

# OUR SECOND FRONT PAGE

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## DROP G. T. R. DEAL SAYS IS A BUSINESS

### C. P. R. OFFICIAL IN LETTER TO PREMIER OPPOSES CONTROL

"Even at This Advanced Stage It Would be Wise for Dominion Government to Drop All Measures for Acquisition or Control of the Grand Trunk."

### WOULD RELIEVE COMPANY OF OBLIGATIONS IN CONNECTION WITH GRAND TRUNK PACIFIC

Suggests Easy Terms by Which G. T. R. Could Return Any Money Secured by Government Guarantee During the Last Two Years.

Special to The Standard  
Montreal, April 24—Under date of April 6 last Lord Shaughnessy, chairman of the Board of the Canadian Pacific Railway and former president of the company, sent the following message to the Rt. Hon. Arthur Meighen, premier of Canada, in reference to the railway situation in the Dominion:

"National Railway affairs are, I am sure, to you a source of constant anxiety. To my mind the railway question involving, as it does, such an enormous draft on the annual revenue of the country with no prospect of any improvement in the near future, is the most momentous problem before our country at this time.

"I am enclosing a memorandum giving in rough outline my opinion as to the only process through which the atmosphere can be cleared. Some people, whether they believe it or not, will find in my suggestions a solution of the part of the Canadian Pacific to control the railway situation. The Canadian Pacific has served its turn on every occasion in the past thirty years, and when schemes were being promoted with disregard of the cost to the country.

"My memorandum merely brings up to date on very much the same lines a similar paper that I prepared about the end of 1917 and sent to Sir Robert Borden. He feared, I imagine, that as my plan would apparently create a Canadian Pacific monopoly in transportation, it would be unacceptable to the country. Even if there was foundation for that theory at the time the current of events since 1917 may have resulted in a decided change of sentiment.

"I am submitting the memorandum to you with the best intentions in the world for such consideration as you may think it deserves.

Yours very truly,  
(Sgd.) SHAUGHNESSY.

The Memorandum  
In 1917 I prepared a memorandum analyzing railway conditions in Canada as it then existed and suggesting a plan of dealing with it, which I read to our directors and subsequently forwarded to Sir Robert Borden for his consideration. Evidently my views did not appeal to the government, nor the advisors from which the government that time received its inspiration on railway affairs.

Meantime conditions have substantially changed. Capital expenditures of considerable amount that might have been avoided had been incurred and the deficits resulting from the operation of the weaker lines have increased by leaps and bounds, so that the suggestions contained in the memorandum of 1917 would not now be available.

"Pocket Our Chagrin"  
It was not my purpose then, nor is it now, to discuss the railway policy of successive governments, federal and provincial, during the past thirty-five years. In most cases the legislation defining the policy received the approval of the electorate at the polls, and therefore if serious and expensive blunders were made, we should be prepared to pocket our chagrin and foot the bills with equanimity. We have, however, the obligation to try to discover and develop plans that may serve to relieve the Canadian people from some part of the distressing and dangerous financial results now in evidence and which threaten the future.

nothing to apply as dividend on the share capital.

Grand Trunk Line  
Included in the last mentioned is the Grand Trunk Railway system, which is international in character, owning or controlling important railways in the United States with terminals at Chicago, Portland and elsewhere. Having considerable portions of the Provinces of Ontario and Quebec, the Grand Trunk system enjoys a substantial volume of Canadian traffic, but its international business yields the greater part of its gross revenue. Relieved of the handicap that was imposed by the Grand Trunk Pacific, the parent company should, in normal times, be in a position to pay the annual interest on most of its securities that take precedence of the common stock, but a return on the common stock would appear to be exceedingly remote in any circumstances.

Nationally Important  
This railway system is, however, of national importance, and it would be unfortunate for our Canadian standpoint if, hampered by the methods and ambitions of previous managements, the company should be kept in a state of embarrassment and should be prevented from carrying out plans for increased efficiency and economy. It would be still more unfortunate if by any process the Grand Trunk should be placed in a position that would have the effect of destroying either on sentimental grounds or others, the movement through Canada of international traffic to and from its feeders in United States territory.

Drop All G. T. R. Measures  
Even at this advanced stage it would be wise for the Dominion Government to drop all measures looking to the acquisition or control of the Grand Trunk, to relieve the company of all obligations in connection with the Grand Trunk Pacific and to grant easy terms covering a period of years for the redemption of any amounts advanced by the Government to the Grand Trunk or secured on the credit of the Government secured in the last two years. The National Government should acquire the Grand Trunk Pacific. This was a deplorable blunder in its inception and execution. Doubtless the Grand Trunk objected to the removal from Cochrane east, and only yielded under pressure, but the eastern and western terminal of the line having been once determined, the Government was, I know, guided by the advice and wishes of the Grand Trunk management of that day in fixing the location and standard of construction.

Traffic Not Available  
While the transfer of the Grand Trunk Pacific to the Government of Canada and the consequent relief of the Grand Trunk Railway Company would appear to be a judicious transaction it is not without its justification, because when the Dominion Government was framing its policy with reference to the route and character of the line the objections and, indeed, dangers of the policy were frequently pointed out to the Government by those who had the requisite knowledge of the country and the technical experience to entitle their opinion and advice to more consideration than they received. The Government cannot escape its share of the blame.

Recognizing National Transcontinental  
Recognizing National Transcontinental portion of the route as a National incumber the Borden Government soon after coming into power, relieved the Grand Trunk Company from financial responsibility with reference to it, and the burden fell on the country.

Extravagant Construction  
The extravagantly constructed Grand Trunk Pacific with its terminal at Prince Rupert proved a most disappointing enterprise, because over a period of eight or ten years yield revenue sufficient to meet the interest charges on its mandatory securities, or indeed to cover the cost of maintenance and operation. Many of these interest charges as well as any operating deficits had to be met at regular recurring periods

### IN BARLEY GUESSING CONTEST FORD CAR WAS WON BY ERNEST WHELPLEY OF DOUGLAS AVENUE IN CLOSE COUNT

Second Prize is Awarded to R. W. Baillie of West St. John Who Guessed the Same as the Winner But Whose Coupons Were Received at a Later Date.

### NUMBER OF KERNELS OF BARLEY IN SMALL'S PEANUT BUTTER JAR WAS 7417 JUDGES FOUND

Judges Completed Their Count on Saturday Afternoon—A Number of Coupons Were Discarded Because of Failure to Comply With the Rules of the Contest.

The Ford Touring Car given in The Standard's Subscribers' Guessing Contest, in which guesses were accepted for the number of grains of barley contained in the jar on exhibition in Messrs. Macaulay Bros. & Company's window during the past three months, was won by Ernest Whelpley of Douglas Avenue, whose guess was the closest to the correct number, R. W. Baillie of Lancaster Avenue, West St. John, was the winner of the photograph. He guessed the same number as Mr. Whelpley, but takes second place under the rules of the contest because of the fact that Mr. Whelpley's guess was received in this office on February twelfth, while Mr. Baillie's did not come in until March tenth. The rules of the contest provided that in case of a tie the coupon first received would win. A number of coupons which might have been prize winners were disqualified because they were not in conformity with the rules of the contest.

The contestants of the Mayor and the report of the judges follow—  
Mayor  
THIS IS TO CERTIFY:  
That the Small's Peanut Butter Jar used in The Standard's circulation Contest and filled by me with barley on February 24th, 1921, has this day been presented to me for examination. I find the seals and fastenings intact and the jar in the same condition as when it left me.  
R. A. SCHOFIELD,  
Mayor,  
City Hall, St. John, N. B.,  
April 23rd, 1921.

The Judges' Report  
April 23, 1921.  
We, the Judges appointed to count the kernels of barley in the jar, officially certify that we found that the jar contained 7417 kernels of barley.

We find that the undersigned contestants are entitled to the prizes offered in connection with the guessing contest.

First winner, Ernest Whelpley, Douglas Ave.,	Guess 7620
150 Cremona, R. W. Baillie, Lancaster Ave.,	7420
119 Cash, D. J. Donovan, Newcastle,	7413
110 Cash, A. S. Belyea, 21 Spring St.,	7421
110 Cash, Orril Dupuis, Logzville,	7413
110 Cash, O. G. Boyer, Bristol,	7413
110 Cash, Mrs. Emery Hotham, Bristol,	7411
110 Cash, Hedley Allen, Upper Cape,	7411
110 Cash, Alfred West, Cole's Island,	7425
110 Cash, John Macdonald, 254 Douglas Ave.,	7428
110 Cash, Walter B. Scovill, Springfield,	7428
110 Cash, Donald Towers, St. Stephen,	7403
Subscription to Standard, H. A. Northrup 263 King St. W.,	7433
Subscription to Standard, P. Coyte, 254 Douglas Ave.,	7409
Subscription to Standard, Mrs. G. Staten, Bristol,	7409
Subscription to Standard, Jack Banks, (no address),	7393
Subscription to Standard, Wm. Campbell, St. Stephen,	7441
Subscription to Standard, Stephen Green, Woodstock,	7444
Subscription to Standard, Isabel K. Hampton, St. J.,	7450
Subscription to Standard, James Young, North Devon,	7450
Subscription to Standard, Leo Rioux, Edmundston,	7450
Subscription to Standard, J. B. Mayes, 34 Marsh Rd.,	7479

R. A. MACGILLIVRAY,  
WALTER H. GOLDING.

of Edmonston were untimely and disastrous. It became clear that the company must collapse unless kept alive by very large grants from the public treasury. For this there could be no justification, and the only other alternatives for the government were to permit default and liquidation or to take the property over under the terms of the act of 1914. The Dominion Government having become a partner in the enterprise by accepting 40 per cent of the share capital at a cost to the country of \$57,000,000 in subsidies and guarantees, and being guarantor of the company's liabilities to a large amount, default and a receiver's ship would have their disadvantages.

What is Suggested.  
While it is probable that in the circumstances the country's interests would be best served by the acquisition of the property it strikes one that the legislation relating to the transaction would have been the subject of less criticism had provision been made for the payment of a very substantial honorarium to the men who had devoted nearly twenty years of their lives to the establishment and development of the enterprise instead of the creation of a tribunal to determine the value of something that in the minds of the large section of the public was valueless.

The Intercolonial.  
In the annual interest charges nothing is included for the Intercolonial and Prince Edward Island railways, because these have been with us for a period as unproductive and expensive property, nor for the National Transcontinental absorbed in the consolidated fund.

According to the brief return submitted to parliament a few days ago the operating revenue of the Canadian National Railways including the Grand Trunk Pacific for the year 1920 was as follows: From passengers

### SHAUGHNESSY'S PLAN TO UNITE THE C. N. R. AND C. P. R. IN CANADA

Government Would Guarantee to Pay to C. P. R. Shareholders in Perpetuity a Fixed Annual Dividend on the Share Capital of Company.

### CANADIAN PACIFIC DIRECTORS CONCERNED WITH ADMINISTRATION OF RAIL TRUST

Political Management Would be Impossible Because Directors Must be Continuous and Unchanged by Change of Governments in the Dominion.

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