

If our lines ended at the Detroit River, we would be in an exceedingly disadvantageous traffic position. We would have no direct entrance to the important Chicago gateway, and we would not be in a position to command the traffic which we now command from industries located on our lines in Michigan, which represent the General Motors, the Ford works, the Chevrolet and all of the important automobile manufacturing concerns in the United States, or at least most of them.

Not only is that traffic so derived of value to the Canadian National Railways itself, but it also pays a tribute to Canada in this sense. Every carload of automobiles which we ship from the State of Michigan to either the Niagara gateway or the Montreal gateway and down into New England, or any carload of general traffic which so originates, results in the employment of just that many more Canadian enginemen, firemen, brakemen, conductors, trackmen and others who are employed on our railways. That is to say that we not only make money out of that traffic in itself, but it adds to the potential employment which we can give to employees of the Canadian National Railways because that traffic passes through Canada.

The Chairman is quite correct. I said, I think it was two years ago, that the position of the Grand Trunk Western was exceedingly satisfactory and that I anticipated that that property in the future would be an asset, in so far as it would carry its own expenses. But there was a depression which hit us, as you all know, in the autumn of the year 1929, which peculiarly and particularly affected the automobile business; many works were closed, many others were partly closed and there was a reduction in traffic similar to that which afflicted every other railway on the North American continent, and which two years ago I never anticipated, not for one moment.

Notwithstanding that, I still feel that the position of the Grand Trunk Western and the Central Vermont, to which I will refer in a moment, immeasurably strengthens the traffic position of the Canadian National Railways and materially contributes to our gross revenue and distinctly are assets to the people of Canada as a whole, particularly to those who live in the Province of Ontario and the Province of Quebec.

The Central Vermont has been a peculiarly satisfactory railway. That went through a receivership, and last year for the first time in the history of the railway, it not only made all of its fixed charges but had a surplus of somewhat more than \$150,000.

I have often heard the opinion expressed that we should not own any railway lines outside of Canada, that we should divest ourselves of the Grand Trunk Western Railway—

Mr. HANSON: I do not go that far.

Sir HENRY THORNTON: But I have heard that view expressed.

Mr. CANTLEY: I go that far, Sir Henry, and I think the day will come when many other people will go that far.

The CHAIRMAN: I have understood that the management of the road has suggested such a thing as that themselves, and I would like that gone into a little by Sir Henry.

Sir HENRY THORNTON: Mr. Chairman, I do not think any responsible officer of the Canadian National Railways, and certainly not myself, ever suggested that. I do not think there is an official of the Canadian National Railways that would contemplate the divestment of the Grand Trunk Western and the Central Vermont as being any thing but a catastrophe.

The CHAIRMAN: Provided you had some arrangement for running rights?

Sir HENRY THORNTON: I cannot conceive of running rights which would be the equivalent of our present rights.