference. The motive behind the giving is not favourtism; it is a business motive.

Of what does this preference consist? For it may be that some will consider I have over-stated the preferential relation of farmer to the railway in Canada.

Before the farmer becomes a farmer—if I may be permitted the expression—when he is simply a

would-be colonist, a land-seeker, he begins to share in the transportation advantages that accrue to agriculture in Canada. If he lives in the United States, as do a great many of our would-be settlers, the Canadian railways carry him over their lines to any point within the three Prairie Provinces, at the rate of a cent a mile, that he may find a home. If he is not satisfied with the lands first inspected, he may continue the search, travelling everywhere on the prairie lines for a cent a mile.

When the land-seeker has bought his farm or complied with government-regulations and become a homesteader—in other words, has made his plans to become a farmer in Western Canada—then the railways carry his car of effects to the station nearest the new home, at less than half the regular rates. To take a concrete example: while the merchant at Ottawa must pay $1.23 to ship a hundred pounds of furniture to Saskatoon, the settler may send his household goods across the 1,802 miles between these points, for 45c. per hundred pounds. If the colonist wants to put a cow—several cows, in fact, or horses—into the car, he may do so without paying an additional rate; although the

regular rate on horses is higher than that on household goods. There is still something more: if the settler wishes to travel in the car with the furniture and the live-stock, he may do so free of charge —an arrangement plainly to the advantage of the live-stock.

Settled on the land, settlers' and land-seekers' privileges cease; but there are other and more substantial privileges to come.

If the farmer has sold cattle and desires to go with them to market, he is carried free of charge; and on the return trip pays but a cent and a half per mile to Winnipeg, and travels free of charge beyond that point. To illustrate: If the farmer or drover at Saskatoon has cattle to send to Toronto, on the outward trip he may travel with his stock and pay no fare; on the return trip he pays an $18.60 fare for the 1,309 miles to Winnipeg, and nothing for the 440 miles from Winnipeg to Saskatoon. If he ships only to Winnipeg, as usually, then he pays nothing at all for his own passage, going or coming. If the farmer be an owner of pure-bred stock, he may have it carried by the railways at half the regular rates, for breed-

ing purposes. His cattle and horses—live-stock generally—are carried by the railways to exhibitions at the regular rates, but are returned to the home station of shipment free of charge.

The dairy industry has a special preference over ordinary merchandise. A ten-gallon can of milk is carried 60 miles for 26c.—and other distances in proportion—and travels in a passenger train. It is handled in the same way, delivered with the same expedition—and, as a matter of fact, usually in the same car—as express goods. The only difference is that of charge: the farmer pays 26c. instead of 72c., the regular express charge for a package of the same size and weight. The empty cans are sent home free.

The railway companies run good-farming specials, send excursions to and from the agricultural colleges, operate cold-storage cars for the handling of butter and cheese, and perform other services in the interests of agriculture, at less than standard rates, often at nominal rates. These things are important; but there are other matters more important, and to them we must devote our main attention.

Once I read a book on government-ownership in which the author urged as one of the advantages of nationalisation that the government was able through it to regulate seasonal labour movements. It was pointed out that in Germany the government, owning the railways, directed labour into the hop-growing districts of the South or North—I forget which—during the picking season. I have no doubt that is true, but the movement is not peculiar to government-ownership. The great seasonal labour movement in Canada is to the Northwest during harvest in the autumn. Then, thousands of hands are wanted, more than are to be had west of the Great Lakes, more than are to be had within the radius of several hundreds of miles. The surplus labour of Eastern Canada is required and, under the company-system, it is moved from points as far away as Moncton, N.B., in the Maritime Provinces, at the nominal rate of $12.00 to Winnipeg and ½c. per mile to stations within the prairies beyond Winnipeg. On the return trip, the labourer is again charged ½c. per mile to Winnipeg, and $18.00 from Winnipeg to his home. That home may be over 2,000 miles away, in the

Province of New Brunswick; the distance east of Winnipeg makes no difference: the rate is the same.

As a result of these low rates, the labour problem of the farmers of Western Canada is largely solved. Where the government-owned railways in Germany move men hundreds of miles, the company-owned railways of Canada move men thousands of miles to satisfy labour demands. Nor is the movement in Canada of inconsiderable volume, for it is estimated the railways carry as many as 30 thousand men annually on their harvest excursions.

I have been unable to find in the Dominions Royal Commission reports, comprehensive evidence of the rates on agricultural products, charged by the government-owned roads in Australia. Certainly, the government-ownership advocates did not put forward these rates as an evidence of the merit of government-ownership.

As everyone knows, the rates on the railways of Canada are fixed according to commodity. There are ten classifications. Commodities in Class No. 1 pay the highest rate, and commodities in Class No. 10 pay the lowest rate. Grain in bulk is car-

ried at a special commodity rate, which is less than the rate charged in Classification No. 10.

CHAPTER IX.

"BY THEIR FRUITS YE SHALL KNOW THEM"

After all, the railway is only a machine. We may admire or condemn the mechanism as a thing in itself; but the real test lies in its production. Australia sought production through a transportation-machine operated under government-ownership, and Canada mainly through one under company-ownership. Which has given the better result? Can the productions of the two countries be put into simplified forms that permit of microscopic inspection and comparison? With the reports of the Dominions Royal Commission at hand, this hitherto difficult task becomes simple; and the results based upon the findings of such high authority ought to be conclusive.

It is always difficult to measure the volume of domestic trade in any country. Annual returns for Canada, there are none; and the decennial census returns are notoriously inaccurate. But through the Customs records of imports and exports, especially exports, we are able to measure

foreign trade annually, with reasonable accuracy. We are told that imports are not an indication of prosperity. Therefore, it is to the comparative table of exports that we must look in our attempt to determine whether government-ownership in Australia, or company-ownership in Canada, has better succeeded in speeding up production.

Here is a table setting forth the exports of Canada and Australia from the first year of the present century to the year preceding the outbreak of the war, published in the final report of the Commission, issued in March, 1917. The table is on the following page.

Neither special skill nor experience is required to determine the significance of these figures. When the century commenced, Australia was $50 million a year ahead of Canada in export trade, and after thirteen years was $100 million a year behind Canada. What had happened in the meantime? Australia clung to its government-ownership of railways—or government-ownership clung to Australia—and its unprogressive methods of handling live-stock and grain and the trade of the country generally; its lack of forwardness in pro-

viding duplications in congested districts and new railways for the pastoral, arable, and wooded lands,

Year.	Canada. (a)	Australia.
Exports	Million £	Million £
1901	40	50
1902	44	44
1903	47	48
1904	44	57
1905	42	57
1906	53	70
1907	58	73
1908	54	64
1909	63	65
1910	62	74
1911	66	79
1912	82	79
1913	99	79

(a) From 1901 to 1906 the figures given are for the years ending June 30; for 1907 onwards the figures relate to the twelve months ended March 31 of the years following.

of the outlying parts. But Canada, under the company-system, having none—or few—of these

handicaps during these years 1901 to 1913, forged ahead in all these things and out-ran Australia in the race for supremacy in foreign trade.

It is true that Canada has had to pay the piper in assistance to its railways—but the something you get for nothing is usually not worth having. Has it over-paid the piper?—that is the question which alone will decide the wisdom of its course.

Imports may or may not be good for a country. Their national value is determinable only in the light of the knowledge of their nature. But in protective tariff countries they are the main source of revenue. Let us then see the comparative growth of imports in the two countries, the sources upon which customs taxes may be levied. The table is on the following page.

Thus we find the import and export tables built along the same lines. In thirteen years Australia increased its purchases abroad by 90 per cent.; and in the same time, Canada by 240 per cent. The more we sold, the more we bought: that is a rule of trade. And the more we bought from abroad, the greater the revenue to the country. Not all these imports meant money lost to the country.

Many imports, especially those coming into Canada, represent commodities intended for use in

Year. Imports	Canada. (a)	Australia.
	Million £	Million £
1901	40	42
1902	44	41
1903	50	38
1904	54	37
1905	56	38
1906	61	45
1907	77	52
1908	65	50
1909	82	51
1910	98	60
1911	117	67
1912	144	78
1913	136	80

(a) From 1901 to 1906 the figures given are for the years ending June 30; for 1907 onwards the figures relate to the twelve months ended March 31 of the years following.

further production to supply an expanding market. The imports of one year may be, and often are,

the instruments for the production of exports for succeeding years.

The total foreign trade of Australia, within the thirteen years measured by the Dominions Royal Commission, increased 62 per cent.; and in Canada, 194 per cent. A contrast in figures which requires little explanation in words. Australia is a country of infinite possibilities in agriculture and industry, standing still, or at the best crawling at a snail's pace. There is no twist or turn by which to escape the inevitable conclusion that its government-owned machine of transportation has failed, lamentably failed, to speed up production.

We have had numerous specific instances of industries retarded by lack of service, cited in the hearings before the Dominions Royal Commission; but service is not everything—so the nationaliser tells us when forced to admit that it is the product of competition. There are railway rates. They have an effect upon a country, particularly its foreign trade. In international trade, a producer's success or failure may depend upon his transportation charges and service, especially in agriculture where the products are bulky and the

margin of profit unusally low. The Commission has not been able to provide tables of rate comparison; and indeed it would have been difficult, if not impossible, to select, out of the innumerable divisions and classifications, concrete figures from which to make comparison. We have, however, the ton-mile rates for Canada and Australia; and know that those of Australia are two and a half to three times the rates of Canada. Here we have, without looking either back upon the evidence already secured against government-ownership or looking forward for more evidence, sufficient cause to account for Australia's chronic stagnation. It is true we must all pay the piper, but there is no music so dearly paid for as that played to the tune of government-ownership.

Many of the old proverbs have lost their glamour in the wear of ages, but the one which runs, "You cannot eat your cake and have it," has pretty well stood the test of time. The people have been eating and are still eating the cake, and the results from this country's trade returns show it to have been wholesome food. The main ingredient of the cake is railway rates. For fear I may be

accused of a partisan's exaggeration—for men would much rather be reminded of the ills than the good they receive from the railway companies —I shall appeal to Sir Henry Drayton and Mr. W. M. Acworth, who recently investigated the railway situation in Canada, for evidence on this point. They say:

"The average ton-mile rate in Canada in the last financial year was .751 cents. In the United States the figure was .732 cents, which is practically the same. In the United States it is coming to be generally understood that this rate is too low to give the Railway Companies an adequate return on their existing capital and that consequently new capital cannot be attracted to railway investment in sufficient amount to provide for necessary new expenditure, and this fact was to some extent recognised in October, 1914, by the Inter-state Commerce Commission in their approval of a flat increase of 5% (with certain exceptions) on all tariffs in the portion of the United States adjacent to Eastern Canada."

The Commissioners further state:

" If an average rate of .732 cents is inadequate in the United States where traffic is far more dense and where climatic conditions are less rigourous,

much more is an average rate of .751 cents inadequate in Canada."

Company-ownership in the United States and in Canada is furnishing the world's cheapest transportation; government-ownership its dearest. This is the core of the situation. A cold, hard fact which ought to have, upon the ultimate decision, more bearing than all the theories ever set down in printers' ink.

Nor is it alone in freight charges that Canada's railways provide better values than the Australian. The nationalisers, driven from the pillar of freight-charges, have fallen back upon the post of passenger rates. True, it is better backing, but still not good enough. The Dominions Royal Commission Reports contain a table of the round trip passenger fares on its several state-owned roads, and to it I have added the corresponding Canadian figures. Here is the result:

Gone are our expectations of cheap railway fares under government-ownership, wiped away by experience. We have been promised 2c. a mile by the nationalisers, and this was to be a maximum fare. There were to be other rates, less, far

Miles	Canada	Queensland	Victoria	South Australia	West Australia
25	$1.25	$1.78	$1.48	$1.62	$1.50
50	2.50	3.56	3.00	3.26	3.00
100	5.00	6.70	6.00	6.50	6.00
200	10.00	13.02	12.00	13.00	12.00
300	15.00	18.92	17.76	19.50	18.00
400	20.00	24.44	23.28	26.00	24.00
500	25.00	29.76	28.76	32.50	30.00

less, but experience shows they are not to be had in actual practice under government-ownership and operation. We should have known this; how could it be otherwise when government-operation is more costly than company-operation?

CHAPTER X.

POLITICAL OPERATION VERSUS COMPANY OPERATION.

Under government-ownership, the millions within the country are the shareholders: a good beginning which the nationalisers have mistaken for a happy ending. More than probably the wish was father to the thought. But if we want the whole truth, we cannot afford to rest here. For, although the shareholders, or at least the eligible ones, elect the directors—if we may so call members of parliament—they do not nominate them. Right here a serpent crawls into the Eden of government-ownership.

The privilege of nomination has been usurped by 442 groups of political workers, each of the 221 Federal constituencies having two of the groups. Each group consists of from 150 to 300 men—and nowadays women too—and its aim is to nominate and secure the election of a member of parliament.

There is, thus, a very real limitation upon the

public's selection of the men to direct government-owned affairs, its choice being confined to one of the two men nominated by the political groups. After all, this is not a fatal arrangement. The serpent is only of the common garden variety.

But we must go still further, if we want the truth. The two men nominated in each constituency might be selected, by the political groups for their capacity to direct business undertakings such as railways; but in reality are selected because they can command Protestant or Catholic influence; because they are French, English, or Scotch; or have several other kinds of influence; invariably because they are members of either the Liberal or Conservative organisations. This is called practical politics, and it is here the real serpent enters the garden. This time it is a rattler.

I am not finding fault with the men who compose these political groups. They are quite as respectable and quite as capable as the shareholders of the railways. Many of them doubtless are men of business ability; many of them may be railway shareholders; but, as members of the political

groups they exercise their political, not their business judgment, in nominating men who, under government-ownership, must be the railway directors. That's where the rattles come in.

The directors or members so elected are 221 in number; too large a body by far for the transaction of business. Noses are counted, and if the Conservatives are in the majority, they choose a leader, or have one already chosen—prime minister, we call him. He in turn selects an executive committee, which is called a cabinet, and the cabinet directs the government and its workings. They may do so directly, or through a commission. In both cases there is responsibility, direct or indirect; but in either case, responsibility.

Now let me recapitulate. The political groups nominate the candidates; the enfranchised elect one of the candidates as member; the members choose the prime minister; the prime minister selects the cabinet; and the cabinet appoints the commission. It is something like the House that Jack Built. At the bottom of it all, lie the political groups.

The members of the cabinet are usually men of

ability, men of the highest integrity; but they are responsible to the political groups. The cabinet and the members of parliament may have no desire to run the railways, may admit their inability to handle their complicated business interests, may seek to evade the responsibility; but they must every now and then go back to the political groups for nomination, for a new lease of political life. They may no more ignore the wishes of the political organisations than company directors may disregard the wishes of company shareholders. Yes, they may, but it is one of those things that a member does only once in a lifetime. The seat of authority lies in the life-giving body. Philosophise as you please, public-ownership is only a good sounding misnomer: political-ownership it is, and political-ownership it will always be, in a country with representative government.

It is next thing to a law of the land that the possessor is entitled to milk the cow. It is thus only natural that the political party in possession shall have the milk, may take the cream and dispose of the skim milk to whom it pleases. Think not that I maintain the companies are restrained

from doing likewise by high altruistic motives. They would probably do the same thing if they could; but, as we shall now see, they cannot.

Under the company-system, the shareholders elect a board of directors. They choose from among their own number—fellow-shareholders—men who will conserve the common shareholders' interest. Once a year these directors must render an accounting of their stewardship. Left to themselves, they would assuredly provide moderate service at immoderate rates. Their main interest is self-interest—the shareholders' interest. But they are not left to themselves, for there are usually two checks upon their actions—and in Canada and the United States always one.

The first check is competition. Two railways are better than one, so much better that it is hard to describe the difference. The people who lived in Western Canada in the days of monopoly and now have competition, know the difference. Competition is only in a narrow sense wasteful; the money lost by the railways is usually money saved by the public in the dispatch of goods and the speed and comfort of travel.

There is a second check: the Railway Board. In the United States and Canada, governments have appointed public utilities commissions which have an efficient control over almost every detail of railway affairs. They control rates; and through this control, may, and do, regulate profits. They control service and may, if they please, correct the excesses of competition or grant relief to communities who are still dependent upon one railway for their service.

A striking feature of the evidence taken in Australia, was the absence of regulating railway boards, such as we have in the United States and Canada. They are as useless as a fifth wheel to a coach, in a country with nationalised railways. A State-appointed body cannot regulate the State.

All that the nationalisers claim for government-ownership in theory, and which governments nowhere give in practice, is obtainable under the company-system regulated by the Railway Board, except the sentiment which devotees attach to the fetish of government-ownership. Self-interest provides the spur to efficiency; public-interest checks its over-reaching ambition. The result is trans-

portation, which is nowhere equalled under political or public-ownership—call it what you will.

The principle involved in this question of political versus company operation of railways, is as old as representative government. Let us give the thing a personal application. A government cannot run a railway successfully, for very much the same reasons that it cannot run a farm successfully. Most of us know that governments—barring Germany and undemocratic governments—have not succeeded at farming; but it may be that few have stopped to think of the reason why. Cut a slice from the middle of humanity, and you have one explanation, so good that you need no longer search for others. Good land, skill, and hard work, are desirable; these may be bought, but they do not ensure success. Money may make the mare go, but it won't make a farm pay. Self-interest is essential. A farm is well-run only by the men who depend upon its success for their rewards—also a railway. We may dream of a Utopia from which self-interest has been banished, but sometime or another we wake to find ourselves living in this matter-of-fact New World.

CHAPTER XI.

THE ROLLERS AND THE ROLLED

There is a sentiment surrounding the idea of the State, which conceals its real nature. When kings were bluffing the people with the old doctrine of rule by Divine Right, the idea of the State was purposely embalmed in mystery. Nor was all the embalming fluid washed off in the deluge of democracy. The nationalisers speak of the righteousness of government-ownership, in much the same voice as Charles and James used to speak of their God-given mission to preside over the destinies of Old England.

But business is business; and if the State is to go into business, let us subject it to a cold, business analysis that we may see what it is doing.

When the political organizations put forward their candidates for the suffrages of the people, they also put forth the platforms on which they are to stand; and in this manner the voting population of the country is divided in two or more parts. We are told by scientists that men naturally fall into two

groups, according to the shape of their heads. But under democracy the country at election times is not split up into long-headed men and round-headed men, but generally into groups according to their material interests.

The State in Canada and the United States, even now—without an extension of government-ownership—profoundly influences the distribution of wealth. The political organisation, realising that in a new country the paramount issue with the average man is the bank account, appeals to cupidity. Unfortunately, money does not grow on bushes, and too often to give to one man is to take from another. "It is more blessed to give than to receive," we are told, but most people seek their blessings by another route.

There has been in all countries, and in this one particularly, a fairly sharp division between the monetary interests of field and factory; and the clash, as far as governmental influence is concerned, has been, up to the present time, largely over the tariff. May I illustrate my point from Canada, at the risk of being accused of having dabbled in party politics. For, curiously enough, although we

deify the State, we anathematise the politics which create it. At the 1911 general election, the country was divided into Reciprocitarians and anti-Reciprocitarians. One group said that reciprocity was in the interests of the country, and the other group said it wasn't in the interests of the country. Getting down to "brass tacks," the one group really thought reciprocity in its own interest, and the other group thought reciprocity opposed to its own particular interest. It is true that many men honestly believed the interest of the country was at stake, but it is so easy to confuse one's own interest with that of the country. After the election was over and the ballots had been counted, it was found that the anti-Reciprocitarians were in the majority. They became the State, for the time being. In other words, the State in a democratic country is the majority.

No other way has been discovered of ruling a democratic country; and, in fact, it is a very good way if—and there are obvious disadvantages. The political organisation, put into control by the majority which may, and often does, constitute the people engaged in common undertakings, has a

temptation—it is very human—to seize upon the State machinery to enrich its supporters at the expense of the rest of the community. Often, as we know, there is little numerical difference between majorities and minorities—and the minorities may constitute a substantial part of the total people and yet be the subjects of the Sovereign People. What a difference just a few votes make?

As long as I can remember, there has been a cry that the customs tariff should be taken out of politics, but it still remains very much in politics; and it is difficult to see how it can be taken out; for to regulate international trade must be classed as a primary function of the State. The result has been a disastrous conflict of industrial and agrarian interests. I know a few men of the factory who are free-traders and a few men of the farm who are high protectionists. But, roughly speaking, the factory is the back-bone of the high-tariff party, the farm the spinal cord of the low-tariff party. The customs tariff ought, in fairness to all, to be decided on its business merits; but, decided by the State, it is settled in the committee rooms of party organisation. I shall not presume to say

who has the best of it in Canada and the United States under this particular tariff—the farmer or the manufacturer.

Let us return to the findings of the Dominions Royal Commission. It is so much more comfortable, and probably quite as useful, to take our illustrations away from home. We have seen that State action profoundly influences the distribution of wealth. Nowhere within the British Empire are the farmers in control of an autonomous State. Is this the reason that "the industries engaged in the utilisation of the land are less remunerative than city trades and the occupations of middlemen and merchants? Such, at any rate, is the finding of the much-travelled, keenly-observant, Dominions Royal Commission. It further says "too much of the profit appears to go to the distributing influence, and not enough to the primary producer. This tends to concentrate people, to an undue extent, in large cities and to withdraw them from country districts where their presence is most needed." If we recall that nowhere within the British Empire do the farmers control an autonomous State, we may well ask ourselves if the non-

farmers are manipulating the State machinery to enrich themselves at the expense of the "industries engaged in the utilisation of the land." If not, how have these industries become unprofitable? If so, then another question naturally follows: should the machinery of commerce be placed more and more within the control of those who are the State?

Searching for answer we may well go back to the Dominions Royal Commission. "In Australia more than half of the total population, already small enough for so vast a continent, dwells in few towns, nor is there any sign at present," says the Commission, "that these undesirable proportions are in course of change."

This matter is certainly worth investigating further. Turning to census statistics we find that Australia had a total population of 4,941 thousand in 1914, and no fewer than 1,948 thousand, or nearly 40 per cent. of this population, lived in the six capital cities. If the population (1,291,650) of towns exceeding 10 thousand inhabitants be included with the capital cities, the percentage is increased to 65.31 per cent. In Canada 28 per

cent. of the people live in cities and towns having 10 thousand population or more—or, at least they did when the last census was taken. We have, by far, too many living in towns; but, compared with Australia, we are a model of proportion.

So long as the State is the product of the division of men according to their means of making a living, to extend State machinery is to extend the power of one group to enrich itself at the expense of another group—and so long as the State consists of men, human as you and I are, the power will be used. This is a strong statement which many may resent; and, therefore, according to the plan I have consistently followed, it must be corroborated by evidence.

Wallace Durack, a pastoralist of Western Australia, was on the stand, and in the course of his evidence had come dangerously near discussing practical politics.

"It is very difficult to take any industry without referring indirectly to politics," he said, in apology. "However, I have avoided politics as much as possible, but you may ask me why I talk so much about the producer and the consumer. THE GOVERN-

MENT IS MORE CONCERNED ABOUT THE CONSUMER THAN THE PRODUCER," said Mr. Durack.

The inevitable clash of group interests under democracy! In Australia, the men of city and town—the majority, therefore the State—have undertaken the actual operation of the machinery upon which factory and farm are dependent and naturally are "more concerned about the consumer than the producer,"—in the matter of food products.

I do not propose to appeal to the illegitimate selfish interests—for there is a legitimate selfishness—of the farmer. The situation might some day be reversed. The farmers might come into the possession of the State machinery, might have the operating of the steam-roller of government-ownership, might be able to crush the middleman and manufacturer. But if the farmers ever become the rollers, instead of the rolled, the process will not be any the more virtuous.

Thus the majority—subject to the political organisation—being the government, does the rolling. The nationalisers must admit the fact, for it

is clearly proved by experience, and their only retort is that it is better to have the majority do the rolling, than the companies, for they would roll both the men of the farm and the men of the factory. That is the main plea for government-ownership, and it was a sound plea until State-regulation of the railways came into effect. Under company-operation combined with State-regulation, as we have seen but cannot too often repeat, the commerce of the country, the products of factory and farm, are transported on purely business principles, subject to an efficient check. And curiously enough, the State everywhere has succeeded best in a judicial capacity, has been more considerate of minorities, less greedy for itself; the majority regulating to protect its own interests, the majority inevitably regulates to protect the interests of the minority. In this way, a balance is preserved between the various interests concerned, which, while not perfect, is nearer perfection than anything else yet devised.

CHAPTER XII.

NECESSITY—THE MOTHER OF INVENTION.

When I was a boy—and that was not so many years ago—cradles and scythes were more common than binders and mowers. Nowadays, they are almost unknown. The past few decades have witnessed an industrial revolution greater than had been in the previous three hundred. It is machinery, improved machinery that has made possible the cultivation of the prairies of Western Canada; and without it the vast plains of Middle Canada would be a barren waste; without it our complicated civilisation would disappear. Yesterday I was reminded of the world's development in the sciences and the arts, by reading a book called "Eclipse or Empire," for which Dr. Gray, who was president of the Educational Science Section of the British Association when last it met in Canada, is mainly responsible. The object of the book is to show the respective parts taken by the countries of the world in the introduction of the mechanical arts, the respective contributions they have made in the various commodities and services of civilisation.

We look back to the year 1914 as the year of the commencement of the Great War; but, as a matter of fact, for the previous thirty years there had been war. It was a struggle of men, not in trenches, but in offices, laboratories, and machine shops; a struggle for industrial supremacy; and out of this titanic industrial warfare, Germany emerged a leader, a dominating leader. Dr. Gray, in an interesting digest, tracing the accomplishments of the several countries, covers the field from the insignificant but useful egg-beater, to the huge, powerful electrical dynamo.

You may be sure I turned to the chapter on railways, and here I found a list of the principal improvements, set forth in tabular form with the countries responsible for them. The list is as follows:

Underground railways	Great Britain.
Tubes	America.
Lifts	"
Overhead railways	"
Electric railways	"
Electric tramways	America and Germany.
Light railways	Belgium.

Dining cars .....America.
Sleeping cars ..... "
Corridor carriages ..... "
Baggage check system.... "
Power signalling ..... "
Track layers ..... "
Rail motor-cars .....Great Britain.
Bogie Suspension.....America.
Steel carriages (coaches).. "
Steel wagons (cars) ..... "
Superheating .....Great Britain and Germany.
Continuous brakes .....America and Great Britain.
Boilers (various types)...General.
Cylinders .....Belgium.
Motion gear ..... "
Valve gear ..... "
Compounding .....General.
Three or four cylinder practice .....Great Britain.
Oil fuel .....General.
Tank engine development.America, Great Britain and France.

Nationalisers never tire in telling us of the countries which have adopted government-ownership. They cite and recite a long list of them, and would have us believe that in clinging to the com-

pany-system we have lagged behind in the march of progress.

But where are the countries which operate railways in this list of improvers? Germany has led the way in general production; is named first by Dr. Gray among "the most efficient, industrial nations"; is cited most often as the leading exponent of government-railway operation, but is only credited twice with having brought progress to railway transportation. And then it is each time bracketed with a country having the company-system. Austria, having established a creditable reputation in more than one manufacturing process, is nowhere in the list. Where are Denmark, Sweden, Switzerland, Italy, Holland, and France? Wide awake in general production they have been overcome by the sleeping sickness of government-ownership in railway transportation.

Belguim alone of the government-operating railways, has done something worth while. But it is a something, which developed in general mechanics under the competitive company-system, has been applied to the working of railways.

Great Britain and America are the main expon-

ents of the company-system of railway operation. Is it not significant that from them has come the main progress?—significant and natural, when we reflect.

Progress in railway transportation is mainly American—the America of the United States and Canada. From these countries the world has had its electric railways, sleeping cars, dining cars, baggage check system, power signalling, steel cars, continuous brakes, track layers, things which make railway construction economical, railway travel swift, safe, and cheap. It is true that he who has not seen the world, does not know America.

It is all so natural when you know the facts. In New York, Chicago, Montreal, and Toronto, wherever railway centres have been established, there are little groups of men whose life-blood depends upon the efficiency of the mechanism which they direct. How can we make our service more attractive to shipper and passenger? they ask; how can we reduce the cost of providing our service? This is the spirit bred by competition, as applicable to railways as to the creation of any other productive process under government-owner-

ship; crushed out by the heavy hand of monopoly.

It is the old law of the survival of the fittest which has spurred men to invent, to improve, to bring their work to the highest standard. It is necessity which has been the mother of invention and improvement.

Thus it has come about that all the inventions worth while are of private initiative; all the great innovations in the commercial world, the introduction of electric power, gas, the telegraph, the telephone, the railways themselves, have been of private initiative, have depended upon private initiative for each stage in their development.

That system which has invented nothing worth while, which has innovated nothing worth while, is surely not the one on which we ought to depend for our transportation, especially if we regard Canada—and the United States, too—as on the doorstep of development.

CHAPTER XIII.

TWITCH AND MUSTARD.

Before concluding, there is one question that should be answered, and I sumbit only one, so conclusive has been the evidence against government-ownership. Government-ownership has clearly failed to supply the railway wants of the farmer; why then has Australia continued it?

Before proceeding to an answer, let us clear the decks and take a final look at the bare planks. It is the testimony of every-day railway users—farmers, merchants, and others—not theorists, that in Australia:

1. Live-stock suffers severe deterioration in quality and weight, through slow, rough handling, over the government-operated railways.

(a) In Canada and the United States, everywhere under the company-system, keen desire for business has brought live-stock trains to practically a smooth, fast, express service.

(b) Competition is seldom really wasteful. The wind that blows ill to the provider usually blows good to the user.

2. The government-roads violate with impunity humane principles by carrying cattle and sheep for days without water and feed.

(a) Punishable as a crime in this country.

(b) The State always condemns the brutalities of others, never its own.

3. The government-owned roads require the greater part of the year to move the grain-crop, although in Australia it is grown only an average distance of a few hundred miles from the sea-board.

There is no railway board to direct the supply of cars, for the State cannot regulate by one board that which the State operates by another or by itself.

4. The government has neglected to provide elevators for the handling of grain in bulk.

For years the government has had the matter of bulk handling under consideration, and has done —nothing.

5. Freight-rates are more than double those of the United States and Canada.

Government-operation is everywhere more expensive than company-ownership, and someone—

the tax-payer or the user—must foot the bills.

6. Passenger-rates are higher than in this country.

7. In certain districts there are millions of acres of arable land idle, because the government will not build railways; in other districts railways are being built to serve those that already have a line less than ten miles away.

(a) It is votes that count. Commission or no commission, the government is responsibile, and governments live by votes.

(b) The extent of service to a community under government-ownership, is measured by the strength of its political pull.

8. In the State of Western Australia the farmers have for years sought for, demanded, an agricultural college or school, and yet have none.

The State, like any other body, cannot indefinitely extend its services. Undertaking that which private capital everywhere does more effectively, it neglects to do that which the State alone can do.

9. Immigration has been practically at a standstill in Australia in the years when the United States and Canada made their great forward

movements.

(a) The railway companies of Canada have performed valued services in securing immigrants. Canada's resources are known the world over, largely as a result of the publicity produced by the railway companies.

(b) The reader may judge what the government-owned railways have done to spread knowledge of the almost unlimited opportunities for the extension of agriculture in Australia, by his own knowledge of the subject.

10. Foreign and domestic trade under Australian government-ownership has failed to grow as in the United States and Canada.

These are the main planks in the structure of government-ownership, as it affects the farmer in Australia. There are others as bad, many others almost as bad. They are the legitimate products of the government-owned railway, of the railway which is subject to neither (a) competition, nor (b) effective regulating boards—is, in other words, an unrestricted monopoly.

Why, then, in view of these things, established over and over again before the Dominions Royal

Commission, does Australia continue to tolerate government-ownership? The answers, for there are more than one, are plain after a few minutes' reflection. Most truthful answers are.

Now let us reflect. I have a twenty-acre field; its land is rich clay-loam. But each year the crop is less than it should be, for couch grass, or twitch, as we call it, has secured a footing there. It isn't pleasant to make this public confession; for I am proud, sometimes boastful, of my farm. I know full well the twitch injures the value of my crop, and now and then I make up my mind to get rid of it. I have tried to let this weed exhaust itself in a hay crop; and, cutting the hay early, have ploughed shallow the land, raked up the twitch, burned it and thrown its ashes into the lake. But somehow or other there have always been enough root-stocks left over to provide me with twitch for the next season. Please don't tell me that had I worked hard enough my field would now be clean, for I am quite willing to admit that at times I have been apathetic. That's the word I want—apathy.

Australia has kept its government-ownership,

for much the same reason that I have kept my twitch grass. Lamenting the failure of government-ownership of railways to take care of the country's transportation requirements, Australians have grown apathetic. They have a railway service of a sort in Australia, just as I have a crop on my twenty-acre field—of a sort. They have not as good a service in Australia as they would have under company-ownership, nor have I as good a crop as I would have on a clean field. It is mainly apathy which continues unserviceable highways in Canada, mainly apathy which continues unserviceable railways in Australia, and mainly apathy which allows twitch to grow in my twenty-acre field.

But government-ownership is harder to eradicate than twitch, sow thistles, tumbling mustard, or any other sort of noxious weed. There are none who deliberately attempt to sow seeds for the destruction of my crops; but there are men who make it a business—and a well-paid business, it is—to sow the seeds of noxious weeds intended to destroy the company-system and supplant it with government-ownership.

I expect that some of my readers, perhaps many of them, will think this comparison an exaggeration; and, at first thought, it does seem incredible that there are men working at this sort of trade in a British country. Clearly, I must prove my case, and prove it conclusively.

For sometime I have been collecting evidence on the subject, and will draw an illustration, ample for the purpose, from a well-filled storeroom.

Last winter Sir Adam Beck, while preparing a seed plot for government-ownership in the City of Hamilton, was reported by the "Toronto Globe" to have charged that a certain railway company "has issued bonds double the cost of the construction of the road."

The "Globe," an advocate of railway nationalisation, said the statement was made "to show the superiority of public-ownership under which 'every cent will go into construction.'" Thus there can be no mistaking the intent in sowing the seed, no mistaking the field in which it was sown.

Now as to the nature of the seed. The statement was as false as the "fowler's artful snare." It was obviously physically impossible to have built

a transcontinental railway in Canada for double the amount which was stated to have gone into the road. The railway had been slandered and libelled many a time with impunity—most railways have—for there are many who with Dumas believe that "the proper way to check slander is to despise it; attempt to overtake and refute it and it will outrun you." But this time the pitcher went once too often to the well. The "Globe" and Sir Adam were both served with notices that the railway company intended to take legal action against them.

The "Globe" man rushed to Sir Adam for confirmation of his report of the speech. To him, Sir Adam, in obvious perplexity said: "If you have set me down as saying that, I might have said it. I don't know." One would have thought that a man entrusted with the spending of millions of dollars of public funds would have remembered. Surely it is no light matter to wound the character of men, to accuse them of diverting a hundred million dollars and more from their legitimate purpose.

The day after the "Globe" had written the Com-

pany setting forth Sir Adam's loss of memory and Sir Adam's confidence in the report of its representative, Sir Adam sent a letter to the Company's solicitor. This time there was no equivocation. "I did not use the language," he said. Confronted with the conflicting statements, Sir Adam made no attempt to reconcile them, nor did he, with memory refreshed, withdraw his statement to the "Globe."

But the unpleasant character study in this incident must not lead us from the point in hand.

The "Globe" admitted (December 28, 1916) the words to be untrue; but the statement—palpably false—had been already blown across the prairies, scattering far and wide the seeds of distrust in company-ownership. "Tumbling mustard," you say. Exactly.

And this is only one of many incidents which disclose the nature of the campaign "to show," as the "Globe" puts it, "the superiority of public-ownership." If anything were required for the condemnation of government-ownership, further than the evidence from Australia, it is the detestable methods used by politicians, bureaucrats, and the nationalising press to introduce it into Canada.

CHAPTER XIV.

THE STATE, A HUMAN INSTITUTION—LIMITED.

A jug will only hold so much water, and not a drop more. And jugs are not peculiar in having a limited capacity. Everything human is so constituted. The old Arabs used to say: "It was the last straw that broke the camel's back." And so convinced are we of the truth of the saying that, having seen few camels and probably none with broken backs, we continue it. A better phrase for modern times would probably be: There is a last man who cannot be crowded into a street car. It illustrates the point.

States are human institutions, and naturally subject to human limitations. Each State must have a head; under democratic government, call him premier, call him president, he is still a man, neither omnipotent nor omnipresent. Therefore, a State like everything in this world, can do so much work, and not a bit more. If something new is crowded on to the State already working to its full capacity, something old must be crowded out.

There are certain things which a State alone can do; individual effort is either incapable or unwilling to attempt them. The dispensation of justice, the maintenance of law and order, are examples which may be multiplied many times over, and usually education is included. These things may be called primary state functions.

Some States have more capacity than others; and, as a general rule, the greater the growth of the country, the greater the capacity of the State, but —and this must be remembered—there is also a corresponding growth in the number and complexity of its primary functions. Therefore, the State seldom catches up with its necessary work, seldom has time—and, may I say, surplus ability? —expendable in doing things which individual or group energy can do as well, and better. Many imposing obsequies have been performed over State socialistic ventures, because the men who planned them neglected to recognise this fundamental truth.

There is nothing abstruse about this reasoning; it is merely common sense. The experience of Australia bears it out, as was to be expected, and

shows plainly that to assume the management of the railways—a secondary function, if it be a function at all—is to neglect services for which the people are wholly dependent upon the State.

Mr. M. H. Jacoby, President of the Council of the Fruit-Growers' Association of Western Australia, gave the Dominions Royal Commission some very interesting evidence as to the fruit-industry of that State. "Does the Agricultural Department in your State concern itself with fruit-growing as well as other matters?" he was asked.

"Not so much in the matter of teaching, although it does this to some extent, because it has instructors who go around and help the orchardists to improve their cultivation and fight the pests and so on. There is not, however, any organised department for the instruction of young men," replied Mr. Jacoby.

"Is it within its scope to undertake duties like that?"

"Yes."

"Has any attempt been made to give technical instruction?"

"My voice in support of that has been raised

for years past, but it has not come about yet."

"Is there an agitation on still in that direction?"

"I have a fly at them every now and then."

"Do not all concerned in fruit-growing in this State combine for that purpose?"

"The matter comes up regularly at our annual conference, but we remain unsatisfied."

The State of Western Australia, which has neglected, yes and refused, to provide technical education at the request of the fruit-growers—and the fruit-growers of the State are attempting to work up an export trade in fruit—in operating 3,000 miles of railway. It could have provided technical education better than private capital. It has not provided the railway service as well. It may earn four per cent. on the capital invested, for it has a monopoly and fixes rates to please its own finance; but it does not give the service.

"Is the carriage of fruit on the railway satisfactorily performed?" Mr. Jacoby was asked.

"Generally speaking, it is not. As far as our export work is concerned, it is very good indeed. But the ordinary traffic for local purposes is shockingly bad—that is to say, the handling is very

rough indeed," was the answer.

Most big national questions are reducible to a personal application. If you have not learned to do your own work well, it is folly to attempt to take on another fellow's work; it is worse than folly, for you will not only negelct your own, but the other fellow's as well. With overweening ambition, you try to throw two stones at two birds at the same time, and miss both.

Now let us go back to the State, and this time we shall stay at home. It is proposed that Canada should assume the administration of its railways. Has the State—and we have several in Canada—satisfactorily performed its work in hand? That is surely a pertinent question. If it has done this work well, there will be still room for argument, for it might not do other work usually as well; but if it has done its work badly, then that ought to end the matter. Let us ask ourselves the following questions:

1. Has our immigration been wisely handled?"
2. Have colonists been distributed throughout the country in such a way that the right man has found the right place in our economic organisation?

3. Has proper provision been made for the preservation of our forests, for the afforestation of lands which alone are suitable for forestry? The people own many millions of acres of these lands, and have charged the State with their administration.

4. Has the State properly protected the fish in our Great Lakes? Has it efficiently stocked our lakes with little fishes? The people cry out against the high cost of living, while our lakes are filled with food upon which fish may feed free of cost —now annually wasted.

5. Has the State made the most of the country's mineral wealth?

6. Is there nothing lacking in our public school education, nothing lacking in our technical education for mechanic and farmer?

7. Has the State devised proper regulations to prevent the spread of weeds and contagious diseases? Is proper provision made for reimbursing those who suffer by reason of the neglect of their neighbours in these matters?

8. Has the State efficiently administered its own laws against combinations in restraint of trade?

9. Are our common, every-day, vehicular highways well-built and well-maintained?

I might continue much longer, but sufficient has probably been asked to lead the reader into a train of useful thought. If not, there is room for further thinking in the following question: Is the State capacity not taxed to its utmost limit in administering our part of the Great War?

If the reader cannot honestly say that the State is performing these duties well, these primary functions which the State alone can perform, then, in the name of the patron saint of Service, whoever he is, how can it be successfully argued that the State should be further burdened with the administration of the country's railways?

CHAPTER XV.

CHASING THE GOLDEN FLEECE.

The spirit which led Jason of old in search of a golden fleece, is still dominant in the human breast. But with the report of the Dominions Royal Commission before us, we should no longer chase the golden fleece of government-ownership: we need no longer speculate what railway nationalisation may be; for evidence presented by this commission has shewn us exactly what has been and what is, under government-ownership in a country like our own. Our common sense should tell us whether we want Australian conditions applied to Canada. The legend runs that Jason brought back the golden fleece, but it, like the story of the nationalisers, is only a fairy tale. Rest assured, if Jason found a fleece at all, it was only a common pelt, tub-washed after shearing.

INDEX

Warwick Bro's & Rutter, Limited,
Printers and Bookbinders, Toronto, Canada.