

Editorials

THE DOMINION RAILWAY SYSTEM

During debate on the Canadian Northern legislation, Sir Thomas White announced last week in the House of Commons that the issue, in his opinion, is public ownership. According to the report published in the Toronto Mail and Empire, he said that the government "in the very near future, would take over the Grand Trunk Pacific and probably the old Grand Trunk as well."

This announcement, if the report is correct, is of the greatest importance. When the C.N.R. bill was first introduced, speeches on the government side clearly indicated a fixed decision never to take over the old G.T.R. system, but to relieve that system of the G.T.P. at a later date. But the idea of taking over the G.T.R. is apparently gaining ground with the government.

Were Sir Thomas White to go just one step further, and announce a definite decision to introduce future legislation looking toward the acquisition of the G.T.R., the country would be reassured that the purchase of the C.N.R. would then have a chance to become a profitable venture, even though as much as par were to be paid for the capital stock. Merged with the Grand Trunk, the C.N.R. would be a splendid railway system, capable of giving the C.P.R. competition of a sort which that well-managed road has never yet experienced, and capable of serving the public of Canada as they have never yet been served.

Without the benefit of the G.T.R. facilities, the C.N.R. is a "lame duck." It straddles the country from the Atlantic to the Pacific, but it has one "game leg." It needs the G.T.R. feeders in the east in order to stand firmly upon both feet.

The Dominion Railway system outlined and recommended in the Drayton-Acworth report may yet come to pass. It will be remembered that the merger of the C.N.R. and the G.T.R. systems has also been strongly recommended by W. F. Tye and other railway experts.

THE PLEDGEES OF THE STOCK

Much of the criticism of the C.N.R. bill, by the opposition in parliament, has been levelled at the "unknown pledgees." There has been insistent demand for the names of the pledgees and detailed information regarding their interest in the bill. Sir Thomas White last week stated that \$51,000,000 of the \$60,000,000 capital stock owned by Mackenzie & Mann and their associates, is now pledged to the Canadian Bank of Commerce, along with other securities, as collateral for advances.

This announcement lets light into many corners that have been dark until now. It is an announcement which should have been made by the government at the time the legislation was introduced. The government has apparently been unduly cautious in regard to the information given out concerning the C.N.R. bill. It assured the members of parliament, from the time the bill was first introduced, that the owners or pledgees of 51 per cent. of the capital stock had offered to turn their stock over to

the government, but it refused to tell who were these owners or pledgees. As a result, most people thought that Mackenzie & Mann and their direct associates had voluntarily offered to sell out to the government, and the natural inference was that Mackenzie & Mann must have felt assured of the result of the arbitration.

The fact which now comes out, that the Canadian Bank of Commerce, as pledgees of 51 per cent. of the stock, is the instrument through which the government is to secure control of that amount of stock, places a different aspect upon the financial end of the situation. Mackenzie & Mann have unofficially protested right along that they do not want the road taken over by the government, and now one can believe that their protest is sincere. It appears, upon the surface at least, as if the Canadian Bank of Commerce had decided to make the best bargain they can in regard to the sale of the stock, probably having failed to collect their loans to the C.N.R. or Mackenzie & Mann.

If this be true, the public will accept the situation with much greater equanimity, as the Canadian Bank of Commerce would probably secure, in whole or in part, the repayment of its advances from the award of the arbitrators, while possibly little or nothing might be left for Mackenzie & Mann. No one desires to see the Canadian Bank of Commerce sustain any loss as a result of its support of the C.N.R. venture. If parliament is disposed to show any consideration toward Mackenzie & Mann, even more consideration should be shown to the bank that has been financing them. It is undoubtedly to the interest of the country that the Canadian Bank of Commerce advances be repaid in full, and there is possibly no better way of doing this than by arbitration of the value of the stock which the bank holds as collateral.

At the same time, neither Mackenzie & Mann nor the Canadian Bank of Commerce should expect to cut a melon. We would again urge that some definite limit be placed by parliament as the maximum possible award by the arbitrators without further ratification by parliament.

A TECHNICAL DISABILITY

George Stephenson, after the ordeal of his appearance before a Parliamentary Committee in the early days of railways, felt himself beaten and stalled by the very clever individuals who cross-examined. They smashed to atoms the life experience of this great pioneer of steam, and pulverized his testimony, proving indeed that the facts within his knowledge were absurd; making it plain that these facts did not exist, and that a railroad was totally different from anything that Stephenson knew.

For ever afterwards Stephenson was convinced that the greatest power on earth was not steam, but "hot air." Most technicians in similar case feel the same; their executive powers very rarely aid them in the presentation of facts within their knowledge when before laymen. Expert training in engineering matters does not avail very much; the very commonest terms in daily use, universally understood in the profession, simply mystify a normal