us for a moment consider the railway situation in Canada. We have what might be termed three main classes:

1. *Publicly owned,* as for instance (a) the Intercolonial Railway, (b), the National Transcontinental Railway;

2. *Privately owned,* the Canadian Pacific Railway being in this class, and

3. *Privately owned with large government guarantees,* the main ones being (a) The Canadian Northern Railway system, and (b) the Grand Trunk Pacific Railway.

If the latter group continue to meet their obligations they will in time pass into the second class. We all know what happens to the endorser should there be any failure to meet the obligation.* While I have been unable to verify the amounts of these guarantees, it would look as if the Dominion Government's direct responsibility by way of loans and endorsements, is not far short of $200,000,000, and that of the Provinces, probably half that amount. Should all Government (Dominion and Provincial) authorized railway guarantees eventually be earned, they will amount to about $400,000,000. I am not going to borrow trouble by discussing that matter.

It is useless to look to our neighbours for any help in the solution of our railway difficulties. They, too, have difficulties. With them there is a growing unrest for something better, though it is generally understood the public is getting transportation services at figures as low as possible under existing railroad conditions. It may mean in the United States a re-arrangement of their great railway systems whereby each would be given a certain zone of territory and within which the controlling system would have the right to acquire all "foreign" lines—such a scheme would permit each to gradually re-arrange its lines looking to the maximum of traffic with minimum mileage, and further give services only to meet the busi-

*The Finance Minister, addressing the House of Commons on May 8, 1916, in referring to the aid rendered the Grand Trunk Pacific and Canadian Northern Railway Companies, said, (1) "The provinces of Saskatchewan and Alberta have given their guarantees in connection with the Grand Trunk Pacific Branch Lines Company, which is a subsidiary of the Grand Trunk Pacific Railway Company, to the amount of $13,000,000, so that, in round figures, the position, so far as the Grand Trunk Pacific Railway Company is concerned, is that it has outstanding securities guaranteed by the Dominion Government to the extent of $78,000,000; it has obtained loans from the Dominion Government to the amount of $25,000,000, and the Grand Trunk Pacific Branch Lines Company has issued securities to the amount of $13,000,000, guaranteed by the provinces of Alberta and Saskatchewan. Therefore in connection with the Grand Trunk Pacific Railway Company, the public credit of the Dominion and the two provinces in question is involved to the extent of no less a sum than $116,000,000; and