

There is attached to the bill, as a schedule, an agreement between Great Northern Railway Company, which is known as Great Northern, and Northern Pacific Railway Company, which is known as Northern Pacific.

These two companies will merge under this merger agreement, and the subsequently merged company, which is Great Northern Pacific and Burlington Lines Inc., is going to merge with Chicago, Burlington & Quincy Railroad Company. This will involve some 24,000 miles of track in the United States.

As far as Canada is concerned, the Great Northern operates about 130 miles of railway in the Province of British Columbia which it, in turn, acquired from the Vancouver, Victoria and Eastern Railway and Navigation Company, and from The Nelson and Fort Sheppard Railway Company.

The lines run in four parts. One runs from Blaine, Washington, up to Vancouver, B.C. The second runs from the United States border to Keremos. The third runs from the United States border to Nelson, B.C., and the fourth is part of a line between Kettle Falls, Washington, and Republic, Washington, which just loops up over the border and serves Grand Forks, B.C. Another company which is involved in the merger, but with which we are not concerned, is Pacific Coast Railroad Company which operates some 20 miles of railroad track in Seattle, Washington, but which does not affect this line in Canada.

Great Northern actually owns these 130 miles of track in Washington and British Columbia and operates it. Great Northern and Northern Pacific each own one-half of a company called Midland Railway Company which operates between Emerson and Winnipeg, Manitoba. Midland owns only a few miles of track in Winnipeg itself and some rolling stock, but it has a trackage agreement with the C.N.R. whereby it is permitted to operate trains on C.N.R. tracks between Emerson and Winnipeg.

The only other point that is relevant so far as the merger is concerned is that the merged company is going to enter into an arrangement with the Spokane, Portland & Seattle Railway Company to lease its lines.

The result will be, as I have said, that the company will operate some 24,000 miles of railroad line in the United States. I am advised it will be the longest railroad company in the United States—that is, in terms of the number of miles of track.

What is the effect of this going to be in Canada? In the first place, there has always been a close family relationship between Great Northern and Northern Pacific in the United States—

The CHAIRMAN: Those were the Hill lines, were they not—James J. Hill?

Mr. L. E. Torinus, General Counsel: That is correct.

Mr. FINLAYSON: These lines almost parallel each other going across the northwestern United States. As I have already pointed out, each owns one-half of the operation of the Midland Railway Company which runs between Emerson and Winnipeg.

The two of them together own 98 per cent of the stock of the Chicago, Burlington & Quincy Railroad Company, which will come into the merger later on. Each owns 50 per cent of this 98 per cent.

In addition, each owns 50 per cent of the stock of the Spokane, Portland & Seattle Railway Company, which is the company it is proposed to lease the stock from.

Each has its head office in St. Paul, Minnesota. In fact, they share the same building. This community of interest has existed for quite some time, and as a practical result of the merger there is not going to be any change in the operation in Canada.