

HYDRO DOES NOT FAVOR C.N.R. NATIONALIZATION

Deputation Presents Resolution of Protest to Sir Robert Borden—Mr. German, of Welland, Hits Hard at White and Rogers.

AT a joint meeting of the executives of the Ontario Hydro Radial and Municipal Electric Associations held last week in Toronto, the following resolution of protest was adopted in regard to the government's \$7,500,000 grant to the G.T.R., and the proposed purchase of the C.N.R.:—

"Whereas the municipalities of Ontario, through the Hydro-Electric Railway Association and the Ontario Municipal Electric Association on June 19th last passed resolutions which were duly forwarded to the honorable the prime minister and other members of the federal government opposing the granting of any further sums of public money or the extension of public credit to any of the private railway companies.

"And whereas the municipalities of the province, to the number of several hundred, have endorsed this action and passed resolutions along similar lines, which were also duly forwarded.

"And whereas many of the municipalities further requested that before any action be taken by the government in regard to approving any such aid, the municipalities be given an opportunity to present protests.

"And whereas the honorable the finance minister, on Wednesday, August 1st, presented to the House a proposal providing for the taking over of the Canadian Northern Railway as a public undertaking and paying for the common stock of the company on a basis to be arrived at by arbitration.

"And whereas the taking over of the Canadian Northern on the lines suggested is absolutely opposed to the recommendations of the Royal Commission, which was appointed by the government and which, after careful study of the railway situation in Canada, stated emphatically that the common stock of the Canadian Northern Railway had no actual value. (Page xlv. xlv.).

"And whereas the Dominion Act of 1914, chapter 20, relating to the Canadian Northern Railway, provides that upon default in the payment of their obligations under any of their securities, all their equity rights, properties and holdings shall be forfeited, and by order-in-council the government shall replace the board of directors, taking absolute control of the road.

"And whereas, by the resolution of the honorable the finance minister, the recommendations of the Drayton-Acworth reports are disregarded and a situation presented which involves upon the country a liability to pay for stock which was admitted to have no value. The country would, in addition, be called upon to assume all obligations of the Canadian Northern Company.

"And whereas the Canadian Northern Railway Company will not only retain its entity, but may also be under the same control and management as heretofore, which is again contrary to the recommendations of the Drayton-Acworth reports.

"And whereas the honorable the finance minister, on the same date, presented to the House a proposal to loan the Grand Trunk Pacific Railway the sum of seven and one-half millions of dollars.

"And whereas the granting of this loan is in direct opposition to the recommendations of the Royal Com-

mission, as well as being against the wishes and best interests of the people of Canada.

"Be it therefore resolved that the municipalities, members of the Hydro-Electric Railway Association, representing the majority of the electors of the province of Ontario, vitally interested in transportation problems, strongly protest against the method of taking over the Canadian Northern Railway, believing that the provisions of the mortgage given by the Canadian Northern Railway in 1914 should be enforced, and that the present management should be divorced completely from further control or management of the system under whatever name it may be taken over.

"And further protest against the granting of any further sums to the Grand Trunk or the Grand Trunk Pacific Railways or the releasing of the Grand Trunk from any of its obligations in connection with the Grand Trunk Pacific and demand that the Grand Trunk should be called forthwith to carry out its agreement respecting the Grand Trunk Pacific Railway."

The above resolution was presented to Sir Robert Borden and the cabinet by a large deputation headed by Sir Adam Beck.

Says G.T.R. Should Be Included

J. W. Lyon, of Guelph, who presided at the meeting, declared that if the government had the control of the Grand Trunk Railway System it would save the building of a thousand miles of railways, the duplication of lines and expenditure of a great deal of money. In 1914, he said, the government had secured a mortgage whereby the C.N.R. could be taken over by an order-in-council in case of failure to meet their obligations. He was sorry to say that in the government's recent proposals no mention was made of that mortgage, and instead of taking over the road by order-in-council an arbitrated sum of money was to be paid to Mackenzie and Mann.

The Hydro and the municipalities object to paying the Grand Trunk any money, he said. If the Grand Trunk and Canadian Northern were both to be taken over, they would form a fine system with which to compete against the C.P.R., but he said that the present proposals were not attractive to the people of Ontario.

Mayor Church, of Toronto, said that the recommendations of the Drayton-Acworth Commission should have been adopted. The proposals of the government were a black-eye to the Hydro Radial interests in Ontario.

T. J. Hannigan, of Guelph, said that the capital stock of the C.N.R. has no value on a cash basis or earning power.

Debate in Parliament

The plan to acquire the C.N.R. was the chief topic of debate in parliament last week. Sir Thomas White was the main speaker in defence of the plan, while the attack was carried on chiefly by Hon. Wm. Pugsley and Hon. W. M. German, of Welland.

The plan to decide the value of the C.N.R. stock by arbitration met with strenuous opposition from Mr. German, who said that there would be strong influence behind the arbitrators. He accused the minister of public works of having been associated with Mackenzie and Mann throughout their careers, and said that the men who would benefit by the government's proposals are personal friends of that minister and had placed him in office. He asked that the valuation be made by Sir Walter Cassels, senior judge of the exchequer court.