

cause they believed it would be a national calamity to create a financial crisis while the war was on, and that so long as the road was able to meet, or nearly to meet, operating expenses it was better to defer final action until the war was over or the end in sight. However, when the government decided that they would not consider any further advances to the Grand Trunk Pacific, the whole railway question had to be considered. It was decided that the Grand Trunk Pacific could be operated under the direction of a receiver. The falling of the Grand Trunk Pacific into the hands of a receiver made the Grand Trunk System directly responsible for the securities guaranteed by them in respect of the Grand Trunk Pacific Railway. It was impossible for the government to assume the Grand Trunk Pacific liabilities and release the Grand Trunk from their obligations, and there was no question what would happen if the Grand Trunk were compelled to meet the obligations they had guaranteed; they could not possibly meet them.

Largest System on Continent

"For this reason the Grand Trunk Railway has been pressing that negotiations be continued until a final decision had been reached. The Minister of the Interior (Mr. Meighen) has already given the final results of the negotiations, and I wish now to refer a little more particularly to the position in which the government will be placed. When the Grand Trunk System is controlled by and included in the Canadian National Railway system we will have the following mileage owned, operated and controlled by the Dominion government: Grand Trunk Railway System, 5,357 miles; Grand Trunk Pacific Railway system, 2,816 miles; Canadian Northern Railway system, about 10,000 miles; National Transcontinental Railway system, 1,810 miles; Intercolonial Railway and branch lines attached thereto, 1,800 miles; or a total of 21,783 miles. That is 22,000 miles in round numbers will be owned and operated by the government of Canada. That constitutes the largest railway system owned or controlled by any one corporation on the American continent. It has always been practically understood by the people of Canada that if we wished to have a transcontinental system that could be operated economically, like the Canadian Pacific, it was necessary that the Canadian National Railway should be joined up with the Grand Trunk Railway in eastern Canada, and the two together would make a complete and economic railway system. The Canadian Northern had a splendid system from Port Arthur to Montreal, but without any branch lines or feeders in Ontario and Quebec.

"If we did not take over the Grand Trunk Railway, the government would have to spend, within the next three, four, or five years, between one hundred and two hundred million dollars in order to provide terminal facilities, branch lines and connections with other roads in the eastern provinces, and even then we would have as competitors the Canadian Pacific and the Grand Trunk. These expenditures will not be necessary if we take over the Grand Trunk. The interest charges alone on the cost of duplication of lines, construction of terminals and operating expenses would be five and a half million dollars annually if we did not acquire the Grand Trunk.

"The Canadian Pacific Railway is one of the best-managed systems in the world. It is operated on a purely business basis, and they will not allow their employees to remain in their service unless they work in the best interests of the company. That is the way the Canadian National Railways should be operated, and I have been carrying on that policy with the system we now have. I have had very little interference or requests from anyone, other than to carry out that policy with regard to the Canadian National Railways. I sometimes fear, however, that a little outside influence is being used when I see questions on the order paper of the House of Commons asking for information that will be of value to our competitors. The policy of absolute confidence in the management of the Canadian National Railways must be continued when we get the Grand Trunk Railway. We must run it on the same basis as the

Canadian Pacific runs its lines. The C.P.R. has done a great work for Canada, and the fact of the government owning and operating a system competing with that of the C.P.R. should not allow of an unfair advantage being taken of the C.P.R. We must compete fairly for traffic, and must not use our influence unfairly against the C.P.R. All the railways in Canada will be under the jurisdiction of the Dominion Board of Railway Commissioners, and no preference will be given to the Canadian National. The Canadian Pacific are opposed to the government taking over the Grand Trunk. They fear complete public ownership. They opposed the acquisition by the government of the Canadian Northern, and they will oppose the taking over of the Grand Trunk much more strenuously. The only alternative would be to hand all railways of Canada over to the C.P.R., and the people would not stand for that."

The Minister estimated that the interest charges would amount to seven million dollars on the debenture stock and two and one-half millions on the guaranteed stock. Losses on the G.T.P. would be five or six million dollars annually for some years to come. On the other hand the acquisition of the Grand Trunk would save money by rendering unnecessary the erection of terminals for the National Railways.

During the subsequent discussion in the House it developed that the number of shareholders of the Grand Trunk is 180,000, and that though the government would own the stock it could still operate the leased roads in the United States, and use the Portland Terminal. Hon. N. W. Rowell, president of the Privy Council, expressed the opinion that the only hope of success was in developing the country and increasing the traffic. Referring to present negotiations, he said: "I know there are two classes of people opposed to this proposal to acquire the Grand Trunk. One of the opponents is the other great transportation system in this country, the C.P.R. I don't blame the C.P.R. for being opposed to it. They are within their rights, but I don't agree with their opposition. The men interested in the C.P.R. know that public ownership of railways in this country cannot be a success unless we have the Grand Trunk lines in eastern Canada and merge them with other Canadian National lines. The government's investment in the Canadian National system would not prove satisfactory without the acquisition of the G.T.R. and its branches in eastern Canada, but the opposition of the C.P.R. is no reason why the government should not go ahead and do what it believes to be in the best interests of the country. Quite apart from any principle of public ownership, it is a national necessity that if we want to make our national railways pay we should acquire the lines of the Grand Trunk, and opponents of public ownership should not allow their views to prejudice them against taking over the G.T.R. and imperilling the national system of railways. I know there are a group of Montreal men that are opposed to it, but west of the Ottawa River the people are three to one in favor of it, and I imagine that if you got a little east of Montreal you would find many more people in favor of it."

MORE HYDRO EXTENSIONS PLANNED

The Ontario Hydro-Electric Power Commission has made application to the provincial government for two orders-in-council to permit of further steps being taken in connection with the proposed system of radial railways in the province. The one order-in-council is to permit the commission to enter into negotiations with the Detroit United Railway for the acquiring of the properties of the Sandwich, Windsor and Amherstburg Railway Co. and the Windsor-Tecumseh Co., which also include the electric distribution systems in the municipalities of Windsor and Sandwich. The amount involved is over \$2,000,000. The second order-in-council is to enable the commission to have by-laws submitted to the electors of the several municipalities on the line of the proposed railway from Hamilton to Elmira, via Galt, covering the estimates and agreements for the construction and operation of the line.