

to be remedied. Mr. Smith sums up his conclusions in these words:—

"Let the Canadian Pacific alone; let the Grand Trunk operate the eastern lines now held by the Canadian Northern; let the Canadian Northern operate the western lines now held by that company and the Grand Trunk Pacific system; let the government operate the connections or procure their operation by private companies; all of which should be done under arrangements that are equitable and yet look to the not distant day when the country will have survived the war and resumed its prosperous growth."

It should be noted that Mr. Smith recommends that the Grand Trunk operate east of North Bay and the Canadian Northern operate west of Winnipeg, the government to operate the lines between Winnipeg and North Bay. The writer begs to differ with the latter part of this arrangement. North Bay is not a natural junction point; and there is no necessity for any government-operated lines.

The two natural junction points are Winnipeg and Port Arthur. The Grand Trunk should have its own line to both those points and the Canadian Northern should have its own line to Port Arthur. It would be a benefit to both systems. The C.P.R. found it necessary to double-track its line between these points first, which goes to show that there two lines are necessary for a single-track business at other parts of their system. Will it not be the same with the new lines?

Why should all Canadian railways wish to become transcontinentals? There is not one in the United States, though there are systems with greater mileage than the C.P.R., which became a transcontinental on account of its being the first line in a new territory.

It cannot be shown that the C.P.R. is any more economical or serves the public any better than two separate systems with interchange of traffic at Fort William and Winnipeg. Nor was there any adequate reason for the Canadian Northern, the Grand Trunk and the government getting the transcontinental "bee in their bonnets" at the time, and starting on a race for "transcontinental or bust," than there is at the present time for saddling the country with a government-operated system that will continue the "bust" for all time.

For the government to continue to furnish the means for two independent transcontinentals at this time would be equally indefensible.

The Grand Trunk system has been limping along for over fifty years, hobbled by a foreign directorate, as everybody knows. Had it been in the hands of live men on the spot, with power to act and direct the policy of the company, it would be in a different financial condition to-day.

It is nothing new for the Grand Trunk to be hard up. Nor has it been shown that it is any worse off now than it was when Mr. Hays took hold of it, and placed it on its feet. If the government would insist upon a Canadian directorate, with all authority, at Toronto or Montreal, and arrange for a fair and equitable exchange of lines with the Canadian Northern, and abandon the policy of granting subsidies, there is very little reason to think the Grand Trunk would not survive its present difficulties.

With the elimination of Canadian Northern competition in its territory, and with the G.T.P. fixed charges taken care of by the C.N.R., and all C.N.R. business turned over to it at Winnipeg and Port Arthur, it should be able to survive and become great and prosperous.

In any event, it is the Grand Trunk's prerogative to do the worrying over the debt, and save their property if possible; not for the government to transfer it to the people. This would seem to be the fairest settlement. It

is difficult to understand how the G.T.R. can see any unfairness, still they seem to charge the government with being unfair in the Grand Trunk Pacific deal.

The Royal Commission have done a great service in showing that the firm of Mackenzie and Mann have not profited any at the expense of the Canadian Northern Railway Company. All will be glad to know this fact, as it has been generally thought that the Canadian people were stall-feeding the Canadian Northern cow, while Mackenzie and Mann were doing the milking.

The report should give renewed confidence in the Canadian Northern management and in the whole situation. Almost all great railway systems have grown up from small beginnings as the life work of one master mind that has grown with that system from the beginning. One of the most successful of these is the Canadian Northern under the financing of Sir William Mackenzie and the constructive direction of Sir Donald Mann. They have not wasted their means on bad construction or financing, and until the present war they never defaulted in interest payments. Their one mistake seems to be that they felt divinely inspired to emulate the Canadian Pacific in constructing a transcontinental railway, with great hotels and ships; and had it not been for circumstances over which they had no control, they would have succeeded.

Now it appears to be proposed that this Napoleon of finance, whose education in the particular line has been his life work, and whose education has been contributed to by the Canadian people to the tune of 298 millions of dollars, shall be deposed and his physical properties placed in the hands of five trustees.

If it were possible to find suitable men for trustees to replace Sir William, which it is not, the fact that two of them are not supposed to be railway men, or give their whole time to the project, would still leave the proposition a huge joke. Any man entrusted with the responsibility of an undertaking such as this, and not required to give his whole attention to it, cannot be otherwise than a figurehead.

The Canadian Northern is not insolvent. It may be a fact that if the men at the head of its affairs be eliminated, and the property placed on the market at forced sale, it would not realize anything; but with the efficient management that may be expected from the directorate who look to the common stock for their compensation, it is far from insolvency. The fact that their financial affairs have been brought prominently to public notice lately is in itself unfortunate, tending to create distrust.

Now, anybody can point out supposed flaws in any scheme that may be proposed for a settlement of the great Canadian railway problem, but that is not the writer's present object. The object is rather to call attention to what seem to be a few pertinent points not fully brought out in former discussions. The writer's opinions may not be of much value, but after some study of the various proposed solutions they appear to cover the case, and at any rate cost nothing. On the other hand, if they prove of any value to anyone, the writer will feel repaid. The writer's proposition follows:—

The government should insist upon the Grand Trunk head office being moved to Montreal or Toronto, with all authority to direct. The G.T.R. should not be released from responsibility for the Grand Trunk Pacific. It should take over the C.N.R. lines in the East, or as many of them as can be made to pay operating expenses, also the N.T.R. to Winnipeg and the branch to Port Arthur. This should be done by a mutual arrangement between the