

Northern guarantee legislation of 1914, will make the Canadian people absolute owners of the Canadian Northern Railway System.

- Whatever money they expend in payment of fixed charges, for betterments, or for rolling stock, will, in future, enure to their direct and sole benefit. The Government felt, however, that while public ownership and control of the stock of the company was for the national good, it was desirable, in the interests of efficiency of management, and for the purpose of financing, that the system should continue to be administered as a corporate entity. In other words the road shall continue to be operated through a boards of directors and will not, as in the case of the Interoceanic, be under the immediate direction and administration of the Minister of Railways. Parliament will, of course, through the Government, name the boards and exercise final control, but the boards will to all intents and purposes be independent and, through their executive officers, administer the system.

In acquiring the 600,000 shares of Canadian Northern stock for the public, **the Government recognized the simple British principle that if the shares possessed any value, the holders should be paid for their property.** It was determined that an able and impartial tribunal should hear, not only one side alone, but both and decide what, if anything, the shares were worth. Consequently, it was proposed to have the value of the stock determined by arbitration after the method recommended in the Drayton-Aeworth report. A board of arbitrators has been constituted, one arbitrator (Sir William Meredith) named by the Dominion Government, one by the owners or pledgees of the stock, and the other to be chosen by these two. In case of non-agreement in regard to the third arbitrator, he will be named by the senior judge of the Exchequer Court. In the event of these arbitrators failing to agree upon the value that should be given the stock, it is provided that there shall be an appeal to the Supreme Court of Canada, both as to law and as to facts.