

Hon. Mr. EULER: That suggestion, Mr. Chairman, was embodied in a resolution in the House some years ago.

Sir HENRY THORNTON: I can only give you my own judgment as one who has had some experience in railway enterprises, and I say that to abandon our entrance to the Chicago gateway and to abandon the opportunity for traffic on the Western Lines, and to abandon the opportunity for traffic in the State of Michigan would be nothing but catastrophic and it would have a very serious detrimental effect upon the revenues of the Canadian National Railways.

I do not want you to accept my words for this. Some of you may think I am speaking as a prejudiced party; but I would like Mr. Hungerford, who has been connected with the property for a number of years, to say what he thinks about it. I think you should have the opinion not only of myself but of the other officers of the company who are familiar with its operations.

Mr. HUNGERFORD: Mr. Chairman, all I have to say is that I agree with Sir Henry Thornton in what he says as to the Grand Trunk Western. In my opinion it would be a disaster to have that line separated from the Canadian National Railways system.

Incidentally, in connection with the capital expenditure on the Grand Trunk Western, it might be of interest to point out that a rather large proportion of our capital expenditures over there is for grade separations, which of course we are compelled to carry out.

Mr. DUFF: What about your answer, Mr. Chairman, to the question about capital expenditures?

The CHAIRMAN: That has been satisfactorily answered. I wanted to know what the capital expenditures particularly consisted of.

Sir HENRY THORNTON: They have been for things which it was difficult if not impossible to escape. And may I just go on for a moment? The Canadian National railway, with respect to its lines in the United States, might be described as a visitor. I can only say that in so far as that is concerned, we have received the most extraordinarily friendly treatment from all of the public authorities in the United States and the Inter-State Commerce Commission itself. Our relations with that Commission have been most agreeable. There has never been any question raised of nationality with respect to our ownership; and far from finding what you might possibly expect, a feeling of resentment that a foreign government should own lines in another state, we have been received with all the courtesies and with all the kindness which is extended to a visitor within a man's house. They have helped us and they have, if anything, given us the best end of it; and when it comes to the interchange of traffic and the examination of traffic by the Customs Department at points where we cross the border of the United States, the United States authorities have accepted our suggestions and have accepted our examinations; have even in the matter of examination for the possibility of concealed liquor shipments, taken the words of our inspectors; and all I can say is that we have been extraordinarily well treated and there has never been the slightest feeling of resentment.

Mr. POWER: Sir Henry's words are an incentive to boot-legging on the Canadian National Railways, and should be excluded from the record.

The CHAIRMAN: Now, just a word. We have had Sir Henry's explanation with regard to the Grand Trunk Western, and there is one other line which has been the cause of considerable irritation, especially in the Maritime Provinces, and that is the Portland Line. As I understand the situation, that line is not being used to the same extent as it formerly was used, because of objections from Saint John and Halifax, and I would like to know if there is any possibility of ridding ourselves of that particular piece of line, because if we cannot use it, it might be well worth while to hear Sir Henry's statement about it.