

at a time when the financial needs of the war make it essential that that credit be not impaired. And it was out of question because it would have dislocated and crippled operation of the road at a time when both domestic and war needs make it vital that transportation service be of the most efficient character.

Further financial aid to the company presented features almost as undesirable as a receivership. In the first place such a policy would have disregarded one of the main recommendations of the Drayton-Aeworth report. In the second place it is doubtful whether aid so rendered would have furnished permanent solution of the difficulty. And, finally, in view of past generous aid granted the Canadian Northern from the public treasury, in the way of subsidies, guarantees and loans, a policy of continued assistance would have done violence to public opinion. Further financial aid was clearly inexpedient if not impossible.

Therefore, the Government reached the conclusion that if, in order to prevent receivership or liquidation with attendant disastrous results, aid of some kind was necessary, that aid ought to be given to a road the whole of whose capital stock is vested in the people of Canada, so that the Canadian people may receive any benefit and advantage derived from the aid so given. In other words it decided that no further assistance should be granted to the Canadian Northern Railway Company while it was privately owned and controlled.

WHAT THE GOVERNMENT DID.

Accordingly, the Government, on August 1, 1917, brought into Parliament a measure providing for public acquisition of the \$60,000,000 of stock that is privately owned in the Canadian Northern Railway System. This stock, added to the \$40,000,000 worth of shares which the country acquired under the Canadian