

## Editorial

### MR. CHAMBERLIN'S STATEMENT.

Mr. E. J. Chamberlin, president of the G.T.R., has issued a statement to the public taking exception to a number of figures quoted in the majority report of the Railway Commission. At the time the report was issued Mr. Chamberlin wrote to his shareholders saying, "At a later date a full statement with regard to the company's position will be made," so it is to be presumed that the statement now given out, which occupies about three and a half newspaper columns, is the full statement to which Mr. Chamberlin previously referred and represents the full comment that the railway has to make upon the commission's report.

If this is so, it is particularly noticeable that no reference whatever is made to Grand Trunk Pacific finances and but very little to the capital expenditures said to be required by the Grand Trunk Railway.

Mr. Chamberlin's statement is devoted entirely to showing how the G.T.R. compares with other Canadian and United States railways from the standpoint of equipment and business done, and to pointing out that the twenty-one million dollars which the commission refers to as being required for maintenance, are not all deferred maintenance charges but partially deferred capital charges. Mr. Chamberlin's figures regarding the equipment of the road, business done and revenues received are no doubt correct, but there will be considerable wonder by the public as to why a road which has been doing so well should be in any way backward in its expenditures on either maintenance or capital account. Mr. Chamberlin shows operating revenues of \$10,983 per mile, compared with \$9,593 for the C.P.R. He shows 5,675 freight train miles per mile of line, compared with 3,511 for the C.P.R.; and also 2,322 passenger train miles per mile of line, compared with 1,399 for the C.P.R. If judgment is to be based on these figures alone, the Grand Trunk could well be expected to be richer than the Canadian Pacific.

Mr. Chamberlin says that only \$13,104,998 is really the total of the deferred maintenance expenditures, and that the remaining \$8,076,347 of the \$21,181,345 quoted by the commission as being deferred maintenance charges, should really be considered as deferred capital expenditures. Of the \$13,104,998 which he himself calls deferred maintenance expenditures, \$11,761,598 are for maintenance of way renewals, and even of this sum Mr. Chamberlin says that \$1,846,900 are truly capital expenditures, being for tie plates, rail anchors and farm tile in cuts.

It is to be hoped sincerely that the railway commissioners are wrong and that Mr. Chamberlin is right in these matters. Everyone in Canada will rejoice if these facts are correct. The fewer deferred renewals the G.T.R. has, the better for the country. If the G.T.R. can take care of its renewals, and has sufficient command of capital to make the necessary improvements, and meet all its obligations, the government should allow it to be continued as a private road. But Mr. Chamberlin does not show how he intends to catch up even on the \$13,104,998 of deferred maintenance charges; and he passes very lightly over the main item of the thirty-million-dollar capital expenditure said to be re-

quired (namely, twenty-six million dollars for rolling stock, shops and machinery); and he ignores entirely the obligations of the G.T.R. to the people in respect to the G.T.P. The only phases of the report to which Mr. Chamberlin really offers an apparently adequate reply are two charges, (a) that the Grand Trunk's freight-carrying efficiency has greatly decreased, and, (b) that the Inter-colonial has not been properly served at the Montreal terminal.

Mr. Chamberlin was examined under oath by the commissioners at Montreal on February 24th, 1917. The report of the commissioners includes extracts from the shorthand report of that examination. Mr. Chamberlin then said in part:—

"We can no more carry out that contract with the government than anything in the world. \* \* \* The fact is that the Grand Trunk is not able to contribute anything toward paying its own security holders and making the improvements the people of Canada demand and the business of Canada require. \* \* \* We would not likely have paid any dividends last year if we had paid out all on the Grand Trunk that we ought to have paid for betterments. We have not put in any rails for two years past, of any account. \* \* \* I bought about 10,000 cars the first year I was here. They were all charged to capital account. We should have had a reserve fund for taking care of them. We now have to go and do the same thing over again. \* \* \* If we had twenty-five million dollars now, it would put us in fine shape. \* \* \* That is one reason I am fighting so hard for that twenty-five million dollars. I want to spend it here on the Grand Trunk. \* \* \* I do not mean to say that the rails are dangerous. But we must put in a certain percentage every year. If we go for a couple of years, the first thing we know we will have a lot of rotten rails."

It is not easy to reconcile this evidence with Mr. Chamberlin's public statement. Nevertheless, the fullest consideration should be given to Mr. Chamberlin's statement by the government and by the railway commission; and as this is a subject upon which the public should be fully informed, so that public opinion may be correctly shaped, the Railway Inquiry Commissioners might very properly issue a later statement that would make any amendments to their previous report such as might appear advisable in the light of the facts brought out by Mr. Chamberlin's latest statement.

And the Canadian Northern System is yet to be heard from. If the heads of that railroad have any exceptions to make to the commission's report, it would be well for them to take the public into their confidence and to issue a frank statement of their position just as has been done by Mr. Chamberlin.

### FOREIGN TRADE.

The growth of our foreign trade during the past few years has led many to believe that this business will be retained after the war. Most of the foreign trade we are getting now, however, is being given to us.

After the war, with every nation keen to obtain new business, we will have to go into foreign markets and get