

Canada. Seven millions of capital stock of the Company having previously (1913) been transferred to the Government as consideration for subsidies, the people of Canada in 1914 were to become the owners of ~~\$40,000,000.~~ of capital stock, while the former proprietors of the Canadian Northern railway owned \$60,000,000. of the stock, which at that time was increased to \$100,000,000.00.

That was the first decisive step towards what might be called tacit acquisition, which would in days that were to come and which we have ~~seen~~ seen, make formal acquisition practically unavoidable.

You will recall also that in 1915, Chap.4 of the Acts of that year, provided for a loan to the Canadian Northern railway and that by the appropriation Act (No.2) p.36 of the statutes of 1916, a further loan of \$15,000,000. was made to the same company, making a total for two years of \$25,000,000.

In 1917, Sir Thomas White, then Minister of Finance, gave a statement of the railway situation wherein he enunciated the policy of the Government, which was to acquire the outstanding capital stock of the Canadian Northern railway amounting as I have said to \$60,000,000. in the hands of private owners and pledges.

In accordance with that policy, Ch.24 of the statute of 1917, was passed for the acquisition by His Majesty of the outstanding six hundred thousand shares of the Canadian Northern Railway at a price to be fixed by arbitration. Pursuant to sec.3 of ch.24 of 1917, \$25,000,000 was voted before the award was rendered, for the purpose of sustaining the financial affairs of the Canadian Northern.

As to the award itself, the amount to be accorded had been