

*Co-operation*

With a view to expediting progress on co-operative measures between the Canadian National and the Canadian Pacific Railways a new committee termed the Vice Presidents' Joint Committee was formed during the year, consisting of Messrs. N. B. Walton, R. C. Vaughan and Alistair Fraser for the Canadian National and Messrs. D. C. Coleman, George Stephen and H. J. Humphrey for the Canadian Pacific.

The Canadian National section of the committee has made certain proposals looking to further co-operative measures including amongst others a proposal for the pooling of all competitive passenger traffic throughout the Dominion.

It has been agreed that subject to approval of the Board of Transport Commissioners the following additional lines of railway should be abandoned:

From	To	Province	Railway	Mileage
Arnprior . . . . .	Eganville . . . . .	Ontario . . . . .	Can. Nat. . . . .	37.91
Portage La Prairie . . . . .	Delta . . . . .	Manitoba . . . . .	Can. Nat. . . . .	14.53
Oakland . . . . .	Cawdor . . . . .	Manitoba . . . . .	Can. Nat. . . . .	11.55
Muir . . . . .	Gladstone . . . . .	Manitoba . . . . .	Can. Nat. . . . .	10.30
McGregor . . . . .	Varco . . . . .	Manitoba . . . . .	Can. Pac. . . . .	54.41
Hallboro . . . . .	Beaulah . . . . .	Manitoba . . . . .	Can. Nat. . . . .	75.19
Hamiota . . . . .	Miniota . . . . .	Manitoba . . . . .	Can. Pac. . . . .	19.80
Trelle . . . . .	Morinville . . . . .	Alberta . . . . .	Can. Nat. . . . .	12.21
Carbondale . . . . .	Egremont . . . . .	Alberta . . . . .	N. A. Rys. . . . .	29.76

With regard to the 637 miles previously approved for abandonment, progress has been made in the development of the necessary agreements between the two railways. In the case of the Canadian National line between Middleton and Bridgetown in Nova Scotia and the Canadian Pacific line between Linwood and Listowel in Ontario, with respect to which agreements have been executed, applications for approval of the abandonments have been made to the Board of Transport Commissioners, but decisions have not yet been given by that body.

*Vancouver Hotel*

The agreement covering the joint operation of the new Canadian National hotel at Vancouver was completed on July 28, 1938. The Vancouver Hotel Company Limited was incorporated under date of October 4, 1938, with an authorized capital stock of \$500,000, to be held in equal portions by the Canadian Pacific and Canadian National. The opening date of the new hotel, which will be known at the "Hotel Vancouver," has been set for May 25, 1939.

*Property Abandonments*

With a view to accomplishing economies in operation wherever compatible with adequate service to the public, examinations were continued into the possibility of abandonment of light traffic branch lines. During the year 1938 authority for abandonment was received from the Board of Transport Commissioners for the following lines:

From	To	Province	Mileage
Dombourg . . . . .	St. Marc. . . . .	Quebec . . . . .	22.25
La Jemerai . . . . .	Mont Mills . . . . .	Quebec . . . . .	6.04
Farnham . . . . .	Frelighsburg . . . . .	Quebec . . . . .	17.90
Twin City Junction . . . . .	Mackies . . . . .	Ontario . . . . .	35.40
James Bay Junction . . . . .	Otter Lake . . . . .	Ontario . . . . .	2.86

In addition to the foregoing, authority was given by the Interstate Commerce Commission to abandon 25.76 miles from Cambridge Junction to Essex Junction in the State of Vermont, forming part of the Central Vermont Railway.

*General Outlook*

The reduction in railway revenues for 1938 marks the first set-back from the slow but steady annual increase since 1933.