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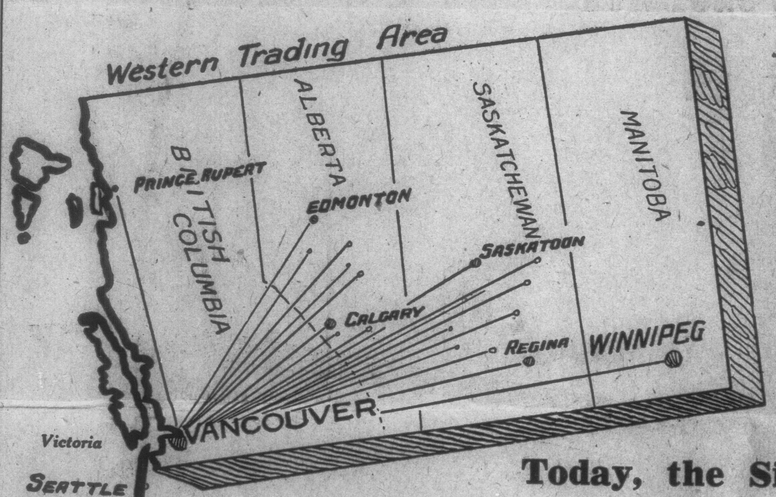
PANAMA CANAL DIVIDES CANADA

THE Panama Canal has divided Canada into two transportation areas and into two trading areas, the dividing line being close to Winnipeg. In future, all territory east of Winnipeg will be served by Atlantic ports, and all territory west of Winnipeg will be served by Pacific ports. Efforts to violate this economic truth can only result in loss to Canadians.

YET Canadian manufacturers are being forced to do business just as if the Panama Canal did not exist---are rapidly losing the markets of the West and British Columbia to United States and to European firms who handle Canada as two markets; serving the eastern trading area through Atlantic ports and western trading area through Vancouver.



Today, the Situation Is This:

It costs to ship a piano by water from New York to Seattle or Vancouver, $6.00; it costs to ship the same piano from Montreal to Vancouver, c.l. $35.00, or l.c.l. $60.00.

It costs to ship an ordinary bath tub from Trenton, N.J., to Seattle or Vancouver, $7.00 less than it costs to ship the same tub, all rail, from Toronto to Vancouver.

And what applies to bath tubs and pianos, applies to everything consumed by western markets.

The benefit which Canadian manufacturers should enjoy because of our Canadian tariff, is today more than offset because Canadian manufacturers are confined and compelled to use uneconomic all-rail transportation westward instead of being allowed to ship through the port of New York and the Panama Canal. And what applies to eastern manufacturers, applies to western lumber men, who should be allowed to ship their lumber to Eastern Canada through the port of New York.

Ottawa very properly allows goods to be shipped all-rail from Toronto to Vancouver through American territory, in bond; Ottawa allows European goods to come to Canada through the port of New York, in bond; yet Ottawa is refusing eastern and western Canadians the right to economically do business with each other through the port of New York and the Panama Canal.

HOW LONG CAN THIS LAST?

In Shanghai, they haul freight on the backs of Chinese coolies in place of using railways, because they are afraid that modern machinery will put the Chinamen out of work. Until China abandons such ignorant and uneconomic methods, how can she expect to compete with the western world?

In Canada, we are attempting to haul, clear across the continent, on pounding rails and wheels, freight which our American cousins glide through waters of the Panama Canal at one-tenth our cost. Until we in Canada abandon such ignorant and uneconomic methods, how can we expect to compete with the United States?

How long can we continue to pile on the backs of Western consumers the burden of uneconomic, all-rail transportation on the products they grow, and on the goods they buy?

How long can eastern manufacturers hope to enjoy and hold the markets of the West and of British Columbia, competing with outside manufacturers who use cheap water transportation and sell to Canada as two units?

Self-protection for Canadian business demands that our railways develop and intensify the short rail haul to and from tide water. This necessitates equalized freight rates, and the immediate appointment of a Canadian Customs Officer at the Port of New York.

Victoria
SEATTLE
PORTLAND
SAN FRANCISCO
MANZANILLO (MEXICO)
PHILADELPHIA
BALTIMORE
NEW ORLEANS
WEST INDIES

Prepared and Published in the Interest of the People of CANADA by THE VANCOUVER SUN

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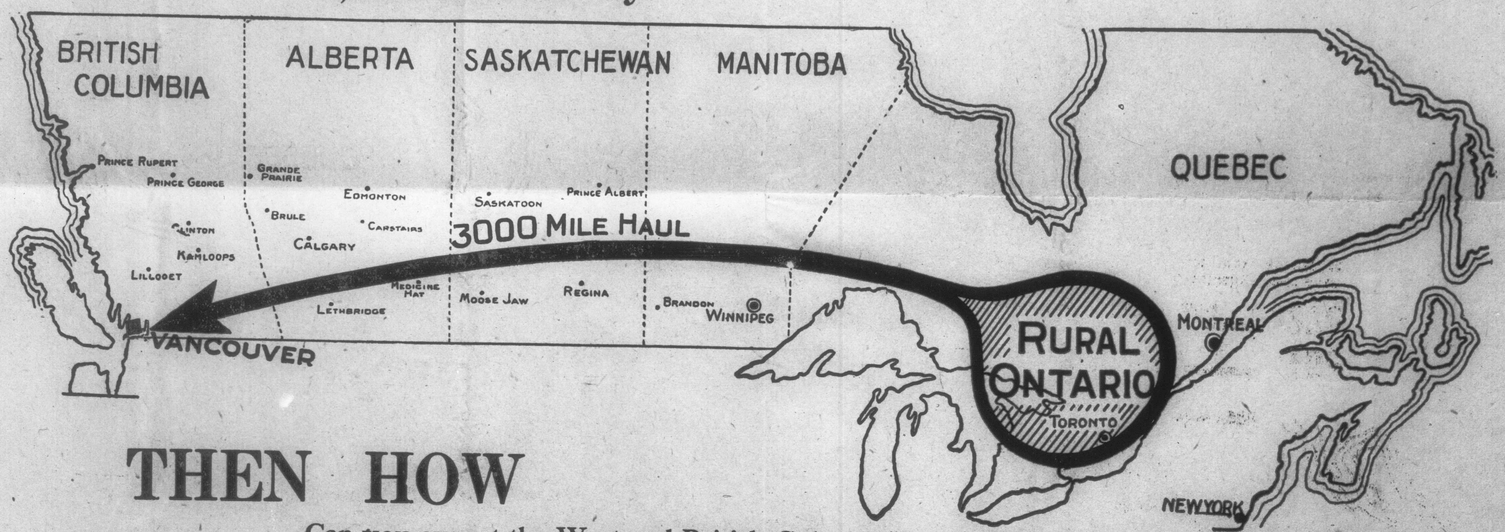
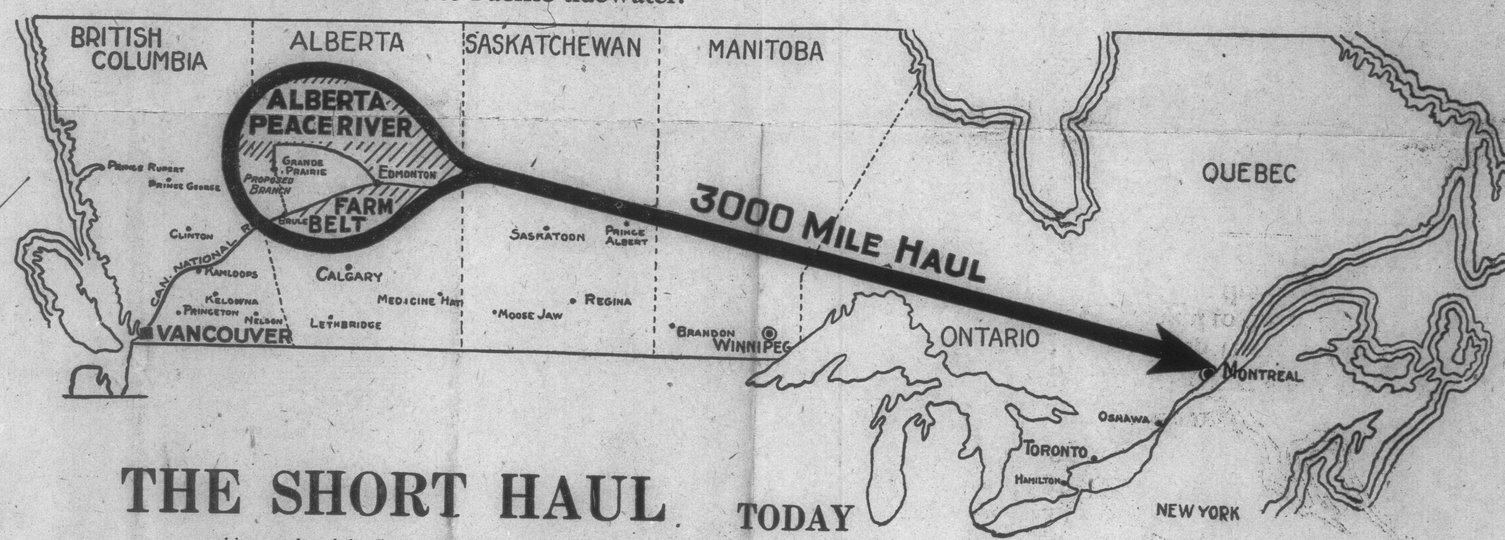
JUST IMAGINE

trying to develop rural Ontario by hauling produce and merchandise in and out to tidewater at the Pacific Coast, 3,000 miles away.



THEN HOW

Can you expect the West and British Columbia to develop THIS END OF CANADA so long as the present discriminating freight rates FORCE farmers to ship their wheat out and their merchandise in, over the 3000-mile transcontinental rail haul to the Atlantic instead of giving them equalized freight rates which will allow them to use the short haul in and out to Pacific tidewater.



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THE SHORT HAUL

and low grades of the Canadian National must be made available to Alberta and Peace River settlers by ***equalizing*** the Freight Rates.

Discriminating freight rates like the following are depopulating the finest wheat growing lands in Western Canada by BLOCKING the short haul to Pacific Tidewater.

TODAY

It costs to haul a bushel of grain from Edmonton, ***Eastward***, to Fort William, a distance of 1280 miles - - - **15c**

It costs to haul the same bushel of grain from Grande Prairie, ***Westward***, to Vancouver, a distance of only 1170 miles - **27c**

The grades from Edmonton to Vancouver are actually lower than the grades from Edmonton to Fort William. And what applies to grain going out, applies to goods going in.

WESTERN CANADA---THE WORLD'S GRANARY

Within the present generation Western Canada can lead the whole world in production of wheat.

Twenty million acres of virgin land in Northern Alberta and the Peace River country are available for homesteading or can be bought from $5 to $15 an acre.

This land CAN BE BROUGHT UNDER CULTIVATION, supporting a million families and creating MORE BUSINESS for manufacturers, merchants and the railways, by *a removal of existing discriminations and by equalizing the Freight Rates.* This will allow Western Canada's produce to reach world markets by moving down the Pacific slope to

VANCOUVER

WESTERN CANADA'S GATEWAY

Prepared and Published in the Interests of Western Canada and Vancouver By THE VANCOUVER SUN

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AIROTOPY LETTER
M
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"CANADIAN NATIONAL RAILWAYS.

TELEGRAM.

Night Letter.

Hon. S.F. Tolmie,
Victoria, B.C.,

Liberal campaign seems chiefly directed to misrepresent my statements. Have never said anything anywhere on subject of railway rates differing in slightest degree from what I said in Parliament. Have never advocated higher rates anywhere. Have denounced fixing rates by statute for any portion of Canada just as I did in Parliament and in Western Canada. So far from advocating higher rates have undertaken to extend to both Eastern and Western extremities of Canada federal assistance toward payment of rates basic commodities fixed by Railway Commission. Have never at any time even mentioned subject of equalization of rates. This is matter wholly within responsibility of Railway Commission.

Arthur Meighen.

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Mr Meighen

Surely this is not the way to develop Canada and Canadian industries. Someone had better take action before you people back east entirely lose the markets of the west and B.C. Regds

R. F. Cromie

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Manitoba Freight Rates Agreement
Memo. re case of C.P.R. vs.
The City of Toronto & the GTP Rly
on file 149

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Another U.S. Contribution

Cut Taxes!

"FURTHER reduction of Federal taxes should be accomplished as early as practicable. The revision of 1924 was vitiated and limited as a result of appeals to ignorance, prejudice and envy. The campaign, primaries and elections showed that Congress had mistaken the national will. The tax objective desired by the country is to relieve industry and reduce living costs while realizing revenue for the government by inducing possessors of large incomes to invest in taxable enterprises of agriculture, industry, commerce and transportation. We urge a maximum income surtax rate not exceeding 15 per cent, which competent authorities assert will yield more revenue than any higher rate."

—*Railway Business Association.*

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but economic. A fair return on railway capital is a return which will enable the railroads to attract capital in large enough quantities so that they may expand their trackage, terminals and equipment to keep pace with the growth in general industry. A fair return, in other words, cannot be established arbitrarily by Congress or by the commission; it depends upon the rate established by competition for capital in the open market."

—*New York (N. Y.) "Tribune."*

Healthy

"A NEW interest has developed in the stocks and bonds of railroads and other utilities. Popular investment in their securities has increased and is growing all the time. This is a most healthy indication."

—*Green Bay (Wis.) "Gazette."*

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Manitoba's Rate Contract

The Real Issue in Transportation Costs

BY

HONOURABLE ROBERT ROGERS

In the matter of the seriousness of the position in which Western Canada is now placed regarding inequitable transportation costs, it is amazing that so few people appear to fully understand how insidious has been, and is today, sub-section 5 of section 325 of the Railway Act of 1919. The sub-section reads as follows:

> "Notwithstanding the provisions of section three the powers given to the Board under this Act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require, shall not be limited or in any manner affected by the provisions of any Act of the Parliament of Canada, whether general in application or special and relating only to any specific railway or railways, and the Board shall not excuse any charge of unjust discrimination, whether practiced against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company: Provided that this sub-section shall remain in force only during the period of three years from and after the date of the passing of this Act."

This insidious clause has not only taken out of the pockets of the citizens of Manitoba over $10,000,000 a year during the past five years, owing to acquiescence on the part of Manitoba's Government, but has been employed as well, during that long

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period, in violation of equity and justice and in defiance of a principle that has ever carried with it, at all times and under all conditions, proper respect for sacred contracts and their covenants—covenants which His Majesty the King, in the Right of the Parliament of Canada, gave railway corporations power to make, in good faith, with His Majesty the King, in the Right of the Province of Manitoba.

The Parliament of Canada, by their own Act, declared that His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacted and confirmed, among other things, clause 9 of Indenture, dated 11th February, 1901—a clause which placed Manitoba's contract under the complete jurisdiction of the Court of King's Bench of this Province.

The Parliament of Canada have no more power to interfere with Manitoba's contract to-day than would the City Council of Ottawa, except if and when that Parliament are prepared to adopt Prussian methods and treat sacred contracts as scraps of paper.

The recent memorandum containing proposals, as published by the railway corporations, dated Montreal, May 15th, 1924, is just as insidious, and carries just as deadly poisonous results as did sub-section 5 carry during the past five years, to the detriment of the people of Western Canada.

Apparently the hope of the railway corporations now is that they will be able to continue exacting inequitable transportation costs either by securing a division of sub-section 5 or of being able to persuade Parliament to presume to assume power, which that Parliament does not possess, to override Manitoba's contractual rights by leaving the whole question of rates to be determined by the Board of Railway Commissioners.

The message received from the Prime Minister's office yesterday at the Board of Trade, appears to make clear that the Prime Minister is fully conversant with the desire of the railway corporations, for in that message great care is exercised to separate sub-section 5 and emphasize only the Crow's Nest Pass contract.

It surely must be plain to the most casual observer that railway corporations are ready and willing to see put into force at

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nce rates, such as are named in the Crow's Nest Pass contract, on limited commodities and in limited territory, and only moving in one direction. And it is equally plain that railway corporations hope to have sufficient power and influence with the Government and Parliament to have reinacted what they are pleased to call in that memorandum, "THE PROVISIONS OF SECTION 325 (5)." This veiled language means Manitoba's freight rate contract, as separated, for the insidious purposes of railway corporations, from the Crow's Nest Pass contract, for the reason that Manitoba's contract covers every pound of freight moved in this Province, whether it moves East, West, North or South, and means a reduction of 15 per cent. below the Crow's Nest Pass rate contract, and means as well a reduction of 3 to 4 cents per hundred pounds on every bushel of wheat moved, and 2 cents per hundred pounds on all coarse grains.

The Crow's Nest Pass contract has not been a factor in the matter of rates from the date that Manitoba's contract came into force and effect. On October 6th, 1903, the Canadian Pacific Railway Company made an agreement with the Government of Manitoba to adopt Manitoba's reduced rate as then in force on the Canadian Northern system. The Canadian Pacific Railway Company on that day filed with the Government of Manitoba their tariff for reduced rates, as agreed upon. On October 7th, one day later, the Canadian Pacific Railway Company filed with the Railway Commission of Canada a duplicate of the tariff filed with Manitoba's Government, together with a tariff for reduced rates covering the Provinces of Saskatchewan and Alberta—a tariff that remained in force and effect until tampered with, through sub-section 5, in 1919—a tariff that reduced rates below the Crow's Nest Pass contract rates to an extent that the people of Manitoba, Saskachewan and Alberta had placed in their pockets, during that fifteen years, over $200,000,000.

These reduced rates were brought to the notice of Parliament in 1922 by the Honourable A. K. Maclean, who was Chairman of a Special Committee appointed to consider railway transportation costs, and who pointed out that:

> "In 1903 however, an agreement was made between the Government of Manitoba and the Canadian Northern Railway, or what afterwards became the Canadian Northern Railway, providing for a control of freight rates

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within the Province of Manitoba. This had its effect upon freight rates upon grain throughout the whole of the prairie country. In 1903 the grain rate in the West was considerably below the Crow's Nest rate and that rate, THAT IS THE LOWER RATE, PREVAILED UNTIL MARCH, 1918."

The Crow's Nest Pass contract originated with the Parliament of Canada. That Parliament has full and complete power to change that contract at any time and in such manner as Parliament may see fit. If Parliament in 1919 only wanted to alter the Crow's Nest Pass contract, a veiled clause such as sub-section 5 would have been entirely unnecessary. The Minister of Railways at that time made this perfectly clear when he stated that the difficulty in the way of the railway corporations to secure higher rates was the Manitoba contract.

The railway corporations are apparently face to face with that same difficulty to-day, hence all this veiled manipulation to divide this famous sub-section 5. This accounts for the campaign that has been carried on during the past few weeks, largely by the friends of the railway corporations, who devote all their energy and all their time to discuss Crow's Nest Pass contract rates.

Still further on comes the attempt on the part of the railway corporations themselves to add insult to injury by pleading that the whole question of what are reasonable and proper rates should be left to the Board of Railway Commissioners to determine. It is no surprise that railway corporations should plead this, especially in view of the fact that the Railway Commission of Canada is sympathetic in carrying out the views of those in control of our railway corporations.

With the knowledge which the Parliament of Canada must have been able to acquire during recent years respecting the power of manipulation of freight rates, I confess that I am one of those who still trust, as I believe, that the present Parliament will make clear, by a great majority, that they are not subservient to railway influence or lacking in knowledge or in genuine consideration for the suffering people of Western Canada arising from oppressive transportation rates.

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POLITICAL RAILWAY RATES

Through the high cost and high wages period that immediately preceded the war freight rates had to be increased. These rates had been lower even for the commodities covered by the Crow's Nest agreement than they had been for years. They were, indeed, the lowest rates, speaking generally, in the world, and it can safely be said remained the lowest even during the high wage and high cost of material period. If they had not been raised there would simply have been no railway carriage, there would have been collapse. As the high wage and high cost period became easier rates became less. A substantial reduction took place automatically on 1st July, 1921, on passenger rates. ~~At the same time~~ As from Jany 1st 1921 a reduction took effect in Western rates of about 5%. Later in the fall of 1921 a further reduction was put into effect of about 10% all round. Obviously greater reduction still would have to come with reducing costs and reducing grain and stock prices, and the Railway Commission were ready to make effective reductions, but were not in a position to do so until the Government decided what was to be its policy as to the renewal of the old Crow's Nest Pass agreement. A committee of the House was appointed after much delay to consider this question. It was obviously a question for the Government to decide and to submit its policy to Parliament, and if the Government had decided, as it should have done, to leave railway rates wholly to the Commission than all round reductions would have been made promptly, and the whole country have got the benefit. It is obvious that as the Railway Commission, constituted since the old Crow's Nest Agreement was made, had all information and all material to enable it to judge fairly right, that Commission should either have full jurisdiction in railway rates or it should be abolished. The Government, however, true to its character, evaded the question and created long and unnecessary delay and hardship by appointing a special Committee to make up the Government's mind for it.

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Charges have been made by the Opposition, - and they are unanswerable - that the Government for the sake of Progressive support in the House deliberately prevented a proper consideration of the whole freight rate schedules by the Board of Railway Commissioners, - rendered impossible fair and equitable treatment of the inflated railway rates situation as a whole and utterly disregarded the submissions of British Columbia, Ontario, Manitoba and the Maritime provinces as well as those of every producer other than the grain grower. The question of railway transportation costs and the Crow's Nest Agreement was referred by Parliament to a special committee by the motion passed May 4, 1922. Many sittings of the Committee were held and representations made by witnesses from all over the country, on behalf of the different provinces. The Committee was to consider as to whether or not the Crow's Nest Pass agreement should be further suspended. On or about the 22nd June the Committee met and adopted the report recommending the suspension, the Committee report reading:

> "Your Committee, therefore, recommends that a suspension of the Crow's Nest Pass agreement for one year from July 6, 1922, with power to the Governor-in-Council to suspend for a further period of one year, if in its judgment the then existing conditions justify the same, and your Committee recomend that suitable legislation be enacted to make effective this recommendation.
>
> The recommendation of the Committee for the further suspension of the Crow's Nest agreement is made in view of the great necessity of a general reduction in freight rates on basic commodities as a whole and in what is considered to be the general public interest and not in consequence of the proposals for rate reductions made by the railways."

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This report, although not submitted to the House, became public and as a result of negotiations between Western grain growers and the Government, the matter was again opened up to the end that the Committee should carry out the arrangement made between the Government and the grain growers, and provide that the suspension of the Crow's Nest Pass agreement should not apply to western grain and flour.

In violence to the evidence - to their own honest conclusions - to their own self-respect - to the undoubted "great nedessity of a general reduction in freight rates on basic commodities as a whole" - a reduction which could not be made as the Committee itself found unless the Crow's Nest agreement be suspended - the Liberal members swallowed themselves and adopted the agreement made with the grain growers. The right-about-face report was tabled in the House on June 24, 1922.

The Western grain grower was undoubtedly entitled to relief, but so also were other agriculturalists in the prairie provinces and over the whole country. So also were the producers of basic commodities everywhere. The great evil resulting from Government action is that it prevented any intelligent economic survey of the rate situation by the Railway Board. It entailed a cut of some 17 million dollars in railway revenues on the last year's figures. It prevented any fair, equitable treatment as between the grain grower on the one hand and the stock raiser, dairy and mixed farmer - the workers of our forests and mines, and the ultimate consumer of all products other than western grain and flour on the other. The proceedings of the Committee, and the attendance of many witnesses were rendered a farce. The final finding was utterly contrary to the evidence. The Committee did not function except to carry out an agreement made by the Government for the

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sake of retaining office.

The Government well knew that their action meant that no proper relief could be given to freight rates generally in Canada; that it was impossible to give the grain grower arbitrary benefits of some 17 millions on the basis of last year's movement, and at the same time expect that the Railway Commission could bring down excessive freight rates in Ontario and the rest of the country. Mr. Maclean, the senior member for Halifax, admitted and ~~presented a report~~ to the House, that $14,000,000. would be taken, but that figure is over and above the reductions put into effect by the railways in December, 1921, and calculated at $3,000,000. $17,000,000. is the true difference based on the actual figures of 1921 and on the rates in effect during the crop movement as proved before the Committee.

In the two debates that took place on the subject it was made perfectly clear that excessive rates generally could not get a proper consideration if the arbitrary reduction made by re-enforcing the Crow's Nest Pass agreement took place.

It is necessary to clearly understand just what enforcement the Crow's Nest Pass grain and flour rates meant.

It meant a reduction on the basis of last year's crop and rates of $17,000,000. in railway revenues.

It meant that the whole of this reduction should be applied to the benefit of the movement ~~westward~~ Eastward to the head of the lakes of grain grown and flour milled in the three prairie provinces. And on the other hand it meant that the dairying interests, the stock interests, of these three provinces, and every business and agricultural

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interest of the whole country apart from the western grain grower and western grain miller, was prevented from receiving not only any proper relief from excessive freight rates, but even prevented a proper economic review of the situation which would have indicated what fair and undiscriminatory rates everywhere would be.

It is essential to bear in mind that rates fixed by a statute or by agreement are:

(1) Either ineffective or create special privilege;

(2) That at the time the Crow's Nest Pass agreement was entered into there was no effective rate regulation and it was in view of that fact that special rates were provided;

(3) That the general railway act passed since that agreement creating the Board of Railway Commissioners and providing for proper rate regulation prohibits discrimination;

(4) The Crow's Nest Pass Agreement creates the greatest and most extended discrimination;

(5) That the Crow's Nest Pass Agreement besides reducing the rates on grain and flour also reduced rates on fresh fruits, coal oil, cordage and binder twine, agricultural implements, iron, wire, window glass, paper for building and roofing purposes, roofing felt, livestock, wooden ware and household furniture. The agreement reduction on these commodities was on the movement from Eastern Canada to points in Western Canada. Rates on many of these articles are very high, but the agreement remains suspended insofar as they are concerned;

(6) The Government action not only creates discrimination in applying $17,000,000. to the benefit of one class of shippers but actually discriminates against the provisions of the Crow's Nest Pass Agreement itself;

(7) While reductions in basic commodity rates were due and much overdue, it must be remembered that - in view of the reasonable position taken by the Railway Commission that railways must have such revenues as will enable them to continue to function - this $17,000,000. is not being supplied by the railways but by the shippers and consumers of basic commodities whose high war rates still continue in very great degree - some without any reductions at all.

The Crow's Nest rates did not long remain effective. Under the Manitoba agreement grain and flour rates to the head of the lakes were reduced in 1903. In view of increased

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traffic and returns its other rates were from time to time reduced. The economic situation had so much improved that after the Railway Commission's judgment in the Western rates case delivered in the spring of 1914, no Crow's Nest rates were effective. Actual rates were lower - either as a result of voluntary action by the railways or order of the Commission - with but one exception.

This exception was the rate on fruit from Eastern Canada in less than carload lots, and as no traffic moved under it, it may be fairly stated the agreement in view of changed conditions had become entirely obsolete and ineffective. - The excessive cost of transportation, as well as everything else made it again a matter of ~~movement.~~ moment

The Crerar party says - notwithstanding a totally changed situation - notwithstanding we now have railway rate regulation - notwithstanding that very regulation has given the Western provinces rates lower than the agreement gave us - notwithstanding the fact that no special consideration moved from the Prairie Provinces but rather from the Eastern rate-payer for the Crow's Nest Pass agreement - the agreement shall be abrogated when we can get better terms but shall stand when the general economic situation demands a higher rate.- We stand on privilege - special privilege - which the country generally obtained for us - not on merit, and Mackenzie King says "Right 'O"

The situation confronting the Government naturally resulted from a period of inflation and high cost. The grain growers were dissatisfied with the situation, and rightly so. Their selling prices had materially dropped and freight rates although reduced from the highest level were nevertheless high. This condition was not confined to the grain grower but was general. Without multiplying examples but taking only a few cases, ~~timbermen~~ Lumbering interests everywhere complained, and they were right. The stagnation of that business was clearly shown before the Committee - also that rail rates were so high that

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British Columbia timber could not be sold in Eastern Canada in competition with American lumber, and that the Maritime and Quebec lumber could not reach the Toronto market they formerly enjoyed. The potato growers of New Brunswick showed the Committee potatoes were rotting simply because markets which were usually open to them were closed by high freight rates. The cry against high freight rates was not confined to the West, but spread over the whole country. Was the only justifiable protest that of the Western grain grower? Were his ~~rights~~ rates advanced to a greater extent than the rates of other producers?

The following statement gives the given rates to the head of the Lakes from the points set out, showing the 1903 (the lowest) rates, rates effective Dec. 1st, 1921, and in force when the question was considered by the Committee, percentage of increase of the 1921 over the 1903 rates, the Crow's Nest rate, and the percentage of increase Crow's Nest is over the lowest rate:

	Oct. 7, 1903	Dec. 1, 1921	Percentage of increase	Crow's Nest Rate	Percentage Crow's Nest over lowest rate
Broadview	16	26	62	18	12
Yorkton	17	27	59	19	10
Regina	18	29	61	20	10
Weyburn	18	29	61	20	10
Swift Current	20	31	55	22	10
Maple Creek	21	32½	54	23	10
Saskatoon	24	33½	39	26	8
Medicine Hat	22	33½	52	24	9
Lethbridge	23	35	52	25	9
Calgary	24	36	50	26	8
Edmonton	28	36	29	26	

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The statement, then, not only shows the burden complained of, but also the relief given. It shows that the grain rates had been increased by percentages ranging from 39% in the case of Saskatoon, Sask., a point relatively near to the centre of the grain production, to 62% from Broadview, Man. It shows that the Saskatoon increase of 39% has been reduced to but 8%, and the Broadview increase of 62% to only 12%.

With this statement may properly be considered that filed before the Committee as to rates on potatoes expressed in cents per hundred lbs., (as are the grain rates), from the shipping points of New Brunswick, Debec, Hartland, Andover and Florenceville, to the various points set out.

	June 7, 1917	Dec. 1, 1921	Percentage of increase	Government relief
Montreal	19	34½	81	
Brockville	21	37½	78	
Ottawa	21	37½	11	
Kingston	22	40	81	
Peterboro	24	43	79	
Toronto	25	45½	82	Nothing.
North Bay	27	49	81	
Hamilton	26	47	80	
London	29	52½	81	
Goderich	30	54	80	
Windsor	31	55½	79	

It will be noted that the above 19¢ per 100 lbs., rate to Montreal may be compared with the 18¢ per 100 lbs., rate from Weyburn in the grain schedule. The Montreal 19¢ rate was, when Parliament considered the question, 34½¢, and the Weyburn 18¢ rate was 29¢. The Montreal 19¢ rate was increased 15½¢. The Weyburn 18¢ rate was increased 11¢. Parliament reduces the increase of 11¢ by 9¢ leaving

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Weyburn but 2¢ over lowest rates, while it leaves the Montreal rate increased 81%. The rate to Peterboro of 24¢ was increased to 43¢, the Saskatoon on the grain schedule of 24¢ became 33½¢. The Peterboro rate then was raised 19¢, the Saskatoon rate was raised 9½¢, but is reduced by 7½¢. The Saskatoon 24¢ rate then is placed by the Government at 26¢, while that august body leaves the Peterboro 24¢ rate at 43¢.

The Board of Railway Commissioners, with their hands tied as they were by the Government's action have made reductions in the potato rates ranging from 2¢ to 3¢ per hundred pounds. The reduction in the Montreal rate is 2¢, leaving the present increase 71%. The Ottawa rate is reduced 2¢ leaving the increase 69%. The Toronto rate reduction is 2½¢ leaving an increase of 69%. 3¢ is taken off of the higher rates. The result of these reductions is still to leave the potato rate at a greater percentage of increase than were any of the grain rates when they were first before Parliament. The reductions are extremely trifling but doubtless quite as much as the Government ever expected.

Much was said as to the necessity of reduction of rates on building materials, both from the standpoint of house shortage and profit and employment. It was stated that these rates were very high, and had been increased in greater proportion than had the grain rates. Building material moves in both Western and Eastern Canada on a mileage table, so that the justice or otherwise of complaints is shown on a table for Western Canada as follows:

over

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Distance in Miles		Jan. 1, 1917	Dec. 1, 1921	Government Relief
Over	Not over			
	5	2	5	Nothing
5	10	2½	6	
10	25	3	6	
25	40	4	7	
40	50	4½	8	
50	60	4¾	8½	
60	70	5	8½	
70	80	5½	9	
80	100	5½	9	
100	120	6	9½	
120	140	6½	10	
140	160	7	11	
160	180	7½	11½	
180	200	8	12	
200	225	8½	12½	
225	250	9	13	
250	275	9½	14	
275	300	9½	14½	
300	350	10	14½	
350	400	11	15½	
400	450	12	17	
450	500	13	18	

The percentages of increase on the above range from 150% in the case of the short haul of 5 miles and 118% for the haul of 10 miles downwards so that the increase in the case of a 100 mile haul is 66% and in the case of a 500 mile haul 38%. The table for Eastern Canada is as follows:

Distance in Miles		Oct. 25 1916	Jan. 1, 1921	Government Relief.
Over	Not Over			
	10	3	7½	Nothing
10	20	3½	8	
20	30	4	9	
30	40	4½	9½	
40	50	5	11	
50	60	5½	11½	
60	70	6	12	
70	80	6½	13	
80	90	7	13½	
90	100	7½	14	
100	125	8	15	
125	150	8½	16	
150	175	9	17	
175	200	9½	17½	
200	225	10	18	
225	250	10½	19	
250	275	11	19½	
275	300	11½	20½	
300	350	12½	22½	
350	400	13½	23½	
400	450	14½	25	
450	500	15½	27	

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Again in this case the percentages vary. There is no 5 mile haul as in the case of Manitoba. The increases in the 10 mile haul is 133%. The increase in percentage in the East also shades down although not as rapidly as inthe West, as the percentage of increase for the 500 mile haul in Eastern Canada is 61% as against 38% in Western Canada, the basic rates in Eastern Canada being here higher than those in Western Canada and the percentage increases greater.

Since the matter was dealt with by Committee in Parliament the Board of Railway Commissioners have taken action. Building materials covers an extended list of commodities. The rate stands in all instances except insofar as brick in concerned, and in the case of brick a reduction is made of 1/2¢ in rates 13¢ and under, and 1¢ on rates over that amount on the Western schedule. Similar action was taken in the Eastern section except that as the basic rates are higher the extreme reduction becomes 1½¢. It is beyond all cavil that the present Government has done nothing to aid the building problem as presented to the Committee.

The complaint of the British Columbia lumber dealers that they could not reach their Ontario and Quebec markets, was supported by much evidence. The market is a competitive one, and the rates are of necessity limited having regard to the selling price of American lumber in these markets. The British Columbia mills showed that existing rates lost them these domestic markets.

At the time the Committee sat the rates from the coast to Toronto points per 100 lbs., were 88½¢, and to Montreal points 90¢. These rates of course were not changed by the government, nor have they been reduced by the Board of Railway Commissioners. The rate from Nelson to Toronto was 81¢, and to Montreal 87¢. No real reduction has been made here but a rate rectification has taken place and Montreal becomes 86½¢. The British Columbia lumbermen's difficulties

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still remain.

Lumber and forest products are essential basic commodities. They represent a very large natural resource of the country and much difficulty has been experienced by different operators in disposing of their output. Just as strong a case was made by the lumber producers as was made by the grain growers of the West.

It is very certain that railway rates have been drastically increased on lumber products. The commodity moves on a mileage basis. The rate situation in Eastern Canada is shown by the following table:

Distance in Miles		May 1, 1908	Dec. 1, 1921	Percentage in increase	Government relief.
Over	Not over				
	5	3	6½	116	
5	10	3½	7	100	
10	20	4	8	100	
20	30	4½	9½	111	
30	40	5	10	100	
40	50	5	10	100	
50	60	5½	11½	109	
60	70	6	12	100	
70	80	6½	12½	92	Nothing
80	90	7	13	84	
90	100	7½	14½	93	
100	125	8	15	87	
125	150	8½	15½	82	
150	175	9	16½	83	
175	200	9½	17½	84	
200	225	10	18	80	
225	250	10½	19	84	
250	275	11	19½	77	
275	300	11½	20½	78	
300	325	12	21½	77	
325	350	12	21½	77	
350	375	12½	22	76	
375	400	12½	22	76	
400	425	13	22½	73	
425	450	13	22½	73	
450	475	13½	24	77	
475	500	13½	24	77	
950	1000	23	37½	63	

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It will be observed that the above statement shows lumber increases in Eastern Canada were materially higher than grain increases in Western Canada. While there may be the greatest justification for this, the question ought to have been settled on its merits and not arbitrarily at the expense of the lumber producers. Logical and compelling reasons for the loss of their Ontario markets by the Quebec and Maritime producers after a complete survey of the whole question ought to be afforded them. The only possible reason that can be given is the abstraction of $17,000,000. in grain rates.

A railway rate increase much felt by the community as a whole was before the Committee, that is the rate on anthracite coal, a rate in which generally speaking every urban home and many rural ones, in the whole of Ontario and Quebec, is vitally interested. This rate has been increased as illustrated by the following table:

TO	Nov. 20, 1916	Dec. 24, 1921	Percentage of increase	Government relief
From Prescott				
Smiths Falls	69	125	81	
Perth	92	155	68	
Ottawa	83	139	70	Nothing
Renfrew	112	180	83	
Pembroke	141	210	60	
From Niagara Frontier				
Hamilton	55	105	90	
Toronto	66	115	72	
Galt	88	145	64	
Guelph	99	155	56	Nothing
Woodstock	99	165		
Peterboro	130	200	53	
Parry Sound	185	260	40	

Not only was no action taken by the Government in any way helping the householder, but doubtless in view of the abstraction of $17,000,000 from available railway revenues, as a result of the Government's action, no relief whatever has been given the users of anthracite coal, whose rates still stand at increases varying from 90% downwards.

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Perhaps the most extraordinary part of the whole situation is the way in which very important and essential agricultural interests have been entirely overlooked. The farmers' party certainly always pretend to be a friend of the farmers. Dairying business is absolutely essential to the prosperity of Ontario and Quebec, yet increases in railway rates on butter of 80% still stand. There were similar rate increases on cheese and eggs. At the risk of repetition, not only for the purpose of showing the claim that the Western farmers above all others of undue and exorbitant rates - that they only suffer is entirely without basis in fact, but also in the hope that some proper consideration may be given to other agriculturists, the following further tables are given. Important butter markets will be found in Toronto, Ottawa, and Montreal, and butter moves in carloads and less than carload lots. A few of the principal points shipping to these centres are picked out so that the rate situation may be plain.

BUTTER - IN CARLOADS

FROM	Dec. 1, 1912	Dec. 1, 1921	Percentage of increase	Government relief
		TO TORONTO		
Wingham	26	47	80	
St. Marys	23	41½	80	
Woodstock	23	41½	80	Nothing
Thamesville	27	49	81	
Smiths Falls	30	54	81	
		TO OTTAWA		
Arnprior	15	27½	83	
Renfrew	18	32	77	
Pembroke	24	43	83	Nothing
Eganville	21	37½	78	
Smiths Falls	17	30½	79	
		TO MONTREAL		
Renfrew	29	52½	81	
Brockville	26	47	80	
Lindsay	35	63	80	Nothing
Peterboro	33	59½	80	
Toronto	35	63	80	

These are in cents per 100 lbs.

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IN LESS THAN CARLOADS

FROM	Dec. 1, 1916	Dec. 1, 1921	Percentage in increase	Government relief
TO TORONTO				
Wingham	30	54	80	
St. Marys	26	47	80	
Woodstock	26	47	80	Nothing
Thamesville	32	58	81	
Smiths Falls	35	63	80	
TO OTTAWA				
Arnprior	18	32	77	
Renfrew	21	37½	78	
Pembroke	28	50	78	Nothing
Eganville	25	45½	82	
Smiths Falls	19	34½	81	
TO MONTREAL				
Renfrew	33	59½	80	
Brockville	30	54	81	
Lindsay	40	72	80	Nothing
Peterboro	39	70½	80	
Toronto	40	72	80	

Rates are in cents per 100 lbs.

The increase of 39% in the Saskatoon grain rate was by government action reduced to 8%, but the rates on butter from Smiths Falls to Toronto increased 81% are still left by the Government.

Heavy movements of cheese are to Brockville and Montreal. The table from important shipping points to these destinations follow:

FROM	Oct. 16, 1916	Dec. 1, 1921	Percentage of increase	Government relief
TO MONTREAL				
Wingham	36	65	80	
Toronto	27	49	81	
Peterboro	25½	46½	82	Nothing
Brockville	17	30½	79	
Finch	15	27½	83	
TO BROCKVILLE				
Toronto	23	41½	80	
Peterboro	22	40	81	
Tweed	18	32	77	Nothing
Port Hope	22	40	80	
Finch	17	30½	80	

Rates are in cents per 100 lbs.
These rates, except from Wingham, are any quantity rates, and

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therefore apply on both carloads and less than carloads.

STATEMENT SHOWING RATES ON EGGS FROM VARIOUS POINTS TO TORONTO, OTTAWA AND MONTREAL.

IN CARLOADS

FROM	Dec. 1, 1916	Dec. 1, 1921	Percentage of increase	Government relief.
TO TORONTO				
Wingham	21	37½	78	
St. Marys	19	34½	81	
Woodstock	19	34½	81	Nothing
Thamesville	23	41½	80	
Smiths Falls	25	45½	82	
TO OTTAWA				
Arnprior	13	24	84	
Renfrew	15	27½	83	
Pembroke	20	36½	82	
Eganville	18	32	77	Nothing
Smiths Falls	14	25	78	
TO MONTREAL				
Renfrew	24	43	79	
Brockville	21	37½	78	
Lindsay	29	52½	81	Nothing
Peterboro	28	50	78	
Toronto	29	52½	81	

IN LESS THAN CARLOADS

FROM				
TO TORONTO				
Wingham	30	54	80	
St. Marys	26	47	80	
Woodstock	26	47	80	Nothing
Thamesville	32	58	81	
Smiths Falls	35	63	80	
TO OTTAWA				
Arnprior	18	32	77	
Renfrew	21	37½	78	
Pembroke	28	50	78	Nothing
Eganville	25	45½	82	
Smiths Falls	19	34½	81	
TO MONTREAL				
Renfrew	33	59½	80	
Brockville	30	54	80	
Lindsay	40	72	80	Nothing.
Peterboro	39	70½	80	
Toronto	40	72	80	

Rates are in cents per 100 lbs.

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We may well ask what have the Ontario farmers, content as they are to be the tail of the Western grain growers' kite, done for the primary Ontario farming interests which they have claimed is suffering so grievously.

Many other illustrations could be given to show that the Western grain growers' railway rates were not unduly raised in proportion to other railway increases, but they are unnecessary.

The plain facts are:

(1) That railway rates in Canada as elsewhere, were generally greatly increased;

(2) That with the general price deflation, particularly in basic commodities the increases bore very heavily on the producers, of those commodities;

(3) That the case of the Western grain grower was as good and no better than those engaged in other activities;

(4) That the Government in the first instance admitted its total incapacity on the very complicated issue railway rates present;

(5) That the Western grain growers insisted upon consideration as special privilege;

(6) That the Government that admitted its incapacity arbitrarily granted the relief the grain growers claimed;

(7) That as a result practically no action at all was taken by the Railway Commission;

(8) That to the end the Government might obtain the Western grain growers' support in the House other producers in the whole country are handicapped by excessive rates as is the ultimate consumer everywhere;

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(9) That the Government's special recognition of class interest proves it indifferent to the general interests of the country, indeed indifferent to everything except a continuance to the offices and emoluments it so precariously holds.

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Ottawa, Ont. February 8th. 1922.

Dear Sir:

On behalf of Honourable Mr. Meighen, I beg to acknowledge your letter of the 30th. January, and the accompanying copy of resolution passed by the Western Retail Lumbermen's Association, urging a reduction of freight rates on farm products and coal, and the restoration of the freight rates on lumber in force prior to September 1920.

The subject of the resolution is one for the consideration of the Board of Railway Commissioners for Canada, who have full authority in such matters.

Yours faithfully,

F. W. Ritter, Esq.,
Western Retail Lumbermen's Association,
Winnipeg,
Manitoba.

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074582

WESTERN RETAIL LUMBERMEN'S ASSOCIATION

ORGANIZED 1890

THEO. A. SPARKS, PRESIDENT
WINNIPEG, MAN.

R. SKOV, VICE PRESIDENT
HIGH RIVER, ALTA.

OFFICE OF THE SECRETARY

WESTERN RETAIL LUMBERMEN'S ASSOCIATION
EFFICIENCY COOPERATION SERVICE

SCOTT BLOCK,
WINNIPEG, MAN.,
CANADA.

DIRECTORS FOR 1921

MANITOBA
W. P. DUTTON, WINNIPEG
J. A. RAUCH, WINNIPEG
E. E. FINCH, STRATHCLAIR

SASKATCHEWAN
A. S. PETERSON, BIRCH HILLS
P. KLECKNER, VIDANK
F. H. GARDNER, MOOSE JAW

ALBERTA
E. T. CRITCHLEY, CALGARY
F. E. SINE, CALGARY
N. S. STOLTZE, LETHBRIDGE

January 30th, 1922.

Hon. Arthur Meighen,
Parliament Buildings,
OTTAWA, ONTARIO

Dear Sir:

I have been instructed to send you the attached resolution which was unanimously endorsed during our 31st annual Convention, which was held in Winnipeg on January 25th, 26th and 27th.

Trusting you will see that this receives some consideration, I remain,

Very truly yours,
WESTERN RETAIL LUMBERMEN'S ASSOCIATION

F. W. Patter
Secretary-Treasurer.

FWR:MET
Encl.

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Winnipeg, Jan. 27th, 1922.

1. Whereas the farmers and general public of the Western Provinces are suffering through depressed conditions, aggravated by heavy cost of marketing everything produced or raised on the farms and the high cost of bringing in all of the commodities required to carry on farming, and

2. Whereas the price of commodities produced or raised in the Prairie Provinces are down to pre-war prices, and

3. Whereas the present excessive freight rates are hampering the revival of business and creating unemployment, and

4. Whereas lower freight rates on farm products, lumber and coal are most essential to relieve the depressed and stifled conditions of the farming industry, and

5. Whereas the freight rates on lumber are 50% higher than pre-war rates, while the prices of all commodities raised in the Prairie Provinces are down to pre-war prices

Therefore be it resolved that the Western Retail Lumbermen's Association in Convention Assembled request and urge that the Railway Companies of Canada be required to reduce freight tariffs on all farm products and Coal, and restore Lumber freight rates to at least those in effect prior to September 1920.

Further be it resolved that copies of this resolution be forwarded to the Railway Companies, Hon. McKenzie King, Hon. Frank Carvell, Hon. T. A. Crerar and Hon. Arthur Meighen.

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Draft

POLITICAL RAILWAY RATES.

Nov. 16, 1922

Charges ~~were~~ made have been by the Opposition, - and ~~it is~~ they are unanswerable - that the Government for the sake of Progressive support in the House deliberately prevented a proper consideration of the whole freight rate schedules by the Board of Railway Commissioners, - ~~and~~ rendered impossible a fair and equitable treatment of the intended railway rates situation as a whole and utterly ~~question~~, ~~utterly~~ disregarding the ~~claims~~ subsidies of British Columbia, as well as those of every producer other than the grain grower, Ontario, Manitoba and the Maritime provinces. The question of railway transportation costs and the Crow's Nest Agreement was referred by Parliament to a special committee by the motion passed May 4, 1922. Many sittings of the Committee were held and representations made by witnesses from all over the country, on behalf ~~of representatives~~ of the different provinces. The Committee was to consider as to whether or not the Crow's Nest Pass agreement should be further suspended. On or about the 22nd June the Committee met and adopted the report recommending the suspension, the Committee report reading:

> "Your Committee, therefore, recommends that a suspension of the Crow's Nest Pass agreement for one year from July 6, 1922, with power to the Governor-in-Council to suspend for a further period of one year, if in its judgment the then existing conditions justify the same, and your Committee recomend that suitable legislation be enacted to make effective this recommendation.
>
> The recommendation of the Committee for the further suspension of the Crow's Nest agreement is made in view of the great necessity of a general reduction in freight rates on basic commodities as a whole and in what is considered to be the general public interest and not in consequence of the proposals for rate reductions made by the railways."

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This report, although not submitted to the House, became public and as a result of negotiations between Western grain growers and the Government, the matter was again opened up to the end that the Committee ~~might~~ showed, ~~as it did~~, carry out the arrangement made between the Government and the grain growers, and provide that the suspension of the Crow's Nest Pass agreement should not apply to western grain and flour.

The Western grain grower was undoubtedly entitled to relief, but also were other agriculturalists in the prairie provinces and over the whole country. So also were the producers of basic commodities everywhere. The great evil resulting from Government action is that it prevented any intelligent economic survey of the rate situation by the Railway Board. It entailed a cut of some 17 million dollars in railway revenues as against the last year's figures. It prevented any fair, equitable treatment as between the grain grower on the one hand and the stock raiser, dairy and mixed farmer - the workers of our forests and mines, ~~as well as other agricultural activities~~, and ~~as against~~ the ultimate consumer on the other of all products other than western grain and flour. The proceedings of the Committee, and the attendance of many witnesses were rendered a farce. The final finding, ~~question was never considered on its merits~~ after all, was contrary to the evidence. The Committee did not function except to carry out ~~the~~ an agreement made by the Government for the sake of retaining office.

The Government well knew that their action meant that no proper relief could be given to freight rates generally in Canada; that it was impossible to give the grain grower arbitrary benefits of some 17 millions on the basis of last year's movement, and at the same time expect that the Railway Commission ~~would~~ could bring down excessive freight rates in Ontario and the rest of the country. Mr. McLean, the senior member for Halifax, admitted and presented a report to the House, that

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In violence to the evidence - to their own honest conclusions - to their own self-respect - to the undoubted "great necessity of a general reduction in freight rates on basic commodities as a whole" - a reduction which could not be made as the Committee itself found unless the Crow's Nest agreement be suspended - the Liberal members swallowed themselves and adopted the agreement made with the grain growers. The right-about-face report was tabled in the House on

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but that figure is over and above the reductions that were effected by the railways on Sept 1921 and calculated at $3.000,000

$14 millions would be taken. $17 millions is the true ~~result~~ difference based on the actual figures of 1921 ~~after~~ and on the rates in effect during the year of the figures proved before the Committee. In the two debates that took place on the subject it was made perfectly clear that ~~other~~ secondary rates ~~of the country~~ generally could not get a proper consideration ~~in view of~~ in the arbitrary reduction ~~being~~ made by re-enforcing the Crow's Nest Pass agrement. took place It is necessary to clearly understand just what enforcement the Crow's Nest Pass grain and flour rates ~~agreement~~ meant. It meant a reduction on the basis of last year's crop and rates ~~in railway revenues, as Mr. McLean put it, of 14 millions and as the railways put it,~~ of 17 millions in railway revenues. It meant that the whole of this reduction should be applied to the benefit of the movement of grain grown and flour milled in the three prairie provinces westward to the head of the lakes. And on the other hand it meant that the dairying interests, the stock interests, of these three provinces, and every business and agricultural interest of the whole country apart from the western grain growers and western grain millers, was prevented from receiving not only any proper relief from excessive freight rates, but even prevented a proper economic review ~~view~~ of the situation which would have ~~determined~~ indicated what fair and reasonable rates every-where ~~upon something like a fair price~~ would be.

It is essential to bear in mind that rates fixed by a statute or by agreement are (1) either ineffective or create special privilege; (2) that at the time the Crow's Nest Pass agreement was entered into there was no effective rate regulation and it was in view of that fact that special rates were provided; (3) that the general railway act passed since that agreement creating the Board of Railway Commissioners and providing for proper rate regulation prohibits discrimination; (4) that the Crow's Nest Pass agreement besides reducing the rates on grain and flour also reduced rates on fresh fruits, coal oil, cordage and binder twine, agricultural implements, iron, wire, window glass, paper for building and roofing purposes, roffing felt, livestock, wooden ware and household furniture. The ~~rates were reduced~~ agreement reduction on these commodities on the

The Crows Nest Pass Agreement did create the greatest and most extended discrimination

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movement from Eastern Canada to points in Western Canada. Rates on many of these articles are very high, but the agreement ~~was~~ remain suspended insofar as they are concerned.

Not only were the Crow's Nest Pass rates effective, but for some three years when a lower rate basis was adopted after the western rates judgment of 1914 the rates on articles covered by the Crow's Nest Pass Agreement were fixed at a point lower than before with the exception of the rate on fruit in less than carload lots, under which no traffic moved. The result was that until the heavy raise in cost of transportation consequent on the war, the Crow's Nest Agreement was absolutely inoperative. From the action taken by the Government, making the assumption for the moment there was a desire to deal with the matter equitably, one would expect railway rates on western grain to advance during the war period in greater proportion than other railway rates were advanced. The contrary was the case.

Statement No. 1, filed before the special committee, gives western grain rates in cents per hundred pounds to the head of the lakes. The lowest rate enjoyed by the following points is now set out together with the rate that became effective on December 1st, 1921, together with the Crow's Nest Pass rate to which it has been reduced.

6 The Government action not only creates discrimination in applying $17,000,000 to the benefit of one class of shippers but actually ~~discriminates~~ discriminates against the provision of the Crow's Nest Pass agreement itself

7 While reductions in basic commodity rates were done and much overdue it must be remembered that in view of the reasonable position taken by the Railway Commission that railways must have such revenues as will enable them to continue to function - this $17,000,000 is such

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being supplied by the railways but by the shippers and consumers of basic commodities whose high war rates still continue in very great degree - some without any reductions at all

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074590

(6)

The Crow's Nest rates did not long remain effective. Under the Manitoba agreement grain & flour rates to the head of the lakes were reduced in 1903. In view ~~Such~~ ~~With~~ increased traffic and returns the other rates were from time to time reduced. The economic situation had so much improved that after the ~~Western~~ Railway Commission judgment in the Western rates case delivered in the spring of 1914 no Crow's Nest rates were effective. Actual rates were lower either as a result of voluntary action by the railways or order of the Commission - with but one exception.

This exception was the rate on grain from Eastern Canada in less than carload lots and as no traffic moved under it, it may be fairly stated the agreement in view of changed conditions had become ~~the~~ entirely obsolete and ineffective - ~~but the~~ The excessive cost of transportation as well as everything else had made it again a matter of moment

The ~~Government action~~ Grain Growers' party says - notwithstanding a totally changed situation - notwithstanding we now have railway rate regulation - notwithstanding that very regulation has given the Western Provinces rates lower than the agreement gave

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us – notwithstanding the fact that no special consideration received ~~by~~ from the Prairie Province but rather from the Eastern ratepayers for the Crow Rest Pass agreement – that the agreement ~~may~~ shall be abrogated when we can get better terms but shall stand when the general economic situation demands a higher rate – We stand on privilege – special privilege – which ~~the rest of the~~ country generally obtained for us – not on merit and

Mackenzie King says Right 'O

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The situation confronting the Government naturally resulted from a period of inflation and high cost. The grain growers were dissatisfied with the situation, and rightly so. ~~Other~~ Their selling prices had materially dropped and freight rates although reduced from the highest level were nevertheless high. Without multiplying examples but taking only a few cases Timber and lumbering interests everywhere complained and they were right. ~~It~~ The stagnation of that business was clearly shown before the Committee — ~~the stagnation of the business and the~~ also that rail rates were so high that B.C. ~~lumber~~ timber could not be sold in Eastern Canada in competition with American lumber, and that the Maritime and Quebec lumber could not reach the Toronto market, where prohibitively high. The ~~potato~~ potato growers if N.B. showed the Committee potatoes were rotting simply because markets which were usually open to them were closed by high freight rates. The cry against high freight rates was not confined to the West, but spread over the whole country. Was the only justifiable protest that of the Western grain grower? Were his rights advanced to a greater extent than the rates of other producers?

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The following gives the grain rates to the head of the lakes from the points set out

Statement showing the 1903 (the lowest) rates, rates effective Dec. 1/21, and in force when the question was considered by the Committee 1922

Percentage of Increase of the 1921 over the ~~lowest~~ rates,

the Crow's Nest rate, and the percentage of increase

~~of~~ Crow's Nest ~~bears~~ ~~to~~ is over the lowest rate.

	Oct. 7, 1903	Dec. 1, 1921	Percentage of Increase	Crow's Nest Rate	Percentage Crow's Nest over lowest rate
Broadview	16	26	62	18	12
Yorkton	17	27	59	19	10
Regina	18	29	61	20	10
Weyburn	18	29	61	20	10
Swift Current	20	31	55	22	10
Maple Creek	21	32½	54	23	10
Saskatoon	24	33½	39	26	8
Medicine Hat	22	33½	52	24	9
Lethbridge	23	35	52	25	9
Calgary	24	36	50	26	8
Edmonton	28	36	29	~~30~~ 26	..

The statement then not only shows the burden complained of but also the ~~security~~ relief given. It shows that the grain rates had been increased by percentages ranging from 39% in the case of Saskatoon, such a point relatively near to the centre of the grain production to 62% from Broadview than. It shows that the Saskatoon increase of 39% has been reduced to but 8% and the Broadview increase of 62% to only 12%

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6 (10)

With this ~~report~~ statement may properly be considered ~~statement~~ that filed before the committee as to rates on potatoes expressed in cents per hundred lbs., (as are the grain rates) from the shipping points of N.B. Debec, Hartland, Andover and Florenceville to the various points set out

	June 7, 1917	Dec. 1, 1921	Percentage of increase	~~Relief given~~ Government relief
Montreal	19	34½	81	
Brockville	21	37½	78	
Ottawa	21	37½	11	
Kingston	22	40	81	
Peterboro	24	43	79	
Toronto	25	45½	82	
North Bay	27	49	81	
Hamilton	26	47	80	
London	29	52½	81	
Goderich	30	54	80	
Windsor	31	55½	79	

Nothing

None in each case

per 100 lbs.

It will be noted that the above 19¢/rate to Montreal may be compared with the 18¢ per 100 lbs rate from Weyburn in the grain schedule. The Montreal 19¢ rate was, when Parliament considered the question, 34½¢, and the Weyburn 18¢ rate was 29¢. The Montreal 19¢ rate was increased 15½¢. The Weyburn 18¢ rate was increased 11¢. Parliament reduces the increase ~~to~~ of 11¢ by 9¢ leaving Weyburn but 2¢ over lowest rates, while it leaves the Montreal rate increased 81%. The rate to Peterboro of 24¢ was increased to 43¢, ~~the~~ Saskatoon on the Grain schedule of 24¢ became 33½¢. The Peterboro rate then ~~is~~ was raised 19¢, ~~In the case of~~ the Saskatoon ~~it~~ rate raised 9½¢ ~~is reduced to but 2¢. The Peterboro increase, therefore, would be 19%~~ but is reduced by 7½¢. The Saskatoon 24¢ rate then is now placed by the Government at 26¢ while that urgent body leaves the Peterboro ~~rate at~~ 24¢ rate at 43¢.

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9 (11) 074595

Potato ---

The Board of Railway Commissioners, ~~when~~ with their hands tied as they were ~~dealing with the short rope left to them~~ by the Government action, have made reductions in the potato rates ranging from 2¢ to 3¢ per hundred pounds. The reduction in the Montreal rate is 2¢, leaving the present increase 71%. The Ottawa rate is reduced 2¢ leaving the increase 69%. The Toronto rate reduction is 2½¢ leaving an increase of 69%. 3¢ is taken off of the higher rates. The result of these reductions is still to leave the potato rate rate at a greater percentage of increase than were any of the grain rates when they were first before Parliament. The reductions are extremely trifling but doubtless quite as much as the Government ever expected.

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P-24596

Much was said as to the necessity of reduction of rates on building materials, both from the standpoint of house shortage and profit and employment. It was stated that these rates were very high, and had been increased in greater proportion than had the grain rates. Building materials moves in both Western and Eastern Canada on a mileage table, so that the justice or otherwise of complaints is shown on a table for ~~Manitoba up to 150 miles~~ Western Canada as follows:

Distance in Miles		Jan. 1, 1917	Dec. 1, 1921	Government relief
Over	Not over			
	5	2	5	
5	10	2¾	6	
10	25	3	6	
25	40	4	7	
40	50	4⅛	8	
50	60	4¾	8½	
60	70	5	8½	
70	80	5¼	9	
80	100	5½	9	
100	120	6	9½	
120	140	6½	10	Nothing
140	160	7	11	
160	180	7½	11½	
180	200	8	12	
200	225	8½	12½	
225	250	9	13	
250	275	9¼	14	
275	300	9½	14½	
300	350	10	14½	
350	400	11	15½	
400	450	12	17	
450	500	13	18	

The percentages of increase on the above range from 150% in the case of the short haul of 5 miles and 118% for the haul of 10 miles downwwards so that the increase in the case of a 100 mile haul is 66% and in the case of a 500 mile haul 38%. The ~~Ontario~~ table for Eastern Canada is as follows:

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13 - 21 - 34 - 48 - 62
15 - 25 - 35 - 50 -

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Distance in Miles.

Over	Not Over	Oct.25 1916	Jan. 1, 1921	Government Relief
	10	3	7½	
10	20	3½	8	
20	30	4	9	
30	40	4½	9½	
40	50	5	11	
50	60	5½	11½	
60	70	6	12	
70	80	6½	13	
80	90	7	13½	
90	100	7½	14	Nothing.
100	125	8	15	
125	150	8½	16	
150	175	9	17	
175	200	9½	17½	
200	225	10	18	
225	250	10½	19	
250	275	11	19½	
275	300	11½	20½	
300	350	12½	22½	
350	400	13½	23½	
400	450	14½	25	
450	500.	15½	27	

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Again in this case the percentages vary. There is no 5 mile haul as in the case of Manitoba. The increases in the 10 mile haul is 133%. The increase in percentage in the East also shades down although not as rapidly as in the West, as the percentage of increase for the 500 mile haul in Eastern Canada is 61% as against 38% in Western Canada, The basic rates in Eastern Canada being here higher than those in Western Canada and the percentage increases greater

Since the matter was dealt with by Committee in Parliament the Board of Railway Commissioners have taken action. ~~The~~ Building materials covers an extended list of commodities. The rate stands in all instances except insofar as brick is concerned, and in the case of brick a reduction is made of 1/2¢ in rates 13¢ amd imder and 1¢ on rates over that amount on the Western schedule. Similar action was taken in the Eastern section except that as the basic rates are higher the extreme reduction becomes 1½¢. It is beyond all cavil that the present Government has done nothing to aid the building problem as presented to the Committee.

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The complaint of the B.C. lumber dealers that they could not reach their Ont. and Que. markets, was supported by much evidence. The market is a competitive one and the rates are ~~rates competitive to the American rates~~. The time the Committee sat the rates from the coast to Toronto points per 100 lbs., ~~were~~ was 88½¢, and to Montreal points 90¢. These rates of course were not changed by the government nor have they been reduced by the Board of Railway Commissioners. The rates from Nelson to Toronto was 81¢, and to Montreal 87¢. ~~The~~ rate rectification has taken place and Montreal becomes 86½¢. The B.C. lumbermen's difficulties still remain.

Lumber and forest products are essential basic commodities. They represent a very large natural resource of the country and much difficulty has been experienced by different operators in disposing of their output. Just as strong ~~is~~ made by the lumber ~~interests~~, ~~and~~ It is very certain that railway rates have been drastically increased on ~~their~~ products. The commodity moves on a mileage basis. The rate situation in Eastern Canada is shown by the following table:

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Distance in Miles		May 1, 1908	Dec. 1, 1921	Percentage in increase	Govt. relief
OVER	NOT OVER				
	5	3	6½	116	Nothing
5	10	3½	7	100	
10	20	4	8	100	
20	30	4½	9½	111	
30	40	5	10	100	
40	50	5	10	100	
50	60	5½	11½	109	
60	70	6	12	100	
70	80	6½	12½	92	
80	90	7	13	84	
90	100	7½	14½	93	
100	125	8	15	87	
125	150	8½	15½	82	
150	175	9	16½	83	
175	200	9½	17½	84	
200	225	10	18	80	
225	250	10½	19	84	
250	275	11	19½	77	
275	300	11½	20½	78	
300	325	12	21½	77	
325	350	12	21½	77	
350	375	12½	22	76	
375	400	12½	22	76	
400	425	13	22½	73	
425	450	13	22½	73	
450	475	13½	24	77	
475	500	13½	24	77	
950	1000	23	37½	63	

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~~300~~	~~350~~	~~12½~~	~~20½~~
~~350~~	~~400~~	~~13½~~	~~22~~
~~400~~	~~450~~	~~14½~~	~~23~~
~~450~~	~~500~~	~~15½~~	~~25~~

and compelling

It will be observed that the above statement shows lumber increases in Eastern Canada ~~are~~ were materially higher than grain increases in Western Canada. While there may be the greatest justification for this, the question ought to have been settled on its merits and not arbitrarily at the expense of the lumber producers ~~who contrast a 1000 mile haul with intial rate of 23¢ as against a rate of 24¢ from Saskatoon to Fort William of 899.5miles. They point out that while the Saskatoon increase was but 39% the increase on lumber on 1000 mile haul was 63%, which was left by the Government and is still standing, while the Government cut the much smaller Saskatoon percentage to an increase of but 8%.~~ Logical reasons for the loss of their Ontario markets by the Quebec and Maritime producers after a complete survey of the whole question ought to be afforded them. The only possible reason that can be after given is the abstraction of $17.000.000 in green wealth

A railway rate increase much felt by the community as a whole was before the Committee, that is the rate on anthracite coal, a rate in which ~~practically every house-holder, and~~ generally speaking every urban home and many rural ones in the whole of Ontario and Quebec is vitally interested. This rate has been increased as illustrated by the following table:

To	Nov. 20, 1916	Dec. 24, 1921	Percentage of increase	Government Relief
		From Prescott		
Smiths Falls	69	125	81	Nothing
Perth	92	155	68	
Ottawa	83	139	70	
Renfrew	112	180	83	
Pembroke	141	210	60	
		From Niagara Frontier		
Hamilton	55	105	90	Nothing
Toronto	66	115	73	
Galt	88	145	64	
Guelph	99	155	56	
Woodstock	99	165		
Peterboro	130	200	53	
Parry Sound	185	260	40	

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Not only was no action taken by the Government in any way helping the householder, but doubtless in view of the abstraction of $17,000,000 from available railway revenues, as a result of the Government's action, no relief whatever has been given the users of anthratice coal, whose rates still stand at increases varying from 90% downwards.

Perhaps the most extraordinary part of the whole situation is the way in which very important and essential agricultural interests have been entirely overlooked. The farmers' party certainly always pretend to be a friend of the farmers. Dairying business is absolutely essential to the psosperity of Ontario and Quebec, yet increases in railway rates on butter of 80% still stand. There were similar rate increases on cheese and eggs. At the risk of repetition, not only for the purpose of showing the claim that the western farmers above all others, of under and exorbitant rates - that they only suffer is have ~~pressed to be~~ entirely without basis in fact, but also in the hope that some proper consideration may be given to other agriculturists, the following further tables are given. Important butter markets will be found in Toronto, Ottawa, and Montreal, and butter moves in carloads and less than carload lots. A few of the principal points shipping to these centres are picked out so that the rate situation may be plain.

IN CARLOADS (Butter)

FROM	TO TORONTO			
	Dec. 1, 1916	Dec. 1, 1921	Percent increase	Government relief given.
Wingham	26	47	80	
St. Marys	23	41½	80	
Woodstock	23	41½	80	Nothing
Thamesville	27	49	81	
Smiths Falls	30	54	81	

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TO OTTAWA

Arnprior	15	27½	83	
Renfrew	18	32	77	
Pembroke	24	43	83	Nothing
Eganville	21	37½	78	
Smiths Falls	17	30½	79	

TO MONTREAL

Renfrew	29	52½	81	
Brockville	26	47	80	Nothing
Lindsay	35	63	80	
Peterboro Peterb	33	59½	80	
Toronto	35	63	80	

These are in cents per 100 lbs.

IN LESS THAN CARLOADS

FROM — TO TORONTO

	Dec. 1, 1916	Dec. 1, 1921	Percent increase	Government relief
Wingham	30	54	80	
St. Marys	26	47	80	
Woodstock	26	47	80	Nothing
Thamesville	32	58	81	
Smiths Falls	35	63	80	

TO OTTAWA

Arnprior	18	32	77	
Renfrew	21	37½	78	
Pembroke	28	50	78	Nothing
Eganville	25	45½	82	
Smiths Falls	19	34½	81	

TO MONTREAL

Renfrew	33	59½	80	
Brockville	30	54	81	
Lindsay	40	72	80	Nothing
Peterboro	39	70½	80	
Toronto	40	72	80	

Rates are in cents per 100 lbs.

The increase of 39% in the Saskatoon grain rate was by government action reduced to 8% but the rates on butter from Smiths Falls to Toronto increased 80% are still left by the government

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~~The~~ Heavy movements of cheese ~~is~~ are to Brockville and Montreal. The table from important shipping points to these destinations follow:

TO MONTREAL

FROM	Oct. 16 1916	Dec. 1, 1921	Percentage of increase	Government relief
Wingham	36	65	80	
Toronto	27	49	81	
Peterboro	25½	46½	82	Nothing
Brockville	17	30½	79	
Finch	15	27½	83	

TO BROCKVILLE

Toronto	23	41½	80	
Peterboro	22	40	81	Nothing
Tweedboro	18	32	77	
Port Hope	22	40	80	
Finch	17	30½	80	

Rates are in ¢ per 100 lbs.
These rates, except from Wingham, are any quantity rates, and therefore apply on both carloads and less than carloads.

STATEMENT SHOWING RATES ON EGGS FROM VARIOUS POINTS TO TORONTO, OTTAWA AND MONTREAL.

IN CARLOADS

FROM	Dec. 1, 1916	Dec. 1, 1921	Percent. of increase	Govt. relief
		TO TORONTO		
Wingham	21	37½	78	
St. Marys	19	34½	81	
Woodstock	19	34½	81	Nothing
Thamesville	23	41½	80	
Smiths Falls	25	45½	82	
FROM		TO OTTAWA		
Arnprior	13	24	84	
Renfrew	15	27½	83	
Pembroke	20	36½	82	
Eganville	18	32	77	Nothing
Smiths Falls	14	25	78	
		TO MONTREAL		
Renfrew	24	43	79	
Brockville	21	37½	78	
Lindsay	29	52½	81	
Peterboro	28	50	78	Nothing
Toronto	29	52½	81	

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IN LESS THAN CARLOADS

FROM	Dec. 1, 1916	Dec. 1, 1921	Percent increase	Govt. relief
	TO TORONTO			
Wingham	30	54	80	Nothing
St. Marys	26	47	80	
Woodstock	26	47	80	
Thamesville	32	58	81	
Smiths Falls	35	63	80	
	TO OTTAWA			
Arnprior	18	32	77	Nothing
Renfrew	21	37½	78	
Pembroke	28	50	78	
Eganville	25	45½	82	
Smiths Falls	19	34½	81	
	TO MONTREAL			
Renfrew	33	59½	80	Nothing.
Brockville	30	54	80	
Lindsay	40	72	80	
Peterboro	39	70½	80	
Toronto	40	72	80	

Rates are in cents per 100 lbs.

We may well ask what have the Ontario farmers, content as they are to be the tail of the Western grain growers kite done for the primary Ontario farming interest which they have claimed to be suffering so grievously

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(22)

House of Commons

Ottawa, _____ 191__

Many other illustrations could be given to show that the Western grain growers ~~were not specially~~ ~~that~~ railway rates were not unduly raised in proportion to other railway increases, but they are unnecessary

The plain facts are

1 That railway rates in Canada as elsewhere have generally greatly increased

2 That with the ~~world's~~ general price deflation particularly in basic commodities the increase bore very heavily on the producers of those commodities

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House of Commons

Ottawa, _____ 191__

3 That the case of the Western grain growers was as good and no better than those engaged in other activities

4 That the government in the first instance admitted its total incapacity to intelligently pass on the very complicated issue railway rates present

5 That the Western grain growers insisted upon consideration as special privilege

6 That the government that admitted its incapacity arbitrarily granted

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House of Commons

Ottawa, _____ 191__

the relief the prairie provinces claimed ~~and thereby~~ ~~precaution the Board of~~

7 That as a result practically no action at all was taken by the Railway Commission

8 ~~That under~~ That to the end the government might obtain the western prairie provinces support in the ~~Commons~~ House other producers in the whole country are handicapped by excessive rates as is the ultimate consumer everywhere.

9 That the government's special recognition of claim

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074609

House of Commons

Ottawa, _____ 191__

interest proves it to
be indifferent to the general
interests of the Country,
indeed indifferent to everything
except a continuance
to the offices and emoluments
which so precariously holds

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Editorial

074610

Vancouver Sunday Sun

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SUNDAY, JANUARY 7, 1923

PARLIAMENT AND RAILWAY RATES

EITHER Parliament or the Railway Board must have complete jurisdiction over the railways; both cannot run them.

In the building of Canadian railways, certain agreements were made with Parliament regarding rates. When the Railway Board was created all question of rates and existing agreements were made subservient to the Board's judgment as to what was a fair rate for both public and railway.

When Parliament restored the Crow's Nest agreement last summer, it arrogated to itself the right to say, over the head of Canada's Railway Board, that Western grain must be hauled to Fort William at a certain price even though that price was below proportionate freight rates of other commodities; was 25 per cent below American rates for grain, and was even below cost, which means that other commodities and other parts of Canada must make good any deficiency.

Mackenzie King knows that Canadian Railways were constructed, built, and paid for by CANADA as a whole and were declared to be "works for the general advantage of CANADA." That being so, Mackenzie King must know that he has no constitutional justification or authority to order the railways to haul a certain commodity, in a certain direction, at a certain price. The railways themselves, but particularly the Canadian National, which was not in any way a party to the Crow's Nest agreement, had no right as common carriers to submit to such outrageous discrimination.

Parliament's action so palpably smatters of a Liberal political trade for Farmer support that Mackenzie King should lose no further prestige by longer maintaining the agreement. Eastern Canada is chaffing under her extra burden, and certainly British Columbia cannot make progress under freight rates double those of other parts of Canada.

Irony is added to the situation by Western farmers now realizing the back-fire to their demands, in that grain is now to come West instead of going East.

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Ottawa, Ont. January 17th. 1923.

My dear Cromie:

I have your letter of the 8th. instant, and was particularly interested to read the editorial enclosed.

This editorial has the real heart to the question. For demanding last session that the Railway Commission have a free hand to make rates fair to all Canada I was denounced in the prairie provinces as opposed to lower freights. Mr. Crerar was especially unfair in this regard.

The discrimination against which British Columbia has waged a long battle had at least some show of justification in the extra carriage costs through a mountainous country. I know that there is a very strong argument against this justification, namely that the extra carriage costs are due not to unsurmountable conditions but to the fact that the Canadian Pacific chose a very difficult route when a route offering much better grades was available, namely, that subsequently taken by the C. N. R.

The pointbis though, that much heavier rates

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have prevailed for the far west traffic, and these instead of being alleviated are accentuated in the most indefensible fashion by the action of Parliament last session in forcing by its own hand certain rates for certain goods passing eastward from Alberta and Saskatchewan and at the same time doing nothing in respect of westward bound freight.

You are absolutely right that the only effect of the deal made between Mr. King and Mr. Crerar was to make inevitable at the hands of the Railway Commission unjustly high rates on other commodities and all commodities going in every direction. Without question British Columbia now suffers more than she ever did and the added discrimination has no shadow of defence.

British Columbia pays indeed in large degree the penalty for the failure to take a broad and just view last session. She pays in large degree the cost of the parliamentary vote secured by the Crow's Nest Pass bargain.

Yours very truly,

R. J. Cromie, Esq.,
The Vancouver Sun,
Vancouver,
B. C.

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ADDRESS ALL LETTERS TO THE PAPER

MEMBERS A. B. C.

074613

The Vancouver Sun

WITH WHICH IS INCORPORATED
THE DAILY NEWS-ADVERTISER
FOUNDED 1886

EXCLUSIVE MORNING
AND SUNDAY—
COVERS THE FIELD

VANCOUVER CANADA Jan.8th,1923.

Hon.Arthur Meighen,
Ottawa, Ont.

My dear Meighen:-

Here is one we ran yesterday on "Parliament and Freight Rates". How can this situation be ironed out so that these discriminations against British Columbia will be adjusted?

Yours very truly,

R.J.Cromie

RJC/S

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

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REMOVAL OF THE DIFFERENTIAL AND REVISION OF RATES.

Hon. E. M. Macdonald makes Important Announcement at North Sydney.

GOOD NEWS FOR MARITIME PEOPLE.

Minister Accepts the Meighen Challenge and Gets Fine Ovation at the Biggest Meeting of the Campaign.

(Special to the Morning Chronicle).

Halifax, N.S. Monday, July 30,1923.

NORTH SYDNEY, July 28.- Revision of freight rates on the Canadian National Railways generally, at least insofar as the Maritime Provinces are concerned, and the removal of the differential against North Sydney and other ports in the Maritime Provinces, were announced here tonight by Hon. E.M.Macdonald, Minister of Defence, at a meeting addressed by himself, Hon. A. K. Maclean, M.P. for Halifax, and George W. Kyte, M.P. for Cape Breton and Richmond, Chief Liberal Whip.

The announcement was received by the people of North Sydney with great pleasure. The question of freight rates has been a matter of discussion between the North Sydney Board of Trade and the Department of Railways for over three years and this intimation of the success of their pleas earned for the Minister of Defence one of the finest ovations ever given to a public man at a political meeting in North Sydney.

Hon. E. M. Macdonald, in the course of a discussion of the freight rates problems which have faced the Maritime Provinces since the heavy increases were imposed under the Meighen-Borden Administration, announced that a revision of freight rates had been prepared and was now awaiting the return of Sir Henry Thornton from the West to put them into effect.

WILL RESTORE TRADE.

He told the people of North Sydney that the high freight rate and differential which has destroyed the trade of this port to and from Newfoundland were to be respectively lowered and eli-

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minated, and he prophesied that the magnitude of this traffic would soon again be as large as it was before adverse rates were imposed, and he expressed the desire of the Railway Department to see that this traffic so increased as to exceed any previous record.

Mr. Macdonald also intimated that there would be a general reduction of rates affecting local traffic between Ontario and the Maritime Provinces and that the differential in force against Cape Breton points in favor of other Maritime points would be, he understood, brought down to a more equitable standing.

The meeting was held in the interests of F. L. Kelly, the Liberal candidate, and was the biggest political demonstration held in the Island during the present campaign. It exceeded in attendance the previous splendid meetings addressed by Mr. Meighen in the interest of the Conservative candidate and that addressed in the interest of the Liberal candidate when Col. Ralston , Harold Putnam, M.P. for Colchester, and L.H. Martell, M.P. for Colchester, Hants, addressed the people of North Sydney on Wednesday night.

The speakers to night were given a splendid hearing. Hon. A.K. Maclean spoke for an hour and ten minutes to an audience which showed its approval of this brilliant native of the town, and Mr. George W. Kyte, who spoke here for the third time this week, although the the third speaker of the evening,held the interest of the entire audience until he closed, and his appeal so ably seconding those of the previous speakers for support for the Liberal candidate Mr. Kelly, was received with ardent enthusiasm and prolonged cheers.

Councillor Roynane MacLeod, Secretary of the Western Union Cable Operators Employees Association, an organization second in strength in the union movement in this community, was chairman.

RETORT TO MR. MEIGHEN.

Upon being introduced the Hon. Minister of Defence was given a reception, which might have caused the Hon. Mr. Arthur Meighen

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to wish he had not been so caustic concerning the courage of the member for Pictou. Hon. Macdonald was greeted with much hand clapping and cheering, and when he jocularly said: "I have got to North Sydney at last," the applause was renewed vigorously and so prolonged it was some minutes before the speaker could proceed.

From the beginning Hon. Mr. Macdonald obtained the confidence of his audience. They cheered his reply to the accusations of the Leader of the Opposition made at the beginning of this week in North Sydney and applauded him as he challenged point after point of Mr. Meighen's statements.

Hon. Mr. Meighen, the Conservative Press in Cape Breton, and Mr. R. H. Butts wanted, Mr. Macdonald remarked, to run everybody in true Tory fashion, and even wanted to regulate his own private movements to the extent that they were much concerned where he had spent the past two weeks. Since they were so anxious about it, Mr. Macdonald explained, he had spent last week in his own County among the people who had elected him continuously to be their member at Ottawa and where the Scottish people had celebrated the landing of their forefathers a hundred and fifty years before. The occasion, Mr. Macdonald commented, was a very happy and pleasant one.

THE TOUR OF VICTORIA.

During this week, he said, he had, in company with Dr. Daniel Macdonald, been visiting Victoria Co., where there were no other indications than that the people would give magnificent support to the Liberal candidate on Tuesday next and where Dr. Macdonald, who had himself been honored by mention as a possible candidate, had called upon all Liberals to rally around Mr. Kelly and roll up a majority that would speak in no uncertain terms to all of Canada as an approbation of the Mackenzie King Government and Liberalism.

"I am here tonight to speak to the people of this constituency as a Minister of the Government, to ask you to fill the vacancy caused by the elevation of Hon. D. D. McKenzie to the Supreme Court,

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by sending your friend, Mr. Kelly, to support us at Ottawa."

There is a recollection in the hearts of the people of Canada, of that splendid time of Liberal rule under Sir Wilfrid Laurier, and it was because of that that you voted here and in Canada generally in 1921 to turn Mr. Meighen out, that you would have a chance once more under Liberal rule of turning back to those prosperous and happy days previous to 1911.

HE KNOWS MR. BUTTS.

Now you had Mr. Meighen here two days ago and he delivered some very curious speeches. He never once asked the people of this constituency to vote and he made no appeal whatever for Mr. Butts. Why? Because he knows Mr. Butts. Mr. Butts was with him in the House of Commons at Ottawa on a previous occasion. He did ~~not~~ speak of something about a "flag of warning." As he did not ask the people of this constituency to vote for Mr. Butts, we naturally take it that Mr. Butts is the "flag of warning."

Now, I ask you, as a Minister of the Government, to elect the Liberal candidate, Mr. Kelly, and as you remember the good old days of Laurier, and you hope to see them back again, we promise to bring them back if you will give us your support and the time to overcome some of the problems we are up against.

The Government has been in office eighteen months, and we have been working hard to solve the great problems before us, the most complicated of which was the legacy of the late Government.

THE NATIONAL DEBT.

Mr. Macdonald went on to deal with the National Debt, and compared the items which had gone toward creating it to three hundred and thirty millions of dollars from 1867 to 1911, including the construction of the intercolonial, National Transcontinental, Grand Trunk Pacific and other Government constituted lines, while between 1911 and 1921, in one fifth of that time, the country had been saddled with one billion more because of the acquisition of other lines.

He referred to the acceptance of responsibility by the

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Dominion Government in 1917, of the Provincial debts of British Columbia, Alberta, Saskatchewan, and Manitoba, adding another hundred and fifty millions of dollars to the National Debt, with which the people of the Maritime Provinces had been burdened in common with all other people of Canada.

From this point Mr. Macdonald took up the accusations made against him by the Conservative leader last Monday at North Sydney, one of which was a quotation from a speech made by Mr. Macdonald and claimed by him to have been misrepresented by Mr. Meighen.

Mr. Meighen accused Mr. Macdonald of promising great prosperity to his own constituency and that he had not fulfilled those promises. In that speech misquoted by Mr. Meighen he was dealing with the problems of 1921, previous to the castigation which Mr. Meighen and his party received at the hands of the electors. The coal mines of Nova Scotia were closed. The steel works in Pictou and Cape Breton Counties were closed down.

BOUGHT AMERICAN COAL.

The St. Lawrence markets on which our mines were largely dependent were closed because the railways of Canada were taking coal from the U.S. He promised them one thing. If the Liberal Party was returned to power we would remedy these conditions. In the spring of 1921, while our coal mines were closed, Mr. Hanna, who Mr. Meighen says, is a "very worthy man" entered into a contract with a firm in Pennsylvania to supply for the use of the Government Railways one million tons of coal per year for four years, and he was taking that coal in the summer of 1921, while our miners were out of work, and their families threatened with starvation. In the year 1921, out of twelve million dollars of good Canadian money for the purchase of coal, nine millions were sent by Mr. Meighen andmMr. Hanna to the United States while our own mines were idle.

Discussing the freight rates and the abnormal increases which went into effect under the administration of Mr. Hanna and Hon. Mr. Macdonald said that it cost so much to send to Newfoundland through North Sydney, that the United States trade with Newfoundland increased

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forty per cent while the Canadian trade decreased.

These were serious conditions whichwe had to meet when we returned to power. We took away from Toronto the controlling influence over our railways in the Maritime provinces and placed them in Moncton under a general manager who would look after the interests of the Maritime Provinces.

At this point Mr. Macdonald announced the pending revision of freight rates and the re-establishment of the advantages North Sydney previously enjoyed in connection with Newfoundland trade.

THE SENDING OF TROOPS.

After a short review of the sales tax inaugurated by the Conservative Administration Mr. Macdonald went on to deal with the question which had aroused so much interest during the days following Mr. Meighen's appearance by reason of the challenge thrown out by Mr. Meighen.

"I understand that Mr. Meighen, when he was here a few days ago, made assertions that were practically an intimation that I was afraid to appear before you good people of this town, and I understand that Mr. Butts goes up and down the country condemning the Government for sending troops into Cape Breton in connection with the strike which has happily come to an end during the last few days."

Mr. Macdonald discussed the law in connection with the requisitioning of troops, showing that the authority was entirely vested in the County Court Judge in this case, Judge Finlayson, and went on to quote the various sections defining the powers and limitations imposed upon the General Officer Commanding and upon the Government.

Mr. Macdonald called attention to the fact that this Act was passed in 1873 by a Conservative Government under Sir John A Macdonald, and that Mr. Meighen had stated, according to reports in the official organ of the Conservative Party in Cape Breton, that Mr. Meighen had told the people of North Sydney that the Act was passed by the Laurier Government.

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MR. MEIGHEN AND WINNIPEG.

"I cannot comprehend, said Mr. Macdonald, how a public man, especially a man who once occupied the position of Premier, could attempt such a distortion and misrepresentation of what he must know to be the real facts. Furthermore, Mr. Arthur Meighen said at Baddeck on Wednesday night of this week that he sent no troops to quell the strike riots at Winnipeg. I telegraphed the Deputy Minister of Militia that I might have the full facts and this is the reply which I received to-day:

> "Regard Winnipeg troops. They were not requisitioned by civil powers, but were ordered out under Privy Council Order No. 834 April 4th. 1918".

And the telegram went on to give the number of troops, officers and men ordered to Winnipeg under the Meighen Administration.

Defending his own position as Minister of Defence, and quoting Mr. Meighen from Hansard, as the authority for any responsibility which the Department of Defence had regarding the calling out of troops, Mr. Macdonald said: "This as I have read it to you is the law, and I, as minister of the Crown, am in duty bound to see that it is carried out, and I would not be worthy of my position as a Minister of the Government if I hesitated.

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SYDNEY, N. S., OCTOBER 16TH., 1923.

"PATRONAGE" AND THE C. N. R.

HON. E. M. MACDONALD'S political intermeddling in the business of the C. N. R. at Truro is regarded as an ominous circumstance by the Edmonton Journal, which comments on the siutation as follows:

"Sir Henry Thornton has encountered greater difficulties, in administering the railway of which he is the head on a business basis, in the maritime provinces than in any other section of the Dominion. The Intercolonial, now part of the C. N. R., was for so long used for political purposes that all efforts to keep politics out of it had met with determined opposition. An incident has just been reported which indicates how very far from satisfactory is the situation there.

"The C. N. R. executive decided to amalgamate the offices of the superintendents now located at Truro and Bridgewater in Nova Scotia and to transfer the work to Halifax. A great outcry arose, particularly in Truro, the people of which threatened to turn all of its business over to the C. P. R. by way of protest. They were then informed that the executive's order had been suspended pending a visit which would be made to the scene of trouble by Sir Henry during the present month. The feature of the affair which must cause most alarm is that the notice of the suspension of the order was sent to Truro not by the railway executive but by a member of the Government, Hon. E. M. Macdonald, who conveyed the information to two local Liberal members.

"This is not the first time that that minister has interfered in a matter which should have been left wholly to the railway officials, if the Government were adhering strictly to its announced policy of leaving all problems of administration with them. Confidence in the sincerity of its declarations must be badly shattered by his action. Once it beomes apparent that political pressure can affect decisions of the C. N. R. executive that are not to the liking of certain communities, others will seek to have it brought to bear, and the hopes that we have entertained that the system will be put on a good basis will soon go aglimmering.

"The incident is thus far from being one of merely local importance. The other provinces should tell Mr. Macdonald and any of his colleagues who are disposed to follow his example that they must keep their hands off."

Mr. Macdonald's appointment to the Cabinet has enlarged the opportunities for evil of a public man whose political influence invariably radiates in evil directions. It may be taken for granted that whatever he can do will be done to bedevil the C. N. R. and every other public service with the patronage evil in its most sinister forms. But the difficulties with which politicians of his type encumber the C. N. R. management do not always arise in the East.

Sir Henry Thornton was not in office more than three months before he reflected the influence of politicians in his cancellation of the "Hanna order." That reactionary move came as the result of advice he received from Ottawa, but the chief pressure had been exerted by Manitoba politicians. Sir Henry's resurrection of the Guysborough railway project was prompted by Mr. E. M. Macdonald and Mr. John H. Sinclair. These things all showed the trail of the mere politician.

For the restoration of the Crow's Nest Pass rates a year and a half ago, Sir Henry cannot be held responsible. That was a political deal for which the whole onus rests on the King Government. But the recent ten per cent reduction of rates between Edmonton and Vancouver shows that political pull is operating on all sides with respect to railway matters. A year ago the Railway Commission decided that no such reduction could be made without actual loss to the railways, which, it was held, were then carrying freights over the mountains at cost. From this decision British Columbia appealed to the King Government, which passed the buck a second time to the Railway Commission. That tribunal has now reversed its decision of last year, and authorizes rates which it then held would mean an operating loss to the railways. Can anyone doubt that the Government has exerted its influence to procure this unwarrantable concession to British Columbia?

The curse of politics still rests on the railways. With men like Macdonald, Sinclair and Oliver in high places, and a weak Government in office at Ottawa, the people are likely to feel its blighting effects with steadily increasing intensity. In such a state of facts will anyone seriously contend that railway nationalization is getting a "fair trial," or even a fighting chance for its life?

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Nov. 28/23.

RAILWAY RATES

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It is perfectly extraordinary what party contingencies can, and will, do. ~~Alarmed~~ Complete party subservience is best illustrated by the actions of the "Solid 16" Liberal representatives of Nova Scotia in connection with the Crow's Nest Pass Agreement. If any province in Confederation required relief under the existing rate schedules in force in 1922, the marttime provinces required it, and as the mileage to and from N.S. was greater than that to and from N.B. the necessity for relief was even more insistent in N.S. than in N.B.

There was no secret about the matter. Hon. E.M. Macdonald and Hon. Mr. Maclean, as well as lesser lights, talked loudly and often on the question, and were insistent that relief should be granted at any and all times where there was no prospect of action being taken. In 1922 the opportunity arose; railway rates could be reduced; certain ~~xxxxxx~~ economies were open to the systems; the cost of materials had dropped, and there had been some wage reduction. The matter came squarely before Parliament as to whether the ~~this~~ fund resulting from these economies should be applied rateably and proportionately as fixed by the Railway Board among the shippers of all basic commodities, having special regard to the needs ~~and requirements~~ of traffic, or whether the old special privileges granted the Western grain grower should again become effective. It was pointed out in the House by the Conservative Opposition that if the old special privileges became effective no fund would be available which could make general freight reductions possible. The whole matter was then thrashed out in Committee, and that Committee determined that the only proper and fair thing to be done was to reduce rates to all generally. The report was drafted and at the last minute Mr. Mackenzie King made his

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deal with Mr. Crerar. The extraordinary thing is that the report which restored privilege to the Western grain grower was introduced by the Hon. Mr. Maclean, senior member for Halifax.

Perhaps even more extraordinary because his ~~province rather than the~~ representations were the same blatants. That report was fathered by the Hon. E.M. Macdonald. Perhaps it is not quite so extraordinary that the rest of the subservient 16 voted for it; Voted for the continued handicap of their province; Voted for a continuance of ~~higher~~ excessive rates on Nova Scotia's coal, fish, textiles, iron and other products; ~~Voted so that Mr. King could still call himself Premier;~~ Voted so that the benign patronage which makes Liberal members judges, should continue to function; Voted so that perchance some one, if not more, of the 16 might become Cabinet Ministers. Mr. Macdonalds speech may have earned him the gratitude of his leader and everyone knows it earned him his portfolio which came along soon after. ~~the Department of Minister Militia~~, But what do the people of his province think? Are they content with the doctrine that Mr. Macdonald ~~has~~ is sent to Ottawa to advance his own personal ambitions as against ~~or to advance~~ the real business interests of his province?

The year had been a hard year, an exceptionally hard year, for N.S. What could have made Mr. King in the first instance, and the noble 16 in the second, determine that the West required a maximum of relief and N.S. none at all? Mr. King, when he was electioneering prior to the elections of 1921, at Amherst ~~and delivered~~ on Oct. 4th, said:

~~How very much afraid~~, What a perfect sham, Mr. King is; or how very much afraid he was, of the Western grain grower, when he agreed that the 17 million dollars available for freight reductions should be applied <u>in toto</u>

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in the reduction of the Western grain rates. What a farce it is for a public man to say that coal required by other consumers in Canada should be carried at cost and then to give 17 millions to the Western grain grower, while the N.S. coal rate from Springhill to Montreal remained subject to an increase of 89%.

But if Mr. King is not sincere, what can be said of Mr. Macdonald? ~~what can be said of Mr. Maclean?~~ There was no mystery about what the effect of the revival of the special privilege would be, and there is also no mystery as to what the effect of the Government's action has been.

Saskatoon had a specially low rate of 24¢ on grain to the head of the lakes. The rate on Dec. 31, 1921, was 33½¢; that was a percentage increase of 39%. The rate on that coal, which for election purposes Mr. King was so interested in, from Springhill, N.S., to Montreal, P.Q., was 9½¢, and at the time Mr. King renews special privilege to the West, was 18¢, a percentage increase of 89%. That coal rate still remains at its high increase of 89%, while the Saskatoon rate of 33½¢, although a percentage increase of but 39% was reduced by Mr. King to 26¢. N.S. has the opportunity of saying what it thinks of such conduct, whether it likes being bamboozled or not; whether it believes in special privilege or wants justice. During the discussion in the House the tremendous disability that N.S. was being subjected to was pointed out, - not by one of the noble 16, but by a Conservative from Ontario.

The following rates in which N.S. is particularly interested were given. No exception was taken to their accuracy; none could be taken. The significant and sad

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thing is that these rates, excessive as they are, still stand and still stand as the direct result of the action of N.S's representatives. Nova Scotia ought well, at the earliest possible minute see that at least someone will represent ~~them~~ her who will speak for N.S., vote for N.S., work for N.S., rather than for ~~him~~ ~~designed~~ partizan party purposes and the sustaining in office of the most inefficient, timorous and joblot government that it has ever been the misfortune of this country to have. The rates quoted in Hansard are as follows:

Halifax may, however, confidently expect that Mr. Macdonald at the last minute will, as he did in connection with the Sydney election, make all kinds of statements as to what the Government intend to do, and what will be done by the government through the management of the railways, which ~~everywhere~~ everywhere else at the same moment are proclaimed by the Government to be run without political interference. Halifax cannot well afford to accept any mere statements coming from this source.

A vote for the government by Halifax to sell the approval of Nova Scotia's betrayal by her representatives ~~and a vote against both or against~~

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The Prince Edward Island Associated Boards of Trade

CHARLOTTETOWN, P.E.I.

18th December, 1923.

The President,

The Farmers' Institute,

copy sent to all Institutes

Dear Sir:

Boards of Trade are continually pressing for improved transportation and equitable freight rates. It is is doubtful if the good work carried on by Boards of Trade is fully appreciated by the Agricultural Community. Every time an improvement in transportation is effected or a reduction secured in freight or express rates, it should be realized that the whole Community benefit and not the business man only.

The object in organizing the Associated Boards of Trade of Prince Edward Island, according to its Constitution, was to promote the general welfare of the Province. What really brought the Associated Boards of Trade together, however, was the lack of proper transportation services.

The Associated Boards have urged continually, ever since organized, the widening of the guage of our Railway throughout the Province, and there is no doubt, but that our persistent efforts have been a very considerable factor in securing the relief so far received. We must not, however, rest content until the Eastern and Southern Sections of the Railway are also standardized, and an efficient passenger and freight service put into operation throughout the whole Province.

It has been felt for some time that the Farming Community, should be largely represented on our Associated Boards of Trade, and I therefore, desire to bring to your attention that provision has been made for this under section No. 5 of the Constitution, which reads as follows:- "In Communities where there are no regularly constituted Boards holding membership as such in the Associated Boards of Trade of P. E. I. and in good standing, and where there are five or more citizens desiring to become members of the Associated

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Boards, they may be accepted as general members upon their signing an application for membership and upon paying a total annual Community fee of $5.00, and upon said applications having been moved, seconded and approved at any Meeting of the Active Membership or Council of Management, the said five or more citizens shall constitute and shall be known as Boards of Trade Committees in their various Communities, and shall elect from their number one member who shall be known as the Convenor--such Committees to be entitled to one representative on the Active Membership of the Associated Boards."

A great deal of controversy has appeared in the press lately on the question of transportation, and while I have no desire to enter that field, I would like to place before you for consideration some facts and suggestions that may be helpful in obtaining more unity on this and other questions which are Provincial and of vital importance.

I was responsible in 1920 for having had passed at the Maritime Board of Trade at Moncton, a resolution asking for as efficient freight and passenger transportation from Sackville to Island points, as is found on the Main lines in other Provinces of Canada, and including Pullman Service. The intention was then, that if it was not feasible to carry passenger cars on the present Car Ferry, that we would have on record this demand so that when another Ferry was built it would be brought up to date in every particular to meet our requirements and thus fulfill our privileges and rights as a Province. I am of the opinion that a better and larger Boat than the "Prince Edward Island" should be built for this service, even though a large amount of expensive dredging may be found necessary. The new Boat should be fifty per cent more powerful and be constructed to use oil fuel. The Car deck, most decidedly should be closed in, but passenger Cabin accommodation and luxurious fittings should be omitted, as these would not be required when the passenger cars were ferried. The upper deck should convey the Automobiles which would do away with the present unsatisfactory method of placing Automobiles on flat-cars for transportation on the Ferry. When the new Boat is constructed the present Car Ferry would then be held in reserve or used as an Auxiliary. The question will be raised by some, I know, as to cost and the feasibility of operating a larger Boat. It was Sir Robert Borden who made the statement in Charlottetown some years ago before a public audience, that Prince Edward Island had never been treated fairly by either Conservative or Liberal Governments in the matter of transportation, and that it was not a question of cost, but a matter of honor between the Dominion of Canada and Prince Edward Island. We should remember, therefore, that we have held a dishonored bond of the Dominion of Canada for the long period of fifty years.

The present Car Ferry was placed on the Borden-Tormentine route as an experiment, and very few persons, if any, thought

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that a Boat could be built to cope successfully with the ice conditions in the Straits through the whole winter season. The experiment has proven most successful, however, and a very fortunate thing for the Dominion, as if it had not been successful, there was only one other solution to carry out the terms of Confederation, and that was to build a tunnel which would have cost the Dominion of Canada anywhere from fifty to seventy-five million dollars.

Now the present Car Ferry, "Prince Edward Island," the Piers at Borden and Tormentine and the proposed second Car Ferry, will not cost the Dominion in all more than five or ten per cent of the cost of a tunnel. Lack of efficient transportation has largely been the cause of our loss of population, as it restricted the manufacture of goods for export as well as handicapped the development of the Tourist Traffic, and further, it has curtailed greatly the development of agriculture and fisheries, and has been the one great obstacle to the Island's progress. While other Provinces have been living in Railway luxury, we have been more or less strangled or starved for want of adequate Railway transportation for freight and passengers, and as a result the loss to this Province is incalculable. Is it, therefore, too much for the farmers and business men of Prince Edward Island to expect that adequate transportation service which we are demanding be granted even at this late date? No one knows better than the Potato Grower of this Province how very inadequate is the transportation service, and that this is the one big factor, if not remedied, that hampers the future of the Seed Potato Industry. As we all know here the shipping of a perishable article such as Seed Potatoes is very largely done in the course of a few weeks late in the Fall before frost sets in. Without the assurance of sufficient refrigerator cars and prompt despatch this valuable Industry receives a very serious set-back. The experience of the past season shows that the Railway authorities fall far short of rendering the service that might be expected and which was promised the Association early in the year.

The Maritime Provinces are at last waking up to the value of the Tourist Traffic and the Island stands to benefit greatly from the efforts of the Provincial Tourist Association that has just been organized, provided it receives the whole hearted support from our own people in both Town and Country, and to which it is entitled.

Early this year a Tourist Association was formed in Nova Scotia, and Premier Armstrong announced recently that the receipts from the Tourist trade this year in Nova Scotia had increased over one million dollars compared with 1922. There is no doubt that the Tourist business in Prince Edward Island, with proper transportation service and lots of publicity, can become one of our biggest assets. With thousands of Tourists coming to the Island the result would be to open up new opportunities for Hotels, Business Houses, Farmers, and Silver Fox Ranchers and give a great stimulus to the whole Community.

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The Tourists now-a-days travel very largely by Automobile and as in every part of North America except Prince Edward Island the Law requires the Auto Driver to turn to the right, it is most essential that the same Law be adopted here at the next Session of our Legislature. This year Nova Scotia adopted the "turn to the right" and inside of thirty days traffic was running along just as smoothly as ever all over the Province, and no serious accidents were reported. Even American Potato Buyers who come to this Province have stated on various occasions that they should like to bring their own Cars and tour the Island while inspecting our Seed Potato fields, but they are afraid to do so with the present Law requiring Automobiles to turn to the left. If this new rule of the road was adopted here the news could be broadcasted by radio throughout Canada and the United States, such as the following: "Automobiles now turn to the right in Prince Edward Island, spend your holidays in the glorious Garden of the Gulf, the Tourist Resort of Eastern Canada."

In closing I would like to suggest that the Associated Boards of Trade of Prince Edward Island might very well call a Meeting of their Executive in March during the Session of the Farmers' Parliament, when a joint meeting could be arranged to discuss various matters of common interest for the welfare of the Province. At this meeting all those interested in improved transportation and Provincial questions might join in offering suggestions and recommendations with a view of arriving at conclusions that could be adopted unanimously rather than resorting to endless Newspaper discussions that arrive no where.

Let us all get together, Business Men and Farmers, and strive to encourage our young people to remain in Prince Edward Island, to find ways and means of increasing the earning power of the Farmer, and how we may best help to increase the population of our Province and have larger and better towns and Villages, and thus better home markets and trading centres for all concerned.

Let us all be Boosters for Prince Edward Island in 1924.

Yours faithfully,

J. O. HYNDMAN,

President.

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A WONDERFUL FUTURE

is in store for

Prince Edward Island

OPTIMISM — CO-OPERATION — WORK

IS NEEDED TO PRODUCE SUCCESS

LET US BOOST OUR PROVINCE

THE ISLAND OFFERS THE BEST OPPORTUNITIES OF ANY PROVINCE IN CANADA

For Agriculture and Live Stock
For Fur Farming
For Fishing of various kinds
For Tourist Resort

THERE are unsurpassed possibilities for specializing in many branches of Agriculture, that open unlimited resources for our boys and girls who desire to achieve success and help promote the welfare of their native province.

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The Oldest Insurance Agency in P. E. I.

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INSURANCE IS THE ONLY SAFEGUARD

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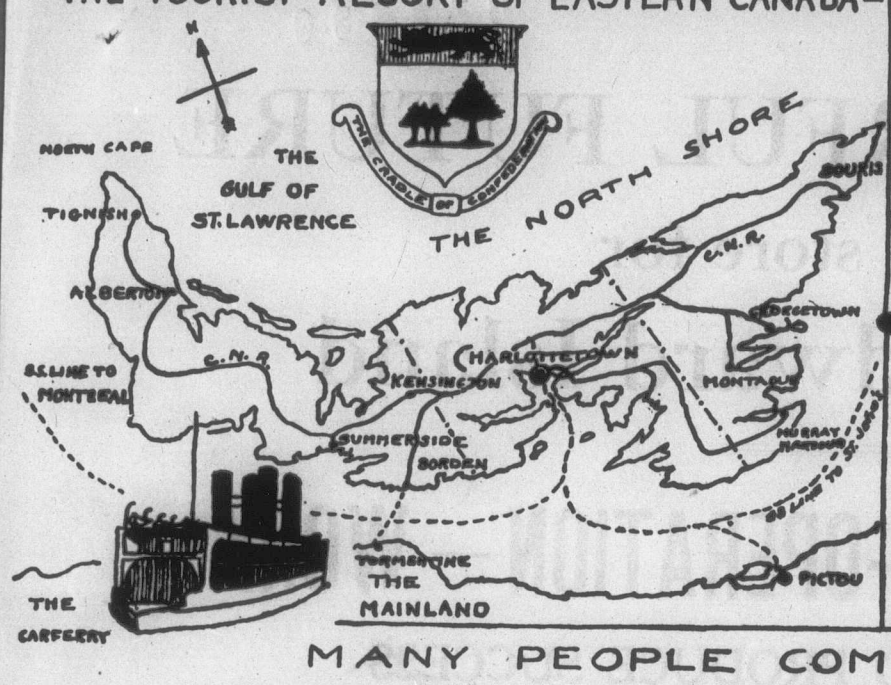
-THE TOURIST RESORT OF EASTERN CANADA-



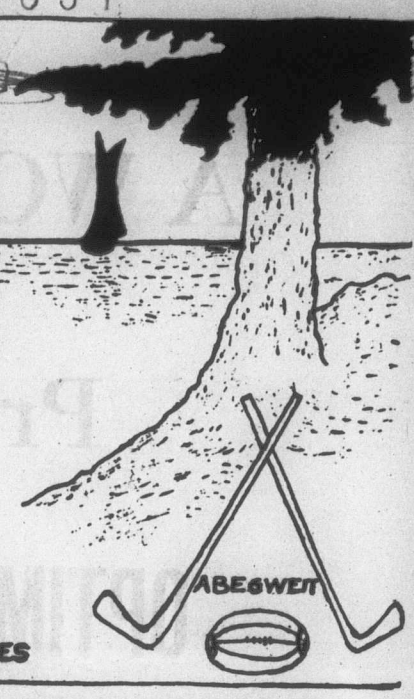
PRINCE EDWARD ISLAND

SURF BATHING

BOATING, GOLF,

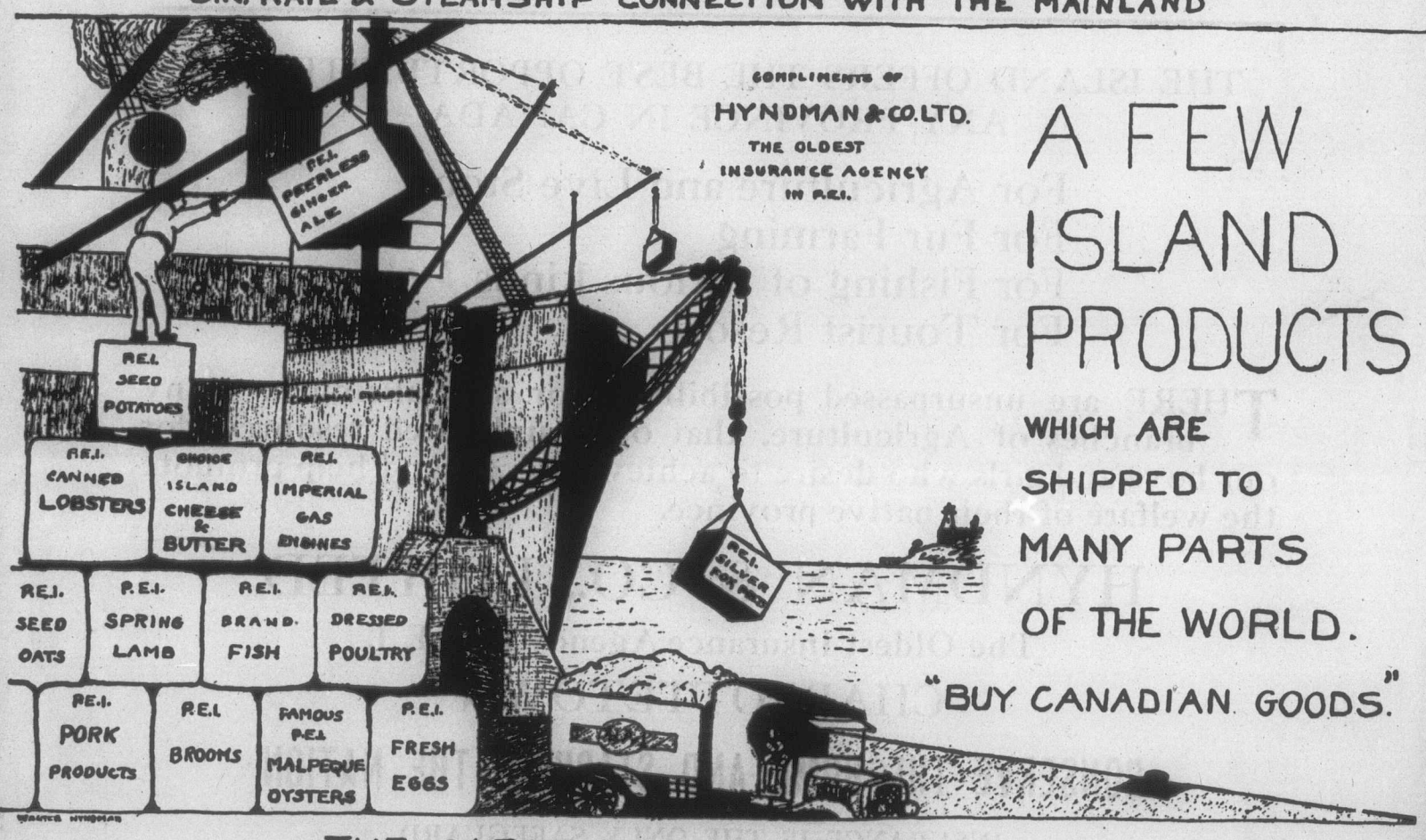
FISHING, TENNIS,

BEAUTIFUL AUTO DRIVES



MANY PEOPLE COME GREAT DISTANCES TO SPEND THEIR SUMMERS ON THE SHORES OF THE ISLAND PROVINCE — WHY DONT YOU ?

C.N. RAIL & STEAMSHIP CONNECTION WITH THE MAINLAND



A FEW ISLAND PRODUCTS

WHICH ARE SHIPPED TO MANY PARTS OF THE WORLD.

"BUY CANADIAN GOODS."

-THE GARDEN OF THE GULF -

PRINCE EDWARD ISLAND

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THE VANCOUVER SUN
OFFICE OF THE PUBLISHER

Vancouver, B.C.,
Jan. 3rd., 1924.

Hon. Arthur Meighen,
Ottawa, Ont.

My dear Mr.Meighen:-

Here is how a young Canadian looks at Canada and Canada's growth. Of course, the thing is full of holes but so is humanity.

You are a Westerner, and even though you are now enjoying a seat in fine old Tory Toronto, you know the struggle it is for a Western farmer to make both ends meet, and you must have an idea of what a relief it would be to the West to have the present discriminating freight rates lifted off their backs. From British Columbia right through to say the middle of Saskatchewan would take on a new lease on life immediately it is given the same proportionate rates to and from salt water on the Pacific as now obtain from the West to salt water on the Atlantic.

I do not know anything about the science of Government but I do know something about business,and just where it is a matter of good business to keep in effect a "mountain scale" of rates over the Canadian National Railway between Vancouver and the prairies, where no mountains or mountain grades exist, is beyond me. Any physical difficulty the C.P.R. might be up against could easily be met by electrification. Just what is the matter with Beatty I don't know, but he certainly has a gold mine in Alberta and British Columbia if he would only realize it and get out and develop the available traffic of these two provinces.

Ten years ago, the Telegraph Companies were in exactly the shape that the Railroads are in; they were facing bankruptcy because they were killing an increasingly small volume of business by high rates. Some clever business man conceived the idea of putting the telegraph equipment and lines to work and at once put into effect night-letters, day-letters,

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and cable-letters, at such attractive rates that the public immediately commenced using telegrams in a big way until today the Telegraph Companies have more business than they can handle and are working to such capacity that it is highly profitable. And what was true of the Telegraph Companies, is true of the Railroads, if they would only see it that way. They are sitting there with costly equipment and big overhead, trying to make a few poor little farmers in the West pay for those lines. It cannot be done.

During the last five years, the Peace River country has been almost depopulated, and that country cannot possibly make progress until it is given reasonable rates in and out over the short haul to Pacific tide-water at Vancouver.

What is there, Mr.Meighen, about Government that makes it so difficult for them to do the correct - the inevitable thing. Take the case of the Panama Canal; millions of dollars of good Canadian business was being diverted to United States and to Great Britain, simply because Ottawa, in its effort to protect the Railroads, was trying to collect 41% duty on inter-Canadian business. And that proposition was no more foolish than is the present refusal of the Railways to remove the "mountain scale" and the refusal of the Ottawa Government to announce a principle of equal charge for equal service rendered.

You are a student of politics; I am not; but it seems to me that the day is past when a Party machine, however complete, can deliver the vote. The Party, by its own endeavors, must create sufficient political capital in the form of public opinion and goodwill to carry it through an election. Now, out here in British Columbia, which is regarded as a stronghold of the Conservative Party, from one end of the province to the other there is a demand for a removal of the unjust discriminations in freight rates, and yet I have never seen one single announcement from you on this important questinn; I have never seen from you one interview on the question of the Panama Canal, and as for getting the Government to take any action, they simply will not move until they are forced to act.

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Hon.Arthur Meighen --#3

It was as inevitable as day follows night that a Customs Officer had to be appointed at New York so that Canadians could do business with Canadians, and it is just as inevitable that the principle of equalized freight rates must apply to Western Canada, at least to the Canadian National Railway.

The Mackenzie King Government had absolutely no business going over the heads of the Railway Board to order a restoration of the Crow's Nest rates. It is true that they could very properly have ordered that a certain commodity - wheat - be hauled at a certain price, - the Crow's Nest schedule - BUT when they add to that that a certain commodity , at a certain rate, be hauled in a certain direction, - eastward - that is the most unjust and unpolitical thing I think any Government could do. And the result of their action is certainly reflecting against the present Government in British Columbia.

You, however, seem to have taken no advantage of this, and on the contrary, I notice that Tories down in Nova Scotia are trying to create sectionalism by pitting Nova Scotia against Western Canada.

This letter is not a preachment but just a little loud thinking which I was doing this afternoon in an effort to see if there is not some common ground on which young Canadians, regardless of race, creed, or politics, can work together for the benefit of Canada.

I wish Mrs.Meighen and yourself a very busy and a very happy 1924.

Sincerely

R. J. Cromie

RJC*S

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Ottawa, January 24, 1924.

My dear Cromie:

I am very sorry indeed to be acknowledging your letter so late. I have, however, been out East and west a lot lately and have got away behind.

You have, unconsciously, slipped into an error in assuming I represented a seat in fine old tory Toronto. I represent the good agricultural county of Grenville - besides the earnings of my life time are planted in the still more distant, agricultural county of Portage La Prairie and I fear where the treasure is the heart goes also.

I have heard, not in full, but very considerable of the arguments, pro and con, on the British Columbia rate problem. If I were to speak on the merits of the contention itself, I admit I could not satisfactorily answer the claim which you advance. Nor does it seem to be probable that more complete information and a more thorough study would lead to a different view. However I cannot see how we are ever going to make it go in Canada if Parliament is to decide rate schedules. I have stood loyally by the Railway Commission even

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though it is a Laurier institution. I think it is an essential institution and I can't see how we can maintain its usefulness and keep blundering in to do part of its work ourselves. At the same time, I have to admit that Parliament already has done this very thing. It has stepped in under political pressure and fixed rates Eastward from the Prairies. Having done that, I can't for the life of me see how those responsible for such action, can decline to consider and to settle similar demands made upon Parliament by British Columbia, by the Maritime Provinces and other sections of Confederation. These views I expressed as forcibly as was in my power at the last session of Parliament. I will have Hansard looked up and the issue sent you which contains the discussion.

On your general observations as to the slowness of Governments to act, as to the persistent failure to respond to purely business arguments, I can only say that a Government is in much the same position as the director of a Company would be in if the employees had votes once a year on whether that director should be continued. My suggestion to Mr. Cromie is this: Get on the best side of the Canadian political division, take a seat in Parliament -- a seat in the Government would

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follow at no great length of time--and then would come the great revellation. I have in mind, at the moment, other Canadian business men of great public spirit who have of late years taken the plunge and made the experiment complete. One of them resides in Toronto; another in Montreal and both are again out of public life, but the questions which you put they can answer now and with much feeling.

You are absolutely right about the utter incpacity of a party machine now to deliver the vote. Indeed, the party machine never has done half as much as has been put to its credit. The political capital accumulates by the gradual formation of public opinion. The day of decision comes, and when the public opinion created expresses itself, the party machine raises the flag and cheers.

I am sorry I did not get to the Coast this year and consequently missed seeing you. If you are down this way, kindly give me a chance for another talk and have, at least, a luncheon where I may be the host.

Yours very truly,

R. J. Cromie, Esq.,
Vancouver, B.C.

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Free Press London Ont. Jan. 25/24

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The West and Freight Rates

While Western Progressives are complaining bitterly of high freight rates, which they seem to imagine are part of a plot against the West on the part of Eastern Canada, it is interesting to learn that Canadian freight rates from all parts of the West are much lower than from points in the United States located the same distance from lake or ocean ports.

Western American farmers are agitating to have their rates lowered to the level of Canadian rates, so that they can compete on an even basis—this is their ideal, the goal at which they are aiming. Senator La Follette, of Wisconsin, who is one of the leaders of the American third party movement, has introduced a resolution in Congress to this effect.

The American secretary of agriculture, Hon. Henry C. Wallace, in a recent report he made to President Coolidge on conditions in the wheat-growing American States, goes fully into this whole question. He points out that freight rates from Montana to Duluth are seven to ten cents a bushel higher than the rates in Canada for the same distance. The following comparisons are made in the report:

To Fort William and Port Arthur:

Saskatchewan.	Miles.	Rate per Bush.
Maryfield	649	10.8
Buchanan	754	11.4
Regina	794	12.0
Briercrest	854	12.0
Dalmeny	936	15.0
Conquest	1,002	15.0

To Duluth:

Montana.	Miles.	Rate per Bush.
Snowden	650	18.0
Frazer	750	20.4
Vandalia	797	21.6
Wagner	856	22.5
Havre	933	23.7
Teton	1,004	25.2

It is also pointed out that Canada has a great inland waterway method of transportation which is a great advantage. The combined rate from Regina to Liverpool is 29 cents per bushel, whereas the combined rate from an equal distance to Kansas is 35.5 cents. These figures ought to convince the Western Progressives that there is no discrimination on the part of the Canadian railways or on the part of Eastern Canada against the West. As far as the East is concerned it is to its advantage to see that freight rates are as low as feasible and that the West is as prosperous as possible. A prosperous West means a prosperous East and a United, happy and contented Canada. If it is practical at all to lower freight rates on grain, coal and other Western commodities the East will only be too delighted, but it is bad business to haul them at a loss. If every demand for lower freight rates is to be met, then the Canadian National will never get on its feet. To lower freight rates and at the same time pile up railway deficits, to be paid out of taxes, is not getting the country any further ahead.

The most encouraging sign of the day in Canada is the improved position of the Canadian National Railways. Sir Henry Thornton has issued a statement showing that the Government system has an operating profit of $20,000,000 for 1923, an increase over 1922 of no less than $17,646,935. This is the best news the Canadian people have had for a long time. It means that the public-owned system, at this rate of progress, in a few years will be able to meet as well all interest-carrying charges; that the long story of huge deficits is coming to an end, and that the time is in sight when it will no longer be a burden upon the Canadian taxpayers.

Sir Henry Thornton has already given warning that if the Canadian National is to be made a political football and all sorts of demands for reduced rates are to be met, irrespective of the effect on the system, then he is through. He cannot expect to make a success under such conditions. He is right in his stand. If any specially low rates are to be granted, which means a loss to the railways, then they should be met as a subsidy from the federal treasury, rather than the burden placed on the railway. Take, for instance, Alberta coal. The Free Press believes that it is to the economic advantage of Canada to have Ontario purchase her coal in the Dominion, that it would be a great boon to Alberta and to this province. The Free Press is also not convinced that the present rate cannot be lowered without loss to the system. However, if coal cannot be transported from Alberta to Ontario at less than $12 a ton, then let a subsidy be paid to the railways to meet the deficit. Other industries have been subsidized, why not the vital coal industry?

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Edmonton Bulletin Feb. 4/24

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LOWER RATES REFUSED.

There will be disappointment among the farmers and business men of the Peace River district that the Railway Commission refused the application made by the Grande Prairie board of trade, the municipality and private parties for a substantlal reducton in rates on the E.D. and B.C. and the Central Canada railways. That disppointment will be shared by the people of this city, whose prosperity depends very largely upon the development of the vast country to the north, particularly its great areas of farming land. Fortunately the C.P.R. early in the month made a voluntary cut in the rates which will go some way to relieve conditions and to re-establish confidence among the pioneer framers who are dependent upon the railway and whose success or failure hinges on the cost of marketing what they have to sell. Despite this reduction, amounting roughly to five cents per bushel, it still costs a disproportionate amount to market a bushel of wheat grown in the Peace River district, an amount not comparable to that borne by wheat producers in any other part of the West.

Even under the new rates announced by the company it costs 43 cents to ship a bushel of wheat from Grande Prairie to Ft. William, 42 1-2 cents from Spirit River, and 42 cents from Peaec River. The charge from Edmonton to Ft. William is 15 1-2 cents. Transportation from Grande Prairie to Edmonton thus costs 27 1-2 cents per bushel. The rate from Edmonton to Vancouver is 15 cents, making the through rate from Grande Prairie to the Pacific port 42 1-2 cents. These figures have only to be cited to suggest the disadvantage under which the northern grain grower is operating. In comparison to farmers located elsewhere his position is seemingly hopeless under existing conditions. Edmonton and Calgary are on the western fringe of the grain producing area of the prairie country, excepting the Peace River district. The rates from these points to Ft. William are the maximum chargeable under the Crow's Nest agreement. That is to say, the farmer in Grande Prairie pays approximately three times as much to land his grain at Ft. William as is paid by farmers in other parts of the prairie provinces who are located farthest from the lake port. If farmers in other sections of the West find wheat-growing profitable only in years of heavy yield, it does not take much calculating to reach the conclusion that the wheat grower in the valley of the Peace is struggling against long odds,

The chairman of the Railway Commission gives as the main reason for refusing the application for reduction the fact that the C.P.R. is losing money in the operation of the road. Figures are quoted to show that in three years the company has lost $2,671,650.01 in operating these lines. To order a "substantial" reduction, Mr. Carvell says, would impose upon the lessees of the road a further annual deficit of a hundred thousand dollars per year at least.

Just there is where views on the subject may differ. The losses sustained by the company are facts. The probable effects of rate reduction is a matter of opinion. The majority of the Commission take the view that to reduce rates would be to reduce earnings. Commissioner Oliver in his minority findings holds the contrary view. There will be many who will agree with him. Certainly the maintenance of high rates has not helped to swell the revenue of the company. It is an open secret that farmers have been leaving the Peace River district in large numbers during the last two years. The exodus is still going on. The cause of it is that farming there has been found to be financially impracticable. The fewer farmers the less traffic for the railway, and the less revenue for the operating company. The obvious fact is that high rates are not improving matters from the standpoint of the railway finances. The logical ultimate result of the present trend of things would be the complete evacuation of the Peace River farming districts, the cessation of all grain shipments, and the disappearance of all revenue. Two streaks of rusty steel indicate the future of these railways unless there is a change of some kind that will make farming at the other end of them a busines at which men can make a living. Despite the finding of the Commission, the C.P.R. seem to recognize that fact—witness the voluntary reduction in rates cited above.

The alternative is to establish lower rates, encourage settlement, stimulate larger production, and trust to larger traffic at reduced charges to make the enterprise commercially sound. If that would not make the roads pay their way there certainly is little prospect that high rates will do it. The logic of events is that the interests of the operating company of the Province—which owns the roads—and the interests of the northern farmers lie in the same direction—lower rates and more business.

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Moose Jaw Times Mar. 26/24

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WANT EQUAL RATES FOR CANUCK FLOUR

Discrimination Against Canadian Flour In Matter Of Ocean Rates.

PROBE TO VISIT CANADA

London, March 26, (C. P. Cable)—The Board of Trade announces that the Imperial Shipping Committee, which has been inquiring into the alleged discrimination in ocean rates on Canadian flour in the North Atlantic has arranged that a sub-committee shall visit Canada very shortly to take evidence there.

Sir Halford Mackinder, formerly Conservative member of the House of Commons for the Camlachie division of Glasgow, is chairman of the sub-committee, and H. B. Larkin, general manager in London of the Australian Commonwealth Shipping Line, is a member. The sub-committee will have the assistance of two assessors on behalf of the shippers and ship owners respectively. These are to be appointed by the Canadian Government.

It was stated about a month ago that Hon. P. C. Larkin, Canadian High Commissioner in London, had arranged with the Imperial Shipping Committee that steamers from American or Canadian ports to Great Britain with cargoes of flour or wheat should charge the same rates for Canadian flour or wheat as applied to shipments from the United States, and thus end the discrimination in ocean rates which has favored American shipments as against Canadian. Evidently the matter has not yet been settled.

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Citizen Ottawa April 21/24

074641

SEEK REMOVAL OF DISCRIMINATION AGAINST CARGO RATES FROM CANADA

Sub-Committee of Imperial Shipping Committee to Hear Argument Today on Complaint That Canadian Ports Suffer From Higher Insurance Rates Than Those From United States Ports.

Canadian Press Despatch.

TORONTO, April 20. — Representations respecting ocean freight rates and marine insurance, will be laid before the sub-committee of the Imperial Shipping Committee, when it meets here tomorrow morning.

A memorial is to be presented to the committee, prepared jointly by the Canadian Manufacturers' Association, the board of trade of the city of Toronto, and Toronto Exporters' Club. Another memorial along similar lines, but dealing more specifically with certain lines of products will be presented, it is understood, by the Dominion Millers' Association.

The joint memorial will set forth that the Dominion government has spent much money in the last 25 years or so in making the St. Lawrence and St. John shipping routes safe for navigation and as a consequence there should be no discrimination shown in insurance rates against cargoes being carried by these routes as against cargoes carried on boats sailing from United States Atlantic ports. The memorial with arguments presented orally to support it, will urge that something be done to give relief to Canadian shippers in this respect.

Then, in the matter of ocean freight rates, the argument to be presented is that, in order to maintain and develop inter-Imperial trade, the trend of ocean freight rates ought to be downward instead of upward as has been the case of recent weeks and months. The millers also will present argument protesting against discrimination on certain milling products when borne from Canadian Atlantic and St. Lawrence ports as compared with rates and facilities provided when borne from United States Atlantic ports.

The committee's powers are largely advisory. It has in connection with its organization a staff of experts who go over the evidence offered and draw up reports. These reports are submitted to each of the governments of the Empire, and each government then takes such steps as it deems to be in the public interest.

The chairman of the committee is Sir Halford MacKinder and the other member of the committee here is H. G. B. Larkin, representing Australia.

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Manitoba Free Press April 29/24

18 Meighen
Rt. Hon Arthur
Box 188
House of Commons
19 9 24

Memorandum Submi... Free Press To the Imperial Shipping Committee

Ocean Freight Rates of Vital Importance to Prosperity of Canada, to Development of Trade With Great Britain, and the Encouragement of Immigration—Present Rates Will Bring About Complete Cessation of Cattle Exports from Western Canada—Ocean Rate in Line With Railway Rate Would Not Exceed $10 Per Head.

The relation of freight rates on farm products, particularly cattle, from Western Canada to Great Britain, to not only the prosperity of Canada but to such matters as the development of trade between Canada and Great Britain and the encouragement of immigration from Great Britain, was the subject of a memorandum submitted yesterday afternoon to the Imperial Shipping Committee by the Free Press.

Points Stressed

Points particularly stressed were that the present rates would compel a complete cessation of cattle exports from Western Canada, and that this, by checking the return of prosperity, would gravely affect Western Canada's power to absorb British immigration.

A $10 rate on cattle, it was shown, would give the steamers from Montreal to the British markets as much as the railways get for hauling cattle from Manitoba to Montreal; and it was argued that on the basis of cheaper ocean transportation this rate should be ample to cover cost and supply a profit.

The memorandum was presented to Sir Halford McKinder and his associates by Miss E. Cora Hind, on behalf of the Free Press, at the meeting of the Imperial Shipping Committee at the Marlborough hotel yesterday afternoon.

THE MEMORANDUM

The Imperial Shipping committee.
Gentlemen—

It is our desire to lay before you certain facts bearing upon conditions in western Canada which constitute something more than a serious national problem.

There are important imperial considerations involved which will doubtless make a special appeal to a body constituted to serve Imperial interests.

In the conference on Empire Settlement which preceded the formation of the overseas settlement scheme Viscount Milner, according to the official report, "emphasized the view of his majesty's government that no stone should be left unturned to secure for the dominions the population which they require and to ensure that the outflow of population from the United Kingdom should have opportunities for settlement under the flag in countries British in spirit and in their institutions." At the recent Economic conference, Col. Buckley, of the department of overseas trade, complained of the "somewhat meagre results which so far had been obtained." And he asked what the "causes of failure were." "Are these causes economic, are they political, are they psychological?" In the discussion in the conference upon this question, Mr. Bruce, the prime minister of Australia, asserted and reaffirmed on many occasions that Australia could not absorb any large quantity of British immigration unless markets could be found for the products of their industry. A somewhat similar reason could be given for the failure of western Canada to supply opportunities to larger numbers of British settlers—a failure disappointing to Canadians who would gladly welcome a larger infusion of British immigrants and discouraging to the overseas settlement committee who doubtless wonder why a country like western Canada, so near relatively to Great Britain, and so desirous of population, should be able to absorb but a limited number of immigrants. The reason is that until markets that are available beyond the Atlantic can be reached under transportation conditions that will leave something for the producer there will be but a gradual development of western Canada, with consequent limitation of opportunities for British immigrants.

Canada is an agricultural country and her advantages of soil and climate are such that she has the power to produce enormously in excess of the consumption of her present population, and even were that population to be doubled or trebled within the next decade that would still be true of her productive powers.

The best example of this is the production of wheat and other cereals in the three provinces where some 250,000 farmers in 1923 produced over 450,000,000 bushels of wheat alone and practically 500,000,000 of other grains, giving an exportable surplus of at least 350,000,000 bushels of wheat and placing Canada at the head of the exporting countries of the world. This wheat was produced from less than 23,000,000 acres, while the three prairie provinces have nearly 200,000,000 acres on which wheat and other cereals can be produced. These figures, while they emphasize the enormous future development which is possible, at the same time lay the greatest stress on the importance of markets for agricultural products.

Canada has in Great Britain and on the continent of Europe markets for her produce, at a price, but in order to avail herself of these markets reasonable freight rates on land and water are a first requisite. Geographically, Canada's most natural market for her products is the one to the south and during the years when she had free access to that market shipments of livestock ran as high as 500,000 head in individual years. This market, while not closed to Canada, is guarded by a tariff so high that Canada can no longer produce cattle or wheat and sell them in that market except at a loss. Nevertheless, owing to the excessive freights on cattle to Britain, she was obliged to market heavily there last year; the question was one of marketing, not at a profit but at the least loss. During 1923 there were shipped from Winnipeg market alone to the United States, 65,629 head of feeder or store cattle. It is reasonably safe to assume that not one per cent. of these cattle showed a profit to the producer and many of them a heavy loss.

The heavy deflation of wheat values in the world's markets, to a point below pre-war level, while cost of production, freights, etc. are above pre-war level, has made exclusive grain farming no longer profitable, and, where land has been brought under cultivation for a period of years, it is no longer advisable. Livestock and the diversified farming, which the keeping of livestock entails, are necessary to maintain the fertility of the soil; but Canadian farmers cannot afford to go on producing either wheat or livestock at a loss.

Wheat Rates

Rates on export grain might be said to start at the head of the Canadian lakes as it is from that point export actually begins. You have visited Port William and Port Arthur and have no doubt been furnished with the variable character of rates from lake head to Montreal. Rates from Montreal to Britain show a considerable advance over pre-war years. In 1909, for example, wheat was carried from Montreal to Manchester for 2.4 cents. In 1923 the rate ranged from 5.7 in August to 8.3 in December. Winter rate from St. John, which was 3c in 1910-11, averaged 5c in 1922-23. The advance of even a fraction of a cent per bushel on the export of 350,000,000 bushels is a serious matter to the producer, as the best posted exporters in the trade, in Canada, claim that all transportation charges are ultimately paid by the producer, all such items being calculated in the price he receives for his grain.

Flour

Excessive and discriminatory rates on Canadian flour are, it is understood, a matter which was a prime factor in causing your present visit. All facts in the case have no doubt been fully presented to you by the millers' committee, and will not be touched upon further than to remind you that such discriminations and excesses are in turn reflected in the prices paid the producer for his wheat.

Cattle Rates

It is more especially to ocean rates on cattle that we desire to make reference. In October of 1922 came the announcement that the embargo that had existed for 30 years against Canadian cattle going into Great Britain would be lifted April 1, 1923, and Canadian cattlemen immediately began preparations for the feeding of cattle with a view to that market. During and following the war period the rates on fat cattle for immediate slaughter were very high, reaching the peak in 1919, when from Montreal to Havre the price ranged from $100 to $90 per head. In 1921 to Glasgow, Liverpool and Manchester it had dropped to $40 and $35 for the early shipping months, and to $30 from July to October, and on a limited number of cattle $27.50 for November. In December of that year prices ranged from $20 to $25. In 1922, for February, $22.50 to $25, and for the balance of the year $20 to $22.50.

In January, 1923, it was widely advertised that the White Star line had put the rate to $15 per head, and, as was learned subsequently, three boats carried cargoes from Portland to Liverpool at that figure. February, March, April and May the price was back to $20 to Glasgow and $22.50 to Liverpool and Manchester. The rate today is still $20 to Glasgow and $25 to Dundee.

These rates, we have no hesitation in saying, absolutely prohibit shipping "store" cattle from western Canada at any profit to the producer; and even from eastern Canada any margin of profit would be pitifully small.

Why Rates Are High

When in 1923 cattlemen were ready to ship they were confronted with not only a return to the $20 and $22.50 rate, when they had been led to expect a $15, but space was difficult to obtain, and the months of April, May and June, 1923, to which western cattlemen had looked forward with such hope, proved very unsatisfactory, and shipments were seriously curtailed, and this, too, at a time when prices in Britain would have yielded the producer a fair return had the $15 rate been adhered to.

Dissatisfaction was so general even before April 1, and so many enquiries had been made in the Dominion parliament, both as to space and rates, that these matters were taken up by a special parliamentary committee, and what had happened as to space and rates was very speedily disclosed.

Evidence Before the Parliamentary Committee

One of the early witnesses called by the committee was D. A. Campbell, vessel broker in Montreal of many years' standing. On March 8, 1923, under oath, he deposed as follows:

Q.—Mr. Campbell, some time ago, I am told, the rate for taking these cattle over to the Old Country was $15 per head? A.—Yes.

Q.—Now it has gone up to $20? A.—Yes.

Q.—You have a long knowledge of Montreal shipping conditions. Does it cost 25 per cent. more to run the ship? A.—No, sir.

Q.—Can you give us any explanation? A.—There are more buyers of beef than there are sellers; the same reason when wheat or any other commodity goes up. I worked very hard all autumn to get freight at $15, because I felt that unless we had a freight at $15 the cattle shipment would cease. The cost of handling cattle is thoroughly out of proportion. In other words, the cost of handling a bullock today from the country points and selling them in Great Britain is nearly 2½ cents per pound. That is, from Ontario points. I feel if we would get the freight lowered it would be better for the freight and the shipper. You asked why it went up? I had freight booked for $15 for January and February. Mr. Chambourg, of New York.

Q.—By the way, who is he? A.—Mr. Chambourg? He is a citizen of New York city, who has been a very large shipper, all his life. He raised the White Star line boats to $20, and our Canadian lines followed suit.

Q.—Let us find this out. Did they follow suit simultaneously, or did first one follow and then another?

By Mr. Hammell:

Q.—As a matter of fact, did these brokers outbid each other? A.—No; Mr. Chambourg is not a broker. He really is a shipper. Mr. Chambourg figured it out this way. I know Mr. Chambourg very well. He is shipping his own cattle, and is taking the space, or rather he has a broker taking the space off. He has Mr. Fetterhaugh taking his space. He figured he had better get it at $20, then let anybody else have it at $15. He started to get it from Portland, but we did not let him get it all from Portland.

By Mr. Sales:

Q.—When was this? A.—This was in the early part of February.

Q.—Here we have a man who is a shipper of cattle. A.—Yes.

Q.—He steps out and buys up all the space for $20? A.—All he can get.

Q.—And deliberately raises the price? A.—Raises the rate $5 on himself.

Q.—His object then would be that he would be the only man to whom these men having cattle could sell? A.—No, I would not say that. It was not his object. His object was that he knew there was a limited amount of space and he thought Great Britain could take care of that amount of importation week by week, and he thought he would like to have it all; that is, would mean so much profit to him.

Q.—How was he going to recoup himself when he could reduce the price to the man who sold to him? How could he get back his $5? A.—There may have been a margin over the $20. There may have been a good margin over the $15. I do not know what his reason was. I have not seen him.

Q.—A man does not step out and reduce his profit by $5, as a rule, deliberately, unless he has seen some other way of making it up? A.—I have seen his cattle bought in Chicago two weeks ago, to fill this $20 freight. There is no man living can corner the United States market. It cannot be done. It has been tried. He is not working in with the packers; he is working against them.

Q.—Could you give us any idea, then, as to why the price at our Canadian ports responded to that in New York? Is there any arrangement or combine or agreement? A.—I cannot tell you. I am not a steamship man."

It is such matters as these that give rise to the rumors mentioned by a witness on Saturday, namely, that there are favored shippers.

Later, before the same committee, Major P. A. Curry, general manager of the White Star Dominion line, was questioned on this passage of Mr. Campbell's evidence by Mr. Hammell, who said that the interesting part of it was that Mr. Fetterhaugh was acting on behalf of Mr. Chambourg.

A.—That is another Mr. Fetterhaugh. That, I take it, refers to C. M. Fetterhaugh and company, steamship brokers.

Q.—And is he related to the other Mr. Fetterhaugh? A.—C. M. Fetterhaugh is Mr. A. C. Fetterhaugh's son.

Q.—He is the freight traffic manager of the International Mercantile marine? A.—Yes.

Q.—And C. M. Fetterhaugh? A.—Is his son.

Q.—A very nice family arrangement.

The witness said that he would like to explain a little in connection with the evidence that was given. The International Mercantile Marine company, in New York, acted as the New York office of the White Star Dominion line, but had no direct control over space. He, Mr. Curry, had the entire say who should get space. He had given some to Chambourg through the New York office, and denied that Mr Chambourg made the rates. The chairman said that he thought the witness had misunderstood. What he meant was that the offer of Mr. Chambourg or the demand for so much space had the effect of raising the price. Mr. Curry further explained that Chambourg had taken space on one or two steamers, just as he had given to others on one or two. The Cornishman, sailing from Portland on March 15, had had 800 cattle on board, and there were three different shippers—Mr. Chambourg was one. He, Mr. Curry, said: "I would like to explain about the $15 rate which has been already referred to. It was a distress rate. We only carried it on three steamers. We had a steamer on this side of the water, and in order to get cattle when they were not moving we quoted the distress rate." The chairman said: "An abnormally low rate so that your boat would not go away empty." Mr. Curry said that was right, and that Mr. Chambourg came in at that time very heavily. He evidently saw he could make a big profit at that rate, and he came in heavily on space in our next two steamers. We immediately decided, not Mr. Chambourg, that the cattle business was looking up, and that we would put the rate back to a normal paying basis. We then made our rate $20."

In other words, the shipping companies, having seen much in the press of the number of cattle on feed, that would be ready for shipment at the opening of Montreal navigation, proceeded to make the rate "all the traffic would bear," or, as it proved later, more than it could or would bear.

Why Cattle Did Not Go Forward

In January, 1924, the same Major P. A. Curry, writing D. A. Campbell, at Montreal, complained that during the season of 1923 there had been 22,891 spaces for cattle that had not been filled, and that the total shipments from Canada for 1923 had only been 39,856 head. Incidentally, that number yielded the shipping companies a revenue of $802,860.00, or an average of over $22 per head. That all these spaces that went empty could have been filled is borne out by the fact that from the Winnipeg and St. Boniface stockyards alone there had been sent out "on feed" with a view to this very trade 53,488 head. In addition to this number there were many thousand head sent out from the yards at Edmonton, Calgary and Moose Jaw, and thousands also that never passed through any stockyards on their way to feed lots, but had either been bred on the lands where fed, or gathered up from neighboring farmers, and those numbers take no account whatever of what the eastern provinces of Canada produced. During 1923 over 65,000

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head of cattle went from the Winnipeg yards alone to the United States in spite of the duty, and of that number at least 20% could have made the British market had the rate been favorable. The outbreak of foot and mouth disease also had an effect on the export of store cattle.

In this letter of January, Major Curry makes a comparison of the profits of carrying provisions and fruit, compared to carrying cattle, pointing out that 5,600 barrels of apples occupy about the same or a little less cubic space than 200 head of cattle and would yield them $1,000 more in freight. What he failed to point out was that apples and provisions are never carried on the upper decks of ships, and that it would have beeen quite possible for them to carry the 5,600 barrels of apples between decks, and the 200 cattle on the upper deck, as is so frequently done from May to October.

There is a saying among vessel men, when they are not decrying the cattle trade as unprofitable with a view to keeping up the rates, that cattle carried on the upper decks are "pure velvet." Even when cattle are carried between decks it was pointed out by P. E. Light, of the market division of the Dominion livestock branch, who gave evidence before the special parliamentary committee, already referred to, space is often utilized for carrying cattle that could not be used for other classes of freight.

Land and Water Rates.

We are in agreement with Mr. Rice-Jones, who gave evidence Saturday, that nothing could more clearly indicate the unreasonableness of the steamship rate on cattle than a comparison of this rate with the rail freight to seaboard.

It has for many years been universally accepted that water transport can be obtained more cheaply than by rail and the rates at which merchandise is now being carried from New York to British Columbia via the Paname canal compared to the rates from Atlantic seaboard, all rail to Vancouver, would seem to furnish evidence that there has been no recent changet from that accepted theory so far as ordinary merchandise is concerned.

In the case of western cattle to Britain, however, this is now reversed. Mr. Rice-Jones gave you the detailed figures Saturday. We can only endorse them, and in addition would call attention to the detailed statements attached hereto, showing the cost of transporting a steer of the same weight from Calgary to Liverpool. These figures are official.

The rail rate from Winnipeg to Montreal in the years running from 1906 to 1911 and 1912, when cattle shipments for immediate slaughter in Britain were more or less regular, was 60½c; today it is 85c and is considered not justified even by the increased cost of railway operation, being a 40½ per cent. increase; but the ocean carriage has increased 166 per cent., or more than four times as much as the railway rate. It is impossible to believe that the cost of operating ships has increased four times as much as the cost of operating railways.

In the years from 1904 to 1912 the ocean rates on cattle ran from 25 to 40 shillings per head; at the normal rate of exchange the highest price would work out to $9.73 1-3, while the average was about 30 shillings or $7.50 per head.

You expressed a wish for concrete cases and here is one which you can easily verify.

On July 10, 1909, the Manchester Mariner sailed from Montreal for Manchester with cattle. The cattle had been shipped from a point in western Ontario from which to Montreal the rail rate was 27c per 100 pounds; today the rate from the same point to Montreal is 34½c. The ocean freight paid on that trip was 25 shillings per head, or at a normal rate of exchange $6.08; and this freight was paid in sterling at the other end of the voyage. Today the rate over the same route is $20 per head with exchange at $4.43 and must be paid in Canadian money before the ship leaves dock at Montreal.

In other words, where the railway company is obtaining an additional 7½c per 100 pounds for a service the steamship company is obtaining an additional $13.92 per head for the same service.

Canadian cattlemen realize that costs of steamship and railways have gone up since the war; they also realize to their sorrow, that costs of producing steers have materially advanced since the war. They ask nothing but a square deal in getting to market with their produce and feel that if the railway companies can carry a steer from Winnipeg to Montreal for $10.20 and make a profit, as they undoubtedly do, the steamship companies should be able to carry the steer to Liverpool for at least the same amount. A $10 per head rate to Liverpool would give a stimulus to the cattle trade that would speedily be reflected in an increase in Canadian prosperity which would have very beneficial effects both on British trade and British immigration to Canada.

To Sum Up.

If Canada is to develop and prosper she must increase her production of livestock and maintain her production of wheat.

To do so she must have markets. There are markets open to her farm products, but they are very distant. Unless transportation costs enable these products to be placed in these markets under conditions which permit some return to their producers these markets are in fact non-existent.

That is, or will be in the immediate future, the fact so far as the export trade in cattle from western Canada is concerned. The expectations created in western Canada by the removal of the embargo have proved illusions. There is no market under existing conditions for "store" cattle in Great Britain; and this is due directly to the fact that the ocean rate on cattle is maintained on a level which brings it entirely out of relation to the railway rates on land as fixed by the pre-war conditions.

In the belief that this rate is extortionate and uneconomic, tending to destroy a trade which an enlightened shipping interest should be keen to encourage, the agriculturists of western Canada will, we are convinced, seek a remedy from every quarter that is available, reserving as their last alternative a demand upon the government of Canada for such action as will give them a rate on cattle to Great Britain in keeping with the economic requirements of the trade.

There is a reference in this memorial to the cost of shipping a steer from Calgary to Great Britain. The details, as given to the committee, are as follows:

Detailed Statement of Cost of Shipping

Statement of cost of shipping 1,200 pound steer from Calgary to Britain, based on 21 steers to car from Calgary to Montreal, with an off-car weight of 1,085 pounds per steer at Montreal, at a rate of $1.14½:

Calgary—	
Sand and bedding, $1.00 per car	$ .05
Disinfecting car, 75c.	.03½
Moose Jaw—	
Labor (unloading, $1.00; loading, $1.00)	.09½
Feed, 20 lbs. hay in yard per steer	.25
Feed 20 lbs. hay in car per steer	.25
Winnipeg—	
Labor.	.09½
Feed in yard	.23
Feed in cars	.23
Fort William—	
Labor	.09½
Feed in car	.25
Chapleau—	
Labor	.09½
Feed in car	.25
North Bay—	
Labor	.09½
Feed in car	.25
Montreal—	
Labor (unloading and loading)	.09½
Two feeds hay, 15 lbs. per steer per feed at $45 per ton.	.67½
Freight, 1,085 lbs. at $1.14½	12.42½
Insurance en route (25c. per head)	.25
Ropes 20c., buckets, forks, etc., 11c.	.31
Labor, marking and roping	.10
Wharfage	.15
Men for boat	.75
Cattle broker's commission at Montreal	.50
On Board Ship—	
Ocean freight	22.50
Ocean insurance, ⅝ of 1% on $160.	1.00
Feed, hay, about	4.30
Feed, meal about	2.10
(Fed according to order, receives by law, 20 lbs. hay, 6 lbs. meal per day per steer).	
Total	$47.42½

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Manitoba Free Press April 29/24

Calling for Action by Parliament

The Imperial Shipping Committee, during its stay in Winnipeg, heard one or two things about the ocean rates on cattle. Apparently, owing to departmental ineptitude, the committee came to Canada under the impression that they were only to look into the matter of the discrimination in the rates on flour; and rather demurred to receiving representations upon other matters such as the gross discrimination in marine insurance rates levied against Canadian ports by the London underwriters and in the rates on cattle. However, they consented to hear evidence on these other subjects; and considerable information of value and importance bearing upon cattle rates was imparted to them at the Winnipeg sittings. Whether this will serve any useful purpose the future will show; the committee did not exactly leave the impression that it is the kind of body that would go to the mat with the North Atlantic Steamship Conference to force a reduction of freight rates. Something like that will have to be done before anything worth while in the matter of rate reduction is achieved; and we judge that the people of Canada will have to take on the job themselves.

The facts set out in statements to the committee by Col. Mullins, by Mr. Rice-Jones on behalf of the United Grain Growers and by the Free Press, give a general idea of the gravity of the situation and the need for a remedy. The obvious suggestion has been forthcoming from various quarters that the Dominion Government with its own merchant marine could deal drastically and satisfactorily with the problem. As to the likelihood of anything being done along these lines, under existing conditions, the public can reach their own conclusions after a study of the following exhibits:

Exhibit "A"—Dealing with the Canadian Merchant Marine.

Col. H. A. Mullins, having fed a bunch of cattle at his ranch near Winnipeg all winter, undertook to ship these cattle to Great Britain. Through his agent at Montreal he chartered the Canadian Victor of the Canadian Merchant Marine, and his bill of lading, which is on the regular printed form, is headed "Livestock Bill of Lading Canadian Government Merchant Marine Limited. Livestock special contract and bill of lading." It shows that the Canadian Victor was to carry from St. John, N.B., to Dundee, cattle at $25 per head "basis" and that the carrying capacity was 270 head minimum.

Later this interesting document states that 247 head of cattle $25 per head on basis of 270 head equals $6,750.00, or worked out at $27.33 per head. Mr. Mullins found that it would be utterly impossible to crowd more than 247 head on this boat; nevertheless he was made to pay for 270 in Canadian currency before the boat left the dock.

The bill of lading is duly receipted as "ocean freight pre-paid."

Exhibit "B"—Mr. Motherwell to the Rescue.

Having seen in the Free Press of March 19 that Hon. W. R. Motherwell, on behalf of the Government, was making an effort to secure lower rates on cattle to Britain, Mr. Mullins wired the minister to see if he could not get him a reduction of rate on the Victor. He received the following in reply:

"Col. H. A. Mullins, Winnipeg. Your wire. Rate of $25 on Victor due to cattle going port of Dundee necessitating diversion from regular route of practically three days' journey. To other ports such as Cardiff, Avonmouth, where no diversion has to be made rate is still high at $20. Assumed you are shipping to Dundee because that market usually sufficiently higher to warrant charging the higher rate.—W. R. Motherwell."

Exhibit "C"—Sir Henry Thornton's Views.

Writing to Dr. Grisdale, Deputy Minister of Agriculture, February 8, 1924, Sir Henry Thornton said:

"The Canadian Government Mercantile Marine have eight ships operating in European waters, four to Cardiff and Swansea and four to London and Antwerp. Four of these ships, or those on the Cardiff and Swansea run, have been fitted for the carriage of cattle since June 23. From that period up to today's date we have had seven shipments of animals to Cardiff, one shipment to Avonmouth, one shipment to Glasgow, four shipments to Dundee, and four voyages when it was impossible to obtain cattle.

"In the matter of freight rates, same is now $20 per head, and it is our opinion it will remain at this figure for the next year. I do not see that this can be called a high rate when all of the circumstances surrounding the carriage of cattle are taken into consideration. For instance there is the cost of fitting up for the animals, free carriage of a veterinary surgeon, animal attendants and of the fodder for the cattle. Again the ships have to keep their schedule, as once the animals are ordered for a given date, should the ship not sail, she has to pay the expenses of holding the animals until she does get away. There is also the depreciation in the fittings, voyage by voyage, which requires to be taken care of. Any attempt to lower these rates at the present time should not be made, as it might have the effect of preventing private owners from going wholeheartedly into the cattle-carrying trade, should same be required in the near future.

"As to the remarks made by Sir Clifford Sifton, I can only say that anyone undertaking to carry cattle at $10 per head is going to be out of pocket for each and every animal carried.

"Further, the reason ships are tied up in all ports of the world is due to the fact that they cannot make operating expenses at the going freight rates, nor is there sufficient volume of business even at the going freight rates to provide for more vessels than are now out. While, of course, freight rates are higher than in pre-war days, we must also realize that operating expenses are very much higher today than before the war."

These documents make some things pretty clear.

First, that the Canadian cattle shippers have nothing to hope for from the Canadian Government Merchant Marine. No privately owned line could have made a better job of trimming a cattle shipper and teaching him not to be so foolish as to try to ship Canadian cattle to British markets than the Canadian Government Merchant Marine's performance with Col. Mullins.

Mr. Motherwell's telegram to Col. Mullins, with its formal official defence of a $27.33 rate from Montreal to Dundee gives an accurate idea of how much the Dominion Department of Agriculture can be relied upon to fight for the interests of the Canadian cattle raiser in this matter of freight rates.

With the Canadian marine in league with the shipping ring and the Dominion Department of Agriculture asleep at the switch, can anything be done?

It might perhaps be suggested that the Dominion Parliament is sitting at the present time. The farm interests directly affected by these strangling and extortionate rates are pretty powerfully represented in Parliament. It would seem to be an occasion when they might do something for their constituents.

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FRIDAY, MAY 2, 1924

A FORGOTTEN PROMISE?

In February last The Tribune congratulated Sir Henry Thornton on his announcement made at Portage la Prairie that the railways were preparing to offer reduced rates on seed grain. It emphasized the fact that it was imperative that the farmers should have the best of seed, and should not be dependent on No. 5 or No. 6 wheat for seed purposes, because, under straightened circumstances, they might be unable to find better.

Sir Henry was most explicit in his promise. Replying to a deputation he said: "I will have the matter taken up at once with the Canadian Pacific and make arrangements so that the farmers on the Portage Plains (because of joint action by the railways, he meant) may have the necessary good wheat to sow on their lands."

What has happened?

Conditions in transportation are, if anything, worse. For example a carload of seed oats from Onward, Saskatchewan, to Poplar Point was paid for at the through rate to Fort William, 26 cents.

One of the railways announced to inquiring farmers only a few days ago that the rates on seed grain from points in Saskatchewan in Manitoba in effect at the present time are the same as were in effect last season, with the exception that the rate from point of origin to Fort William, per a certain tariff, will apply to any point in Manitoba.

The other railway, in response to inquiries, pointed out that last year the seed grain rates from a Saskatchewan point to say a district fifty miles from Winnipeg were on a basis of 27½c per 100 pounds, with certain increases for greater distances, whereas, this year, the seed grain rate is 26 cents per hundred pounds; in other words, practically the rate to the head of the lakes.

Such rates were assuredly not in the mind of Sir Henry Thornton in his reassuring statement to the United Farmers of Portage la Prairie, and in which the Canadian Pacific Railway readily agreed on the condition that both railway systems would co-operate on an equal basis.

The farmers have waited in vain for the minimum freight rate, which Sir Henry said would be looked after "immediately he got back to headquarters."

Sir Henry's interest in the farmers is unquestioned, likewise his sincerity, and his ability in the handling of a gigantic enterprise brings gladness to the hearts of Canadians. But evidently a cog has slipped somewhere in implementing an important pledge, and explanations are in order. Meanwhile everything possible should be done, even at this late date, in facilitating the efforts of farmers to plant nothing but the best of seed.

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Manitoba Free Press May 9/24

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Spreading Railway Propaganda

Mr. Meighen, in a speech delivered in a late night sitting of parliament, and apparently not reported at the time in the press, applied the shingle quite vigorously to an audacious western Progressive member who had dared to give it as his opinion that in view of the volume of grain traffic and the profits made upon it by the railways, the freight rates upon grain are too high. It seems too bad that this effort should remain unnoticed in the Hansard report; and the Free Press draws public attention to it. Mr. Meighen, as usual, was quite emphatic in his remarks. He committed himself unreservedly to the view that the present rates on wheat are not too high, if anything not high enough, for he reported that the Canadian Pacific "claims that grain has "been carried from the province of Alberta throughout the entire "year at a loss"; and he concluded with this observation:

"I wonder how honorable members would like to have im-"posed upon them and their constituents rates that are imposed "today on their competitors to the South for the carriage of grain. "Those rates, if applied to Western Canada would mean an in-"crease of twenty-two to twenty-five, or possibly thirty million "dollars in the carriage of a crop equal to the crop of last year."

In this statement by Mr. Meighen we recognize a much used and apparently highly valued piece of railway propaganda—that of the comparisons of rates from the prairie provinces to Fort William and Port Arthur with rates from points in North Dakota and Montana to Minneapolis and Duluth.

There is no question but that the rates on grain from Western North Dakota and Montana, immediately South of Saskatchewan and Alberta, are higher than from these provinces to Fort William and Lake Superior for similar distances; and for this there are reasons. The chief reason why these United States rates are low is that there is no volume of wheat to haul.

In November, 1922, the Railway Association of Canada, as part of this propaganda, published "a comparison of wheat rates "in Canada and in the United States territory alongside." The comparisons from Saskatchewan and Alberta with Montana were from the following stations:

Canada.	United States.
Passburg, Alta.	Columbia Falls, Mont.
Calgary, Alta.	Bombay, Mont.
Macleod, Alta.	Bombay, Mont.
Coutts, Alta.	Virden, Mont.
Lethbridge, Alta.	Sweetgrass, Mont.
Medicine Hat, Alta.	Kremlin, Mont.
Swift Current, Sask.	Malta, Mont.
Moose Jaw, Sask.	Glasgow, Mont.
Regina, Sask.	Poplar, Mont.

Mr. G. A. Scott, U. S. Federal Crop Statistician, under date of January 3, 1923, gave the following information in regard to the grain traffic originating at the stations in Montana mentioned above:

Columbia Falls—"This territory is mostly mountainous and wooded, but there is considerable production of small grains tributary to Columbia Falls."

Bombay—"This section is situated in rather a high altitude and there is some irrigated land surrounding the station. However, the production of grains is limited and there is no elevator or warehouses in that section of the country."

Virden—"At this place there is very little rainfall and crops have been short the past few years. However, there is some wheat and small crops produced but not on a large scale."

Sweetgrass—"Practically the same conditions exist as at Virden except that there is more livestock and a greater production of oats in this locality."

Kremlin—"In the past years, when there was heavy rainfall during the growing season, much wheat and flax was produced in this locality. At the present time there are many abandoned farms and production is much curtailed over 1916."

Malta—"Is more fortunately situated as it has considerable irrigated land contiguous to it and grain production north toward the Canadian border still is a large factor in its commercial activities."

Glasgow—"There is some irrigated land around Glasgow, but it secures by far the bulk of its grain receipts from the country from 20 to 60 miles north."

Poplar—"There is little irrigated land in the locality surrounding Poplar, but development of both dry lands and irrigated lands has been delayed on account of that section being an Indian Reservation, with little of the land owned by white people. However, Poplar secures a heavy tonnage of wheat and other grains from territory south across the Missouri river and considerable from the northern part of the county."

Contrast these stations, as freight producers, with the corresponding stations in Canada included in the list! The comparison put forward is a joke for the befoolment of gullible people.

The production of Western North Dakota and Montana, 1916-1923, eight years, was only a small percentage of the production of Saskatchewan and Alberta for the same years. This is clearly shown by a comparison of the total grain production of North Dakota and Montana and the prairie provinces for the past eight years, based in each case upon official statistics. These show for the eight-year period production of wheat, oats, barley, flax and rye in bushels:

Manitoba, 983,768,300; Saskatchewan, 2,659,635,300; Alberta, 1,299,842,100. A total of 4,943,254,700 bushels.

North Dakota, 1,349,916,000; Montana, 401,743,000. Total of 1,751,659,000 bushels.

It will be seen that the production of these states was only 35 per cent. of the production of the prairie provinces. The American roads would probably be very glad to make their rates as low as those of the Canadian roads if they could get the same volume of traffic.

But why should Mr. Meighen busy himself in purveying this old stale musty propaganda, which has been shown up over and over again? It was, of course, inevitable that it should appear in the concoction by a "railway expert," which recently appeared under the classic title "Fiddling With Freight Rates"; but why is Mr. Meighen of the same company? The people of the west will note that when there is any fighting for freight reductions to be done they need not look to Mr. Meighen. As a matter of fact they noted that two years ago when he opposed parliament's action in restoring the Crow's Nest Pass schedule of rates on flour and wheat.

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A S JES

CANADA

Edmonton Journal May 13/24

074647

"MUSTY PROPAGANDA"

Mr. Meighen the other day drew attention in parliament to the fact that railway rates on grain were lower in Canada than from similarly situated points in the United States. For doing so he is attacked strongly by the Manitoba Free Press in an article headed "Spreading Railway Propaganda." It asks him why he should "busy himself in purveying this old, stale, musty propaganda which has been shown up over and over again," and goes on to say:

> There is no question but that the rates on grain from western North Dakota and Montana immediately south of Saskatchewan and Alberta, are higher than from these provinces to Fort William and Lake Superior for similar distances; and for this there are reasons. The chief reason why these United States rates are low is that there is no volume of wheat to haul.

The Free Press in the last sentence apparently uses the word "low" where it means "high." It cites the production of the three prairie provinces during the past eight years and compares it with that of North Dakota and Montana in the same period. The latter is shown to be only thirty-five per cent. of the former and the Free Press adds that "the American roads would probably be very glad to make their rates as low as those of the Canadian roads if they could get the same volume of traffic."

But it is not only in these particular states that wheat producers pay higher rates than they do from like points on this side of the border. This is a general condition and attention has been drawn to the contrast over and over again within the last two years by American advocates of lower rates. In discussing the situation a bulletin issued by a Minneapolis bank had this to say:

> Whether the Canadian railroads are operating under lower labor costs; whether they have a less onerous heritage from the war period, when the American morale at least weakened under costly experimentation and rate schedules suffered arbitary adjustments; whether Canadian taxes are less burdensome; whether the shippers of classes of products other than agricultural are carrying a heavier proportion of the rates than in this country; or whether losses incurred in operation are absorbed by subsidies to an extent that would bridge the gap—the fact remains that it costs less to ship grain to market in Canada than in the United States.

But what makes the present violent outbreak of the Free Press so remarkable is the fact that the first table contrasting American and Canadian rates following the Canadian reduction of 1922 appeared in the columns of that newspaper —at least the first that came to The Journal's attention. On July 15 of that year the Free Press published a lengthy detailed comparison prepared by Mr. J. A. Aikin. It did not content itself with contrasting Alberta and Saskatchewan with Montana and western North Dakota, but also compared Manitoba with Minnesota and eastern Dakota, which have a much larger production than the American territory further west. Mr. Aikin wrote that "now it is evident that Manitoba producers have the advantage over their North Dakota and Minnesota neighbors; in some instances much higher rates are charged on American lines for shorter hauls." His general conclusion was that "with the rates on wheat effective since July 7, the Canadian wheat producer has a distinct advantage over his competitor in the states south of the border."

Those who were impressed by Mr. Aikin's finding must be surprised to have the Free Press now declare that a similar comparison "is a joke for the befoolment of gullible people" and its accusation that Mr. Meighen is doing propagandist work for the Canadian railways. It surely wasn't doing such propagandist work itself in 1922.

The Free Press is not helping the Canadian farmers to get still lower rates by trying at this stage to make light of the undoubted advantage which they already possess over those on the other side of the line. It has very much overreached itself in its effort to discredit the Conservative leader.

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SATURDAY, JUNE 7, 1924

LAKE FREIGHT RATES

Grain export figures contained in the recent report of the Internal Trade branch of the Dominion Bureau of Statistics lend emphasis to the fact that neglect on the part of the government effectively to regulate Canadian lake shipping rates has cost the farmers of Western Canada many millions of dollars on the transportation of last year's crop. The statistics also give point to the need for strong measures to obviate similar losses this year.

Figures for the seven months' period, August 31, 1923, to March 31, 1924, show that the total wheat exported from Canada amounted to 193,482,631 bushels, of which 17,994,181 bushels were sold to the United States.

Of the balance, 75,264,175 bushels were exported via Canadian ports, and 100,224,275 bushels via United States Atlantic ports. Of the total exported from Canadian ports, only 34,892,673 went to Great Britain, while 99,211,851 bushels were exported via United States Atlantic ports to Great Britain.

In other words, nearly three times as much Canadian wheat was shipped through United States ports to the United Kingdom as was shipper to the motherland through Canadian ports—and more than two-and-a-half times as much Canadian wheat went through United States Atlantic ports to Great Britain as was shipped through Canadian Atlantic ports to all countries.

On the 100,000,000 bushels that did go through the United States ports, the transportation and handling charges between Fort William and New York amounted to not less than 15 cents a bushel. The gross amount was $15,000,000. The western Canadian farmer paid the money out of the price of his crop. No Canadian handled a single cent of it. It was a straight cash contribution to the grain handling and transportation interests of the United States.

With two seaboards and three transcontinental railway lines Canada cannot afford and should not have to pay $15,000,000 to the interests of the United States for freight and handling charges on only a part of the annual wheat crop. If for any reason it is impracticable to save this money to Canada by using Canadian lake shipping and Canadian grain handling facilities more largely than has latterly been the case, obviously a strong argument is furnished for the opening of the Hudson Bay route as well as for the further development of our present seaboard outlets.

But the question of lake shipping rates undoubtedly enters into the situation. By reason of the coasting laws and other considerations not so obvious, Canadian lake rates between Canadian lake ports are held each season at levels far above the rates that prevail on United States shipping between the head of the Great Lakes and United States lake ports. The result is that Canadian lake ports and railways suffer serious loss of trade through this discrimination.

Pending the opening of new outlets and the further development of those that now exist at Montreal and Vancouver, it is obvious that much Canadian grain must be moved each fall by way of United States ports; but so long as the condition is allowed to persist which permits of discriminatory rates in favor of those ports, little incentive is provided for the development of grain handling facilities at Canadian ports on Georgian Bay.

Last year's futile effort to regulate rates by compelling United States boatowners to file tariffs resulted in a tie-up which was broken only when the Board of Grain Commissioners and the Dominion government consented to the humiliating expedient then devised, wherein the Canadian exporter had to indemnify the United States owners against action under the law, and the government, through the Grain Commission, agreed in turn to indemnify the shipper. The rates soared skyhigh to the advantage of the Canadian shipowner and at the expense of the western farmer, until that undignified compromise was reached.

Since then parliament has met and looks like going through to prorogation without amending the Lake Shipping Act—in which case the western farmer will again be mulcted and the Canadian railways and grain handling facilities at lake ports deprived of business in the same old way on this year's crop.

The futile act passed two sessions ago, to be nullified and admitted useless by the methods of last season, ought to be repealed. All that is needed is the corrollary act, giving to the Grain Commission the right to suspend the coastal regulations—and courage on the part of the commission to suspend them.

If parliament should prorogue without safeguarding Canadian farming, grain handling and transportation interests for the coming grain shipping season the government may expect that Western Canada will hold it to a stern accounting.

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Free Press London Ont June 16/24

074649

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Freight Rates and the West

To abuse the railways is a favorite pastime in Western Canada. There is a continual agitation for lower freight rates. If it is possible economically to secure lower rates by all means let us have them. The West needs all the assistance it can get in securing a favorable entrance to the world's markets.

The Farm and Ranch Review, published in Calgary, points out that there must be fairness to the railways and observes that the prairie section of Canada enjoys much lower rates in the transportation of wheat to the head of the lakes, amounting to from 60 to 75 per cent., compared with the rates farmers in the Western United States are prepared to pay. The editor adds:

"I think we ought to be fair in this matter and give our railroads full credit for what they are doing in the way of economical operation—because I take it for granted that there is no actual loss involved in these rates—and that we should take this situation into consideration when we pass peremptory resolutions demanding a lowering of rates."

The Review quotes striking figures from the report of Secretary for Agriculture Wallace to President Coolidge on the wheat situation, as follows:

From Canadian points to Port Arthur Ontario—

Saskatchewan—	Distance. Miles.	Freight rate per bushel. Cents.
Maryfield	649	10.8
Buchanan	754	11.4
Regina	794	12.0
Briercrest	864	12.0
Dalmeny	936	15.0
Conquest	1,002	15.0

From Montana points to Duluth, Minn.—

	Distance. Miles.	Freight rate per bushel. Cents.
Snowden	650	18.0
Frazer	750	20.4
Vandalia	797	21.6
Wagner	856	22.5
Harve	923	23.7
Teton	1,004	25.2

This shows that the advantage to Canadian farmers from points of similar ditance from water transportation was 7 to 10 cents a bushel in favor of Canada. It looks as if the Canadian railway is not such a grinding monster, after all.

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"And what is writ is writ—
Would it were worthier."—Byron.

MONDAY, JUNE 16, 1924.

PROTECTION PRODUCES LAKE RATES DISCRIMINATION

Nearly every effort put forward by the Canadian people in the way of legislation for the upbuilding of industrial Canada is, to a large extent, nullified by the selfishness and narrow outlook of those who profit out of the industry the country desires to help. This is why high protection is such a failure and such a divisive force in our national life. If the protected interests used protection to control the market by lower prices there would not be such an outcry against the system, but instead the system of protection works in the direct opposite way; the price is increased by the amount of the protection afforded, the foreign articles share the market at this increased price, and Canadian-made goods are sold in foreign countries at lower prices than to Canadians who afford the protection. This principle seems to work in every sphere where protective, or restrictive, legislation has been resorted to in order to further the development of national interests. A good example of how it works is supplied by the Canadian shipping interests. This weakness in the policy of protection as applied in our coasting regulations was brought out very clearly in an editorial in the Manitoba Free Press last Saturday. The Free Press shows that the monopoly in shipping between Canadian ports for Canadian ships by the application of coasting regulations was created in the belief that the results would benefit the whole country.

"Reviewing the experience of the operation of these regulations and considering the present situation, it becomes very doubtful indeed, if the results are such as to justify the policy," the Free Press says.

"There is upon the lakes a certain volume of shipping which calls itself Canadian; and to the extent, if any, that this shipping came into being because the coasting regulations are in existence there is a credit to be allowed on behalf of the regulations.

"But when one begins to count, on the other hand, the sacrifice which the toleration of this Canadian monopoly imposes upon Canada it becomes very doubtful whether this venture in artificial encouragement of Canadian shipping is worth-while.

"One direct result has been to deprive the Canadian channels of transportation of a great part of the business that is properly theirs.

"Wheat can be carried from the head of the lakes to the bay ports only in Canadian bottoms. The Canadian ships take advantage of the situation to charge a higher rate to these ports than they charge for carrying Canadian grain to U.S. ports, though the distance to the latter ports is much greater.

"The Canadian bay ports, and the railways which serve them, handle only that percentage of Canadian grain that is carried to them by Canadian ships at these higher rates. They do not profit by the natural advantages of their geographical location; and they get only a fraction of the trade that is properly theirs.

"The direct result of the policy is to build up the port of Buffalo. United States vessels, coming from Fort William or Port Arthur for grain cargoes, carry these cargoes to Buffalo at rates invariably less than the rates charged by the Canadian boats for grain going to the bay ports; and Canadian boats themselves compete for this business to Buffalo at the lower rates. Often they themselves make the lower rates.

"Not only does this result in Canadian grain going to Buffalo in undue proportion, building up a U.S. port and giving employment to U.S. labor and to U.S. transportation companies, but indirectly it inflicts damage upon other Canadian industries.

"Buffalo is becoming one of the great flour-producing centres of the world, because that city is in the most favored position on the continent for getting a cheap and constant supply of wheat from Western Canada. These mills grind Canadian wheat in bond and export the flour, thus competing in the markets of the world with the product of the Canadian flour mills.

"There is a Canadian mill at Port Colborne, just 18 miles from Buffalo. This mill has to get its supplies of Western Canadian grain by Canadian boats, because of the shipping regulations; and these boats patriotically charge at least a cent a bushel more than they charge for carrying the same wheat to its American competitor in Buffalo.

"If the coasting regulations were suspended these discriminations against Canadian mills, Canadian ports, Canadian railways, would at once disappear. It might fairly be predicted that the rate to the bay ports would drop below the Buffalo rate; and those ports would begin to come into their own.

"Canada's experience has been extensive enough to justify the passing of judgment upon our Canadian shipping companies. They have no sense of any obligation to the people of Canada in return for the monopoly privileges they enjoy. Their one concern is how to take advantage of their privileged position to add to their revenues. That in the pursuit of this advantage they favor Buffalo as against Canadian ports and discriminate against Canadian industries in favor of their American competitors concerns them not a jot.

"Under the lake freights legislation of last year, power to recommend the suspension of these regulations was entrusted to the Board of Grain Commissioners. It might be thought that the Board, thus armed, would have seen to it that there would be no discrimination this year in rates against Canada. An intimation that a higher rate to Canadian than to U.S. ports would mean the suspension of the coasting laws would have had a beneficial effect.

"But the discrimination has been practised unblushingly by the shipping companies: there has been no attempt to bring them to time by the authorities entrusted with disciplinary powers. What is needed, apparently, to straighten out the situation is formal suspension of the regulations for the remainder of the season by the Government. Upon a consideration of all the facts it appears that such action would be in the interests of the people of Canada as a whole."

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July 31/27

074651

The Lake Freights

An excellent example of the shadow fighting that goes on a good part of the time at Ottawa is furnished by the discussion in the House of Commons a few days ago over a resolution authorizing the bringing in of a bill to amend the Inland Water Rates Act of last year.

The occasion gave an opportunity for the discussion of a matter of great importance—the freight rates on the Great Lakes—but none of the members who took part in the discussion except three or four Progressives gave any attention to the actual issue.

Sir Henry Drayton, Mr. Stevens and Mr. Meighen devoted their efforts to an attempt to score a technical point against the Government by forcing the ministers to admit that their legislation of last year had proved abortive; but Mr. Robb's and Mr. Low's footwork was excellent and they were not to be trapped.

The problem in relation to lake freights is two-fold. First, how to prevent freight combinations which will run the rates up to the roof in the event of offerings exceeding the space available; and next, how to stop discrimination against Canadian ports to the advantage of their U.S. rivals.

The Government's attempt last year to exercise control by obliging shipping companies to file tariffs with the right to fix maximum tariffs was a failure owing to the refusal of the United States shipping companies to send their boats to Canadian ports if this involved the filing of tariffs. Last autumn there was much ore freight on the lakes and the United States shippers could afford to be independent. Whether they would have been equally indifferent to Canadian cargoes this last spring with little freight in ore and forty million bushels of wheat at the Canadian lake ports waiting to be moved may be questioned. But the test did not arise because the Government consented last October to the emasculation of its legislation by accepting the filing of charters by shippers instead of the filing of tariffs by shipping companies. Just what value, if any, attaches to this does not appear; it does not, apparently, serve the purpose of controlling extortionate rates. The one provision of last year's legislation that has worked successfully is that forbidding the insurance hold-up which has saved the shippers and the farmers a large sum of money.

The more the situation on the lakes is studied the more it is evident that the key to the problem is the power which the Government took last year to suspend the coasting laws. The Progressive members who took part in the discussion saw this and gave clear expression to their views. Thus M. N. Campbell said:

"As long as these coastal laws are in effect we are going to have these conditions repeatedly. If the Government want to face this question courageously they have to suspend these coastal laws. I agree with the ex-Minister of Finance that if the laws were used as a club, and if the Government were always prepared to use these laws as a club, it would not be necessary to suspend them at all."

Mr. Coote went further than Mr. Campbell in urging the suspension of the coastal laws, saying:

"I urge the minister to remove the coastal shipping law from the statute books because it has been abused shamefully by the shipowners. It has been retained in the belief that it would build up a Canadian shipbuilding industry, and the owners of Canadian shipping and those engaged in the industry have used their power to bleed the Canadian producer. I do not think that term is at all too strong, and if this coastal shipping law has been abused in that way the proper thing is to abolish it. According to a pamphlet issued by the Toronto Board of Trade about 50 per cent. of the money invested in the Canadian shipping industry is American capital. So that apparently we are bleeding ourselves for the benefit of these American millionaires.

Mr. Sales made a very practical suggestion the acceptance of which by the Government would, without question, stop once for all the present discrimination against Canadian ports. Mr. Sales said:

"If they would say tonight that at any time when there is a discrimination of half a cent a bushel—because that is as much discrimination as should be allowed between the rates of the Canadian and the American steamships—they will immediately suspend the coastal laws, I think my hon. friends here and our farmers in the west would be satisfied and that the suggestion would act as a very effective club. There would be no hesitation or wondering about it; it would be an effective way of securing action should that discrimination occur."

To all these suggestions about the coastal laws the ministers maintained an attitude of complete reserve. The words "coasting laws" never crossed their lips. Mr. Low contented himself with saying that "the rates today are perhaps the lowest in the history "of shipping and they are exceedingly low to Georgian Bay ports." In contrast with the charges of previous years the rates to the Georgian Bay ports are low; but they are still higher than the rates to the U.S. ports and this discrimination is doing Canadian interests injury to a degree that should stir the Government to action. When a Canadian shipping company takes advantage of the coasting laws to charge more for carrying grain to a bay port than to Buffalo, though the distance is less by hundreds of miles, a situation is created calling for immediate action. Since the Government has fallen down on its original plan directly to control rates it should use the weapon which it still retains.

All that the Government has to do to bring about fair treatment of Canadian ports, Canadian railways and Canadian mills by Canadian shipping companies, so-called (it appears that a good deal of their capital and management comes from the other side), is to lay down the rule that discrimination against Canadian interests will bring about the immediate suspension of the coasting laws.

Why does the Government refuse to do this? The Government must know all about it because it winks at the infraction of the coasting laws by American boats which carry cargoes of Canadian wheat from Buffalo to Montreal because only by these means can a portion of the Canadian grain, diverted from Canada by this discrimination, be brought back into Canadian transportation channels. If the Government saw, in the first place, that justice was done to Canadian ports this subterfuge would not be necessary.

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Gladstone (Man.) "Age" July 24/24

074652

No Change In Gladstone Freight Rates

In the new freight rate tariff recently issued by the railroads in consequence of the coming into effect of the Crows Nest Pass Agreement, Gladstone is not one of the points affected, as, in 1897 when the agreement came into being, she was not a C.P.R. town; it was years after that the C.P.R. took over the M.&N.W.Ry. In this way the disgruntled railway magnates, through clever lawyers, are going to get even with the people of Canada for having the C.N.P.A. re-established. And it seems that the Canadian National are only adopting the new schedule at competitive points.

In so much as the Canadian Railway Commission has ruled that dscrimination has no place in railway tariffs, (and that makes any westerner smile), that body will be very busy saving their dignity, now that the C.P.R. has taken the stand that the C.N.P.A. only refers to points in existence on C.P.R. lines in 1897.

An interestng illustration of of how this works is the rate on Binder Twine. From Fort William to Gladstone, the rate on Binder Twine is 71 cents per cwt; under a C.N.P.A. tariff it would be approximately 58 cents. A neat way for anyone to save thirty dollars under proposed conditions would be for the consignee to have a car of twine billed to Portage and then forwarded at local rates.

It has been rumored, under this proposed tariff, the Canadian National railways expect to meet the reduced rates only at competitive points. This will also put the government railway in a conspicuous position.

It seems only reasonable that our highly paid railway commissioners will have to get their heads together and earn some of their fat salaries by evolving a tariff that will treat all Canadian people alike.

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Edmonton Bulletin Sept. 17/24

074653

FREIGHT RATES NOW OBSOLETE SAYS DR. KING VANCOUVER

VANCOUVER, B.C., Sept. 16.—(Canadian Press)—"The freight rates structure of Canada is obsolete. It must be thrown into the melting-pot and completely recast. Canada must be divided into two transportation slopes—East and West—and railways must be put to work for the people," declared the Hon. Dr. J. H. King, Minister of Public Works, in an address before the Laurier Club here today. An extended discussion of the whole question of railway rates and their effect on the welfare of Canada was a feature of the address.

Amplifying the statement given above, Dr. King declared that for many years past railways have been working on a policy of expediency. Instead of rates being worked out on an economic and scientific basis, they have simply been altered from time to time by adding and subtracting to or from the original tariffs as recurrent circumstances made it advisable.

"Today no one knows where they are at," he said.

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Vancouver Sun Oct 21/24

WHAT WILL MACKENZIE K

The day that the first boat passed through the Panama Canal was the day that Canada should have adjusted her economic and transportation policy to agree with the fact that the Canal divided Canada into two business areas and into two transportation areas—one area in and out from Montreal, on the Atlantic, and one area in and out from Vancouver, on the Pacific.

Yet for ten years, disregarding economics, Canada has tried to do business just as though the Panama Canal did not exist: we have tried to haul all our goods in and out from the Atlantic.

The distance from Calgary eastward to Fort William is 1280 miles; the rate on a bushel of wheat is 15 cents. The distance from Calgary westward to Vancouver is 640 miles, yet the rate on a bushel of wheat is 13½c or nearly double the rate eastward.

The express rate from Grimsby, Ontario, to Montreal, a distance of 390 miles, is 95 cents per hundred; the express rate from Okanagan to Vancouver, a distance of 350 miles, is $1.90; more than double the rate eastward. How is it humanly possible to develop this fine, big western country with discriminations like these?

The plain truth is that the present freight rate structure of Canada is obsolete; it must be scrapped and replaced with rates designed to facilitate the movement of goods in and out to salt water on the Atlantic and the Pacific. What those rates are, makes no difference so long as they are reasonable rates and so long as they are equalized as to East and West haul.

Under this new adjustment, Winnipeg would be about the dividing line, so that a central area like Manitoba would, on a per-ton-per-mile basis, have to pay the extreme rate to get out to either Atlantic or Pacific tidewater. Some provision could be made to give this central area special consideration. In fact, the spirit of the old Crow's Nest agreement was to make such provision, only at that time the Pacific route was not thought of and therefore the Crow's Nest rates did not apply to the Pacific as well as to the Atlantic.

Last year one-half of every bushel of Western Canada's grain moved from the head of the lakes in American bottoms to American ports, then over American railways to American Atlantic ports. To be exact Western farmers paid tolls to Americans on 177 million bushels of Canadian grain. Is this building Canada?

Recognizing the new condition which has arisen in Canada and the necessity for an adjustment, it is up to the Premier to lay down the principle upon which the new rates are to be adjusted, otherwise the prosperity and politics of Canada will for years to come centre around the question of freight rates. What will Mackenzie King do?

Coupled with the question of transportation, is the question of whether or not Canadian business will be allowed free and unrestricted use of the Panama Canal. Millions of dollars' worth of British and American goods are coming into Western Canada and B. C. because Eastern Canadian firms are not allowed to take full advantage of the cheap water transportation via New York and the Panama Canal. Again, what will Mackenzie King do?

Within 700 miles of tidewater at Vancouver lies the great Peace River basin, containing 20,000,000 acres of rich, fertile land, the consistency, the richness, and the productive qualities of which are unequalled anywhere on the North American continent. To build a trunk line into this country will cost $12,000,000 and to

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provide feeders, another $13,000,000, a total cost of $25,000,000, or $1.25 per acre. Direct Coast transportation will increase the value of this land $10 per acre, or $200,000,000. Coast transportation to the Peace River will increase the annual earning power of the whole Dominion easily $100,000,000.

This Peace River country has every conceivable advertisable element necessary for quick immigration, in fact, the opening up of the Peace River could be used as an immigration magnet for the whole of Western Canada, and as a wonderful business producer for Vancouver and for the whole Dominion.

If Eastern interests feel that the Peace River is a purely Western proposition, or if Parliament feels that it cannot immediately undertake to finance Peace River transportation, it has only to say so and to make public an offer of say one-twentieth or 1,000,000 acres of the land affected, to parties who will provide the necessary capital, and that offer will be quickly taken up, because, like the Western Grain Route and the Vancouver Grain Terminals, the Peace River will pay its own way. It will make an immediate return of $10 for every dollar invested.

Having only a small handful of representatives in Parliament, the West and B. C. have no political claim on Premier Mackenzie King and his Government. However, throughout his trip across the country, Mackenzie King has everywhere stated that he is not the Premier of Quebec, of Ontario, or of any one province, but that he is the Premier of CANADA.

No opportunity, so vast, so wonderful, was ever given to a Premier of Canada—to, perhaps, any leader of men. What will Mackenzie King do?

—EDITOR.

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Manitoba Free Press Oct. 30/24

074656

THORNTON DEALS WITH FREIGHT RATE ISSUE

Says Supreme Court Proper Place to Take Crows Nest Appeal

Urges Re-examination of Whole Rate Structure by Railway Commission

(Special Despatch to the Free Press)

Brantford, Ont., Oct. 29.—That the entire structure of freight rates should be re-examined by the railway commission, with a view to readjusting them so that a satisfactory arrangement could be made to the country at large was advocated by Sir Henry Thornton, chairman and president of the Canadian National railways, in an address delivered before the Brantford city council, citizens and representatives of adjoining municipalites at a luncheon held in the Brantford Golf and Country club today.

Sir Henry made the foregoing recommendation following the introduction in his address of the discussion over the Crows Nest agreement.

"The Crows Nest agreement," said Sir Henry, "has become a distinct issue. The railway companies availed themselves of the judicial procedure for the determination of this controversy and they applied to the railway commission for settlement, as this was a function of that body. It was right and proper that the matter should be referred to them. Any other procedure would have been a violation of business judgment, common sense and a protection of your interests. The case was fully argued by both sides and the commission rendered its decision.

Appeal to Supreme Court

"But this is only part of the story. A large number of people, and a large section of the country, was dissatisfied with this decision. It was not to be expected that any decision in ths matter would be unanimously received, but he who regards a decision as unjust or unfair has the same right to appeal as his neighbor. It is the same with sections as with individuals. They can avail themselves of judicial procedure and carry their case to the supreme court. It seems to me the settlement of the Crows Nest agreement dispute should proceed in an orderly fashion through various tribunals and whatever decision ultimately may be reached the railways will accept it in good fath.

"I earnestly trust that any future examination of or action taken in respect to the Crows Nest agreement will be removed from the field of politics. Economic questions, such as this, are never satisfactorily settled in legislative halls. It would be very unsatisfactory to Canada if economic questions were settled as result of a political agreement."

Sir Henry pointed out that no matter how the Crows Nest agreement was decided, more or less dissatisfaction would be evinced in certain sections of the country. He emphasized the fact that he did not want to say anything which might be regarded as unsympathic to the western provinces as he had just returned from a tour of the west, and he had the highest regard for the courage, tenacity and high citizenship of the farmers in the west, but one must examine all problems from a universal point of view and not from a sectional aspect.

Dominion-Wide Viewpoint

Sir Henry emphatically declared that the subject of freight rates must be considered from a dominion-wide viewpoint and that fundamentally the rates must be such as to enable farmers successfully to market their products in the markets of the world. The wealth of the nation, he pointed out, was based on agricultural products and he said it was axiomatic that freight rates must be of such a character as to permit the farmers of Canada to compete against the farmers of other countries throughout the world. This principle was just as important to the manufacturers of the east as to the agriculturists of the west.

"The settlement of the Crows Nest agreement reaches much further than most people imagine," continued Sir Henry. "It involves the whole freight rate structure. Our present freight rates have evolved as the country grew; they have grown inconsistently, unsatisfactorily and somewhat illogically. I would recommend a re-examination of the whole freight rate situation.

"This task can best be done by the railway commission and I make this suggestion quite irrespective of whatever decision may be made in connection with the Crows Nest agreement.

Channels Changed

"It must be remembered that the freight channels are changed. Vancouver and Prince Rupert are growing increasingly important. Somewhere in the west there will appear a traffic divide. West of the divide traffic will go to the Pacific Coast; east of the divide to the Atlantc seaboard. There was a day when traffic moved east and west; the day is also coming when traffic will move more and more north and south, as trade relations increase.

"With the march of time and events traffic routes are changing. Freight rates of 30 years ago, which were then in the interests of the Dominion, are not so today. In the interests of the Dominion, of justice and of tranquility I think the railway commission should undertake a study to see whether we may not lay down a more successful structure of freight rates in the interest of the whole country than they are today. This is the proper way of approaching a problem of so much economic importance to all our people."

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PUBLIC ARCHIVES
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CANADA

Manitoba Free Press Nov. 1/24

074657

Freight Rates East and West

Some of the folks down East have very odd ideas about the West. They regard the people out here as living on the generosity of the East and rewarding the Easterners by biting the hand that feeds them. This is not a new hallucination. Nearly forty years ago a cabinet minister distinguished himself by declaring that the people of the West wanted to be spoonfed. This insult was addressed to the heroic generation of pioneers who conquered the West for Canada and civilization and have since passed on. The occasion for the insult was the positive refusal of the people of the West to submit to the pretensions of the Canadian Pacific that it had a right to railway monopoly west of Lake Superior. History repeats itself. Apparently the surest way to stir up feeling in certain quarters in the East is for the West, in the pursuit of its rights, to threaten an impairment of railway revenue. Hence the vituperative chorus now arising. We read in the Montreal Standard, a supposedly responsible paper with the same ownership as the Star, that, as a consequence of the Crows Nest Pass rates going into effect "the East has had to balance "up with higher rates for the lower rates the Western brother "enjoys. It is the West, the prairie West, against the rest of "Canada. In Canada the East invariably meets the West's "expenses." Then, in the course of a half column tirade in the Ottawa Journal against the West it is asserted that among the things Canada has done for the West is the granting of "freight "rates that meant loss for the rest of Canada." As it is hardly possible that these papers do not know better these statements about the freight rates which are in operation in the West must be regarded as deliberate misstatements for the purpose of arousing Eastern feeling against the West in the hope, no doubt, that this will put more difficulties in the way of the West getting justice in this case against the Canadian Pacific which it proposes to try in the courts, in Parliament and before the people. A fine business, this! These newspapers would no doubt resent the charge that they and their like are by these tactics putting dynamite under the foundations of Confederation. Yet that is what they are doing.

* * *

So far from the East footing the bills for the West in this matter of freight rates it is just the other way about. The greater burden which the West carries in this respect has been established on more than one occasion before the Railway Commission by formal evidence. The available statistics are unanswerable. The Canadian Pacific gets and for years past has got its dividends out of its traffic earnings in Western Canada. It is its desire that this preserve out of which it can fish dividends at will may be kept intact that accounts for the long, resourceful and unceasing campaign by the Canadian Pacific against the Crows Nest Pass agreement. Because, although the Eastern haters of the West are too stupid and prejudiced to take in the idea, the West wants the Crows Nest Pass rates retained not that it may have lower rates than the East, but that it may have some guarantee that it will not be systematically bled white by inordinately higher freight rates to make up deficiencies in the East where natural conditions limit the free application of the railway's cherished formula: All the traffic will bear.

* * *

Now for a few facts, for the information of Easterners who imagine that they are footing the freight bills of the "Western "brother."

First, the Crows Nest Pass rates applicable to the West are not, as they suppose, lower than the Eastern rates on the same commodities. In one or two lines, relatively unimportant, the rates are lower to a trifling degree, but on most of the commodities affected the Crows Nest rates are much higher. As for instance with respect to two articles of prime importance to the West the comparison of rates is as follows:

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074658

Miles	Eastern Rate	Crow Rate	Present Rate
	Agricultural Implements		
546	49	52	62
850	61½	73½	92
1129	63	90½	117
	Binder Twine		
488	52½	56	87
767	64	80	117

The Crow rate, in force from July 7 to October 27, was thus markedly higher than the Eastern rate; the rates now in force, thanks to the Railway Commission's defiance of Parliament, are extortionately higher, in keeping with the long established policy of the Canadian Pacific Railway, for which it can always secure the consent of the Railway Commission, of enforcing rates in the West that will ensure large net earnings.

* * *

The statement that the West has lower rates than the East and that the Easterner has, therefore, to carry an undue burden, is a grotesquely absurd lie. The West for more than a quarter of a century has been the dividend-payer and surplus-provider for the Canadian Pacific. In a hearing before the Railway Commission in 1922 of a claim by the West for the equalization of its freight burden with that borne by the East some remarkable figures, compiled from statements by the Canadian Pacific, were submitted on behalf of the West. These showed comparative net earnings on Eastern and Western lines for a period of 15 years, as follows:

Net earnings Western line, July 1, 1906 to Dec. 31, 1921 ..... $405,000,000
Net earnings Eastern line, July 1, 1906 to Dec. 31, 1921 176,500,000

During this period the Canadian Pacific paid out $223,859,269 in ordinary dividends and $199,381,565 in fixed charges and dividends on preferred stock, or a total of $423,240,000, which was only eighteen million dollars more than the total net revenues of the Western lines.

* * *

As part of the same calculation the comparative net earnings per mile of line and per train mile on the Canadian Pacific for the years 1920 and 1921 were shown to be as follows:

1920—	
Eastern lines per mile of line	$2,221.00
Western lines per mile of line	3,466.00
Eastern lines per train mile	.47
Western lines per train mile	1.19
1921—	
Eastern lines per mile of line	$2,418.00
Western lines per mile of line	3,677.00
Eastern lines per train mile	.59
Western lines per train mile	1.19

These figures scarcely support the view that the East has had to pay its own freight rates and part of the West's freight rates, too.

Similar statistics for the years since 1921 are not available; the Canadian Pacific has seen to this.

But that the same conditions still exist can be reasonably inferred from the railway statistics published by the Dominion Government. Thus in 1922 for the first eight months the C.P.R.'s net operating revenue was $14,861,921; for the last four months, Sept. to Dec. inclusive, the net rose to $23,550,534. For 1923 the figures were: First eight months, $13,336,465; last four months, $25,181,114. Why the revenue jumps during the last four months is fairly obvious: but there is no need for surmises since the figures for 1921 are available and reveal the sources of the extra revenue. In 1921 the net earnings of the Canadian Pacific Railway for the last four months of the year were as follows:

	Lines East	Lines West
Sept.	$1,013,552.56	$ 3,374,968.01
Oct.	822,931.95	6,339,980.52
Nov.	4,403.91	5,048,111.03
Dec.	566,652.41	3,170,787.34
	$2,407,540.83	$17,933,847.40

The jump in revenue comes each year when farm products in immense volume begin to flow outward. This in the freight rate classification is low grade freight, but it can be handled so cheaply that the net earnings are enormous, creating the pool from which the Canadian Pacific draws its dividends and its surpluses. We have seen elaborate statements intended to put the West at a disadvantage which show that a greater volume of high-class freight originates in the East with correspondingly greater gross earnings per mile of line. But it is the net earnings that pay the dividends and much the greater proportion of the net earnings come from the Western lines.

Thus the record shows that the opinion so complacently held, that the West is sponging on the East in the matter of freight rates, is totally at variance with the facts. Western rates for like commodities and like distances always have been, even when the Crows Nest rates were in effect, higher than those imposed in the East; and now that the Crows Nest rates have been set aside the disparity is immensely increased.

Why are the railway rates in the East less than in the West? Not, it may be readily admitted, because the railways wish to discriminate. They would bring the Eastern rates up to the West if they could. They cannot do this because the maximum rates are fixed by the competition of the lake and canal system made possible by the expenditure of a hundred million dollars of public money. The West has had hitherto the legal maximum of the Crows Nest rates on a limited number of commodities, but these statutory maxima have always been higher than the maxima fixed in the East by water competition. Of this partial protection the West has now been robbed by a gross usurpation of power by the Railway Commission; and when it demands the restoration of this safeguard the Eastern newspapers and public men break out in bitter and mendacious attacks upon the people of the West as shirkers, pikers and spongers on the East. Just what are they driving at in this campaign?

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

THE TIMES MORNING HERALD

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"And when a writ is writ—
Would it were worthier."—Byron.

MONDAY, NOVEMBER 3, 1924

FREIGHT RATES EAST AND WEST

At the reception tendered him in Moose Jaw Premier Mackenzie King had to cut short his speech, in order to take train in time for his Weyburn engagement, and several important matters which he would like to have dealt with had to be passed over. The most important of these was undoubtedly the new developments connected with the Crow's Nest Pass Agreement. This question is of more immediate interest, although of not greater importance than Senate Reform, or unity of Liberal sentiment, or any other foremost issue. It is of more immediate interest because the West feels that a sacred contract entered into by Sir Wilfrid Laurier in order to secure by outright purchase, a measure of justice in freight rates for the West,—has been illegally abrogated by an "overriding authority." Had Premier King been able to deal with this matter in his Moose Jaw speech, it is not likely that he could have added anything to his carefully prepared statement given at Vancouver and reported thus by the Vancouver Sun:

Coming to the question of freight rates, Mr. King said, in regard to the finding of the Railway Commission, that there would doubtless be an appeal. However, he did not care to make any announcement in view of the fact that the matter was still practically undecided.

"But I have said that when any member gets up to voice his views on any particular question, he will be heard," said the Premier. "That is the place where any pronouncement of policy should be made."

"I don't propose to depart at this time from what I consider good practice. When I go back to Ottawa I will discuss matters with my colleagues, and any pronouncement I have I will make then," he declared.

"I want, in fairness and justice to them, to reserve until we are all together framing our policy for next session of Parliament the final decisions on some of these details," he said.

"But as a Liberal I cannot see any other policy in regard to railway rates than a policy of equality to all parts of the Dominion."

"I should betray the Liberalism for which I stand if I did not advocate equality.

"We want to be fair to all Canada. Let the East and West consider Central Canada. There may be factors in determining equality which are not apparent, but what appears to be equal is not always so in fact; but we can make it apparent if we are intent on it."

In Eastern Canada, the Premier continued, water transportation had compelled the railways to come down to a certain point in their rates, but throughout the West were large areas without competitive water rates. These areas were producing commodities for world markets in competition with other countries

These areas had to bear a heavy rail transportation cost, and equality and fair play would take cognizance of such a factor as that.

"I would say the railways of Canada are made for the people, not the people for the railways," he said, "and I believe it is our duty to take care of the interests of the people of Canada in transportation and railway rates matters, but Parliament cannot always weigh all these details."

"I don't think the House of Commons is the place to decide any technical question regarding railways. The method of solving these questions by railway commission is the best, but I do not think that Parliament should forego the privilege of laying down the principles on which these problems must be decided," he said.

Having taken the position that the issue must be discussed by his Government in Council, the Premier, of necessity must deal with the question only in a general way, and we must wait and see what the decision of the Government is in regard to the arrogation of power by the Railway Commission to set aside an Act of Parliament under which a certain measure of equality of freight rates was secured to the West.

* * * *

While we are waiting it will be of interest to our readers to note that the Financial Times of Montreal, and other Eastern newspapers that are very partial to the Canadian Pacific Railway interests, interprets Premier King's general statement as an assurance that the Government will not interfere with the Railway Commission's ruling. We do not believe that this meaning can be extracted from the Premier's statement, but the attitude of the financial press of the East, as well as some leading newspapers, is true to form. The Winnipeg Free Press, sums up the situation precisely when it says:

Some of the folks down East have very odd ideas about the West. They regard the people out here as living on the generosity of the East and rewarding the Easterners by biting the hand that feeds them. This is not a new hallucination. Nearly forty years ago a cabinet minister distinguished himself by declaring that the people of the West wanted to be spoonfed. This insult was addressed to the heroic generations of pioners who conquered the West for Canada and civilization and have since passed on. The occasion for the insult was the positive refusal of the people of the West to submit to the pretensions of the Canadian Pacific that it had a right of railway monopoly west of Lake Superior. History repeats itself. Apparently the surest way to stir up feeling in certain quarters in the East is for the West, in the pursuit of its rights, to threaten an impairment of railway revenue. Hence the vituperative chorus now arising. We read in the Montreal Standard, a suposed responsible paper with the same ownership as the Star, that, as a consequence of the Crow's Nest Pass rates going into effect "the East has had to balance up with higher rates for the lower rates the Western brother enjoys. It is the West, the prairie West, against the rest of Canada. In Canada the East invariably meets the West's expenses." Then, in the course of a half column tirade in the Ottawa Journal against the West it is asserted that among the things Canada has done for the West is the granting of "freight rates that meant loss for the rest of Canada." As it is hardly possible that these two papers do not know better these statements about the freight rates which are in operation in the West must be regarded as deliberate misstatements for the purpose of arousing Eastern feeling against the West in the hope, no doubt, that this will put more difficulties in the way of the West getting justice in this case against the Canadian Pacific which it proposes to try in the courts, the Parliament and before the people. A fine business, this! These newspapers would no doubt resent the charge that they and their like are by these tactics putting dynamite under the foundations of Confederation. Yet that is what they are doing.

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The Free Press goes on to show that so far from the East footing the bills for the West in this matter of freight rates it is just the other way about. The greater burden which the West carries in this respect has been established on more than one occasion before the Railway Commission by formal evidence. The available statistics are unanswerable. The Canadian Pacific gets and for years has got its dividends out of the traffic earnings in Western Canada. It is its desire that that this preserve out of which it can fish dividends at will must be kept intact that accounts for the long, resourceful and unceasing campaign by the Canadian Pacific against the Crow's Nest Pass agreement. Because, although the Eastern haters of the West are too stupid and prejudiced to take in the idea the West wants the Crow's Nest Pass rates retained not that it may have lower rates than the East, but that it may have some guarantee that it will not be systematically bled white by inordinately higher freight rates to make up deficiencies in the East where natural conditions limit the free application of the railway's cherished formula: All the traffic will bear.

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Now for a few facts for the information of Easterners who imagine that they are footing the bills of the Western "brother."

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The statement that the West has lower rates than the East and that the Easterner has, therefore, to carry an undue burden, is a grotesquely absurd lie. The West for more than a quarter of a century has been a dividend-payer and surplus-provider for the Canadian Pacific. In a hearing before the Railway Commission in 1922 of a claim by the West for the equalization of its freight burden with that borne by the East some remarkable figures, compiled from statements by the Canadian Pacific, were submitted on behalf of the West. These showed comparative net earnings on Eastern and Western lines for a period of 15 years, as follows:

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But that the same conditions still exist can be reasonably inferred from the railway statistics published by the Dominion Government. Thus in 1922 for the first eight months the C.P.R.'s net operating revenue was $14,861,921; for the last four months, September to December inclusive, the net rose to $23,550,534. For 1923 the figures were: First eight months, $13,336,465; last four months, $25,181,114. Why the revenue jumps during the last four months is fairly obvious; but there is no need for surmises since the figures for 1921 are available and reveal the sources of the extra revenue. In 1921 the net earnings of the Canadian Pacific Railway for the last four months of the year were as follows:

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The jump in revenue comes each year when farm products in immense volume begin to flow outward. This in the freight rate classification is low grade freight, but it can be handled so cheaply that the net earnings are enormous, creating the pool from which the Canadian Pacific draws its dividends and its surpluses. We have seen elaborate statements intended to put the West at a disadvantage which show that a greater volume of high-class freight originates in the East with corresponding greater gross earnings per mile of line. But it is the net earnings that pay the dividends and much the greater proportion of the net earnings come from the Western lines.

These facts and figures justify the conclusion of the Free Press as follows:

"Thus the record shows that the opinion so complacently held, that the West is sponging on the East in the matter of freight rates, is totally at variance with the facts. Western rates for like commodities and like distances always have been, even when the Crow's Nest rates were in effect higher than those imposed in the East and now that the Crow's Nest rates have been set aside the disparity is immensely increased.

Why are the railway rates in the East less than in the West? Not, it may be readily admitted, because the railways wish to discriminate. They would bring the Eastern rates up to the West if they could. They cannot do this because the maximum rates are fixed by the competition of the lake and canal system made possible by the expenditure of a hundred million dollars of public money. The West has had hitherto the legal maximum of the Crow's Nest rates on a limited number of commodities, but these statutory maxima have always been higher than the maxima fixed in the East by water competition. Of this partial protection the West has now been robbed by a gross usurpation of power by the Railway Commission; and when it demands the restoration of this safeguard the Eastern newspapers and public men break out in bitter and mendacious attacks upon the people of the West as shirkers, pikers and spongers on the East. Just what are they driving at in this campaign?"

074689

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Halifax Herald Dec. 1/24

7

074656

AWAITING RESULTS

(In anticipation of the visit of Sir Henry Thornton, a prominent citizen sends us the following, "in the hope", as he says, "that something can be done to remedy such blighting conditions";)

* * * * * *

"A YOUNG farmer, a war veteran, who took a farm some time ago and who is doing his level best to make a living on the land, sent 300 bushels of turnips to the market here—and this was the result:

"He resides about 57 miles from here. The freight on his turnips was 32c. per cwt.—that is, 19 cents per bushel. He got 40 cents per bushel, freight paid; and he had 21 cents per bushel for his planting, fertilizing, weeding, cultivating, pulling, bagging, trucking to the railway, and the partial work of unloading at the point of delivery—all for 21 cents per bushel; while the railway got the other 19 cents!

"Can Sir Henry Thornton tell us how that young and deserving man can make a living?

"It costs him, so I am informed, $12 to have a cow carried a distance of less than 60 miles!

"The charges on milk and such like commodities are outrageous.

"The wheat-grower of the West can get his wheat carried, local rate, 800 miles for what it costs this man to get his turnips to market—some 60 miles—carload lots.

* * * * * *

"HOW does Sir Henry think this country can prosper under such blighting conditions?

"His express rates are prohibitive. Business cannot stand them.

"I mention a few cases, but generally speaking, the business and industry of this country are being stifled with these excessive rates and charges. When a farmer in this territory has to pay in freight rates over one-third and nearly one-half of what his produce commands in the market, then he knows that he is hard up against it.

"What is happening to our farms and our farmers? Farms are being deserted every day.

"The East has rights as well as the West. Wheat may be 'king' out there, but we have no 'king' here that seems able to touch the heart of powers that be.

"We should be told why our fishermen have to pay three times the express charges the people of the Pacific pay. The Pacific fisherman has a rate seven cents a pound less to Winnipeg than the fisherman of this Eastern shore. How can we build up an industry with this awful handicap?

"The people of the Maritimes are looking for some RESULTS from this visit of the chief executive of the C. N. R."

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

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HON. PRESIDENT:
MR. W. J. TUPPER, K.C.,
WINNIPEG

PRESIDENT:
MR. N. K. BOYD,
510 SOMERSET BLOCK,
WINNIPEG

SECRETARY:
MR. C. F. MOUNT,
1404 MAIN ST.,
WINNIPEG

07466

-Liberal Conservative Association of Manitoba

LEADER:
MAJOR F. G. TAYLOR, D.S.O., K.C., M.L.A.,
DRAWER 1311. PORTAGE LA PRAIRIE.

Portage la Prairie, Man.,

December 19th, 1924.

The Right Hon. Arthur Meighen, P.C., M.P.,
House of Commons,
Ottawa, Ont.

My dear Arthur :-

You will have noticed the decision given by the Supreme Court on Wednesday with reference to the Manitoba Freight Rate Contract on appeal from the 1907 decision of the Railway Commission. I want, if at all possible, to get a copy of the case filed on the appeal, and of the factum filed by both sides, particularly on behalf of the Province of Manitoba. I do not know just how I can get one. I suppose the printed copies which are filed with the Registrar of the Supreme Court are only for the use of the Court. I am quite sure the Attorney-General here will not give me a copy, and I was wondering if you knew anybody who could get one from Mr. Chrystley. If I could obtain a copy from the Registrar of the Supreme Court by paying for it, I would be very glad to do that.

Yours faithfully,

FGT/D

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

074662

Ottawa, December 23, 1924.

Dear Major Taylor:

I have yours of the 19th. Mr. Chrysler has promised me today to send me copy of the case, which I will get tomorrow and forward to you.

Yours very truly,

Major F.G. Taylor, D.S.O., K.C., M.L.A.,
Drawer 1311,
Portage la Prairie,
Man.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

074663

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Ottawa, December 24, 1924.

Forwarded to Major Taylor at
Mr. Meighen's request.

Private Secretary.

Major F.G. Taylor, K.C.,
Portage la Prairie,
Man.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

PUBLIC ARCHIVES
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HON. PRESIDENT:
MR. W. J. TUPPER, K.C.,
WINNIPEG

PRESIDENT:
MR. N. K. BOYD,
510 SOMERSET BLOCK,
WINNIPEG

SECRETARY:
MR. C. F. MOUNT,
1404 MAIN ST.,
WINNIPEG

074664

~~Liberal~~ Conservative Association of Manitoba

LEADER:
MAJOR F. G. TAYLOR, D.S.O., K.C., M.L.A.,
DRAWER 1311. PORTAGE LA PRAIRIE.

Portage la Prairie
December 27th 1924

The Right Hon. Arthur Meighen,

Ottawa Ont.

My dear Arthur:-

I am in receipt of memo from your Secretary enclosing Mr. Chrysler's letter to you with reference to the Manitoba and C.N.R. Railroad, and copies of the Appeal Case and of the Factum filed on behalf of the Province. Thanks very much for the trouble you have taken in this connection.

Yours faithfully,

FGT=C

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Vancouver Province Dec. 27/24

Should Lower Freight Rates For West Offset Protection For The E

By SIR JOHN WILLISON

A STRIKING speech was made in Montreal a few days ago by Mr. Herbert Marler, Liberal member in the Commons for St. Lawrence-St. George. It is one of many evidences that we may be on the eve of vital changes in public policy in Canada.

At last it is recognized that we must reinforce a national policy of protection by a national policy of transportation. This discovery indeed we should have made long ago. No one would listen when it was contended that instead of three continental railways we should have developed a single through system, with double tracks when that became necessary, and with feeders extending over Western Canada. All experience has demonstrated that unnecessary competing railways mean higher freight charges to meet the cost of huge investments or taxation to cover railway deficits.

But there is perhaps no profit in recalling the mistakes of other days. The country was carried away by the demand for railway competition and by inflammatory attack upon established systems of transportation. No doubt we did get competition in service, but lower freight and passenger charges are not secured by building two railways where one would be equal to the demand.

Mr. Marler insists upon the necessity for "a balanced policy in Canada." He points out that the Dominion has four geographical sections, each with its own economic problems and its own ambitions. "These sections," he says, "are widely separated. The Maritimes from the central provinces of Quebec and Ontario by a long stretch of sparsely-settled country; the highly industrialized section of Quebec and Ontario from the prairie section by a great bridge of stone nearly a thousand miles across; the prairie section of Manitoba, Saskatchewan and Alberta from the Pacific Province of British Columbia by great ranges of mountains. There you have four distinct sections, each, as I have said, a kingdom in itself. Each of these sections has its own problems—its occupations and its ambitions—in cases quite different from our own. Join to this the additional facts that we stretch across a continent and have adjacent to our borders the richest and one of the most populous nations in the world, influencing us in many ways, and you have in a few words a picture of our country."

FOUNDATIONS OF GREAT NATION.

Mr. Marler continues:

"Some — perhaps many — will quote these facts to you as difficulties impossible to surmount—others will say that the geographical situation greatly increases these difficulties. Those that say so lack faith. These great distances — these large areas — these differences in occupation and ambition—make us all the richer—make our possibilities all the greater. They are our assets —and not our liabilities. Without them we would be insignificant. With them we have all the foundations of a great and mighty nation—with them we have the possibilities of an Empire stretching from sea to sea—fed by great rivers and great lakes — with mountains for its buttresses and possessing infinite resources. The whole question is—do we want to develop this great empire into a strong nation with all its sections working together for a common end?—or do we want to grow into separate nations with purely local vision and utterly local concern? That, as I have said, is the question and the great question before the people of Canada today."

Mr. Marler argues that in the last twenty years the central provinces of Canada have prospered and their population had increased by 40 per cent. But the Atlantic provinces are not making progress. In the last ten years they have not held their natural increase in population, their wholesale houses have largely disappeared and the proportion of their people employed in industrial establishments has declined by 50 per cent.

"There is," said Mr. Marler, "no real reason for this. That section is rich in coal and other natural resources and has the best winter ports in Canada." He asks, 'Are the resources and ports being used to the best advantage?" Turning to the West, he points out that its 2,000,000 people by their industry and labor have contributed great sums to the general welfare of Canada. The value of the grain crop alone in 1922 was $500,000,000. Whether all their claims are fair and just, a population of 2,000,000 Canadians living in this section and who, in the next Parliament, will be represented by fifty-four members, are entitled to be heard and a very serious effort must be made to try and strike some balanced policy which will adjust any differences existing in some fair way. In the Pacific section also there was need for a balanced policy for the Dominion. Mr. Marler admits that the war has created new conditions but insists that before the war there were conditions that are largely responsible for the immediate situation.

tapered line about thirty yards long

"It is no use your going out with only that amount of line on your reel," I said. "You need at least eighty, and a hundred yards would be safer."

Now Mr. Eastman had already been advised of this fact and his reel had sufficient line on it. Nevertheless my statement immediately resulted in emphatic exclamations of surprise, combined with some doubt as to its correctness.

"Do you mean to tell us," the both exclaimed, "that there are trout in this lake that will run out line to that extent. We would like to see them."

"Well, just wait a bit," I replied "Perhaps you will alter your opinion."

The doctor was not altogether convinced, but he was wise enough to change his reel for one that had a long silk spinning line on it, and over which he placed his casting line.

Now it may here be said that the fishing on this lake—as on most other lakes—it absolutely dependent on there being a breeze of some sort. To fish on a fine, clear, hot day when the water is as smooth as glass is simply wasting time and energy

which are necessary for their development would be received by them at a lower cost."

He admits that his proposal is radical, although perhaps not so radical as it seems if it is conceded that in increase of population will be found the solution of the chief problems of Canada. "Once give us the people we require," he said, "once provide enough produce for our immense system of railways to carry—once create a large enough home market for our farmers and our manufacturers, and this great country will see a greater expansion than any other country in the world."

There was, he contended, only one way to get increase of population and that way is to make living profitable not only in one section but in every section of the country, because one depends on the other, and on the prosperity of the whole depends the general advancement. There is no other solid foundation on which we can build any immigration policy—money spent otherwise is fruitless, and at the best only leads to temporary and not to permanent colonization. Mr. Marler fully understands that lessened transportation rates would involve an increase of taxation but he emphasizes the fact that in the last twenty-three years we have paid out over $29,000,000 for immigration which has not been very fruitful of permanent results, and he contends that the balanced policy which he advocates will "increase our railway traffic, will lighten our obligations, and above all, will serve as the best immigration propaganda possible to produce. That cost, whatever it may be in a few years, will seem small compared with the cost we are now suffering due to lack of population or

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to the intolerable burden we will have to carry if our population does not increase or declines."

Finally, Mr. Marler declared: "I believe these matters can be adjusted and can be brought about if we will only recognize the facts which are most apparent and realize as business men that our interest as such is not bound up in only one section of the country, but in the general advancement of the whole. And I further believe that if we in the central provinces approach the situation with a real desire to adjust any differences we may have and with a real desire to see a common policy which will be fair to all and selfish to none, that those in the Maritimes and in the West will in turn meet us with like intentions. I believe that all this can be brought about. I believe that all these matters can be adjusted if men of goodwill join together with honest endeavor and application in the same way as did the statesmen in 1864 at the Quebec Conference. To do this one section will have to give consideration to the other section. Perhaps at the beginning all will not be satisfied, but satisfaction will certainly come to all if a proper foundation is laid on which to build."

No doubt Mr. Marler's policy will produce controversy and will be opposed by those who go to school to the old economists. What he proposes is that lower transportation charges shall balance protectionist duties. He realizes that radical reduction of tariff would have devastating effects in the chief industrial provinces and that tariff reduction downward in a season of depression halts enterprise, checks investment and produces stagnation and unemployment. He would, therefore, have a balance of sacrifices and by lower transportation charges deliberately assist the primary industries. This has become the deliberate policy of Australia, where more and more a system of protection has the support of all classes.

In the early years of Confederation there was an organization which had "Canada First" as its watchword. They set themselves against localism and sectionalism and strove to develop a national spirit in the young Dominion. Although a small group numerically, they were influential with political leaders and did much to inspire a common loyalty to the new constitution. We still need such counsel and inspiration. It is seldom now that we hear a robust national appeal in Parliament or from the platform. In a country like Canada there must be conflict of opinion and interest. There are elements in the West which hold that lower tariff is essential to their comfort and prosperity. In the industrial East there are many communities which would suffer seriously if the principle of protection were eliminated from the tariff. But these eastern communities have no other desire than that the West should prosper nor can one believe that the people of the prairie country would insist upon fiscal changes that would bring general loss and distress to the older provinces.

EAST BEARS HEAVY TAXATION.

The East bears a very heavy burden of taxation and in proportion as its resources are diminished the load must be placed elsewhere. We have only too much evidence that workmen driven from Canadian factories by depression or by tariff charges will cross the border. A tariff has built the great industrial system of the United States and lured tens of thousands of Canadians to American industrial centres. Should we follow the American example or continue to breed and bleed for a country which in single and not unfair concern for its own interests practically excludes many of the goods and products of Canada; which will take Canadians but will not have what they produce; which will have only Canadian manhood and Canadian raw materials?

Who would suggest that the manufacture of paper in Canada should be imperilled by repeal of the embargoes upon export of pulpwood? In that great industry over $400,000,000 are invested and the net annual value of the output is now over $225,000,000. From this country last year 70,000 automobiles were exported of a total value of $25,000,000. Nearly all the motor-manufacturing plants in Canada are either branches of American factories or are controlled by American capital. They are here because there is a Canadian tariff and because there is a preferential tariff which gives advantages in export markets. It is estimated that over $1,000,000,000 of American capital is now invested in industries in Canada. Thirty years ago only 5 per cent. of the total exports of the Dominion represented manufactured products. Now 40 per cent. of Canadian exports are manufactured goods, while 16 per cent. represents goods partially manufactured.

Is it in the national interest that twenty Canadian woollen mills should be closed, that 40 per cent. of the machinery in over 100 mills should be idle and that factories which could employ 25,000 hands employ only 10,000 or 12,000? In the Dominion there are over 100 boot and shoe factories and 150 furniture factories. They represent a great investment of capital, employ many thousands of workers and pay out millions of dollars for raw material and in wages and

BEGIN WITH DOWNPOUR OF RAIN.

The evening that Mr. Beaulieu arrived in Kamloops it began to rain hard, but it cleared up during the

said, therefore, the manufacturers of Canada in the last quarter of a century have achieved remarkable results and have gone far to strengthen the country to bear its huge load of taxation.

There is absolutely no reason why manufacturers should receive any more consideration from governments than farmers or workers or any other element of the population. A fiscal policy, like any other policy, must be based upon strictly national considerations and if not defensible in the national interest is not defensible at all. As the West turns more and more to "mixed farming"—and it is rapidly changing its system of agriculture—local markets will be necessary if the producers are to get the best prices for their products. These markets can be had only through the growth of western towns and cities. A satisfactory ratio of growth for such communities can be assured only through the establishment of local industries in the prairie country. The near market is better than the remote market as multitudes of farmers in the United States and in older Canada have discovered. Sooner or later western Canadian farmers will also make that discovery. The staunchest protectionists in America are in the western agricultural states and it is not inconceivable that the farmers of Western Canada may yet undergo a great conversion.

SEEK MEANS OF COMPENSATION.

It is certain that western farmers will not get such advantages as they seem to expect from lower tariff. Nor can the burden of taxation for any group of the population or any section of the country be lightened by checking the expansion of industries in the older provinces. The whole case, however, must be argued out in the national interest and with full recognition of the sincerity and patriotism of western people who hold that under the tariff they suffer injustice for the benefit of eastern manufacturers.

If it be true that such injustice does lie in the fiscal policy, it should be possible to adjust the balances—to find means of compensation and accommodation—without endangering eastern industries upon which hundreds of thousands of workers depend, which are the life-giving centres of great communities, which annually put millions of dollars into raw materials, which provide markets for eastern farmers and which contribute so heavily to the public revenues.

We lie alongside a nation of a hundred millions of people who speak the same language and have substantially the same traditions, customs and institutions. In Europe movement of population from one country to another is obstructed by differences of language, of customs and of social conditions. But in North America men cross naturally from Canada to the United States, and save that they change their citizenship and their political relation, find the new surroundings very much like the old.

Clearly, therefore, we must either manufacture the raw materials of Canada within the country, thus employing labor, rearing new communities, providing local markets for merchants and producers, strengthening the national structure, making the back of Canada strong to bear its accumulating burden, or the sons of Canada will follow these raw materials out of the country, establish themselves in American industrial centres, and more and more, from year to year, the national burden will become heavier and the issue of the great political experiment in which we are engaged become more difficult and uncertain. Every sound economic and national reason, therefore, demands that the raw materials of Canada should be manufactured in Canada and the Canadian people protected in the possession and control of their natural inheritance.

If by a national policy of transportation we can make secure the national policy of protection, feed traffic to eastern ports and enhance the value of coal and other resources and give the West cheaper supplies and better access to utlimate markets where so much of what they produce must be sold, there will be profit rather than sacrifice for all the Canadian provinces and we will set ourselves with fresh ardor and confidence to the making of a stable and powerful Commonwealth.

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Moose Jaw Times Dec. 29/24

CANADA'S FUTURE

The annual banquet of the Dominion Commercial Travellers' Association, held at Montreal on December 22nd, was of an interesting character. It was something in the way of a practical demonstration of Canadian unity, for among the principal speakers were the Right Hon. Mackenzie King, the Right Hon. Arthur Meighen, the Hon. Ernest Lapointe, Sir Henry Thornton, and Premier Taschereau. It is true that there was little of a political nature in the proceedings, but none the less there were some asides spoken by all the speakers which carried with them political implications. If Mr. Ernest Lapointe, ignoring his own actions when in the East, by which he is constantly attempting to stir up racial antagonisms, again preached his doctrine of unity, the Right Hon. Mackenzie King did not fail to once more tell his hearers of the time of prosperity that is in store for the Dominion.

It must, indeed, have been strange to hear the Prime Minister declare that "the development of the country in the future depended on the growth of its industries," when his own policy is impeding that progress, to the benefit of the manufacturers of the United States, and is driving the best of our workmen to follow the trade which is being driven from the Dominion. He is reported as saying that, "if they could not believe the evidence of their own eyes, they could surely believe the testimony of outsiders like Babson and Otta Kahn, who had recently declared that no country, not even their own, was in a position comparable to that of Canada as regards future prospects."

Canadians, however, will prefer to believe their own eyes, to form their opinions from their own experiences, rather than from such men as Otto Kahn, the fallacy of whose writings and statements has been exposed on more than one occasion of late. As far as the belief in the future of the Dominion is concerned, no one wishes to deny that belief. The time is coming when the King Government will be put out of office, and if the people of the country decide that a stable Government shall be established, and the Government which has no majority, but which is depended on for its very existence on the buttresses of the "Progressive" party, is given its quietus, there need be no fear as to the future of the country.

It is only necessary to point to the present growing prosperity of the United States, the reduction in the national debt of that country, the great decrease in taxation, to show how fallacious is the assertion that "no country, not even their own, was in a position comparable to that of Canada as regards future prospects," unless a change is brought about in the financial policy and industrial conditions of this country. That conditions are showing signs of betterment is not owing to the policy of the King Government. This is following on the improvement in the agricultural situation, which in turn is the result of the state of the foreign markets. Unfortunately we do not see that same sign of improvement in the general industrial situation, though even there the new conditions abroad must eventually have their effect. Canadian industry, however, is handicapped by the heavy tariffs imposed by other countries, while this country is foolishly proposing to make its own markets more readily available to outside competition.

The Right Hon. Arthur Meighen, in his address to the commercial travellers, gave the lie direct to those who are so absurdly proclaiming him to be the "Apostle of Gloom." He claimed that he, too, was a commercial traveller, and in doing so poked a bit of fun at Mr. Ernest Lapointe. He was also a commercial traveller, he declared, although unlike his friend, Mr. Lapointe, he thought he was peddling the goods which would produce prosperity. "A darn good try, Arthur," exclaimed one of those present. He is making a "darn good try," but he must have the fullest help of all who support him and his policy. What better sentiment, what greater confidence could be expressed by any statesman than that of the Conservative leader? "He had," he said, according to the report in the Montreal "Star," "the same confidence, the same aspirations, the same hopes for Canada as the two previous speakers (the Premier and the Hon. Mr. Lapointe). No country need despair which had on the credit side of its ledgers the assets that belonged to this Dominion. There was no need for pessimism on the part of any Canadian. The activities of the past had certainly brought upon Canada burdens which had to be borne, but, after all, no country had to face the future with more confidence than Canada. No country had better prospects before it, no country would find it easier to choose the course it had to pursue than this Dominion. 'The path ahead is a straight and honorable one. It is the path of national integrity and of national harmony. It is the path our fathers trod before us, and which they, with us, are prepared to tread with pride in the days to come.'"

That is the outlook before the eyes of every well wisher of his country, of every true Canadian. We do not all agree as to the methods to be pursued to ensure that prosperity. That is what is the fundamental difference between the two great parties of the realm. But Mr. Meighen's words ring true. If he believes that a certain path is the wrong one to take, if he is conscientiously of the opinion that the Dominion is on the wrong trail to secure prosperity, he is only performing the duty he owes the country as leader of a great party to point out the reasons for his belief. To do so should not bring on him the parrot-like charges of "pessimism" nor the stigma of being an "Apostle of Gloom." The surface of a bog is often fertile and solid in appearance, but if it is known that beneath that superficial appearance there is a deadly morass, what is more right, more to the benefit of the unwary walker on the deceitful path than to warn him of the dangers lurking beneath. That is all that Mr. Meighen has been and is doing.

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THE OTTAWA JOURNAL
Journal Publishing Company of Ottawa, Limited.
MONDAY, JANUARY 5, 1925.

OUR RAILWAY MUDDLE.

Canada is likely to have cause to regret the railway muddle which has been created by the yielding of Government to political expediency in the Crow's Nest Pass case. The interests at stake are really too big to justify anything of that nature. There was a logical and easy way out, and Government should not have hesitated from taking it. As it is, we cannot possibly escape serious trouble. The restoration of the Crow's Nest Pass rates of 1897 carries with it a return to the nation-wide discrimination which led to the appeal a few weeks ago to the Railway Commission. That Board heard arguments in behalf of all interests concerned, and promptly restored to effect the tariff which had obtained prior to 6th July last.

The blunder committed by Government was in not leaving the matter there, and in listening to any representations which aimed at going over the head of the Railway Commission. Sound public policy demanded that there should not be any disturbance of the procedure which had been consistently followed since 1903, at which time the Railway Act was brought into force; but partisan interests were, unhappily, permitted to override national interests. This departure cannot be justified on public grounds, and will bring back the dissatisfaction surely and turmoil which prevailed between 6th July last and the middle of December.

It was not necessary to appease the Progressives, for the sufficient reason that they are utterly without any grievance peculiar to themselves in respect of rates. During the past year, the Interstate-Commerce Commission at Washington held a protracted hearing on the appeal of western grain growers for a reduction of freight tolls in respect of their products, and finally decided that the existing tariff was just. That tariff happens, however, to be fully 25 per cent. higher than the tariff which is in effect in Canada. Mr. La Follette made a special appeal to the farmers of the western states in his spectacular campaign of November last, and failed ignominiously. To the extent that the agrarians refused to respond, one is warranted in assuming that they yielded to a sense of justice rather than self-interest and prejudice. We are urgently in need of that kind of a spirit in Western Canada.

Our railway freight rates are the lowest in the world. Although American railways operate at a slight advantage over Canadian railways, because of the higher traffic density which they enjoy, they earned for the nine months of 1924 ended September, an average of 1.120 cents per ton-mile. For the whole of 1923 our roads had ton-mile earnings averaging .987, and they certainly did no better in 1924. Thus it will be seen that there was an all-round difference of over 13 per cent. in favor of the Canadian scale as a whole. The prescribed rates in Canada for western grain are, however, much lower than those which apply to all other commodities, and are also much lower than the American. Under such circumstances, the attitude of the western Progressives is indefensible.

In the action of Government there is very clearly a disposition to assert political control over judicial control. This is dangerous and reprehensible. It is all the more regrettable when it is remembered that grains of all classes, for the whole country, do not represent 15 per cent. of the total commodity movement. The western contribution is not more than 10 per cent. of that total; so that we have the spectacle of an exceedingly perilous departure from sound policy in order to satisfy the unreasonable demands of those who are in that relation to the aggregate freight movement of the country.

Another grave aspect of this matter is the encouragement it gives to sectionalism, than which nothing could more easily or readily disturb the peace of the whole country. It is altogether too high a price to pay for mere partisan expediency. The western farmer not only has his grain carried at the lowest rates in the world, but he is not directly concerned in them at all. He doesn't pay them. The consumer does. It is therefore difficult to see why Government should intervene in this particular case, rather than leave it entirely in the hands of the tribunal in charge of the rates structure of the Dominion. Simply because the western grain grower has gone astray in his economics is no defence for an action which is indefensible from every other point of view. The road of safety was to cast all responsibility on the Railway Commission, and resolutely refuse to listen for an instant to the unreasonable and mischievous appeal of the Progressives. Instead of bringing about peace, we are now certain to have the very opposite; and for just cause. The rates which will come into effect on the 15th instant will be rankly discriminatory, and at a time, too, when very little western grain will be in motion. So that there will be serious and justifiable discontent in Ontario and Quebec, in order that the western Progressives may be able to enjoy a demonstration of their controlling grip on Government.

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Moose Jaw Evening Times

WEDNESDAY, JANUARY 14, 1925

EQUALITY IN FREIGHT RATES THE BIG QUESTION

The announcement by Premier Mackenzie King, in his address to the Massey Hall Liberal meeting Monday night, that the big business before the pending session of Parliament would be the transportation system, particularly as it affects freight rates, will be welcome news to the Canadian West.

Regarding the transportation problem, he said: "It would almost seem that this problem is more in need of solution than any other at the present time. Time is due for a consideration of the whole question of freight rates in a comprehensive manner. Just as last season was a session concerned primarily with the tariff I should not be surprised to see the ensuing session one in which the question of transportation would be prominently to the fore."

The Prime Minister said there must be an equality of freight rates throughout the Dominions in as far as the Government or Government agencies could make them.

To this the West will say, Amen! Equality of freight rates has been a principal demand in the West's Bill of Rights from the day the Canadian Pacific Railway issued its first freight tariff schedule on the basis of all the traffic would bear. Doubtless the pioneer railway needed the money, and, forced to meet water and rail competition in the East and on through freight, it naturally looked to its preserve for all it could reasonably collect. But right up to the present time, despite all the public aid given to encourage railway competition and lower rates, despite all the concessions obtained by outright purchase, the West still suffers from discrimination and the people in these parts are expected to pay more for a service that it cost less to provide than a similar service in Eastern Canada.

Premier King urges the necessity of equality of freight rates, and the one voice of the West is, "more strength to his elbow."

But the East will undoubtedly interpret his announcement to mean that the Government must first get rid of the Crow's Nest Pass agreement before equality of freight rates can be secured. Nothing of the kind. The Crow's Nest agreement does not stand in the way of freight rates revision on an equal basis, but it does stand in the way of boosting the rates on an equality higher than the Crow's Nest schedules.

The Crow's Nest rates have just come into force again and certain Eastern interests have renewed the war waged against them, emphasising the discrimination which again exists between points in the original territory of the Canadian Pacific Railway and points outside that territory. That discrimination, of course, should not exist, and it is only a temporary incident. It did not exist prior to 1918 and such discrimination could not be continued permanently. It is a discrimination deliberately planned by the Canadian Pacific and agreed to by the management of the Canadian Nationals for the sole purpose of forcing an attack on the Crow's Nest agreement through the courts, in the hope that the courts will do what Parliament refused to do, namely, make the solemn contract a "scrap of paper."

One Eastern journal which has the erroneous idea that the order of the Railway Commission affected eastbound grain rates as well as westbound traffic, describes the West as maintaining a selfish and prejudiced position on the railway rates question. We are told that grain rates in Canada are less than in the United States, that grain is carried more cheaply than any other commodity, and that the West has no grievance even if the rates on grain are increased, as it supposes the Railway Board undertook to do.

The grain rates were not affected by the Board's order, the Crow's Nest rates remaining in force. The Manitoba Free Press, in this connection, deems it opportune to say that the West is not receiving any privilege or undeserved advantage in connection with those rates and carrying grain at the Crow's Nest rates is profitable business to the railways. Why, then, should they be any higher? Wheat production is a large and extremely important industry of this country and if the product is carried at paying rates, as it is, what difference does it make what the rate is in other countries? The interests of the wheat producer and the necessity for encouraging land settlement require that the grain be carried at the lowest possible rate.

Just how much some of our Eastern contemporaries know about the Western transportation problem is shown by the following amazing argument:

"The Western farmer not only has his grain carried at the lowest rates in the world, but he is not directly concerned in them at all. He does not pay them. The consumer does."

It has been frequently stressed in these columns that one main reason why there must be a low rate on grain is that the Western farmer does pay the freight rates on his export products. The price of wheat is fixed in Liverpool simply according to the prospective supply and demand and without regard to the cost of transportation. The producer in Canada or elsewhere gets the world price, less the cost of transportation. It is perfectly evident, therefore, that any reduction in transportation costs accrues to the producer. It is absurd to suggest that the raising or lowering of freight rates on agricultural export products on the railways, on the lakes or on the ocean, does not directly affect the net returns of the producer. The West knows its own business and knows that through low railway rates on grain it is partially relieved of a heavy handicap in marketing its principal product.

The West is altogether with Premier King for equality of freight rates, but the West will not be denied its Magna Charta purchased by the Government of Sir Wilfrid Laurier in 1897, as a starting point for the grand march toward the great objective.

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THE TIMES MORNING HERALD

THURSDAY, JANUARY 15, 1925.

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Just how much some of our Eastern contemporaries know about the Western transportation problem is shown by the following amazing argument:

"The Western farmer not only has his grain carried at the lowest rates in the world, but he is not directly concerned in them at all. He does not pay them. The consumer does."

It has been frequently stressed in these columns that one main reason why there must be a low rate on grain is that the Western farmer does pay the freight rates on his export products. The price of wheat is fixed in Liverpool simply according to the prospective supply and demand and without regard to the cost of transportation. The producer in Canada or elsewhere gets the world price, less the cost of transportation. It is perfectly evident, therefore, that any reduction in transportation costs accrues to the producer. It is absurd to suggest that the raising or lowering of freight rates on agricultural export products on the railways, on the lakes or on the ocean, does not directly affect the net returns of the producer. The West knows its own business and knows that through low railway rates on grain it is partially relieved of a heavy handicap in marketing its principal product.

The West is altogether with Premier King for equality of freight rates, but the West will not be denied its Magna Charta purchased by the Government of Sir Wilfrid Laurier in 1897, as a starting point for the grand march toward the great objective.

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CANADIAN PACIFIC RAILWAY COMPANY

OFFICE OF THE GENERAL FREIGHT TRAFFIC MANAGER

G. L.63947

ALL RATES QUOTED ARE SUBJECT TO ACCEPTANCE IN WRITING, AND CANNOT BE PROTECTED UNTIL PUBLISHED AND FILED IN ACCORDANCE WITH THE PROVISIONS OF THE CANADIAN RAILWAY ACT, OR INTERSTATE COMMERCE ACT, AS THE CASE MAY BE.

074671

MONTREAL 22nd January, 1925.

Personal

Dear Mr. Meighen,-

I am enclosing you a resolution adopted by the National Industrial Traffic League of the United States last November.

The National Industrial Traffic League is composed of representatives from the Atlantic to the Pacific of all American industrial, commercial and co-operative concerns whose representatives have direct dealings with the railways. There is no railway representative in the National Industrial Traffic League.

You will note what these men think about rate revision in the United States.

Yours very truly,

W B Lanigan

Rt. Hon. Mr. Arthur Meighen,
Leader of the Opposition,
Ottawa, Ont.

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Resolution Adopted By The National Industrial Traffic League, at its Annual Meeting in New York, November 19-20, 1924, relative to a proposed general revision of the freight rate structure of the United States.

"WHEREAS, There is a growing tendency on the part of governmental agencies and executives to advocate a general revision of the entire freight rate structure of the United States, so as to reduce rates on so-called basic commodities and increase rates on manufactured articles and other traffic moving under class or commodity rates, and there are pending before Congress bills and joint resolutions designed to bring about such result; and

"WHEREAS, The National Industrial Traffic League, through its membership, represents a large percentage of all shippers of freight throughout the United States, furnishing the carriers a very large proportion of the entire tonnage carried, ranging from crude raw materials to high-grade manufactured products, including products of agriculture, mines and forests, and

"WHEREAS, Existing law gives to the Interstate Commerce Commission full power and means, after full investigation into all the facts and circumstances, for relieving shippers individually and collectively from unreasonable or discriminatory rates and charges; and

"WHEREAS, Under the established and orderly processes of rate construction and regulation, through a long period of years, the commerce and industry of the country have reached their present high state of development; and

"WHEREAS, Any wholesale revision of the rate structure of the United States at this time would seriously handicap the carriers of the country, render uncertain their prospective earnings and cripple their efforts to finance needed improvement of facilities; and would seriously hamper manufacturing industries and commercial enterprises in developing markets for their products; disturb every character of business endeavor and precipitate an era of business depression;

"BE IT RESLOVED: That The National Industrial Traffic League is opposed to any attempts at general rate readjustments based upon political expediency or unproved theory; and that the League respectfully and earnestly urges upon the Executive and Legislative branches of our Government that the entire question of freight rate revisions be left solely in the hands of the Interstate Commerce Commission, which has throughout a period of thirty-seven years ably and adequately safeguarded the interests of the public."

074972

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074673

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Ottawa, Jan. 24, 1925.

W.B. Lanigan, Esq.,
Canadian Pacific Railway Co.,
Montreal.

Dear Mr. Lanigan:

Many thanks indeed for yours of the 22nd January enclosing copy of Resolution passed by the National Industrial Traffic League of the United States, which I have read with great interest.

Yours very truly,

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Ottawa Journal
Feb. 19/25.

WHAT ARE FREIGHT RATES?

We may all be agreed, as Parliament approaches its programme with respect to transportation issues, that freight rates are unpopular. They are not paid cheerfully. That is due in some measure to the suspicion that the railways have something to do with fixing them, and are therefore disposed to be selfish and grasping. If we are going to have a session given up largely to the matter, it is in the last degree imperative that two facts should lie at the foundation of all discussion which may take place: First, that the Railway Commission alone determines what the tolls shall be; and second, that its judgment is based wholly on economic considerations.

Freight rates are primarily imposed to earn the cost of railway operations. If the carriers cannot pay expenses, it is obvious that they will be unable to continue an essential public service. For the year 1923, as to which official information is available, all the railways had an operating ratio to gross receipts of 86.5 per cent. This meant that, after paying the bare cost of providing service, they had 13 1-2 cents left out of every dollar which came in.

A good deal had to be done with that small credit balance. The railways were carrying capital liabilities which, with taxes, created fixed charges amounting to $98,365,539. Inasmuch as the net operating revenue had been but $66,596,637, it will be seen that the result for the year was a deficit of $31,768,902. To that extent the railways as a group failed to make one hand wash the other. It must be admitted, however, that the Canadian National accounted for a net loss of much more than that amount; so that some of the lines had a surplus.

The second purpose of freight rates is to provide an operating surplus sufficiently large to take care of fixed charges. It is as essential to financial soundness they should be paid as that operating cost should be met. Then there is a third aim. After expenses and fixed charges have been paid out of revenues, there should be a favorable balance sufficient to provide for a fair return on investment. That is the foundation of all commercial enterprises. Capital must earn its working value. Failing that, investors would be shy. A fourth purpose is to accumulate a reserve for additions and betterments. If service is to be extended and improved, that is imperatively necessary. It is better than adding to capital liability.

These are the sound rules under which all successful business is carried on. Transportation is a business, and, if it is not conducted on sound principles, the general interests of the country must suffer; for the part which railways play in commerce is vital. To pave the way for financial soundness, without which efficiency is impossible, freight rates are imposed. They represent what the users of transportation are required to pay in return for a most necessary service. The only question which could arise is as to the reasonableness of those charges. In that relation, a glance backward will help to a clear understanding.

Up to 1903 the railways made their own freight tariffs. It is true they required the approval of the Railway Committee of the Privy Council; but that committee acted perfunctorily, and did not pretend to bring an expert judgment to bear on the matter. How could it? Other nations had set up special tribunals to regulate rates, and in 1903, on the advice of the late Hon. A. G. Blair, Government took the whole matter out of political hands and set up the Railway Commission. This tribunal was vested with full powers, and at once a new era began in respect of regulation. From that day to this justice has obtained as between shipper and carrier.

From 1903 down to the present moment, freight rates have been adjusted on absolutely sound principles. That important work has been done by a tribunal as independent and competent as is the Supreme Court of Canada. It has been so satisfactory, so far superior to the method which formerly obtained, that it is in the last degree desirable nothing should be done to revert to political control. Yet we are in the greatest danger of that calamitous blunder being committed. Parliament has the power to intervene; but it should not. Every consideration of common sense, public safety, and the magnitude of the interests at stake demand that the integrity of the Railway Commission should be maintained. It is the only body fit to deal with the matter, because it proceeds on a just and enlightened plan. The moment sectional interests are brought in, we stand face to face with the possibility of destroying the economic basis of freight rates as interpreted and applied by the tribunal ordained for that vital purpose. At such a crisis public judgment should become positively articulate.

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Winnipeg Standard Feb. 20/26.

The Grit Party's Record on Freight Rates

The uncertainty concerning railway freight rates, which has existed in Canada almost continuously since the King Government came into office, has done almost as much as the uncertainty conrerning the tariff to upset business conditions and prevent our speedy return to normalcy.

Several of the speakers, at the banquet given to Hon. A. B. Hudson a few nights ago, assured their hearers that, come what might, the Government would deal with the rates question in a way that would be to the advantage of Western Canada and of Canada as a whole. Does the grit party's record inspire confidence that these assurances can be relied upon? A study of Canada's history for the past fifty years reveals to us the fact that the Liberal party has never shown itself strong to grapple with transportation problems.

Prior to Confederation Sir Charles Tupper, Sir Leonard Tilley, Sir George Cartier and Sir John Macdonald, each in his respective province took a keen interest in transportation problems and did much to secure cheaper carrying rates and greater facilities for developing trade and improving conditions among the people. It was most natural that when Confederation became an accomplished fact and these men came together in one government, one of their chief concerns was to solve the transportation problems of their new country.

The Intercolonial was built connecting Ontario and Quebec with the Maritime provinces and a bill was introduced by Sir George Cartier providing for the construction of a transcontinental which doubtless would have been pushed along vigorously had it not been for the interruption caused by the Pacific scandal and the change of government resulting from it in 1873. During the period from 1873 to 1878, while the Mackenzie Government was in office, the Liberal party seemed utterly incapable of rising to the occasion and dealing in a masterful way with the great problem of linking up East with West and developing interprovincial as well as export trade. They had a railway policy, it is true, but what was it? Their proposal was to make use of each little lake lying between Lake Superior and Winnipeg, build little connecting links of railway between these and operate them all together as a railway system to connect the West with the provinces of the East. What a laughing stock to the world this would have been had it ever become an accomplished fact? During the months of open water it could have been used, but during the winter months the whole thing would have been in cold storage hybernating like the bears.

In the year 1887 the West had a bumper crop and a serious grain blockade the following winter. In the parliament of Canada, early in the year 1888, Senator Watson, who, at that time represented Marquette in the House of Commons, and had the unique distinction of being the only grit member between Lake Superior and the Pacific ocean, rose in his place in parliament and bitterly assailed the government of Sir John Macdonald for its failure to relieve the serious traffic blockade. The old Conservative chieftain himself replied to Watson's attack, candidly admitting that there was a serious situation existing by reason of the congestion of traffic, but asked if it did not seem remarkable to Mr. Watson that a territory, which Liberal party leaders, a few years previously, had asserted, was only fit for Indians and wild buffalo and could never produce enough traffic to pay for the axle grease used by the railway, was now producing more than the railway could conveniently handle. He then went on to show that if the policy of the Mackenzie Government had been carried out and the people of the West had been depending on the service of little scows or barges on the little lakes to carry out the 1887 crop it would have taken at least four or five years to move the one year's crop which would have been more than eaten up in freight charges before it reached the seaboard.

From 1884 to 1888 the freight rates question was a very live one in Manitoba and throughtout the West. In order to get reputable competent men to take hold of the transcontinental railway project, Sir John Macdonald's Government had found it necessary to insert in the contract what was known as the monoply clause.

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This clause gave the company a guarantee that until the expiration of a stated period no line should be built in the West that would create a rate competition with the C.P.R. or rob that road of any of the carrying trade of the West.

The Norquay (Conservative) Government was then in power in Manitoba and that monopoly clause in the C.P.R. contract gave the grit leaders their opportunity. They saw that Norquay could be forced into a dilemma. They thought they could compel him either to defend the monopoly clause and tamely submit to the disability thus placed upon his province or else oppose the clause and in so doing oppose the Federal Conservative party. No matter which horn of the dilemma he chose, it looked like a break up of the Conservative party in Manitoba. However Norquay was personally very clever and very popular and was able in the general election of 1886 to carry the province again by a good majority. Most likely he would not have been so successful had he not given the electorate his pledge to build the Red River Valley Road or else resign. At the next session of the legislature he introduced and carried through the Red River Valley Railway Bill providing for the construction of a line from Winnipeg south along the Red River Valley to the International Boundary to connect with the Northern Pacific or some other line of railway and thus secure for us railway competition. He had not got far along with his plans for constructing the line before the Ottawa Government vetoed the Act, thereby making it impossible for him to proceed and leaving him with no other course to follow excepting to resign. Before resigning, however, he made an appeal to the Imperial Privy Council for a ruling as to Manitoba's rights (the same as the other provinces) to build lines of railway within her own boundaries. This appeal brought the desired result for Manitoba but it came too late to prevent the complete break up of the Provincial Conservative party. In the meantime the Greenway government had obtained power backed by a strong majority.

The air had been cleared, the obstacles had been removed, so now without let or hindrance the Red River Valley Railway could be completed and cheaper rates secured. The opportunity for which Manitobans had for some years been looking had at last arrived, but alas, the Greenway Government, instead of retaining control of the line and operating it as a great railway highway on which running rights should be granted to any and all companies, prepared to enter into rate competition with the Canadian Pacific, just handed it over, boots, body and breeches, to the Northern Pacific Railway Company, with no other stipulation regarding rates excepting that the contracting railway company should not charge higher rates than those charged by the C.P.R.

This utter failure of the government to secure the much talked of rate reduction caused a defection from its ranks of five of its ablest supporters in the House and of hundreds throughout the province, and would, no doubt, have meant its defeat in the general election of 1892, notwithstanding the gerrymander of the constituencies and the shameless handling of the voters' lists, had it not been for the advent into the arena of the much talked of Manitoba School Question. By keeping this question to the forefront for eight long years the Greenway forces were enabled to becloud every other issue and retain the reins of government.

As the election of 1899 approached, the rates question again came to the front. Mr. Greenway, knowing how deeply interested the people of the province were in this question, made the announcement that his government was prepared to spend a million dollars, in cash, to secure a ten cent rate on grain, but the voters had made up their minds that the Liberal party was not the party to successfully solve this problem. They knew that cash grants and guarantees had been given by the government to the C.P.R. as well as to the Mackenzie and Mann Company without any reduction in rates having been secured, and thus logically reached the decision that if they were to obtain relief from high freight rates it must come from the Conservative party, the party that had always shown itself strong to deal with transportation problems and work them out to the lasting benefit of he people as a whole.

That the confidence of the electors was not misplaced when they voted the Conservatives into power in 1899 was clearly seen when the Railway Policy of the Roblin Government was carried through soon after. The benefits resulting from this policy are so well known to all who have resided here during the past twenty-five years that we need not here take space to discuss them at length. Suffice it to say that whereas Greenway had announced his willingness to pay a million dollars in order to obtain a ten cent rate on wheat, the Roblin Government contract secured a much lower rate and in fact a full control of rates, and the construction of over two thousand miles of new railroad without an outlay of a single dollar from the province.

The Standard has no hesitation in saying that never in the history of Canada has there been such a wise and beneficial railway policy carried through a Provencial Legislature as that of the Roblin Government.. Let our readers contrast the strong, masterful way in which the Roblin Government handled this transportation problem with the weak, vascillating course of the present Ottawa Government since they have had the freight rates question to deal with. Their bungling way of dealing with lake shipping, their expediency tricks and their boxing of the compass on the question of the Crows Nest rates justifies westerners, as well as easterners, in concluding that the group of men now holding office at Ottawa, is not a government, but a coterie of expediency men waiting to see which way the wind is going to blow next and amply justifies those who read Mr. Hudson's speech in awaiting fulfillment before they attach much importance to the assurance he gave regarding freight rates.

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London Advertiser March 10/25.

074677

BRANTFORD CHARGES FREIGHT RATES UNFAIR

Protest To Railway Commissioners Says Other Cities More Favored.

Canadian Press Despatch.

Ottawa, March 9.—Application has been filed by the city of Brantford with the board of railway commissioners alleging unjust discrimination by the Canadian Pacific Railway and the Canadian National Railways against the city, individuals, firms, manufacturing companies and shippers there, as compared with other cities and towns in Ontario.

The discrimiation, it is said, is caused by the putting into effect of the tariffs restoring Crows Nest Pass agreement rates under the act of 1897.

The railway companies have fifteen days within which to file a reply, after which the board will decide on the question of appointing a date for the hearing of the application.

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Gazette Montreal March 28/25.

074678

PLAN FREIGHT RATE CUT ON U.S. COAL

Reported Railroads Will Act to Retain Slack Coal Haulage to Canada

DEFEAT BUDGET AIM

Montreal Is Distributing Centre of District Consuming 1,000,000 Tons of Small Fuel Yearly

United States railroads are planning a 36-cent drop in freight rates to nullify the Canadian budget provision increasing by 36 cents per ton the duty on American bituminous slack coal, it was reported yesterday in Montreal coal circles.

Realizing that the Canadian proposal may divert to the Maritimes many of the orders now hauled from the Pennsylvania fields to the eastern area of Canada known south of the line as "the St. Lawrence gateway," the American roads, according to the information received here, will file or have filed at Washington an application for approval of a new tariff that would reduce the Pennsylvania-Montreal rate from $4.49 to $4.13 per ton on the slack coal. Only the St. Lawrence gateway is worrying the American railroads, it is said, because it is appreciated that in Ontario and other sections known as the Buffalo gateway the slack from the Maritimes could not compete on account of transportation costs.

TO RETAIN HAULAGE.

To the American roads, Montreal is the distributing centre of a district that consumes almost 1,000,000 tons of American slack yearly, and the reported effort to keep the eastern Canadian market open to the Pennsylvania product springs from the desire on the railroads' part to hold the haulage they have hitherto enjoyed.

In the event of the United States Government granting the application understood to be projected, the object of the Robb 1925 budget would virtually be defeated, coal men say, for the United States coal would remain on a par with the Canadian fuel and some of the largest users of slack prefer the American to the home product.

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THE DAILY PROVINCE

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The Province aims to be an independent, clean newspaper for the home, devoted to public service.

SATURDAY, JUNE 6, 1925.

FREIGHT RATES.

It is too soon to cheer, because we are not yet out of the woods. But, at last, we appear to have struck a trail which promises to lead us back to the sunlight again. An order-in-council has been passed at Ottawa, directing the Railway Commission to overhaul the freight rates schedules of the country thoroughly, and, that the commission's hands may be free, legislation will be introduced, within a few days, practically repealing the Crows Nest Act except insofar as it fixes a maximum rate for grain and flour. The order sets forth that "the policy of the equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada and as being the method best calculated to facilitate the interchange of commodities between the various portions of the Dominion as well as the encouragement of industry and agriculture and the development of export trade."

"Equitable treatment" is the thing British Columbia has been fighting for. We have never asked for more. We shall not be content with less. And there is very good reason to believe that with the practically free hand now given the Railway Commission, we shall achieve our end. Practically since its establishment, the Railway Commission has devoted itself to the ironing out of unjust discrimination, wherever found, and there are many precedents in its past decisions. The limitation of its powers under the Crows Nest Act brought it to a full stop. Now, it can get under way again. It must be remembered, though, that the task of pulling down and rebuilding a freight rates schedule for a country like Canada is a tremendous one, with an infinite number of intricacies, and it is too much to hope that there will be complete satisfaction from the very first.

Two things British Columbia has been seeking in her freight rates fight: an equitable rate on grain, westbound, which will enable us to reach farther into the prairies for cargoes to fill our ships; and an equitable rate on other commodities moving from the Pacific Coast eastward which will enable our manufacturers and wholesalers to get a fair share of the prairie business. The order-in-council passed yesterday does not constitute an order to the Railway Commission to give the same rate per ton per mile or per car per mile between the Pacific Coast and the Prairies as between the prairies and the East. It directs the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances, be equal in its application to all localities. The old familiar qualifying phrase from Section 314 of the Railway Act, "under substantially similar circumstances and conditions" appears again, and, no doubt, proof will have to be brought forth, once more, regarding grades and density of traffic and cost of construction, operation and maintenance. The faith and fighting abilities of British Columbia may remove mountains again and again, but in the eyes of the powers that be in the East, they will not stay removed.

The fight for equitable freight rates is not yet over. But it is at least partly won. Two items in the order-in-council suggest that we shall get what we have been battling for. The Railway Commission is particularly asked to have regard to the encouragement and movement of traffic through Pacific Coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama Canal. If the greater part of Canada's grain is to be shipped through Canadian ports, it must be made possible for Vancouver to draw a larger share of the output of the Saskatchewan farms than she is able to do under present conditions. In the same way, if the prairie consumers are to receive the benefit of the cheap water transportation by way of Panama, the railways must not be allowed to absorb all the advantages of these lower rates, by charging high rail rates from Vancouver eastward.

The new order of things should be of immense benefit to Vancouver. It should make it the greatest grain port in Canada, if not on the continent. It should add to our manufacturing industries since it will give us a larger prairie market, and for the same reason it should add to our imports and our wholesale trade.

But the benefit will not be confined, by any means, to the Pacific Coast. The Railway Board is instructed to take cognizance of the claims of the maritime provinces for restoration of the rates in force prior to 1919. Manufacturing centres in Eastern Canada and distributing centres in the West will have galling discriminations removed and will have an opportunity to compete, once more, on even terms with their rivals. The result should help stabilize business which has been timid and hesitating owing to uncertain conditions, and should give new encouragement to inter-provincial trade. Best of all, perhaps, by removing a fruitful source of bickering between province and province, it should have a powerful effect in promoting the growth of a spirit of national unity.

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Entire House Behind Equal Rates Orders To Rail Commission

Freight Charges Across Canada Returned to Board for Revision, With Orders to Make Them Equal.

CROW RATES ARE MADE MAXIMUM FOR GRAIN

Liberals and Conservatives Support Measure; Progressives Think Maximum Should Be Put on Other Articles Also.

By CHARLES BISHOP.

OTTAWA, June 6.—The announcement on Thursday night of the government policy regarding the equalization of freight rates is the principal theme of parliamentary gossip. So far as the Eastern members are concerned, there would appear to be unanimity, or something near it, among both Liberals and Conservatives.

The Railway Commission is directed by order-in-council to proceed to a general equalization of freight rates, but the maximum rates on grain and flour, provided in the Crows Nest agreement, are maintained. While the agreement is to remain on the statute, legislation to be brought in next week ensures that such agreement, save as to grain and flour, will not be an impediment to the commission.

BANS DISCRIMINATION.

The order observes that the Crow agreement was made at a time when the C. P. R. had the only line to British Columbia, and, further, that the intent of the Railway Act was to establish rate control and to do away with unjust discrimination. The cabinet expresses the opinion that the policy of equalization should be "recognized to the fullest possible extent," and formally directs that "a thorough and complete investigation of the whole subject of freight rates should be carried out by the Railway Commission, the body constituted by Parliament with full powers under the statutes to fix and control railway rates."

As the production and export of grain and flour proves one of the chief assets of the Dominion, it is held to be desirable that the maximum cost of transportation should be determined, and therefore the cabinet is of opinion that the maximum on grain and flour of the Crow agreement shall not be exceeded. The opinion is expressed that the jurisdiction of the board should be unfettered, other than as regards the rates as to grain and flour. The order directs a thorough investigation by the board to establish a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all localities.

AID EAST AND WEST.

The board is particularly asked to have regard to—

(a) The claim asserted on behalf of the Maritime Provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919.

(b) The encouragement of the movement of traffic through Canadian ports.

(c) The increased traffic westward and eastward through Pacific Coast ports owing to expansion of trade with the Orient and to the transportation of products through the Panama Canal.

Legislation will be introduced at the present session of Parliament making it clear that the provisions of the Railway Act of 1919 in respect of tariffs and tolls, shall, save in the particular above-mentioned, be operative notwithstanding any special acts or agreements, and removing all doubts as to the validity of tariffs heretofore filed.

PROGRESSIVES WANT MORE.

While members for the East and West are in favor of the order-in-council, prairie members are more inclined to be divided. Robert Forke, Progressive leader, expresses satisfaction over the assurance of grain and flour rates under the Crow agreement being perpetuated, but would like to have seen some other commodities, such as agricultural implements and binder twine in the list of these articles upon which rates are fixed. Mr. Crerar and Mr. Hudson declined to be interviewed.

CROW RATES OPPOSED.

The British Columbia members were strongly opposed to the Crows Nest agreement by reason of the discriminations which it created, and they were equally opposed to any large number of commodities being fixed by statute in the new enactment, on the ground that the more these special rates are continued, the less will be the probability of securing a removal of the mountain differential. Alberta members, in the main, appear to take the same view, especially those from districts which do not share the benefits of the Crows Nest rate. Any protest which may come would be more from Manitoba or Saskatchewan.

The Crows Nest rate agreement is not wiped off the statutes, but anything which it contained apart from grain and flour, will not restrict the authority of the Railway Commission.

Practically, therefore, the agreement stands, so far as these two commodities are concerned, but not as regards the others, unless the Railway Commission should so decide, and in its judgment last fall these were disallowed.

THINK BILL WILL PASS.

Western members seem very cautious about expressing themselves publicly. Viewing the matter from a broad standpoint, they privately express the opinion that, considering all the difficulties, the solution is not a bad one, but some of them are waiting to hear from home before committing themselves.

There would appear to be little doubt but that the bill will go through because it will have the support of Liberals and Conservatives pretty generally and as well many of the Progressives, who think that in the interest of a nationl rate structure, it is not desirable to perpetuate old agreements, negotiated when conditions were utterly dissimilar and operating costs infinitely less than at the present time.

Any protest will come from some of the Manitoba and Saskatchewan members who, regardless of its effect upon the national rate situation, maintain that besides grain and flour a dozen other commodities mentioned in the old agreement ought to be continued.

There would appear to be every prospect that, despite these possible objections which may be put forward very strenuously if at all, the bill will command the support of the great majority of the House and almost unanimously of the Senate. The policy is really set forth in the order-in-council directing the Railway Commission to proceed with an equalization of freight rates. The legislation which is to come before the House will be a comparatively small bill making statutory the rates on grain and flour, and providing that, notwithstanding the provisions of the Crows Nest Act which is not removed from the statute, that the commission may deal on the merits with commodities in general.

Vancouver Province
June 6/25.

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Mail & Empire Toronto June 6/25

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MAKE FULL PROBE OF FREIGHT RATES

Cabinet Orders Railway Board to Go Thoroughly into Question.

NAMES STIPULATION

Grain and Flour Tariff Under Crow's Nest Act Not to be Exceeded.

Canadian Press.

Ottawa, June 5.—The Board of Railway Commissioners for Canada has been instructed by order-in-Council, passed to-day, to make a "thorough and complete investigation of the whole subject of railway freight rates in the Dominion." The order-in-Council authorizing investigation sets forth "that the policy of equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada and as being the method best calculated to facilitate the interchange of commodities between the various portions of the Dominion, as well as the encouragement of industry and agriculture, and the development of export trade."

The order-in-Council, while granting to the Railway Commission freedom in its investigation, makes one stipulation in regard to rates. The maximum rate on grain and flour fixed by the Crow's Nest Pass Act is not to be exceeded. "The committee are of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the great grain growing provinces of the West, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known," the order states.

"The committee is therefore of the opinion that the maximum established for rates on grain and flour, as at present in force under the Crow's Nest Pass agreement, should not be exceeded."

Will Establish Jurisdiction.

In order that the Railway Commission may "be unfettered by any limitations other than the provisions as to grain and flour," the Government will introduce legislation next week to definitely establish the jurisdiction of the Board over all railway rates, with the exception of the one mentioned.

The Board is directed to conduct its investigation "with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion, and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries, and in particular to:

(a) The claim asserted on behalf of the Maritime Provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919.

(b) The encouragement of the movement of traffic through Canadian ports.

(c) The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama Canal.

Reviews History of Case.

The order-in-Council is in the form of a ruling by the committee of the Privy Council (the Cabinet) on the petition presented by the Governments of Alberta, Saskatchewan and Manitoba by way of appeal from the ruling of the Railway Board which set aside the Crow's Nest Pass rates. The order relates the history of the case, the proceedings before the Supreme Court and the judgment of that court, and then proceeds:

"The committee observe that the agreement in question was made at a time when the Canadian Pacific Railway Company was the only company having a through line of railway extending through the Prairie Provinces and British Columbia, and before the creation of the Board for the control of railway rates under the provisions of the Railway Act of 1903 and subsequent acts; and further, that the underlying purpose of the rate control inaugurated by the Railway Act of 1903 was to do away as far as possible with all unjust discriminations and undue preferences, and to secure a fair and reasonable rate structure, which, under substantially similar circumstances and conditions would be equal in its application to all persons and localities."

The order-in-Council concludes:

"The committee further advise that legislation be introduced at the present session of Parliament, making it clear that the provisions of the Railway Act of 1919 in respect of tariffs and tolls shall, save in the particular above mentioned, be operative notwithstanding any special acts or agreements and removing all doubts as to the validity of tariffs heretofore filed."

The Crow's Nest Pass Act, it is intimated, will still stand on the statute books. The coming legislation will, however, modify it, except in regard to the rates on grain and flour, in such a way as to give the Railway Board authority to proceed with a complete investigation.

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Western Record.

WINNIPEG, CANADA, FRIDAY, JUNE 12, 1925

Railway Freight Rate Adjustment Bill

Through an order-in-council passed by the King cabinet confirmation of our prognostication some months ago in The Standard, that the government would rather increase, than lessen, the powers of the Railway Commission created under the Laurier Railway Act of 1903, is fully vindicated.

The superlative Free Press did a tremendous amount of thrashing about the Board of Railway Commissioners' arrogance and its exceeding its powers, inconsistently ignoring all it had previously said regarding the Laurier government's splendid achievement in creating a board that would be free of political influence in its control of railway freight rates.

The daily press, as a whole, are inclined to castigate the King government upon its attempt to sidetrack the issues at stake and wriggle from under its responsibility. However, Premier King is actually proving that he has actually some loyalty to his old chief Wilfrid Laurier, and continuity in line of action of the Laurier government.

In The Standard we demonstrated that the Railway Act of 1903 gave powers to the Board of Railway Commissioners superior to the government which could only be rescinded by parliament in the introduction of an Act to supercede it, but we surmized that the King government would not introduce a Bill to this effect.

By this order-in-council a Bill is to be brought down to strengthen the powers of the Board of Railway Commissioners and eliminate the Crows Nest Pass rate agreement, excepting as far as the maximum rates on grain and flour are concerned.

The decision of the King government is a fierce jolt to western shippers and the Progressive party which is natural enough as neither of them have exercised logic or lucid thinking. The clauses in the 1903 Railway Act were clear enough to indicate what a frightful legacy the Laurier government had bequeathed along with the awful load of indebtedness through its railway policy.

The Board is to be instructed, according to the new Bill, to make a full investigation of the discriminating rates and to equalize all rates, especially to pay attention to the claim of the Maritime provinces and consider carefully the rates applying to British Columbia. Mark you, the Board of Railway Commissioners and not the Federal Government are empowered to find a solution to the freight rate problem and straighten out the chaotic conditions now prevalent.

In many quarters the action of the government will be regarded as a piece of gross stupidity, of subterfuge and even incapacity, but the fact remains that it is a fine piece of strategy. An example of the King administrative chicanery, an unscrupulous attempt to bulldose the electorate of this nation.

Note that the government purposely delayed its announcement until the Saskatchewan election was safely out of the way. It is easy to surmize what would have happened to the Liberal forces in that province had this betrayal of the West come before the election. Electors in that province will be well nigh paralized by the elimination of the Crows Nest Pass agreement. On the other hand the announcement will probably delude the electorate of Nova Scotia by its recommendation to the Board "to give full consideration to the claims of the Maritime Provinces."

What this plausible recommendation will effect in Nova Scotia on June 25 can only be surmized. You can never tell to what extent the electorate can be bamboozled. The betrayal of the West will not appeal to the people of Nova Scotia, sectionalism is too rife in this country and selfish interests too strong. We have not arrived at that stage which existed during the world war when the slogan ran from the ends of the earth, as far as the Empire was concerned, "Each for all, and all for one." The national spirit is in an incipient stage and Mackenzie King's strategy may trick the Nova Scotians into supporting its Liberal administration and bolster up in consequence the King government.

The Bill brought down on Monday not only annuls the Crows Nest Pass agreement, but the Manitoba Railway Act and others.

Manitoba has been doubly betrayed. The Bracken government could have restored the provincial railway rates by the simple process of taking their case into the King's Bench Court of Manitoba, and some benefit would have been obtained to the people of the province ere this move of the King government knocked everything into a cocked hat.

From a business point of view the government could have brought down freight rates easily enough. It owns the National Railways and just as it is by a proposed subsidy going to reduce ocean rates, applied a similar policy of cut rates on its railways. As a competitive process the rates of the Canadian Pacific railway would have had to come down, but this government does not transact business on aggressive and efficient lines. It is all too apparent that the government is insincere regarding its sympathy with the people of the country who are in the grip of the railways.

Railway freight rates are more vital at the present time than tariffs. They are strangling the industries and agriculture and obstructing all development and progress of the country.

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From a business point of view the government could have brought down freight rates easily enough. It owns the National Railways and just as it is by a proposed subsidy going to reduce ocean rates, applied a similar policy of cut rates on its railways. As a competitive process the rates of the Canadian Pacific railway would have had to come down, but this government does not transact business on aggressive and efficient lines. It is all too apparent that the government is insincere regarding its sympathy with the people of the country who are in the grip of the railways.

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Vancouver Province June 12/25.

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FREIGHT RATES.

Premier Oliver's voice is the only one so far raised in British Columbia against the Dominion Government's plan for solving the freight rates problem, and his complaint is that while the Crows Nest rate on grain and flour, eastward-bound from the prairies is to be made statutory, there is to be no statutory reference to west-bound rates. This he regards as a slight on the route to the Coast, and there is no doubt it may be taken as such, if one is so disposed.

At the same time, it is highly probable that the government's failure to fix a statutory rate westward will not operate against the interests of British Columbia. It must be remembered that the rate eastward on grain and grain products has been statutory for nearly thirty years. To leave it so was easier than to change it, and as left, it may be used as a basis on which to build the balance of the rates structure which the Railway Commission must erect. Besides—and Premier Oliver is politician enough to appreciate this fact—political considerations enter. There s a general electon not very far off; the King government will need prairie support; the prairies look on the Crows Nest rates as their charter of liberty, and it would not do to antagonize them by taking these rates away altogether. It is too bad that politics must enter into the making of a freight rates schedule; but there it is.

One statutory limitation, however, need not interfere with the work of the Railway Commission to any appreciable extent. If it is to bring order out of the chaos now existing, the commission must have a free hand. But it must start somewhere, and the Crow rate on grain and flour is as good a starting point as any. How it will build from there is entirely in the commission's own hands. But the general orders call for a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its applicaton to all localities. And besides this, the board is asked to have particular regard to the increased traffic westward and eastward through Pacific Coast ports owing to expansion of trade with the Orient and to the transportation of products through the Panama Canal. That seems to be about as far as an order could go without tying the board's hands by means of precise and definite instructions, and it is pretty generally agreed that the board, unfettered, can deal with the freight rates question much more efficiently than Parliament could ever hope to do.

Hon. Dr. King, who has done much quiet work at Ottawa toward having the inequitable mountain rate removed, would have preferred personally that even the rate on grain and flour eastward should be left to the Railway Commission. But he was over-ruled. He does not, however, believe the statutory provision will make any difference to this province. The other British Columbia members at Ottawa are evidently of the same opinion, for it has been announced that none of those on the Conservative side will oppose the government measure.

The Railway Commission has its instructions; it has its traditions and precedents, which are all in the direction of the elimination of unjust discriminaton; it has a chairman, who, when in Vancouver some months ago seemed greatly impressed with the justice of our case. Now, if anything more were necessary, it has a resolution passed at Regina, yesterday, at a conference of representatives of the prairie governments and the boards of trade of prairie cities, asking that the rates on grain and flour be equalized in all directions. The outlook grows more promising.

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Ottawa, June 18, 1925.

Honourable Robert Rogers,

Winnipeg,

Man.

Dear Mr. Rogers:

Thanks very much for sending me copy of your letter of the 6th June to the Prime Minister. I have read this through very carefully. Yesterday I brought the subject up in the House and intend to refer to it to-day. Certainly the Manitoba Agreement has a much greater right to be retained as such than the Crow's Nest Pass Agreement.

Yours very truly,

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My dear Meighen

Shall forward this letter to Mr. King by this same mail

Yours sincerely

R.R.

214 Grain Exchange,
Winnipeg, Manitoba,
6th June, 1925.

Right Hon. William Lyon Mackenzie King,
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. King,-

In view of your announcement of your intention to adopt a railway policy that will override Acts and agreements covering tariff rates as made in the past, may I, as one who had much to do with the consumation of a rate contract between the Government of Manitoba and the Canadian Northern Railway, bring to your notice a few of the salient points incident to that contract - a contract that was the determining factor in the matter of rates in our three prairie provinces for many, many years, as set out by the Honourable A. K. Maclean in his report, as Chairman of a Special Commiteee appointed by your Government to consider railway transportation costs in 1922:

> "In respect to this very important matter, in 1899, I think it was, the effect of this agreement was reflected in the grain and flour rates which came into effect in the autumn of that year; I think it was in the autumn of 1899 that the full effect of the Crow's Nest agreement was to be seen. In 1903, however, an agreement was made between the government of Manitoba and the Canadian Northern Railway, providing for a control of freight rates within the province of Manitoba. This had its effect upon freight rates upon grain throughout the whole of the prairie country. In 1903 the grain rate in the West was considerably below the Crow's Nest rate and that rate, that is the LOWER RATE, prevailed until March, 1918".

This contract, under that most sacred and lasting power of equity

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and justice, you now propose to destroy - a contract that continued in operation uninterruptedly from 1901 until 1918, when it was interfered with, under the War Measure Act, by the Government of that day, and not, as commonly accepted, by any power vested in our Railway Commission.

Canada from 1888 until 1903, as you well know, had a Railway Act that committed to the Railway Committee of the Privy Council jurisdiction as to rates. That Committee consisted of certain members of the Cabinet and the Deputy Minister of Railways. Honourable Mr. Blair, then Minister of Railways, as Chairman of that Committee laid down the policy distinctly and clearly that all the Dominion Government ever did was to fix a maximum tariff and that railway companies had the right to fix their own freight and passenger rates within the limit set by the maximum rate as approved by the Governor-in-Council.

That same principle has remained in force and effect from that day until the present. May I emphasize this by asking you to bear in mind what the fact is, that every day in every year during that long period of time railway corporations in Canada have been making contracts for lesser rates than the maximum rates as fixed by Parliamentary authority.

The chief provisions of Manitoba's contract were that in consideration of the Province guaranteeing bonds to the extent of $20,000.00 per mile, the proceeds of which were to be used for the construction of 290 miles of railway from a point on Manitoba's boundary to Fort William and Port Arthur, in the Province of Ontario, and for the further consideration of a provincial guarantee being given at the rate of $10,000.00 a mile for the construction of other lines of their system within the boundaries of Manitoba, and for a third consideration of the assignment of the lease and option to purchase what was known as the Northern

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Pacific System in Manitoba, the Canadian Northern Railway Company gave their covenant and agreement that until June 30th, 1930, the Lieutenant-Governor-in-Council in Manitoba should have the right to fix the rates to be charged by that Company from all points on the Company's lines in Manitoba to Fort William and Port Arthur, and from Fort William and Port Arthur to all points on the Company's lines in this Province, and from all points on the Company's lines in this Province to all other points on the Company's lines within Manitoba.

The Company also gave their covenant that it would not at any time after the rates had been fixed, charge or demand for the carriage of freight and passengers between the points aforesaid, greater rates than those fixed by the Lieutenant-Governor-in-Council.

And further, the Company COVENANTED TO CARRY FREIGHT AT RATES NOT HIGHER THAN THOSE SO FIXED AND NOT TO DISPUTE THE RATES WHEN SO FIXED.

Manitoba has discharged her obligations faithfully and well. Your proposal now is that your Government and Parliament, who are now the successors of the Canadian Northern Railway Company, should rank as defaulters in the fulfillment of the binding obligations assumed by Canada's Government and Parliament in taking over that contract - a contract that was partly within the legislative authority of the Legislature of Manitoba and partly within that of the Parliament of Canada - a contract that provided for obtaining legislation from both sources.

As soon as Manitoba's legislation had been passed it was transmitted with an official Order-in-Council, through the Lieutenant-Governor of this Province, to the Secretary of State at Ottawa, which order was as follows:-

> "On the recommendation of the Honourable the Railway Commissioner, Committee advise, that His Honor, the Lieutenant-Governor, be re-

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quested to forward officially a certified copy of the following Act, passed by the Legislative Assembly of the Province of Manitoba, on the Twentieth day of March, One thousand, Nine hundred and One, and intituled, "An Act confirming a certain agreement respecting Freight and Passenger rates", to the Honourable the Secretary of State for Canada, with the request on behalf of the Government of Manitoba, that the Government of Canada will introduce into the Parliament of Canada at its present Session, a similar measure and legislation confirming the Indenture in the said Act referred to, and to enable and require the parties to carry out the same, in order that the true intent and meaning of the parties may be properly and fully accomplished".

The Parliament of Canada answered the prayer of that petition through a Special Act of that Parliament, and be it observed that the Dominion Parliament, in their own language, declared it to be expedient to grant the prayer of the said petition. THEREFORE HIS MAJESTY, BY AND WITH THE ADVICE AND CONSENT OF THE SENATE AND HOUSE OF COMMONS OF CANADA, ENACTED AS FOLLOWS:-

"1 Edward VII, Chapter 53, AN ACT RESPECTING THE CANADIAN NORTHERN RAILWAY COMPANY AND THE NORTHERN PACIFIC AND MANITOBA RAILWAY COMPANY, THE WINNIPEG TRANSFER COMPANY, LIMITED, THE PORTAGE AND NORTH-WESTERN RAILWAY COMPANY, AND THE WASKADA AND NORTH-EASTERN RAILWAY COMPANY.
(Assented to 23rd May, 1901.)

"Whereas by indenture of lease, dated the fifteenth day of January, nineteen hundred and one, and set forth in Schedule A to this Act, the lessors named in the said indenture did demise and lease to Her Majesty, represented therein by the Executive Government of the province of Manitoba, certain lines of railway therein mentioned, upon terms and conditions set forth in the said indenture; and whereas His Majesty, represented by the Executive Government of the province of Manitoba, of the first part, and the Canadian Northern Railway Company, of the second part,

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have executed a certain indenture bearing date the eleventh day of February, nineteen hundred and one, and set forth in Schedule B to this Act; and whereas the parties to the said indenture of the eleventh day of February, nineteen hundred and one, have, by their petitions, prayed that it be enacted as hereinafter set forth, AND IT IS EXPEDIENT TO GRANT THE PRAYER OF THE SAID PETITIONS: THEREFORE HIS MAJESTY, BY AND WITH THE ADVICE AND CONSENT OF THE SENATE AND HOUSE OF COMMONS OF CANADA, ENACTS AS FOLLOWS:-

"1. The Northern Pacific and Manitoba Railway Company, the Winnipeg Transfer Railway Company (Limited), the Portage and North-western Railway Company and the Waskada and North-eastern Railway Company have, and shall be deemed to have had at the time of the execution of the said indenture of the fifteenth day of January, nineteen hundred and one, FULL POWER to demise and lease the lines of railway and other premises included in the said indenture on the terms therein contained; and the said indenture of lease and the assignment thereof by the said indenture of the eleventh day of February, nineteen hundred and one, ARE HEREBY CONFIRMED.

"2. The Canadian Northern Railway Company has, and shall be deemed to have had at the time of the execution of the said indenture of the eleventh day of February, nineteen hundred and one, FULL POWER -

(FULL POWER) (a) TO ACCEPT THE ASSIGNMENT OF THE SAID LEASE;

(FULL POWER) (b) TO MAKE THE COVENANTS AND AGREEMENTS IN THE SAID INDENTURE CONTAINED -

(FULL POWER) (i) RELATING TO THE SAID LEASE AND TO THE PAYMENTS THEREUNDER AND TO THE TERMS THEREOF;

(FULL POWER) (ii) RELATING TO THE BONDS MENTIONED IN CLAUSES 5 AND 6 OF THE SAID INDENTURE;

(FULL POWER) (iii) RELATING TO THE RATES TO BE CHARGED OR DEMANDED BY THE SAID COMPANY FOR THE CARRIAGE OF FREIGHT AND PASSENGERS;

(FULL POWER) (iv) RELATING TO THE PAYMENTS TO BE PAID BY THE SAID COMPANY NOTWITHSTANDING EXEMPTIONS FROM TAXATION;

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(FULL POWER) (c) AND TO MAKE THE GRANT CONTAINED IN CLAUSE 20 OF THE SAID INDENTURE."

When the Parliament of Canada passed this Special Act they had before them the covenants of the Canadian Northern Railway Company that were exacted by this Province, as set out in the following clause:-

> "8. Sub-section (a) - Reductions amounting together to more than four cents per 100 pounds on the tariff rates in force on the date of said indenture for the carriage of grain from Manitoba to a Lake Superior port, and
>
> "(b) - Reductions amounting together to more than 15 per cent. of the tariff rates in force on the said date for the carriage of all other freight from and to points in Manitoba, and from and to points in Manitoba to and from Port William or Port Arthur".

These covenants were ratified and confirmed by Special Act, 1 Edward VII, Chapter 53, as before mentioned.

Section 2 of that Act gave rise to much discussion when this Bill was before the House of Commons. It was argued from certain quarters that under this legislation Manitoba might have power to encroach upon rights that belonged to the Parliament of Canada. Even the Honourable Mr. Blair was in doubt as to whether under that contract Manitoba could not force a higher rate on the line between Manitoba's boundary and Port Arthur, in the Province of Ontario, than that which would obtain on lines within the Province of Manitoba. The language used by the Honourable Mr. Blair at that time in respect to this was as follows:-

> "I do not hesitate to say that I feared, and I fear at this moment, that there may be such a reduction of rates forced by the action of the Manitoba government upon the Canadian Northern Railway as to lead the Canadian Northern, even with the approval, if it were necessary, of the government of Manitoba, to impose higher rates on traffic on portions of their line outside of the province of Manitoba, so as thereby to reduce the loss which will result from operations within that province. That

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is where I fear there may be difficulties occurring, and to that extent I have not swerved in my opinion as to the consequences which might ensue from the carrying out of this agreement".

Clause 3 was introduced with a view of giving assurance to the Honourable Mr. Blair and others that Manitoba had no thought of attempting to encroach upon any Dominion powers under our contract. Manitoba was entirely satisfied with the assurances received from the Minister of Railways and the Government of that day when they laid down the proposition distinctly and clearly that all the Dominion Government does is to fix a maximum tariff and that a railway company can charge that tariff or it can charge less. Under clause 2 Manitoba's contract was entirely safeguarded and in no way, shape or form was it affected by clause 3, which is as follows:-

"Nothing in this Act or in the indentures contained in the schedules hereto, or done in pursuance of this Act or of the said indentures, shall -

"(a) divest or limit, temporarily or otherwise, the rights or powers (under existing or future legislation of the Parliament of Canada) of the Governor in Council, or of the Railway Committee of the Privy Council, or of any commission or other authority, respecting any matter or thing, obligation or duty;

"(b) place the Government of Canada, directly or indirectly under any liability, obligation or duty with respect to any bonds, debentures, stocks or securities of any kind, or any interest thereon, or any payment, matter or thing in the said indentures provided for or referred to, or in any way arising therefrom;

"(c) authorize the Canadian Northern Railway Company, contrary to the meaning of THE RAILWAY ACT, to charge or demand any discriminating rate for the carriage of freight or passengers, or to allow or make any secret or special tolls, rebate, drawbacks or concession, or any higher rates for the carriage of freight or passengers than those heretofore or hereafter fixed, under

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> the authority of existing or future legislation of the Parliament of Canada, by the Governor in Council or by the Railway Committee of the Privy Council, or by any commission or other authority".

Clause 3 itself makes it distinct and clear that Manitoba's contract was for a LOWER RATE, and had no concern with HIGHER RATES.

In support of this statement may I draw your attention to definite views expressed upon this point, when this clause was before Parliament, by no less a person than the Right Honourable Sir Wilfird Laurier, by the Honourable Mr. Blair, then Minister of Railways, by the Honourable Mr. Sifton, then Minister of the Interior, as well as by Mr. Bourassa, who was one of the five members in the House at that time who found any fault with that contract. Outside of five members, Parliament was unanimous in their approval of it.

Just before this contract was adopted by Parliament Mr. Bourassa moved the following amendment to clause 3:-

> "In favour of or against either (1) any individual or corporation, or (2) the people or shippers of or from any particular place, section, district or province".

Sir Wilfrid Laurier answered Mr. Bourassa in the following words:-

> "I will say to my hon. friend from Labelle that if this Bill were before the Railway Committee, I do not think I would have any serious objection to his amendment, in fact I would have none at all, because in my judgment it adds nothing to or detracts nothing from the sense of the clause we have before us. The clause now reads as follows:-
>
> " Nothing in this Act or in this indenture contained in the schedule hereto, or done in pursuance of this Act or of the said indentures shall ..... authorize the Canadian Northern Railway Company to charge or demand ANY HIGHER RATES --".

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What greater proof could be required as to the proper interpretation of clause 3 as made clear by Sir Wilfrid Laurier in his answer to Mr. Bourassa?

The Honourable Mr. Blair followed Sir Wilfrid and emphasized the fact that all clause 3 meant was that Manitoba would not have power to RAISE RATES HIGHER THAN THE RATES AS FIXED BY THE GOVERNOR IN COUNCIL UNDER THE RAILWAY ACT.

The Honourable Mr. Sifton after quoting clause 2 goes on to say:

> "So this Bill gives the company power to make the covenants which it has made in that indenture relating to the rates to be charged for the carriage of freight and passengers. As I understand the argument which is advanced by the hon. member for Labelle, it is to the effect that the saving clause in section 3 of the Act which provides that the power of the parliament of Canada and the Dominion government shall remain unimpaired in regard to this Bill, takes away the power of the local authority to reduce rates."

> MR. BOURASSA. "I did not say that this clause took away from the Manitoba government the power to reduce rates".

> MR. SIFTON. "My hon. friend's point is, according to his own statement of it, made just now, that the legislature of Manitoba, not understanding that this federal authority would retain the right to fix a rate higher than the rate which they fixed, have been deceived or would be deceived, and that they would not get the consideration which they had bargained for. Now, my hon. friend from North Norfolk (Mr. Charlton) quoted a speech of Attorney General Campbell of the Manitoba government, which was made at the time this Bill was before the Manitoba legislature; and as I read Mr. Campbell's speech, it is a complete answer to the argument of my hon. friend from Labelle, for it shows conclusively that the government and legislature of Manitoba had in mind this very fact at the time when the legislation was passed. The speech was quoted by the member for Norfolk the other day, but in order that I may make my argument clear, I will refer to a few statements

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that are contained in it, because it will show clearly that this very point was in the minds of the legislature of Manitoba when this legislation was under discussion. Mr. Campbell says:

> "The Minister of Railways and Canals has laid down the proposition clearly and distinctly that all the Dominion government does is to FIX MAXIMUM TERMS".

> "As a matter of fact that is all we ever do. THE GOVERNOR IN COUNCIL FIXES THE MAXIMUM TARIFF OF A RAILWAY; THE RAILWAY CAN CHARGE THAT TARIFF OR IT CAN CHARGE LESS".

So here we have, not only Sir Clifford Sifton's clear and distinct statement in respect to clause 3, but we have as well the acknowledgement of Mr. Bourassa that he really did not say that this clause took away from the Manitoba Government the power to reduce rates.

In view of these unanswerable statements clearly defining the intent and purpose of clause 3 as made by the Right Honourable Sir Wilfrid Laurier, by the Honourable Mr. Blair, then Minister of Railways, by Sir Clifford Sifton, then Minister of the Interior, and by Mr. Bourassa, then the chief opponent of this legislation, surely, Mr. King, may I not respectfully say that the Parliament of Canada can only take the action which your recommendation appears to suggest if and when Parliament is prepared to discard that great British principle that has for centuries carried with it at all times proper respect for sacred contracts and their covenants.

I am confident that the Parliament of Canada, with a full knowledge of the facts before them, would never even attempt to exercise an overriding power on the part of His Majesty The King, in the Right of that Parliament, to destroy contracts and covenants which that Parliament gave a railway company power to make, in good faith, with His Majesty

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The King, in the Right of the Province of Manitoba.

To act otherwise would mean that in future it is to be understood that no contracts entered into in good faith by two contracting parties who give each other mutual consideration would have any force and effect, even though such contracts had the approval and the endorsation of His Majesty The King, as represented by the Government and Parliament of Canada.

Yours very truly,

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CANADA

Grain Growers Guide Winnipeg June 24/25.

074696

The Freight Rates Bill

The West, declared Premier King in the final debate in the House of Commons on the freight rates bill, should view the loss of the westbound Crow's Nest Pass rates as a contribution to national unity. The West has made a fairly heavy contribution to national unity up to date, and yet it might have given consideration to this plea if the government had given any indication of a desire to ensure that the contribution should not involve discrimination or injustice. Mr. King had an opportunity to demonstrate his sincerity when Hon. T. A. Crerar moved his amendment to the bill. This amendment provided that freight rates on the prairies were not to be in excess of 10 per cent. above the rates applying in the East. That is, the maximum rate on any class of goods in the prairie provinces should not be more than 10 per cent. above the eastern rate on the same goods, but the rate might be less than that.

The amendment did not fix rates, it simply provided for the establishment of a definite relation between eastern and western rates. It laid down a principle for the guidance of the Board of Railway Commissioners, a principle that, to use the language of Mr. King, could be "a contribution to national unity."

Mr. King did not vote for the amendment. He voted to allow the Board of Railway Commissioners to exploit at their discretion the contribution of the West to national unity. If the board lives up to the record it has been establishing during the last few years the contribution of the West will not be to national unity but to the profits of the railway companies.

The amendment was defeated, and the government bill passed. It now goes to the Senate, where it will receive a cordial welcome. The West has been incontinently delivered into the hands of the Railway Commissioners, whose declared policy has been to impose rates that will enable the Canadian Pacific Railway to pay its usual dividends and accumulate reserves, and to fix rates in the West that are relatively higher than eastern rates because there is water competition in the East and a monopoly in the West. Rates in the West are higher than in the East, and presumably will remain so because there is nothing to stop the railways getting such rates—nothing but the danger of putting the rates so high that the business will be killed. That is a condition which, according to Mr. King, will make for national unity. What it really makes for will be shown when the railways submit their new schedule of rates.

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Moose Jaw Times Herald July.

074697

SHALL CANADA BE ONE UNIT FOR BASIC MILEAGE FREIGHT RATES?

The Montreal Witness finds it somewhat difficult to understand the opposition in the Prairie Provinces to the Government's freight rate equalization bill. The Witness says:

True, the West has lost most of the Crow's Nest agreement. But in doing so it has gained something of far greater permanent worth. During the long controversy over the abrogation of the agreement, Western papers have continuously pointed out that even under the preferred Crow's Nest rates the mileage charges were greater west of the lakes than in the East. The Government's explicit instruction to the Railway Commission is to investigate and revise rates throughout the entire Dominion so as to remove all discrimination as between localities. If that means anything, it means that the whole country is to be considered a unit for fixing the basic mileage rates. This will undoubtedly involve some sacrifice on the part of Central Canada. The railways cannot be expected to operate on lower average charges than those now in force. If western, mountain and Maritime shippers are to be given reductions—and this is the clear purpose of the measure—the rates in Central Canada must be raised. However, as the Prime Minister pointed out, the welding together of the widely scattered sections of this Dominion necessarily involves mutual sacrifices. Ontario and Quebec can well afford to make what minor sacrifices are demanded by this readjustment. The Board of Railway Commissioners is now free to go ahead with its task of nation building.

It will be noted that the Witness argues that if the Government's measure means anything "it means that the whole country is to be considered a unit for fixing the basic mileage rates," and that "this will undoubtedly involve some sacrifice on the part of Central Canada." The prairie people sincerely hope that the Witness is correct. This is exactly what the West has been contending for before the Railway Commission for many years, but without success. The Railway Commission has always upheld the contention and practice of the railways in making the West, through high freight rates, pay for the low freight rates in competition with water transportation in the East. When one argument failed to justify this rank discrimination another was taken up. First, it was the density of traffic in the East, but when the West produced more traffic than the East, the argument was switched to operation costs; then when it was shown that both construction and operation costs were less on the prairies than in the East, the deficits of the bankrupt competing lines now comprising the Canadian National system, served as an excuse for the highway robbery of the West. This issue was fought out before the Railway Commission and all the unanswerable arguments that the West produced failed to change the attitude of the railways or of the Railway Commission. We sincerely hope that the Witness is right and that "the Government's explicit instructions" to the Railway Commission "means that the whole country is to be considered a unit for fixing basic mileage rates," and that Central Canada will have to sacrifice the very profitable privilege enjoyed these thirty years of having low freight rates paid for by high freight rates in Western Canada. But we would like to point out to the Witness that to accomplish this very desirable and just reform it was not necessary for Parliament to make a "scrap of paper" of the Crow's Nest Pass agreement. We venture the opinion that were freight rates equalised on the basis suggested by the Witness, the Crow's Nest agreement would not have stood in the way, because the schedules of the agreement are higher than the regular rates charged in the East. In fact, in no fight before the railway commission for equal rates with the East, has the railways held that equal rates could not be given because of the Crow's Nest agreement.

We would also draw the attention of the Witness to the fact that Sir Henry Drayton, in his speech on the freight rates bill, showed up, very thoroughly, though perhaps inadvertently, the deceptive character of the appeal, which is being made that the Railway Commission can be trusted to "equalise" freight rates between the East and the West.

Sir Henry said that it should be borne in mind that the first principle in establishing a rate structure was the carriage of goods at a rate which would permit business to operate, but would also pay the cost of transportation; one of the things that must enter into any study of freight rates was the question of what conditions obtained in the districts affected.

That is to say, the first object of a freight rate structure is to produce the revenue that the railways demand; and the freight rates must be fixed for each district in keeping with this principle. The railways, in other words, will go after the money where it can be got and their freight rates will be adjusted to this end.

That is the point that the prairie people wish to be sure about. In view of all the precedents against the West made by the Railway Commission, the West is afraid that in the absence of competition by water routes, and in the absence of statutory protection, it will continue to be burdened with the maximum rates that can be exacted, continue to be the milch cow of the railways, and continue to be milked systematically. But now that the Mackenzie King Government reversed its judgment on this issue, cancelled the agreement made by a greater Liberal statesman and a stronger and better Liberal Government, and failed to declare by law what the Witness says the Government's instructions mean, all that the West can do is to watch and wait and fight like "Old Harry" when the proper time comes. If the West wins the battle before the Railway Commission and establishes Canada as "one unit for fixing the basic mileage rates," something will have happened in Canada that never happened before, namely: Legislation asked for by the railways will result in a great reform for the benefit of the whole people, and against what has always been the principles upheld by the railways. This, indeed, may happen. If it does, the prediction of this paper that the railways, in upsetting the Crow's Nest agreement, started something they did not calculate upon, will be fulfilled.

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Free Press London Ont July 17/25.

07.4698

FREIGHT VITAL MARITIME ISSUE

Case To Be Taken Before Railway Commissioners

SEEK CANADIAN BUSINESS

Provincial Governments To Be Asked For Support

MONCTON, N. B., July 16.—The premiers of the Maritime Provinces will be asked by men appointed to-day by the economic conference to provide money to pay the salary of a freight rate expert, who will prepare the freight rates case of the three provinces for submission to the board of railway commissioners before August 15, the date set by the commission.

Premier Stewart, of Prince Edward Island, President Wallace Higgins of the Maritime Board of Trade said, has already pledged his province to pay one-fifth of the amount. President Dr. R. Turnbull, of the Halifax Board, will approach Premier Rhodes, of Nova Scotia, and A. P. Patterson, of the St. John board, will see Premier Veniot, of New Brunswick, with a view to these governments each paying two-fifths.

The economic conference concluded this afternoon. Extended discussions last evening and to-day in 10-minute addresses was intended to give information and viewpoints to the committees which will draw up findings for submission to a future conference at Charlottetown, probably the latter part of September. These committees will study transportation, industrial development, immigration and the economic status of the Maritime Provinces under the Confederation agreement.

FREIGHT VITAL QUESTION.

A freight rate expert for the Maritime Provinces at any price was advocated by President D. R. Turnbull, of the Halifax Board of Trade, and he was applauded by the meeting. The freight rate question, he said, was the most vital anyone in these provinces could think of. If there was to be progress it must be through readjustment of freight rates. It was essential to employ a man who could tell where the trouble was. The fact was that for 30 or 40 years before the war reasonably favorable rates had been enjoyed, but through advantage being taken of war conditions this had been changed. Individual cases of discrimination were numerous, but an expert was required to work out the whole problem. It was on the Canadian market, said Mr. Turnbull, that the Maritimes must depend for the trade they had lived by and not on the foreign market of world competition, although this was a valuable adjunct.

J. W. Hindman, Charlottetown, P. E. I., president of the Prince Edward Island Associated Boards of Trade, also spoke in behalf of employment of a traffic expert, and added that what the Maritimes wanted and wanted badly was the restoration of the Intercolonial Railway under old conditions. It had been built for the exchange of trade east and west, and cost only a fraction of the amount spent on Ontario canals, for whose use the people of that province did not pay.

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Mail & Empire Toronto July 20/25.

074699

ADOPTS REVISION OF FREIGHT RATES

Railway Board Orders New Classification After Long Review.

TO CUT LIVING COSTS

Judgment of Commission Believed to be of General Benefit.

Special to The Mail and Empire from Staff Reporter.

Ottawa, July 19.—At the commencement of its review of the railway rate structure of Canada, the Board of Railway Commissioners have ordered the adoption of a new classification of freight as the basis of rate making. The new classification is made necessary by the many changes that have taken place in commerce and in transportation in the last two decades, and lists the various articles of trade and the conditions of their shipment in much greater detail than has been the custom in the past. The preparation of the classification has been going on for eleven years; all classes of shippers have been invited to take part in the consideration of its numerous items, and conferences have been held between the interests concerned and the Railway Board from coast to coast.

The general trend of the new classification is, in the opinion of the Board, in the direction of a reduction of the cost of living. This phase of the situation is dealt with by Assistant Chief Commissioner McLean in his judgment. "It may be pointed out," he says, "that the revision of the classification involves both increases and reductions, and from as careful an analysis as is possible with the information in the possession of the Board, it is believed that the revision, taken as a whole, in no way increases in the aggregate the cost of transporting goods, but that as a matter of fact it will probably have the reverse effect.

"While the volume of traffic in the various articles affected," he continues, "is very controlling, as a matter of information it may be stated that, taking the classification as a whole, the number of increases in less than carload ratings is 162; the number of increases in carload ratings is 177; the number of decreases in less than carload ratings is 344; the number of decreases in carload ratings is 194."

Considerations Vary.

The Canadian freight classification, as the document in question is technically known, is a list of the various articles of commerce divided into convenient groups for the purpose of transportation. A variety of considerations govern the class into which a given article is put, sometimes weight, sometimes value, sometimes difficulty of handling, sometimes other circumstances. Rates vary from class to class, and a given commodity may be in one class if shipped in carload lots and in another if shipped in smaller quantities. The extent of the revision involved in the new classification may be indicated by the fact that while the current classification, number 17, comprised less than 100 pages, the new classification, number 17, comprises 271 pages.

The judgment of the Commission was written by S. J. McLean, assistant chief commissioner, and with him concurred Commissioner Boyce, while Hon. Frank Oliver wrote a dissenting opinion. The chief point of difference between Commissioner Oliver and the majority of the Board was in regard to the privilege of "mixing." This is the right given to shippers to include in a carload different commodities and yet obtain a carload rate on the shipment. For the last 20 years "mixing" has been permitted east of Port Arthur on the "open" basis, that is, it applied to almost all articles, though there were some restrictions. West of Port Arthur during this period "mixing" has been limited to certain kinds of goods which were classed together under "distinctive headings."

Practice Allowed.

When the new classification, number 17, was drafted it provided for "mixing" on the "open" basis on both eastern and western lines. This led to strong protests, and there were hearings on the subject both east and west. Finally the Board decided to continue the practice already in force, but Mr. Oliver dissented. He based his dissent on the ground that "open" mixing would assist the retail merchants of the West. On the other hand, Assistant Chief Commissioner McLean quotes against "open" mixing the Boards of Trade of a large number of western cities as well as of Toronto and Montreal. "Open" mixing was advocated by a representative of the United Grain Growers and by the Canadian Council of Agriculture. In giving judgment on the matter Mr. McLean pointed out that under the new classification, number 17, the number of articles that might be carried in mixed carloads in the West had been greatly increased. For example, the heading of groceries in the new classification includes 625 articles instead of 250, and the hardware list is increased from 880 to 1,429.

The judgment of the Board contains decisions in a number of other disputed cases. Among these are a refusal of an application for a reduced carload rating on butter made by the Saskatchewan Dairy Association, but not supported by dairy organizations elsewhere; and a refusal to give a lower rating to dried fruits asked for by the Canadian Wholesale Grocers' Association. Commissioner McLean discusses at some length the relative rates on electric and gas stoves; finally he leaves the electric in class four, while gas stoves are put in class five at a lower rate; for the purposes of the mixing privilege, however, electric stoves are to be classed with either electric apparatus or with stoves for shipment in carload lots.

The order of the Board, which accompanies the judgment, provides that classification number 17 shall come into force 30 days after July 17th.

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Calgary Herald Aug. 4/25.

074700

CALGARY, TUESDAY, AUGUST 4, 1925

ALBERTA'S CASE FOR EQUALIZATION

THE suggestions advanced at the recent provincial conference on freight rates have been codified by S. B. Woods, K.C., Alberta's counsel for the presentation of the case for equalization.

The following is the tentative outline of the Alberta argument:

(1) That the standard of mileage freight tariff scale should as far as possible be on the same basis all over Canada.

(2) That the distributing town tariffs should continue as at present, namely, 85% of the standard mileage basis in the west.

(3) That the charge for any commodity to Calgary and Edmonton from Eastern Canada should not be greater than that charged from the same points to Vancouver.

(4) That the basis of export rates on grain and flour applicable to Fort William should apply to the Pacific coast.

(5) Reduction in coal rates to develop markets east and west.

(6) Adjustment of export rates via both seaboards in order to develop further markets for the primary products of Alberta and for necessary reductions in import rates to meet the requirements of the province.

(7) Adjustment of class rates on the shorter C.N.R. mileage.

(8) Adjustment of rates as between distributing centres.

In a preliminary discussion of the points to be raised for the advantage of this province it would be impossible to bring forward every phase of a subject with so many ramifications. The above divisions of it are mentioned here in order to give readers of The Herald information of the lines that are to be followed, and in the hope that business men and farmers who are aware of other details of freight rates which might affect Alberta's position will bring these to the attention of the provincial committee in charge of the Alberta case. This committee consists of John Hanna, Calgary Board of Trade, chairman; A. Chard, supervisor of traffic for the Alberta government, and S. B. Woods, K.C., Edmonton, counsel for the province.

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Sydney Post Aug 6/25

074701

RAILWAY RATES.

THERE is to b ea revision of railway rates, and it is time for the people interested in the development of our business to bestir themselves. Any merchant importer or shipper out of goods will give an enquirer, instance after instance of glaring inequalities in the cost of carrying the same goods an equal distance. Here are some instances:

Grimsby, Ont., to Halifax, 1236 miles, rate by express $1.50 per 100 lbs.

Kentville to Sydney, 307 miles, express rate 53c per 100 lbs.

Hantsport to Sydney, 250 miles, express rate $1.65 per 100 lbs.

Sackville to Sydney, 311 miles, express rate $1.50 per 100 lbs.

These seem pernicious absurdities, yet the whole question of railway rates is a very complicated one. If low rates were not given from the Niagara District, the people of the Maritimes would get less fruit at a season when their own is not ripe, and the railways earn less money. On the other hand Stanfield's woollens anr Moirs chocolates are carried to British Columbia on the low scale; so the apples of British Columbia are sold, in Nova Scotia in competition with the fruit of the Annapolis Valley.

We are inclined to believe that the railways have run wild over the idea of "long haul." There are certain circumstances wherein carrying goods great distances at a very low rate was necessary to have the goods carried at all. Our bulk wheat is the most conspicuous example; another is iron ore from Northern Michigan to Pittsburg. But it is possible that in other commodities it has been overdone, such for example as the fruit trade. It deprives districts of their natural protection in their local markets; but the question has too sides; for example Sackville fruit is made dear in Sydney by a high rate; but its getting into Montreal and Boston at all is dependent on a low rate.

These are matters for the expert, but it is certain that our Boards of Trade throughout these provinces should be preparing to put our cases before the Railway Commission in the clearest and most forceful way. That can only be done by preparing in advance.

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CANADA

Gazette Montreal Aug. 8/25.

074702

DISCRIMINATION IN RATES IS CHARGED

Regina Board of Trade and Salada Tea Company Protest

Ottawa, August 7.—Submissions in regard to alleged unfair discriminations in Canadian freight rates continue to come in to the Board of Railway Commissioners. These submissions have been invited by the board as a preliminary step to the exhaustive investigation which will precede the equalization of rates ordered by the Government.

The latest submissions are from the Regina Board of Trade, and the Salada Tea Company. The former makes representations in regard to the class rates from Fort William to Prairie distributing centres; the class rates, Minnesota transfer, to Canadian Prairie points; and the commodity rates from British Columbia points to Regina and Winnipeg.

Under the rates structure now in effect, it is claimed by the Regina Board of Trade, Winnipeg is enabled to distribute considerably further into what is logically and legitimately Regina territory than is equitable. An adjustment of the commodity rates from British Columiba so as to provide greater equity as between Regina and Winnipeg is requested. Further, the Regina Board of Trade requests the establishment of commodity rates from eastern Canada on canned goods, evaporated apples, starch, syrup, etc., to conform with commodity rates now in force from British Columbia points.

The Salada Tea Company alleges the existence of rate discrimination which militates against its competing with competitors in certain parts of Canada on equal terms. The rate, ocean and rail, on tea from Ceylon or India is approximately a penny and a farthing, it is stated. "Our competitors in Vancouver can bring in tea on what is known as an import rate, hold it for a considerable time, quite long enough for them to blend and pack it, and then ship it down here at a rate that is practically equivalent to above a penny farthing," says the submission. "As it costs us in addition 3.57 cents to reach British Columbia, it means that we are at exactly that disadvantage as compared with them."

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Mail & Empire Toronto Aug 17/25

074703

PREMIER KING'S PROMISE.

The Alberta Wheat Pool has opened offices in Vancouver in order to ship most of its grain through that port, but Vancouver complains that grain rates westward from the prairies have not been equalized with those to the east. The rate per bushel from Calgary to Vancouver is nearly equal to that from Calgary to Fort William, although the distance west is only half as great as the distance east. After the Crow's Nest agreement was abrogated Premier King on a visit to Vancouver was understood to promise that the rates would be equalized.

When the subject came up in the House of Commons last session the Premier stated that the order-in-Council setting forth the Government's policy was a direction to the Railway Commission to equalize rates. He was then asked the plain question: "Why did the Government fix "definitely the rates on these products going "eastward and refuse to fix them so far as grain "and flour going west are concerned?" In reply Mr. King repeated in more verbose language that the Board of Railway Commissioners had been instructed to make a thorough investigation of rate structures with a view to the establishment of a fair and reasonable rate structure "which will, under substantially similar circum-"stances and conditions, be equal in its applica-"tion to all persons and localities," and so on. The Premier thus put the question up to the Railway Commission, but the City of Vancouver does not look on it in that light. The crop will soon be ready for shipment and the Alberta Wheat Pool is making arrangements to handle it through Vancouver, but as yet there is no word from the Commission. Mayor Taylor and the Council of Vancouver have sent a peremptory telegram to Premier King pointing out the situation and demanding fulfilment of his promise that the rates would be equalized. This is one of the promises that comes home to roost.

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Herald

CALGARY, WEDNESDAY, AUGUST 10, 1925

PRESENTATION OF ALBERTA'S RATE CASE

THIS second article on the subject of freight rates deals with the remainder of the case to be presented by the province as a unit in the examination of rate conditions to be made by the Railway Commission of Canada.

The position, taken with regard to the long and short haul rule, is shortly that there has been vastly too much laxity in allowing commodity rates to Pacific coast ports to become effective in Canada to the detriment and disadvantage of interior points such as Calgary and Edmonton and that this laxity is reflected in the existing rates on a variety of articles.

What the province asks is that a complete examination be made of these commodity rates in respect of all the articles—and they are numerous—covered by them, with the purpose of bringing the commodity rates to Alberta distributing points and to the Pacific seaport, respectively, into line with the long and short haul principle, save only in special and exceptional cases, or cases of special and exceptional shipments where infringing upon the general rule and allowing a lower rate to the seaport than to the interior distributing point passed on the way, will not affect the trade of the distributing centre, and always having regard to the fundamental principle that no such special commodity rate for the long haul should be permitted to become effective that does not compensate the carrier for the cost of the carriage of the goods. The fundamental principle last mentioned is in force as law today in the Inter-state Commerce Act of the United States and is obviously just, because if goods are carried at a loss that loss must be made up somewhere.

In connection with this long and short haul matter also, the request is made that no new commodity rate shall be permitted to become effective infringing upon the long and short haul rule save after full investigation by the Commission in the presence of any interested parties or communities.

Among the other general submissions of the province are the following:

(a) The demand that distributing or town tariffs between points in Alberta should be on the same basis as similar tariffs in Eastern Canada.

(b) That the town tariff or distributing rates in Alberta should be based on the Canadian National short mileage instead of the Canadian Pacific long mileage where the Canadian National short mileage is more favorable.

(c) That there should be equal commodity rates to distributing points equally distant from the shipping points in Eastern or Western Canada.

Following upon the general principles and complaints will be found a number of particular complaints and requests for new development rates. The first of these of course concerns itself with the outstanding matter of the west bound rates on grain for export, the position being taken that the existing basis eastbound—Crow's Nest Pass Rates—should prevail westbound and that it is discriminatory for the railways to charge more westbound than eastbound. There is a great deal to be said for the construction of the order of the Privy Council ordering the present investigation that regards that order as an expression of opinion from the Government of Canada, that westbound rates should be on an equality with eastbound rates on grain and flour.

The matter of the shipment of domestic coal between Alberta and Ontario of course finds a prominent place in these particular complaints and following along that are two requests for development coal and coke rates that are of very great importance to the steam coal industry in Alberta and in respect of which a very good case can be made out.

The demand is made that the Edmonton-Dunvegan rates on grain and flour eastbound be immediately put upon the Crow's Nest basis and so far as the other rates on the Edmonton-Dunvegan are concerned, the complaint is made that they are discriminatory against points on that railway at the present time as compared with other prairie points in the province.

The special development rates asked for on feed grain westbound, on butter, dressed poultry, eggs and packers' products, are based upon the necessity of encouraging the basic industry of agriculture in the province.

The province also asks that the Board investigate the reason for the inclusion at the port of Vancouver of terminal charges against shippers instead of the same being absorbed, as they appear to be at the port of Montreal, by the carriers.

074704

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CANADA

Citizen Ottawa Aug. 19/25.

074705

FURTHER PROTESTS ON FREIGHT RATES

Another Batch of Submissions Received by Railway Commissioners.

Protests against alleged discriminations in railway rates continue to pour into the offices of the Railway Commission. Yesterday, a large batch arrived from different parts of the Dominion, including manufacturing firms, associations, boards of trade and cities.

The Quebec Harbor Commission submits that the intentions of parliament in building the Transcontinental to reduce the cost of carrying the produce of the prairie provinces to Montreal, Quebec, Halifax and St. John for export shall "no longer be ignored" and asks for an eleven cent rate on export wheat, over the Transcontinental, from Fort William or Armstrong to Montreal or Quebec.

The Commission asks that rates between Quebec, Winnipeg and other western points shal lbe based upon mileage; that the rates from Georgian Bay and other Ontario points and from Chicago upon grain, flour and other goods billed for export by ocean steamers at Quebec shall be made the same as upon similar goods sent for export to Montreal. Further, the Commission asks for changes in the Transcontinental train service and that the Canadian government merchant marine shall be utilized to provide an efficient steamship service at Canadian ports.

Submissions are to hand from the Moose Jaw Board of Trade, oTronto Board of Trade, Quebec Board of Trade, the Canadian Pulp and Paper Association and the City of Saskatoon. Saskatoon asks, among other things, that the rates on grain and grain products from points in Western Canada at an equal distance from the lake front be equalized.

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CANADA

London Advertiser Aug. 21/25

074706

WEST MAKES WAR ON FREIGHT RATES

Alberta and Saskatchewan Move To Reduce Charges To Parity.

Canadian Press Despatch.

Ottawa, Aug. 20. — Unjust discrimination against the province of Alberta in the existing freight rates of Canadian railways is charged in a submission of the government of that province filed with the board of railway commissioners. The Saskatchewan government has also submitted a memorandum declaring that freight rates in western Canada (Saskatchewan, Manitoba and Alberta) are higher than in the east and that they should be reduced and brought to a parity with eastern rates. Both governments protest against the difference in rates on grain moving eastward under the Crows Nest Pass scale and grain moving westward to Vancouver.

"These rates should now be put on the same basis as the rates which are now in force from Edmonton, Calgary and other Alberta points to Fort William and Port Arthur for similar mileage," states the Alberta submission.

The Saskatchewan submission declares that "it is only just and reasonable" that similar rates should prevail on grain and flour moving west as east.

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074707

Gazette.

MONTREAL, SATURDAY, AUGUST 22.

RAILWAY RATES REVISION.

The Board of Railway Commissioners undertook a serious task when it started to revise and equalize freight rates throughout Canada. It began by inviting the public, individuals and organizations, governmental, municipal or industrial, in whatever trade or enterprise, to submit statements bearing on claims of the existence of unjust discrimination, undue preference, or unfair treatment in connection with the rates of freight charged on any sort of commodity. They have evidently been received in considerable number. The country is broad and geographically divided into sections, in each of which many conceive that their local interests are greater than those of the whole country. In the Maritime Provinces there are those who desire that railway freights should be fixed so as to secure for their districts advantages that conditions have not so far drawn to them. In the western provinces, there is a demand that the whole system of rates shall be revised so as to encourage greater shipments of grain from the prairies by Pacific coast ports. The governments of Saskatchewan and Alberta are agreed on this point. It is asked on their behalf that rates on freight moving westward should be put on the same basis as the rates which are now in force from Edmonton, Calgary and other Alberta points to Fort William and Port Arthur for similar milcage. The westbound rates are higher than the eastbound, the reason given being that the cost of operating westbound trains is heavier than in the case of those eastbound, due to the heavy grades that have to be overcome in crossing the mountain ranges between the plains and the coast. It is urged for Alberta also that on eastbound shipments the prairie and mountain scale differentials in the existing rate structure are out of line with present transportation and traffic conditions and unduly discriminate against the province. The rates should be equalized, it is urged, by reducing the westbound charges. The Saskatchewan presentation puts it that it is only just and reasonable that on grain or flour moving east or west similar rates should prevail. This may be regarded as a great issue, involving a decision of more than ordinary moment. Of relatively minor weight are demands for a rate on coal from Alberta points to points in Ontario and in Manitoba, so as to enable the Alberta coal producer to compete favorably with imported fuel in the latter province and establish a market in the former. A "development rate" is also asked to enable Alberta coke producers to supply Manitoba's needs. On behalf of the farmer a special rate on feed grain to British Columbia is sought, with lower rates on dressed poultry, eggs, fresh, frozen and cured meats, hides, and tallow, from Alberta points to Toronto, Montreal, Vancouver and Seattle. Better rates from the shipper's standpoint are also sought on live stock and farm products generally. This is a start. When the other provinces are heard from it will be added to and the magnitude of the task before the board increased. The questions presented involve more than railway charges for services rendered. The same sort of matters that have stirred the Maritime Provinces are involved in the demands raised in the west. How far the Board of Railway Commissioners will be successful, considering all the interests involved, in satisfying the opinion behind what has been presented to it is problematical.

The Board of Railway Commissioners of Canada was established under conditions somewhat different from those which called into being many bodies of like purpose in the United States, which often seemed to regard it as their first duty to enforce lower freight rates, and sometimes in their operations they enforced injustice. There was no popular demand in Canada for such an institution. Hon. Andrew G. Blair was the promoter in Parliament of the measure constituting the Board and he became first chief commissioner. He was a man of strong sense and independent mind, and did much to give its character to the institution. He had no prejudice against railways and did not consider a complaint against one as proof of its delinquency. The general tendency of the Board's decisions was in the direction of reducing charges. No general principle had fixed rates as they existed and there were many discrepancies. More was charged in some cases than in others for services of like or nearly like character. These when brought before the Board generally resulted in the lower rate being accepted as just, and the higher made to agree with it. The board, however, was not a body hostile to the railways, and even the managers admitted that it was rendering a public service. It won the confidence of the public. The traditions established in its early years have generally been followed. They were based on a regard for justice. The spirit that dictated them will be needed in deciding the complicated questions now being presented with such vigor. Not every change in rate pressed for by a shipper or a locality may be in the interest of the country as a whole, particularly when the country is the chief owner of a railway system which does not now earn its expenses.

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Gazette Montreal Sept. 1/25.

074708

MARITIME PROTEST ON RATE CHANGES

Premier Rhodes Sends Telegram to Secretary of Railway Board

Halifax, August 31.—Hon. E. N. Rhodes, premier of Nova Scotia, stated tonight that he had heard "disquieting rumors bearing the earmarks of authenticity," in the matter of the readjustment of freight rates by the Board of Railway Commissioners, and that in consequence of these rumors he had despatched the following telegrams to the Minister of Railway and the secretary of the Board of Railway Commissioners:

"Minister of Railways,
"Ottawa,———

"Respectfully urge consideration my telegram just forwarded to secretary Board of Railway Commissioners." (Quoting the following telegram): "'Secretary, Board of Railway Commissioners:

"Strongly protest against any decision or action by your board affecting the general rate investigation in reduction or adjustment of freight rates upon any one or more provinces, districts or localities wherever situated, except with reference to the adjustment of the whole Canadian rate structure after a full investigation has been had, as directed by the order-in-council of June last is made by your board. Otherwise, the whole rate structure so to be reviewed could not be adjusted equitably in terms of requirements of the reference to your board. Also, direct attention to my telegram addressed to your chairman August 29."

The telegram of August 29 asked the Board to withhold any rate decision until the Maritimes rate expert, had submitted his report.

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Gazette

MONTREAL, TUESDAY, SEPTEMBER 1.

RAILWAY RATE MEMORIALS.

The invitation of the Board of Railway Commissioners to send in complaints against the existing scales of railway freight rates, pending the general readjustment in contemplation, has been accepted in a way that may not have surprised but that surely makes the Commissioners appreciate that theirs is a big task indeed. What is asked for involves a general reduction of rates on practically every line of traffic. That the lowest existing rates should fix the standard for all is the general summing up of the memorials sent in. That of the Government of Manitoba asks that the rates of the Crow's Nest agreement on agricultural implements, binder twine, barbed wire, fruit, etc., be declared fair and reasonable, and asserts they are not lower than rates on similar commodities in other parts of Canada. Further, it is asserted that "the present system "and structure of rates is unjust, unreasonable "and discriminatory in that an undue burden "is placed upon the western consumer in ob-"taining his goods, and upon production in "primary industries, and this more particularly "in goods shipped under various classes." The memorial also asks that more commodity rates be granted on Manitoba shipments, that lumber rates to and in the province be lowered and that lower rates outward should be established on cattle, sheep, hogs and dairy products. Distribution rates throughout the province are also complained against as being unduly high as compared with those from the eastern United States to the western United States.

The case for the province of British Columbia applies for the removal of all discriminations in any and all freight rates for the shipment of any and all goods and commodities between points in the province and between points in the province and those in Alberta, Saskatchewan and Manitoba, the contention being also made that "all the rates mentioned are un-"justly and unreasonably high."

The Alberta Government asks for the removal of the "Mountain scale" westbound and for its readjustment eastbound; for the equalization of the tariffs affecting wholesale trade with other parts of Canada; for an export rate on grain westward on the same basis as eastward, and for commodity rates on coal and coke, on butter and on packers' products to encourage export and interprovincial trade. For Saskatchewan similar requests are made.

The Canadian Pulp and Paper Association raises the question as to "how far regulation "of rates is justified in relieving railways of "the necessity of so conducting their affairs "by economical administration, elimination of "non-essentials, and reduction of wages to a "level comparable with those of other indus-"tries such as they would be subjected to in "unregulated operation," which implies a wide enquiry indeed. The Canadian Coal Association seeks a general reduction in the rates on coal, both anthracite and bituminous. The Canadian Council of Agriculture seeks for a general revision of rates downward and complains that "western consumers in particular "and the agricultural population in general are "compelled to provide the major portion of rail-"way revenues."

The Maritime Provinces have yet to send in their pleas, but it is understood what they will be from the declarations made by their representative men and their press. They will request revision of rates downward, which would be a welcome thing to the shippers of the country, whatever else it would be and however destructive of the value of railway property. Some of the memorials seem to be designed to affect the voters rather than the Railway Commissioners. Their tendency will be to make the fixing of railway charges a matter of political discussion, if not of parliamentary action, something the Board of Railway Commissioners was designed to stop.

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Gazette

MONTREAL, SATURDAY, SEPTEMBER 5.

THE RAILWAY RATES DECISION.

The reduction in railway freight rates on grain and flour bound from the Prairie Provinces for export through Pacific coast ports has been long demanded on behalf of British Columbia, which brought the matter before the Board of Railway Commissioners. The westbound rates were higher, according to mileage, than those charged for eastbound traffic for shipment via the Atlantic. The reason was generally understood. Freight for Vancouver had to cross the Rocky Mountains, with unusually heavy grades, which necessitated a greater use of locomotive power and reduced the train load it was practical to haul, besides lessening the speed. The question involved was whether it was advisable to exact heavier tolls over a long section through difficult operating country for that portion of the freight carried over it, or to treat the whole road on the same basis, and equalize the freight rates throughout its length by raising them where such action was held advisable. The matter was one expected to come before the Board of Commissioners in connection with the general consideration of railway rates throughout Canada, preparations for which are now under way. The Board of Commissioners, acting through two of their number, Chief Commissioner McKeown and Commissioner Oliver, have decided the matter by disregarding the cost of operation on the section of the railway concerned, and ordering the rates to be equalized by taking as a basis the lower eastbound freight charges. An unusual incident was the issuance of a statement by Commissioners McLean, Boyce and Lawrence, a majority of the Board, maintaining that the matter of export grain rates via Pacific ports, with others before the board, should be dealt with as part of the general rate investigation now going on and decided by the general judgment to be delivered when the enquiry is completed. A majority of the Commissioners, therefore, is opposed to the action just announced, in the matter of timeliness, if not as to the lines of the order. The incident is unusual, and it is not the only unusual feature. The order, which is signed by the Chief Commissioner, sets out that the "grain business "of Canada is of sufficient importance to call "for special legislation concerning the rates "charged for transportation of grain and flour. "Irrespective almost of the cost of transporta-"tion, it is decreed that this national asset must "find its way to market, so far as railway "carriage is concerned, at a rate substantially "lower than other commodities bear." This statement suggests many possibilities of influences operating to nullify the avowed purpose of the Board of Railway Commissioners—the fixing of reasonably remunerative rates chargeable by the railways for the carriage of all classes of freight in all sections of the country. That further action of like character is contemplated by at least the two Commissioners concerned is plainly set out in the statement that it is probable that "action will have to "be taken by the Board in other directions to "meet situations which the interests of various "localities in Canada may demand."

Such is the bald narrative of the case; and from the incident arise several considerations. Have partisan politics induced the minority of the Board to make an ex parte ruling unsupported by the majority? To say so would not be an unfair inference. And yet if the Railway Commission is to be charged with partisanship its usefulness is at once destroyed. Vested with immense power, controlling and regulating rates, and all other functions of the railways save only operation, the Commission has been placed on the same pedestal as the judiciary, and has until now enjoyed public confidence in as large degree as the Bench. It is not that the order of the minority is wrong; on the contrary, it may be both reasonable and right, but the manner of making excites suspicion. Why should the minority have rushed their action without consultation with or concurrence of their colleagues? Especially may it be asked, why have the minority of the Board flown in the face of parliamentary direction, unless for an ulterior purpose thinly disguised? Parliament after deliberation directed the Railway Commission to equalize rates the country over, consistently with cost of operation and the various sectional interests; and now in utter disregard of this dominant instruction two members undertake to make rates for a few specified commodities in a particular part of Canada. The Maritime Provinces complain that existing rail rates prejudice development of their trade, and petition for redress. The complaint may or may not be well founded; but at least it is as worthy of precipitate minority action as the demand of British Columbia. Are the people of the Maritimes to be punished for their recent political action, and the people of Alberta and British Columbia to be asked to reward the Government for the conduct of its friends on the Commission, possibly tipped off in advance? We would deeply deplore were this the case, since the usefulness of the Railway Commission would be destroyed thereby. The thing, however, is done, though it has not been well done. Litigation may follow. The right of rule of a minority may be challenged. But this is a minor matter compared with the grave indiscretion of ignoring the instruction of Parliament and dealing piecemeal with the greatly important question of revising rates of all commodities the country over.

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Halifax Herald Sept. 15/25.

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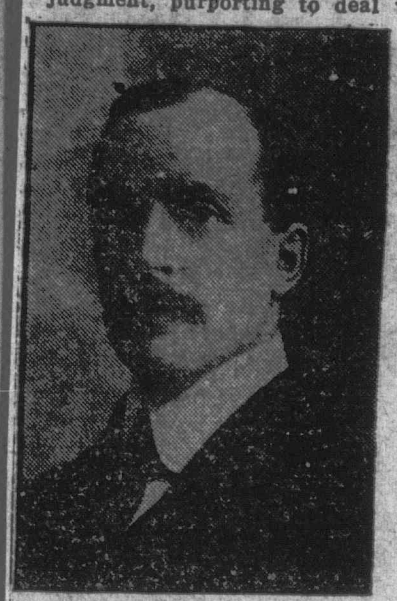
What of Rights of Maritimes?

Application of the Government of the Province of British Columbia for an Order reducing the rates on grain moving westward for export to the same rates, proportioned to the distance, as the same grain would carry if moving eastward for export. (FILE 30686.2.)

COMMISSIONER BOYCE: On August 29th last, after this case had been discussed at more than one meeting of the board, presided over by the Chief Commissioner, my brother Commissioner Lawrence and I informed the Chief Commissioner, in writing, through the secretary of the board, that if it was proposed to deliver any judgment, purporting to deal with the matters involved herein apart from the general rate investigation, of which the subject is a part, we desired to express our views. The judgment of the minority of the board was, however, issued without the knowledge of Commissioner Lawrence or myself, and order thereupon was signed by the Chief Commissioner, without according to me or to Commissioner Lawrence, as members of this board, the most usual and ordinary courtesy of perusing and preparing our opinions upon such judgment before an order issued in terms thereof.



A. C. BOYCE, K. C.

As I and my brother Commissioner Lawrence promised the Chief Commissioner that we would express ourselves, I am obliged, for the reasons just stated, to do so after order issued, but as part of the judgment of the board upon this complaint as it presents itself to me now. I refrain from further comment upon the ethics involved in excluding expression of opinion in dissent of members of the board by this method.

The Whole Rates Structure

EARLY in July this board proceeded, in pursuance of the direction contained in the order-in-council, P. C. 886, dated 5th June, 1925, which, inter alia, directs the board—

"to make a thorough investigation of the rate structure of railways and railway companies subject to the jurisdiction of Parliament, with a view to the establishment of a fair and reasonable rate structure which will under substantially similar circumstances and conditions be equal in its application to all territories and localities;"

to lay the groundwork for such a thorough investigation.

The Chief Commissioner of the board submitted to the members of the board a draft, prepared by him, of a document to be made public, outlining the policy and program to be followed by the board in commencing its duties under the order-in-council; and the Chief Commissioner called the board together to consider and settle the terms of said draft. At two meetings of the board that draft was considered and settled, and, by direction of the board, when and as settled by the board, that public notice was issued by the secretary of the board under date of July 9th last. At the time said notice was considered and settled by the board, testimony in this complaint had been heard before two members of the board and no decision had been given. The pendency of this complaint was referred to at that board meeting, and with due regard to this and all other pending complaints in like condition and with the concurrence of all members present, including the Chief Commissioner, the draft by him submitted for consideration of the board was charged, and, as finally settled, and evidenced by the initials of the Chief Commissioner, and as issued to the public, contained the following clause:

"Testimony now before the board in cases already heard and in which no decision has been given is not to be repeated. New and material evidence in such cases may be submitted in the usual way."

Applications Still Standing

BOTH the Canadian Pacific Railway Company and the Canadian National Railways, in writing, asked for leave to submit to the board "new and material evidence" in this case, as such notice in plain terms gave all parties to this or any other proceeding before the board the undoubted right to submit. Their application stood to be dealt with, as I presumed, as a part of the procedure in hearing the general case, and those applications are still standing for decision. All matters of rate complaints affecting any locality in Canada so stood from and after 9th July last to be dealt with under the procedure outlined in board's procedure contained in its public notice of that date.

The Canadian National Railways, whose revenues would be affected by any judgment granting this application to the extent of over a million dollars annually, protested that it had not even had notice of the hearing of this complaint, and no opportunity for preparing its case at the hearing.

After a careful and anxious examination of the proceedings, I find, as a fact, that no notice of hearing was ever given to the Canadian National Railways under the rules of this board, or otherwise, and what examination of the complaint did take place at the hearing at Vancouver in November last was, as far as the Canadian National Railways is concerned, entirely without due notice of hearing or service of complaint. The notice of hearing to all other parties was shorter than that usually allowed for such a hearing at a far distant point.

Primarily, therefore, the judgment of the Chief Commisioner purports to dispose of a complaint, involving an aggregate loss of revenue to both the large railways concerned (the one nationally-owned and already carrying a heavy annual deficit) estimated at nearly two million dollars annually, **WITHOUT ANY FORMAL NOTICE WHATEVER** as to the National Railway, and insufficient notice as to the other railway (C. P. R.)

It is difficult to conceive that such a condition of things should be possible in this country, and in view of the provisions of the Railway Act and the rules and practice of the board, and of what is generally accepted as a fundamental basis of natural justice—but the facts I state are as I find them from the record of the proceedings and were fully brought to the attention of every member of this board by strong protests from the railways, oft repeated and insisted upon, before any decision was prepared.

"I Entirely Dissent"

THE judgment of the minority members of the board, issued as the judgment of this board, is put forward as part of the judgment of the board upon the general rate investigation required be made under the order-in-council, P. C. 886, cited. It is so expressly made plain in the opinion of the Chief Commissioner. I entirely dissent from such being in any way binding upon the board, because:

(a) The board has, as a body, prescribed publicly the practice to be followed in making its investigations under the said order-in-council, and by its public notice had specially stated, that in cases like the present where testimony had been taken but no decision had been given, new and material testimony could be given. The railways having demanded that right and given notice that they intended to avail themselves of it; the case was not closed or ripe for decision;

(b) There was no investigation, whatever, of the complaint since in terms of the order-in-council, P. C. 886;

(c) Since the order-in-council passed the whole subject of the whole rate investigation was in the hands of the board as a whole, and the board, as a whole, was directing its course and no hearings of cases whatever had been held—or had been—or could be provided for until the periods of time for filing and answering complaints, and terms of notice generally of 9th July outlining preliminary steps to the hearings had respectively expired and been complied with.

(d) The whole case, as it now stands, having been laid before the board as part of the general investigation, the board first, without a dissenting voice, had precluded itself from dealing with this case, except as a part of the general investigation, and by a majority vote, at a meeting called by the Chief Commissioner to consider the decision upon this complaint, had decided that no such decision should be given except as part of such general investigation.

(e) The hearing of the complaint at Vancouver, at which all evidence upon which judgment was based, was conducted without notice to the Canadian National Railways which had protested against its validity and its protests had not been even considered the board.

Claims Of Maritimes

THE judgment of the Chief Commissioner, therefore, is clearly not the judgment of the board, but is contrary to the principles laid down in the board's notice to the public of 9th July last, above referred to, and to a resolution of the board, passed at a meeting of the board, held this 2nd day of September, called by and presided over by the Chief Commissioner for the purpose of considering this case at which Commissioner Oliver and all other members of the board were present, before any judgment as that now in question was completed, delivered, or issued, and which resolution is as follows:-

WHEREAS Order-in-Council, P. C. 886, of June 5th, 1925, directed the board—

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"to make a thorough investigation of the rate structure of railways and railway companies subject to the jurisdiction of Parliament, with a view to the establishment of a fair and reasonable rate structure which will under substantially similar circumstances and conditions be equal in its application to all territories and localities;"

it being set out that this was—

"so as to permit the freest possible interchange of commodities between the various provinces and territories of the Dominion, and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other varied industries."

AND WHEREAS it is set out that—

"'due regard' is to be given in particular to—

"(a) the claim asserted on behalf of the Maritime Provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919";

"(b) the encouragement of the movement of traffic through Canadian ports;

"(c) the increased traffic Westward and Eastward through Pacific coast ports, owing to the expansion in trade with the Orient, and to the transportation of products through the Panama Canal."

"AND WHEREAS the order-in-council has by its direction and by the wording contained in clause (c) above embodied as part of the investigation now before the board the consideration of the bearing inter alia of traffic Westward through Pacific coast ports, thus, of necessity, involving the question of rates on export grain;

"THEREFORE BE IT RESOLVED by the board that, in terms of the direction so given to it by order-in-council, P. C. 886, the matter of export grain rates via Pacific ports and other matters, if any, pertinent to the investigation in which hearing may have been held but judgment not rendered, must of necessity be dealt with as part of the general investigation and under the judgment to be rendered in connection therewith".

"A Thing Of Shreds And Patches"

THIS resolution, in the presence of all the members of the board, was proposed by the Assistant Chief Commissioner and concurred in by Commissioner Lawrence and myself. The Chief Commissioner and Commissioner Oliver dissented therefrom, and in accordance with usual procedure in this as in any other court, the majority governed and the resolution was carried and is now a resolution of the board, governing the conduct of the general investigation of freight rates in Canada, and was binding upon the Chief Commissioner when he subsequently issued his judgment.

The Order-in-Council of 5th June last specially and in plain terms deprecates "any partial or incomplete consideration of the freight rate structure," and calls for "a thorough and complete investigation of "the whole subject of railway freight rates in the Dominion." The disposition suggested by the judgment now offered is not only contrary to the policy and principle laid down by this board by the quoted resolution, but it is a direct departure from the directions of the order-in-council, as the whole rate investigation committted to the board by it and would, in its effect, make of the investigation of the whole rate structure insisted upon by the order-in-council A THING OF "SHREDS AND PATCHES," of no avail whatever, in the important work committed to the board of "the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions be equal in its application to all persons and localities so as to permit of the freest possible interchange of commodities between the various provinces &c.," as in the resolution of the board as quoted.

"Incredible And Grotesque"

IN the debate in Parliament upon the amendment to the Railway Act in regard to Crow's Nest Pass Agreement in June last, the claims of the Province of British Columbia, as presented to two members of this Board in Vancouver last November were presented to Parliament, which was urged to give relief by that legislation. Parliament, which had available to it if it desired them, all the proceedings and evidence submitted at the hearing, declined to accede to such request; and for the reason, clearly expressed, that the question was one for this board (not a minority against a majority thereof) but for the Board to deal with as part of the Canadian rate structure, the investigation of which had then been committed to this board by the order-in-council of 5th June.

It appears to me, therefore, that for two members of this board, in the face of the expressed negation of the majority of the board, embodied in a resolution of the whole board, at a meeting of the board, called for the express purpose of considering this complaint, and the desirability of disposing thereof, to attempt to do that which Parliament as recently as June last declined to do, is INCREDIBLE and GROTESQUE.

This complaint is either a part of the general rate investigation, or it is not. The answer in Parliament was that it IS such a part and is to be dealt with by the board as such a part. The board itself has so dealt with it in its notice of 9th July and its resolution of 2nd September, and, therefore, it is a very simple conclusion that no decision of a minority of the board can dispose of the question involved, any more than a minority judgment of the board can dispose of the complaints of the Maritime Provinces. The one case is on par with the other, and, if applied, the absurdity would run through the whole rate investigation and render it FUTILE and FARCICAL.

I specially refrain from commenting in any way on the merits involved in the complaint. I propose to deal with them when the time comes and according to the procedure laid down by the board, as I propose to deal with the complaints from every other province or locality in Canada, with an earnest desire to discharge my duty as a member of this board under the order-in-council, and after a careful and searching investigation of the Canadian rate structure in all—and not only one of its features—endeavor to do my part in fulfilling my duties and responsibilities with a view to the establishment of such a rate structure, as a whole, and with justice equally meted out to all localities, as is contemplated and insisted upon by the Government of this country, and which it is palpably impossible to do in the manner proposed by the judgment of the chairman of the board, which cannot be productive, in my judgment, of that confidence and respect of all interests in Canada concerned in the general rate investigation, which it is most essential should be conserved and maintained.

"Is In Full Sympathy"

THE United Farmers of Alberta at the annual convention, January 20th to 23rd last, passed a resolution dealing with the subject matter of freight rates Westbound from the Prairies. Under date 11th February last, a copy of this resolution was sent to the Chief Commissioner. It was not submitted to members of the board for their opinion thereon. On the date of its receipt (16th February, 1925) a letter was written by the Chief Commissioner to the acting secretary of the United Farmers of Alberta as follows:

"I beg to acknowledge receipt of your favor of the 11th instant enclosing copy of resolution adopted at the Annual Convention of the United Farmers of Alberta at its session last month, and hasten to assure you that the board is in full sympathy with the object of the resolution.

"The board took the initial step of obtaining an equality of freight rate involving, we hope, the removal of all mountain differential, but as our action has been held up by appeal in the Crow's Nest Pass Agreement matter, we have to await its disposition until we know exactly where we stand. I feel confident that we will be able to attain the full object of your resolution, as well as more satisfactory freight rate conditions than have ever previously obtained, as soon as the ground is cleared and we are able to proceed with the work knowing just what we have to meet.

"May I further say that the board will welcome any further suggestion on the part of your organization at any time you may be good enough to favor us with the same."

I deprecate the assurance contained in this letter, that "the board is in full sympathy with the object of the resolution," when the board had had no opportunity, as a board, of expressing its opinion thereon. I feel quite certain that in accordance with its usual practice in such cases the board, had it been consulted, would have referred to the fact that the matters involved in the resolution were under consideration in a case which had been presented to the board and in which there had not yet been any disposition. I cannot but think that the effect of the reply quoted will prove embarrassing to the board in attempting to deal judicially with the matters involved in the whole rate investigation.

"Novel And Unique Procedure"

THE minority judgment of the Chief Commissioner in sharply at variance with the judgment of the board upon the same rate principles as are now involved in that locality. (See Judgment of the Board, Vol XII (1922) pp. 61 et seq, with special reference to what is set forth on pp. 71 and 72). That was a judgment of the board, without a dissenting voice, practically a unanimous pronouncement by the board in 1922, after lengthy and searching investigation. The present Chief Commissioner and Mr. Commissioner Oliver were not then members of the board. To attempt under these conditions to over-ride and set at nought by a minority of the board, after a palpably informal, hasty and irregular hearing, the considered judgment of the board, is a novel and unique procedure.

The disposition now attempted cannot be effective in any way toward a final disposition of this part of the general investigation into freight rates constituting the whole structure relative to its parts, and of the parts in relation to the whole. Only the fullest investigation of all parts of that structure in every locality in Canada, with a view to harmonizing those parts in relation to the whole structure, will satisfy the plain requirements of the order-in-council and enable the board to function thereunder.

All orders of this board dealing with rate matters, before signature, are by the long and safe practice of the board, required to be approved and bear the initials of the Chief Traffic Officer of this board. This practice has consistently been followed, EXCEPT IN THIS CASE, when the order of the minority was issued without submitting for, or obtaining the approval thereto of that official, whose special expert knowledge on rate problems has always been relied upon with confidence by this board. Why this most desirable and safe practice should not have been followed in this case; and why no copy of judgment, or order was, before issue, submitted to any member of the board in the usual way for an expression of his opinion upon so important and far-reaching matter, affecting the whole rate structure under investigation; and why effort should be made to

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commit the board in writing to sympathy with a resolution dealing with and going to the merits of the case while before the board, without submitting same to the board; and why the plain commitments of the board, with the approval of the chairman, in its public notice of 9th July last, as to dealing with all pending cases as part of the general investigation upon which the board was then embarking, should be **UTTERLY DISREGARDED**, with the protests of the railways as to absence of notice of hearing of the complaint and insistence upon their undoubted right conceded by the board to submit further evidence—are some of the questions requiring answer and explanation in the face of the apparent desperate desire, suddenly developed, to dispose, by a minority of the board, against the judgment of the majority, of a complaint which had been pending for more than a year, and which the whole board had previously, as recently as July, publicly treated as one still open and to be dealt with (if required upon new evidence) as part of the general rate investigation.

"Celerity And Secrecy"

FOR these reasons I dissent, as I have before in writing stated to the Chairman I would dissent, from the disposition he proposes to make of this complaint in advance of such consideration as it should receive as an important part (though only a part) of the whole rate structure, which I conceive to be the duty of the whole board to investigate.

But for the deplorable celerity and secrecy with which judgment and order of the minority of the board were issued, the judgment would have been over-ruled by the expressed dissent of the majority.

But the meeting at which the board's resolution of 2nd September was carried by the majority and expressed such dissent, was adjourned with no intimation that any judgment of the minority would be prepared, and such judgment of the minority and order thereupon issued, and the pretended effect thereof telegraphed to the complainants in the far West before any intimation was made that such decision would be handed out.

The issue of an order of the board, I would point out, was only made possible in this case and under these conditions, by the mere accident of circumstances that the Chief Commissioner, primarily, has the power to sign the orders of the board. It needs no argument to show the utter fallacy of any contention put forward as a justification or excuse for issuing such an order in the circumstances I have detailed, giving effect, as it pretends to do, to the views of the minority in opposition to the majority decision as regards matters before the board at a meeting of the Board, presided over by the Chief Commissioner, and called by him, for the consideration of the identical matter assumed to be dealt with by the order, and at which meeting every member of the board was present and expressed his opinion. Had the situation been varied, in the same circumstances confronting the Board, so that any other commissioner than the Chief Commissioner had sat at what hearing took place in Vancouver with Commissioner Oliver, no order of the board could have issued giving effect to the will of the minority against the majority. This is an indisputable fact. Only the Chief Commissioner (or, in his absence, the Assistant Chief Commissioner, or any other commissioner designated by the Chief Commissioner to sign orders, and none have been so designated by him) can sign orders of the board.

The orders of the Board are intended and presumed to express the will of the board. This order expresses the CONTRARY. Its issue was, in my opinion, improper and in contravention of the powers of any Chief Commissioner under the Railway Act, and assumes or usurps a power of veto of the will of the Board, as expressed by the majority, which no Chief Commissioner possesses.

Majority Should Prevail

THIS Board is constituted by the Railway Act, which provides (Section 9, ss (2) that the commission "shall be a Court of Record, and have an official seal which shall be judicially noticed." In this commission, until now, as regards matters brought before the board, as this mttter was, the majority opinion of the board has always prevailed. It has been the wholesome practice of this board, until now, to invariably consider in board meeting, as a whole board, any important rate question, irrespective of what members of the board sat at the hearing thereof. The majority opinion of the board in such deliberations always prevailed and was given effect to. In one case the views of the later Chief Commissioner (Hon. F. B. Carvell), strongly expressed, concurred in by one other commissioner, were not concurred in by three other members. The decision of the majority prevailed and the order was issued. **I see every reason for approval of that procedure; I see none—in fact or law—to this case merely by use of the methods I have referred to and which I unhesitatingly deprecate and deplore.**

I assert my claim to express my opinion equally with that of the Chief Commissioner and Commissioner Oliver upon this case. Every member of this board has the same right under the constitution of this board. That in signing an order against the will of those members of the board in the majority, whose views were opposed to and had no idea or intimation that such would be made, the Chief Commissioner should presume or pretend to exclude such a right—especially in so important and grave investigation affecting the whole Canadian rate structure committed by the Government of Canada—is a matter upon which I can do no more than record my **EMPHATIC PROTEST.**

The order, improperly issued, should be forthwith rescinded, and all matters involved in the complaint should be reserved for the consideration of the board in the same manner and subject to the same principles and procedure as those complaints from any other province or locality in Canada, in the general investigation of the whole rate structure, under the terms of the order-in-council, P. C. 886, and the notice thereunder issued to the public, dated 9th July last, and such matters involved in this complaint should not be separated from such general investigation for special and preferential treatment which would only result in the board's functions in dealing with the whole structure being crippled and embarrassed.

(Sgd.) A. C. B.

Ottawa, September 3rd, 1925.

I concur

(Sgd. C. L.

He Never Saw It!

Application of the province of British Columbia for an order reducing rates on grain and flour moving Westward for export to the same rates, proportioned to distance, as the same would carry if moving Eastward for export. File 30686.2.

COMMISSIONER LAWRENCE:—I concur in the memorandum of Mr. Commissioner Boyce, in which he has dealt generally with the legal phase of this question; but I feel I would be remiss in my duty if I did not take the opportunity of making a few observations thereon.

On July 9th, 1925, the board sent to all interested parties a circular which, among other things, on page 3, contains the following paragraph:—

"Testimony now before the board in cases already heard and in which no decision has been given is not be repeated. New and material evidence in such cases may be submitted in the usual way."

The circular referred to, the above paragraph of which is quoted, was drafted by the Chief Commissioner and was thoroughly discussed at a board meeting, called by him, before it was sent out; and there is not the least doubt in my mind but that the Chief Commissioner understood that it applied to the British Columbia situation, as well as to all points and places in the Dominion of Canada. Therefore, I cannot understand why his change of opinion, inasmuch as there have been many protests from different interests and from several places and localities against the board taking any action or giving any decision affecting any place or locality on the rate question until such time as the whole question of rate structure had been thoroughly investigated, or until every person or persons had been given an opportunity to be heard upon every phase of the whole matter. This was intimated in our circular of July 9th last, and so understood by the board. Therefore, I am of opinion that we are in honor and duty bound, as well as obligated by our oath of office, to observe the board's obligations as set out in said circular of July 9th, 1925.

I, therefore, in the interest of the public generally, and also with the object of keeping inviolate the principles laid down in former actions, i. e., serving the whole of the Dominion of Canada with equal fairness, dissent from the judgment of the Chief Commissioner, a copy of which I had not seen until AFTER it had been given to the public and telegraphed to applicants, and I was thereby denied the usual privilege of pronouncing upon the same which, I think, should have been done, particularly after the matter had been discussed by the whole board.

I think that, in the public interest, an order should issue countermanding Order No. 36769, dated September 2nd, 1925.

(Sgd.) C. L.

Ottawa, September 4th, 1925.

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074714

EXTRACTS FROM DISSENTING JUDGMENTS

"IT is difficult to conceive that such a condition of things should be possible in this country."

* * * *

"THE orders of the Board are intended and presumed to express the will of the Board. This order expresses the contrary."

* * * *

"BUT for the deplorable celerity and secrecy with which judgment and order of the minority of the Board were issued, the judgment would have been over-ruled by the expressed dissent of the majority."

"TO attempt, under these conditions, to over-ride and set at naught by a minority of the Board—after a palpably informal, hasty and irregular hearing—the considered judgment of the Board, is a novel and unique procedure."

* * * *

"I . . . . dissent from the judgment of the Chief Commissioner, a copy of which I had not seen until after it had been given to the public and telegraphed to applicants; and I was thereby denied the usual privilege of pronouncing upon the same which, I think, should have been done, particularly after the matter had been discussed by the whole Board."

WOULD BE "FUTILE AND FARCICAL

WE print on this page today the full text of the dissenting judgments of two members of the Canadian Board of Railway Commissioners, and the text of the resolution of a majority of the Board, protesting against the order applying the Crow's Nest Pass rail rates to traffic Westbound, for export through Pacific ports. The order, as is now well known, was issued by a minority of the Board—two members—the Chief Commissioner and Commissioner Frank Oliver. Of this order Commissioner Boyce declares:

"It appears to me, therefore, that for two members of this Board, in the face of the expressed negation of the majority of the Board, embodied in a resolution of the whole Board, at a meeting of the Board, called for the express purpose of considering this (British Columbia) complaint, and the desirability of disposing thereof, to attempt to do that which Parliament as recently as June last declined to do, is incredible and grotesque.

"This complaint is either a part of the general rate investigation, or it is not. The answer in Parliament was that it IS such a part and is to be dealt with by the Board as such a part. The Board itself has so dealt with it in its notice of 9th July and its resolution of 2nd September, and, therefore, it is a very simple conclusion that no decision of a minority of the Board can dispose of the question involved, any more than a minority judgment of the Board can dispose of the complaints of the Maritime Provinces. The one case is on par with the other; and, if applied, the absurdity would run through the whole rate investigation and render it FUTILE and FARCICAL."

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Citizen Ottawa Sept. 18/25.

074715

SCORES MR. MEIGHEN OVER FREIGHT RATES

B. C. Premier Asks Why Conservatives Did Not Seek Amendment.

(Canadian Press).

VICTORIA, B.C., Sept. 17—Premier John Oliver today criticized Rt. Hon. Arthur Meighen, Conservative leader, who is reported to have said in Halifax Monday that freight rate reductions secured by the West on grain and flour are " utterly indefensible."

"If the Conservative leader and his following really believed that the recent legislation was discriminatory in its effect," said Mr. Oliver, "why did they not seek to amend the legislation during the course of its passage through parliament?"

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Rep

074716

Saskatoon, Sask.,
October 2, 1925.

Dear Mr. Watts:

I duly received your letter of the 28th, together with enclosure. I think you will find the idea embodied in your memorandum, and urged in your letter, is much the same as that contained in the resolution which was moved by myself in Parliament on the 2nd June last - copy is attached hereto.

Parliament cannot legitimately interfere with railway rates save by the plan of itself contributing to rates fixed by the Railway Commission. If this principle can be embodied in Canadian policy, it will, I think, do much to cement the entire Dominion and to stimulate production in the more extreme portions of our country.

Yours very truly,

C.B. Watts, Esq.,
Sec.-Treas.,
The Dominion Millers' Assn.,
1801 Royal Bank Bldg.,
Toronto, Ont.

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074717

MANITOBA CASH AND OPTION GRAIN A SPECIALTY
MEMBERS OF THE WINNIPEG GRAIN EXCHANGE
AND THE TORONTO BOARD OF TRADE

TELEPHONE:
ADELAIDE 4740

C. B. WATTS,
SEC. TREASURER

The Dominion Millers' Association
INCORPORATED 1892
1801 ROYAL BANK BUILDING
TORONTO, CANADA

September 28, 1925.

Honorable Arthur Meighen,
Royal Alexander Hotel,
Winnipeg, Man.

Dear Sir:-

Re Reduction in Export Freight Rates.

Mr. Ryckman asked me to write you direct re the above as he just got back from Ottawa and is under such pressure it would save him time if I wrote you direct.

I note that you have in your addresses in the East referred several times to a policy in regard to reduction in freight rates without giving details, and trust this was simply preliminary to making some definite announcement during your Western tour that would result in securing the support of the Western farmers along the lines suggested by A. E. Watts, Brantford, which you so favorably commented on.

I sent a copy of Mr. A. E. Watts' letter to Colonel Price and he forwarded it to Mr. Ryckman and his Committee.

There is nothing new in the proposals for an increased Customs Tariff, but I have talked over the matter with various gentlemen and the feeling is that something more radical than has yet been publicly advocated is necessary to secure the support of the West on account of their attitude regarding high tariff.

The feeling is that if the policy of low rail freights on all farm products exported by Canadian Ports meets your approval a definite announcement along these lines would help the situation in the West in a way that nothing else will.

I enclose a memo I prepared along these lines, and believe that this reduction could be applied in such a way that it would help to solve the Western Freight rate situation.

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074718

MANITOBA CASH AND OPTION GRAIN A SPECIALTY
MEMBERS OF THE WINNIPEG GRAIN EXCHANGE
AND THE TORONTO BOARD OF TRADE

TELEPHONE:
ADELAIDE 4740

C. B. WATTS,
SEC. TREASURER

The Dominion Millers' Association
INCORPORATED 1892
1801 ROYAL BANK BUILDING
TORONTO, CANADA

Say make an export rate 10% less or whatever is necessary to bring the western rates existing before the recent order of the Board down to the Crows Nest rates to Fort William.

No reduction would be made on these rates to Fort William as they were fixed by Parliament under agreement, and grain going to Fort William may go from there by boat to Buffalo or to Montreal, and as the Canadian Railroads would not have any haul east of Fort William out of it there would be no reduction, but if it went all rail from Fort William or lake and rail so the Canadian Railroads East of Fort William had a haul out of it, then the reduction would apply.

It would also apply on cattle, etc. shipped all rail from the West; in fact on all farm commodities excepting those going to Fort William, and it would apply to them on such portion of the all rail freight east of Fort William as was charged.

This policy would have the double effect of reducing the freight charges on farm products exported, thus bringing the farmers a higher price for the same and also build up the traffic via Canadian ports instead of via United States ports and bring increased revenues to our railroads because under present conditions the great bulk of our western grain is shipped by Buffalo or all water to Montreal, from which our railroads do not receive any revenue east of Fort William.

Since writing the above I have had the opportunity of laying this letter and the enclosure before a remarkably well informed man on freight rates and one that has very great influence in the Canadian Manufactures Association, and he expressed a strong personal approval of the above proposals. In fact, he would be prepared, if necessary, to attain the object aimed at, to make a greater reduction than 10% on farm products exported.

In this connection I realize that some steps would have to be taken to prevent the ocean freight rate absorbing the reduced rail freights so as to give the farmers the full benefit of reduction. I am just mentioning this point to you to show you that I think I have considered every phase of this question but would not think it advisable for you to make any reference to this at the present time, but should some one bring it up you could sey that this would be controlled in some way such as the ocean rate must be no higher than from U.S. Ports

Yours sincerely,
C.B. Watts

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074719

Re Higher Tariff and Lower Freight Rates On Farm Production for Export.

Memo. by C. B. Watts on policy suggested by A. E. Watts, Brantford.

1. Raise present tariffs to practically that equivalent to the United States tariff generally on all imports except raw materials required by our manufacturers.

2. To grant a bonus on all farm products exported, in the shape of a reduction on the freight paid to the rail roads on shipments via Canadian ports.

This policy should meet the approval of the manufacturers on one hand and the farmers on the other hand.

You may say that a reduction in freight rates would increase the deficit of the railroads, but as it would only apply on farm products which pay rail freight to Canadian export ports the rebates would not be nearly as heavy as might be expected, but it would have the effect of increasing the price of the farmers products fo the farmer by whatever route they were exported because the price to the farmer is fixed by the export value after all the charges are deducted, and the lower these charges the bigger return to the farmer.

Higher prices to our farmers in the Northwest will result in increased immigration, and it is to this source that we must look for increased revenues to the Railroads, as without increased production there can be no increase in railroad revenues.

Increased immigration would also bring an increase in the domestic consumption which would mean increased revenue from this source, there being no reduction on the domestic freight rates.

Reduction FARM in export freight rates would mean the increased production of ~~foreign~~ products for export, and with increased immigration there would also be an increased production of farmers products for export and this combination would very quickly give the railroads greater revenues than they can possibly hope to have unless radical steps are taken to increase production in this country, as only by increased production can there be any increase in railroad revenues.

The natural tendency of freight rates is downwards on account of the increase in the Steamboat competition, and also in the competition of motor vehicles, but on the long rail hauls the railroad has the monopoly and by increasing production they are assured of an increase in the revenues from this source, so every encouragement should be given to increase the production of our exportable surplus because our domestic consumption has reached its limit ~~without~~ UNLESS WE increasing our population by additional immigration.

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074720

Re Higher Tariff and Lower Freight Rates
On Farm Production for Export.

The adoption of this policy should unite the Western and Eastern Provinces in a strong consolidated unit, as the bulk of the import taxes are paid by the Eastern Provinces and the deficits resulting from the reduction in export freight would have to be made up from the taxes paid by the East. If this policy was adopted by the Conservative Party and announced at once it should prove a very important factor in gaining support throughout the Western Provinces as well as the East and result in the return of a party that would inaugurate a truly Canadian policy to build up Canada as suggested above.

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074721

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
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Form 6[illegible] Replacing [illegible]

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HON ARTHUR MEIGHEN 463

OTTAWA ONT

THE QUESTION OF ERECTING GRAIN ELEVATORS ON SYDNEY HARBOR HAS BEEN DISCUSSED BY THE BOARDS OF TRADE HERE FOR THE LAST FIFTEEN YEARS AND ALWAYS CONSIDERED ABSOLUTELY FEASIBLE GIVEN RETURN FREIGHT OF COAL TO HEAD OF LAKES SUCH RECIPROCAL ARRANGEMENT WITH REGARD TO FREIGHT HAS ALWAYS BEEN CONSIDERED BY US AS A SOLUTION OF GETTING OUR COAL WEST WITHOUT EXTRA COST OF FREIGHT.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

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CANADA

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

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074722

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Replacing Form 1-TW

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Cable Service to all the World
Money Transferred by Telegraph

RA353 SHEET 2/18

STEAMER GOING TO AND FROM STLAWRENCE TO LIVERPOOL PASS THIS HARBOR AT A DISTANCE OF ABOUT FIFTY MILES

W S THOMPSON.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

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CANADA

074723

Ottawa, Nov. 7, 1925.

S.W. Thompson, Esq.,
North Sydney,
N.S.

Dear Mr. Thompson:

Your collect message of the 28th Oct. to hand. You will have noted in the press that Mr. King has decided to cling to office. From this it is clear I shall not have the opportunity of dealing with the question referred to in your wire. Later on should a change of government occur then I would suggest that you bring this to the attention of our members from Nova Scotia who will then consult with me on the subject.

Yours very truly,

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CANADA

074724

Ottawa, Nov. 7, 1925.

Dear Mr. Thompson:

Your kind message of the 28th October to hand. You will have noted in the press that Mr. King has decided to cling to office. From this it is clear I shall not have the ppportunity of dealing with the question referred to in your wire. Later on should a change of governmmnt occur then I would suggest that you bring this to the attention of our members from Nova Scotia who will then consult with me on the subject.

Yours very truly,

S.W. Thompson, Esq.,
North Sydney,
N.S.

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MANITOBA CASH AND OPTION GRAIN A SPECIALTY
MEMBERS OF THE WINNIPEG GRAIN EXCHANGE
AND THE TORONTO BOARD OF TRADE

TELEPHONE:
ADELAIDE 4740

C. B. WATTS,
SEC. TREASURER

074725

The Dominion Millers' Association

INCORPORATED 1892

1801 ROYAL BANK BUILDING

TORONTO, CANADA

November 28, 1925.

Confidential

H. H. Stevens, M. P.,
Ottawa,
Canada.

Dear Sir:-

In further reference to your favoe of the 16th inst., Mr. W. L. Parrish of Winnipeg came in to see me enroute from Ottawa, where he had been called in consultation with Mr. King.

Mr. Parrish tells me that they expect to get through all right at the Christmas Session, as the members will not want to lose their salary, but that they are doubtful about being able to carry through the session after the new year. In any event they expect an appeal to the country at the end of the next session, as they feel the Government cannot be carried on under present conditions.

I think if you read over my brother's proposal as elaborated in my letters to the Honorable Arthur Meighen you will conclude that a proposition of this kind has the best prospect of defeating the Honorable Mackenzie King, as it would not only get the support of the Protectionists in Quebec and elsewhere, but would get the support of the Farmers, not only in the West but in Ontario, Quebec and the Eastern Provinces.

I enclose you an extra copy of my letters that you might hand to Sir Henry Drayton, who, from his experience as Chairman of the Board of Railway Commissioners, will see that the proposition is feasible and be able to work out a reasonable proposition that would be fair to the railroads and not burdensom on the revenues of the country resulting from the higher duties.

It would be useless to submit the proposal to the present Board of Railway Commissioners, as the only one that has an intimate knowledge of freight rates is Vice Chairman McLean, and his judgments during the past five or six years on cases that our Association has brought before the Board have indicated that his sympathies are entirely with the Railroads and against the public.

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074726

MANITOBA CASH AND OPTION GRAIN A SPECIALTY
MEMBERS OF THE WINNIPEG GRAIN EXCHANGE
AND THE TORONTO BOARD OF TRADE

TELEPHONE:
ADELAIDE 4740

C. B. WATTS,
SEC. TREASURER

The Dominion Millers' Association

INCORPORATED 1892

1801 ROYAL BANK BUILDING

TORONTO, CANADA

In fact, a couple of years ago Mr. Walsh, Manager of the Canadian Manufacturers Association told me they had ceased bringing cases before the Board, because it was useless, that while they were established at the request of the Canadian Manufacturers Association, Boards of Trade and our Association to protect the public, they seemed to function the opposite way.

I would be very pleased of an opportunity to talk the matter over with you or Sir Henry if you will be in Toronto at any time.

I trust the Honorable Arthur Meighen will be much benefited by his rest after his strenuous campaign, and that he will be able to submit to the House a policy that will secure the support of the majority of the members so he can appeal to the Country instead of Mr. King.

Sincerely yours,

C. B. Watts

CBW/HD

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074727

Toronto, Ont.
November 13, 1925.

Honorable Arthur Meighen,
Ottawa,
Canada.

Dear Sir:-

Reduced Freights on Farm Products Exported.

It is very much to be regretted that in spite of the gallant fight you put up you have not a clear majority of the House.

To secure this it will be necessary to get the support of the Progressives to defeat the Honorable Mr. King.

The proposal put forward to you by A. E. Watts of Brantford on August 10 would, I believe, compel every Progressive to support you, and if combined with a high tariff, the increased revenues from which would be used to make refunds to the railroads to the extent of the loss incurred owing to the rebates made in freight on the farm products exported along the lines of my memorandum of September 28, you should get the support of the Liberal Protectionists also.

I noticed from an editorial in the "Toronto Star" recently they claimed that at Edmonton you promised a reduction in freight on coal shipped from one part of Canada to another. This is along the lines of A. E. Watts' proposal, but would receive very limited support compared with the broad proposal he made, as really those interested in coal mining in Alberta and Nova Scotia would be the only ones benefited, but the whole of the agricultural community from the Atlantic to the Pacific would be benefited by the reduced freight on farm products exported.

Mr. A. Dobson from Northern Saskatchewan, formerly a miller at Beaverton, Ontario, a strong Conservative, called on me last week and said that such a policy would, undoubtedly, have great influence in the West.

Mr. Dobson also said that the completion of the Hudson Bay Railway would do more than anything else to remove the antagonism which the West felt against the East, as the feeling in the West was that the only reason the Hudson Bay Railway was not completed was that the capitalists in the East interested in the Canadian Pacific Railway feared the loss of revenue which the opening of the Hudson Bay Railway would en-

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074728

tail, but there was no reason why every bushel of wheat and every head of cattle produced in the West should pay unduly high freight rates for the benefit of eastern capitalists.

Mr. Dobson said that the Honorable Mackenzie King stated in the West that there was $5,000,000 on hand, proceeds of the sale of Western lands, to complete the Hudson Bay Railway, and as their money was on hand to complete it the West felt it was an outrage that it was not used for this purpose.

Personally, I have no faith in the feasibility of the Hudson Bay route as being an important factor in reducing freight rates, on grain at least, but if it is going to improve relations between the East and the West $5,000,000 spent in completion of the Railroad to Churchill would be a small sum to pay, especially when we consider the large amounts which have been voted even lately for a less laudable purpose.

I believe if you could anticipate the Honorable Mackenzie King by announcing both these policies plainly and unequivocally that you would secure such support in the House and in the Country that it would be settled beyond doubt that the Conservative Party would control the destinies of the Dominion for years to come.

As I see that you consulted with the Honorable Mr. Ferguson at Ottawa immediately after the election, I am sending a copy of this letter to him as well as the original letter of A. E. Watts and my memorandum of the 28th of September to you. Also to Mr. Ryckman, to whom Colonel Price referred me as Chairman of the Committee, and who asked me to write you direct on September 28th, so they will be cognizant of this proposal if you wish to consult with them.

Sincerely trusting that you can see your way clear to adopt the above suggestions and that the result will be as I forecast, I remain

Very sincerely yours,

C. B. Watts

CBW/HD

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CANADA

074729

September 28, 1925.

Honorable Arthur Meighen,
Royal Alexander Hotel,
Winnipeg, Man.

Dear Sir:-

Re Reduction in Export Freight Rates.

Mr. Ryckman asked me to write you direct re the above as he just got back from Ottawa and is under such pressure it would save him time if I wrote you direct.

I note that you have in your addresses in the East referred several times to a policy in regard to reduction in freight rates without giving details, and trust this was simply preliminary to making some definite announcement during your Western tour that would result in securing the support of the Western farmers along the lines suggested by A. E. Watts, Brantford, which you so favorably commented on.

I sent a copy of Mr. A. E. Watts' letter to Colonel Price and he forwarded it to Mr. Ryckman and his Committee.

There is nothing new in the proposals for an increased Customs Tariff, but I have talked over the matter with various gentlemen and the feeling is that something more radical than has yet been publicly advocated is necessary to secure the support of the West on account of their attitude regarding high tariff.

The feeling is that if the policy of low rail freights on all farm products exported by Canadian Ports meets your approval a definite announcement along these lines would help the situation in the West in a way that nothing else will.

I enclose a memo I prepared along these lines, and believe that this reduction could be applied in such a way that it would help to solve the Western Freight rate situation.

Say make an export rate 10% lower or whatever is necessary to bring the western rates existing before the recent order of the Board down to the Crows Nest rates to Fort William.

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074730

No reduction would be made on these rates to Fort William as they were fixed by Parliament under agreement, and grain going to Fort William may go from there by boat to Buffalo or to Montreal, and as the Canadian Railroads would not have any haul east of Fort William out of it there would be no reduction, but if it went all rail from Fort William or lake and rail so the Canadian Railroads East of Fort William had a haul out of it, then the reduction would apply.

It would also apply on cattle, etc. shipped all rail from the West; in fact on all farm commodities excepting those going to Fort William, and it would apply to them on such portion of the rail freight east of Fort William as was charged.

This policy would have the double effect of reducing the freight charges on farm products exported, thus bringing the farmers a higher price for the same and also build up the traffic via Canadian ports instead of via United States ports and bring increased revenues to our railroads, because under present conditions the great bulk of our western grain is shipped by Buffalo or all water to Montreal, from which our railroads do not receive any revenue east of Fort William.

Since writing the above I have had the opportunity of laying this letter and the enclosure before a remarkably well informed man on freight rates and one that has very great influence in the Canadian Manufacturers Association, and he expressed a strong personal approval of the above proposals. In fact, he would be prepared, if necessary, to attain the object aimed at, to make a greater reduction than 10% on farm products exported.

In this connection I realize that some steps would have to be taken to prevent the ocean freight rate absorbing the reduced rail freights so as to give the farmers the full benefit of reduction. I am just mentioning this point to you to show you that I think I have considered every phase of this question but would not think it advisable for you to make any reference to this at the present time, but should some one bring it up you could say that this would be controlled in some way such as the ocean rate must be no higher than from U. S. Ports.

Yours very truly,

C B Watts

CBW/HD

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CANADA

C
O
P
Y.

1801 Royal Bank Building,
Toronto 2, September 28, 1925.

074731

Re Higher Tariff and Lower Freight Rates
on Farm Production for Export.

Memo. by C. B. Watts on policy suggested
by A. E. Watts, Brantford
in letter to Hon. Arthur Meighen August 10/25.

1. "Raise present tariffs to practically that equivalent to the United States tariff generally on all imports except raw materials required by our manufacturers."

2. "To grant a bonus on all farm products exported, in the shape of a reduction on the freight paid to the rail roads on shipments via Canadian Ports."

This policy should meet the approval of the manufacturers on one hand and the farmers on the other hand.

You may say that a reduction in freight rates would increase the deficit of the railroads, but as it would only apply on farm products which pay rail freight to Canadian export ports the rebates would not be nearly as heavy as might be expected, but it would have the effect of increasing the price of the farmers products, to the farmer, by whatever route they were exported because the price to the farmer is fixed by the export value after all the charges are deducted, and the lower these charges the bigger return to the farmer.

Higher prices to our farmers in the Northwest will result in increased immigration, and it is to this source that we must look for increased revenues to the Railroads, as without increased production there can be no increase in railroad revenue.

Increased immigration would also bring an increase in the domestic consumption which would mean increased revenue from this source, there being no reduction on the domestic freight rates.

Reduction in export freight rates would mean the increased production of farm products for export, and with increased immigration there would also be an increased production of farmers products for export and this combination would very quickly give the railroads greater revenues than they can possibly hope to have unless radical steps are taken to increase production in this country, as only by increased production can there be any increase in railroad revenues.

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074732

Re Higher Tariff and Lower Freight Rates
on Farm Production for Export.

The natural tendency of freighr rates is downwards on account of the increase in the Steamboat competition, and also in the competition of motor vehicles, but on the long rail hauls the railroad has the monopoly and by increasing production they are assured of an increase in the revenues from this source, so every encouragement should be given to increase the production of our exportable surplus because our domestic consumption has reached its limit unless we increase our population by additional immigration.

The adoption of this policy should unite the Western and Eastern Provinces in a strong consolidated unit, as the bulk of the import taxes are paid by the Eastern Provinces and the deficits resulting from the reduction in export freight would have to be made up from the taxes paid by the East.

If this policy was adopted by the Conservative Party and announced at once it should prove a very important factor in gaining support throughout the Western Provinces as well as the East, and result in the return of a Party that would inaugurate a truly Canadian policy to build up Canada as suggested above.

E. B. Watts

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074733

Ottawa, November 16, 1925.

Dear Mr. Watts:

Right Honourable Mr. Meighen has left for a very much needed rest after the strenuous campaign through which he has just passed and in his absence and at his request I am attending to the correspondence coming to his office here. Your letter of November 13th is before me and the subject matter, namely, reduced freights on farm products, is, I know, one in which Mr. Meighen is deeply interested and I will see that the views expressed therein are brought to his attention on the occasion of his return.

Yours sincerely,

C.B. Watts, Esq.,
Royal Bank Bldg.,
Toronto, Ont.

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MANITOBA CASH AND OPTION GRAIN A SPECIALTY
MEMBERS OF THE WINNIPEG GRAIN EXCHANGE
AND THE TORONTO BOARD OF TRADE

074734

TELEPHONE:
ADELAIDE 4740

C. B. WATTS,
SEC. TREASURER

The Dominion Millers' Association

INCORPORATED 1892

1801 ROYAL BANK BUILDING

TORONTO, CANADA

November 16, 1925.

Honorable Arthur Meighen,
House of Parliament,
Ottawa, Canada.

Dear Sir:-

Re Freight Reduction on Farm Products Exported.

A telegram from Washington via the International News this morning reads as follows:- "Legislation to aid the farmer by subsidizing export of grain from an excise tax on that consumed here and to force support of weak railroads by merger with profitable ones" was advocated by Senator Cummins, Chairman of Senate I. C. C. Committee."

It is evident from the above that plans along the line suggested by A. E. Watts of Brantford are receiving serious consideration in the United States.
Their idea, however, of taxing the home consumer of farm products to subsidize the export of grain strikes me as very crude compared with my brother's plan, as all the consumers would be opposed to it while with his plan I believe all the manufacturers would favor it.

Yours sincerely,

CBW/HD

C. B. Watts

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074735

Ottawa, November 17, 1925.

Dear Mr. Watts:

Your further letter of November 16th to hand and I wish to thank you for the information contained therein. I will write to Washington and ask for a copy of the proposed legislation and have it ready for Mr. Meighen on his return.

Yours very truly,

C.B. Watts, Esq.,
1801 Royal Bank Bldg.,
Toronto, Ont.

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074736

THE DAILY PROVINCE

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The Province aims to be an independent, clean newspaper for the home, devoted to public service.

WEDNESDAY, JANUARY 20, 1926.

THE FREIGHT RATES ISSUE.

The failure of the Railway Commission to upset the decision of Chief Commissioner McKeown and Commissioner Oliver on the equalization question is very satisfactory to British Columbia and should be satisfactory to most of the West. There may be appeals yet. One to the Supreme Court, on points of law, is threatened, and there may be one to the Privy Council, but this is scarcely likely. On the whole, the principle of equalization appears to be now established. The grain rates question will, of course, be reviewed in the general examination of the freight rates situation in Canada, which is to be undertaken shortly. But as equalization is the object of that examination, and as the commission has specific instructions to iron out unjust discriminations, we are not likely to lose anything we have gained.

We have, it seems, three things yet to do, before freight rates are entirely to our liking, and we have made a start on all of them. We must, in the first instance, see that the commission's order is carried out by the railways. At present, we are not reaping all the advantages we should from the lower level, and British Columbia has an appeal on this matter now before the Railway Board.

A second thing we need is a more equitable rate on grain and flour for domestic use. At present the rate for hauling Alberta wheat to Vancouver to feed Lulu Island chickens is greater than the rate on the same grain would be to Yokahama. Is there any defense for such an absurdity? The poultry and milling industries and other industries allied with them are interested in securing an equitable domestic rate. So is the consumer at the Coast, who is paying excessive freight rates every time he buys a loaf of bread.

The third point which we must stress is the need of equitable rates on goods shipped eastward. Vancouver is capable of doing a great importing business as well as a great exporting business. In fact, she must do both, if she is to progress. A few years ago, we boasted that ships came to us in ballast for grain cargoes, and waited in the stream for days for a chance to get under the loading spouts of our single elevator. That was all very well when ships were plentiful, but it was evident such conditions could not last. If a ship comes to a port in ballast, the outward cargo must pay the cost of the voyage both ways. It stands to reason, then, that if the ships that come to Vancouver for wheat can bring cargo with them, a better rate can be quoted on the wheat than if no cargo is brought. And the better the rate we can quote on wheat, the more wheat we shall get, and the farther eastward we shall be able to reach for our cargoes. But we can not hope to consume, here, all the goods that grain ships can bring us. We must ship them to the prairies, and for that we must have rates on the railways which will allow us to compete in prairie markets with goods from the east. Thus, it is seen, the grain trade of this port is nearly as much concerned with an equitable rate eastward as with an equitable rate westward.

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Halifax Herald
Feb. 1/26.

074737

A Maritime Question

ASIDE from the controversial legal issues that cluster about the recent freight rates decision given out by the Board of Railway Commissioners of Canada, the situation created is everything but satisfactory to the Maritime Provinces. And from the national point of view it is deplorable that there should be not only sharp differences of opinion amongst members of the Board, but—as the judgements show—distrust of one another. These conditions tend to lessen materially public confidence in the Board and respect for its judgments.

Let us look briefly at the situation from the Maritime standpoint. The controversy is over a freight rate decision of September 2, 1925. That decision was made by Chief Commissioner McKeown and Commissioner Oliver. It decreed reduced rates on grain and flour going to Pacific coast ports for export.

On June 5, 1925, the Government had handed instructions to the Board to proceed with a general review of the freight rate structure of the whole country for the purpose of equalisation of rates; and particularly to inquire into Maritime rates and the movement of traffic through Canadian ports.

* * * * *

SOME members of the Board took the view that a decision in regard to grain and flour should be withheld until the general inquiry was made. The Chief and Commissioner Oliver, however, have been supported in their view by Deputy Chief Commissioner Vien, and the decision of September 2, 1925 will continue to be operative unless the Board at some future time revises or repeals it.

Now, in the decision dated December 19, 1925, recently made public, it is stated in regard to the general inquiry which the Government last June instructed the Board to make, that "perhaps a year must of necessity elapse before it is concluded." This is very likely. The consequence will be that Maritime interests will be deferred for a year, perhaps for a considerable time longer. And note that already seven months have elapsed since the Board was instructed to make the general inquiry.

This brings us to the question: Why is it that speed always appears to be possible in regard to reductions of Western fright rates, while Eastern problems are hung up indefinitely?

The fact is noted in the decision of December 19 that in 1922, by legislation, rates on grain and flour were reduced in the interests of the Western provinces. Thus we have Case Number One for the West. Then, on September 2, 1925, there was haste to give the West further advantage in reduced rates. This is Case Number Two.

All the while the East was being put off with assurances of future action. And now in pursuance of that line of policy, the East is again advised to be patient for a year or so until the Board of Railway Commissioners can get around to the matter. This, after waiting since June of last year!

* * * * *

TO show how far at disadvantage the Maritime Provinces are in regard to rates, we quote from the Board's decision of December 19, 1925. This is a comparison of rates East and West. The decision says:

"Taking the dollar in 1914 as the standard, the fluctuations in the rates are shown as below:—

Eastern Canada		Western Canada	
1914	1.00	1914	$1.00
1916	1.05	1916	1.00
Mar. 15, 1918	1.21	Mar. 15, 1918	1.15
Aug. 12, 1918	1.51½	Aug. 12, 1918	1.25
Sept. 6, 1920	2.12	Sept. 6, 1920	1.69
Jan. 1, 1921	2.04½	Jan. 1, 1921	1.62
Dec. 1, 1921	1.89	Dec. 1, 1921	1.50

Since December 1921 the prairie provinces have had the benefit of reductions caused by restoration of Crow's Nest rates on grain and flour; and the further benefit of reductions given by under the Board decision of September 2, 1925. Maritime rates remain at the high average, and are to continue at that high average for at least a year or more.

Looking at this matter, therefore, from the point of view of the Maritime Provinces, who in these Provinces will not be impelled to repeat the question we asked: Why is it that speed always appears to be possible in regard to reductions of Western freight rates, while Eastern problems are hung up definitely?

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Edmonton Bulletin March 12/26.

074738

Higher Returns From Lower Rates

DURING the last four years the whole of Western Canada, including the governments of Alberta and British Columbia, has been aggressively prosecuting general demands for reductions in freight rates. The contentions of the West have been that rates were too high; that the exorbitant cost of transportation was strangling trade and preventing Western Canadian development. Not only did the West say that high transportation costs were detrimental to the material welfare of this section of the Dominion, but they were also detrimental to the net returns the railroads themselves should secure.

In 1922 demands for reductions were met, and Crow's Nest Pass rates were re-established on grain. Grain rates to the Pacific coast were reduced 20 per cent. At that time the railroads answered the contentions of the West by declaring that the reductions in rates would prove disastrous; that they would increase the deficits of the Canadian National Railways, and would change the Canadian Pacific from a company operating at a profit to a company operating at a loss. Mr. E. W. Beatty, K.C., president of the Canadian Pacific Railway Company, declared that year that a return to the Crow's Nest rates on grain would reduce the operating revenues of the railways by approximately $25,000,000; but despite this attitude of the railway companies the rates were again reduced in 1923 and again in 1925.

WHAT HAS BEEN THE RESULT OF THESE REDUCTIONS?

During the last four years the Canadian Pacific Railway company, after paying its dividend of ten per cent, all of its operating expenses, interest charges, and providing for its sinking funds and all reserves, has accumulated a surplus of something over $12,000,000, and the year 1925 shows its operating profits and net returns to be the best it has had since 1917.

On the Canadian National Railway, for the first time in its history, the operating deficit on Western lines has disappeared entirely.

Reductions in rates in the West are giving a new lease of life to Western Canadian progress and development, and they are giving to the railroads greater net returns than the high rates produced. Increased business means increased profits. The railroads of Canada need more tonnage, and that will come only from greater development. Greater development will come with increased business. The sure way to bring about that result is to free Western Canada and the Western lines from the discriminating rates that have heretofore been barriers to trade.

THINK IT OVER!

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Gazette Montreal March 20/26.

074739

MR. DUNNING ON FREIGHT RATES.

The Hon. Charles Dunning, on his way to Ottawa, and bearing his Regina honors thick upon him, paused in Winnipeg to address the Young Liberal Club of that city. It is not the fault of the Minister of Railways that the Young Liberals were displased with what he said, and that they received his observations coldly. Youth is often like that. "Our freight "rate problem," said Mr. Dunning, "is not so "much p freight rate problem as a problem "of general adjustment and equalization. So "far as the railways are concerned, I am satis-"fied that they cannot at the present time get "along with a lower return from freight rates "than they are now receiving." The Minister said further that "we have the lowest general "freight rate structure of any people in the "world," that the two great railway systems are among the best managed in the world, and that, though the country has not yet grown up to them, it is getting that way. When the Young Liberals received these statements in the silence of disapproval, the fact was not lost upon Mr. Dunning, but it failed to disturb him. "I knew," he said, "that would not be "popular, even in Winnipeg, but you will have "to become accustomed, as the people of Sas-"katchewan have become accustomed, to hear-"ing the truth." There may be some young Liberals in the House of Commons, and possibly some old ones, also, who have not accustomed themselves to the truth that Canadian rail rates are the lowest in the world, and that the railways "cannot get along" with a revenue below that which these rates afford. Having regard to the attitude of these Liberals and that of their Progressive overseers, the declaration of the new Minister of Railways becomes of first rate importance; it means that the existing rates, as measured in terms of revenue produced, are at rock bottom, and that conditions will not justify any change which will adversely affect the earnings of the companies. Mr. Dunning's assertion, so far, is understandable and sound.

What he says in reference to "general adjustment and equalization" is less reassuring. If the rates now in effect are producing only just enough revenues for the railways, it follows that adjustment and equalization cannot diminish charges in any one section of the country, or on any one group or class of commodities, without adding to the charges which other sections must pay for the transportation of other commodities. In other words, what equalization and adjustment takes out of one railway pocket it must put back into another; if it fails to do this, the revenue derived from freight traffic will fall, and, as Mr. Dunning says, the railways cannot afford to dispense with any of this revenue. If there is to be no reduction in the aggregate, and one section of the country and one class of producers are to be relieved, other sections of the country and other classes of producers, being required to make up the difference, upon what principle is the adjustment to be made? Is it proposed to establish general rate uniformity without regard to traffic conditions that are not uniform and that cannot be equalized? It is this consideration that lies at the heart of the problem referred to by Mr. Dunning. "The only existing problem respect-"ing rates," said the President of the Canadian Pacific Railway, in the course of a recent address, "is their reasonableness and freedom "from 'unjust discrimination.'" As Mr. Beatty reminded his hearers, the Railway Act of Canada, in its letter and spirit, stipulates for reasonable rates and prohibits unjust discrimination, "and has regard to service and its cost "in determining what a shipper should pay." The present rate structure in Canada has been built up in accordance with that condition. Principles that have been adopted in the United States and other countries, to quote again from Mr. Beatty's remarks, may fairly be adopted in Canada. "They are that the rates should "be such that the aggregate return should be "sufficient to pay interest on borrowed money, "a fair return on capital, and something over "to permit the properties to be adequately "protected." Acceptance of this principle, so far as aggregate revenues are concerned, is implied in the statement made by the Minister of Railways at Winnipeg, and it is a principle of no less importance to the Canadian National Railways than to the privately-owned system. There is, in fact, a rate minimum below which no revision can be carried without loss to the railway owners, whether those owners be shareholders or the tax-paying public. Rate depression below this fixed line cannot be justified even in the hope of increasing business. That has been tried in Great Britain, where the railways reduced their rates two years ago in the hope of stimulating traffic. Despite drastic reductions in working expenses the hope of maintaining revenues was not realized, and railway companies have been compelled to draw upon their reserves, a process which, of course, cannot be carried on indefinitely. "We have no "desire to increase rates," said Viscount Churchill, at the recent annual meeting of the Great Western Railway, "but if traffic does not "improve an increase in rates is inevitable."

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Gazette Montreal april 12/26.

074740

RAILWAY RATES AND POLITICS:

The railway rate question will become a political rather than a transportation question if certain Canadian politicians have their way, and to some extent these politicians have already had their way. They are far from being satisfied with results so far achieved, and they are making full use of the opportunity which public ownership of a great railway system seems, in their judgment, to afford. If they succeed, and to the extent of their success, railway rates will lose their relation to the cost of railway service and to the principle which recognizes the right of investors—whether in their public or in their private capacity—to a fair return upon the capital employed. By using public ownership as a means of undermining the railway rate structure, friends of public ownership are investing their pet policy with a new danger. Practical railway men in charge of the Canadian National Railways have set their faces against a movement which threatens to nullify all their efforts, but the weakness of their position is a weakness inherent in public ownership, and, struggle as they may, the influence of the politician is a factor that cannot be ignored or successfully resisted, except within the limit of actual railway administration; the politician operates in a field which is closed to the railway executive. In a recent issue of the Railway Review, of Chicago, the task of popularizing public ownership of railways in Canada is described as disclosing "a warning so impressive as not to be "ignored in the United States." As to the Canadian people, this journal says that government ownership must not be held against them. "They didn't choose it. It was forced upon them, and they see no fair way out of it." This is only partly true, and it is a little generous to the Canadian public in regard to some of the lines now included in the publicly-owned system. The acquisition of the Grand Trunk was done with deliberation. Otherwise, the statement of the Railway Review is nearly correct. "It's a long tale," this journal proceeds, "and well worth reading as it appears "in the daily news. Moreover, it conveys a "real lesson. No matter what the reports may "be unless they are bad, they are not to be "trusted where government ownership of rail-"roads is concerned. Under every favorable "showing a political bug will be found. Never, "anywhere, for any great length of time, for "any one, has government ownership and opera-"tion of railroads succeeded honestly and in "the people's interest."

If this is a just criticism in the case of Canada's state-owned railway system, the fault does not lie with the practical railway men who are in actual charge of the system. These men have taken the public fully and frankly into their confidence, but politicians—backed by some organizations and newspapers—are even now engaged in an attempt to justify the harsh criticism of this Chicago journal by so writing down the capital cost of the national system as to place the earnings in a falsely favorable perspective. That done, the demand for reduced rates will be continued with renewed vigor, to the end that the railway user may benefit still further at the expense of the taxpayer, or of, in respect of private ownership and operation, the shareholder. The present Government have made much of their professed determination to give the national railways a fair chance. No policy which gives the railway a fair chance will meet the difficulties of the existing railway situation unless, at the same time, it gives a fair chance to the taxpayer. It is to the credit of the national railway executives that they are asking no new favors at the expense of the public, that they are anxious to be protected against arbitrary and political rate fixation, as in the matter of Alberta coal shipments. But the politician is ever at the door, and we have not yet arrived at that stage of public disillusionment when the politician will be recognized as the enemy of both the Canadian National Railways and the taxpayer.

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Vancouver Province

074741

WEDNESDAY, APRIL 14, 1926.

FREIGHT RATES AGAIN.

British Columbia has had considerable success in her fight for equitable freight rates. She has had the tariff on grain between the prairies and the Coast gradually scaled down until it more nearly approaches the rate between the prairies and the head of the lakes. She is not yet satisfied with this grain rate, and she has a number of other grievances for which she is seeking redress, the high rate on grain used domestically, for instance, the eastward freight rates which handicap our wholesalers and manufacturers in their effort to secure prairie markets, and the express rates which are still very high compared with rates charged in the East.

The people of British Columbia are confident that they have justice on their side in their rates campaign. But a man who goes into a fight without a full knowledge of his vulnerable points is, to that extent, handicapped. He may be given a sharp and sudden surprise. British Columbia has a vulnerable point in her freight rates fight, and though she has been warned of its existence, she has not paid much attention to it. This vulnerable point is our dependence on the commodity rates of the railways, because under these commodity rates we ship between 75 and 85 per cent. of our freight. The railways, of course, have all along appreciated our position with regard to these commodity rates and evidence is accumulating that our competitors are coming to appreciate it too.

The rate eastward on tea is a case in point. Tea shipped from this port eastward has enjoyed a commodity rate of $1.50 per hundred pounds for carload lots and of $2 for less than carload lots. From Atlantic Coast points westward there has been no commodity rate on tea, and when the eastern importers asked for one, it was refused. The agitation continued, and the railways have now met the situation by abolishing the commodity rate from the Pacific Coast and giving notice of a class rate of $2.51 per hundred pounds for carload lots and of $3.75 for less than carload lots. The increase will mean that a carload of tea sent to Winnipeg will have to pay $242 more in freight than it has been paying, and this, it is said, will be sufficient to shut Vancouver wholesalers out of the Winnipeg market.

Another point in which commodity rates were involved came before the Railway Commission at Montreal in January, when the Dominion Shuttle Company of Lachute Mills, Que., complained that it was being subjected to unfair competition through the fact that manufacturers of Douglas fir cross-arms in British Columbia enjoyed a commodity rate on their product to the eastern market, while eastern manufacturers were forced to pay a class rate. Abount forty carloads of B. C. cross-arms were shipped East last year, and as the commodity rate to Montreal is just half the class rate, the handicap under which it was placed was very serious, the Lachute company claimed. It asked that the commodity rate, so far as finished cross-arms were concerned, should be abolished and the second-class freight rate be applied.

These two freight rate straws give an indication of how the wind is tending. Commodity rates are of first importance to this province, since our great staple products such as lumber, ores and canned goods move under them. We can not afford to lose them, and we shall not gain greatly if, in winning our freight rates fight, we allow the advantages we enjoy at present to be seriously impaired. It is not suggested that we falter in our battle for our rights, but that, while we continue striking with all our might, we keep in mind the possibility of a rear or flank attack.

Commodity rates are an institution wherever railways carry goods. Seventy-five per cent. of the freight in Canada is carried under them, and in the United States the proportion is greater. In England, where smaller cars are used, the commodity rates cover about 75 per cent. of the business, and in Germany, before the war, they covered 63 per cent. Commodity rates are of advantage to the railways as well as to shippers, and there is no possibility of a general abolition of them or any very serious rearrangement. But while we fight the railways, we must expect the railways to fight back. If a determined effort is made to annoy us or to frighten us by trenching upon our present freight rate advantages, we need not be surprised. As has been seen, our competitors are more than willing to pull the transportation companies' chestnuts out of the fire.

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074742

Statutory Freight Rates

In this issue Mr. P. A. O'Farrell outlines still more clearly the difficult economic problems caused by the Dominion Parliament's statutory eastbound freight rates on grain and flour at what Mr. O'Farrell claims to be less than half the actual cost of the service.

Figures which are not challenged show that the rates for the same service on American lines average more than double the statutory rates in Canada. Figures also prove that the people of the Kootenays, of the Okanagan and of every other district of British Columbia pay treble the statutory eastbound grain rate to Fort William.

Mr. O'Farrell's insistence that cost of every article of commerce must include, not only wages, but interest on the investment in the plant or in the public utility and a sufficiency for upkeep and amortization, is sound, morally and economically.

Transportation is a commodity like butter, copper or lead, and to sell it for lses than cost must lead to the ultimate wrecking of the service.

This question is so exceedingly important that too much scope cannot be given to the discussion. If Mr. O'Farrell's premises are correct, the statutory eastbound grain rate is unquestionably confiscatory.

It is not for us but for the courts and the Privy Council to decide whether it be unconstitutional. It may be an offense against common and against international law and yet within the power of the Dominion Parliament to pass such a statute and enforce it.

But if a statute be immoral and confiscatory, enforcing it is tyranny and injustice. Any such statutory legislation sets dangerous precedent, as may be seen in the cases of Mexico and Russia.

If it be true that the Canadian Pacific is defrauded of $30,000,000 a year by the operations of a confiscatory statute, some way should be found to put an end to such gigantic fraud.

Statutory rate-making for public service is a most dangerous innovation and may lead to chaos and anarchy.

Municipal and state legislatures in these turbulent days may fall under the control of Communistic or unscrupulous politicians, and, with such control of rate-making, statutory embezzlement may become the order of the day. It is so in Mexico and it is to be hoped Canada will not copy the foul methods of that unhappy country.

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Gazette Montreal May 6/26.

074743

RAILWAY FREIGHT RATES.

The situation in regard to railway freight rates in Canada was specially referred to by Mr. Beatty, the president, in his address at yesterday's meeting of the Canadian Pacific Railway shareholders. The facts should be generally known, though all they may mean is not generally appreciated. In deference to an agitation that is possibly louder than it is deep-seated, the Government has instructed the Board of Railway Commissioners to undertake an enquiry, with the object of equalizing freight rates throughout Canada. "Equalization" in railway freight rates, to the interests that call for it, means as a rule the selection of the lowest rates for the carriage of a commodity, and the scaling down of all others to conform to it. Sir Henry Thornton, president of the Canadian National Railway System, is in agreement with Mr. Beatty that railway freight rates generally in Canada are as low as circumstances permit. In his last annual report, he puts it that any widely effective reduction of the charges of the national railways will mean greater calls on the treasury of Canada to make up for losses in operation. Mr. Beatty takes a like view. He says that in the present condition of operating costs the railways of Canada cannot stand the reduction in their revenues that a general lowering of freight rates would imply. Dealing with the suggestion that those calling for lower rates should be given something and the railways be compensated by a subsidy from the Government treasury to make up the difference between rates found to be reasonable and remunerative and the lower ones demanded by special industries or sections of the country, Mr. Beatty points out that there is public danger in such attempts to correct by preferential treatment disabilities which are claimed to exist. Such proposals mean that tax money paid by all the people must be taken to benefit shippers of certain commodities or living in certain regions. Taxes are high enough as they are, without their being increased to provide cheaper transportation for favored classes of the community. This is a general reason, which should be effective against any subsidy proposal, either for direct reductions in freight rates in the interest of favored interests or by that other proposition lately advanced that on the Government roads there should be an elimination of certain mileage in charging for favored freights, by which merchandise carried for, say, a hundred miles, should be charged for as if it had been carried only fifty. Mr. Beatty suggested that the proposals are attended with danger to privately-owned railways in that the greater the transportation burden which is put upon the shoulders of the people, the greater will be the tendency towards nationalization. In order to give any substantial relief, he said, the subsidies would run into millions of dollars per annum and people would be unconsciously influenced to think that if they had to support all railways by taxation they might as well couple with it ownership and therefore get an interest in the revenues produced from their operations. The thought of the results of public ownership of railways as it has developed in this country, where the operation of the Government railways means a drain on the treasury and a continuous outlay of new capital on extensions and improvements, should make the prospect of the addition of another 15,000 miles to the burden something that even a professional public ownership advocate would turn away from.

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Gazette Montreal, June 16/26.

07-4744

PRAIRIE PROVINCES ENDORSE REQUEST OF DAIRY COUNCIL

Application Made for Decrease in Freight Rates on Butter

RAILWAY BOARD HEARING

Commissioner Vien Remarks That Present Rate Does Not Seem to Hinder Industry

(By Canadian Press.)

Winnipeg, June 15.—With the general counsel of the three western provinces and the Canadian Council of Agriculture endorsing the application of the National Dairy Council of Canada, for a decrease in the freight rates on butter, the submission of the council to the Board of Railway Commissioners of Canada was concluded at the morning session today. Further argument in the case will be presented to the board when it returns to Ottawa, D'Arcy Scott, K.C., stated in closing his presentation.

H. H. Shields, representing the Western Canada Dairymen's Association, was the only witness this morning, completing his evidence, begun Monday afternoon, submitting new sets of figures based on the districts used by the Canadian Pacific Railway, instead of the provincial areas, as presented to the commission previously. E. P. Flintoff, K.C., of Montreal, counsel for the railway, cross-examined Mr. Shields, challenging him on the manner in which he had computed the tare weight of a refrigerator car, suggesting he under-estimated their weight by as much as 50 per cent.

In endorsing the council's application, S. B. Woods, general counsel for Alberta, stated that it seemed impossible to obtain figures from the railway on the amount of revenue derived from the carrying of butter or any other commodity. This was in answer to Thomas Vien, K.C., one of the deputy commissioners, who stated that, though it was charged that the rate was excessive, no one had made any suggestion as to what they thought would be a reasonable rate.

H. J. Symington, K.C., representing the province of Manitoba, and W. H. McEwen, general counsel for Alberta, also endorsed the appeal of the counsel for a lowering of the rate, both of whom mentioned the fact that dairying was a basic industry and was becoming more and more essential in Western Canada.

Commissioner Vien remarked at the close of the hearing that the existing rate did not appear to have been any hindrance to the growth of the industry, adding that the traffic seemed to be able to bear the rate, as the traffic moved under it.

On behalf of the Canadian Council of Agriculture, John W. Ward, secretary of the association, added his word of endorsement to the submission of the Dairy Council.

The evidence to be taken here by the Board of Railway Commissioners is so voluminous that plans were made yesterday to keep the commissioners in session here until the end of the week.

The board will hear a number of important submissions by the provincial Government, the city of Winnipeg, the Winnipeg Board of Trade, the Canadian Council of Agriculture, the Harbor Commissioners of Quebec, and a complaint by the Eastern Canada Preserved Foods Traffic Association that the rates charged on canned goods in car lots west of the Great Lakes are excessive. The United Farmers of Manitoba will make application that the board put into effect "the lowest freight rates on grain and live stock at which the Canadian National Railways can operate without loss."

Practically the entire session yesterday was taken up with the submissions of the National Dairy Council of Canada, the presentation being in the hands of D'Arcy Scott, K.C., Ottawa.

Chief Commissioner H. A. McKeown presided and other commissioners in attendance were Hon. Frank Oliver, Thomas Vien, K.C., and R. Richardson, assistant secretary and registrar.

Alex McKay, manager of the Manitoba Co-operative Dairies Limited, said that farmers and producers would benefit to a large extent if the rates on dairy products were reduced. He quoted the domestic and export rates on the shipments of butter from Winnipeg to Montreal, the former being $1.78½ per 100 pounds and the latter $1.61 per 100 pounds.

AUSTRALIAN COMPETITION.

J. M. Carruthers, president of the City Dairy, Limited, Winnipeg, told the commission that the Australian treaty had affected the Canadian market to such an extent that the price of butter had declined in Winnipeg from eight to ten cents a pound, following the receipt of a shipment from Australia. The dairy business in Western Canada was increasing by leaps and bounds, he added, but he said that any relief that could be obtained from the railways would not necessarily mean extra profit for the companies, but would through them to the farmers. He discussed rail and ocean rates on butter and quoted figures to show that it cost $1.61 to ship 100 pounds of butter to the seaboard, and $1.40 per hundredweight for the ocean carry to the British market, while New Zealand and Australian dairy companies could place their butter on the same market at a total freight cost of $1.50 a hundredweight.

H. H. Shields, representing the Western Canada Dairymen's Association, held that the reduction in the cost of railway equipment and the reduction in operating costs since 1917 warranted a reduction in freight rates. Mr. Shields was on the stand when the commission adjourned.

WINNIPEG'S COMPLAINT.

Charging that the city of Winnipeg was being discriminated against in the matter of freight rates, and that it was now breaking its long silence because it realizes that what has been gained in the natural development of the city was in danger of being entirely destroyed in an effort to build up another section of the country, was the assertion of Jules Preud'homme, K.C., city solicitor, in presenting the case of the city and the greater Winnipeg Board of Trade, before the Board of Railway Commissioners for Canada, at the afternoon session of that body today.

H. J. Symington, K.C., representing the province of Manitoba, opened his case by requesting the board to permit use of the evidence submitted in previous cases in the present hearing, which was granted. He then briefly reviewed the different cases and the Court of Appeal's decision in connection with a ruling of the board. Mr. Symington contended the requirements of the Canadian National Railway system should have no influence on the fixing of freight rates, and suggested that the Canadian Pacific Railway rate-fixing be used as a standard. He remarked on the difficulty in understanding the meaning of the expression "equalization of freight rates," admitting that at times conditions in one section of the country might warrant a certain amount of differentiation.

Earnings of the railroads were higher in the West than in the East, he said, and urged that the western scale should be reduced approximately to the eastern scale, adding that distributing rates in Eastern Canada were much lower than in the West. "We are not going to get very far if we are going to agree that the railways must get a certain revenue," he declared, in closing his opening address.

C. F. Rannard, president of the Manitoba Board of the Retail Merchants' Association of Canada, expressed the view of his association that the solution of the railway problem was dependent mainly upon general development and an increased volume of business. "An increase in business will grow out of the development of our natural resources and basic industries, supported by freight rates which give maximum encouragement to all classes of producers," he said.

After speaking of the need of the federal and provincial governments co-operating with the railways to promote immigration, so that desirable settlers are placed upon the unoccupied lands of Western Canada, Mr. Rannard referred to the importance of less than carload rates on freight to the average retailer. "We desire to impress upon the commissioners," he said, "that it is the right of Western Canada to be placed on an equality with Eastern Canada in respect to general freight schedules or rates." In conclusion, he expressed the opinion that the railroads could only conserve their full measure of business by operating under rates which were at the lowest possible levels.

Emphasizing the fact that Winnipeg was the natural centre for freight rates structure for the whole Dominion, Jules Preud'homme, K.C., said it had not been given the benefit of its geographical position. He then referred to the fact that the railways had been granted tax exemption in the city, which amounted, since 1908, to more than $5,000,000.

Mr. Preud'homme then traced the history of a number of different activities, showing that many businesses had been forced to close down, partly owing to business depression and partly to competition from the East. He stressed the fact that class rates in effect from the East were unjustly discriminatory against the city in cases of re-shipment from Winnipeg, and that the amount added to the proportion of the through rate was excessive. He submitted that Winnipeg should not be included in the territory to which the prairie scale is applicable, but that it should get the benefit of the eastern scale up to Winnipeg, plus the prairie scale from Winnipeg West.

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Gazette Montreal June 17/26

074745

WINNIPEG SUBMITS ITS RATES CASE TO RAILWAY BOARD

Board of Trade Also Alleges Discrimination Against Manitoba

ARGUMENT FOR ALBERTA

Calgary and Edmonton Would Benefit by Reductions—Canadian Council of Agriculture

(By Canadian Press.)

Winnipeg, June 16.—Presentation of the case for the city of Winnipeg and the Greater Winnipeg Board of Trade in connection with the general freight rate investigation being conducted by the Board of Railway Commissioners for Canada was concluded before the luncheon adjournment today. Two speakers for the Board of Trade reiterated the remarks made on Tuesday by Jules Preud'homme, K.C., that Winnipeg was discriminated against insofar as the differential between through and combined freight rates, these being J. F. Newson, chairman of the shippers' section of the board, and R. A. C. Manning.

In anticipation of the presentation of the case of Saskatchewan and Alberta cities, Mr. Preud'homme submitted a table showing what the change in the establishment of a low tariff at the head of the lakes would mean on actual mileage to Winnipeg. The figures show that Winnipeg would be discriminated against by the proposed application to the extent of an increase of from five to nine cents in the five rate classifications, while cities in Saskatchewan and Alberta would benefit by decreases ranging from two to seven cents at Regina, seven to 16 cents at Saskatoon, and 14 to 33 cents at Calgary and Edmonton.

Jules Preud'homme this morning submitted some substitute and additional statistics in substantiation of his contention that Winnipeg and other points in Manitoba were being discriminated against, making it difficult for western business men to meet eastern competition. In 1917, he said, the differential between through and combined rates was eight cents, to which was added 3½ cents wharfage, plus one cent switching, equalling 3½ cents, making a total difference of 11½ cents, as to the head of the lakes. Today, he added, it is three cents, added to which is 3½ cents wharfage, plus two cents switching, totalling 5½ cents, making a total difference of 8½ cents. As compared with the case of Winnipeg in 1917, it was nine cents, and today 14 cents to Carberry. The figures showed that increases also had been put into effect of from five to six cents to other points in Manitoba.

Request was made by counsel that the board order the railways to furnish information on gross ton miles from the head of the lakes to Winnipeg for the years 1921 to 1925, and operating expenses per gross ton miles covering territory from Port Arthur and Fort William to Winnipeg for each of the specified years, adding that this latter would assist in the presentation both here and at Regina.

In answer to a question by Thomas Vien, K.C., one of the commissioners, Mr. Preud'homme stated that most of the freight traffic to Winnipeg was moved by lake and rail, and admitted that this city had an advantage over the Ontario twin cities in the all-rail rate, pointing out that most of the merchandise to Winnipeg was moved by lake and rail.

J. F. Newson, chairman of the shippers' section of the Greater Winnipeg Board of Trade, replied to questions submitted by the board and railway counsel, admitting that few carload shipments were made to points direct from Eastern Canada to the 45 distributing centres specified in the tariff.

He contended that the differential between through and combined rates, both lake and rail and all-rail, were excessive, suggesting that a maximum of six cents for all services rendered would be sufficient, instead of 14 cents.

In the case of Alberta, it was shown that Calgary and Edmonton would receive benefits in the lowering of rates.

Clarence King, on behalf of the Brandon Board of Trade, also appeared before the commission, asking that the wheat city, which he said, was recognized as the distributing point for Western Manitoba and Eastern Saskatchewan, should be given a freight advantage over Winnipeg.

It was impossible for the railways to furnish the statistics asked for by the City of Winnipeg and Board of Trade on gross ton miles and operating expenses between the head of the lakes and Winnipeg, E. P. Flintoft, K.C., counsel for the Canadian Pacific Railway, told the board, whereupon H. A. McKeown, chief commissioner, declined to make the order for their production.

At the opening of the afternoon session, John W. Ward, secretary of the Canadian Council of Agriculture, made his presentation on behalf of the council.

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Winnipeg Tribune

FRIDAY, JUNE 18, 1926

FREIGHT EQUALIZATION

Winnipeg hearings of the Board of Railway Commissioners made obvious, among other things, that the general inquiry into freight rates with a view to equalization will occupy a considerable period.

The most optimistic prophecy does not contemplate completion of the inquiry before the end of the year; it may last much longer, and considerable time may elapse between the task of fact-gathering and that of bringing forth the new rate structure.

A similar task undertaken by the Interstate Commerce Commission lasted from March 1, 1918, to July 31, 1920. This involved, however, "de-watering" book capitalization of U.S. railways to the extent of $1,160,572,611, or nearly seven per cent. This phase of the problem is already solved, for the time being at least, in acceptance of the Canadian Pacific Railway as the rate-making standard.

Assaults upon the Canadian Pacific capitalization, earning capacity, and operating expenditures constitute a recognizable part of the stock in trade of agrarian agitators. If such assaults are for the time being in comparative abeyance, there is no assurance that, given continuance of the present situation in the House of Commons, "equalization" on the Canadian Pacific basis would not be followed by continued demands for deflation of that standard. Premonitory rumblings of such a demand were contained in the submission made here by the Canadian Council of Agriculture.

The present inquiry arises largely from the fact that the Prairie Provinces, exerting considerable influence upon the Government, such as it is, at Ottawa, have been able to impose upon the Railway Commission, by resolution of Parliament, the task of "equalization."

Neither the commission nor anyone else professes complete clarity as to what "equalization" implies, and it is not assumed that any precise interpretation, if put into effect, will result in satisfaction throughout the Dominion.

The Winnipeg hearings elicited demands for three kinds of equalization: (1) as between commodities, (2) as between regions, and (3) as between shipping centres.

The contention of the City of Winnipeg and Winnipeg Board of Trade brought out the fact that since 1908 Winnipeg never has enjoyed the full advantage of its position as mid-continent traffic load peak; and during the past five or six years, as result of 50 per cent. increases in discrimination against it, has been deprived of that advantage to an unreasonable extent.

The idea of equalization held by prairie members which inspired the resolution was simply that the general level of rates on the prairies should be brought down to the level of rates in the east, which are limited to some extent by the presence of water competition.

In the hands of prairie cities this simple demand has been expanded to include demands that would further invade Winnipeg's position as a "gateway" or general distributing point, and put each of the 45 prairie distributing points, including Winnipeg, on a par—i.e., confine each of them to a local distributing territory.

This result has admittedly taken place already to a considerable extent; it cannot, however, be achieved with respect to many commodities without serious injustice to the consumer. A freight rate structure which for the sake of apparent uniformity in the rate itself, establishes uneconomic methods of distribution, does injury to the whole country. This is a more serious matter even than dislocation of business, which, while it may injure or even destroy an individual distributor, does not rank as a permanency unless the process of readjustment in pursuit of an elusive "equalization" is continuous.

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On Train,
Sept 2 nd 1926.

My Dear Sir Henry,

Some friends of ours in Montreal seem to fear that the Railway Commission could do something between now and election day in the way of raising rates. The attached is suggested as a statement to be given out from Ottawa that will head off any such move - unless you can make yourself sure that no such steps will be taken.

Yours truly

Sir Henry Drayton
Acting Prime Minister
Ottawa, Ont.

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96b

TO THE LEADER OF A GREAT PARTY
IT IS RESPECTFULLY SUBMITTED:

1. The railway business must be dropped by Canada or ruin must come.
2. The man who proves himself patriot enough to scrap the steam railway can save Canada.
3. Thousands upon thousands of business men can see no hope unless railway bleeding is stopped.
4. It is not at all a question of party consistency any longer: it is a question of a great country (Canada) bleeding to death under the Thornton high finance tomfoolery.
5. Have we a man big enough to smother the suicidal steam railway?

ALTHOUGH THERE IS NO SIGNATURE THOUSANDS UPON THOUSANDS OF SIGNATURES ARE AVAILABLE TO DRIVE HOME THE ABOVE CRY OF DESPAIR.

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074749

House of Commons
Canada

Answered
Jude

Room 45
33 West Richmond St
Toronto Feb 4

Dear Mr Meighen: you wrote me that an friend would leave things stand for a chance of settlement is hardly being drawn. They are trying to force the situation in a drastic way.

I hope you will be home sometime next week and will write me where I can see you as soon as you get back.

I've a rather important suggestion to make whereby you can do a great thing for M. and not hurt anyone.

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The Beck situation is getting more involved and it looks to me that now is the time to make a real issue the Ontario government.

There's ~~an~~ a man here who'd like to see you after your return.

So kindly let me know when you'll be back, & I enclose an article on the Maternal Ref that I had to go to the Globe for publication. The transportation issue is the issue here in Canada and I'm going to speak on it at our annual meeting to night. The Globe might move very fast

074750

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if we were organized and equipped for the opportunity. But more wherein? see you. In the meantime you might write or wire me to avail your arrival

J. W. F. Macleau

07475

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074749

Answered
Feb

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~~Canada~~
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J. W. F. Macleod

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conditions.

(8) The following proposals were laid before the Committee:-

A The Government to acquire the Canadian Pacific Railway system and operate the same in conjuction with the Canadian National system:

B The Government to dispose of the Canadian National system to the Canadian Pacific Railway:

C The Government to dispose of the Canadian National system in whole or in part to any syndicates that might be willing to purchase:

D A form of amalgamation of the Canadian National and the Canadian Pacific Railway systems as shall be described hereunder:

E Some form of pooling and co-ordinating suggestions as between the two systems:

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systems

(9) A The Government to acquire the Canadian Pacific Railway system and operate the same in conjunction with the Canadian National system:

This proposal was not seriously considered by the Committee. The proposal would involve a vast expenditure of money, would create a Government owned monopoly in railways. The experience of the past does not suggest that anything would be gained by the adoption of this proposal.

(10) B The Government to dispose of the Canadian National system to the Canadian Pacific Railway:

This proposal was not seriously considered by the Committee. It is in the first place most unlikely that the Canadian Pacific Railway would be willing to pay a very satisfactory price for the Canadian National system, and secondly it is questionable whether the people of the country would agree to the establishment of a great private monopoly in railways.

(11) C The Government to dispose of the Canadian National system in whole or in part to any syndicates that might be willing to purchase:

One witness before the Committee thought that American capitalists might be willing to buy the Canadian National system in whole or in part at a price satisfactory

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satisfactory to them and another witness expressed the opinion that British capitalists might be willing to do the same thing. The Committee are of opinion that the sacrifice which the country would be called upon to make in the matter of price precluded this proposal and, in addition, there are many objections to the sale of this system to American capitalists. In making a sale to American Capital, this country would have to impose a great many conditions on the purchasers; thus we would have to provide for Canadian management and control of operation. We would have, in addition, to provide that American purchasers would continue our east and west traffic movement and provide against the deflection of traffic southward to the United States and, securing these concessions, we would be called upon to make substantial sacrifices in the matter of price. These difficulties of course would not present themselves at all or, at all events, to the same extent in the event of a sale to British capitalists.

(12) D A form of amalgamation of the Canadian National and the Canadian Pacific Railway systems as shall be described hereunder:

The proposal in this connection is as follows: An amalgamation in which the Canadian Pacific Railway will put in their lines of railway and lines of

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lines of

steamships and their hotels and railway properties proper, retaining to themselves however lands, mines and other properties not connected with the railway operation directly;

The capitalization of the Canadian National system to be written down to an earning basis;

The two systems to be managed by a Board appointed as follows:- five Directors to be appointed by the Canadian Pacific Railway, five Directors to be appointed by the Government, the ten Directors, so selected, to appoint five others, the whole Board of fifteen, so selected, to hold office for ten years and to be removed only for cause;

Any vacancies on the Board to be filled in the same manner as the individual was appointed whose vacancy is now to be filled;

The Government to guarantee the bonds of the Canadian Pacific Railway and to pay a certain rate of interest on the stock of the said Company. Out of the earnings of the amalgamated systems the foregoing charges are to be first paid, then secondly the fixed charges of the Canadian National system as written down, and thirdly any profits remaining to be divided between the two systems in the proportion of the value of the properties contributed to form the amalgamation.

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amalgamation.

It is to be pointed out that under this proposal, there is neither Government ownership and operation nor private ownership and operation. The Canadian Pacific Railway it is suggested would be interested in the securing of profits for the amalgamated system and to that end would put forward their best efforts. It is further suggested that in the matter of capital expenditure the whole of the Board would be compelled to adhere to the general proposal that there would be no capital expenditures which would not promise an early return in the matter of earnings.

One witness before the Committee was strongly of the opinion that on the proposed Board the Canadian Pacific Railway should have a predominating influence in order to secure for the amalgamation what he considered to be a very efficient management of the amalgamated properties of the Canadian Pacific Railway organization. It is obvious that such considerations are matters of detail to be subsequently worked out.

Witnesses expressed the opinion that if the foregoing scheme were adopted we should succeed in putting an end at an early date, say two or three

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years, to the deficits with which we are confronted and that, at the end of that period, we might reasonably hope to find the amalgamated system carrying itself and perhaps producing profits.

(13) The Committee then asked itself the following question: Are the people of Canada sufficiently seized of the seriousness of our present situation and the urgent necessity of finding a solution thereof at the earliest possible date? If not, by what means are the people to be informed of the facts and in what way can the various proposals laid before the Committee be brought to the attention of the Canadian people, thoroughly discussed and a sound conclusion arrived at.

Continued

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DRAFT.

The Special Committee appointed to inquire into and report upon the best means to relieve the country from its heavy railway expenditure, beg leave to make their Second Report, as follows:-

At the commencement of its inquiry, the Committee passed the following resolution:-

> "RESOLVED: That the inquiry of this Committee should be confined to ascertaining from business and railway experts the best means to relieve the country of its heavy annual railway deficits, without entering into the intimate details or particulars of the administration of the railways operating in Canada."

In pursuance of this Resolution the Committee heard the evidence of a number of men prominent in the financial, railway, farming and labour worlds.

The Committee sat in camera without shorthand reporters, as the Committee were anxious to assure the witnesses the utmost freedom in expressing their views in the frankest possible manner, and making it unnecessary for the witnesses to make qualifications or distinctions which they might wish to do if their evidence was being published, but which so far as the inquiry was concerned, would be relatively unimportant.

It was made clear by the witnesses that the increasing of the obligations to the country on account of the government railways is a matter causing much concern not only to business men but all citizens of Canada. The yearly addition to the railway debt has, for the past five years, averaged about $100,000,000. and amounting to a sum about the total capitalization of the Canadian Pacific Railway, and there is no definite assurance that this increase will materially decrease in the near future. There is some doubt as to the

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way in which the railway accountants determine what is capital expenditure, and what operating expenses. Your Committee express no opinion on this, but they think a more clear and detailed explanation would be welcomed by the whole country.

There was a strong feeling expressed by some of the witnesses that there is much extravagance and waste in the management of the government railways, and in this your Committee concurs.

Among the different schemes discussed by witnesses the most important are:-

(a) Co-operation between the C.P.R. and the C.N.R. systems.

(b) The acquisition by the government of the C.P.R.

(c) The sale of the C.N.R. to the C.P.R.

(d) The transfer of the C.N.R. to a private company, to be owned and operated by such company.

(e) That both the C.P.R. and the C.N.R. should be placed under the management of a Railway Board of fifteen directors, five to be named by the C.P.R., five to be named by the C.N.R., and these ten to choose five proven capable business men to complete the Board; these directors to hold office for ten years and be removed only for cause.

Then, that a valuation be made of the C.N.R. from a point of view of its earning capacity. The C.P.R. to be guaranteed a dividend on its stock in perpetuity. In the event of the joint management producing a surplus, the same dividend payable to the C.P.R. to be paid to the government on the valuation placed on the government railways. After the payment of these dividends any surplus earnings available for distribution to be paid to the C.P.R. and the C.N.R. proportionate to the valuation of the two systems. This scheme also provided that the C.P.R. should not put into the joint management its mines, lands, townsites and such parts of its undertakings as are not strictly a part of the railway system.

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It was explained that this was not suggested with the expectation of increased dividends, but rather with the idea that should the Government entertain a scheme to amalgamate all railroads, this organization would be strictly a transportation one and that all other industries be left to private enterprises for their development.

Your Committee think that it is premature, (and they have not the material) to make any definite final recommendation on any of these schemes. They would recommend that a searching examination be made into the condition of the C.N.R. to ascertain

(a) The value of the road from the standpoint of its earning capacity.

(b) To verify the accuracy of the division of expenditure between Operation and Capital, pointing out that while the accounts of the two railway systems of Canada follow the forms prescribed by the United States Interstate Commerce Commission, our roads are not subject to such supervision as to their accuracy as has been found desirable in the United States.

(c) That the powers of the Board of Railway Commission should be enlarged so as to make them equal to, or even exceed the powers possessed by the Interstate Commerce Commission of the United States, so that this Commission should be ordered to proceed at once to make the investigation alluded to above, and might of itself initiate and enforce steps to minimize extravagance and waste.

Your Committee is of opinion that the railway question is one of supreme importance and is of the utmost urgency, and that until it is settled in some way so as to reduce the enormous expenditure in the railways there can be no relief in taxation which is bearing so heavily on all classes, nor can there be any move towards the reduction of rates and fares.

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W.B.Ross,
Chairman.

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SIR VINCENT MEREDITH ..... JUNE 16th.

Sir Vincent Meredith stresses the enormous losses the country is subjected to by the operation of the Canadian National Railway ~~inherent in the same~~.

He advocates a form of amalgamation of the two systems very similar to that suggested by Sir. Herbert Holt. I fancy these Gentlemen have thoroughly discussed the matter between themselves. There is, however, this important difference. This witness suggests that on the Board of Directors the Canadian Pacific Railway should have a pronounced majority to insure what, I think, is the meat of his proposal;- to wit, that the operating control of the combined systems be wholly in the hands of the Canadian Pacific Railway.

This witness strongly objects to any foreign acquisition or control of our railways. By foreign he means outside of the British Empire. He does not agree with the other witnesses on the question of density of traffic and the difficulty of making the systems pay. He rather agrees with D. B. Hanna, and thinks that with economic management, the abandonment of unprofitable lines and so forth, there

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is enough business being done in Canada at the present time to warrant the operation of both systems, at least on the basis of avoiding loss.

He thinks that an amalgamation of the two systems would have an immediate advantageous effect upon the credit of Canada, both with respect to the Government and the Canadian National System.

The witness pointed out that under present conditions the Canadian Pacific Railway proper pays 7% on the Common Stock, and the other activities of the Company pay 3%. He suggested that the Canadian Pacific Railway would be willing to have a somewhat lower guarantee than 7% on their stock.

The witness thinks that unless something is done in the near future to put an end to the annual deficits Canada will find herself in a very serious financial condition.

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FINANCE & DEBT

Many absurd statements are being made to the effect that the Borden government was responsible for the railway exploitation of the country and not the Laurier administration. At the last session of the House the Drayton-Acworth report was referred to by the Rt. Hon. Mackenzie King as establishing that while a comparatively small mileage was in operation when Sir Robert Borden came into power a very greatly increased railway mileage was shown to be in operation.

The report shows that the mileage in operation in 1911 was 25,400, while the railway mileage open and under construction at the date of the report was 40,584. The matter was set right in the course of the debate in which the Premier's remarks were made. It was shown that every mile of track of Canadian Northern, Grand Trunk Pacific and Transcontinental was authorized under legislation of the Laurier administration. The mis-statement of face is being persisted in both by the Montreal "Herald" and by Liberal speakers, and it becomes necessary to again restate the truth. The Drayton-Acworth report was made in April, 1918. The official figures show mileage in operation for the year 1911, 25400; 1920, 39,169. This mileage in operation is divided between the principal roads as follows:

	1911	1920	Increase
Canadian Northern	4,461	9,652	5,191
Canadian Pacific	10,247	13,402	3,155
Grand Trunk Pacific	--	2,732	2,732
Transcontinental	--	2,006	2,006
Total Increase			13,084

No issue arises as to construction by the Canadian Pacific; that Company pays its way. The difficulty arises

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owing to the new Transcontinental lines which were entirely constructed under legislation of the Laurier administration. The Grand Trunk Pacific and the Transcontinental were constructed under the original contract of 1903. The Canadian Northern, a profitable Prairie undertaking ending at Port Arthur, by legislation from time to time passed and especially by the legislation of 1911 under which guarantees of $35,000 per mile were granted for the line from Montreal to Port Arthur, was made an unprofitable transcontinental system by the Laurier administration. Deducting the Canadian Pacific construction the result is that the increase in operation, subject to question, then amounts to 9,929 miles.

So as to remove the slightest possible doubt as to responsibility the legislation dealing with the Canadian Northern is as follows - (as yet no Liberal advocate has been wild enough to charge the Borden government with the Transcontinental and Grand Trunk Pacific schemes; details of legislation referring to these later undertakings are therefore not given.)

CANADIAN NORTHERN RAILWAY COMPANY

1897, ch. 49	Lake Manitoba Ry. & Canal Co., Dauphin to Shell River.
1899, ch. 57	Amalgamation of Winnipeg Great Northern Ry. and Lake Manitoba Ry. and Canal Co. under the name of "The Canadian Northern Ry. Co."
1900, ch. 8	Subsidy for line to Prince Albert.
1901, ch. 52	Agreements of amalgamation with Manitoba & Southeastern Ry. and Ontario & Rainy River Ry., and agreement with Minnesota & Manitoba Ry. and Edmonton, Yukon & Pacific Ry., Rainy River Bridge, etc.
1901, ch. 53	Lease of lines of Northern Pacific & Manitoba Ry., Winnipeg Transfer Ry., Portage & Northeastern Ry., and Waskada & Northeastern Ry.
1902, ch. 50	Transfer of stock, bonding powers, agreement with Morden & Northwestern Ry.
1903, ch. 7	Government guarantee of bonds, line from Grandview to Edmonton, and Prince Albert Branch.

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1903, ch. 97	Lines authorized; Agreement with Western Extension Ry.
1904, ch. 60	To consolidate bond issues, amalgamate with Northern Extension Ry., and James Bay Ry.
1905, ch. 72	Time extended on lines authorized by Canada and Manitoba.
1905, ch. 99	Agreement with Great Northern Ry.
1907, ch. 52	Agreement regarding Winnipeg Terminals with G.T.P. Ry. and His Majesty.
1907, ch. 71	Bond issue increased, additional securities for Winnipeg Terminals.
1907, ch. 73	Guarantee of stock certificates of Canadian Northern Quebec Ry. Co.
1907, ch. 121	Guarantee of stock certificates of Qu'Appelle, Long Lake & Saskatchewan Railroad & Steamboat Co.
1908, ch. 11	Government guarantee of bonds.
1908, ch. 25	Guarantee of Bonds of Edmonton, Yukon & Pacific Ry. Co. on amalgamation.
1908, ch. 92	Lines authorized, capital increased, etc.
1908, ch. 94	Can. Northern Quebec Ry. Co. may acquire and operate Ottawa to Montreal line.
1909, ch. 5	Amendment of trust deed.
1909, ch. 64	Amount of securities limited.
1910, ch. 6	Acquire Edmonton, Yukon & Pacific Ry. by amalgamation, relinquish aid, and guarantee securities of Can. Northern Alberta Railway.
1910, ch. 80	Lines authorized, Easterly limit of foothills of Rocky Mountains established. Issue of securities limited, etc.
1911, ch. 6	Guarantee securities of Can. Northern Ontario Ry., etc.

CANADIAN NORTHERN ALBERTA RAILWAY COMPANY

1910, ch. 6	Incorporation and Government guarantee of bonds.

CANADIAN NORTHERN BRANCH LINES COMPANY

1911, ch. 56	Incorporated.

CANADIAN NORTHERN ONTARIO RAILWAY COMPANY

1907, ch. 40	Subsidy.
1907, ch. 42	Formerly James Bay Ry. Co., lines authorized, capital, etc.

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1908, ch. 63	Subsidy.
1908, ch. 98	Branch line authorized, time limited, securities, etc.
1909, ch. 63	Lines authorized, time extended.
1910, ch. 79	Power to make agreements with certain companies, issue of consolidated securities.
1911, ch. 6	Government guarantee of bonds, etc., on line Montreal to Port Arthur.
1911, ch. 57	Time extended for authorized lines.

CANADIAN NORTHERN QUEBEC RAILWAY COMPANY

1907, ch. 40	Subsidy, L'Epiphanie to Rawdon.
1907, ch. 73	Amalgamation of Great Northern Ry., Chateauguay & Northern Ry., and Quebec, N.B. & N.S. Rys., guarantee of stock by Can. Northern Ry.
1908, ch. 63	Subsidy, Hawkesbury to Ottawa.
1908, ch. 94	Lines from St. Jerome to St. Eustache and from Ottawa to Montreal.
1909, ch. 64	Line authorized, Hedleyville to River Laval.
1910, ch. 51	Subsidies.
1911, ch. 6	Government guarantee on part of line.
1911, ch. 58	Lines authorized.

It will be noted that so busy was the Laurier administration in creating this system which Liberal advocates to-day are busily engaged in disowning, that in only two years of that regime, namely 1898 and 1906, there was no Canadian Northern legislation.

It was absolutely impossible for the Borden administration tom interfere with that legislation. The roads were largely built or under construction, and the roads not built or under construction had already their financial arrangements made; bonds had been issued and the moneys were in the hands of the trustees. The country was committed by subsidy and guarantees were here, there and everywhere given to the undertaking. The mere statement showing the railways in operation as covered by governmental reports does not indicate

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whether or not ~~the~~ other railways were built. Frequently railways are not only built but operated before being formally declared open for operation by the Board of Railway Commissioners. They are operated generally either by the contractors or by the company itself, but until the work has been formally approved by, and statutory tariffs filed with, the Board of Railway Commissioners, the road is not treated as a road in operation. This practice was proceeded with in connectionw with the Grand Trunk to such a point that the Railway Board had to consider the advisability of obtaining legislation which would compel the companies to treat the roads as being open for operation so that the public would be entitled to proper statutory protection. The Grand Trunk Pacific formal opening was greatly delayed owing tomthe deficits in operation of the line which the Company could not finance except treating them as a matter of capital expenditure which they could only do during the period of construction and before the road was formally declared open.

No Canadian Northern or Grand Trunk Pacific construction whatever took place under any legislation of the Borden administration. While nothing was built, enabling legislation was passed extending the time for construction of lines authorized and then in part completed (Cap. 79, 2 Geo. V, 1912). This statute also provided for a connection between the Canadian Northern and Transcontinental at Long Lake East of lake Nipigon, and an extension on the Ottawa-North Bay line to the Central Ontario Railway between Bancroft and Whitney. The construction did not take place and the authority has lapsed.

Cap. 92, 3-4, George V, 1913, extended the time for construction of certain Ontario mileage then under way and gave authority for the construction of some lines in Western Ontario which were not gone on with.

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It may be observed that the alleged followers of the late Hon. Sir Wilfrid Laurier take a very different stand from what he did. At that time at any rate he was not ashamed of his actions. It is unnecessary to refer to his speeches in favor of the National Transcontinental and the Grand Trunk Pacific. If there be any issue, however on this point, as late as May 13, 1914, when the mistakes of the Liberal railway policy were becoming apparent, Sir Wilfrid Laurier stated in Parliament:

> "I must confess at once that I have long believed that this country requires three transcontinental railways, and although this theory has been somewhat controverted in this House and out of it, I have never seen any reason to change my opinion." (Hansard, 1914, Column 3672)

Sir Wilfrid dealt with the Canadian National Railway at the time of the proposal of the Borden administration to acquire 400,000 shares of its stock as follows:

> "For my part, I can say that I have always favored the efforts of our two fellow citizens (MacKenzie and Mann) whose names have been mentioned several times by my Right Honourable Friend (Sir Robert Borden), and who have applied themselves for many years to the task of binding the continent with another band of steel. The late government was not slow to interest themselves in the enterprise and to favor it as much as they could."
>
> "My right honourable friend (Sir Robert Borden) said, and I quite agree with him, that we cannot allow this enterprise to fail. We have too much money in it --- not only the money of the country, but of the provinces and of the bond holders themselves. It is therefore necessary that we assist this enterprise; but the provisions made to carry it to completion are altogether deficient."
>
> "I said a moment ago, and I repeat that this enterprise must go on. It has been conceived for the benefit of the Canadian people. We require this railway. My right honourable friend said he would not let it go into liquidation, it must not go into liquidation but we should have control of it. Since we must go into partnership with the Canadian Northern, let us see that we are the master, not the servant..... We have helped them in the past, I, for my part, have been an admirer of their energy and enterprise."

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A SOLUTION

OF THE

CANADIAN RAILWAY PROBLEM

SUGGESTED BY

SIR THOMAS TAIT

REVISED MAY, 1921

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MEMORANDUM ACCOMPANYING SIR THOMAS TAIT'S PAMPHLET
"A SOLUTION OF THE CANADIAN RAILWAY PROBLEM"

The two fundamental differences between the recommendations made in the Drayton-Acworth report and the Tait Solution of the Canadian Railway Problem are:-

First, the exclusion of the Canadian Pacific system under the Drayton-Acworth recommendations and its inclusion in the Tait scheme. There is not sufficient reason advanced in the Drayton-Acworth and Smith reports for the exclusion of the Canadian Pacific and there are good reasons for its inclusion. The very large savings in expenditures for improvements and additions as, for instance, for new lines and terminals, and in working expenses and overhead charges, which can be affected if the Canadian Pacific be included with the Canadian Northern, Grand Trunk, Grand Trunk Pacific and Government Railways in one great system, will only to a comparatively small extent be possible if the Canadian Pacific be excluded. The Canadian Pacific Company would probably accept a rate of dividend on its stock guaranteed by the Dominion (for the reason that it would be permanent) appreciably less than has been earned on that stock in the past or than will be earned on it in the future and therefore, the Canadian Pacific, if included in the scheme, would earn for the whole system a considerable profit in excess of the Dominion guarantees in respect of the Canadian Pacific. In other words the Canadian Pacific would contribute considerably to the deficit of the balance of the system.

Second, The Tait scheme provides for the administration of the whole system by an Operating Company of which the stock is to be held by Citizen Shareholders and that a contract shall be entered into between the Dominion and this Operating Company providing for a guaranteed dividend on such stock and an increase in this dividend in the event of certain financial results being obtained in consequence of efficient administration by the Operating Company by way of a reward for the same. Such a contract could not be set aside by the Dominion without "confiscation" and, therefore, it would stand notwithstanding that the Operating Company carried on its administration of the whole system independent of politics and politicians.

The organization to be set up under the Drayton-Acworth report for the administration of the railways to be taken over under it, is to be created by legislation and there is no safeguard in that scheme to prevent Parliament subsequently abrogating or modifying such legislation, should the administration of the Trustees under that scheme not please the Government of the day or parliament.

The sale to Citizen Shareholders of Stock in the Operating Company as proposed, would provide funds required by the Dominion for Expenditures on Capital Account whether for the Railway or for Government Departments and for the Redemption of Bonds, etc., which funds would come from Canada.

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A Solution of the Canadian Railway Problem

SUGGESTED BY SIR THOMAS TAIT

Revised May, 1921

In April, 1917, I ventured to suggest a solution of the Canadian Railway Problem. There have since been many important changes in the Canadian Railway situation, but as these do not appreciably affect the fundamental principles of the scheme then outlined, I again venture to suggest that solution with some minor modifications which in the light of altered conditions and further consideration appear to be necessary or advisable.

Assuming that the control of the Grand Trunk System is secured, the Dominion of Canada will presently own or control and operate over 20,000 miles of railway in Canada and (including the Central Vermont System) over 1,700 miles in the United States. The Canadian Pacific Railway Company owns, controls or works about 15,000 miles in Canada (not including the Edmonton, Dunvegan and British Columbia system) and about 5,000 miles in the United States. A large proportion of the mileage of the Canadian National and Canadian Pacific systems is competitive and in many instances serves the same territory—indeed some of their lines are closely parallel.

There was a seriously large annual deficit (about $37,000,000 last year) on the present Canadian National Railways (including the Canadian Northern and Grand Trunk Pacific) in even meeting the operating expenses, to say nothing of a reasonable return on the capital invested in those railways (probably over One billion dollars, exclusive

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of past operating deficits and interest on capital). The addition of the Grand Trunk System to the National Railways, with the obligations accompanying it, will not, it is feared, appreciably reduce this deficit.

One of the most important problems therefore which Canada and its citizens have to deal with at the present time is to gradually reduce and, as soon as possible, eliminate the deficit in the operation of its National Railways and eventually earn some return on the capital invested in them.

It is confidently submitted and will, I think, be generally admitted by practical railway officers that if the Canadian National Railways (including the Grand Trunk system) and the Canadian Pacific system are combined and worked as one great system, very large savings indeed in operation and maintenance can be effected, as for instance by:

The utilization of the shorter or easier, and therefore cheaper, routes for traffic.

The taking up or temporary abandonment of duplicate lines or lines of little value where the public would not be appreciably affected.

The ability to use all motive power and rolling stock freely on any part of the whole system, thus saving much unnecessary movement, especially of freight cars, and obtaining greater service out of such equipment.

Reduction in train service without appreciable disadvantage to the public, by avoiding present duplicate services.

Joint instead of separate stations, terminals, offices, etc., with a consequent reduction in staff, etc.

Concentration of work in shops and elsewhere, and of stocks of materials and supplies.

Larger purchases and therefore lower prices of all materials and supplies.

Another advantage in combining all the important railways of Canada in one system to be worked for the good of all is that the construction of competing lines would be

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prevented and that new lines would be so located that the least possible mileage would serve the greatest possible area or population, and that railway subsidies with their evil influences would disappear.

The savings, not only on the Canadian National but on the Canadian Pacific system which could be effected in these and other directions are so many and so considerable and in the aggregate would represent such a large amount, that they can be confidently relied upon to almost immediately commence to appreciably reduce the deficit on the Canadian National Railways and within a comparatively few years to eliminate any operating deficit.

The combination of the Canadian National Railways (including the Grand Trunk) and the Canadian Pacific, to be worked as one system for the good of all, is, in my opinion, the quickest and best method of substantially improving the financial results of the Canadian National Railways.

Some dangers, however, arise in connection with the combination in one great system of practically all of the railways of the country and these must be guarded against.

The administration may become too powerful a factor in the affairs of the Dominion.

There is the absence of competition and of incentive for efficient management.

There is the much-talked-of danger, in case this great system is managed by a Board or Commission appointed by the Government of the day under legislation which can be amended or abrogated by those in power at the time, that the administration will in the course of time be hampered or interfered with and that there will be difficulty in the way of a continuity of policy. This danger is to be feared in all democratic countries and has been experienced in many.

The following is an outline of a scheme which it is submitted will guard against these dangers and gradually reduce and before long eliminate the present enormous loss resulting from the operation of Canada's national railways.

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OUTLINE OF SCHEME

(A) The Dominion to lease the Canadian Pacific Railway system in perpetuity for a rental equivalent to an agreed annual return on its common stock and to guarantee the payment of all dividends or interest on all the securities of that system which are senior to its common stock and to assume all the liabilities of that company, including all its guarantees on the securities of other railway companies, and the payment of all rentals for which the Canadian Pacific Railway Company is responsible. The Dominion to take over all the assets of the Canadian Pacific Railway Company, except those which are not closely connected with the operation of its railways and connections, which would be transferred to a separate company for the benefit of the Canadian Pacific shareholders. The exclusion of these assets would reduce the rate of dividend on the common stock of the Company to be guaranteed by the Dominion.

(B) The five systems, viz., the existing Government system, the Canadian Northern, the Grand Trunk Pacific and the Canadian Pacific and Grand Trunk systems to be administered for and on behalf of the Dominion under an agreement with the Dominion by a company known as, say, the Canadian Railways Company, hereinafter called the "Company," to be incorporated and constituted as follows:

(C) (1) The Company to be incorporated as above to have as large a capital stock as it may be possible to dispose of to citizen shareholders, the larger the better, and to have a Board of Directors of twelve members, hereinafter called the "Board."

(2) The Dominion to guarantee a sufficient dividend on the capital of the Company so that the stock will be sold at about par ($100 per share). In selling the stock every effort to be made to distribute it so that every part of the Dominion and every class of the community shall be interested. No corporation, firm, institution or individual to be or become the owner, directly or indirectly, of more

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than 1,000 shares. No stock to be held by other than Canadian corporations, firms, institutions or citizens.

(3) Five of the twelve Directors to be appointed in the first instance by the Governor-in-Council, five by the citizen shareholders, one by the officers and employees of the Company (by those with at least one year's service) and one by the Supreme Court of Canada.

The Directors to be appointed by the Governor-General-in-Council to hold office one for six, one for seven, one for eight, one for nine and the fifth for ten years, subject, however, to dismissal by the Governor-General-in-Council in the event of misconduct or incapacity, with right of appeal in such case to the Supreme Court of Canada, any vacancy by the completion of a term of office or otherwise to be filled by a nominee of the Board subject to the approval of the Governor-General-in-Council. These five Directors to be the most capable railway administrators obtainable, with experience in the various branches of railway work.

The Directors to be appointed by the citizen shareholders to hold office, one for one, one for two, one for three, one for four, and the fifth for five years; one of them to be elected by the citizen shareholders in each of the following territories: the Maritime Provinces, the Province of Quebec, the Province of Ontario, the Provinces of Manitoba and Saskatchewan and the Provinces of Alberta and British Columbia. The term of office of each such Director to be decided in the first instance by lot and to rotate—that is, the Director elected in the place of the director holding office in the first instance for one year to then have the five years' term.

The Director to be appointed by the staff to hold office for five years.

The Director to be appointed by the Supreme Court of Canada to hold office for ten years, subject however to dismissal by the Governor-General-in-Council in the event of misconduct or incapacity, with right of appeal in such case to the Supreme Court of Canada.

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(4) The President and Vice-Presidents of the Company to be appointed, in the first instance, by the Governor-General-in-Council from among the five Directors similarly appointed. The President to hold office for ten years. Subsequently the President and Vice-Presidents to be appointed by the Board from among the five Directors whose appointment is to be approved by the Governor-General-in-Council as per Clause C3.

(5) The salaries of the members of the Board to be appointed or approved by the Governor-General-in-Council to be sufficient to secure the best men for the positions and the salaries of the other Directors to be such as to make it worth the while of able and reliable men to become members of the Board.

(6) The Board to direct the policy of the Company and to have complete control of the administration of the Company's operations and affairs and of the appointment, remuneration and work of its officers and employees.

(D) For any year in which the net revenue of the Company is sufficient to pay all the rentals, guarantees, interest and other charges payable by the Dominion in respect of the whole system and the interest payable on additional capital expenditure (see Clause E) all hereinafter called "fixed charges," the members of the Board to receive a bonus equivalent to an agreed percentage of their respective annual salaries and the citizen shareholders an agreed increase in their dividend, and in the event of the net revenue in any year being sufficient to pay the said fixed charges and in addition interest at an agreed rate on the capital already invested by the Dominion in the Canadian National Railways, the members of the Board to receive an additional bonus equivalent to an agreed percentage of their respective salaries and the citizen shareholders to receive an agreed additional increase in their dividend for that year.

(E) The Dominion to provide all the funds needed by the Company including those required for new railways and for additions and improvements to existing lines and for

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rolling stock and other equipment chargeable to capital account, as may be stated to be required by the Board. In the event of a difference of opinion between the Board and the Minister of Railways (representing the Dominion) in respect of any such capital funds requirement, the question to be submitted to the authority referred to in Clause (F) for investigation and report—the decision of such authority to be final.

(F) The construction of a new railway not to be undertaken nor any commitment to it given until an investigation and report in regard to it have been made and the report laid on the table of the House of Commons by a competent authority—independent of politics—say, a board of from three to five members thoroughly well qualified for the purpose.

(It might be interjected here that a similar procedure might well be followed in all cases involving large expenditures of public money on or in connection with works, such as canals, docks and harbours, dredging, important buildings, etc., and the authority above mentioned might also be utilized to investigate and report in regard to such projects. Every Member of Parliament would thus have knowledge based on independent and competent authority as to what he was voting for.)

(G) Rates and fares and other charges for transportation and other services not to be increased without the approval of the Dominion Board of Railway Commissioners.

Except as hereinafter specified in Clause (H) rates and fares and other charges not to be reduced without the consent of the Board until a substantial Reserve Fund has been provided out of Net Revenue (in excess of the fixed charges, interest on the Dominion capital investment, bonuses to directors and extra dividends to shareholders) and the net revenue has been sufficient in three successive years to meet all such charges and payments, and then only to the extent which, based on the average traffic of the said three years,

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represents a reduction in the net revenue equal to the net revenue in excess of such charges and payments.

(H) The Government may by Order-in-Council declare a matter to be one of general policy, and direct the Board to give effect to such policy, but in the event of the Board not concurring in whole or in part in such direction, the Dominion to reimburse annually to the Company the yearly increase in expenditure or the decrease in revenue of the Company occasioned by the carrying out of such direction in excess of such increase or decrease as would have been occasioned by the carrying out of such direction to the extent only to which the Board concurred in it.

(I) The accounts and books of the Company to be continuously audited by an auditor to be appointed by the Governor-General-in-Council, who shall certify to the balance sheet, profit and loss account, and other annual statements of the company.

(J) Legislation to be enacted providing for the settlement of disputes between the Company and its employees without resort to strikes or lock-outs. Pensions to be provided for the officers and employees of the Company.

Under this scheme no difficulty should arise in working any of the lines in the United States, for they would be operated by an incorporated Company, all the stock of which would be owned by private shareholders.

The idea which is in mind in providing for bonuses for the members of the Board and increased dividends to the citizen shareholders, in the event of certain results in net revenue being obtained (see Clause D), is to make it in their financial interest to efficiently administer the affairs of the Company, thus increasing the net revenue. This incentive to efficient management is an important factor in the scheme.

It would be highly desirable to have a large number of representative institutions and citizens of the Dominion

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directly interested financially in the administration of the National Railways of the Dominion and through the appointment by them of five out of twelve Directors of the Company to have a voice in such administration (see Clause C3). A scheme can easily be devised by which the stock in the Company will be equitably distributed and held by all classes of the community throughout all the Provinces of the Dominion. The larger the number of shareholders and the amount of stock sold the better, for it will mean the greater the interest in the efficient administration of the Company among the citizens of Canada. Moreover the more stock sold the larger the amount of money made available for the working capital of the Company.

The provision and maintenance of a substantial Reserve Fund (See Clause G) is advisable to avoid possible disarrangement in the Dominion Budget owing to the need of making provision therein to meet any deficit in rentals, guarantees, interest charges, etc., in a year of unfavourable railway results, due, for instance, to a failure or partial failure in the harvest.

What is in mind in Clause (H) is to prevent a deadlock between the Government of the day and the Board in the event of the Government considering it desirable in the interest of the public and the country to have effect given to some matter of general policy, which policy in whole or in part is not concurred in by the Board. Under this provision, the loss in revenue or the increase in the expenses of the Company, representing the money difference between the opinions of the Government and the Board, would not adversely affect the net profits of the Company as it would be credited to the Company out of the general revenue of the Dominion. As the Dominion is practically exclusively concerned in the net profits of the Company, the net result to the Dominion would not be affected. This provision has been of value in Australia.

The interests of the public can be safeguarded by preserving the Dominion Board of Railway Commissioners, in whose jurisdiction and authority, however, consequential

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restrictions and modifications would be necessary if effect were given to this scheme, as, for instance, in the matter of reducing rates and fares. The Board of Railway Commissioners should also be charged with the duty of seeing that the lines, equipment, etc., are maintained in a safe and efficient condition, and that the train and other services are such as the business justified.

It may be urged as an objection to the foregoing scheme that there would be an absence of competition, but competition beteeen railways as it has existed has been wasteful and far from efficient in the true sense of that word. My experience on State Railways in Australia was that every patron was a critic not only as a patron but because as a taxpayer he considered himself interested financially in the efficient management of the State's Railways and that this made it unnecessary to have competing railways to keep the administration up to the mark.

No matter how independent a Board or Commission for the administration of State Railways may be made by the legislation under which such a body is originally constituted and appointed, the time will surely come, and at no distant day, when it will become unpopular and create antagonism (for instance, by rightly declining to accede to the demands from some part of the country, some particular industry or some class of the community) and when this occurs its independence of outside control or interference is apt to be taken away or modified by amending legislation. In such a scheme as is here suggested, however, there would be a contract between the Canadian Railways Company, representing thousands of citizen shareholders, and the Dominion which could not be amended or abrogated, even if the administration of the Company might become temporarily unpopular. This is an important feature of this scheme.

In this connection attention is directed to the following extract from the minority report of Mr. A. H. Smith, a

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member of the Drayton-Acworth-Smith Commission, and President of the New York Central Railroad Company:

"I am unable to join my colleagues in their recom-
"mendations. They propose that practically all of the
"railways in Canada, except the Canadian Pacific and the
"American lines shall be turned over to a corporation to be
"managed by a board of trustees appointed by Government.
"They insist that this Board is to be permanent and self-
"perpetuating. I do not know by what means one Parlia-
"ment can bind its successors to a given policy, especially
"in so simple a matter as changing the organization of a
"government board. My friends seek to avoid govern-
"ment ownership and operation, in fact condemn it as in-
"advisable, but propose a plan which contains so many
"elements of danger in the direction which is sought to be
"avoided that I am unable to join them."

A scheme can, it is believed, be worked out on some such lines as the foregoing under which all the important railways of Canada can be combined and worked as one great system with enormous savings in working expenses and in other directions and with other beneficial results, and under which there would be the advantage of such efficient and prudent administration of our National Railways as that of a well managed and independent company, and this with the interests of the public adequately safeguarded.

There are some novel features in this scheme, and it may be considered that the Dominion should not irrevocably commit itself to it. I think myself this would be wise, as in any case experience may show that the scheme can with advantage be altered in detail. I therefore suggest that it would be well to reserve the right to the Dominion to terminate the contract with the Company at the end of each, say, ten year period, on two years' notice, and on taking over from the citizen shareholders their stock in the Company at a premium of, say, ten per cent.

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First Draft

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The Railway Question, Its Latest Phase -
The Usual Breach of Faith.

The government of Sir Robert Borden, compelled by circumstances, which circumstances were the inevitable legacy of a reign of railway folly commenced in 1903 with the Grand Trunk Pacific venture, and ending in 1911 with the endorsement of the Canadian Northern Transcontinental by the Laurier government, gathered into one great system the railways which the government was forced to take over. In 1919 it passed a statute known as the Canadian National Railway Actm which act provided for two main objects, (1) for the constitution by the government of a Board of Directors of the Canadian National Railway Company; (2) for the entrusting to this Company of the management and operation of any railway property owned by the country. The Borden government also had actually brought into one all the railways owned or controlled by the Dominion, and had placed a board of business men of integrity and signalcapacity. This Board was constituted as follows:at the time of the advent of the King government:

President and General Manager: Mr. D.B. Hanna.

Vice-President (Finance): Mr. A.J. Mitchell Toronto

Mr. E.R. Wood

Mr. R.H. Hobson, Hamilton

Mr. R.T. Riley, Winnipeg

Sir Hormidas Laporte, Montreal

Major G.A. Bell, Deputy Minister of Railways

The following roads were managed under the direction of this Board:

1. The Canadian Northern system;
2. The Grand Trunk Pacific system;
3. The National Transcontinental railway;
4. The Intercolonial Railway;
5. The Hudson Bay Railway.

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The Canadian National Railway Act provided by section 11 for the committing of the Grand Trunk Railway or any other railway that might be owned by the state to the management of the Canadian National directorate. This the government of Sir Robert Borden, and also the government of Mr. Meighen, not only provided for by legislation but committed themselves to put into effect. It could not, of course, be done during the pendancy of the arbitration which ended on the eve of the election campaign, but was pledged to be completed immediately after the election. All other roads, as stated above, had been brought in.

The new Government came into office in December, 1921, Nothing whatever was done until October, 1922. In the meantime the Minister of Railways had stated on this subject what he declared was the government policy on 11th April,1922. The following are his words:

> "The first step in the reorganization of the railways will be the establishment of a single representative Board of Directors for the unified control and co-ordinated operation of the Governmend-owned lines, now directed and controlled by two separate boards and two different managements. This board will be thoroughly representative and will include in its number the most competent railway men, men of wide practical experience and training, and possessed of expert knowledge in the various departments of railway activity.
>
> I am aware that there has been criticism of the Government because the new board has not already been appointed. We realize that, for the time being, we might conceivably save some money by the immediate termination of dual control and dual management; on the other hand, we also realize that by unwise or hasty selection of this most important body we might easily, in the long run, lose a great deal more."

In October, 1922, the above board, with the exception of the Deputy Minister of Railways, who could not well be removed being the link between the government and the Board, were summarily dismissed from office. Of course the farce of requesting resignations was solemnly gone through. These men, the majority of whom had been in actual railway business or in railway management most of

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their lives were ~~discredited~~ discarded. Under them the system, notwithstanding the incubus of the Grand Trunk Pacific and Transcontinental, was being pulled together, the deficits were diminishing, the service at the same time was vastly improving and the whole undertaking was becoming a pride of the Canadian people. In their places were appointed the following:

President: Major General Sir Henry W. Thornton

John H. Sinclair, Ex M.P. Antigonish.

R.P. Gough, Toronto.

Jas. Stewart, Winnipeg.

Ernest R. Decary, Montreal.

Frederick G. Dawson, Prince Rupert.

Tom Moore, Ottawa

Graham Bell, Deputy Minister of Railways

Gerald G. Ruel, general counsel.

Of the above only one had ever before had the slightest connection with railway business, and he had no knowledge or experience whatever with Canadian railway affairs. That exception is Sir Henry Thornton, a man who had only set foot in Canada previously on the banks of the St. Lawrence, and whose entire railway experience was in the management of a system totalling a mere paltry fraction of the Canadian National ~~railways~~ System. He was given a salary of $50,000 a year, or ~~nearly double~~ $15000 higher than the salary Mr. Hanna enjoyed after 40 years of service. Mr. Stewart is head of the Maple Leaf Milling Company, a company which has perhaps more dealings with the railways, or as much dealings with it, as any other ~~railway~~ concern in Canada. It is a company in a position to be favored by the railways as easily as is any company in the Dominion. As to his appointment, though Mr. Stewart is alone on the board a man of outstanding business ability, he has had no experience in railway directorates whatever, or in railway life of any

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Fair minded & allegiance
The people will why these three men
— two of them among the very
with the Ry Railway & personnel
cast aside to make way for Mr Gough
universally recognized business eminence and integrity — should be

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kind, and his appointment, while he holds the presidency of the Maple Leaf Milling Co., is a flagrant, indeed a blazing violation of the Prime Minister's pre-election promises that no man would be a director who was interested in any concern doing business with the railways. Of the other appointees, Messrs Dawson, Sinclair and Gough have no qualifications whatsoever, none except those possessed by subservient, active party henchmen. Mr. Sinclair is an old man, too old for the Senate, a hard-working partisan ~~in politics~~. Mr. Dawson has been responsibly charged with being the arch bootlegger of British Columbia, and neither he nor his supporters have shown themselves in a position to support a denial ~~deny the accusation~~. The Liberal Attorney General of B.C. describes him as a "Brewers agent" He has been the ~~leader~~ chairman of two election campaigns and undertook the management of a third. These are Mr Dawson's qualifications for director of a 2000-mile Railway system. Mr. Gough has been engaged in the fur business in Toronto. He takes the place on a great railway directorate of Messrs E.R. Wood A.J. Mitchell and Robert Hobson. The employees of the railway who were to have had a representative on the Board, and who were promised such by the late government as soon as the Grand Trunk was brought in, ~~and would have obtained it~~ ~~have no representative~~ have no representative whatever. Mr. Tom Moore is a official of non railway labor, and is in no way the choice, nor would he be the choice, of the employees of the National railways. In a word the new Board consists mainly of campaign party leaders who have been installed in place of a successful board, not one of whom has been actively associated with politics. The public are left to compare this conduct with the professions of Mr King in the Election Campaign and the pledge of the Minister of Railways as given to parliament on April 11th last.

That is all. Let the fair-minded reader examine the names and records of the men on this board and then reflect on the following promise made by the Minister of Railways:

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> "This board will be thoroughly representative and will include in its number the most competent railway men, men of wide practical experience and training, and possessed of expert knowledge in the various departments of railway activity."

Outside of Sir Henry Thornton there is not a new man appointed who ever had in his life before the remotest connection with a railway. The promise that the Grand Trunk would be unified with the Canadian National Railways has been broken. This feature of the Act of 1919 has not been called into effect. The Government has appointed the same men whom they put on the Canadian National directorate to be Grand Trunk directors, but they have not placed the Grand Trunk railway under the management of the Canadian National directorate as such, as provided by section 11 of the Act of 1919. The result is that the railways are still continuing to be run as separate systems. They have their separate executives absolutely distinct. This is in direct, ~~indeed blazing~~ violation of Mr. Kennedy's promise of April 11th last.

This breach of faith on the part of the government means the loss of millions annually by the separate management of these two systems. These millions the taxpayers of Canada must pay. It demonstrates how essentially right were those who declared that the purpose of the present government, inimical as its leading members are to national railways and government ownership in every form, was to see that the worst possible showing was made by the system; that the people should be burdened to the heaviest extent by its deficits and disgusted by its ~~burdensome~~ partisan control and thus brought to a state of mind where they would support the alienation of the National Railways into private hands.

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C.O P Y

DEPARTMENT OF THE INTERIOR

CANADA

In your reply please
quote this file
No. 4647744.

ORDNANCE AND ADMIRALTY LANDS BRANCH

Railway Lands Division.

CARLING BUILDING

OTTAWA, 3rd April, 1922.

Sir:

With further reference to my letter of the 8th ultimo, relative to certain Railway Land Statistics, I beg to advise you that it has not been the practice of this Department to establish, at the date of the issue of patent, value on lands granted to the various Railway Companies on account of land subsidy, consequently, there is no information on file in this Department regarding the values of the Railway Land Grant Lands.

It would seem that the most authentic information obtainable as to the average value of virgin agricultural lands in the Prairie Provinces is the price at which School Lands have been sold at public auction. The School Lands Branch was, therefore, requested to furnish any information available as to the average price obtained for School Lands during the past thirty years and they have now advised me as follows:-

"The average price for all School Lands "disposed of down to the 31st December, 1921, was as "follows:-"

Alberta	$13.82 per acre
Manitoba	$ 9.77 per acre
Saskatchewan	$17.73 per acre.

I presume you are aware that School Lands comprise two sections in each full Township in the Prairie Provinces and from this fact you will see that these lands cover an extensive area in every Township in the aforesaid Provinces.

I have the honour to be
Sir,

Your obedient servant,

(Sgd) J. P. Dunne,

Superintendent

G. A. Bell, Esq., C. M. G.,
Deputy Minister,
Department of Railways and Canals,
Ottawa.

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STATEMENT SHOWING HOW MANY ACRES OF PUBLIC LAND HAVE BEEN GIVEN TO RAILWAY COMPANIES IN THE DOMINION OF CANADA BY THE FEDERAL GOVERNMENT FROM 1878 TO THE PRESENT TIME, ETC.

-:-:-:-:-:-:-:-:-:-:-:-

1. How many acres of public land have been given to the Railway Companies in the Dominion of Canada, by the Federal Government from 1878 to the present time.

2. How many acres were granted in each year during the above period of time.

-:-:-:-:-:-

1. 31,371,843 acres.

2. No lands granted prior to 1883.

Nov. 1st.	1883	to	Oct.	31st.	1884	192,387
" "	1884	"	"	"	1885	231,058
" "	1885	"	"	"	1886	129,063
" "	1886	"	"	"	1887	178,336
" "	1887	"	"	"	1888	139,649
" "	1888	"	"	"	1889	171,628
" "	1889	"	"	"	1890	197,874
" "	1890	"	"	"	1891	71,530
" "	1891	"	"	"	1892	58,829
" "	1892	"	"	"	1893	102,967
" "	1893	"	"	"	1894	135,638
" "	1894	"	Dec.	31st.	1895	101,935
Jan. 1st.	1896	"	"	"	1896	190,178
" "	1897	"	"	"	1897	87,895
" "	1898	"	"	"	1898	152,834
" "	1899	"	"	"	1899	218,754
" "	1900	"	June	30th.	1900	73,421
July 1st.	1900	"	"	"	1901	6,440,999
" "	1901	"	"	"	1902	3,589,798
" "	1902	"	"	"	1903	2,328,034
" "	1903	"	"	"	1904	2,201,005
" "	1904	"	"	"	1905	5,248,388
" "	1905	"	"	"	1906	2,641,632
" "	1906	"	March	31	1907	779,265
April 1st.	1907	"	"	"	1908	3,561,015
" "	1908	"	"	"	1909	885,950
" "	1909	"	"	"	1910	158,481
" "	1910	"	"	"	1911	351,180
" "	1911	"	"	"	1912	50,972
" "	1912	"	"	"	1913	88,191
" "	1913	"	"	"	1914	83,462
" "	1914	"	"	"	1915	105,190
" "	1915	"	"	"	1916	77,678
" "	1916	"	"	"	1917	79,569
" "	1917	"	"	"	1918	122,294
" "	1918	"	"	29	1919	475,744

Fiscal year given in each case.

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DOMINION INVESTMENT IN

	TOTAL.	CANADIAN GOVERNMENT RAILWAYS	CANADIAN NORTHERN RAILWAY
CAPITAL INVESTMENT			
Capital Account	422,631,574.87	422,631,574.87	
Purchase of Capital Stock	10,000,000.00		10,000,000.00
Purchase of Mortgage Bonds	33,093,333.23		
Purchase of Preference Stock	121,739.65		
CASH ADVANCES(LOANS)	451,396,657.20	5,295,257.93	282,370,425.68
Stores Purchased &c.	14,884,891.72	14,884,891.72	
Interest on Advances	55,111,594.99		35,191,210.81
CASH SUBSIDIES	78,785,471.09	5,345,320.89	31,870,016.56
OTHER CASH AID	77,932,409.43		
OPERATING DEFICITS PAID	49,047,866.45	49,047,866.45	
UNMATURED DOMINION GUARANTEED SECURITIES	222,201,126.97		129,025,278.97
CAPITAL VALUE OF GUARANTEED STOCKS	216,207,141.67		
	$1,631,413,807.27	497,204,911.86	488,456,932.02

NOTE:

Land Grants not included.

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AND ASSISTANCE TO RAILWAYS.

GRAND TRUNK RAILWAY	GRAND TRUNK PACIFIC RAILWAY	CANADIAN PACIFIC RAILWAY	ALL OTHER COMPANIES	NOTES TO:
				Dec. 31/1922
				July 31/1922
	33,093,333.23			July 31/1922
121,739.65				July 31/1922
86,825,481.82	76,905,491.77			July 31/1922
				July 31/1922
3,331,476.24	16,588,907.94			Dec. 31/1922
		26,538,306.93	11,128,775.51	July 31/1922
15,142,633.34		62,789,776.09		July 31/1922
				July 31/1922
49,743,000.00	43,432,848.00			Dec. 31/1922
216,217,141.67				July 31/1922
375,274,523.93	170,020,580.94	89,328,083.02	11,128,775.51	

OTTAWA. October 5th, 1922.

Sgd. N. V. Franklin

Auditor.

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Nov 4/22

Submitted by Mr. Meighen for your consideration.

file

list attached

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MEMORANDUM

CROW'S NEST PASS RAILWAY RATES AND KING-GREAR LOG-ROLLING.

Herewith you will find extract from the Grain Growers' Guide, (July 12th, 1922). This is worth reading because I believe its figures are tolerably accurate.

You will recall that when the question of whether railway rates should continue to be fixed by the Railway Commission or be fixed by legislation was before Parliament last session, the railways agreeing, as everyone agreed, that the time for reductions in rates had come, specified the aggregate extent of the reductions that would be possible and what, in their opinion, would be the fair and reasonable rate on Western wheat under such a scale. By a piece of political log-rolling the result was that all was left to the Railway Commission except the rates on western wheat and flour which were fixed by Parliament on the old Crow's Nest Pass basis. This basis was somewhat lower for Saskatchewan and Alberta than were the figures offered by the railways. It contained the same rates for the province of Manitoba.

The editorial, copy of which is enclosed, clearly shows that the Railway Commission being of the view that the aggregate amount of reduction offered by the railways on Canadian freight was as far as could be gone at the time, simply lessened the reduction on other commodities in order that the total annual reduction to the railways on everything should be no more than what was offered. In other words, the outcome was that other shippers, that

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is to say the public in general, had to pay higher rates than they would have had to pay if there had been no fixing of rates by Parliament for political purposes. The Ontario farmer, the Manitoba farmer, in fact all shippers, are therefore paying higher rates to-day than is reasonable under the circumstances in order to make up for special privileges granted last session to meet the political exigencies of the King government. Ontario Progressives, as well as the Manitoba and Maritime confreres voted for these obvious injustices on the people of their provinces.

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Ex Grain Growers Guide,

July 12, 1922.

REDUCED FREIGHT RATES.

On June 30 the Board of Railway Commissioners announced a reduction of 7½ per cent. in the rates on certain basic commodities, such as forest products, building material bricks, lime and plaster, potatoes, pig iron and other iron commodities. The rate on grain and flour was fixed by parliament in the legislation relating to the Crows' Nest Pass agreement, and the Board of Railway Commissioners, in arriving at the reduction on the other commodities, took as a basis the figures of the C.P.R. in their offer of reductions preceding the decision on the Crow's Nest Pass agreement. The C.P.R. estimate of the loss of revenue on their offer was $8,332,469, of which $5,354,139 was on grain, leaving $2,984,330 to be distributed among other commodities.

The president of the C.P.R. however, estimated that the Crow's Nest Pass agreement on rates would mean to his company a loss of $7,159,537, and the re-instatement of these rates therefore left $1,178,932 to be distributed by the board among other commodities, and the board estimated that this amount would be equal on present traffic to a reduction on the commodities mentioned of 7½ per cent.

The board estimated that the reductions provided for by parliament and the 7½ per cent., together with the reduced international rates of 10 per cent., ordered by the United States Interstate Commerce Commission and which came into force on July 1, would reduce the revenue of the C.P.R. by about $11,000,000 and that of the National Railways almost as much. These reductions the board felt were heavy enough to be going on with. The new rates come into force on August 1, except those on grain which became operative on July 6 by statutory renewal of the C.N.P. grain rates.

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J.H. Woods,	Vice Pres. + Ed. Calgary Herald.	Calgary
Mr. Watt	Editor, Edmonton Journal.	Edmonton
M.E. Nichols, Editor	Winnipeg Tribune, Brandon Sun	
J.H.S. Matthison,	Victoria Colonist,	Victoria B.C.
Mr. Scott	Vancouver Province	
The Hon Senator J.D. Taylor	Man Director, British Columbian	New Westminster
Arthur Penny	Quebec Chronicle	Quebec
Arthur Ford	London Free Press	
N.G. Dixon	Perth Expositor	
Stewart, Hugh A.	M.P. - Brockville	Brockville
Dr. J.W. Edwards		Cataraqui, Ont.
J.B.M. Baxter,		St. John
Hector McInnes		Halifax
W.H. Dennis	Halifax Herald	"
Hon.H.H. Stevens		Vancouver
J.L. Stansell	M.P. Strathroy	
Mark Sehn, M.P.		Caledonia, Ont.
F.W. Bowen, M.P.	M.P. Newcastle	
W.A.Boys, M.P.		Barrie
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R.E. Lesueur, M.P.		Sarnia, Ont.
W.R. Givens,	Kingston Standard	
Mr. Lewis	Hamilton Herald	
Mullis	Hamilton Spectator	
Mrs. J. Bowell,	Belleville Intelligencer	
Sam. Charters	Brampton Ont.	
Editor	Stratford Herald	Stratford

~~Smiths Falls,~~
~~Carleton Place~~ } Conserv. paper
~~Almonte~~

Sent dispatched Nov 3-4

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J.H. Woods,	Vice Pres. & Ed. Calgary Herald.	Calgary
Mr. Watt	Editor, Edmonton Journal.	Edmonton
M.E. Nichols,	Winnipeg Tribune,	
Editor	Brandon Sun	
J.H.S. Mattison,	Victoria Colonist,	Victoria B.C.
Mr. Scott	Vancouver Province	
The Hon Senator J.D. Taylor	Man Director, British Columbian,	New Westminster
Arthur Penny	Quebec Chronicle	Quebec
Arthur Ford	London Free Press	
N.G. Dixon	Perth - Expositor	
Stewart, Hugh A. - M.P. - Brockville		Brockville
Dr. J.W. Edwards		Cataraqui, Ont.
J.B.M. Baxter,		St. John
Hector McInnes		Halifax
W.H. Dennis	Halifax Herald	"
Hon.H.H. Stevens		Vancouver
J.L. Stansell MP	Strathroy	
Mark Sehn, M.P.		Caledonia, Ont.
F.W. Bowen, M.P. MP	Newcastle	
W.A.Boys, M.P.		Barrie
Hon. Hugh Guthrie	Guelph	
R.E. Lesueur, M.P.		Sarnia, Ont.
W.R. Givens,	Kingston Standard	
Mr. Lewis	Hamilton Herald	
Mullis	Hamilton Spectator	
Mrs. J. Bowell,	Belleville Intelligencer	
Sam. Charters	Brampton Ont.	
Editor	Stratford Herald	Stratford
~~Smiths Falls,~~ ~~Carleton Place~~ ~~Almonte~~	Conserv. paper	

List despatched Nov 3-4

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074798

STATEMENT SHOWING DOMINION LAND SUBSIDIES TO CANADIAN RAILWAYS: AND LANDS PATENTED AS FREE GRANTS FOR RIGHT OF WAY, STATION GROUNDS and EXTRA LANDS, OVER AVAILABLE DOMINION LANDS TO MARCH 31, 1922

	TOTAL	CANADIAN GOVERNMENT RAILWAYS	CANADIAN NORTHERN RAILWAY	G. T. PACIFIC RAILWAY	CANADIAN PACIFIC RAILWAY	ALL OTHER COMPANIES
	(Acres)	(Acres)	(Acres)	(Acres)	(Acres)	(Acres)
Railway Land Subsidies	31,464,908.85		5,728,192.00		25,735,702.88	1,013.97
Lands Patented as Free Grants for Right of Way, Station Grounds, and Extra Lands	73,827.03	12.12	17,245.27	11,710.93	42,525.60	2,333.11
	31,538,735.88	12.12	5,745,437.27	11,710.93	25,778,228.48	3,347.08

NOTE: See copy of letter attached, from the Railway Lands Division of the Department of the Interior, as to value of lands.

OTTAWA, November 7, 1922.

AUDITOR.

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(To be added to Railway Question - its latest phase)

DRAFT
(C.E.H.)

Nov. 21/22

074799

There is something of special importance that must be emphasized. In 1897 before there was any Railway Commission existing, a contract was made with the C.P.R. called the Crow's Nest Pass Agreement by which the Canadian Pacific got from the Dominion Treasury some four million dollars for ~~consideration~~ the construction of a Crow's Nest Pass railway, and agreed to give certain rates on western grain and flour shipped East and also on live stock, on wire, twine and funniture and other lines of goods shipped West. When the Railway Commission came into existence about 1903 there was really no further need of this agreement because by this time railways had so developed and strengthened themselves that lower rates even than the Crow's Nest pass agreement rates came into effect. The rates fixed by the Railway Commission for years, and right up until 1917, were as a matter of fact substantially lower than the Crow's Nest Pass Agreement rates. Besides when there was a judicial tribunal like the Commission established with full power and with all the data and organization requisite to fix rates at whatever point they deemed fair, then from that time on special agreements became wholly inconsistent with fair dealing between all classes and all commodities. The only way to permit the Railway Commission to be equitable all round was to leave them free of any special contracts.

In 1917 and for some time thereafter wages which had increased very greatly following the McAdoo and other awards, and costs of material which had increased likewise by reason of war conditions, made it absolutely impossible for the Government or any other railways to carry on under the old rates. As a consequence with the approval of Mr. Crerar, and indeed of all parties in the

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074800

House, the Railway Commission were allowed to fix rates where they thought absolutely essential, free from the Crow's Nest Pass agreement or any agreement in order that there might not be a break-down of our transportation. This was done. By 1921 there came into effect certain reductions of wages, and materials also diminished in price. The Railway Commission gave effect to two reductions, one of about 5% on 1st July, covering generally ~~common~~ passenger rates and western rates, and another of 10% all around later in the fall. By the end of the year the Railway Commission were ready to make further reductions but as the suspension of the Crow's Nest Pass agreement expired at the beginning of July they could not see what reductions would be possible until they knew whether the government intended to extend that suspension thus leaving them free, or whether it intended to let the old Crow's Nest pass agreement ~~stand~~ revive. If the government had said at once that it purposed recommending to parliament the continued suspension of the agreement, or indeed its abolition, then the Railway Commission clearly intimated they would make general reductions at once on a fair and equal basis to all people of Canada. But the government could not decide. They showed no power ~~to~~ of decision, no sense of responsibility, indeed no spine whatever on this or any subject. They said they would appoint a committee of parliament to consider the matter. By so doing they managed to delay further reductions for the whole session. Then the committee log-rolling commenced. The prairie men demanded the old Crow's Nest pass rates, whether they were fair or whether they weren't. All the evidence showed that ~~Bu~~ Bar western grain could not be carried at the Crow's Nest Pass rates, yet until further reductions in the cost of railway operations were brought about it was clearly shown that if the railways were

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forced to carry western prairie grain eastward at less than fair carriage costs ~~than~~ then the rest of the people would have to make up in unfair railway rates for the loss sustained. It clearly appeared that while for Manitoba the old Crow's Nest rates could be deemed fair, for Saskatchewan and Alberta they ~~xxx~~ were impossible on any fair basis. Consequently representatives of other provinces demanded that there be a fair deal all round, and that no special privilege be given at the demand of the so-called Progressives of Saskatchewan and Alberta. They did not want special privileges given them only to be paid for by the farmers of Manitoba and British Columbia and by the people of Ontario and the other provinces. They wanted the Railway Commission free to give general reductions all round, and all the reductions that could possibly be made and keep the railways going. They did not want the Ontario farmer to be compelled to pay extra rates on his grain and on his coal and on his implements and on everything he bought in order that special privileges could be given to two provinces in the West. They wanted to leave the Commission free to give a fair deal all round and to give it quick. Nevertheless the price was paid by Mr. King for the votes of the Alberta and Saskatchewan men, and this price the farmers of the other provinces and the people generally of the other provinces have to pay and are paying to-day. The rates that are being charged them are higher than what is necessary in order that grain and flour from Sask. and Alta. may be carried at less than what is necessary. This injustice amounts to millions of dollars. It is worth remembering that Ontario Liberals, and some Ontario Progressives, voted for this thing, that is they voted for unjust

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discrimination against their own constituents. The Conservative party, led by Mr. Meighen, stood solidly against all discrimination and for giving the Railway Commission power to ~~xxx~~ do at once what they were ready to do, give a reasonable and just reduction all round. The farmers and consumers of Ontario are now being asked to vote confidence in those who have done them a deliberate wrong.

On account of the special privilege given grain out of Sask. and Alta. the Railway Commission were only able to reduce general commodity rates about 6.6 or far less than they were reduced in 1921. They should, and would have been reduced very substantially more but for the log-rolling between Mr. Crerar and Mr. King resulting in large operating ~~xx~~ railway losses in the above two provinces. The following quotation from the Grain Growers Guide, (July 12th 1922) makes this absolutely clear:

— — — —

There is still another fact. The farmers of Sask. and Alta. ~~voted for~~ expected but did not get the benefit of the unwarrantedly low rates given ~~on~~ their grain and flour. The steamship companies on the Great lakes raised their rates and charged this year approximately 5¢ per bushel more than last year. The government was ~~compelled~~ approached on behalf of shippers asking them, to suspend the coasting laws and ~~also~~ to allow American lake vessels to compete and thus reduce the rates. This had been done by the Conservative Government in 1922. The King government refused. It is therefore clear that the railway loss, because of low railway freight rates to Alberta & Sask. wheat did not accrue to the farmers of those provinces at

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all but went to the Companies who own lake carriers. It is not very comforting to Ontario farmers and Ontario consumers generally to know that they paid extra and unjust rates on coal, on implements, on furniture, and generally on all commodities they consumed in order to make extra profits for the lake carriers. But this is the outcome of the Mackenzie King blundering of last session.

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Rep
Ali

Montreal Gazette Dec 7 1922

MR. MEIGHEN AND THE RAILWAYS.

The recital given in Montreal on Thursday evening by Hon. Mr. Meighen of the relative responsibility of political parties for the over-construction of railways was exact in fact, though lacking the interest of novelty. Every man and woman in Canada familiar with the public events of the years 1896-1911 knows that the railway construction begun in that period and ended about 1918 was the work of the Liberal party. The Canadian Northern, the Transcontinental, the Grand Trunk Pacific, were the offspring of the Government of Sir Wilfrid Laurier. "Pray God we may not be too late," exclaimed Sir Wilfrid when unfolding to Parliament the project of a second transcontinental road, and ere the second road was completed, his Government induced the House of Commons to authorize and grant a subsidy of $35,000 a mile to a third line from Port Arthur to Montreal. All our railway troubles have come from over-building, and all the over-building was aided and encouraged by the Liberal party during its term of office. This fact was iterated and reiterated ad nauseam in the press and on the platform during the electoral campaign of last year without convincing the public that the Liberal party is censurable in respect of the railway muddle, and it is improbable that Hon. Mr. Meighen can now arouse the people from the lethargy into which they have fallen as to the origin of the primary error.

The Conservative leader made a strong, logical and effective defence of the policy of his party on the railway question since 1914, when financial distress overtook the promoters of the new lines. The country, as Mr. Meighen pointed out, had gone too far to turn back. Its commitments were enormous, not merely in cash subsidies and land grants, but in guarantee of bonds, and there is manifest force in his argument that to have permitted the Canadian Northern and Grand Trunk Pacific to fall into the hands of receivers and undergo reorganization of capital accounts would not have relieved the Canadian people from their liability as guarantors. As for the Transcontinental, extending from Moncton to Winnipeg, it was already built and paid for by the Government, so that there was no process of liquidation feasible nor escape from liability possible. It was a fair enough hit Mr. Meighen made at certain critics when he represented them as ready to sell the Government railway as soon as the property pays, but the gibe scarcely bears analysis. The road cannot now be sold except at considerable sacrifice, but in time when it begins to make profits buyers may come into the market, and there is no inconsistency in contending that when that time arrives the road should be put in private ownership under Government regulation. It all depends upon which method is preferable, and certainly advocates of private ownership are not required to change their views when Government operation yields a surplus. If the conception and contention are sound that private management is more economical than public management, the balance sheet of a Government railway becomes of secondary importance.

Sir Joseph Flavelle the other evening, and now Hon. Mr. Meighen, give assurance that there will be no operating deficit on the National Railways this year. The Grand Trunk is expected to produce sufficient profit to offset the loss on the other Grand Trunk divisions. This result in 1922 will be an immense improvement over preceding years, a betterment of about $36,000,000 as compared with so recent a year as 1920. Interest on capital account has still, however, to be paid out of public revenue derived from taxes, or added to capital and interest paid on interest. Mr. Meighen computed the interest charge as about $33,000,000, and Sir Henry Thornton placed it at $40,000,000. It is actually over $50,000,000, the lower estimates failing to cover interest on the Intercolonial and Transcontinental roads, which item is concealed in the general public debt. If the National Railway is to "break even," which is to say cost the Canadian taxpayers nothing, its operating profits must become large enough to pay between fifty and sixty millions of interest on capital liability, so that there is a long way to go in the direction of betterment before this railway lifts its shadow from the people. None the less progress is being made, and there will be more advance when the inexcusable delay in co-ordinating the Grand Trunk with the National lines has ceased.

The Conservative leader paid tribute to the Canadian Pacific Railway, rightly characterizing it as a great national asset, and insisting that the competition offered by the National Railway should be fair and open. If the latter is to win its way, said Mr. Meighen, it must be by service and by service alone. Mr. Meighen's speech while mainly historical showed a vigorous militant spirit, and if Sir Henry Thornton should be thwarted in his determination to keep the road out of politics he will find a fighting ally in the late Prime Minister.

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074805

Ottawa, Ont. January 6th. 1923.

Dear Senator Robertson:

You remember you expected to get for me:

1. Copy of correspondence between myself and yourself in the fall of 1921 regarding reinstatement of Grand Trunk Conductors.

2. Copies of a couple of other letters or documents.

These have not yet been received, and I hope you will be able to get them shortly.

Next time you are in town I would like to speak to you about a recent shopmen's strike and an opinion given by the Justice Department regarding same.

Yours very truly,

S

Honourable Senator G. D. Robertson,

The Senate,

Ottawa.

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Rp.

074806

Ottawa, Ont. January 8th. 1923.

My dear Guthrie:

Pursuant to conversation of to-day, I am enclosing herewith copy of memorandum on the Railway question which I prepared sometime ago.

I find that the debt of Canada on October 31st. 1921 - $2,329,262,902.98. On the same day 1922 it was - $2,369,759,026.02 showing an increase of $40,496,123.04.

I am procuring and enclosing you in a separate letter the further information you wanted as to imports and duties, and also as to debt on January 1st. 1922, and January 1st. 1923.

I find that I have not another copy of certainclaims made by Mr. Mackenzie King in the late Lanark election and replies to each, at the moment, but am procuring copy and this will be sent you in a few days.

Yours very truly,

Honourable Hugh Guthrie, M.P.,
Guelph, Ont.

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074807

Ottawa, Ont. January 16th. 1923.

Dear Mr. Guthrie:

With further reference to Mr. Meighen's letter of the 8th. instant, you will find herein enclosed copy of Mr. Mackenzie King's claims made in the Lanark election together with answering facts.

Yours very truly,

Private Secretary.

Honourable Hugh Guthrie, K.C.,
Guelph, Ont.

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074808

Memo for Right Hon Arthur Meighen

I enclose clipping from New York Times re Cost of Railroads to the U. S. Govt while operated by them during the War. You will remember the Govt took over all railroads and agreed to pay.

1. all Costs of operation
2. Maintain and Keep up all Roadbeds Equipment of all Kinds: and Return in as Good Condition as when they took them over.
3. Pay dividends at Same rates as had been paid prior to the War

To do all the above it Cost them $1.800.000.000 -

You will remember our policy was not to take them over and be responsible for any of the above Conditions, with the result

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that our policy of having a Board appointed by the Railroads to operate resulted in Operation during the war better than any Country in the world

Remember it has also Cost England One Billion dollars to settle with the Railways & their plan was exactly same as the United States. viz a Director General

Canada had not a Cent to pay when war was over for any loss or Cost of Operation of the Railways!

Should we not now take Credit for all this

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Saving – and the losses of the C & R for the last few years would be a very small matter as compared with what we would have had to pay.

Why not discuss this with Sir Henry Drayton and see if a point can be made –

Sir Henry will remember it was my fight at the time with Cunnat to carry out the policy we did instead of taking them over and appointing a Director General. The result shows I was right

J D Reid

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FEDERAL RAIL LOSS PUT AT $1,800,000,000

Director General Says This Will Cover Total Cost of Wartime Operation.

MANY CLAIMS CUT DOWN

Sale of Equipment Trust Securities Helped the Government in Settling With Roads.

WASHINGTON, Feb. 3.—Losses sustained by the Government from wartime operation of railroads and its aftermath of earnings guarantees and damage settlements will total approximately $1,800,000,000, according to data made available today for the first time in a report by James C. Davis, Director General of Railroads, sent to Congress by President Harding. Not only does the amount come within Congressional appropriations already made, but there will be a return to the Treasury of about $400,000,000 in cash and railroad securities.

Mr. Davis's estimates are based on the showing actually made in liquidation of accounts between the Government and corporate owners of 80 per cent. of the railroad mileage which the Government took over. Most of the settlements yet to be made are expected to result in payment to the Government in cash or securities.

Accounting in connection with the Government operation has gone through three phases and involves the Interstate Commerce Commission as well as the Railroad Administration. Losses in direct operation of the roads and in the later settlement of capital investment and other claims, as now practically completed by Director General Davis, are expected to reach a total of $1,250,000,000. To this is added between $525,000,000 and $600,000,000 which has been or will be paid by the commission to short-line railroads and to Class 1 carriers. This last amount includes payment under the guarantee given to the roads by Congress of earnings during the six months of 1920, just after the Government relinquished the properties.

A remarkable scaling down in claims originally made by the roads against the Government is shown by Mr. Davis's report, which marks the beginning of the end of the entire venture. To date the roads have demanded $952,642,068 on grounds of undermaintenance, damages, loss of inventory and for other reasons. Up to Dec. 31 final adjustment had been made with corporations which sought $731,921,814 of that total, the Government having paid out a net amount of only $171,815,541. Mr. Davis expects the balance of unadjusted claims, amounting to $220,720,253, to be closed out by October, without any additional expenditure.

Although much litigation was feared, only one road so far has taken the Director General's decision into court, it was added. One factor pointed out by Mr. Davis as facilitating the settlements has been the ability of the Railroad Administration to pay cash to carriers willing to accept an award. Government funds for these operations in part were derived from sale of equipment trust securities amounting to $274,000,000 which were left on the Director General's hands but subsequently became desirable to private investors.

"I believe it may be confidently predicted," Mr. Davis's report stated, "that there will be not to exceed a half dozen carriers unable to agree with the Government in arriving at a final adjustment, and there may not be that number.

"From the financial showing it is quite evident that no further appropriations will be required to complete this liquidation in every particular, and it may be anticipated with some confidence that, after all liabilities of the Government of whatsoever nature arising out of Federal control have been liquidated, the Railroad Administration can return to the Treasury in collectable obligations of solvent companies and unexpended appropriations an amount aggregating about $400,000,000."

Maintenance of the Railroad Administration organization which has checked the railroad claims and accountings in the settlements cost the Government last year in pay-roll expenditures $3,110,000, Mr. Davis remarked, "but has resulted in the saving of many hundreds of million of dollars to the Government." The number of its employes, he added, now can be rapidly reduced.

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London Buses Will Have Aids for Cockney Conductors.

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Special to The New York Times.

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Signals were heard, Pinney calling 1-CKP., and at 11 P. M. he received a message saying, "interference from arc transmiter terrible. Nothing heard."

The final attempt at two-way exchange of messages will be made tonight and if it is unsuccessful a new series of tests will be arranged.

TO AMEND ARTICLE 27, NOW OBREGON'S PLAN

Committee Probably Will Hear Various Interests and Then Ask Congress to Act.

MEXICO CITY, Feb. 3 (Associated Press).—President Obregon has decided to appoint a commission of five to consider every aspect of Article 27 of the Constitution, relating to petroleum, and report to Congress with the assurance that its recommendations will be accepted and incorporated into a law, substituting the famous article to which oil men in particular have taken exception.

A declaration to this effect was made tonight by a man high in the Government, who indicated that the present Congress is seriously disposed to amend or substitute Article 27 in order to meet the demands of all concerned.

The commission will be composed of Adolfo de la Huerta, Secret Treasury: Robert V. Pesquie confidential agent of the Gove Washington, and Gonzales prominent attorney, with two c have not yet figured in specul is understood that President has already inquired of the mentioned of the feasibility of which the Chief Executive believe holds the key to the situ

As outlined, the commission w the oil men, mine owners and interested under Article 27, as the most prominent lawyers in public and probably several dip representatives, and a comprehe measure embracing the fundamenta the present article, with the objec able features eliminated, will be dra for presentation to President Obreg and his Cabinet. Once their sanctio has been obtained the bill will be presented to Congress, and, with assurance of the support of the Administration, its approval is deemed certain.

It is understood that President Obregon, within a few days, will issue a decree calling for an extraordinary session of Congress to deal solely with Article 27. The President has expressed a strong desire within the past few days to have something done with Article 27, and would have urged Congressional action previously, but he considered the moment not propitious.

FRANKLI

A STORE OF INDIVIDUAL SHOPS

For

Franklin Simon & Co.

...re of Individual Shops

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Rp y.

074812

Ottawa, Ont. February 6th. 1923.

My dear Doctor:

Many thanks for your memorandum received to-day.

You are absolutely right as to the wisdom of the course we pursued as regards the Railways and the striking contrast between the results of our handling of that difficult subject and corresponding Administration in the United States and in Great Britain. Indeed, sometimes I think that in this as in other things the greatest of care on our part was accompanied by considerable good fortune. If there is one long series of very difficult problems that we solved without error and in respect of which we stand now in an impregnable position, it is our railway record. I will use the material you sent myself at the very first opportunity.

Was certainly surprised to hear yesterday that you had gone back to the South and would be absent for two or three weeks. However, I know that you have done so because you feel it to be necessary.

I was trying my best to get in touch with you yesterday to discuss again the North Essex contest. Am

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074813

rather alone in coming to decisions on these matters and in surmounting the difficulties that are necessary that have to be got over.

I do sincerely hope you come back in good shape. If you take care of yourself you should not have the least cause for worry.

Yours very truly,

Honourable Doctor J. D. Reid,
c/o The Biltmore,
43rd. and 44th. Streets,
New York,
N. Y.

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MEXICO CITY, Feb. 3 (Associated Press).—President Obregon has decided to appoint a commission of five to consider every aspect of Article 27 of the Constitution, relating to petroleum, and report to Congress with the assurance that its recommendations will be accepted and incorporated into a law, substituting the famous article to which oil men in particular have taken exception.

A declaration to this effect was made tonight by a man high in the Government, who indicated that the present Congress is seriously disposed to amend or substitute Article 27 in order to meet the demands of all concerned.

The commission will be composed of Adolfo de la Huerta, Secretary of the Treasury; Robert V. Pesqueira, former confidential agent of the Government at Washington, and Gonzales Roja, a prominent attorney, with two others who have not yet figured in speculation. It is understood that President Obregon has already inquired of the first two mentioned of the feasibility of the plan, which the Chief Executive feels to believe holds the key to the situation.

As outlined, the commission will meet the oil men, mine owners and others interested under Article 27, as well as the most prominent lawyers of the Republic and probably several diplomatic representatives, and a comprehensive measure embracing the fundamentals of the present article, with the objectionable features eliminated, will be drafted for presentation to President Obregon and his Cabinet. Once their sanction has been obtained the bill will be presented to Congress, and, with assurance of the support of the Administration, its approval is deemed certain.

It is understood that President Obregon, within a few days, will issue a decree calling for an extraordinary session of Congress to deal solely with Article 27. The President has expressed a strong desire within the past few days to have something done with Article 27, and would have urged Congressional action previously, but he considered the moment not propitious.

NEW YORK UNIV ALUMNI TO CE

Reunion Week, Which day, Will Be Ma Series of Dinn

This is reunion week f University Alumni, and in series of dinners will be York and other cities. The alumni will have their reuni evening and the dinner o burgh Alumni Association Saturday night. The Mor Alu Association, one of in N y, will be he event Morristown. Sep e dinners will be York evening Schoo Biltm of th of Er The

FRANKLI
A STORE OF INDIVIDUAL SHOPS
For

Franklin Simon & Co.
A Store of Individual Shops

Rep Y.

074812

Ottawa, Ont. February 6th. 1923.

My dear Doctor:

Many thanks for your memorandum received to-day.

You are absolutely right as to the wisdom of the course we pursued as regards the Railways and the striking contrast between the results of our handling of that difficult subject and corresponding Administration in the United States and in Great Britain. Indeed, sometimes I think that in this as in other things the greatest of care on our part was accompanied by considerable good fortune. If there is one long series of very difficult problems that we solved without error and in respect of which we stand now in an impregnable position, it is our railway record. I will use the material you sent myself at the very first opportunity.

Was certainly surprised to hear yesterday that you had gone back to the South and would be absent for two or three weeks. However, I know that you have done so because you feel it to be necessary.

I was trying my best to get in touch with you yesterday to discuss again the North Essex contest. Am

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rather alone in coming to decisions on these matters and in surmounting the difficulties that are necessary that have to be got over.

I do sincerely hope you come back in good shape. If you take care of yourself you should not have the least cause for worry.

Yours very truly,

Honourable Doctor J. D. Reid,
c/o The Biltmore,
43rd. and 44th. Streets,
New York,
N. Y.

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Personal

THE RAILWAY SITUATION HISTORICALLY EXAMINED

Being an address by Mr. Geo. W. Yates, Assistant Deputy Minister of Railways, before the History and Political Science Club, of Western University, London, Ont., February 16, 1923.

FOREWORD:

It is not my intention to inflict on you a mass of railway statistics, which many of you are in a measure familiar with, and which may be found in blue-book form by those sufficiently interested. What I should like to do, rather, is to trace the development and growth of railway communication that has distinguished several very important periods of our national life, and which, after all, cover no greater span of time than has been vouchsafed to a number of men yet living. I shall deal with the necessity which seemed to demand the construction which marked each period, the national aspirations that found expression in such undertakings as the Intercolonial Railway in Eastern Canada, and the Canadian Pacific in the West; the virgin opportunity that, from the valley of the St. Lawrence, beckoned the intrepid builders of the still earlier Grand Trunk, whose successors, dissatisfied with the meagre reward attending long years of effort, finally put the Company's fortunes to the touch of a transcontinental hazard -- with unforeseen consequences. And the same economic conditions, arising chiefly out of the war, but also due, in part, to unwise rivalry, brought earlier to its knees the over-extended and less vital Canadian Northern, whose promoters, for years familiar figures in Federal and Provincial capitals, were obliged, in the end, to turn over their undertakings to the Government to avoid liquidation.

But you must not suppose there is no more to tell than the tragic story of the collapse of the more unfortunate of these enterprises, which, to my mind at any rate, was not, as has been variously described, the failure of private ownership, but rather the over-reaching of private ownership. No one truthfully can say that private ownership has failed in Canada while the smoke of more than 2,000 locomotives mark the pathway of the Canadian Pacific across the continent, while more than 50 ocean and coastal steamships carry to the four corners of the earth a flag that, on land or sea, has never yet been lowered to that foe of transportation known as the deficit.

As students of history and political science, I felt that you would be interested also to follow the changes of passing years and to observe the gradual devolution of Parliamentary and Departmental authority which has accompanied the expansion and changing circumstances of our railways and the tremendous growth of traffic. Increasing necessity for regulation eventually led to the transfer of authority from the Railway Committee of Privy Council to a Board of Railway Commissioners, though the principle of Parliamentary responsibility has been preserved by the right of appeal to the Cabinet. Similarly, the growth of the National Railways in recent years has led to the abandonment of former methods of direction and management. But in this connection, also, the principle of Parliamentary

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responsibility remains in unimpaired degree. It is a well-established and hard-won principle in Canadian political development that responsibility rests where the money must be voted, whether that money be required for railways or any other public purpose.

There is still another aspect of much interest to students of political economy, namely, the improvement of the status of employees of the State railways, as indicated by the change which almost imperceptibly followed the recognition of labour or brotherhood organizations; by the operation of Board of Adjustment No. 1, a mixed body representing the employees and the railway managements, which has proved most useful in the prompt adjustment of grievances and the settlement of disputes; and the recent concession of complete political rights to the ninety thousand railway men of the Canadian National group.

With this explanatory foreword, I shall proceed to deal with the several phases of railway construction in Canada. The earlier of these developments supply the historic background, an appreciation of which is essential to an adequate conception of much that has since occurred, and which is perhaps too recent and portentous to be viewed as yet in proper perspective.

Between 1836 and 1852 Canada labouriously acquired 159 miles of railway, mainly in the district surrounding Montreal. This may be called the experimental stage of construction, when capital was "waiting to be shown". This probationary period was followed by a period of speculative railway enterprise, centering largely in what afterwards became the Province of Ontario. To this period belongs the Grand Trunk, Canada's pioneer railway.

THE EARLY GRAND TRUNK:

It was at the request of the Government of the Province of Canada -- students of Canadian history will recall that Upper and Lower Canada were united by the Act of Union of 1841 -- that the British firm of Peto, Brassey (afterwards Lord Brassey) & Betts, surveyed the country and developed the scheme. Settlement was being retarded by lack of all-the-year-round communications, and so was trade and commerce. During the season of navigation Lakes Ontario and Erie presented a most animated appearance at this period, and trans-lake activity received great impetus following the execution of the Treaty of Reciprocity with the United States in 1854, midway during the construction of the Grand Trunk. The road was projected to serve the entire St. Lawrence valley, with the ultimate idea of reaching a Canadian Atlantic port, and was specially intended to obviate the necessity of transhipment of cargo at the Welland Canal, which resulted then, as now, from larger boats being employed above the Welland than the size of the locks would permit to pass. We are still trying to overtake the increasing size of lake

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freighters, and hope the Welland Ship Canal, now building, will "hold them" in a double sense for many years to come.

The Grand Trunk work was put under contract in 1852; was placed in operation from Montreal to Toronto and Stratford in November, 1856, and had been completed by 1859, though the official opening of the Victoria Bridge at Montreal was postponed to enable the Prince of Wales to lay the last stone and drive the last rivet the following year.

Sir Collingwood Schreiber, who was active in the construction of the Great Western Railway between Niagara and Windsor, states that during the construction of the Grand Trunk, Great Western and Northern Railways, the business of the country became inflated, owing to the heavy expenditure of money in connection with the roads; that upon their completion and the consequent ceasing of the large expenditure which had been going on, a sharp depression in trade set in and for a few years trade was dull, but owing to the facilities of transportation afforded by the railways, business soon revived.

The Grand Trunk and Great Western adopted the Canadian gauge, which was 5 feet 6 inches, and to secure the Canadian export trade, and prevent the rival port of Boston stealing it away, the Portland line also adopted the Canadian gauge. This broad gauge proved to be mistaken policy as, in the course of a very few years it was necessary to lay a third rail on the Great Western to permit of the passage through Canada of American cars, and before many years the Canadian gauge, motive power and rolling stock all had to be altered to the 4-foot 8½ inch American and British standard.

The early Grand Trunk Board comprised four English and eleven Canadian directors, while a separate Board, of 10 members, was required by the terms of the lease of the Atlantic and St. Lawrence road to be resident of Portland, Maine. Tupper, in his Recollections, blames the Government of Nova Scotia for refusing at that time to co-operate in arrangements made by Canada and New Brunswick which would have given an unbroken line of railway from Halifax to Windsor, Ontario. He says that:-

"Thus foiled in carrying out the magnificent project in which they were engaged, the Grand Trunk Company were obliged to seek an Atlantic outlet for the vast products of Canada through a foreign State, and compelled to lease a line to Portland."

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This ambition to reach Halifax explains why the eastern terminus of the Grand Trunk was for some years at Riviere du Loup. Later, when the Intercolonial was constructed, the Grand Trunk between Riviere du Loup and Levis was sold to the Government and included in the Intercolonial mileage. Influential people in the Maritime Provinces seem to fear that Canadian trade may be diverted to Portland now that the Grand Trunk lines have been absorbed by the Canadian National System. But even should the Portland line be disposed of, it would remain a competitor of the railways leading to St. John and Halifax, and in hands possibly less considerate of the natural aspirations of those Canadian ports.

The Grand Trunk was Canadian enough in outlook at its inception, but as time went on control passed entirely into the hands of an English Board and the viewpoint became detached. The earlier Managements were of opinion that their Chicago connections placed the Grand Trunk in a most advantageous position as regards the future development of the far West -- both American and Canadian. For that reason, when the interest of the Grand Trunk was sought in connection with the Pacific railway project the proposal to build around the north shore of Lake Superior proved unacceptable and the Grand Trunk thus failed to grasp the opportunity which later developed into the splendid institution known as the Canadian Pacific Railway.

THE INTERCOLONIAL PERIOD:

To the first period of Canadian railway development belonged the Grand Trunk. Then there was a lull, and during the decade comprising the sixties only about 500 miles of line were constructed. The second period, commencing about 1870, was identified with the construction of the Intercolonial Railway in pursuance of the Confederation pact. The Intercolonial was formed by the joining up of considerable mileage in Nova Scotia and New Brunswick that had been constructed prior to Confederation and turned over at Confederation to the Dominion Government. Before the construction of the balance of the road was commenced there occurred what Schreiber described as "abbattle of routes", and it was finally decided to take the northern route, even though it was longer than the interior one. The road was built as a military line, well away from the International boundary, and not necessarily as a paying enterprise. The object was to provide inter-communication between the recently federated Provinces of Canada which, following the abrogation of the Reciprocity Treaty by the United States after the Civil War (1866), were obliged to seek domestic rather than American trade connections. The road was completed about 1876, but it was not until 1898 that it was extended into Montreal by the purchase of the Drummond County Railway from Chaudiere to Ste. Rosalie, from which point running rights were acquired over 38 miles of Grand Trunk line into Bonaventure.

In the early days, when a Province consented to enter Confederation, a railway became, as it were the official seal of the compact, and, following the Intercolonial, came the Prince Edward Island Railway. It was of light construction and endeavoured to provide the greatest service to the greatest number by following a

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somewhat circuitous route. In lieu of a 10-mile tunnel, once seriously contemplated, the people of Prince Edward Island in recent years have been given year-round access to the mainland by the provision of a splendid ice-breaking car ferry, and a third rail gives the Capital and central portion of the Island standard gauge service without necessity for breaking bulk. In due course all departments of the narrow-gauge Island Railway will be standardized.

THE CANADIAN PACIFIC:

The third period of railway development in Canada belongs to the Canadian Pacific. In its inception, it was quite as much a national undertaking as the Intercolonial and had in the West the same object as the construction of the former road in the East. British Columbia entered the Canadian Confederation in 1871 with the promise of rail communication with Eastern Canada. Commencing that same year exploratory surveys were made in the three divisions comprised in the scheme -- the Mountain region, the Prairie region and in the Woodland region, now Northern Ontario. These continued for six years, but, between 1876 and 1880, 805 miles of line were built as a public undertaking -- 527, from Fort William to 100 miles west of Winnipeg, the Emerson-Manitoba Branch 65 miles, and 213 miles in British Columbia.

Questions connected with the operation of the early Intercolonial, and the difficulties encountered in the proposed construction of the Canadian Pacific as a public undertaking, demonstrated the necessity of establishing a separate department of the Government under a Minister who could devote his entire time to transportation matters, and, in 1879, 12 years after Confederation, the Department of Railway and Canals was set up, with Tupper as first Minister. Prior to that time, railway matters had had the attention of the Railway Branch of the Department of Public Works, and canals of the engineering staff.

The construction of the Pacific Railway, as it was then called, proved to be a most ambitious project, and by 1880 the undertaking gave evidence of being beyond the financial capacity of the young Dominion, and likely to impose far too serious a burden on the country. The Government sought, without success, to interest private capital abroad, thus it remained for Canadian financiers to exercise the faith that was, if not to remove mountains -- at any rate to overcome them, and they took hold of an enterprise which even by able parliamentarians of the day was thought to have little prospect of success. Of course the Government did its part to ensure success, making a present to the company of constructed road and surveys costing nearly $38,000,000. In addition, 25,000,000 acres of land were granted, $25,000,000 voted as subsidy, certain loans provided, and an additional ten millions supplied by the purchase back of lands previously granted. But, notwithstanding very generous assistance and substantial provincial and municipal aid, there were times, just prior to the completion of the road in 1885, when the promoters of the Canadian Pacific seemed to be facing failure, which

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was all the harder to contemplate because of the imminence of the goal. However, the story ends happily, as tales of such heroic enterprise should. Financial difficulties were overcome; the C. P. R. pulled through and became a power not only in the land it had redeemed from the wilderness, but throughout the world.

Before ten years had passed, there was more business offering than the Canadian Pacific alone seemed able to handle with reasonable despatch, and the immense possibilities presented by the Prairie Provinces led Toronto capitalists, Messrs. Mackenzie and Mann, in 1896, to acquire a Manitoba local charter, out of which grew the Canadian Northern Railway. To this period belong not only the Canadian Northern, but the Grand Trunk Pacific- Transcontinental, launched in 1903. But before proceeding to a consideration of the varied happenings of this more recent period, with its high hopes and grave disappointments, I should like to sketch, as briefly as possible, certain contemporary developments of a Parliamentary and Departmentalcharacter.

DEVELOPMENT OF REGULATIVE CONTROL:

Although there had been a Board of Railway Commissioners for the Province of Canada prior to Confederation, it was not a rate-regulating Board. After Confederation such control as existed was exercised by the Railway Committee of Privy Council. So insistent became the demand for a regulative policy, and so apparent the necessity, that, in 1886, a Royal Commission was appointed to investigate and report. In 1887 the American Interstate Commerce Commission was granted regulative powers, but the Canadian Government preferred to let that arrangement justify itself before making such a radical departure and, in 1888, when our railway mileage was about 12,500, the existing Railway Committee of Privy Council was given certain powers having to do with the regulation of rates. But the Committee was circumscribed by the fact that it could not very well travel about, and those having business with it were obliged to come to Ottawa to plead.

However, this difficulty was to a certain extent overcome by the granting of migatory jurisdiction to officials to make local investigation, and report to the Committee. This arrangement seemed to satisfy public requirements until about 1898, when it became increasingly apparent that some other method was required to cope with the rapid extension of the railways and of trade and commerce, and, after extended investigation, the Railway Act was amended in 1903 to provide for the organization of a Railway Commission such as now exists. The Board was organized in 1904, with very wide powers. At first the membership comprised three commissioners, but four years later, in 1908, when our railway mileage was approximately 23,000, three more were added and the usefulness of the Board doubled by an arrangement which permitted the Commission to be divided into two sections, each of which could sit independently, the decision of either section being, under the Act, the decision of the Board.

The functions formerly possessed by the Railway Committee of Privy Council were transferred to the Board, and various others added. In addition to passing upon tariffs, and hearing disputes regarding rates, the commissioners have to do with the protection of level crossings, the location of stations, the approval of bridge designs, the inspection of rolling stock and locomotive boilers, the number of trains and the character of railway service, and the investigation of accidents. To assist it in the consider-

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-ation of technical aspects of cases before it the Board has the benefit of the advice and counsel of a highly competent staff, the heads of which are railway men of experience, selected entirely because of special fitness.

While the control of rates was vested in the Commissioners, it was felt that the principle of Parliamentary responsibility should still obtain, so there is provision in the Act for an appeal from the decision of the Board to the Governor-in-Council, which is occasionally exercised. The Governor-in-Council, on his own motion, also has power to review, rescind, or vary the action of the Board, but I am unaware of any voluntary interference by the Government in any order, decision, rule or regulation of the Board of Railway Commissioners; indeed, the tendency has been rather to invest the Board with additional duties and powers as time goes on. For instance, the Railway Act of 1919 turned over to the Commissioners the task of hearing and deciding route-map applications. Previous to this the Minister of Railways dealt with the location of new lines, often a contentious matter.

Another forward step was the limitation by the Railway Act, of 1919, of the issue of free passes, and the making of the Board of Railway Commissioners supreme in such matters. Anyone of the opinion that the pass evil on Canadian railways, either publicly or privately owned, is of anything like former proportions lacks knowledge of the facts. Let anyone not legally authorized endeavour to obtain free transportation, as in the brave days of old, and see what happens.

Parliament continues to control the issue of charters, but railway promoters no longer throng the corridors of the House seeking blanket charters north, south, east and west. The pot at the other end of the railway rainbow has been found to contain red ink -- not gold -- deficits instead of net surplus earnings -- and the lure of the Subsidy Act is no longer potent. No subsidies have been voted in recent years.

DIRECT EXAMINATION BY PARLIAMENTARY COMMITTEE:

On two occasions in recent years Parliament has, by means of special committees, directly examined the management of National Railways, as represented by the chief officials and even directors. During the session of 1921, a Select Standing Committee on National Railways and Shipping was appointed to inquire as to what information with regard to those services should, in the public interest, be brought down in Parliament, and by what method and under what conditions such information should be given, regard being had for the necessity of securing to Parliament and the public all facts requisite for the determination of policy (including finance), and securing to the

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Board of Directors the best possible conditions as to efficiency of management.

The Committee was to report as to what, if any, improvement could be made in the general scheme of management; what system of auditing should be adopted, what extent of detail should be given in the annual report, and, finally, whether and for what purpose the committee in question should be continued.

This last was regarded in some quarters as an intimation by the late Government that examination of officials by such a committee might develop into an annual affair. This was strengthened by the final report of the committee, after 22 meetings had been held, wherein it was recommended that the committee be reappointed at the next ensuing session in order to complete the inquiry.

During the session of 1922, the present Government appointed a Select Special Committee to deal with questions connected with the Crowsnest rate agreement with the Canadian Pacific, but which also affected the Canadian National lines in competing territory. This became known as the Special Committee on Transportation Costs and it had a particulary busy time of it, holding no fewer than 29 sessions before finally recommending to Parliament the restoration of the Crowsnest Pass rate on grain and flour, and the further suspension for a limited period of the balance of the agreement having to do with rates on certain specific commodities. The Committee strongly recommended a general reduction of railway rates and railway operating costs.

It may be asked why Parliament should be dealing directly with railway rates at this late date. The reason was that in 1897 before the Railway Board was constituted, the C. P. R. in return for a subsidy, entered into a statutory agreement regarding rates on certain commodities then moving freely in the West. This agreement was temporarily set aside during the war, when operating costs imposed the necessity for higher rates, and before July 7th last it was incumbent upon Parliament to decide whether the suspension should be continued or the agreement restored. As the agreement was statutory, only Parliament could deal with it, and so the Board of Railway Commissioners had, in this instance, to await the decision of Parliament before it could proceed to deal with the general rate structure.

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CHANGING DEPARTMENTAL AND MINISTERIAL FUNCTIONS:

There have been changes also in departmental and ministerial functions. The ministerial and departmental contact with and control of the original Government lines was accepted as a matter of course. The Minister of Railways was in effect a super-general manager, whether he liked it or not, and, in the early days, when the late Sir Collingwood Schreiber was Deputy Minister of Railways, the Deputy Minister was also Chief Engineer of the Intercolonial System.

A departure looking to the relief of the Minister was the appointment, in 1909, of a Government Railways Management Board, composed of the Deputy Minister of Railways, who was Chairman, and the high officials of the Intercolonial System, and while the Minister continued to carry the responsibility, the appointment of the Board did relieve him of much laborious detail. But change of Government again brought change of method, and, in 1913, the Management Board was abolished and a General Manager substituted, with the Minister once more actively identified with the Management. This arrangement subsisted until the Canadian Northern was taken over, when the management and direction of the Intercolonial and Transcontinental were transferred to the Canadian Northern Board of Directors. In that way, the chief officials of the original Government Railways were absorbed into the new management at Toronto -- a move, by the way, that has never been accepted as satisfactory by the people of the Maritime Provinces.

There was a time in the history of the Intercolonial when dismissals for alleged partizanship were of common occurrence after each change of Government. But, following the organization of the men, and the recognition of the brotherhoods -- a movement which commenced in 1899, but required until 1909 to become general -- there came a growing tendency on the part of employees of Government Railways to look to their own organizations and on their scheduled agreements, for protection, or support, rather than to the politicians, and it is through their brotherhood representatives to-day that the employees conduct their negotiations. In this respect they are in exactly the same position as employees of privately owned roads.

In August, 1918, an arrangement was reached between the railways, as represented by the Canadian Railway War Board, and the various Brotherhoods, out of which grew Canadian Railway Board of Adjustment No. 1, with power and authority to determine all differences which might arise between any of the railways and their employees, including the interpretation of wage schedules or agreements. The Board consisted of 12 members, six representing the Railway Association, and six representing the following organizations:

The Brotherhood of Locomotive Engineers,
The Brotherhood of Locomotive Firemen and Enginemen,
The Order of Railway Conductors,
The Brotherhood of Railroad Trainmen,
The Order of Railroad Telegraphers, and
The United Brotherhood of Maintenance of Way Employees and Railway Shop Labourers.

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The agreement followed the same lines as General Order No. 13 of the United States Railroad Administration, under which Railway Board of Adjustment No. 1, at Washington, had been instituted some months previously, and the Canadian Board did such good work in determining differences and settling disputes, including personal grievances or controversies arising out of interpretation of wage schedules, that the agreement was renewed in April, 1921, with the Railway Association of Canada, instead of the Railway War Board, which had become an anomaly in time of peace. The agreement may be amended or terminated on 30 days' notice by one party on the other, but it serves such a useful purpose, and keeps the men and the Management so closely in touch with each other's troubles and problems, that it may well be regarded as a permanent development .

THE ERA OF THE TRANSCONTINENTALS:

With this somewhat necessary diversion, let me again take up the thread of construction at the threshold of the era of the transcontinentals. It was not intended to develop the intense and costly rivalry that resulted from the race for supremacy between the Canadian Northern and Grand Trunk interests. Indeed, it was the hope and desire of the Government, when the Grand Trunk Pacific scheme was launched, that both the G.T.P. and the Canadian Northern should make use of the line about to be projected through Northern Ontario, and thus avoid duplication of mileage through difficult and initially unproductive territory. It is understood that Sir Wilfrid Laurier personally endeavoured to get the promoters of the rival enterprises to agree to use a common line, but that outstanding differences proved to be too great, and so both lines were built. The Canadian Northern at one point in Northern Ontario is located less than 30 miles from the Transcontinental. In recent weeks a contract has been let for a connection between the two roads at this point, which will greatly shorten the time and appreciably lessen Canadian National mileage between Toronto, Montreal and Winnipeg, and will also place the city and port of Quebec in much more direct touch with the immense grain plants that have grown up at the head of the Lakes.

It is not correct, as has been asserted on Grand Trunk authority, that the Government permitted rival lines to build into Grand Trunk Pacific territory in the West. The Canadian Northern was in operation between Port Arthur and Winnipeg by the end of 1901, and between Winnipeg and Edmonton in November, 1905. Only two months before this latter date was the first sod turned on the Grand Trunk Pacific 94 miles west of Winnipeg.

The story of the transcontinentals can best be told by outlining the events of the period prior to the outbreak of war; what happened during the war and what has since occurred. You are all more or less familiar with the agreement under which the Grand Trunk Pacific-Transcontinental was undertaken; how the Government was to build the Eastern section between Moncton and Winnipeg and the Grand Trunk Pacific was to lease, equip and operate the road on completion; how the Grand Trunk Pacific between Winnipeg and Prince Rupert was to be built by the company, assisted by heavy bond guarantees by the Government. The Eastern section was built to a superior standard of excellence, but at a cost greatly in excess of the estimation of the technical officers on whom the Government had relied for

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information and advice. As a matter of fact, the Transcontinental, the Grand Trunk Pacific and the Canadian Northern were built during a period of rising costs, due in great measure to rapid and simultaneous construction, and the privately-owned roads early were forced to seek financial aid to an extent undreamed of when the projects were launched. This was in part due to difficulties in securing private capital. Capital is most sensitive to impending international storms, and as coming events had cast shadows before them, capital had been timid for some years before the war. During this period the Grand Trunk Pacific had found that it would require more than bond guarantees to complete construction, and by November, 1914, had been back three times for cash aid and had received 31 million dollars in loans.

The Canadian Northern had received first aid in the shape of subsidies, second aid in the form of guarantees, and third aid in the way of straight loans as the war clouds gathered. The Government was growing apprehensive and had required the railway to give up 70,000 shares of capital stock in 1913 in consideration of certain subsidies and 330,000 shares in 1914 in return for a 45 million bond guarantee. In addition, the Government had taken mortgages for between seven and eight millions loaned.

This was the situation during the summer of 1914. The railways were making desperate efforts to complete their undertakings, and might have struggled through but for the fateful declaration of August 4th, which made it impossible at any sacrifice to secure further outside capital, dislocated normal trade and commerce and dried up the stream of immigration which the railways were designed to distribute and settle on the land. Thus the war administered a blow to private railway enterprise in Canada which was none the less mortal, even though the effects were lingering, and the war may be said to have marked the beginning of the end of an era of railway development of which every mature Canadian had conceived the most sanguine expectations.

THE WAR BLIGHT ON THE RAILWAYS:

The blighting effects of the war were soon manifest. In 1915 the Government declared the Transcontinental ready for operation, and called upon the Grand Trunk Pacific to implement its agreement and lease, equip and operate the Transcontinental, on which, up to that time, 150 millions had been spent. The original estimate of cost had been about 61 millions. It is too long a story to deal with here, but the Grand Trunk Pacific found itself unwilling or unable to make good as regards the Transcontinental, and so, in 1915, the historic Intercolonial, half-sister of the C.P.R., and mother of the National lines, was called upon to supply, from a none too full store, motive power and rolling stock, and to operate the 2006 miles of road involved in the Grand Trunk Pacific project east of Winnipeg.

In December of the same year, 1915, Sir Alfred Smithers, not then knighted, called on the Government to relieve the Grand Trunk of the burden of the Grand Trunk Pacific as they were "at the end of their tether", as the Chairman put it. However, the Government at that time felt that the situation could best be met by further loans, and in this manner the Grand Trunk Pacific was kept going until early in 1919.

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Meanwhile, the Canadian Northern was in deep trouble and threatened with liquidation at a crucial period of the war, involving most serious financial consequences and transportation difficulties. The legislation of 1915 had provided a loan of 10 millions, that of 1916, 15 millions, and 1917, 25 millions -- ominously increasing signs of distress, and, in consequence, the Government decided to acquire the property by acquisition of the remaining 600,000 shares of common stock. The agreement to purchase limited the consideration to 10 million dollars, though the subsequent actual award of the arbitrators was $10,000,000. Following the acquisition of the common stock, the Canadian Northern Board of Directors were, by Order-in-Council of November 20, 1918, appointed a Board of Management of the Canadian Government Railways, and the use of the collective and descriptive title of Canadian National Railways was authorized by a later Order-in-Council of December 20, 1918 -- which, therefore, if the official date of the inception of the Canadian National System.

Affairs reached a climax with the Grand Trunk Pacific early in 1919, when the Government insisted that its loans be used to meet operating deficits and not interest payments. As a result, the Company abandoned operations and the Minister of Railways was appointed Receiver on March 10, 1919, in order that service might be maintained over the 2756 miles of railway comprised in the System.

It had been apparent early in 1918 that theGrand Trunk would be involved in the fate of its subsidiary, as the parent organization was experiencing financial difficulty and was urging Government assistance. The Government declined to embark on a policy of indeterminate financial aid to the Grand Trunk, or to release it from its obligations and liabilities in respect of the Grand Trunk Pacific, unless the Government could at the same time acquire the Grand Trunk with its strategic location and connections in the East.

The original offer of the Government to the Grand Trunk was to acquire all assets and assume all obligations of both the Grand Trunk Pacific and the Grand Trunk, and to make an annual payment of $2,500,000 for the first three years, $3,000,000 for the succeeding five years, and $3,600,000 annually thereafter, such sums to be distributed by the Grand Trunk Management, as they might determine, among the holders of the 4 p.c. guaranteed and other stocks. Under this arrangement, it would have been possible for the company to have distributed some share of the annual payment among the holders of the preference shares though possibly at some impairment of the position of the holders of the guaranteed stock. On the common shares no dividend had ever been paid. It must not be supposed that the $3,600,000 represented all the Government would have been liable to pay. The Government was to assume <u>all</u> obligations. However, the first offer was unacceptable, and, after negotiations in England and Canada extending over 18 months, and which were not concluded until October, 1919, an arrangement was made, which, while including the guaranteed stock as an obligation in the same way as the Company's debentures, left the value, if any, of the preference and common stock to be determined by arbitration, This arrangement was ratified by the London Board and the English shareholders in February of 1920, and on May 20th of that year the joint committee of management was appointed and the Government's liabilities in respect of the Grand Trunk commenced to run.

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THE GRAND TRUNK ARBITRATION

There was much preliminary work and the arbitration did not get properly started until February 1, 1921. When April 9th, the date by which the arbitration was required by the Act to be completed, approached, the Grand Trunk pressed for an extension, but the Government believed there had been unnecessary delay, and as the system of joint management was stated to be embarrassing, inconvenient and expensive, it declined to extend the time unless an immediate transfer of control could be arranged in order that divided authority might be terminated. The Grand Trunk declined to transfer the Management and the arbitration lapsed. The attitude of the Governnent was embodied in a Bill which became law on May 3rd. It provided for the revival of the arbitration if the Grand Trunk shareholders in London agreed to the transfer of control, the substitution of a Canadian Board of Directors for the English Board, and the location of the head office in Canada. This was finally agreed to and the arbitration proceedings were revived on June 1st, and concluded on July 8th.

The Award was promulgated September 7, 1921, Judge Cassels and Sir Thomas White held, for reasons which they set out at length, that at the date of taking over, the preference and common shares had had no value. Judge Taft dissented, holding that they had potential value which he estimated would be fortyeight million dollars by 1926. All three arbitrators scored the absentee London Management, Sir Walter Cassels pointing out that:

> "Dividends were paid when to the knowledge of the Chairman (Sir Alfred Smithers) there were no earnings applicable to the payment of such dividends; and those moneys so paid were diverted from claims due to the Government which should have been paid, leaving the Government claim unpaid to the present time."

There is no object in flogging a dead horse, and were it not for the very unfair charges in the British press against Canadian bona fides in this Grand Trunk matter, one would be inclined to draw a veil over the outspoken comments of the arbitrators. Judge Taft, the Grand Trunk's own arbitrator, dealt fearlessly, and at considerable length, with what he called "the indefensible acts of the London Management". He said it was without dispute that from 1912 to 1920 the London Management had manipulated the accounts, first to justify, in 1913, dividends on the preference shares. Then came a period when the London Management was anxious to induce the Canadian Government to take the burden of the Grand Trunk Pacific off its bank. This led the Management to understate their operating revenues to the extent of nearly eight million dollars during 1915, 1916, and 1917. In 1919 and 1920, when the sale of the road to the Government was being faced as the best course, manipulation of the accounts, Judge Taft stated, had been directed to making the financial condition of the road seem better than it was. This dealing with accounts, he added, admitted of no defence, but ought not to prejudice the interests of the shareholders. He explained that the London Management, in these misleading statements, was attempting to induce action on the part of the Government, on the one hand, and to avoid complaint on the

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part of the shareholders, on the other.

A regrettable consequence of the increasing of revenues for dividend purposes in 1913, is that many English investors now appealing to the Canadian Government for compassionate consideration became shareholders in 1913, the year in which Grand Trunk dividends were improperly increased.

The acquisition of the Grand Trunk rounded out the Canadian National System which now boasts a total operated mileage of 22,646. To December 31, 1921, loans aggregating $82,480,303 had been made to the Grand Trunk Pacific, and $14,729,238 in interest was owing, a total obligation of $97,209,541. Incidentally, it is well to remember that the Government, under the Bond Purchase Act of 1913, paid out 33 million dollars in the purchase of G. T. P. bonds, rather than continue to implement the bonds to par on the market, a proceeding which had already cost approximately five million dollars. Further, the Dominion has had to assume Provincial guarantees of branch line bonds totalling $16,786,440, having taken over the property.

The Grand Trunk, as of the same date, owed the Government $73,702,154, including interest, and had had 50 millions in bonds guaranteed -- most of this in the 20 months following the transfer of financial responsibility, by which is not meant actual control.

Up to December 31, 1921, loans and advances amounting to no less than $251,088,248 had been made to the Canadian Northern , and interest amounting to $35,191,210 was owing -- a total obligation of $286,279,459. This does not take into account the amount paid for the common stock nor subsidies, together totalling 35 millions. In addition, the Federal Government, having taken over the property and having been meeting interest charges due the public, has, in effect, relieved the Provinces of their guarantee obligations. Without desiring to pile Pelion on Ossa, I should add that, at the 1922 session, Parliament voted 85 million dollars to meet the requirements of the National lines during the present fiscal year, so that the figures I have quoted now understate the actual situation, but are, nevertheless, the latest official figures available.

SOMETHING ABOUT INTEREST CHARGES:

Confusion appears to exist in the public mind concerning the interest charges connected with the National Railways. Speakers sometimes assert that we should "let the water out of the railway stocks" to enable the National Lines to pay. The Government owns practically all the Canadian Northern stock. No interest is paid on that, and of course

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it is not a fixed charge. The arbitrators have held the Grand Trunk preference and common stock to be valueless, and assuredly no interest is payable on that; though a strong drive may be expected for consideration on compassionate grounds. The Grand Trunk itself is the owner of all the common stock of the Grand Trunk Pacific. No question of interest arises there and no question of interest is involved in the consideration of the stock of any of the National lines, nor will there be until that happy day arrives when there may be net surplus earnings, which will not be until after it has been possible to meet not only operating expenses, but fixed charges as well.

Interest or fixed charges on the loans and advances by the Government are augmenting so rapidly, even though not compounded, that the late Management suggested that, for a certain definite period, the Government should refrain from charging the railways with interest. The effect of this would be to limit the fixed charges to interest payable to the public. As the interest due the Government has never been paid, I suppose it was felt that such a course would make no essential difference, and it would have the effect of reducing the rapid growth of fixed charges which, to that extent, may be said to be bookkeeping entries. What they suggest is, in effect, the method which has always obtained in connection with the Intercolonial and the Transcontinental. In neither of those cases has interest been reckoned on the moneys advanced by the Government on either capital or operating account.

While it might be possible to declare a moratorium, as it were, on fixed charges due the Government, it is a much different matter in the case of fixed charges due the public. They require to be paid in full, and on the dot, as the credit of the country is now involved, though that has been viciously and most unjustly attacked by certain English investors who cannot understand what has happened as regards the Grand Trunk group. However, it is noticeable that since the printed Award of the Arbitrators was received in England, and reviewed by the financial press, much less talk has been about a dishonest Dominion. Still less has been heard since the appeal of the shareholders to the Imperial Privy Council was disallowed on July 28th. last.

The proposal of the late Management that interest charges due the Government be ignored for the present is not the only suggestion that has been put forward as a solution of our railway problem. Two other plans have been proposed by men of eminence in the railway and financial world -- Baron Shaughnessy, Chairman of the Canadian Pacific Board, and Sir Joseph Flavelle, then Chairman of the Grand Trunk Board. Each proposal is of interest, and each reveals the bent of the author's mind, and the effect of his environment.

Baron Shaughnessy was opposed to the acquisition by the Government of the Grand Trunk. Instead, he would have relieved them of their Grand Trunk Pacific entanglements, granting easy terms for the repayment to the Government of amounts advanced to the Grand Trunk proper. He regarded the National Transcontinental -Grand Trunk Pacific scheme as a "deplorable blunder" -- the words are his own --

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and held that the Canadian Northern had, by over-expansion, been made a hopeless business proposition whose annual interest charges were out of all proportion to present or prospective revenue.

Baron Shaughnessy's proposal was that the extraneous assets of the Canadian Pacific -- steamship lines, express business, lands, mining and other interests -- be segregated, and that the remaining railway property be added to the National System (minus the Grand Trunk) on an undertaking by the Government of Canada to pay to the shareholders in perpetuity a fixed annual dividend on the share capital, to be supplemented by a further payment when the entire property was yielding a specified return. The extraneous assets he suggested be transferred to and administered by trustees, or by a subsidiary company with another Board of Directors, so that the Directors of the Railway Company would be interested only in the administration of the trust placed in their hands by the people of Canada. As to Management, he suggested that his company should be used, under terms of a contract approaching perpetuity, to administer and operate the whole property for the account of the Canadian people.

Baron Shaughnessy's plan offered no immediate improvement of the deficit situation, but held out hope of improvement from the consolidation of train services, the elimination of duplicate work at important terminals, the restriction of maintenance work on unnecessary duplicate lines, the decrease in general expenses, including traffic and agency forces, the common use of cars and locomotives and greater economy of maintenance. Apart from that, he held that improvement could only be expected from immigration and settlement.

These suggestions were received by the public somewhat as Baron Shaughnessy thought they might be. In forwarding the proposal to Mr. Meighen, then Prime Minister, he wrote: "some people, whether they believe it or not, will find in my suggestions a selfish desire on the part of the Canadian Pacific to control the railway situation", but he assured Mr. Meighen that the C. P. R. "had no fish to fry", and he was not sure that his plan would be viewed with favor by the C. P. R. executive, directors or shareholders.

Sir Joseph Flavelle proposed to reorganize the finances of the National lines by authorizing the Canadian National Railway Company to employ a nominal capitalization of $750,000,000 represented by 5,000,000 common shares and 2,500,000 six per cent preference shares, at a par value of $100.00 each. He suggested that the Government turn over to the Company the equity in the National System, subject only to the fixed charges due the public, or guaranteed by the Government. He proposed that the Government take common shares at par in payment of existing advances to the various roads comprising the System, and that future deficits be met in the same fashion. He would write off the capital expenditures which have been made on the Intercolonial and Transcontinental, but future capital expenditure would be provided by the Government and capitalized by the issue to the Government of preference stock at par.

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Sir Joseph Flavelle held that some such plan would show, by the mere arrangement of the nominal capital (a) what the cost of acquiring the System had been, (b) what losses there had been in operation and fixed charges, as both would be represented by common stock, (c) what additional capital expenditure had been made after unification, since this would be represented by preference stock, and (d) what obligations are due the outside public, as these would remain in the form of bonds, debentures or guaranteed stock. Sir Joseph was seeking, by his plan, to drive home the fact that the many millions loaned to the railways by the Government, having no immediate interest-bearing value, should not be carried as an active debit against the railways.

RECENT DEVELOPMENTS:

In recent months, the railway situation has taken final form -- insofar as such a complex problem admits of finality. The Grand Trunk Canadian Board, the appointment of which was only temporary, pending reorganization, and the Canadian Northern Board, which, in the fall of 1918, was charged with the management and operation of Canadian National lines, have given place to a single Board -- that of the Canadian National Railways, which will have the direction and control of all lines, without exception, which have been built or acquired by the Government of Canada. With the dual Boards have passed dual presidents, and dual managements are being welded into one effective body. The Government has placed a strong, practical, man in charge and has told him he will not be interfered with. He has a tremendous task, and while it is his task, it should not be forgotten that it is the people's concern, and it behooves all men of good-will to lend a hand. He has not hesitated to break new ground, as was indicated recently by his action regarding the so-called "no politics" order. For what in those days seemed to be good and sufficient reasons, it was well understood that employees of the earlier Government Railways should not actively concern themselves with party matters. When the Canadian Northern came in, the same rule was extended by that Management to cover all employees of the National System. It meant that 40,000 Canadian Northern and Grand Trunk Pacific employees who, in common with their fellows of the Canadian Pacific, had previously enjoyed the privilege of standing for public elective office, were debarred from the exercise of such rights of citizenship. This order was possibly no hardship to the 23,000 employees of the Intercolonial and Transcontinental, but it had either to be extended to the 90,000 men comprising the entire Canadian National System (including the Grand T runk), or rescinded. The new President felt that such an order was inimical to the best interests of the road, and, in future, Canadian National employees may sit in Parliament -- if elected -- as proudly as any of the 65,000 employees of the Canadian Pacific. Under the new dispensation, it is conceivable that a Canadian National employee may one day be Minister of Railways -- just as Mr. Calvin Lawrence, who for many years drove a locomotive out of St. Thomas, now sits on the Board of Railway Commissioners alongside former Cabinet Ministers and ex-Members. Sir Henry Thornton's ruling is an innovation which may be expected to make a strong appeal to men who in the not distant past night have been dismissed for mere participation in a Federal election campaign.

I must conclude, but do not like to leave you under

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the impression that the railways have done nothing for Canada but pile up enormous deficits. The railways have provided pleasantly dramatic surprises at times. The building of the C. P. R. uncovered the largest known nickel deposit in the world. Cobalt has yielded $200,000,000 in silver since the T. & N. O. construction blacksmith threw his hammer at a fox one Sunday morning 20 years ago -- and dislodged a lump of native silver. Porcupine, north of Cobalt, is expected to add a billion dollars to the world's store of gold within the next quarter of a century. These are impressive figures, but bagatelle compared with what the basic industry, agriculture produces year after year. The value of the Princ field crops of Canada for 1922 is officially estimated to be a billion dollars in round figures. Of this immense crop, approximately one-half was grown in the three Prairie Provinces on land rendered accessible by the transcontinentals. That crop was marketed, in the first instance at any rate, by the railways -- and, it may be added in passing, at rail rates much lower than those enjoyed by farmers across the line.

There comes a time when the best-paying mine becomes exhausted, as mining is but the plundering of the secret hoards of mother earth. But nature perennially repays properly directed husbandry and, after all, the real value of our railways lies in the less spectacular but more enduring service rendered by the opening up of our new lands to agricultural development, which in turn renders possible a complementary industrial expansion, which provides an ever-increasing market for the farmer. Our railways have always been our pioneers, have always been in advance of our population. Just at present, they are too far in advance, and are waiting for population to catch up. Pending that, wisely directed economy appears to have the call. Sir Henry Thornton is new to Canada and to his task, but gives evidence of a sane appreciation of what is required to turn the railways, at present a burden, into the active and splendid asset they were intended to be. In his younger days, the new President is said to have achieved repute as a football player. Once more the ball is at Sir Henry's feet. If we help him play the game we may be better satisfied with the score.

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THE SENATE
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Ottawa, 14 March, 1923.

Rt. Hon. Arthur Meighen, M.P.,
House of Commons,
Ottawa.

Dear Mr. Meighen,

With reference to sessional paper No. 90 herewith returned, in my opinion, there is nothing of much importance that could be consistently criticized except the volume of communications interchanged., You will probably recollect that when the present Government was in opposition they severely critized me for sending a telegram to Mr. Samuel Gompers advising him that many members of the International Trade Unions were participating in the illegal strike in Winnipeg which was going on at that time. My telegram to Mr. Gompers was merely one of information, not a request for intervention. If the criticism in that case was justified then the present Minister has offended much more seriously than I did, but I have some doubt as to whether or not such criticism could serve any useful purpose.

Yours very truly,

A D Robertson

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THE NATIONAL RAILWAYS.

On the 27th March 1923 the Acting Minister of Railways, Honourable George P. Graham gave to the House the annual statement of the results of national operation - that is, for the calender year, 1922. It must be remembered that the National Railways (not including the parent Grand Trunk) were throughout the year 1922 under the management of the Directorate appointed by the Government of Sir Robert Borden, and under the Presidency and General Managership of Mr. D. B. Hanna up to the 4th. of October. Up to the same date the parent Grand Trunk which, because of the arbitration not being complete until practically when the election campaign was called, had not then been included in the Canadian National Railways, was under the old Directorate also. The returns for the year were, therefore, the responsibility of and attributable to the former management.

Sir Henry Thornton and the new Directorate were appointed on the 4th. October 1922, but Sir Henry Thornton thereupon went back to England and did not return to actually take up his duties until the beginning of December.

The report presented by Mr. Graham showed in brief the following results:

The deficit and operation of 1922 had been reduced on the National Railways (not including Grand Trunk) from $36,842,970. in 1920 (calendar year) and $16,220,335. in 1921, to $9,736,318 in 1922. This of course does not take into account fixed charges. The fixed charges amounted to $41,241,252. The net deficit therefore was $51,103,296. ~~The net deficit~~ This compared with $56,989,978. in 1921 and $69,593,441. in 1920. Of

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the net deficit, however, $51,103,296. a large portion is owing the Government itself on moneys advanced in years gone by and in recent years.

On the Grand Trunk there was a profit on operation of $12,064,827. as against a profit in 1921 of four million odd. This again was without taking into account fixed charges. The fixed charges amounted to $21,213,375. so that the net deficit on the Grand Trunk was $9,148.548.

From the above it will be seen that there was an operating surplus on all the lines including the Grand Trunk of $4,193,549. and that taking into account fixed charges there was a net deficit on all lines including the Grand Trunk of $60,839,614.

The above figures show that under Mr. Hanna and the directorate which the present Government dismissed the National Railways were making continuous and indeed rapid progress. It is common knowledge as well that the service rendered by the National Railways was improving rapidly, and indeed it had reached a stage of efficiency where it could compare well with any other road in the world including the C.P.R.

The King administration then, on assuming power, finds the National Railways efficient and in a splendid condition, the vast amount of deferred maintenance and overdue betterments all accomplished, the whole being a magnificent vehicle of transportation. It also found the system free of political interference and conducted without scandal or reproach by the then directors. Under these circumstances the question as to whether the ~~line~~ great public utility was to continue free of ~~politics~~ a politically dominated administration would naturally be determined by what was done ~~with~~ with the former successful ~~administration~~ management. A complete change, left alone nothing could be done for harm was made without the political backers

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completely changing the Railway Executive

slightest possible justification except the exigencies of party politics. The action of the King government, if repeated by subsequent administrations, would mean the permanent ruin of this great national undertaking. While the Premier professes that the ~~lines are run~~ system is operated entirely free of political interference by him and his government, he is taking good care to see that ~~the lines be~~ it is controlled by politicians intensely partisan. The actual railroaders are possibly free of this charge, although Sir Henry Thornton has already proven himself to be a pretty efficient politician since assuming office.

The Board of Directors the ~~present administration~~ King Government found in office were:

Mr. D.B. Hanna	Toronto, Ont.
Mr. A.J. Mitchell	"
Major Graham A. Bell	Ottawa, Ont.
Mr. Robert Hobson	Hamilton, Ont.
Mr. E.R. Wood	Toronto, Ont.
Mr. R.T. Riley	Winnipeg, Man.
Sir Hormisdas Laporte	Montreal, Que.
Mr. A.P. Barnhill	St. John, N.B.

The present Board is constituted as follows:

Sir Henry W. Thornton	Montreal, Que.
Major Graham A. Bell	"
Mr. Gerard Ruel	"
Mr. Ernest R. Decary	"
Mr. John H. Sinclair	New Glasgow, N.S.
Mr. Richard P. Gough	Toronto, Ont.
Mr. James Stewart	Winnipeg, Man.
Mr. Fred'k G. Dawson	Prince Rupert, B.C.
Mr. Tom Moore	Ottawa, Ont.
" Onesiphore Talbot	Quebec Que

It will be observed that Mr. D.B. Hanna, a man who had spent years in the service of the roads, who knew every foot of them and was particularly familiar with the requirements of the great West, gives place to Sir Henry Thornton who by indefatigable travelling has sought to obtain at least some fraction of Mr. Hanna's knowledge of our railroad problems.

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Mr. A.J. Mitchell, against whose efficiency not one word can be said, is taken from his financial activities as Vice-President in charge of financial matters, and is replaced by Major Graham Bell, Deputy Minister of Railways & Canals, and who was on the old board.

Mr. Gerald Ruel is added to the Board so that the railway directors, which formerly were Hanna, Mitchell and Bell, became Thornton, Bell and Ruel.

¶ apart from political motives No possible ~~excuse~~ reason can be urged for the change in the ~~other directors~~ directorate ~~except that of gross political partisan activity.~~ There is no business man in Ontario more widely and favorably known, not only for his great business successes but for his outstanding generosity and whole-heartedness, than Mr. Robert Hobson of Montreal. He was originally engaged in railway work; he ~~is~~ was Secretary-Treasurer of the Hamilton Blast furnaces that produced the first pig iron in Ontario. He is familiar with the problems ~~in~~ of mining, and is a member of the Institute of American Mining Engineers. He is now President of the Steel Co. of Canada, and is on the board of many companies. ~~His place is taken~~ The Government displaces him to make room for ~~by~~ Mr. Richard Patrick Gough of the fur firm of Sellers-Gough Co., Toronto. His railway experience is nil. His real qualification consists ~~of~~ political activities in Ontario where he has well earned the distinction of a partisan worker.

Mr. E.R. Wood, President of the Central Loan & Savings Co., and many other companies, both industrial and financial, one of Ontario's most prominent and respected citizens, is dropped. Like Mr. Hobson, Mr. Wood has never been an active politician, but while Mr. Hobson is known as a Conservative Mr. Wood is known as a Liberal. He is also known as a man who would not and could not allow his

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business judgment to be influenced by political considerations. To this fact alone can be attributed his dismissal. With his fitness for this work may be compared Mr. John H. Sinclair, K.C., of New Glasgow, N.S., whose only influence on the Board to date appears to be that he secured ~~the~~ its recommendation for the construction of lines in Nova Scotia, the construction of which holds no promise whatever of financial returns, but of great deficits, ~~but~~ the ~~construction of which~~ while their building would greatly advance the interests of the Liberal party in that province. Mr. Sinclair is well qualified to act as a partisan Liberal. All his life he has been actively engaged in politics. He was born 75 years ago and entered upon his political career in 1894, ~~became~~ as a member of the Nova Scotia legislature. He In 1904, was elected to the House of Commons, where he continued to sit as a Liberal until the last general election when he retired, considering himself too old to continue. An intense ~~Liberal~~ partisan, sitting in the Legislature and House of Commons for 25 years, hardly requires any hints in practical Liberal politics from the Government. Wholly inexperienced in Railway or large Company operation Political considerations ~~were~~ constitute his sole qualification as director.

In the whole Prairie Province There is no better known ~~man~~, or more respected than Mr. R.T. Riley of Winnipeg, ~~in the whole prairie provinces~~. Efficient, clean and honest, a lifelong ~~follower~~ admirer of Sir Wilfrid Laurier, and as far removed from the ~~war~~ hard or practical politician class as possible, he disappears. As against Mr. Riley may be contrasted Mr. Frederick G. Dawson of Prince Rupert. He has great qualifications for running a railway on political lines and for party advantage. These qualifications consisting in the fact that he has been an active organizer of political campaigns in the interests of the Liberal party, and the chairman of the organization in ~~one~~ at least one. He is a practical politician partizan and as such is fit for the purposes of the King government infinitely preferable to a clean capable business man such as Mr R. T. Riley.

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~~As to~~ Sir Hormisdas Laporte, is a merchant of repute of Montreal, ~~and~~ who did great work for the country during the war as a member of the Purchasing Commission, He goes. His place is taken by Mr. A. Decary a notary of Montreal. Mr. Decary's railway activities in the past consisted of acting as notary for McKenzie and Mann in the acquisition of town sites and other properties in and adjacent to Montreal. His real qualification is that he is a strong Liberal and a henchman of Sir Lomer Gouin.

Mr. A.P. Barnhill of St. John, N.B. also goes. He is a lawyer of St. John, and is also connected with many commercial activities. He is a director of the Eastern Trust Co., as well as many other companies. He enjoyed the confidence of Sir Wilfrid Laurier, being appointed Chairman of the joint International Commission between Canada and the United States respecting the St. John river in 1908, and was appointed a member of the joint International Commission betweeen Great Britain and the United States respecting waterways forming international boundaries in August, 1911. Mr. Barnhill is a Liberal of the non-partisan type. With him may be fittingly compared Mr. Onesiphore ~~Telosphore~~ Talbot. Mr. Talbot first came to the House of Commons in 1896, sitting continuously for Bellechasse Que until 1911 when he was defeated in the general elections. He was then taken care of by political friends and appointed to a minor position by the Quebec Government at a salary of $2500.00 per year, which position he has since held without increase in salary. The salary of $2000. which Mr. Talbot now enjoys as director of our railways and which increases his earnings by 80%, may possibly be earned although not merited by the services he will undoubtedly ~~may be able to~~ render the Hon. Mr. Ernest Lapointe, Minister of Marine and Fisheries, whose henchman he is, and ~~to~~ whose who secured his appointment"

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The remaining directors, Mr. James Stewart and Mr. Tom Moore, are well known. Mr. Stewart is a man of business standing. ~~They are~~ He is subject to the only excuse that the Premier has ever offered for the dismissal of well tried and efficient men, namely that they were men of other business activities and on different directorates. Mr. Stewart being a successful competent business man is naturally subject to the same reproach. For this very reason he will know how to conduct business, know how to help the undertaking and doubtless will be a useful member of the Board. He is a man of sufficient standing not to allow his political proclivities, which are Liberal, to interfere with his duty, ~~notwithstanding the fact that~~ He is Vice President of the State Elevator Co., Managing Director, Federal Grain Co. Ltd., Director, Western Terminal Elevators Ltd., Director, Western Elevator Co. Ltd., Director, Western Grain Co. Ltd. He ~~probably~~ will have more business with these railways as a company official in which he is ~~personally~~ interested than could any of the old directors have had. ~~Mr Stewart is in every way well qualified for the position~~

Director Bank of Montreal and President of the Manitoba Deaf Milling Co.

Mr. Tom Moore, who is also described as a Liberal, is a well-known labor man. Partisan politics are not ascribed to him.

The whole truth of the matter is that the King Government, while professing to keep the railways out of politics, has done its best to make a political machine out of it. There is no room for argument that the work of the old Board was not well done. Not only is it ~~generally~~ well known that they took over a disjointed, unorganized, unequipped, unballasted railway system ~~that was, to say the least, not in a very poor condition~~, and ~~made~~ (during a period of ~~great~~ high costs) ~~and~~ made a wonderfully fine system out of them, but Sir Henry Thornton himself certifies to the excellency of their work. The last report of the Canadian

Mr Graham with his usual frankness stated the facts in the House of Commons. He said the Government had given the Board a free hand to do as they thought best. The Board certainly has done a wonderful work.

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National Railways is signed by Sir Henry Thornton as President and Chairman. Effective management is reflected on the one hand in the results of operation, and on the other hand in the ~~proper~~ wise application of moneys for improvements and construction and then properly carrying them out. Sir Henry Thornton's report on these two heads reads as follows:

> "Operating Expenses and Performance: The results for the year show that working expenditures were well controlled, as there were reductions in expenses in the Maintenance and Transportation accounts. The condition of the physical properties was improved during the year, and yet Maintenance of Way expenses were reduced by $2,656,340.92 and Maintenance of Equipment expenses by $1,225,612.86. As already pointed out, more business was moved and yet $11,299,471.65 less, in addition to the Maintenance saving, was spent to move it.".....
> .....
>
> "On behalf of the Board, I would like to state that after inspection of the main arteries of the System, we find that the work undertaken has been well performed, and that the expenditures have been well applied. While the demands for capital expenditure on a System of such extent in a growing country, as the former Board stated, are never ending, yet it may now be said that the three groups of lines, until recently the Canadian National Railways, enter the consolidation in excellent physical condition and operating at a high mark of efficiency as regards actual performance or movement of traffic and other factors controllable by management. Apart from certain well known cases of duplication the lines are well located and in exceptional position to successfully perform the transportation demands of the country. The problem as far as the lines covered by the report is concerned, is how sufficient traffic may be developed to carry the overhead and maintenance expenses. As far as transportation costs go, an economical performance is being made. Under these circumstances the margin for improvement with the present light volume of traffic is largely dependent on circumstances beyond the control of the management."

It is well known by everybody that the duplication Sir Henry Thornton points out was constructed long before the appointment of the old Board, and ~~that the~~ was the result of the ~~country was cursed with~~ wild, unchecked railway exploitation ~~effected~~ authorized by the Laurier administration, from which the country is now suffering. No greater vindication ~~could be given~~ of the old directorate and management could well be given. The facts demanded it

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POLITICAL ADVANTAGE.

While in the interests of the system it must be free from politics, on the other hand ~~the Government~~ our railway ~~undertakings~~ may be made valuable to ~~it~~ the Government for political purposes as for example: construction of political lines in Nova Scotia. To give yet another example, the following ~~advertisement~~ dodger was used in the bye-election in Lanark:

VOTE FOR THE

LIBERAL CANDIDATE

and

HELP TO BUILD UP

LOCAL INDUSTRY

The W.-R. Automatic Train Pipe Connector is manufactured by the Smiths Falls Malleable Iron Company and the Frost and Wood Company.

The Canadian Government are testing out this device on a train between Montreal and Ottawa. It has given such satisfaction that they are about to place another order in Smith Falls for the equipment of more passenger coaches for further experiment.

If the W.-R. Connector is the success which the railroad men claim it will be, it means the building-up of a great industry in the town of Smiths Falls.

Vote For

DAVID FINDLAY

The Candidate of

Hon. W. L. MACKENZIE KING

and "JIM" MURDOCK.

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As was pointed out in the House during the last Session, this circular was largely circulated at Smiths Falls, circulated when both the Rt. Hon. W. L. Mackenzie King and "Jim" Murdock were both present canvassing and speaking on behalf of their candidate Mr. Findlay. Not only only was the circular not then reprobated but it was not even reprobated in the House. It could not be. While the Government pretends that the directors are running the railway, when an election is on, and favours are possible, it is the Government that are doing it. It is not the management that are testing out a device as to which only expert railroaders could pass proper judgment, but it is the Canadian Government when votes are wanted.

No self respecting business directorate would tolerate such methods but no protest has been heard from Sir Henry Thornton or his associates.

THE ESSENTIALS OF ADMINISTRATION

x The object served by the change in management is apparent

There are two cardinal outstanding principles that the late Government always insisted on in connection with the National Railways. They are:

1. That the control of management and operation be left wholly and absolutely to the directorate.

2. That the power of the directorate as regards new construction or capital investment is a recommendatory power only and no commitments of this character can be made until first Parliament has voted the money and, secondly, the Governor-in-Council has approved of the specific investment or extension.

By the honest and faithful observance of these principles, freedom from political interference in management and operation is secured and the sane control by Parliament ~~and~~ of capital commitments and the money of the people maintained. The political activities of the ~~people~~ directors offend the first principle, and ~~the~~ the ignorance (or worse) of their proper functions disregard the latter. Both principles are absolutely necessary to the proper administration of the railways. ~~The offend~~ To disregard the last simply makes the case of those ~~interested in~~ connected with private operation. Without ~~that~~ the control, public

and chiefly to be found in the Liberal Government and their supporters

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operation means a surrender of the country's finance ~~on the one hand, and the irresponsibility of~~ To irresponsible Parliament and directors ~~with politi-al exploitation of the country on the other.~~ as has been always urged as inevitable by the enemies of public ownership. The position of the late Government was that ~~vehicle transportation~~ the existing system where handed over absolutely to the management of the directors, but that ~~it~~ they could not be enlarged or added to without the vote of Parliament. On the other hand disregard the first and the public exploitation of the country for political purposes results. Illustrating the manner in which this second principle has been departed from, the Directors, at a cost of $1,250,000 have purchased the property ([redacted]0') on the corner of King and Yonge Streets, Toronto. The alleged justification ~~being the fact~~ for the purchase of this most expensive corner is that the ticket offices of the Canadian Pacific are onthe opposite corner! This large purchase was made at a time of heavy traction and technical deficits without the consent of Parliament, or without a vote for the necessary money.

A more glaring case which indeed constitutes a unique scandal was the purchase of the Scribe Hotel in Paris. The money for the purchase amounting to $2,000,000 was deposited by the Railway Executive in the Bank of Toronto which in its turn advanced the money to Sir Henry Thornton's agent, Mr. Aronivici, in Paris. The deed has been taken out in his name as it would have been illegal for the Company to purchase itself. We have been since told that the money will be got back as Sir Henry Thornton is arranging a syndicate in New York to take over the property without loss. There will probably be a little difficulty in arranging this as such leases will be taken by the railways, or rather departments of the Government as will enable the syndicate to operate with a sure profit. This syndicate idea, which is evidently an after-thought, puts the matter ~~of~~ in the worst form and creates an extraordinary presedent. The plain fact is that two millions of dollars of the monies of the people of Canada are ~~were~~ abstracted for the purpose of enabling this syndicate

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to be formed by Sir Henry Thornton to acquire the Scribe Hotel premises without risk.

POLITICAL RAILWAY RATES.

There is yet another manner in which the railways can be used for political purposes, and this the King Government has availed itself of. As a result of their bid for the support of western Progressives in connection with the Crow's Nest Pass rates, special favours were restored to the western grain growers. Bad as this was it would not have been so unfair if it had not the Government, after first reducing the grain growers' rates, allowed much of the advantage which the grain growers were to get to be absorbed by the lake water-carriers. Railway rates wnt up together. They ought to have been reduced as mearly as possible in the same manner in which they were raised - that is with some pretense at equity. It was pointed out in the House at the Session of 1922, that the result of the King Government's capitulation would be that the basic rates of all other basic commodities would remain where they were. This statement has been abundantly borne out. The western grain grower is entitled to a lower rate. He has always had it. Taking Saskatoon, the old low rate was 24¢, and the rate on December 31st. 1921, was 33½¢ - a percentage increase of 39%. The King Government reduced this rate to 26¢. As against this the potato rate from New Brunswick shipping points to Montreal was 19¢. This was raised to 34½¢ and now it stands as a percentage increase of 71%. The increased rates in building material running from 61 to 133% still stand with only a slight reduction on bricks of ½¢ in rates up to and including 13¢, with larger reductions on the higher rates of 1¢ up to 1½¢. Lumber rates still stand

Check no railway companies would be left that cannot be applied in other reductions

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at increases ranging from 77 to 109%. Anthracite coal rates show increases from 53 to 90% with no reductions. With reference to the all, important movement of dairy products, the rates for butter had been increased from 80 to 81% - those increases still stand. Similar increases were made in cheese rates with no reductions at all. The egg rates, which had been increased from 79 to 82% still stand.

~~Nova Scotia~~ that. It was said by ~~Government supporters~~ liberal members from Nova Scotia that province peculiarly ~~of the necessities of Nova Scotia how greatly that province suffered from~~ the high rate schedules. The whole solid sixteen however supported the special cut in the grain growers' rates which prevented any relief being given that province. The following rates of commodities Nova Scotia is chiefly interested in tell the story:

FISH, Dry Salted, Green Salted, Pickled, Smoked, In CARLOADLOTS

COPY.

As a matter of fact however the Nova Scotia case is not unique. The heavy cost of transportation is everywhere felt

The unfortunate thing is that while politicians may make political deals, the country ~~usually has to pay for them~~ must pay for them. Dairying and mixed farmers of the north-west prairie territories and farmers of all kinds everywhere else as well as industry from one end of the country to the other are now paying heavily for Mr. King's ~~political thinking with~~ surrender to the western progressives.

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Misc. R

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 1

95374

TELEGRAM

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CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

31RN.CZ.10-

FENWICK,ONT,AUG 20TH.23.

409

RIGHT HON.ARTHUR MEIGHEN.,
OTTAWA-ONT.

THIS TO CONFIRM TELEPHONE CONVERSATION DATE FOR MEETING FRIDAY MORNING.

G.D.ROBERTSON.

741PM.

PHONED
By..... Time.....
802P.

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Rel Sen Gazette Montreal Dec. 3/23.

RAILWAYMEN HAVE NEW POSITION IN REGARD FOR PUBLIC

Mr. Meighen Speaks to Brotherhood of New Conception of Duty

PUBLIC THE EMPLOYERS

No Longer Matter of Corporate Greed—Firemen and Enginemen Celebrate 50th Anniversary

Industrial evolution of the past twenty years, especially as regards the transportation system of Canada, had been exceedingly great, so much so that the relations of employees of the system towards the public had changed, and such change should be realized, was the point which the Rt. Hon. Arthur Meighen stressed last night at the Mount Royal Hotel in addressing a gathering of the Brotherhood of Locomotive Firemen and Enginemen on the occasion of the fiftieth anniversary of that Brotherhood. The half century celebration of the Brotherhood was conducted yesterday simultaneously at 15 large railway centres in all, the other centre in Canada being at Winnipeg, and there gathered at Montreal yesterday representatives of the Brotherhood on Canadian eastern lines.

As was the case with the other centres, there was an afternoon meeting for members only, followed by the public meeting last evening, the chairman of which was J. A. Woodward, member of the Brotherhood of Railroad Trainmen. The railway companies were represented by F. L. Wanklyn, chief executive assistant to the president, Canadian Pacific Railway Company, and W. D. Robb, vice-president of the Canadian National Railways. Mayor Mederic Martin extended a welcome on behalf of the city, and the Rev. James E. Fee, rector of All Saints Church, delivered the invocation. W. L. Best, Dominion legislative representative, thanked the speakers, and also took occasion to thank the press for the aid given to the work of the Brotherhood.

The aims and ideals of the Brotherhood were expressed by H. H. Lynch, Canadian vice-president of the organization.

A NATIONAL SERVICE.

Mr. Meighen, in dealing with his conception of the relations of the Union towards the public, did not single out the Canadian National Railway employees, for, he believed, the Canadian Pacific Railway Company employees were much in the same relative position to the public.

"Our transportation industry has become more and more a national service as the years have advanced," he said. "By national services I do not mean only those who are directly or indirectly under the management of the State. I mean services which being largely natural monopolies are more and more under government direction and government control, and which must be kept in action and in efficient action, if the rest of the country is to function. The railways of Canada are in that position. One effect of such development is this: that the railway workers of our country are becoming in a larger and larger sense the servants of the people as a whole. Your employer may be the National Railway Board, the Canadian Pacific Railway Board, or the Ontario Railway Commission, but whether it is one or the other of these it is more true now than ever it was before that your real employers are the people of this Dominion. I don't say this is true in the absolute, but it is true in a far greater degree, and in a far broader sense now than it was in former years. This means that less and less you are battling against the element of private greed or corporate aggressiveness with which, through most of the history of labor unions, you have had to contend. In a larger and larger sense, your services are rendered to the people of Canada, to the farmer who raises our crops, to the gardener, to the fruit grower, to the fishermen who supply our food, to the mines, to the manufacturers and to the hundreds of thousands of workmen who labor in all the industries in our land. These, not in a theoretical, but in a very practical sense, are, under present conditions, the real employers of the railway men of Canada. Today it is a concrete, practical fact that you work from morning until night for the great mass of other producers, distributors, and consumers of our country. The farmer at his plow, the artisan at his bench, the fisherman at his nets, the miner with his pick, the clerk with his pen, these are the men who in reality enjoy the services and pay the wages of the railway employees of our country. By reason of the control of rates in the hands of a public commission, as we have here in Canada, the truth of what I say has almost as much or just as much bearing on the employees of the C.P.R. as it has on the employees of the government roads. Numbers of men gathered here are foremen in charge of many others, some are officers of still greater responsibility, the great majority are in the ranks, but all are more or less directly responsible to and paid by the earnings of the Canadian people in every walk of life. This is a fact of conspicuous importance. It is a fact of ever-increasing

GOOD-WILL ESSENTIAL.

"It is therefore of more consequence to railway men than to others that they enjoy the good-will of the public. This is a state of affairs which is largely a new development and for that reason is worth the strongest possible emphasis. No one will dispute that for long years in this country railway employees and organizations have enjoyed the good-will of our people. In spreading the gospel of sobriety, of industry and of charity you have done much to call forth and consolidate that good-will. By the same endeavors and by getting the viewpoint of other workers, by studying and understanding the circumstances of others, by open square fairness in everything, you will hold the regard you have won. No other methods can succeed. Your officers call upon you to be loyal and work together for the good of your company—and that call is right; your leaders call upon you to be loyal and work together for the advancement of your brotherhood, and that call, too, is right. But, above the claims of both, and consistent with the claims of both, is the call upon men, upon brotherhood and company, for fidelity and fairness to the public whom they serve, and by whose labor they are sustained."

Mr. Meighen spoke of the gradual development of the brotherhood and found that like other organizations it had owed its success to the wise direction of a few able men. He referred to men of the brotherhood with whom he had come into contact, such as George K. Wark, the Canadian vice-president, in trying times, and from personal experience he could testify that he was a man of much strength of character, with a keen sense of fairness and a power of real decision. From what he had learned of his successor, Mr. Lynch, he felt that he would measure up to the standard Mr. Wark had set. Mr. Meighen also referred to the work of Mr. Best in his "delicate and difficult task," and touched on the able manner in which Mr. Best had acted when chosen by the late Government to represent labor on the various Government bodies. Speaking of labor organizations in general, Mr. Meighen said he believed in them. They were a natural growth of the age, a growth that was inevitable by reason of the tremendous development of transportation and of factory production. Mr. Meighen stressed the words of President Roosevelt in 1902 when the then President of the United States had been made an honorary member of the brotherhood, and on that occasion had emphasized two points. Mr. Roosevelt had agreed, as Mr. Meighen believed the enlightened world now agrees, that fundamentally the labor organizations were morally right and basically useful, but also that they must be conducted along sane, reasonable lines of service, have regard to the condition of others, get the viewpoint of others and resolve at every cost to be fair. Mr. Roosevelt had also urged that there should not be developed a too rigid uniformity, but that as far as possible free play should be given to members so that individual initiative and individual excellence be encouraged.

INDIVIDUALITY NEEDED.

"After all," stressed Mr. Meighen, "it is individual initiative that has accounted for the progress of the world and there never was more need than there is today for bringing home to the individual his responsibility, for encouraging excellence in the single human unit, for letting everybody understand that he has his own part to play, his own work to do, his own self to improve, his own character to make, and that this responsibility no labor union or any other union can carry in his stead."

MAYOR MARTIN.

Mayor Martin, in his address of welcome, said that Montreal was proud to receive such large numbers of a great organization. Labor unions, he declared, were necessary, and in his opinion the only medium whereby differences between capital and labor could be remedied. Woe to those, he said, who by all possible means are seeking to disorganize labor, for they would have much to suffer, and that before long time. If there was one class of labor which needed organization, it was the feeble, and the workers were the feeble, and it was essential that all classes of workmen be organized. He regretted that there is at present in Canada an attempt being made to do away with unions. It is only with the union that peace comes, declared the mayor. After all, the workman wanted only sufficient to enable him to live decently with his wife, and educate his children to be good citizens, and put aside a few cents to care for his old age. Capital had been organized for many years, contractors, financiers, business men of all kinds. The mayor, speaking generally of labor, warned that while it was essential that there be organization to care for the worker, it was also essential that each workman give the best he has to his employer in return.

A letter from Sir Henry Thornton was read, in which the president of the C.N.R. regretted inability to be present, owing to illness. Sir Henry added: "I take advantage of this opportunity to send you my cordial congratulations and good wishes. I suppose that something like 5,000 of your members are employed on the C.N.R., and much of our success must depend on the fine spirit and efficient service we have had, and, I venture to hope, will continue to enjoy from your members."

OLD-TIMERS SPEAK.

W. D. Robb, vice-president of the C.N.R., confessed to 40 years of direct contact with the brotherhood, and to 50 years knowledge of them, for he had started work two years before the brotherhood had been organized. He pointed out that the brotherhood had never violated an agreement, and had never failed to live up to obligations. He spoke of the pleasant relations which had always existed between the brotherhood and himself, and attributed what measure of success he had had in part to the pleasant and successful relations with the brotherhood.

Mr. Wanklyn talked in a reminiscent vein, recalling that 45 years ago he had learned something of the engineman's tasks on an English railway. He talked of the betterment in conditions, due to the work of mechanical engineers, and believed that in the next 50 years the progress would be still greater. They might all live to see, he said, the use of oil, or pulverized coal blown into the firebox.

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Toronto, October 16th, 1924.

The Hon. Arthur Meighen, M. P.,
House of Commons,
Ottawa, Ont.

Dear Mr. Meighen,-

As promised, I am enclosing you herewith copy of the address delivered by Mr. J. H. Fortier to the Toronto Transportation Club here on October 6th last.

Yours faithfully,

J. Ernst

411

140
38
1120
420
2 cus
5-5-20

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ADDRESS BY MR. J.H.FONTIER, QUEBEC

1ST VICE-PRESIDENT, CANADIAN MANUFACTURERS' ASSOCIATION.

- to the -

TRANSPORTATION CLUB OF TORONTO

October 6th, 1924.

THE INTERDEPENDENCE OF TRANSPORTATION AND INDUSTRY

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The transportation system of a country is like the arteries to the human body. If the body be sound, the arteries carry to every organ an active, regular generous blood. If the body be sick, the arteries suffer from it first and the weakening of the blood soon tells on the heart, the lungs and even the brains. But the arteries perform their service with such accuracy that they feel danger in any part of the system before the most attentive mind knows anything about it. Have a specialist test your arteries often and analyse the blood they transport in your veins is about the best way to know your health. Science will surely find there whether you are behaving. There are registered the habits or accidents of your life. Without posing as a doctor in economics, I dare express the opinion that our country is suffering at this moment from a slight attack of hardering of the arteries. But being an optimist by nature and knowing the comparative youth of Canada, I hasten to complete my diagnosis by adding that treatment would soon bring back the best physical conditions possible to our transportation system. Thus my humble advice is a consultation with the experts of the country and intelligent willingness to obey the diet they prescribe. Now we know that the soul of the country is in the whole and in every section of the nation. Unity of object and co-operation of all concerned are urgently required to bring about the cure desired. I bear in mind in addressing this gathering upon the interdependence of industry and transportation that not only manufacturing but also Agriculture, colonization, forestry, mining, fishery, commerce, finance, education, even politics are indispensable national industries. Both transportation and manufacturing problems are intimately linked with all of these forms of Canadian activity. On account of this

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complexity it is useless to study here any solution with a selfish spirit. We must endeavor to develop the whole body in order to obtain economic health, stability and prosperity.

If a ton of steel is imported into Canada from the United States, the Canadian railway transporting it receives the freight on that single ton of steel. When the ton of steel is made in Canada, Canadian railways receive freight on the coal, iron ore, ferro manganese, dolomote, calcite, ingot moulds, fire brick and various supplies carried to the Canadian Steel plant. They also get the freight on the finished steel from the plant to its destination in Canada.

It is estimated that about six tons of materials are required to make one ton of steel.

In the case of imported steel, our railways get the freight on one ton of finished product. In the case of the Canadian-made steel, they get the freight on the ton of finished product and also on six tons of materials.

During the year 1923, Canada imported 585,394 tons of steel from the United States.

$7.81 is a close estimate, furnished by one of the largest steel companies of Canada, of the actual freight paid on raw materials used to produce a ton of steel ingots.

Finished steel would carry a further amount for freight to the ultimate point of manufacture.

If the steel imported from the United States in 1923 had been made in Canada, the Canadian railways would have received a haul on 3,512,364 tons of raw materials, on which their earnings would have been approximately $4,571,927.14.

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I quote this example to illustrate the interdependence of transportation and manufacturing in this country. It applies to a varying extent to all other industries.

Canadians have reason to be proud of their transportation system. It has been conceived and executed by the best brains the country has produced.

Today, Canada stands first among the countries of the world in proportion of railway mileage to population, having one mile of rail-way to every 210 people; and fourth in actual railway mileage, with 39,775 miles of railway.

Canadians own the Canadian National Railways and, in one sense, we largely own the Canadian Pacific Railway also, because the greater part of its stock is held in Canada. Its employees are Canadians and it is a heavy tax payer. It is a national railway also.

There are invested in our railways over two billion dollars. The receipts last year were nearly half a billion dollars.

Canada has been generous to her railways. She has given them cash subsidies of over $275,000,000. and over forty-four million acres of land.

These railways employ 165,000 people. Including their families, about half a million Canadians get their living from the railways.

But railways are only part, though a large part, of our transportation system. Canada now stands seventh among maritime nations, with 7482 vessels on the registry of shipping, with a total tonnage of one and a quarter millions. We have seventeen canal systems, which permit penetration into the interior by vessel and also connect inland points.

Connected with the transportation system are our great ocean ports.

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St. John, Halifax, Sydney, Quebec and Montreal on the East and Victoria, Vancouver and Prince Rupert on the West, with all the docks, channels and harbour equipment, established at great cost. We also possess a first class service of inland navigation which contributes in no small way to the transportation of our grain, other agricultural and mining products. The grain elevators on the St. Lawrence route are fed by these carriers. Palatial boats and beautiful hotels form part of these organizations. One of these, the Canada Steamship Lines Limited by its extensive publicity brings every year thousands of summer tourists from the United States.

It is a matter of pride to Canadians that the largest steamer on the Great Lakes flies the Canadian flag and is owned by the Canada Steamship Lines. This steamer is the "W. Grant Morden," which holds the cargo record, with 14,157 gross tons of iron ore carried in 1920, with 504,908 bushels of wheat carried in 1919, and 760,000 bushels of oats carried in 1915.

New records in the despatch of vessels are constantly being set up in the handling of cargoes. On September 7th, 1921, the "D.G. Kerr" loaded 12,508 gross tons of iron ore in 16½ minutes.

The unloading record is held by the same steamer, which unloaded the above cargo in 3 hours, 5 minutes.

The grain loading record is held by another steamer of the Canada Steamship Lines, the "Westmount," which loaded 355,000 bushels in 5 hours at the Saskatchewan elevator at Port Arthur.

But the unloading record is held by the United States steamer "Shenango," which unloaded a cargo of 451,000 bushels in 15 hours.

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Our Canadian ports are well equipped to handle traffic. You all know how the grain shipment through the port of Vancouver has increased, until last year it reached 55,000,000 bushels.

Large additions have just been made to the elevator facilities at the Georgian Bay ports, and the elevator at Port Colborne. Montreal has just completed the first 2,000,000 bushel unit of a 10,000,000 bushel elevator, which has the most modern equipment in the world.

Now, with good ships, good handling facilities and good elevator equipment, we should do everything we can to keep traffic in Canadian channels. Last year, 180,452,747 bushels of grain were carried in Canadian boats, and 127,696,771 bushels were carried in American boats. The destination of this grain was 164,602,617 bushels to Canadian ports and 143,547,201 bushels to American ports.

If more of this cargo went through Canadian transportation channels, it would, of course, mean more employment and business for Canadians.

Railways, shipping, canals and ports are all part of a great system. What is this transportation system for? To carry people and goods from place to place, but in doing this the transportation system performs a great national service, because it builds up the country and binds together its various sections through making them readily accessible one to the other.

At the present time it is generally admitted that our transportation system, while we cannot say it is too large for the country, for this is a very large country, is somewhat in advance of the needs of the present population. What are the reasons for this? Undoubtedly, one was the world

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war, which disturbed the flow of immigration to this country and checked the natural development of the population.

Those who designed our transportation system were men of vision, and they built for the needs of the country as they hoped it would develop, but through circumstances over which they had no control the development of this country was retarded by the war, not to so great an extent as in the case of many other countries, but to an extent very serious in a young and growing country.

I think, perhaps that part of our overdevelopment is due to our extravagance. There are advantages in being beside so powerful and wealthy a nation as the United States, but one of the disadvantages is that we sometimes try to keep pace with them in expenditures. When they build railways and equip them for luxurious travel, we want to travel luxuriously also. When they build palatial hotels, we think we must have them too. When they spend millions on government buildings, we follow their example.

Our position is somewhat the same as a man with $5,000. a year trying to keep pace with a man having $40,000. or $50,000 a year. Still, there is no doubt that we have to compete to a certain extent with our powerful neighbours. With our chain of splendid hotels, our luxurious trains, our palatial boats, also with good roads which form also part of the transportation system of Canada, We have created here a new industry, the tourist industry, which brings millions of revenue every year. I am not blaming the transportation men for providing luxurious trains and elaborate personal service, nor the hotel men, nor the politicians. They have given us what we demanded . Now we have to pay for our luxuries and our tax bills are heavy.

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There is no use complaining about the present situation. We have our transportation system and the rest of our national equipment, and we have to make them pay or meet the deficit out of our own pockets. How is that to be done?

I find these figures published on page 627, table 6, in the Canadian Year Book for 1922-23, published by the Dominion Government; and they deserve careful consideration.

In 1913 there were in operation in Canada 29,304 miles of steam railways. In 1922, the last year for which official figures are given, there were in operation 39,775 - an increase of over ten thousand miles.

In 1913 the number of passengers carried was in round numbers 46,000,000. In 1922 the number of passengers carried was 44,000,000. In 1913 the railways carried 106,000,000 tons of freight. In 1922 they carried 108,000,000 tons. That is, the number of miles of rails in operation increased by 10,000 or about one third of the total, while the number of passengers carried actually show a slight decrease, and the number of tons of freight carried shows a very small increase.

All that is needed to make our transportation system prosperous, of course, is passengers and freight, and this increase in passenger and freight traffic can only come from the intelligent and well balanced development and grototh of this country. Where is that increase to come from? It will come from greater production from the farms, the mines, the forests, the fisheries and, last but not least by any means, the factories in Canada.

Look where you will in any country of the world today, and where

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do you find well equipped, well-operated and paying railways? You will find them in thosecountries where industrial development is the highest. Why? I scarcely need to dwell on this point, because it must be apparent to you who are practical transportation men.

For example - What does the City of Toronto mean to the railways? You carry in immense supplies of heavy raw materials from all parts of Canada and from other countries to the factories of this city. You carry the materials that are needed to erect the buildings and instal the machinery for those factories. You carry the material that is needed to erect houses for the people who work in those factories,and the furniture and clothing and food that they use. You carry materials that go into the banks, the shops, the streets, the sewers,the water-works systems that are required to serve industry here. You perform similar services to supply the thousands of people, such as doctors,lawyers,brokers,retailers and others who make their living, at least in part, indirectly, from the existence of factories in Toronto. You carry the people that work in the factories and other people that live in Toronto because there are factories here, to and fro within the city and out of the city.You take away from the city the millions of tons of products which these factories make,and you carry them not only to towns in this Province or in this Dominion but to all parts of the world. Express Companies and telegraph Companies that are part of your organization draw a great deal of their revenues from the industrial life of this city. Close up every factory in Toronto tomorrow, and what would happen to your passenger and freight receipts?

On the other hand, the dependence of manufacturing on transportation is as easily demonstrated: Take away the transportation

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companies, and what would happen to the industries of Toronto?

Therefore, it seems reasonable to think that the sound policy is not to scrap part of our transportation system or to starve the remainder, but instead to develop the manufacturing industries of Canada as well as the other departments of national activities, and to increase our production. If this is done, the railways will have more people and freight to carry, and they will earn receipts that will be sufficient to maintain them in proper working order, to pay their employees good salaries and wages and a fair return on capital invested.

Build up Canada. Develop our own resources. Manufacture our raw materials here. Keep the people here who are engaged in industry. Bring more in to take the positions that an expansion of manufacturing will create. Do this and we will not have to worry about our transportation system. Before long it will not be big enough.

How to accomplish this is a serious question. It goes right to the root of public policy. Every citizen of Canada should study it without prejudice, because its solution is very important to the future of transportation and manufacturing.

Transportation matters should be left as much as possible in the hands of transportation men. They are the experts, and in nearly all cases they are the best judges of the transportation needs of the country. I do not think you would overcharge us for your services because you know that if rates are too high, freight and passenger traffic diminishes. On the other hand, you must charge enough to maintain the systems in proper repair, pay fair wages and procure fair returns upon the investments. To do this you need the co-operation of people of other occupations.

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This only illustrates how Canadians must take an interest in all national problems, of which transportation is only one. Canada cannot be governed by any one province or combination of two or three provinces. There are really five geographical areas in Canada, the Maritime Provinces, Quebec, Ontario, Prairie Provinces and British Columbia. If each of these areas thinks only of its own interests and determines to follow these interests regardless of cost to other areas, the result must be disagreement and stagnation. There must be give and take, and sacrifices must be made. For instance, we must find the reasons why the Maritime Provinces lose a percentage of their population; why the French Canadians are so much attracted by the urban life of New-England; why rural life in Ontario is less popular than fifty years ago. We believe that industrial stability is essential to remedy these evils. But, at the same time, we must study the point of view of the Canadians of the Prairie Provinces. Why are they antagonistic to a tariff for protection? Is there any way of bringing industries nearer to them in order to make them understand better the advantage of the home market? Are they really attached to the soil or only speculating on the rapid growth of its real estate value? There is need of a campaign of education to bring nearer together the Easterner and the Westerner. Who will find the happy medium to be acceptable to all sections and classes? An increased population of consumers and more flour mills in this country ought to give the grain growers a better chance. The progress of Canada was steady for nearly a half century before the war. Then abnormal conditions made us forget all notions of prudence. Let us come back to our senses and readapt

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ourselves to the task of building up this country of ours. Capital and immigrants hesitate to come to us. Let us find enough courage, initiative and cooperation among ourselves to operate our immense natural resources. Let us show the foreigners that they have to come to Canada for power, raw material, and reasonable labor. Let us teach the world that we are the wealthiest nation in raw materials, that we have enough brains and grit not to starve in the land of plenty. Then our own success will advertise Canada better than any propaganda. Immigrants will beg to come to our shores and the money market will rather lend to our enterprising men who can pay a better return than a government bond at 4 or 5 per cent; This is possible and this will come, gentlemen, and it will mean a better blood circulation in the transportation vessels of our glorious country. Meetings like this one which bring nearer to one another active agents from different provinces will help a great deal. The same applies to people following various occupations - transportation men, manufacturers, farmers, wage earners and others. We must see each others point of view and study one another's problems in a friendly and sympathetic way instead [illegible] If this is done, many apparent [illegible] and everyone will spare time from [illegible] and grievances and devote it to [illegible]try.

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DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

JANUARY

1925

Published by Authority of the Hon. Thos. A. Low. M. P.,
Minister of Trade and Commerce.

OTTAWA

1925

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DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000

For the Month of January, 1925

The railways as a whole showed a decrease in gross revenues of $2,969,460, or 8.9 per cent. Freight traffic continued lighter than during the previous year being less by 14.3 per cent and passenger traffic was also lighter by 5 per cent. Operating expenses were reduced by $2,721,978, or 8.6 per cent and net operating revenues by $247,490. The saving in the pay roll was $1,102,074, or 5.8 per cent for a decrease in the average number of employees or 7,795, or 5.2 per cent. The average receipts per ton mile showed an increase of 5 per cent or from .967 cent to 1.017 cents which more than offset the lighter loading per train and increased the average revenue per freight train mile from $4.55 to $4.61.

CANADIAN NATIONAL RAILWAYS

The Canadian National Railways showed an operating deficit of $126,982, being the first deficit since last June. In January, 1923 the deficit was $963,137 and in January, 1922 it was $1,853,798 but in 1924 a surplus of $16,989 was earned. The freight traffic was lighter than last year by 9.3 per cent and passenger traffic by 3.4 percent. The main factor in the lighter freight movement was the big drop in the grain traffic to the head of the lakes being about 37 per cent of the January, 1924 movement and under 36 per cent of the January, 1923 movement.

Gross revenues fell off $1,444,582, or 9.3 per cent and operating expenses were reduced by $1,300,610 or 8.4 per cent increasing the operating ratio from 99.89 per cent to 100.90 per cent.

For the entire system including the lines in the United States a net operating revenue was earned amounting to $272,802 as against $449,416 in January, 1924.

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CANADIAN PACIFIC RAILWAY

Freight traffic continued to decline, being 29 per cent less than for the previous month and 23 per cent lighter than for January, 1924. The number of passengers carried showed a small increase over January, 1924 but passenger miles were less and revenues from both freight and passenger traffic showed material decreases. The decrease in gross revenues amounted to $1,383,482, or 10.6 per cent while the reduction in operating expenses aggregated $1,212,186, or 9.8 per cent, producing a decrease in the net operating revenues of $171,296 and a small increase in the operating ratio.

The number of employees was increased over December by 1,420 but was less than last year by 2,656 with the pay roll reduced by $507,026, or 7.2 per cent. The average revenue per ton mile was higher by 12 per cent due to a smaller percentage of traffic being grain which was also a factor in the decrease of 29.2 per cent in empty car mileage as against a decrease of only 14.9 per cent in freight train miles. Revenues per freight train mile were higher by 9 cents but passenger train revenues per train mile were smaller by 16 cents.

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OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000
For the Month of January, 1925

		1925	1924
OPERATING REVENUES			
Freight		$21,557,509.15	$23,932,311.85
Passenger		5,284,653.60	5,725,095.12
Mail		612,744.83	610,502.90
Express		1,282,217.08	1,331,285.95
Other Freight Train		5,280.53	10,865.90
Other Passenger Train		426,049.47	440,742.39
Water Line		48,905.05	45,236.98
All Other		1,144,601.46	1,235,390.01
Total Railway Operating Revenues		30,361,961.22	33,331,431.10
OPERATING EXPENSES			
Maint. of Way and Structures		$4,077,361.97	$4,504,840.21
Maint. of Equipment		6,814,802.48	8,003,334.91
Traffic		1,218,408.01	1,114,597.28
Transportation		15,459,687.92	16,626,588.54
Misc. Operations		374,456.27	376,762.57
General		924,458.79	963,689.34
Trans. for Investment	Cr.	31,168.21	29,826.65
Total Railway Operating Expenses		28,838,007.23	31,559,986.20
OPERATING INCOME			
Net Operating Revenue		$1,523,953.99	$1,771,444.90
Railway Tax Accruals		571,048.90	590,650.17
Uncollectable Revenues		1,220.54	1,141.44
Hire of Equipment	Cr.	190,466.54	Cr. 156,744.32
Joint Facilities Rents	Dr.	79,586.94	Dr. 68,149.02
Operating Income		1,062,564.15	1,268,248.59
OPERATING STATISTICS			
Average Miles of Road Operated		39,076.20	38,585.07
No. of Tons Carried (Rev.Fr.)		8,178,673	9,336,025
No. of Tons Carried One Mile " "		2,118,987,263	2,473,677,953
No. of Tons Carried (All Fr.)		9,226,528	9,725,792
No. of Tons Carried One Mile " "		2,332,806,026	2,772,450,792
No. of Revenue Passengers Carried		3,301,445	3,241,942
No. of Rev. Pass. Carried One Mile		181,359,720	190,924,681
# Freight Train Miles		4,681,928	5,257,599
# Passenger Train Miles		3,824,340	3,805,136
Total Train Miles (Rev. & Non Rev.)		8,796,620	9,338,253
Freight Car Miles-Loaded		96,140,152	104,718,644
Freight Car Miles-Empty		42,068,261	51,213,111
Passenger Train Car Miles		25,227,473	25,559,599
Total Amount of Pay Roll		$17,927,962.25	$19,030,036.39
Number of Employees		143,444	151,239
DAILY AVERAGES PER MILE OF ROAD OPERATED			
Operating Revenue		$25.06	$27.87
Operating Expenses		$23.81	$26.38
No. of Tons Moved One Mile (Rev.Fr.)		1,749	2,068
No. of Tons Moved One Mile (All Fr.)		1,926	2,318
No. of Rev. Pass. Carried One Mile		150	160
#AVERAGES PER FREIGHT TRAIN MILE			
Freight Revenue		$ 4.61	$4.55
No. of Tons of Freight (Rev.Fr.)		452.6	470.5
No. of Tons of Freight (All Fr.)		498.3	527.3
Loaded Freight Cars		20.5	19.9
Empty Freight Cars		9.0	9.7
#AVERAGES PER PASSENGER TRAIN MILE			
Passenger Train Revenues		$1.99	$2.13
Passengers Carried		66.0	50.2
Passenger Cars		6.6	6.7
Average Operating Expenses per train mile		$3.28	$3.38
Average Length of Haul (Rev.Fr.) Miles		259.1	265.0
Average Passenger Journey Miles		54.9	58.9
Average Tons per Loaded Freight Car		24.3	26.5
Av. Fr. Receipt per Rev. Ton Mile		1.017¢	.967¢
Av. Passenger Receipt per Pass. per Mile		2.914¢	2.999¢
Ratio of Pay Roll to Operating Revenues		59.0%	57.1%
Ratio of Pay Roll to Operating Expenses		62.2%	60.1%
Ratio of Operating Expenses to Revenues		94.98%	94.69%

Contains a proportion of mixed train miles.

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OPERATING REVENUES, EXPENSES & STATISTICS

CANADIAN NATIONAL RYS.

For the Month of January, 1925

	1925	1924
OPERATING REVENUES		
Freight	$10,104,184.28	$11,210,631.28
Passenger	2,276,151.79	2,492,066.75
Mail	259,520.90	257,377.55
Express	758,394.41	796,273.45
Other Freight Train	--	3,922.11
Other Passenger Train	177,073.60	183,106.18
Water Line	--	--
All Other	486,197.51	562,727.87
Total Railway Operating Revenues	14,061,522.49	15,506,105.19
OPERATING EXPENSES		
Maint. of Way and Structures	$2,119,688.07	$2,273,087.69
Maint. of Equipment	3,068,928.57	3,737,164.22
Traffic	464,901.11	351,712.24
Transportation	7,924,427.71	8,481,644.12
Misc. Operations	158,692.17	163,464.25
General	481,054.25	502,373.40
Trans. for Investment	Cr. 29,181.31	Cr. 20,330.64
Total Railway Operating Expenses	14,188,504.57	15,489,115.28
OPERATING INCOME		
Net Operating Revenue	Dr. $ 126,982.08	$ 16,989.91
Railway Tax Accruals	228,375.15	218,558.99
Uncollectable Revenues	1,136.30	997.28
Hire of Equipment	Cr. 236,191.49	Cr. 118,962.43
Joint Facilities Rents	Cr. 24,522.57	Cr. 20,679.13
Operating Income	Dr. 95,779.47	Dr. 62,924.80
OPERATING STATISTICS		
Average Miles of Road Operated	20,523.34	20,510.61
No. of Tons Carried (Rev.Fr.)	3,303,623	3,393,108
No. of Tons Carried One Mile " "	1,052,375,750	1,159,655,595
No. of Tons Carried (All Fr.)	3,865,843	4,075,261
No. of Tons Carried One Mile " "	1,160,436,556	1,320,146,232
No. of Revenue Pass. Carried	1,725,499	1,664,916
No. of Rev. Pass. Carried One Mile	83,210,176	86,140,506
# Freight Train Miles	2,238,577	2,473,563
# Passenger Train Miles	1,750,893	1,773,392
Total Train Miles (Rev. & Non Rev.)	4,164,854	4,406,286
Freight Car Miles-Loaded	45,725,088	49,812,276
Freight Car Miles-Empty	21,022,213	24,374,689
Passenger Train Car Miles	11,531,827	11,780,353
Total Amount of Pay Roll	$ 9,761,318	$ 10,323,613
Number of Employees	79,682	83,873
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$22.10	$24.39
Operating Expenses	$22.30	$24.36
No. of Tons Moved One Mile (Rev.Fr.)	1,654	1,824
No. of Tons Moved One Mile (All Fr.)	1,824	2,076
No. of Rev. Pass. Carried One Mile	131	135
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenues	$4.51	$4.53
No. of Tons of Freight (Rev.Fr.)	470.1	468.8
No. of Tons of Freight (All Fr.)	518.4	533.7
Loaded Freight Cars	20.4	20.1
Empty Freight Cars	9.4	9.9
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$1.98	$2.10
Passengers Carried	47.5	48.6
Passenger Cars	6.6	6.6
Average Operating Expenses per train mile	$3.41	$3.52
Average Length of Haul (Rev.Fr.) Miles	318.6	341.8
Average Passenger Journey Miles	48.2	51.7
Average Tons per Loaded Fr. Car	25.4	26.5
Av. Fr. Receipt per Rev. Ton Mile	.960¢	.967¢
Av. Passenger Receipt per Pass. per Mile	2.735¢	2.893¢
Ratio of Pay Roll to Operating Revenues	69.4%	66.6%
Ratio of Pay Roll to Operating Expenses	68.8%	66.7%
Ratio of Operating Expenses to Revenues	100.90%	99.89%

Contains a proportion of mixed train miles.

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OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of January, 1925.

		1925		1924
OPERATING REVENUES				
Freight		$8,084,495.05		$9,312,965.80
Passenger		2,087,452.35		2,238,638.73
Mail		301,335.06		303,299.78
Express		440,866.25		439,376.01
Other Freight Train		5,312.21		5,298.84
Other Passenger Train		232,139.26		241,452.44
Water Line		48,905.05		45,236.98
All Other		520,647.20		518,366.16
Total Railway Operating Revenues		11,721,152.43		13,104,634.74
OPERATING EXPENSES				
Maint. of Way and Structures		$1,391,660.09		$1,565,274.22
Maint. of Equipment		2,962,340.19		3,421,088.18
Traffic		679,648.33		688,221.84
Transportation		5,685,227.81		6,248,360.14
Misc. Operations		170,400.40		164,349.86
General		294,159.83		308,328.91
Trans. for Investment		--		--
Total Railway Operating Expenses		11,183,436.65		12,395,623.15
OPERATING INCOME				
Net Operating Revenue		$537,715.78		$709,011.59
Railway Tax Accruals		281,228.06		282,022.80
Uncollectable Revenues		--		--
Hire of Equipment	Cr.	290,352.67	Cr.	381,806.99
Joint Facilities Rents	Cr.	36,928.18	Cr.	51,603.57
Operating Income		583,768.57		860,399.35
OPERATING STATISTICS				
Average Miles of Road Operated		14,061.1		13,622.6
No. of Tons Carried (Rev.Fr.)		2,427,095		2,506,051
No. of Tons Carried One Mile " "		805,708,101		1,041,824,015
No. of Tons Carried (All Fr.)		2,965,197		3,107,128
No. of Tons Carried One Mile " "		903,149,150		1,170,961,256
No. of Rev. Passengers Carried		1,098,825		1,087,771
No. of Rev. Pass. Carried One Mile		70,988,847		75,001,990
# Freight Train Miles		1,828,183		2,147,878
# Passenger Train Miles		1,582,811		1,543,575
Total Train Miles(Rev. & Non Rev.)		3,777,833		3,496,666
Freight Car Miles-Loaded		36,689,554		40,867,294
Freight Car Miles-Empty		13,308,356		18,803,016
Passenger Train Car Miles		10,351,156		10,453,160
Total Amount of Pay Roll		$6,523,456.26		$7,030,483.12
Number of Employees		51,847		54,503
DAILY AVERAGES PER MILE OF ROAD OPERATED				
Operating Revenue		$26.89		$31.03
Operating Expenses		$25.66		$29.35
No. of Tons Moved One Mile (Rev.Fr.)		1,848		2,467
No. of Tons Moved One Mile (All Fr.)		2,072		2,773
No. of Rev. Pass. Carried One Mile		163		178
#AVERAGES PER FREIGHT TRAIN MILE				
Freight Revenue		$4.43		$4.34
No. of Tons of Freight (Rev.Fr.)		440.7		485.0
No. of Tons of Freight (All Fr.)		494.0		545.2
Loaded Freight Cars		20.1		19.0
Empty Freight Cars		7.3		8.8
#AVERAGES PER PASSENGER TRAIN MILE				
Passenger Train Revenues		$1.93		$2.09
Passengers Carried		44.8		48.6
Passenger Cars		6.5		6.8
Average Operating Expenses per train mile		$3.20		$3.28
Average Length of Haul (Rev.Fr.) Miles		332.0		415.7
Average Passenger Journey Miles		64.6		69.0
Average Tons per Loaded Freight Car		24.6		28.7
Av. Fr.Receipt per Rev.Ton Mile		1.003¢		.894¢
Av. Passenger Receipt per Pass. per Mile		2.941¢		2.985¢
Ratio of Pay Roll to Operating Revenues		55.7%		53.6%
Ratio of Pay Roll to Operating Expenses		58.3%		56.7%
Ratio of Operating Expenses to Revenues		95.41%		94.59%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

074868

CANADIAN NATIONAL SYSTEM

(Steam Lines in Canada & United States)

For the Month of January, 1925-1924

OPERATING REVENUES

	1925	1924
Canadian Lines	$14,061,522.49	$15,506,105.19
Duluth, Winnipeg and Pacific	210,792.00	210,259.00
Grand Trunk Western Lines	2,165,777.00	2,541,766.00
New England Lines	278,376.51	270,360.81
Total	16,716,468.00	18,328,491.00

OPERATING EXPENSES

Canadian Lines	$14,188,504.57	$15,489,115.28
Duluth, Winnipeg and Pacific	167,537.03	157,948.15
Grand Trunk Western Lines	1,854,526.45	1,924,323.68
New England Lines	233,097.19	307,687.20
Total	16,443,665.24	17,879,074.31

NET OPERATING REVENUES

Canadian Lines	Dr. $126,982.08	$ 16,989.91
Duluth, Winnipeg and Pacific	43,254.97	52,310.85
Grand Trunk Western Lines	311,250.55	417,442.32
New England Lines	45,279.32	Dr. 37,326.39
Total	272,802.76	449,416.69

OPERATING INCOME

Canadian Lines	Dr. $95,779.47	Dr. $62,924.80
Duluth, Winnipeg and Pacific	41,664.02	38,290.65
Grand Trunk Western Lines	Dr. 106,576.83	46,952.54
New England Lines	Dr. 37,993.91	Dr. 126,239.33
Total	Dr. 198,686.19	Dr. 103,940.94

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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074869

CANADA

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

FEBRUARY

1925

+ + +

Published by Authority of the Hon. Thos. A. Low, M. P.,
Minister of Trade and Commerce.

+ + +

OTTAWA

1925

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

074870

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000.

For the Month of February, 1925

The railways of Canada showed considerable improvement in operating results for February, 1925 compared with February, 1924. The operating ratio was reduced by 3.23 points and net operating revenues were increased by $861,949.

Traffic was lighter by 14 per cent but operating expenses were cut $3,312,325, or 10.7 per cent, maintenance of equipment being reduced by $1,085,340, or 13.6 per cent, maintenance of way and structures by $522,348 and transportation expenses by $1,609,311. Freight revenues showed a decrease of $2,059,535, or 8.5 per cent with an average receipt per ton mile of 1.035 cents as against .975 cents in 1924. The decrease in tonnage was largely in grain which tended to increase the average receipts per ton mile. The passenger revenues fell off $324,772, or 6.6 per cent for a decline in passenger traffic of 8.8 per cent. The average number of employees was less by 7,357 and the total pay roll was reduced $1,571,538. Car loading was lighter by 1.5 tons and train loading was lighter by 23 net tons but heavier by 1.1 cars with the average revenue per train mile showing an increase of 13 cents. The average haul for revenue freight was shorter by 27 miles being affected also by the smaller grain movement and the average passenger journey showed a decrease of 5.8 miles.

CANADIAN NATIONAL RAILWAYS

Whereas for February, 1924 operating results showed a deficit of $768,681, the net operating revenues for February, 1925 amounted to $146,380, or a betterment of $915,061 and the operating ratio was reduced from 105.22 per cent to 98.95 per cent.

Both freight and passenger revenues showed declines with decreased traffic and total revenues were less than last year by $843,441, or 5.7 per cent. Substantial cuts were made in maintenance and transportation expenses, the total expenses being reduced by $1,758,502, or 11.4 per cent. The average number of employees was reduced by 4,124 or 4.8 per cent with a reduction in the pay roll of $878,561, or 8.6 per cent. The average revenue per freight train mile was increased 13 cents and the operating expenses per train mile (all trains) was reduced by 14 cents.

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PUBLIC ARCHIVES
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CANADA

074871

The net operating revenues of the entire system including the lines in the United States showed an improvement over last year of $798,763, the Duluth, Winnipeg and Pacific and Grand Trunk Western lines showing smaller net revenues but the New England lines a smaller deficit than last year.

CANADIAN PACIFIC RAILWAY

The Canadian Pacific Railway reduced the operating ratio from 92.70 per cent for February, 1924 to 90.69 per cent and increased the net operating revenues by $143,565. Freight revenues declined $1,004,024, or 10.8 per cent; passenger revenues $172,386 or 8.5 per cent and total revenues $1,241,736, or 9.7 per cent for a decrease of 17 per cent in freight traffic and 9.8 per cent in passenger traffic. Operating expenses were reduced by $372,661 for maintenance of way and structures, by $462,397 for maintenance of equipment, by $615,325 for transportation and by $1,385,302, or 11.6 per cent in total expenses. The total pay roll was cut $595,729, or 8.7 per cent for a reduction in staff of 2,658, or 4.9 per cent. The average train loading was lighter by 39.5 net tons and the average load per car was smaller by 2.6 tons. The smaller grain movement was the main factor in this, also in the decreased length of haul and higher average receipts per ton mile.

30/4/25

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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Subject to Revision 3

074872

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000
For the Month of February, 1925

		1925	1924
OPERATING REVENUES			
Freight		$22,127,472.02	$24,187,007.58
Passenger		4,611,686.81	4,936,459.56
Mail		578,591.18	587,113.68
Express		1,295,905.34	1,274,295.40
Other Freight Train		5,723.51	3,981.47
Other Passenger Train		392,292.32	379,922.98
Water Line		42,125.48	52,789.70
All Other		1,038,846.40	1,121,449.13
Total Railway Operating Revenues		30,092,643.06	32,543,019.50
OPERATING EXPENSES			
Maint. of Way and Structures		$4,089,135.45	$4,611,484.07
Maint. of Equipment		6,922,720.70	8,008,060.97
Traffic		1,149,224.31	1,120,216.72
Transportation		14,327,343.71	15,936,655.35
Misc. Operations		355,394.26	369,758.01
General		943,612.27	983,784.23
Trans. for Investment	Cr.	29,614.98	Dr. 40,181.88
Total Railway Operating Expenses		27,757,815.72	31,070,141.23
OPERATING INCOME			
Net Operating Revenue		$2,334,827.34	$ 1,472,878.27
Railway Tax Accruals		479,561.79	612,175.11
Uncollectable Revenues		16,614.34	437.57
Hire of Equipment	Cr.	214,702.27	Cr. 294,421.09
Joint Facilities Rents	Dr.	91,449.44	Dr. 89,417.05
Operating Income		1,961,904.04	1,065,269.63
OPERATING STATISTICS			
Average Miles of Road Operated		39,077.30	38,620.17
No. of Tons Carried	(Rev.Fr.)	8,332,748	8,749,356
No. of Tons Carried One Mile " "		2,138,116,869	2,481,523,829
No. of Tons Carried	(All Fr.)	9,527,550	10,282,199
No. of Tons Carried One Mile " "		2,386,618,920	2,789,115,230
No. of Rev. Pass. Carried		3,073,348	3,031,311
No. of Rev. Pass. Carried One Mile		158,401,832	173,688,757
# Freight Train Miles		4,448,542	4,985,407
# Passenger Train Miles		3,388,513	3,503,735
Total Train Miles (Rev. & Non Rev.)		8,065,274	8,793,486
Freight Car Miles-Loaded		97,726,539	107,490,469
Freight Car Miles-Empty		40,366,390	41,861,988
Passenger Train Car Miles		22,527,973	23,261,998
Total Amount of Pay Roll		$ 17,184,660.66	$18,756,198.79
Number of Employees		144,823	152,180
DAILY AVERAGES PER MILE OF ROAD OPERATED			
Operating Revenue		$27.50	$29.06
Operating Expenses		$25.37	$27.74
No. of Tons Moved One Mile (Rev. Fr.)		1,954	2,216
No. of Tons Moved One Mile (All Fr.)		2,181	2,490
No. of Rev. Pass. Carried One Mile		145	155
#AVERAGES PER FREIGHT TRAIN MILE			
Freight Revenue		$4.98	$4.85
No. of Tons of Freight (Rev.Fr.)		480.6	497.8
No. of Tons of Freight (All Fr.)		536.5	559.5
Loaded Freight Cars		22.0	21.6
Empty Freight Cars		9.1	8.4
#AVERAGES PER PASSENGER TRAIN MILE			
Passenger Train Revenues		$2.03	$2.05
Passengers Carried		46.7	49.6
Passenger Cars		6.6	6.6
Average Operating Expenses per train mile		$3.44	$3.53
Average Length of Haul(Rev.Fr.) Miles		256.6	283.6
Average Passenger Journey Miles		51.5	57.3
Average Tons per Loaded Fr. Car		24.4	25.9
Av. Fr. Receipt per Rev. Ton Mile		1.035¢	.975¢
Av. Passenger Receipt per Pass. per Mile		2.911¢	2.842¢
Ratio of Pay Roll to Operating Revenues		57.1%	57.6%
Ratio of Pay Roll to Operating Expenses		61.9%	60.4%
Ratio of Operating Expenses to Revenues		92.24%	95.47%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of February, 1925

	1925	1924
OPERATING REVENUES		
Freight	$10,243,743.62	$11,012,055.67
Passenger	2,003,617.77	2,106,738.73
Mail	260,495.99	254,962.57
Express	760,764.07	736,189.59
Other Freight Train	--	--
Other Passenger Train	163,183.86	152,125.76
Water Line	--	--
All Other	447,527.94	460,702.26
Total Railway Operating Revenues	13,879,333.25	14,722,774.58
OPERATING EXPENSES		
Maint. of Way and Structures	$2,151,527.20	$2,304,630.01
Maint. of Equipment	3,166,354.57	3,805,216.44
Traffic	407,292.48	442,114.78
Transportation	7,389,014.92	8,201,777.49
Misc. Operations	152,661.64	150,600.05
General	494,652.30	545,290.22
Trans. for Investment	Cr. 28,549.93	Dr. 41,826.62
Total Railway Operating Expenses	13,732,953.18	15,491,455.61
OPERATING INCOME		
Net Operating Revenue	$ 146,380.07	Dr. 768,681.03
Railway Tax Accruals	143,263.91	218,374.65
Uncollectable Revenues	16,383.58	40.40
Hire of Equipment	Cr. 276,884.37	Cr. 270,078.65
Joint Facilities Rents	Cr. 38,195.04	Cr. 30,897.84
Operating Income	Cr. 301,811.99	Dr. 686,119.59
OPERATING STATISTICS		
Average Miles of Road Operated	20,523.34	20,510.61
No. of Tons Carried (Rev.Fr.)	3,214,633	3,417,074
No. of Tons Carried One Mile " "	1,052,816,723	1,201,282,573
No. of Tons Carried (All Fr.)	3,789,242	4,144,136
No. of Tons Carried One Mile " "	1,197,740,235	1,357,390,150
No. of Rev. Passengers Carried	1,627,014	1,537,555
No. of Rev. Pass. Carried One Mile	72,207,181	78,322,291
# Freight Train Miles	2,135,288	2,356,415
# Passenger Train Miles	1,569,022	1,627,031
Total Train Miles (Rev. & Non Rev.)	3,849,887	4,172,344
Freight Car Miles-Loaded	46,636,854	50,894,097
Freight Car Miles-Empty	19,865,815	19,744,415
Passenger Train Car Miles	10,162,405	10,525,482
Total Amount of Pay Roll	$ 9,328,708	$10,207,269
Number of Employees	80,956	85,080
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$24.15	$24.75
Operating Expenses	$23.90	$26.04
No. of Tons Moved One Mile (Rev.Fr.)	1,832	2,020
No. of Tons Moved One Mile (All Fr.)	2,084	2,282
No. of Rev. Pass. Carried One Mile	126	132
AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$4.80	$4.67
No. of Tons of Freight (Rev.Fr.)	493.1	509.8
No. of Tons of Freight (All Fr.)	560.9	576.0
Loaded Freight Cars	21.8	21.6
Empty Freight Cars	9.3	8.4
AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.03	$2.00
Passengers Carried	46.0	48.1
Passenger Cars	6.5	6.5
Average Operating Expenses per train mile	$3.57	$3.71
Average Length of Haul (Rev.Fr.) Miles	327.5	351.6
Average Passenger Journey Miles	44.4	50.9
Average Tons per Loaded Freight Car	25.7	26.7
Av. Fr. Receipt per Rev. Ton Mile	.973¢	.917¢
Av. Passenger Receipt per Pass. per Mile	2.775¢	2.690¢
Ratio of Pay Roll to Operating Revenues	67.2%	69.3%
Ratio of Pay Roll to Operating Expenses	67.9%	65.9%
Ratio of Operating Expenses to Revenues	98.95%	105.22%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of February, 1925.

		1925	1924
OPERATING REVENUES			
Freight		$8,317,536.14	$9,321,560.43
Passenger		1,859,508.37	2,031,895.09
Mail		272,438.06	284,634.80
Express		442,078.92	442,062.56
Other Freight Train		5,723.51	3,827.57
Other Passenger Train		211,096.55	217,487.46
Water Line		42,125.48	52,789.70
All Other		473,811.62	511,797.88
Total Railway Operating Revenues		11,624,318.65	12,866,055.49
OPERATING EXPENSES			
Maint. of Way and Structures		$1,266,861.23	$1,639,522.47
Maint. of Equipment		2,947,802.02	3,410,199.82
Traffic		670,115.44	607,011.12
Transportation		5,199,016.21	5,814,341.28
Misc. Operations		162,165.14	176,931.56
General		296,174.85	279,431.23
Trans. for Investment		--	--
Total Railway Operating Expenses		10,542,134.89	11,927,437.48
OPERATING INCOME			
Net Operating Revenue		$1,082,183.76	$ 938,618.01
Railway Tax Accruals		236,409.56	236,616.80
Uncollectable Revenues		--	--
Hire of Equipment	Cr.	289,421.61	Cr. 357,899.98
Joint Facilities Rents	Cr.	19,505.13	Cr. 17,948.71
Operating Income		1,154,700.94	1,077,849.90
OPERATING STATISTICS			
Average Miles of Road Operated		14,062.2	13,657.7
No. of Tons Carried	(Rev.Fr.)	2,396,054	2,589,048
No. of Tons Carried One Mile " "		808,879,570	971,734,048
No. of Tons Carried	(All Fr.)	2,928,480	3,276,612
No. of Tons Carried One Mile " "		905,668,147	1,113,483,801
No. of Revenue Pass. Carried		1,031,976	1,048,018
No. of Rev. Pass. Carried One Mile		64,366,186	71,322,627
# Freight Train Miles		1,726,120	1,973,623
# Passenger Train Miles		1,379,302	1,420,084
Total Train Miles (Rev. & Non Rev.)		3,165,028	3,480,716
Freight Car Miles-Loaded		37,060,178	41,181,647
Freight Car Miles-Empty		13,542,945	15,076,180
Passenger Train Car Miles		9,342,685	9,687,116
Total Amount of Pay Roll		6,281,094.24	6,876,823.94
Number of Employees		51,681	54,339
DAILY AVERAGES PER MILE OF ROAD OPERATED			
Operating Revenue		$29.52	$32.48
Operating Expenses		$26.77	$30.11
No. of Tons Moved One Mile (Rev.Fr.)		2,054	2,453
No. of Tons Moved One Mile (All Fr.)		2,300	2,811
No. of Rev. Pass. Carried One Mile		163	180
#AVERAGES PER FREIGHT TRAIN MILE			
Freight Revenue		$4.82	$4.73
No. of Tons of Freight (Rev.Fr.)		468.6	492.4
No. of Tons of Freight (All Fr.)		524.7	564.2
Loaded Freight Cars		21.5	20.9
Empty Freight Cars		7.8	7.6
#AVERAGES PER PASSENGER TRAIN MILE			
Passenger Train Revenues		$2.02	$2.10
Passengers Carried		46.7	50.2
Passenger Cars		6.8	6.8
Average Operating Expenses per train mile		$3.33	$3.43
Average Length of Haul (Rev.Fr.)	Miles	337.6	375.3
Average Passenger Journey	Miles	62.4	68.1
Average Tons per Loaded Freight Car		24.4	27.0
Av. Fr. Receipt per Rev. Ton Mile		1.028¢	.959¢
Av. Passenger Receipt per Pass. per Mile		2.889¢	2.850¢
Ratio of Pay Roll to Operating Revenues		54.0%	53.4%
Ratio of Pay Roll to Operating Expenses		59.6%	57.7%
Ratio of Operating Expenses to Revenues		90.69%	92.70%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074875

CANADIAN NATIONAL SYSTEM

(Steam Lines in Canada & United States)

For the Month of February, 1925 - 1924

OPERATING REVENUES

	1925	1924
Canadian Lines	$13,879,333.25	$14,722,774.58
Duluth, Winnipeg & Pacific	214,103.00	254,818.00
Grand Trunk Western Lines	2,185,610.00	2,565,639.00
New England Lines	206,995.75	241,286.42
Total	16,486,042.00	17,784,518.00

OPERATING EXPENSES

Canadian Lines	$13,732,953.18	$15,491,455.61
Duluth, Winnipeg & Pacific	147,006.00	174,681.33
Grand Trunk Western Lines	1,759,109.87	2,034,303.66
New England Lines	235,249.27	271,118.30
Total	15,874,318.32	17,971,558.90

NET OPERATING REVENUES

Canadian Lines	$146,380.07	Dr.$768,681.03
Duluth, Winnipeg & Pacific	67,097.00	80,136.67
Grand Trunk Western Lines	426,500.13	531,335.34
New England Lines	Dr. 28,253.52	Dr. 29,831.88
Total	611,723.68	Dr. 187,040.90

OPERATING INCOME

Canadian Lines	$301,811.99	Dr. $686,119.59
Duluth, Winnipeg & Pacific	64,870.72	66,053.10
Grand Trunk Western Lines	Dr. 2,978.13	127,569.30
New England Lines	Dr. 122,958.41	Dr. 124,915.95
Total	240,746.17	Dr. 617,413.14

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SUMMARY

For Two Months - January - February

ALL RAILWAYS	1925	1924
Operating Revenues	$60,454,604.28	$65,874,450.60
Operating Expenses	56,595,822.95	62,630,127.43
Net Operating Revenues	3,858,781.33	3,244,323.17
Operating Income	3,024,468.19	2,333,518.22

CANADIAN NATIONAL RAILWAY

Operating Revenues-Canadian Lines	$27,940,855.74	$30,228,879.77
United States Lines	5,261,654.26	5,884,129.23
Total	33,202,510.00	36,113,009.00
Operating Expenses-Canadian Lines	$27,921,457.75	$30,980,570.89
United States Lines	4,396,525.81	4,870,062.32
Total	32,317,983.56	35,850,633.21
Net Operating Revenues-Canadian Lines	$19,397.99	Dr. $751,691.12
United States Lines	865,128.45	1,014,066.91
Total	884,526.44	262,375.79
Operating Income - Canadian Lines	206,032.52	Dr. $749,044.39
United States Lines	Dr. 163,972.54	27,690.31
Total	42,059.98	Dr. 721,354.08

CANADIAN PACIFIC RAILWAY

Operating Revenues	$23,345,471.08	$25,970,690.23
Operating Expenses	21,725,571.54	24,323,060.63
Net Operating Revenues	1,619,899.54	1,647,629.60
Operating Income	1,738,469.51	1,938,249.25

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

V 363

Railway Situation

Robertson

074876

There is no mystery about the present railway situation. Our railways transport the commerce of the country. If traffic in sufficient quantity offers, our railroads will pay their way and the tax payer will be relieved of railway deficits. If the traffic offering is insufficient to enable the railways to prosper, and decreases in volume occur, Canada's railway problems become increasingly serious and their solution increasingly difficult.

These simple fundamental facts must be accepted by all seeking to clearly understand the question.

What are the facts in this connection?

Canada's trade with all the world amounted to $2,429,321,000 for the fiscal year ending March 31st, 1921. Our railroads transported the exports to and the imports from tide water. They rendered the same service during the fiscal year ending March 31st, 1925, but in the latter year our total trade amounted only to $1,865,999,000, being a decrease of $562,322,000 or 23.1% less than in 1921.

Our railways, depending solely upon the volume of commerce offered for their revenues, obviously could not prosper in the face of so serious a decline in foreign trade. - Briefly stated the following statement reveals the facts:-

CANADA'S FOREIGN TRADE

Fiscal year ending March 31st, 1921.

Imports	$1,240,158,000	
Exports,	1,189,163,000.	
Total	2,429,321,000.	$2,429,321,000.

Fiscal year ending March 31st, 1925.

Imports,	$ 796,932,000	
Exports,	1,069,067,000.	1,865,999,000.
Total decrease in Foreign Trade,		$ 563,322,000.

Or 23.1%

Imports decreased	$443,226,000.
Exports "	120,096,000.
Total decrease	563,322,000

The foregoing losses in total trade chiefly occurred in the following commodities: -

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	1921	1925	Decrease
Agricultural and vegetable products	741 Million	622 Million	119 Million
Animal and animal products,	259 "	204 "	55 "
Textile and textile products	262 "	175 "	87 "
Wood, wood products and paper	362 "	292 "	70 "
Iron and iron products	322 "	192 "	130 "
Non-metallic minerals and products,	246 "	152 "	94 "
Chemicals and allied products	58 "	41 "	17 "
Miscellaneous commodities	105 "	61 "	44 "
	$2,355 "	1,739 "	516 "

These losses are further reflected in decreased railway earnings. All together indicate our national predicament considered concurrently with our loss in population.

For year ending January, 1925, our trade with the United States amounted to $1,032,000,000 and with allthe rest of the world to only $906,000,000, indicating that the rail haul on most of our diminishing foreign trade is a short haul to and from the border. On a large proportion, if not the major part of our overseas exports, (namely wheat) the rates our railways are permitted to charge is roughly 20% less than parallel lines across the border receive for similar service.

Combine the foregoing facts and the cause of our transportation difficulties are obvious. They are:

(a) $563,322,000 decline in trade.

(b) More than half total foreign trade short hauled to and from United States border.

(c) Lower rates than other railways receive on major portion of overseas export business.

There are no accurate comparative figures readily available to show the comparative results in railroad earnings for the period 1921-1925 for the reason that the National Railways were not consolidated under one audit system until 1922. Methods of accounting prior to that time varied on the different parts of the present National system. We have available, reliable information for the calendar years 1923 and 1924 from which to draw conclusions.

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To ascertain just what effect the fluctuation in the nation's trade has upon railways and railway revenues, we must consider the gross earnings of both our great railways as they handle the entire volume of trade transported by rail. The gross earnings of both the C.P.R. and C.N.R. in 1924 were $418,000,338, a decrease of $30,981,000 below 1923. Three million of this loss occurred in passenger business, and twenty-eight million in freight.

There were 6,826,332 less tons of freight handled in 1924 as compared with 1923, a decline of 7.7%. The average freight haul in 1924 was 388 miles, and about 1,500 tons the average dead weight per train. The decline in freight traffic alone in a single year therefore represented 17,100 trains hauled a distance of 100 miles.

The loss of 31 millions in revenues was largely offset by reduced operating expenses. These declined on the two railway systems by $28,044,000 during the same period. The Canadian National annual report shows that 58.28 cents of every dollar spent in operating costs, represents payroll. On this basis, the loss to railway employees in earnings in 1924 as compared with 1923 was $16,338,000; while the Dominion Bureau of Statistics shows a reduction of 9169 men employed on Canadian railways during the same period.

The freight tonnage handled by the two systems in 1923 was 88,101,332, while in 1924 it amounted to 81,275,000. The decrease in tonnage on C.P.R. was 2,083,608, and on the National system 4,742,724 tons, or on both 7.7%.

Thus a 7.7% decrease in freight tonnage caused a loss of 31 millions in revenue; a decrease of 28 millions in operating costs; a loss of nearly 17 millions in wages, and loss of employment to over nine thousand men. All this is merely a reflection of the contraction in the nation's trade.

In a young nationsuch as Canada, with vast natural resources still unexplored and undeveloped, there should be a gradual but constant expansion of trade and commerce, accompanied by a gradual but constant increase in traffic offered to and handled by our railways. A 7% expansion would have been regarded as..

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as normal. Had it occurred, the railways would have earned 63 million dollars more, the employees would have received 34 millions more, and over 18,000 more men would have been employed at the end of 1924 than was the case. Had this occurred, no one today would be alarmed about our railway problems. As the volume of traffic increased the ratio of operating costs would decrease. - All this is eloquent evidence of the fact that our railways' prosperity or perplexity is the result of fluctuation in the nation's trade.

The combined operating costs of our two railroads last year was $365,818,845 - a decline of $28,044,000 from 1923. The fixed interest charges on the capital invested in Canadian railways last year was $113,560,107, which should, in addition to operating expenses be met out of gross revenues. It will be readily observed that the operating expenses plus fixed charges amounted to $477,178,952 while the gross earnings were $418,090,338, leaving a net deficit of $59,088,614 to be otherwise provided for. In addition to all of the foregoing, scores of millions have been expended each year on capital account for extensions and betterments. The cumulative result has created much public concern but few realize or admit the chief cause. Both roads are giving excellent service; both need only increased business to prosper and pay their way. Without this, both will find their difficulties increasing and the taxpayer will find his burdens growing heavier.

Another obvious fact is that our population is insufficient to produce traffic enough for existing railway lines. We have roughly 40,000 miles of railway serving 8-1/2 million people, an average of 221 persons for each mile. Our neighbour to the south has 456 inhabitants producing traffic for each mile of railway in that country. With more than double our population per mile, the tendency in the United States is to reduce mileage and abandon some existing lines.

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ANALYSIS OF TRAFFIC REDUCTION

The easy and first explanation offered by many is that of a small grain crop in Western Canada in 1924. Examination of the facts do not verify this. The C.N.R. report for 1924 states that decreases in freight tonnage occurred on that system as follows:

Wheat -	691,000	tons
Coal -	2,012,000	"
Iron Ore -	387,000	"
Coke -	61,000	"
Pig iron & Ingots	222,000	"
Castings, Moby., and boilers	355,000	"
Lumber -	561,000	"
General manufactured goods	673,000	"

Excepting wheat and lumber, all of the other articles enumerated require large quantities of coal to be used in their production. A reduction of over two million tons of coal transported reflects the real contraction in industry which is the main cause of the serious decline in railway traffic and earnings as proven by the official figures quoted.

Capital investment in our two Railway Systems.

The capital directly invested in Canadian railways amounts to the huge sum of $2,323,502,000. The investment in C.N.R. lines amounts to $1,474,311,038 of which $560,000,000 is direct Federal Government loans, - 914,000,000 is owned by the public, but 552,000,000 of this is guaranteed as to principal and interest by either Federal or Provincial Governments. The people of Canada have therefore a direct investment as creditors or guarantors amounting to 1,212,000,000 in the National Railways, a fact to be remembered when proposals are made to sell the system for a dollar as has been thoughtlessly suggested. The total fixed interest charges for both lines is 113,500,000, or less than 5%, which cannot fairly be regarded as excessive.

Rates charged for service.

Climatic conditions make operating costs on Canadian railways exceedingly high as compared with the average United States line. Snow and ice removal; additional equipment for this service; delays to traffic caused by frost and storms; warmer and more

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substantial buildings of all sorts required, greater strain on power and equipment account weather conditions; reduced hauling capacity of motive power due to same cause, all contributes substantially to increase operating costs in this latitude. Vastly increased fuel consumption account of severe weather conditions is a big additional expense.

In the face of all these handicaps, our railways are required to charge lower rates than their more favourably situated competitors receive - and with only half the number of people per mile of line to produce traffic.

Are Railway Employees' wages excessive?

Much inaccurate information has been hurled abroad respecting railway employees' wages in Canada. Many people actually believe that war wage standards still prevail on Canadian railways. Notwithstanding the fact that Canadian railway employees suffer the handicaps of severe climatic conditions and the additional cost of living which that entails, they have practically the same standard of working conditions and rates of pay as employees on U.S.A. roads. In 1921, all railway employees, (not including Officials), had their wages substantially reduced. The general cut of that year reduced the payroll costs by $32,000,000. Subsequent revisions in working rules and further reduction in wage rates in some classes in 1922 reduced payroll costs by more than ten millio s more annually, and since that time working conditions and wag rates have remained practically stationary. The Dominion Bureau of Statistics contributed to the Canada Year Book a statement showing that out of nine classified labour groups, steam railway employees were the only class whose wage standards had just kept pace with rise in cost of living; all other classes having advanced from eight to thirty per cent more.

Summarized briefly, our railway situation may be described:-

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(a) Capital investment	-	$2,323,503,000
(b) Fixed charges	-	113,560,000
(c) Operating costs (1924)	-	363,618,000
(d) Total liabilities (1924)		477,178,000
(e) Total gross earnings	-	418,090,000
(f) Net deficit		59,088,000

Freight tonnage handled 1923		88,101,000 tons.
" " " 1924		81,275,000 "
Decrease		6,826,000

With a loss of 23%, equal to $583,332,000 in our nation's foreign trade in the last four years, it is idle to expect the railways to improve their position in the face of declining traffic and reduced rates as was forced upon them by the action of Parliament. Railway employees have co-operated with the Managements as never before to reduce operating costs to the minimum. More than twenty thousand have lost their employment in four years. Double that number have worked part time to enable the limited amount of employment available to be spread over as many men as possible that all might exist till a better day dawned.

Undoubtedly there is insufficient traffic offering to support profitably our existing railways. An attempt at a consolidation of them is evidence of lack of confidence in our country's future. If trade and commerce, population and wealth were growing yearly and operating costs on the National system reduced to a level with Canadian Pacific, there would be no necessity for consolidation as suggested by certain people. Both our great railways pay their employees the same general standard of wages; their working rules are similar; both railways purchase their materials in the open markets, and presumably having equal opportunities in all these regards. The record shows that out of each dollar earned the C.P.R. pay 76 cents for cost of operation and maintenance, including taxes, while the National System spend 92 cents out of each dollar earned for the same purpose exempting taxes. This is a difference of 15 cents on each dollar earned. On 1924 earnings, it amounts to a difference of over $30,500,000, which in itself would wipe out half the total deficit

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Neither a public or private monopoly of our railways is desirable in the public interest. Attempted consolidation of the two systems will destroy the harmonious relations existing with and among employees because of the serious loss and inconvenience many thousands of them would necessarily suffer by moving from place to place as the exercise of seniority and promotion rights would force them to do. Many would be forced to leave their homes or move their homes, (in many cases owned by them) - none of which sacrifices should be required of them except in the direst emergency.

Before considering any consolidation proposals, let us all strive earnestly to have national policies adopted that will best serve to expand trade and population and increase railway traffic. Let us insist that the Canadian National shall operate on a more equal cost ratio with its efficient competitor. If these two fundamental things can be accomplished, the situation will be so vastly improved as to give small cause for worry. Keep ever in mind the basic fact, that as the nation's trade expands, traffic will increase; that as the nation's trade diminishes, railway traffic decreases in volume. The former means increased full time employment and promotion; the latter, unemployment for many and only part time employment for many more.

Let us carry the thought one step further out into the wider field. It has been proven clearly that a 7.7% loss in freight traffic last year as against a 7.7% increase means a difference of over $60,000,000 in railway revenues; of $34,000,000 in pay-roll, and of employment or unemployment for over 18,000 men. That being the effect upon the carriers, how infinitely greater is the effect upon the thousands of factories and hundreds of thousands of workers engaged in producing that traffic.

If Canada prospers, our railways will share in that prosperity.

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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

APRIL

1925

+ + +

Published by Authority of the Hon. Thos. A. Low, M. P.,
Minister of Trade and Commerce.

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OTTAWA

1925

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DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
WITH ANNUAL OPERATING REVENUES OF $500,000.
FOR THE MONTH OF APRIL, 1925

The railways of Canada as a whole showed a decrease compared with April, 1924, in freight revenues of $1,639,370, or 6.8 per cent for a reduction of 8.4 per cent in freight traffic, and in passenger revenues of $832,733, or 12.8 per cent for a decline of 13.4 per cent in passenger traffic. Total revenues were lighter by $2,821,499, or 8.1 per cent and operating expenses were reduced by $2,456,709, or 7.9 per cent reducing the net revenues by $364,790 and increasing the operating ratio from 89.95 per cent for April, 1924 to 90.20 per cent. The total pay roll showed a cut of $558,992, or 3 per cent for a reduction in the staff of 2,636, or 1.7 per cent.

The decline in freight traffic from that of April, 1924 was principally in raw products. Wheat decreased in loadings 105,800 tons, also changed in the movement. The deliveries in British Columbia fell off 185,000 tons and in Ontario increased by 80,000 tons. Loadings of wheat in Alberta decreased by 121,700 tons and in Saskatchewan by 47,000 tons but increased in Manitoba by 19,000 tons. Oats, barley and flax shoved increased loadings in Manitoba but flour fell off 13,000 tons. In Saskatchewan flour and all grains but flax were lighter and the total loadings of agricultural products showed a decrease of 70,000 tons. An Alberta flour and all grains were light, the total loading of agricultural products being 140,000 tons under that of April, 1924.

The freight rates on grain from the prairies to Vancouver is on a higher scale than to the head of the lakes so that although the longer haul eastward held the ton miles up somewhat, the revenues showed the effects of the lighter crop, especially in the western portions and the decline in the westward movement, the Canadian Pacific being affected to a greater extent by these factors than the Canadian National.

Coal loading in British Columbia was heavier by 47,000 tons but was lighter in Alberta by 5,000 tons. Forest products in British Columbia fell off 40,000 tons. In Manitoba there was also a drop of 10,000 tons, in Ontario a drop of 32,000 tons, principally in pulpwood and in Quebec a net drop of 52,000 tons, pulpwood being lighter by 56,000 tons and logs by 6,000 tons but ties and lumber showing increases. In New Brunswick the decrease was 32,500 tons and in Nova Scotia, 27,000 tons. Manufactures and miscellaneous freight showed increased loadings in all the provinces but Nova Scotia, the largest increases being 82,000 tons in Ontario and 24,700 tons in Quebec.

For the first four months gross revenues were less in 1925 than in 1924 by $12,507,499. Expenses were reduced by $11,850,968 and net operating revenues were decreased by $656,532.

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CANADIAN NATIONAL RAILWAYS.- Freight traffic for April, 1925 was lighter than for April, 1924 by 14.5 per cent and with a reduction of 13.8 per cent in passenger traffic, revenues were decreased by $1,418,692, or 8.8 per cent.

Maintenance of way and structures showed an increase of $50,718, traffic expenses an increase of $72,023 and general expenses an increase of $6,929, but maintenance of equipment was cut by $603,738 the saving in this account from the first of the year being $2,626,400. Transportation expenses were cut by $700,063 reducing the total expenses by $1,225,930 or 8 per cent.

The net revenues were less by $192,762 and the operating ratio was increased from 95.33 per cent to 96.20 per cent. Although the tons of revenue freight per train mile were less by 15.7 tons, the revenue per train mile was greater by 24 cents or 4.8 per cent, the decrease in grain tonnage causing an increase in the average receipts per ton mile. The average length of haul and the average load per car were also reduced, the smaller tonnage of grain and coal being the main factors.

For the entire system there was little change in the net revenues for the month, the decrease being only $1,161 and for the first four months the decrease was $36,353.

CANADIAN PACIFIC RAILWAY.- Although freight traffic showed a reduction from that of April, 1924 of only 1.9 per cent, freight revenues were less by $601,883 or 6.6 per cent and the average receipts per ton mile fell from 1.002 cents to .953 cent, a decline of 5 per cent. Passenger revenues were less by $328,731, or 12.2 per cent for a decrease of 13.9 per cent in the passenger traffic. The decrease in total revenues was $1,079,927 or 8 per cent.

Cuts were effected in each of the general divisions of operating expenses making the reduction in the total $909,290, or 7.6 per cent. The net revenues were reduced by $170,637 and the operating ratio was increased from 88.89 per cent to 89.30 per cent. The total pay roll was reduced by $98,332 although there was a small increase in the average number of employees. The average train loading showed an increase of 12.2 tons of revenue freight but a slight reduction in the total net tonnage and an increase in the number of cars hauled.

For the four months, January - April, the gross revenues show a decrease of $5,485,392 and the net revenues, a decrease of $496,449.

The decrease in the miles of road operated for the Canadian Pacific Railway and for the total of all railways is due to the elimination of a duplication of the mileage of the Kettle Valley Railway included with that of the Canadian Pacific Railway. This duplication has existed since 1918 when the Canadian Pacific Railway acquired the entire bond issue of the Kettle Valley in addition to the stock previously acquired. The Kettle Valley Railway, however, has continued to render separate reports.

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OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000.
For the Month of April, 1925.

		1925	1924
OPERATING REVENUES			
Freight		$22,441,592.09	$24,080,963.07
Passenger		5,655,519.33	6,488,253.04
Mail		600,678.06	596,990.93
Express		1,598,140.00	1,666,801.38
Other Freight Train		833.13	2,173.66
Other Passenger Train		470,200.62	470,536.52
Water Line		77,149.09	76,833.46
All Other		999,604.69	1,282,664.42
Total Railway Operating Revenues		31,843,717.01	34,665,216.48
OPERATING EXPENSES			
Maint. of Way and Structures		$5,767,564.40	$6,116,962.94
Maint. of Equipment		6,819,580.89	7,750,507.33
Traffic		1,223,460.40	1,150,235.74
Transportation		13,635,032.66	14,806,998.43
Misc. Operations		367,508.17	402,166.07
General		949,418.91	958,881.12
Trans. for Investment		39,115.99	5,592.88
Total Railway Operating Expenses		28,723,449.44	31,180,158.75
OPERATING INCOME			
Net Operating Revenue		$3,120,267.57	$3,485,057.73
Railway Tax Accruals		575,146.07	563,310.58
Uncollectable Revenues		1,763.52	751.95
Hire of Equipment	Cr.	283,314.55	Cr. 409,729.34
Joint Facilities Rents	Dr.	72,457.30	Dr. 20,690.56
Operating Income		2,754,215.23	3,310,033.98
OPERATING STATISTICS			
Average Miles of Road Operated		38,648.70	38,252.47
No. of Tons Carried (Rev.Fr.)		7,500,900	8,330,666
No. of Tons Carried One Mile " "		2,076,102,803	2,267,328,406
No. of Tons Carried (All Fr.)		8,698,646	9,654,803
No. of Tons Carried One Mile " "		2,320,239,524	2,569,965,620
No. of Revenue Pass. Carried		3,231,701	3,550,911
No. of Rev. Pass. carried One Mile		201,425,589	232,485,486
# Freight Train Miles		4,208,562	4,562,492
# Passenger Train Miles		3,661,712	3,695,002
Total Train Miles (Rev. & Non Rev.)		8,090,481	8,489,298
Freight Car Miles-Loaded		99,122,465	104,205,632
Freight Car Miles-Empty		45,581,482	46,763,092
Passenger Train Car Miles		25,689,112	26,388,127
Total Amount of Pay Roll		$18,114,703.45	$18,673,695.73
Number of Employees		153,381	156,017
DAILY AVERAGES PER MILE OF ROAD OPERATED			
Operating Revenues		$27.46	$30.21
Operating Expenses		$24.77	$27.17
No. of Tons Moved One Mile (Rev.Fr.)		1,791	1,976
No. of Tons Moved One Mile (All Fr.)		2,001	2,239
No. of Rev.Pass. Carried One Mile		174	203
#AVERAGES PER FREIGHT TRAIN MILE			
Freight Revenue		$5.33	$5.28
No. of Tons of Freight (Rev.Fr.)		493.3	496.9
No. of Tons of Freight (All Fr.)		551.3	563.3
Loaded Freight Cars		23.6	22.8
Empty Freight Cars		10.8	10.2
#AVERAGES PER PASSENGER TRAIN MILE			
Passenger Train Revenues		$2.27	$2.50
Passengers Carried		55.0	62.9
Passenger Cars		7.0	7.1
Average Operating Expenses per Train mile		$3.55	$3.67
Average Length of Haul(Rev.Fr.) Miles		276.8	272.2
Average Passenger Journey Miles		62.3	65.5
Average Tons per Loaded Fr.Car		23.4	24.7
Av. Fr. Receipt per Rev.Ton Mile		1.081¢	1.062¢
Av. Passenger Receipt per Pass. per Mile		2.808¢	2.791¢
Ratio of Pay Roll to Operating Revenues		56.9%	53.9%
Ratio of Pay Roll to Operating Expenses		63.1%	59.9
Ratio of Operating Expenses to Revenues		90.20%	89.95

Contains a proportion of mixed train miles.

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Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of April, 1925

	1925	1924
OPERATING REVENUES		
Freight	$10,364,427.79	$11,178,722.00
Passenger	2,397,279.11	2,818,586.95
Mail	258,988.70	257,923.62
Express	1,039,067.48	1,125,614.75
Other Freight Train	---	54.29
Other Passenger Train	193,901.46	182,229.54
Water Line	---	---
All Other	369,616.46	478,842.74
Total Railway Operating Revenues	14,623,281.00	16,041,973.89
OPERATING EXPENSES		
Maint. of Way and Structures	$2,719,355.32	$2,668,637.29
Maint. of Equipment	3,220,375.38	3,824,113.51
Traffic	503,146.16	431,122.46
Transportation	7,005,159.99	7,705,223.20
Misc. Operations	147,130.01	159,317.73
General	512,756.23	505,826.44
Trans. for Investment	Cr. 40,759.40	Cr. 1,146.18
Total Railway Operating Expenses	14,067,163.69	15,293,094.45
OPERATING INCOME		
Net Operating Revenue	$ 556,117.31	$ 748,879.44
Railway Tax Accruals	228,369.15	217,349.16
Uncollectable Revenues	2,044.06	615.45
Hire of Equipment	Cr. 329,770.10	Cr. 301,628.69
Joint Facilities Rents	Cr. 29,106.14	Cr. 69,583.55
Operating Income	684,580.34	902,127.07
OPERATING STATISTICS		
Average Miles of Road Operated	20,523.34	20,571.51
No. of Tons Carried (Rev.Fr.)	2,924,120	3,174,922
No. of Tons Carried One Mile " "	920,702,809	1,076,953,720
No. of Tons Carried (All Fr.)	3,526,333	3,822,330
No. of Tons Carried One Mile " "	1,053,226,368	1,230,800,194
No. of Rev. Pass. Carried	1,736,216	1,850,867
No. of Rev. Pass. Carried One Mile	93,169,030	108,133,155
# Freight Train Miles	1,973,542	2,233,275
# Passenger Train Miles	1,700,543	1,718,848
Total Train Miles (Rev. & Non Rev.)	3,790,923	4,077,209
Freight Car Miles-Loaded	46,447,799	51,031,024
Freight Car Miles-Empty	20,714,989	22,225,481
Passenger Train Car Miles	11,827,897	12,071,535
Total Amount of Pay Roll	$ 9,556,542	$ 9,940,022
Number of Employees	80,230	82,914
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$23.75	$25.99
Operating Expenses	$22.85	$24.78
No. of Tons Moved One Mile (Rev.Fr.)	1,495	1,745
No. of Tons Moved One Mile (All Fr.)	1,711	1,994
No. of Rev. Pass. Carried One Mile	151	175
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.25	$5.01
No. of Tons of Freight (Rev.Fr.)	466.5	482.2
No. of Tons of Freight (All Fr.)	533.7	551.1
Loaded Freight Cars	23.5	22.9
Empty Freight Cars	10.5	10.0
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.29	$2.55
Passengers Carried	54.8	62.9
Passenger Cars	7.0	7.0
Average Operating Expenses per train mile	$3.71	$3.75
Average Length of Haul (Rev.Fr.) Miles	314.9	339.2
Average Passenger Journey Miles	53.7	58.4
Average Tons per Loaded Freight Car	22.7	24.1
Av. Fr. Receipt per Rev. Ton Mile	1.126¢	1.038¢
Av. Passenger Receipt per Pass. per Mile	2.573¢	2.607¢
Ratio of Pay Roll to Operating Revenues	65.4%	62.0%
Ratio of Pay Roll to Operating Expenses	67.9%	65.0%
Ratio of Operating Expenses to Revenues	96.20%	95.33%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

Subject to Revision

074889

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of April, 1925.

	1925	1924
OPERATING REVENUES		
Freight	$8,508,843.59	$9,110,727.05
Passenger	2,375,146.90	2,703,878.06
Mail	292,826.88	289,524.29
Express	440,136.23	440,226.41
Other Freight Train	833.13	860.82
Other Passenger Train	253,672.26	263,472.42
Water Line	48,606.06	49,694.85
All Other	482,064.53	623,672.83
Total Railway Operating Revenues	12,402,129.58	13,482,056.73
OPERATING EXPENSES		
Maint. of Way and Structures	$2,223,499.38	$2,506,371.00
Maint. of Equipment	2,782,814.79	3,020,329.26
Traffic	644,372.83	645,644.05
Transportation	4,964,215.20	5,320,981.93
Misc. Operations	177,510.15	199,480.79
General	282,746.40	291,642.38
Trans. for Investment	----	----
Total Railway Operating Expenses	11,075,158.75	11,984,449.41
OPERATING INCOME		
Net Operating Revenue	$1,326,970.83	$1,497,607.32
Railway Tax Accruals	246,590.32	247,441.34
Uncollectable Revenues	----	----
Hire of Equipment Cr.	331,617.36	Cr. 480,273.87
Joint Facilities Rents Cr.	36,602.07	Cr. 24,477.71
Operating Income	1,448,599.94	1,754,917.56
OPERATING STATISTICS		
Average Miles of Road Operated	13,633.6	13,229.1
No. of Tons Carried (Rev.Fr.)	2,235,343	2,360,989
No. of Tons Carried One Mile " "	892,688,681	909,705,871
No. of Tons Carried (All Fr.)	2,727,903	2,920,265
No. of Tons Carried One Mile " "	997,483,966	1,050,697,805
No. of Rev. Pass. Carried	1,044,108	1,166,688
No. of Rev. Pass. Carried One Mile	81,914,007	95,202,757
# Freight Train Miles	1,660,425	1,731,569
# Passenger Train Miles	1,489,603	1,506,942
Total Train Miles (Rev. & Non Rev.)	3,228,939	3,326,137
Freight Car Miles-Loaded	38,319,829	38,738,701
Freight Car Miles-Empty	16,643,746	16,234,001
Passenger Train Car Miles	10,563,281	11,048,962
Total Amount of Pay Roll	$6,969,458.81	$7,067,791.70
Number of Employees	60,446	59,874
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$30.32	$33.97
Operating Expenses	$27.08	$30.20
No. of Tons Moved One Mile (Rev.Fr.)	2,183	2,292
No. of Tons Moved One Mile (All Fr.)	2,439	2,647
No. of Rev. Pass. Carried One Mile	200	240
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.12	$5.26
No. of Tons of Freight (Rev.Fr.)	537.6	525.4
No. of Tons of Freight (All Fr.)	600.7	606.8
Loaded Freight Cars	23.1	22.4
Empty Freight Cars	10.0	9.4
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.26	$2.45
Passengers Carried	55.0	63.2
Passenger Cars	7.1	7.3
Average Operating Expenses per Train Mile	$3.43	$3.60
Average Length of Haul (Rev.Fr.) Miles	399.4	385.3
Average Passenger Journey Miles	78.5	81.6
Average Tons per loaded Freight Car	26.0	27.1
Av. Fr. Receipt per Rev. Ton Mile	.953¢	1.002¢
Av. Passenger Receipt per Pass. per Mile	2.900¢	2.840¢
Ratio of Pay Roll to Operating Revenues	56.2%	52.4%
Ratio of Pay Roll to Operating Expenses	62.9%	59.0%
Ratio of Operating Expenses to Revenues	89.30%	88.89%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074890

CANADIAN NATIONAL SYSTEM
(Steam Lines in Canada & United States)
For the Month of April, 1925 - 1924

	1925	1924
OPERATING REVENUES		
Canadian Lines	$14,623,281.00	$16,041,973.89
Duluth, Winnipeg & Pacific	175,499.00	177,675.00
Grand Trunk Western Lines	2,581,883.00	2,553,860.00
New England Lines	276,226.00	277,584.11
Total	17,656,889.00	19,051,093.00
OPERATING EXPENSES		
Canadian Lines	$14,067,163.69	15,293,094.45
Duluth, Winnipeg & Pacific	141,758.83	144,310.82
Grand Trunk Western Lines	1,965,480.91	2,079,855.96
New England Lines	227,953.27	278,137.95
Total	16,402,356.70	17,795,399.18
NET OPERATING REVENUES		
Canadian Lines	$ 556,117.31	$ 748,879.44
Duluth, Winnipeg & Pacific	33,740.17	33,364.18
Grand Trunk Western Lines	616,402.09	474,004.04
New England Lines	48,272.73	Dr. 553.84
Total	1,254,532.30	1,255,693.82
OPERATING INCOME		
Canadian Lines	$684,580.34	$902,127.07
Duluth, Winnipeg & Pacific	23,681.28	23,564.55
Grand Trunk Western Lines	220,866.78	35,993.35
New England Lines	Dr. 35,627,53	Dr. 81,470.61
Total	893,500.87	880,214.36

SUMMARY
Four Months ended April 30th

	1925	1924
ALL RAILWAYS		
Operating Revenues	$125,334,835.12	$137,842,334.30
Operating Expenses	113,938,294.43	125,789,262.02
Net Operating Revenues	11,396,540.69	12,053,072.28
Operating Income	9,735,941.86	10,674,569.69
CANADIAN NATIONAL RAILWAY		
Operating Revenues - Canadian Lines	$57,875,172.83	$63,470,950.72
United States Lines	11,218,170.17	12,362,770.28
Total	69,093,343.00	75,833,721.00
Operating Expenses - Canadian Lines	$56,339,471.44	$62,073,473.22
United States Lines	8,979,089.38	9,949,112.09
Total	65,318,560.82	72,022,585.31
Net Operating Revenue -Canadian Lines	$1,535,701.39	$1,397,477.50
United States Lines	2,239,080.79	2,413,658.19
Total	3,774,782.18	3,811,135.69
Operating Income - Canadian Lines	$1,948,298.67	$1,665,952.96
United States Lines	266,400.12	361,707.95
Total	2,214,698.79	2,027,660.91
CANADIAN PACIFIC RAILWAY		
Operating Revenues	$48,494,083.02	$53,979,475.44
Operating Expenses	43,513,223.82	48,502,166.79
Net Operating Revenues	4,980,859.20	5,477,308.65
Operating Income	5,304,281.50	6,203,965.61

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074891

CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

MAY

1925

+ + +

Published by Authority of the Hon. Thos. A. Low, M. P.,
Minister of Trade and Commerce.

+ + +

OTTAWA

1925

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074892

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
WITH ANNUAL OPERATING REVENUES OF $500,000.
FOR THE MONTH OF MAY, 1925

The total tons of revenue freight carried by the railways during May was 10.4 per cent less than the May, 1924 tonnage but the revenue ton miles was less by 24.4 per cent. The average haul was shorter by 44.4 miles or 15.6 per cent and the average freight revenue per ton mile was increased by .193 cent or 19 per cent. These fluctuations were caused almost entirely by decreases in the grain and coal traffic, especially grain which showed a decrease of over 20,000 cars loaded.

Receipts of wheat at the head of the lakes during May, 1925 were 7,060,000 bushels as against 10,561,000 bushels in 1924 and for all grains the decrease was 4,781,000 bushels, or 31 per cent. The average haul for grain in the west is around 600 miles, the average earnings are about .58 cent per ton mile and the average load per car for wheat is between 40 and 50 tons. A heavy movement of grain such as the railways had in the early months of 1924 from the record crop of 1923 has a greater effect on the ton miles, car loading and train loading than most of the other commodities and does not increase revenues proportionately. The marketing of a large crop does, however, stimulate the movement of other commodities.

Revenues were reduced by $3,335,010, or 9.3 per cent, freight revenues being $2,464,485, or 9.9 per cent and passenger revenues, $517,691, or 8.4 per cent below those for May, 1924. Expenses were also reduced by $2,928,169, or 8.7 per cent, net revenues being reduced by $406,840 and the operating ratio being increased from 93.81 per cent to 94.42 per cent.

The net operating revenues for the five months, January - May, show an increase of $1,063,372 over the corresponding period of 1924.

CANADIAN NATIONAL RAILWAYS,- Freight and passenger traffic continued lighter than in 1924 and revenues were less by $897,518 or 7.[illegible] per cent for freight and $208,032, or 8.3 per cent for passenger the total being $1,343,830, or 8.1 per cent under total revenues for May, 1924.

Operating expenses were cut by $1,585,994, or 9.4 per cent, the largest reduction being $1,009,622 or 12.8 per cent in transportation expenses. The cut in the total pay roll was $976,136 for a reduction of 6,963 in the average number of employees.

The average load per freight car was 22.4 tons as against 25.5 tons for May last year. The average haul was also shorter by 79.6 miles and the average receipt per ton mile was increased from .921 cent to 1.180 cents or 28 per cent. Although the average train loading was less by 58.4 revenue tons the earnings per train mile were greater by 66 cents or 13 per cent. The falling off in passenger traffic, however, reduced also the average revenues per passenger train mile by 24 cents or 10 per cent.

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Although the Canadian lines showed an operating deficit of $191,731 the United States lines showed substantial net revenues giving a surplus for the entire system of $399,939. The net revenues of the Grand Trunk Western lines (lines west of Detroit and St. Clair Rivers) $644,624, has been exceeded only twice since the beginning of 1924, viz. March and September, 1924.

The net operating revenues for January - May, 1925 showed an increase over 1924 for Canadian lines of $380,387 and for the United States lines of $238,522.

CANADIAN PACIFIC RAILWAY,- Gross revenues showed a decrease from those of May, 1924 of $1,871,184, or 13.1 per cent. Freight revenues fell behind by $1,549,872 or 16.2 per cent for a reduction in the freight traffic of 26.4 per cent and passenger receipts were less by $233,686, or 8.7 per cent for a reduction of 5.3 per cent in passenger traffic.

Operating expenses were cut by $1,159,369, or 9 per cent, reductions being made in maintenance of way and structures of $407,546, or 12.7 per cent; in maintenance of equipment of $263,200, or 10 per cent and in transportation expenses of $477,243, or 8.5 per cent. The reduction in the total pay roll was $296,489 or 3.8 per cent.

Freight cars were loaded lighter on an average of 3.5 tons so that freight trains with .7 more loaded cars and 1.2 less empties carried 94.8 tons less of revenue freight and earnings were reduced 38 cents per train mile.

The cumulative totals for January - May show a decrease from 1924 in gross revenues of $7,356,577 and in net revenues of $1,228,264. The net revenues, however, were $254,398 over those of January - May, 1923.

23/7/25

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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074894

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

With Annual Operating Revenues of $500,000

For the Month of May, 1925

	1925	1924
OPERATING REVENUES		
Freight	$22,423,628.59	$24,888,113.62
Passenger	5,638,336.59	6,156,027.78
Mail	589,899.78	592,032.80
Express	1,609,975.44	1,790,923.03
Other Freight Train	444.06	546.65
Other Passenger Train	538,890.74	609,549.39
Water Line	245,620.53	255,160.68
All Other	1,326,310.94	1,415,763.08
Total Railway Operating Revenues	32,373,106.67	35,708,117.03
OPERATING EXPENSES		
Maint. of Way and Structures	$7,919,043.62	$8,399,686.40
Maint. of Equipment	6,411,663.29	7,177,710.61
Traffic	1,293,623.61	1,310,512.95
Transportation	13,611,518.58	15,197,037.92
Misc. Operations	400,600.54	419,154.66
General	971,159.67	1,017,908.80
Trans. for Investment	Cr. 39,470.93	Cr. 25,703.05
Total Railway Operating Expenses	30,568,138.38	33,496,308.29
OPERATING INCOME		
Net Operating Revenue	$1,804,968.29	$2,211,808.74
Railway Tax Accruals	603,636.32	575,374.41
Uncollectable Revenues	1,564.03	633.27
Hire of Equipment	Cr. 286,845.30	Cr. 241,026.01
Joint Facilities Rents	Dr. 122,121.43	Dr. 83,556.56
Operating Income	1,364,491.81	1,793,270.51
OPERATING STATISTICS		
Average Miles of Road Operated	38,677.10	38,255.90
No. of Tons Carried (Rev.Fr.)	7,758,607	8,662,846
No. of Tons Carried One Mile " "	1,863,803,732	2,465,232,391
No. of Tons Carried (All Fr.)	9,141,894	10,269,834
No. of Tons Carried One Mile " "	2,211,207,014	2,830,928,454
No. of Rev. Pass. Carried	2,996,417	3,287,614
No. of Rev. Pass. Carried One Mile	204,101,208	219,811,922
#Freight Train Miles	4,203,012	4,831,187
#Passenger Train Miles	3,918,036	3,929,741
Total Train Miles (Rev.& Non Rev.)	8,463,146	9,250,988
Freight Car Miles-Loaded	101,076,952	112,928,041
Freight Car Miles-Empty	46,349,489	53,803,302
Passenger Train Car Miles	27,451,155	27,617,236
Total Amount of Pay Roll	$19,157,703.92	$20,524,241.12
Number of Employees	163,617	172,195
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$27.00	$30.11
Operating Expenses	$25.49	$28.24
No. of Tons Moved One Mile (Rev.Fr.)	1,554	2,079
No. of Tons Moved One Mile (All Fr.)	1,844	2,387
No. of Rev. Pass. Carried One Mile	170	185
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.34	$5.15
No. of Tons of Freight (Rev.Fr.)	443.4	510.3
No. of Tons of Freight (All Fr.)	526.1	586.0
Loaded Freight Cars	24.0	23.4
Empty Freight Cars	11.0	11.1
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.14	$2.33
Passengers Carried	52.1	55.9
Passenger Cars	7.0	7.0
Average Operating Expenses per Train Mile	$3.61	$3.62
Average Length of Haul (Rev.Fr.) Miles	240.2	284.6
Average Passenger Journey Miles	68.1	66.9
Average Tons per Loaded Fr. Car	21.9	25.1
Av. Fr. Receipt per Rev. Ton Mile	1.203¢	1.010¢
Av. Passenger Receipt per Pass. per Mile	2.763¢	2.801¢
Ratio of Pay Roll to Operating Revenues	59.2%	57.5%
Ratio of Pay Roll to Operating Expenses	62.7%	61.3%
Ratio of Operating Expenses to Revenues	94.42%	93.81%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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074895

Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of May, 1925

		1925		1924
OPERATING REVENUES				
Freight		$10,835,685.13		$11,733,204.00
Passenger		2,307,527.93		2,515,560.46
Mail		261,789.40		263,316.86
Express		1,071,272.81		1,243,680.70
Other Freight Train		-----		----
Other Passenger Train		206,993.36		254,950.50
Water Line		-----		----
All Other		483,027.11		499,413.97
Total Railway Operating Revenues		15,166,295.74		16,510,126.49
OPERATING EXPENSES				
Maint. of Way and Structures		$4,094,065.82		$4,164,525.08
Maint. of Equipment		3,249,132.96		3,649,384.89
Traffic		526,756.90		517,167.57
Transportation		6,868,335.08		7,877,957.35
Misc. Operations		150,318.86		173,756.11
General		508,261.60		581,266.57
Trans. for Investment	Cr.	38,843.50	Cr.	20,035.85
Total Railway Operating Expenses		15,358,027.72		16,944,021.72
OPERATING INCOME				
Net Operating Revenue	Dr.	$191,731.98	Dr.	$433,895.23
Railway Tax Accruals		227,784.88		217,336.97
Uncollectable Revenues		1,315.62		434.07
Hire of Equipment	Cr.	345,687.48	Cr.	223,889.94
Joint Facilities Rents	Cr.	30,543.14	Cr.	40,661.91
Operating Income	Dr.	44,601.86	Dr.	387,114.42
OPERATING STATISTICS				
Average Miles of Road Operated		20,551.74		20,574.94
No. of Tons Carried (Rev.Fr.)		3,206,523		3,482,205
No. of Tons Carried One Mile " "		918,178,169		1,274,052,314
No. of Tons Carried (All Fr.)		3,870,074		4,311,509
No. of Tons Carried One Mile " "		1,069,500,980		1,481,068,005
No. of Rev. Pass. Carried		1,564,526		1,697,535
No. of Rev. Pass. Carried One Mile		88,892,730		97,357,580
# Freight Train Miles		1,981,200		2,441,750
# Passenger Train Miles		1,806,898		1,807,175
Total Train Miles (Rev.& Non Rev.)		3,967,968		4,546,574
Freight Car Miles-Loaded		47,788,085		58,101,580
Freight Car Miles-Empty		21,854,730		25,934,618
Passenger Train Car Miles		12,407,350		12,514,024
Total Amount of Pay Roll		$10,043,982		$11,020,118
Number of Employees		85,800		92,763
DAILY AVERAGES PER MILE OF ROAD OPERATED				
Operating Revenue		$23.81		$25.89
Operating Expenses		$24.11		$26.57
No. of Tons Moved One Mile (Rev.Fr.)		1,441		1,997
No. of Tons Moved One Mile (All Fr.)		1,679		2,322
No. of Rev. Pass. Carried One Mile		140		153
#AVERAGES PER FREIGHT TRAIN MILE				
Freight Revenue		$5.47		$4.81
No. of Tons of Freight (Rev.Fr.)		463.4		521.8
No. of Tons of Freight (All Fr.)		539.8		606.6
Loaded Freight Cars		24.1		23.8
Empty Freight Cars		11.0		10.6
#AVERAGES PER PASSENGER TRAIN MILE				
Passenger Train Revenues		$2.13		$2.37
Passengers Carried		49.2		53.9
Passenger Cars		6.9		6.9
Average Operating Expenses per Train Mile		$3.87		$3.73
Average Length of Haul (Rev.Fr.)Miles		286.3		365.9
Average Passenger Journey Miles		56.8		57.4
Average Tons per Loaded Fr. Car		22.4		25.5
Av. Fr. Receipt per Rev.Ton Mile		1.180¢		.921¢
Av. Passenger Receipt per Pass. per Mile		2.596¢		2.584¢
Ratio of Pay Roll to Operating Revenues		66.2%		66.7%
Ratio of Pay Roll to Operating Expenses		65.4%		65.0%
Ratio of Operating Expenses to Revenues		101.26%		102.63%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

074896

OPERATING REVENUES, EXPENSES & STATISTICS

CANADIAN PACIFIC RAILWAY

For the Month of May, 1925.

	1925	1924
OPERATING REVENUES		
Freight	$8,031,777.48	$9,581,649.73
Passenger	2,444,319.29	2,678,005.68
Mail	279,495.74	279,535.23
Express	440,528.86	440,164.95
Other Freight Train	297.81	252.90
Other Passenger Train	308,852.42	332,083.75
Water Line	189,805.00	205,518.74
All Other	689,778.97	738,828.80
Total Railway Operating Revenues	12,384,855.57	14,256,039.78
OPERATING EXPENSES		
Maint. of Way and Structures	$2,806,883.36	$3,214,429.78
Maint. of Equipment	2,353,599.16	2,616,800.13
Traffic	689,599.30	717,332.70
Transportation	5,120,926.78	5,598,170.53
Misc. Operations	204,092.18	199,129.69
General	312,208.59	280,815.74
Trans. for Investment Cr.	--	--
Total Railway Operating Expenses	11,487,309.37	12,626,678.57
OPERATING INCOME		
Net Operating Revenue	$ 897,546.20	$1,629,361.21
Railway Tax Accruals	266,849.86	263,263.62
Uncollectable Revenues	--	---
Hire of Equipment Cr.	277,495.67	Cr. 350,942.06
Joint Facilities Rents Cr.	721.74	Cr. 9,429.91
Operating Income	908,913.75	1,726,469.56
OPERATING STATISTICS		
Average Miles of Road Operated	13,633.6	13,229.1
No. of Tons Carried (Rev.Fr.)	2,262,283	2,620,078
No. of Tons Carried One Mile " "	685,411,026	930,931,020
No. of Tons Carried (All Fr.)	2,877,053	3,290,807
No. of Tons Carried One Mile " "	875,670,556	1,083,124,061
No. of Rev. Pass. Carried	985,113	1,090,508
No. of Rev.Pass. Carried One Mile	88,295,961	93,265,773
# Freight Train Miles	1,649,284	1,823,816
# Passenger Train Miles	1,627,603	1,635,320
Total Train Miles(Rev.& Non Rev.)	3,408,318	3,610,700
Freight Car Miles-Loaded	38,403,255	41,247,487
Freight Car Miles-Empty	16,206,130	20,033,308
Passenger Train Car Miles	11,701,056	11,693,373
Total Amount of Pay Roll	$7,424,383.02	$7,720,872.44
Number of Employees	64,247	65,073
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$29.30	$34.76
Operating Expenses	$27.18	$30.79
No. of Tons Moved One Mile (Rev.Fr.)	1,622	2,270
No. of Tons Moved One Mile (All Fr.)	2,072	2,641
No. of Rev.Pass. Carried One Mile	209	227
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$4.87	$5.25
No. of Tons of Freight (Rev.Fr.)	415.6	510.4
No. of Tons of Freight (All Fr.)	530.9	593.9
Loaded Freight Cars	23.3	22.6
Empty Freight Cars	9.8	11.0
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.13	$2.28
Passengers Carried	54.2	57.0
Passenger Cars	7.2	7.2
Average Operating Expenses per Train Mile	$3.37	$3.50
Average Length of Haul (Rev.Fr.) Miles	303.0	355.3
Average Passenger Journey Miles	89.6	85.5
Average Tons per Loaded Fr. Car	22.8	26.3
Av. Fr.Receipt per Rev. Ton Mile	1.172¢	1.029¢
Av. Passenger Receipt per Pass. per Mile	2.768¢	2.871¢
Ratio of Pay Roll to Operating Revenues	59.9%	54.2%
Ratio of Pay Roll to Operating Expenses	64.6%	61.1%
Ratio of Operating Expenses to Revenues	92.75%	88.57%

Contains a proportion of mixed train miles.

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CANADIAN NATIONAL SYSTEM
(Steam Lines in Canada & United States)
For the Month of May, 1925 - 1924

OPERATING REVENUES

	1925	1924
Canadian Lines	$15,166,295.74	$16,510,126.49
Duluth, Winnipeg & Pacific	170,724.00	155,269.00
Grand Trunk Western Lines	2,712,852.00	2,531,622.00
New England Lines	195,866.26	153,752.51
Total	18,245,738.00	19,350,770.00

OPERATING EXPENSES

Canadian Lines	$15,358,027.72	$16,944,021.72
Duluth, Winnipeg & Pacific	158,904.57	165,463.31
Grand Trunk Western Lines	2,068,227.44	2,212,869.94
New England Lines	260,638.50	283,737.85
Total	17,845,798.23	19,606,092.82

NET OPERATING REVENUES

Canadian Lines	Dr. $191,731.98	Dr. 433,895.23
Duluth Winnipeg & Pacific	11,819.43	10,194.31
Grand Trunk Western Lines	644,624.56	318,752.06
New England Lines	Dr. 64,772.24	Dr. 129,985.34
Total	399,939.77	255,322.82

OPERATING INCOME

Canadian Lines	Dr. $44,601.86	Dr. $387,114.42
Duluth, Winnipeg & Pacific	1,397.17	Dr. 20,095.98
Grand Trunk Western Lines	278,309.74	Dr. 87,742.62
New England Lines	Dr. 137,308.43	Dr. 202,681.68
Total	Cr. 97,796.62	Dr. 697,634.70

SUMMARY

Five Months Ended May 31st

	1925	1924
ALL RAILWAYS		
Operating Revenues	$157,707,941.79	$ 173,550,451.33
Operating Expenses	144,506,432.81	159,285,570.31
Net Operating Revenues	13,201,508.98	14,264,881.02
Operating Income	11,100,433.67	12,467,840.20
CANADIAN NATIONAL RAILWAY		
Operating Revenues-Canadian Lines	$73,041,468.57	$79,981,077.21
United States Lines	14,297,612.43	15,203,413.79
Total	87,339,081.00	95,184,491.00
Operating Expenses-Canadian Lines	$71,697,499.16	$79,017,494.94
United States Lines	11,466,859.89	12,611,183.19
Total	83,164,359.05	91,628,678.1[illegible]
Net Operating Revenue-Canadian Lines	$ 1,343,969.41	$ 963,582.27
United States Lines	2,830,752.54	2,592,230.60
Total	4,174,721.95	3,555,812.87
Operating Income - Canadian Lines	$3,755,407.95	$2,859,314.96
United States Lines	408,798.60	51,187.67
Total	4,164,206.55	2,910,502.63
CANADIAN PACIFIC RAILWAY		
Operating Revenues	$60,878,938.59	$68,235,515.22
Operating Expenses	55,000,533.19	61,128,845.36
Net Operating Revenues	5,878,405.40	7,106,669.86
Operating Income	6,213,195.25	7,930,435.17

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CANADIAN RAILWAY PROBLEM

W.T.W.
26th May 1925

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CANADIAN RAILWAY PROBLEM

The following seem to me to be the policies to be considered:

(1) All the situation to remain as it is, trusting to increase in population and production to gradually improve the position of the Canadian National Railways and ultimately put an end to their deficits. The objections to this course are: (1) That there appears but slight prospect for immigration on the scale necessary to accomplish this and that the deficits of the Railways are such as to seriously menace the credit of the Dominion.

(2) Continue as at present but with co-operation between the C.P.R. and the C.N.R. with the object of eliminating wasteful service and making the most economic use of trackage, equipment and other transportation facilities. This would be preferable to the present condition of keen business competition under which the financial position of the C.P.R. is being steadily undermined and enormous sums expended by the C.N.R. in advertising and popularizing their service. Very material economies could be effected in the Canadian railway field viewed as a unit if the managements of the two systems could be brought to wholeheartedly work together for this object. The probability is, however, that such co-operation is not likely to be brought about owing to the rivalry between the two systems and their heads and the distrust and suspicion bound to prevail as long as competition for business continues between them. Something worth while might be accomplished if the Board of Railway Commissioners were empowered to examine into the situation and issue orders from time to time for the purpose of bringing about a more economical use of trackage

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equipment abd facilities. This implies, however, a knowledge and initative not likely to be possessed by the Board. Moreover the process of improvement by such instrumentality would necessarily be slow.

(3) Lease the C.N.R. to the C.P.R. for operation only, the Government making good the annual deficit on operating and fixed charges account and furnishing funds for necessary capital expenditures. This might ensure more economical management of the Canadian National Railways but the temptation to the C.P.R. to divert traffic and obtain business advantages for its own system would be too great to be resisted and the net result would inevitably be greater deficits than ever to be made up by the Dominion Treasury. Apart from these practical considerations, Parliament and the Canadian public would not approve of an arrangement which would place the management of all the railways in the hands of the C.P.R. executive.

(4) The C.P.R. to lease the C.N.R. and operate its system as provided in (3) above but with this difference that the Government would guraantee all the fixed charges of the C.P.R. together with an annual dividend of, say, 8% upon its common stock. In consideration of such guarantee and of the lease, the C.P.R. would devote all its net earnings, over the amount of the stipulated 8% dividend, in relief of the Government with respect to the deficits incurred in the operation of the C.N.R. The objection to this from the standpoint of Parliament is the opposition likely to develop on the part of the public to administration by a group of citizens responsible only to private interests (the stockholders of the C.P.R.) of the

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entire system of Canadian railways. The C.P.R. would also desire to retain for its own use and benefit the lands, steamship and other extraneous assets which it owns, and pay over to the Government only its earnings in excess of the 10% dividend, derived from its railway system alone. As against the first objection it is to be noted that the Board of Railway Commissioners fixes traffic rates and this would prevent the evil effects of monopoly, but parliament and the public would view jealously the placing of so much power in the hands of a privately controlled corporation upon the theory that such power could be used irresistably for political ends. I think this argument exaggerates the influence which a Board of Directors could exert, over so large a country as Canada, upon its army of employees and citizens with whom it would have business dealings. As to the second objection from the standpoint of the C.P.R. the public would insist that the earnings from all the assets of the C.P.R. should be included in the arrangement and not alone those derived from its railway system. While much is to be said for this plan and the efficiency and economy likely to result from it, I incline to the view that by reason of the objections mentioned it is not practicable, at least until the situation caused by the continuous C.N.R. deficits is more forcibly brought home to the Canadian public.

(5) The C.N.R. to take over the C.P.R. under a Government guarantee of all obligations of the C.P.R. and of an annual dividend of, say, 8% upon its common stock. The management of the joint system would then be vested in a Board of Directors named by the Dominion Government. Prima facie this would appeal to a considerable section of the Canadian public but ad-

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ministration by a Board so constituted would in my opinion be disastrous to the finances of the Dominion. Political considerations would inevitably prevail in the naming of the Directors and patronage with its corruption and waste in the making of contracts and the general administration of the system. All the political influence of organized labour would be thrown in favour of high wages. Expenditure for equipment, etc., would be needlessly incurred to mitigate unemployment in times of business depression or even to furnish election funds. Mileage would be constructed in responce to sectional demands and the railway situation in Canada would become progressively worse. Administration of all the railways of Canada by a Government-appointed Board could only result in the greatest of evils to the Dominion and should be avoided at all costs. There is also objection in my opinion to a Board of Directors named in the first instance by the Government but not removable from office by the Government (like Judges) and self-perpetuating as recommended in the Drayton-Acworth Report. Although quite independent of Government or Parliament such a Board would possess too much unrestricted power and would undoubtedly in time become subject to the human weakness of arrogance, patronage, and unprogressiveness. If a Board of Directors could be so selected as to ensure capable and economical business administration of the joint systems, this proposal (5) would seem to me the most practicable having regard to all aspects of the situation including the political. It is possible that a satisfactory Board might be obtained through an ar-

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rangement whereby one half the members of the Board would be appointed by the Government under tenure of office similar to that now provided in the case of members of the Board of Railway Commissioners, and one half elected by the shareholders of the C.P.R. in annual meeting assembled. The President to be selected by the Board from its Directors named by the shareholders of the C.P.R. In order to give the C.P.R. shareholders an interest in efficient administration of the joint system, provision should be made whereby they would share to the extent of 50 per cent in net earnings of the joint system in excess of the amount required to satisfy the 8 per cent guaranteed dividend, but not in any year to such an extent as to make their total dividend more than 10 per cent. In order to make this a real and not an illusory project and a reward for efficient management, the whole railway situation should be carefully considered at the outset and a conclusion reached as to the fair amount of fixed charges upon the entire joint system which it would be reasonable to ask the new Board to provide with prospects of increasing the amount by efficiency in management so as to be able, in an exceptionally good year, to pay an increased dividend to the C.P.R. shareholders. This would involve at the outset, before the plan became operative, the deliberate permanent assumption by the Dominion Government of a part of the fixed charges of the C.N.R. Provision might be made whereby in the event of net earnings of the joint system exceeding the amount necessary to

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pay the fixed charges (so cut down) and the guaranteed dividend, half the surplus should go to the Dominion in aid of its burden in carrying part of the fixed charges of the C.N.R. as above suggested. Under some such arrangement as this Canada would derive the advantages of a unified system of railways some of which would undoubtedly be: (a) economies in service, (b) better utilization of trackage and equipment, (c) prevention of waste due to duplication, (d) co-operation of all branches of the system, and (e) avoidance of political patronage. In my judgment it would offer the best chance of solving successfully our very serious railway situation.

Should (5) be found to be i practicable of consummation I favour (3) which could be carried into beneficial effect if the Government firmly and resolutely insisted that the heads of the two systems must whole-heartedly and effectually co-operate.

W.T.W.

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Confidential

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THE SENATE
CANADA

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OTTAWA, June 16th, 1925.

The Rt. Honourable Arthur Meighen, M. P.,
House of Commons,
O T T A W A.

Dear Mr. Meighen:-

A committee was appointed by the Senate some months ago to enquire into the railway situation in Canada. The committee sits behind closed doors and no records are kept. The following persons have appeared before the committee:

Sir Henry Thornton,
Mr. Beatty of the Canadian Pacific Railway,
Sir Joseph Flavelle,
Mr. D. B. Hanna,
Sir Herbert Holt,
Mr. Farrell of the Union Pacific Railway, from Seattle, Wash.

I have made notes on the evidence given and believe that the same will be of use to you.

SIR HENRY THORNTON:

This witness was of opinion that there was not enough traffic in Canada to support two railway systems, and thought that our mileage would not be justified until we had at least fifteen million people. He was inclined to the view that amalgamation was out of the question that politically the people would not consent to the Government taking over the Canadian Pacific Railway on the one

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The Rt. Honourable Arthur Meighen, M. P.

hand, or the Canadian Pacific Railway taking over the Canadian National on the other hand. He offered the further objection that if all the railways were under one management there would be a loss of incentive to get and maintain business on the part of the officers of the road. His evidence was not very informative, and I gathered the impression that he had not favourably impressed the Committee. The witness stated that our grain rates from prairie points to the head of the lakes are fifty per cent less than the grain rates of American railways over corresponding territory, and if these rates had been as high as American rates, it would have given an additional revenue to the Canadian National in 1923, of $11,400,000,00. and in 1924, $10,000,000.

SIR JOSEPH FLAVELLE:

This witness gave his evidence with great care from written memoranda. His first and most important point was that he thought he was not in a position to express a sound opinion for the reason that he had not a clear picture in his mind of the present condition of the Canadian National Railways. He stated that fact so vigorously and so often, that I formed the opinion that he thought that the book-keeping of the Canadian National Railways was not quite what it ought to be, that ~~reports~~ items were transferred, such as from maintenance to capital account. He kept going back to the question of getting a true picture of the affairs of the Canadian National Railways, first of all proper statements, and secondly by an enquiry by competent men as to whether the expenditures of the Canadian National Railways are on a sound basis. He pointed out that there is not enough business in Canada to support both roads, and that he thought the Canadian National was spending a great deal of money merely to get business from the Canadian Pacific Railway. The only result of which was that a great deal of public money was spent, the people receiving no better accomodation, and there was grave danger that the Canadian Pacific system would be seriously injured. Again he stated before we

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The Rt. Honourable Arthur Meighen, M. P.

could do anything with the Canadian National we must have the actual facts.

This witness also thought that deficits charged up might well be written off as they will never be recovered . He pointed out that a receivership would have placed the burden of responsibility on the shoulders of the proper people, to wit those who put their money into the enterprise, but that a receivership was not possible during the war. In the event of an arrangement being made, the Government should guarantee to the Canadian Pacific the interest on Canadian Pacific stock. This would have to be given, because the value of that stock is being destroyed by the action of the Government and the action of the Canadian National system. The Canadian Pacific Railway stockholders being free of any impropriety, lack of judgment etc.

Not as decided.

MR. FARRELL:
Union Pacific Railway, Seattle, Wash.

This witness suggested a committee of the officers of both railways to examine and report upon and put into effect a system of unified control, or consolidated service, or pooling of different parts of the two systems. He emphasized the importance of a uniform system of accounting, so that there would be a common yard stick. He said that we had too much railway for our population, but that Canada was served better by her railways than any other country in the world.

D. B. HANNA:

This witness pointed out that $300,000,000. of bonds at 3¼% will fall due in the near future, and their replacement at a higher rate of interest will increase the annual liability. He thinks that the old Canadian National system and the old Grand Trunk system, if operated efficiently and economically as separate systems, would carry themselves even under existing conditions. He pointed out that the cost of general officers in all the branches of the Canadian National system had been increased from 1922 to 1924 by $300,000,00. per year. He drew attention to the difference in expenditure between the Canadian Pacific Railway and the

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The Rt. Honourable Arthur Meighen, M. P.

Canadian National in the matter of new rolling stock, and stated that the rolling stock of the Canadian Pacific was practically stationary, whereas there had been a substantial increase in Canadian National rolling stock.

While he did not say so, he left no doubt in the minds of the committee, that the present management of the Canadian National was extravagant. I gathered the impression from his evidence that he was of the opinion that the bookkeeping was not honestly done. He favoured an enquiry to ascertain whether the management of the Canadian National was efficient and economical. He thought that the Canadian National was spending too much money in endeavoring to secure traffic. He thinks that sufficient traffic originates on the line of the Canadian National system, and also that there is sufficient traffic in Canada to maintain both systems, if economically managed.

SIR HERBERT HOLT:

MR. BEATTY: While examined at different times I lump the evidence of these gentlemen together as there is no great difference between the two.

Sir Herbert Holt's proposal was the amalgamation of the Canadian Pacific and Canadian National under a joint Board, five members to be appointed by the Canadian Pacific, five by the Government, the ten so appointed to select five other directors, to hold office for ten years, and to be removed only for cause, the successor of any member to be appointed as his predecessor was appointed. He proposed to leave out of the amalgamation all properties owned by the Canadian Pacific not in connection with the railway operation, such as mines, timber lands and the like, but to include steamships, hotels and the like. As a preliminary to such amalgamation the capital of the Canadian National was to be written down to an earning capacity basis. The Government to guarantee the bonds of the Canadian Pacific Railway, and also a certain rate of interest on the stock of the company. After the payment of fixed charges , the Canadian Pacific and the Canadian National could participate pro rata in the profits. He argued in support of his proposal that duplication

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The Rt. Honourable Arthur Meighen, M. P.

of service would be avoided, capital expenditure only undertaken where revenue was likely to result, lines of railway could be abandoned and the material salvaged and used in the construction of revenue producing branch lines in the West. Under the above system there would an incentive to the Board to give efficient service and to produce a revenue to pay dividends over and above the guarantees and fixed charges. The witness pointed out that in England, all railways had been grouped into five groups, and that such a proposal was on foot in the United States. The witness drew attention to the fact that this proposal was not government ownership in the ordinary acceptance of the term, that it was strictly private ownership. It is true that it would be a monopoly but no more so than the railways are now a monopoly. The public being protected by increasing the powers, if necessary, of the Railway Commission.

I pointed out to the witness that if there were a substantial writing down of the capital of the Canadian National, the amount so written down, would nevertheless have to be taken care of by the people of Canada. I also pointed out that the writing down process would be one of the big political factors.

I formed the opinion that the Canadian Pacific Railway would do very well out of the transaction, and might ultimately get a substantial revenue from the properties not included in the amalgamation.

Mr. Beatty thought that we might sell the Canadian National Railway in whole or in part to an English group. I would not be surprised if Holt's and Beatty's proposal is receiving a good deal of consideration at the hands of the Canadian Pacific and their friends in Montreal, and I think you will do well to keep your eye on them for some time to come. Sir Herbert Holt thought it might be possible to sell the Canadian National system to an American group.

Yours faithfully,

W. A. GRIESBACH.

More evidence to follow

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Ottawa, June 17, 1925.

General the Honourable W.A. Griesbach,
The Senate,
Ottawa.

Dear General Griesbach:

Many thanks for your letter of the 16th instant. It was thoughtful indeed of you to make a synopsis of this as the witnesses appeared. This material will be very valuable and I will appreciate the continuation of it.

Yours very truly,

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June 19th, 1925.

MEMORANDUM RE RAILWAY SITUATION

(1) Deficits in the operation of the Canadian National Railway plus capital expenditures are accumulating at the rate of $100,000,000. per year. In the last five years over $500,000,000. in deficits and capital expenditure have been added to the liability of the country in connection with the Canadian National Railways. Unless this situation is ended in some fashion in the near future, national bankruptcy faces this country.

(2) From evidence submitted to your Committee, grave doubt exists as to whether there is enough traffic in this country, with its nine millions of people, to support forty thousand miles of railways.

(3) The expenditures on the Canadian National Railway are largely due to the efforts being made by that railway, not so much to create new traffic as to secure a larger share of that which exists.

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(4) The result is that the country is faced with large expenditures which it can ill afford. Railway facilities are not appreciably improved. Traffic is gained by the Canadian National System from the Canadian Pacific Railway System to the great detriment of the latter System with no corresponding advantage to the Canadian National System or to the people of Canada who in the end pay the costs thereof.

(5) The Canadian Pacific Railway System in all its ramifications is part and parcel of the national life of Canada. Fluctuations in the value of its stock is said to be, with truth, the barometre of Canadian business conditions. Obviously it cannot be sound national policy to destroy the Canadian Pacific Railway System or to impair its earning powers and resources, especially if we do so at great expense to the people of Canada without in any way improving the worth, earning power or prospects of the people's railway.

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(6) It may be assumed as a fundimental factor in this discussion that the Canadian National Railway System must be kept alive as a going concern, first as a national transportation necessity and secondly to maintain our credit and the value of the Canadian National Railway System as such. On the other hand it must be insisted most earnestly and vigorously that the country cannot face the addition of $100,000,000. per year to the national debt. Such a condition of affairs spells ruin.

(7) It is idle to expect some miracle to relieve us of the consequence of this situation. A great increase of population would no doubt ameliorate the condition in time. No such increase in population is in sight. Increased production, improved business conditions result in largely increased traffic ~~and~~ would better conditions, but all signs point to the fact that no such improvement in business is possible until the railway situation itself is first dealt with. Indeed it is evident that there must be a reduction in taxation and perhaps also railway rates and a general return of confidence before there can be any

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substantial improvement in business conditions.

Viewed from every angle, the railway situation is the key factor. From it most of our troubles come. Through its solution will come, in large measure, a return to better business conditions.

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MR. CRERAR, M.P. JUNE 19th, 1925.

Mr. Crerar was not a good witness. He apparently had not been previously instructed as to the evidence given before the Committee. When X asked what he would do to cure the present situation, he floundered and finally settled down to a discussion of the ~~deflection~~ application of the two railways and the Government in immigration work. He was then informed of the several proposals before the Committee and of the proposal of Beatty, Holt and Meredith. In answer to a question by myself the witness admitted that the railway situation was a serious problem urgently calling for an early solution. This question was prompted by a statement made by Hanna that the deficits in operation on the Canadian National System were exactly equalled by the income tax, that the income tax was paid by wealthy people in the east and that the west was quite satisfied with the present situation. Crerar thought that the west would agree that our present situation was serious and that a solution should be found at an early date. He further expressed the

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Mr. Crerar ...../2

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the opinion that the west was not necessarily wedded to Government ownership ~~in~~ and operation of railways. The witness was inclined to favour the Beatty, Holt, Meredith proposal. He thought that some way should be found to appoint the Directors representing the Canadian National so that the Government should not appear in the transaction and thereby prevent politics entering in. He suggested the formation of a body to take the place of shareholders in the Canadian National. He thought that twenty-five members from each House, selected equally from the various parties in both Houses would form an independent body of shareholders. Another proposal was that such a body might be formed from representatives of the provincial governments plus representatives of the Boards of Trade throughout Canada. These views were not the witness' well-thought-out conclusions but merely arose in the course of conversation. Mr. Crerar has promised to submit a written memorandum.

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Mr. Crerar...../3

Senator Beique in the course of discussion put forward this idea. He said that after a year or so the United States would have so reduced her expenditure and her debt that there would be no income tax there, whereas our conditions here seemed to grow worse and that he knew of twenty million dollars worth of capital that would move to the United States to take advantage of the more favourable conditions there.

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074918

June 20th., 1925.

Mr. J. D. Chaplin, M.P.,
House of Commons,
OTTAWA, Ont..

Pers. & Confidential

Dear Mr. Chaplin:

You will recall brief discussion we had in Ottawa regarding C.N.R. situation and its relation to the political situation as it particularly relates to certain strongly conservative influences in a particular part of Eastern Canada.

First. It must be manifest to all students of the present situation that a solution has not yet been found for the Ry situation and I think it is fairly obvious that in the minds of most people in Eastern Canada at least, public ownership is not working out and that some other plan will have to be devised.

Second. It is equally obvious no public pronouncement can be made by the Conservative party or its leaders prior to a general election. Such a course would be obvious folly.

The point then is what course can be taken to get the confidence and support of the interests, that I think you will agree is necessary if success is to be secured.

I have had the opportunity of discussing the whole matter in a confidential way with parties who, I think, know something of the situation with which we want to deal and I have reached this conclusion, that two or three men, yourself as one of the number, could go to two or three of the leading men in the groupe in mind and submit this to them.

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074918

June 20/25.

Mr. J. D. Chaplin,

First. Nothing can be done while the party is in opposition. To attempt such would only develope a situation that no one could deal with but with the party in power we would be prepared to undertake to find a plan by which the whole Canadian National System could be put into the hands of a syndicate or private company, putting it on the same footing as the Canadian Pacific Rly. in relation to financing, competition, etc. relieving the country of the intolerable burden that is being imposed.

I have in mind a definite plan but of course it can not be discussed or set out in a letter.

Kindly think this out and if necessary I would arrange to meet you and perhaps Manion sometime within a month and go to Montreal or at least we could discuss the matter.

Yours very truly,

X

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June 22nd, 1925.

96b Chairman Board of Railway Comrs

In contemplating the railway systems, four divisions of the work present themselves. They are as follows:-

(1) Engineering

(2) Operation

(3) Traffic

(4) Accounting

In the Railway Commission there are experts in engineering, operating and traffic, competent to inquire into the railway systems of Canada, and to report usefully thereon, but the Railway Commission has no Accounting Branch, and cannot conduct any inquiry into the matter of the accounting of the railways. Under the above headings inquiries can be conducted into the matter of the unification of the roads, the operation of trains and traffic conditions generally. The Chairman then went on to say that whilst his men were competent to do this work, they were too busy to do it. Either some person must be called in to take their work, while they were absent or outsiders must be employed by the Board to conduct these three inquiries.

There was a brief discussion on the question of the ability of the Board to adjust railway rates in Canada since it is admitted that no inquiry can be intelligently conducted without an Accounting Branch. The Chairman said that as far as his Board was concerned they would have to accept the figures supplied by the railways themselves. This is, of course by the way. The Chairman stated that on a given line of railway, when the facts were before the Inter-State Commission, the rates were based upon 5¾% of the invested capital. I take it that that is a basis, and not a hard and fast rule. The

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Chairman pointed out that in so delicate a matter as the construction of rate structure, the increase of one cent on some commodities would mean a difference of $6,000,000. a year to each of our Canadian railways.

The Commissioner made this important statement, which I assume may be relied on, that 85% of Canadian Railway traffic originated on the several lines of the Railways themselves, and that only 15% of the traffic was of a competitive nature. It, therefore, seems to follow that a great effort is being put forward at tremendous expense by the Canadian National Railway, and probably equally great efforts by the Canadian Pacific Railway, the one to gain and the other to retain, only 15% of the whole traffic in Canada.

A discussion took place as to how the Railway Commission could be put in motion to accomplish the inquiry above mentioned with a view to laying the foundation for some definite action looking to the curing of the present situation. Nothing very definite was arrived at.

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074922

4th SESSION 14th PARLIAMENT 16 GEORGE V, 1925

96

The Senate of Canada

REPORT

OF THE

SPECIAL COMMITTEE

ON

RAILWAY EXPENDITURE

64
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94
15
109

The HON. W. B. ROSS, K.C.
Chairman

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1925

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074923

ORDER OF REFERENCE

"To inquire into and report upon the best means to relieve the country from its heavy railway expenditure."

MEMBERS OF THE COMMITTEE

The Hon. W. B. Ross, K.C., Chairman

The Hon. Messieurs:—

Béique,	Griesbach,	Pardee,
Belcourt,	Laird,	Robertson,
Dandurand,	Lougheed (Sir James),	Robinson,
David,	Lynch-Staunton,	Watson,
Calder,	McLennan,	Webster, L. C.
Green,		

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THURSDAY, June 25, 1925.

The Special Committee appointed to inquire into and report upon the best means to relieve the country from its heavy railway expenditure beg leave to make their second and final report, as follows:—

1. At the commencement of its inquiry, the Committee passed the following resolution:—

> "*Resolved:* That the inquiry of this Committee should be confined to ascertaining from business and railway experts the best means to relieve the country of its heavy annual railway deficits, without entering into intimate details or particulars of the administration of the railways operating in Canada."

2. In pursuance of this resolution the Committee heard the evidence of a number of prominent business men.

3. The Committee sat in camera without shorthand reporters, as the Committee were anxious to assure the witnesses the utmost freedom in expressing their views in the frankest possible manner, so making it unnecessary for the witnesses to make qualifications or distinctions which they might wish to do if their evidence was to be published, but which, so far as the inquiry was concerned, would be relatively unimportant.

4. It was made clear by the witnesses that the increasing of the obligations of the country on account of the Government railways is a matter causing much national concern.

5. The addition to the national obligations through the Canadian National Railways has, for the last six years, averaged about $100,000,000 annually, amounting in the aggregate, according to the Government and railway reports, to the sum of $710,943,247, or to the sum of $595,943,247 in the last five years. There is no assurance that under the present system this expenditure will materially decrease in the near future.

6. Among the different schemes discussed by the witnesses the most important were:—

(*a*) Co-operation between the Canadian Pacific Railway and the Canadian National Railway systems.

(*b*) The acquisition by the Government of the Canadian Pacific Railway.

(*c*) The sale or lease of the Canadian National Railways to the Canadian Pacific Railway.

(*d*) The transfer of the Canadian National Railways to a private company, to be owned and operated by such company.

(*e*) The merging of the two railway systems for purposes of administration and operation.

That both the Canadian Pacific Railway and the Canadian National Railways should be placed under the management of a Board of

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fifteen directors, five to be named by the Canadian Pacific Railway, five to be named by the Government, and these ten to choose five proven, capable business men to complete the Board; these last five directors to hold office for ten years and to be removed only for cause.

That a recapitalization be made of the Canadian National Railways from the point of view of earning capacity.

That the Canadian Pacific Railway be guaranteed an agreed dividend on its stock.

In the event of the joint management producing a surplus, a dividend at the same rate as is paid to the Canadian Pacific Railway be paid to the Government on the capitalization placed on the Government Railways. After the payment of these dividends any surplus earnings available for distribution be divided between the Canadian Pacific Railway and the Canadian National Railways, in proportion to the valuation of the two systems.

7. Various witnesses emphasized the waste of effort and money on competitive immigration practice, urging consolidation of effort in this connection. Three agencies are at work to secure immigration into the Dominion, viz: the Dominion Government, the Canadian National Railways and the Canadian Pacific. Each of them maintains independent organizations, and their competition entails heavy expense; an expense which could be materially reduced by a unified system which would, at lessened cost, secure better results.

8. It was also stated to the Committee that no inconsiderable part of the expenditure of the Canadian railways is attaining no other end than dividing existing traffic.

9. Your Committee is of opinion that unless energetic means be adopted to reduce our National Debt and the income tax, as is rapidly being done in the United States, we will be unable to command the foreign capital absolutely necessary for the development of our natural resources.

10. For those reasons, the scheme mentioned in sub-paragraph (*e*) of paragraph 6 above is strongly recommended to the attention of the government.

11. The merging of the two railway systems for purposes of operation and administration as above will remove or dispense with duplication in railway tracks and rolling stock, in passenger and freight services, in railway stations from the Atlantic to the Pacific, in telegraph, express, and other services, in offices, in accounting and book-keeping, in numerous other special offices and staffs, in administration boards, etc, etc., and thereby and otherwise save an enormous amount of money to the country.

12. On unification of the railways taking place, your Committee recommend that the powers of the Board of Railway Commissioners be increased, if necessary, to secure the safeguarding of the interests of the public.

13. Your Committee is of the opinion that the railway question is one of extreme importance and of the utmost urgency; that the constantly increasing public obligation on railway account is approximately two million dollars per week, and that until this problem is settled in some way which will reduce

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the present enormous expenditure there can be no relief from taxation which is bearing so heavily on all classes, nor can there be any move towards the reduction in rates and fares so essential to the prosperity of every inhabitant of Canada.

All which is respectfully submitted.

W. B. ROSS,
Chairman.

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074927

EXTRACT FROM

The Debates of the Senate

OFFICIAL REPORT

Vol. LX Thursday, June 25, 1925 No. 48

RAILWAY EXPENDITURE

REPORT OF SPECIAL COMMITTEE

Hon. W. B. ROSS moved concurrence in the report of the Special Committee appointed to inquire into and report upon the best means to relieve the country from its heavy railway expenditure.

He said: Honourable gentlemen, all I have to do is to move the adoption of this report. I am sorry that the honourable Senator from Mille Iles (Hon. Mr. David) is not present, as it was he who originated this inquiry.

I do not want to say too much about the report; but I think it will be found to be a valuable one, and that this House owes something to the honourable Senator who originated the Committee. The report is not the report of any one man; every member of the Committee had something to do with it. The attendance of the members of the Committee was wonderfully regular, every member being present, I think, at every meeting. The greatest interest was evinced in the subject that we were investigating, and I think we owe the thanks of this House to the gentlemen who appeared before the Committee for the candid, straightforward evidence which they gave; I think they gave us of their very best. There was a special reason why we should not have their evidence taken down in writing. We knew it was a pretty broad inquiry, and that a man making a statement, thinking it was for publication, which he would do if it were taken down, would fence around his statements with qualifications and limitations which, after all, on the subject that we were dealing with, were not very important in themselves, and probably would have prolonged the inquiry. Further than that, it might have embarassed some of the gentlemen in giving their evidence.

I must say for myself that it was the most satisfactory Commitee of this House that I ever sat upon, and I am in hopes that something important will result from it.

I think it would be wise for this House to keep its hand on this subject, and not allow the matter to drop with the making of this report. We will be here again within a reasonably short space of time, and I think it would be well for the honourable Senator who first moved in this matter to move again, and to keep at it until some solution is found for what is the greatest problem before the people of Canada to-day.

I have much pleasure in moving the adoption of the report.

Hon. Mr. BEIQUE: Honourable gentlemen, I desire to join with the honourable member from Middleton (Hon. W. B. Ross) in commending the action of the honourable member for Mille Iles (Hon. Mr. David). I look upon this question—and I think my feelings are shared by every other member of the Committee—as the greatest question that has agitated the minds of the people of this country. You have only to look at the figures mentioned in the report to see that I am not exaggerating its importance.

If I were consulting only my own personal interest I would not be in favour of this report, because I appreciate very highly being a member of the Board of the C.P.R. I may say that there is nothing material in my life that I appreciate more than that position, and I realize perfectly that if effect is given to the report now presented to the House it will involve my disappearance from that Board. But

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this is a matter of such great importance that all personal considerations must disappear.

I will give some figures which do not appear in the report. The additions to the national obligations of the country for the last five years were nearly $600,000,000, and for the last six years $710,000,000.

Now, the capitalization and bonded indebtedness of the Canadian Pacific Railway Company on the 31st of December, 1924, were as follows: Ordinary stock, $260,000,000; 4 per cent preference stock, $100,148,587.78; or a total of $360,148,587.78. In addition, there was 4 per cent consolidated debenture stock to the amount of $264,244,882.08; 10-year 5 per cent collateral trust gold bonds to the amount of $12,000,000; 20-year 4½ per cent sinking fund secured note certificates amounting to $30,000,000; and mortgage bonds, Algoma Branch first mortgage, 5 per cent, $3,650,000; or a total capitalization of $670,043,469.86. This is on the Canadian Pacific property.

In addition, there are obligations of subsidiary companies which amount to $35,015,000. The figures appear in the report, and might be put in the Minutes, if necessary:

Fixed charges for year ended December 31st, 1924

£200,000	St. Lawrence & Ottawa Ry. First Mortgage Bonds, 4%..	$38,933 34
$2,544,000	Man. S. West. Colzn. Ry. 1st Mortgage Bonds, due June 1st, 1934, 5%..	127,200 00
£4,007,381/15/5	Ontario & Quebec Ry. Debenture Stock, 5%..	975,129 56
$2,000,000	Ontario & Quebec Ry. Ordinary Stock, 6%..	120,000 00
£1,330,000	Atlantic & North West. Ry. 1st Mortgage Bonds, due January 1st, 1937, 5%.. ..	323,633 34
£750,000	Algoma Branch 1st Mortgage Bonds, due July 1st, 1937, 5%..	182,500 00
$500,000	New Brunswick Southern Ry. 1st Mortgage Bonds, due January 1st, 1933, 3%.. ..	15,000 00
$500,000	Lindsay, Bobcaygeon & Pontypool Ry. 1st Mortgage Bonds, due July 1st, 2002, 4%..	20,000 00

Making a total of $35,015,000. Added to the $670,043,469.86, this makes a total of $705,058,000. Apart from that, there are amounts due for rentals of railway, amounting to $1,557,355. So that the whole capitalization, including bonding liability and rentals amounts to a little over $700,000,000.

The report was concurred in.

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26 June 1925

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Mr. Meighen, being asked this afternoon as to whether he was opposed to the recommendation of the Senate Committee respecting the National railways said that he had expressed no opinion on the subject. "I am most anxious" said Mr. Meighen "not to be misquoted. I have made no statement whatever as to the merits of the Senate Committee report. I have merely asked that the public be permitted to judge of the report in the light of the evidence adduced."

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[illegible] 27,430

adduced

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CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

JULY

1925

+ + +

Published by Authority of the Hon. Thos. A. Low, M. P.,
Minister of Trade and Commerce.

+ + +

OTTAWA

1925

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000

FOR THE MONTH OF JULY, 1925

The railways as a whole showed an increase over July, 1924 in gross revenues of $816,017, or 2.2 per cent and in net operating revenues of $2,777,402. July being the first month in 1925 to show an increase over the corresponding month in 1924 in gross revenues. Car loadings indicate that August and September results will be still better. Freight traffic showed only a small increase over July, 1924 traffic but the average receipt per ton mile was larger by 3.5 per cent producing an increase of 4 per cent, or $931,495 in freight revenues. Passenger revenues also showed an increase of $109,921 which is the first increase over the corresponding month in the previous year to be recorded in fifteen months.

Operating expenses were reduced by $1,961,384 or 5.9 per cent, maintenance of way and structures being cut by $1,293,727 or 13.9 per cent, maintenance of equipment, by $53,572, or .8 per cent and transportation expenses by $473,345 or 3.3 per cent. The cut in the total pay roll was $553,061, or 2.7 per cent for a reduction in staff of 9,617 employees, or 5.5 per cent.

On account of the increased track mileage, the traffic density was lighter than in 1924 by a very small margin and principally on account of the lighter grain and coal movements, especially during the forepart of the month, the average train load, (net tons) and car load were lighter than in 1924.

For the seven months, January - July, the net operating revenues were larger than for 1924 by $1,497,628 although the gross revenues were less by 7 per cent.

CANADIAN NATIONAL RAILWAYS- Although gross revenues for July were less than for July, 1924 by $78,455, operating expenses were cut $1,071,499 increasing the net operating revenue by $993,044 and reducing the operating ratio from 98.14 per cent to 92.40 per cent. This was the largest net revenue of any month of the first seven months of 1922 - 1925. Each accounting division of operating expenses showed reductions; maintenance of way and structures showing the greatest reduction, $485,070; transportation expenses being reduced by $405,289 and general expenses by $118,597. The cut in the total pay roll amounted to $424,488 with a reduction in the average number of employees of 7,095.

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The net revenues of the lines in the United States were also larger than a year ago by $346,645. For the seven months, January - July there was little difference in the gross revenues of the lines in the United States but for the Canadian Lines they fell behind by $8,933,974. Operating expenses were cut by $10,289,773 for the Canadian lines and by $1,097,703 for the United States lines or a total of $11,387,476 increasing the net revenues of the entire system by $2,452,605.

CANADIAN PACIFIC RAILWAY- Both freight and passenger traffic showed increases over those of the corresponding month in 1924 for the first time this year. Revenues were also increased by $455,581, or 3.1 per cent. By cutting maintenance of way and structures by $669,820 and holding maintenance of equipment and transportation expenses to practically the 1924 level, the total expenses were reduced by $712,355, or 5.7 per cent, thus increasing the net revenues by $1,167,936.

For the seven months, gross revenues, operating expenses and net revenues were all smaller than in 1924, the decrease in net revenues being $843,951.

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Subject to Revision 3 074934

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000

	1925	1924
PERATING REVENUES		
Freight	$24,275,892.15	$23,344,397.
Passenger	8,360,238.83	8,250,317.
Mail	614,447.53	621,150.2
Express	1,778,135.04	1,899,133.3
Other Freight Train	168.70	652.6
Other Passenger Train	834,986.93	786,146.9
Water Line	354,244.55	285,658.5
All Other	1,611,094.89	1,825,734.92
Total Railway Operating Revenues	37,829,208.62	37,013,191.38
OPERATING EXPENSES		
Maint. of Way and Structures	$8,007,589.71	$9,301,316.72
Maint. of Equipment	6,637,199.27	6,690,771.63
Traffic	1,307,585.11	1,364,359.77
Transportation	14,067,413.26	14,540,758.48
Misc. Operations	544,157.52	503,204.09
General	941,147.07	1,065,516.64
Trans. for Investment	Cr. 93,515.06	92,965.49
Total Railway Operating Expenses	31,411,576.88	33,372,961.84
OPERATING INCOME		
Net Operating Revenue	$5,417,631.74	$3,640,229.54
Railway Tax Accruals	613,775.23	676,290.17
Uncollectable Revenues	15,479.71	369.35
Hire of Equipment	Cr. 17,026.86	Cr. 199,758.81
Joint Facilities Rents	Dr. 108,790.94	Dr. 58,607.41
Operating Income	5,696,612.72	3,104,721.42
OPERATING STATISTICS.		
Average Miles of Road Operated	38,681.73	38,386.24
No. of Tons Carried (Rev.Fr.)	8,312,303	8,090,804
No. of Tons Carried One Mile " "	2,062,696,405	2,053,807,64[illegible]
No. of Tons Carried (All Fr.)	9,913,132	9,652,50[illegible]
No. of Tons Carried One Mile " "	2,428,002,788	2,419,552,86[illegible]
No. of Rev. Pass. Carried	3,973,650	4,279,24[illegible]
No. of Rev. Pass. Carried One Mile	310,272,644	307,825,854
# Freight Train Miles	4,403,528	4,293,932
# Passenger Train Miles	4,452,914	4,401,434
Total Train Miles- (Rev. & Non Rev.)	9,241,716	9,246,399
Freight Car Miles-Loaded	105,248,000	97,848,568
Freight Car Miles-Empty	50,463,474	52,348,730
Passenger Train Car Miles	33,586,071	32,761,267
Total Amount of Pay Roll	$19,918,141.53	$20,471,203.42
Number of Employees	166,077	175,694
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$31.55	$31.10
Operating Expenses	$26.20	$28.05
No. of Tons Moved One Mile (Rev.Fr.)	1,720	1,726
No. of Tons Moved One Mile (All Fr.)	2,025	2,033
No. of Rev. Pass. Carried One Mile	259	259
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.51	$5.44
No. of Tons of Freight (Rev.Fr.)	468.4	478.3
No. of Tons of Freight (All Fr.)	551.4	563.5
Loaded Freight Cars	23.9	22.8
Empty Freight Cars	11.5	12.2
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.60	$2.63
Passengers Carried	69.7	69.9
Passenger Cars	7.5	7.4
Average Operating Expenses per Train Mile	$3.40	$3.61
Average Length of Haul (Rev.Fr.) Miles	248.1	253.8
Average Passenger Journey Miles	78.1	71.9
Average Tons per Loaded Fr. Car	23.1	24.7
Av. Fr. Receipt per Rev. Ton Mile	1.177¢	1.13[illegible]
Av. Passenger Receipt per Pass. per Mile	2.694¢	2.680¢
Ratio of Pay Roll to Operating Revenues	52.7%	55.3%
Ratio of Pay Roll to Operating Expenses	63.4%	61.3%
Ratio of Operating Expenses to Revenues	83.04%	90.17%

Contains a proportion of mixed train miles.

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Subject to Revision

074935

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of July, 1925.

	1925	1924
OPERATING REVENUES		
Freight	$11,339,756.24	$11,464,232.94
Passenger	3,643,960.07	3,528,569.65
Mail	265,779.74	271,994.83
Express	1,159,466.69	1,243,761.84
Other Freight Train	-	-
Other Passenger Train	316,271.60	307,260.68
Water Line	-	-
All Other	614,849.85	602,719.27
Total Railway Operating Revenues	17,340,084.19	17,418,539.21
OPERATING EXPENSES		
Maint. of Way and Structures	$4,287,640.64	$4,772,711.38
Maint. of Equipment	3,430,681.24	3,460,602.07
Traffic	528,972.22	547,220.46
Transportation	7,145,184.68	7,550,474.17
Misc. Operations	208,512.51	212,712.01
General "	512,892.00	631,489.11
Trans. for Investment	Cr. 91,162.05	Cr. 80,988.37
Total Railway Operating Expenses	16,022,721.24	17,094,220.83
OPERATING INCOME		
Net Operating Revenue	$1,317,362.95	$ 324,318.38
Railway Tax Accruals	229,838.26	295,485.94
Uncollectable Revenues	15,276.29	274.61
Hire of Equipment	Cr. 227,209.60	Cr. 298,112.32
Joint Facilities Rents	Cr. 34,760.75	Cr. 30,280.04
Operating Income	1,334,218.75	356,950.19
OPERATING STATISTICS		
Average Miles of Road Operated	20,556.37	20,548.78
No. of Tons Carried (Rev.Fr.)	3,430,375	3,364,671
No. of Tons Carried One Mile " "	1,007,320,158	1,043,822,258
No. of Tons Carried (All Fr.)	4,208,182	4,129,543
No. of Tons Carried One Mile " "	1,172,289,574	1,210,479,627
No. of Revenue Pass. Carried	1,964,957	2,148,406
No. of Rev.Pass. Carried One Mile	132,245,890	135,253,005
#Freight Train Miles	2,115,486	2,203,459
#Passenger Train Miles	2,003,417	2,014,912
Total Train Miles (Rev.& Non Rev.)	4,345,270	4,574,180
Freight Car Miles-Loaded	50,978,635	49,814,349
Freight Car Miles-Empty	24,599,115	29,160,994
Passenger Train Car Miles	15,179,571	14,830,890
Total Amount of Pay Roll	$10,855,228	$11,279,716
Number of Employees	91,164	98,259
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$27.21	$27.34
Operating Expenses	$25.14	$26.84
No. of Tons Moved One Mile (Rev.Fr.)	1,581	1,639
No. of Tons Moved One Mile (All Fr.)	1,840	1,900
No. of Rev.Pass. Carried One Mile	208	212
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.36	$5.29
No. of Tons of Freight (Rev.Fr.)	476.2	473.7
No. of Tons of Freight (All Fr.)	554.1	549.4
Loaded Freight Cars	24.1	22.6
Empty Freight Cars	11.6	13.2
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.69	$2.66
Passengers Carried	66.0	67.1
Passenger Cars	7.6	7.4
Average Operating Expenses per Train Mile	$3.69	$3.74
Average Length of Haul (Rev.Fr.) Miles	293.6	310.2
Average Passenger Journey Miles	67.3	63.0
Average Tons per Loaded Freight Car	23.0	24.3
Av.Fr.Receipt per Rev.Ton Mile	1.126¢	1.098¢
Av. Passenger Receipt per Pass. per Mile	2.755¢	2.609¢
Ratio of Pay Roll to Operating Revenues	62.6%	64.8%
Ratio of Pay Roll to Operating Expenses	67.7%	66.0%
Ratio of Operating Expenses to Revenues	92.40%	98.14%

Contains a proportion of mixed train miles.

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PUBLIC ARCHIVES
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CANADA

Subject to Revision

074936

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of July, 1925

		1925	1924
OPERATING REVENUES			
Freight		$9,341,046.79	$8,721,879.91
Passenger		3,515,215.27	3,510,487.91
Mail		298,390.72	299,374.90
Express		518,730.20	547,348.07
Other Freight Train		133.45	294.31
Other Passenger Train		496,505.18	459,394.73
Water Line		310,949.33	264,432.60
All Other		824,565.81	1,046,743.05
Total Railway Operating Revenues		15,305,536.75	14,849,955.54
OPERATING EXPENSES			
Maint. of Way and Structures		$2,723,624.76	$3,393,445.07
Maint. of Equipment		2,468,488.66	2,481,384.03
Traffic		691,080.66	739,472.45
Transportation		5,351,845.24	5,368,121.56
Misc. Operations		281,628.45	238,700.91
General		281,816.12	289,715.38
Trans. for Investment	Cr.	-	-
Total Railway Operating Expenses		11,798,483.89	12,510,839.34
OPERATING INCOME			
Net Operating Revenue		$3,507,052.86	$2,339,116.20
Railway Tax Accruals		277,788.54	269,274.37
Uncollectable Revenues		-	-
Hire of Equipment	Cr.	131,116.30	Cr.221,827.33
Joint Facilities Rents	Cr.	28,494.84	Cr. 47,892.58
Operating Income		3,388,875.46	2,339,561.74
OPERATING STATISTICS			
Average Miles of Road Operated		13,633.6	13,386.1
No. of Tons Carried (Rev.Fr.)		2,519,640	2,366,847
No. of Tons Carried One Mile " "		790,490,847	776,718,296
No. of Tons Carried (All Fr.)		3,217,517	3,061,253
No. of Tons Carried One Mile " "		982,588,913	968,769,060
No. of Revenue Passengers Carried		1,360,994	1,429,778
No. of Rev.Pass. Carried One Mile		139,461,546	134,829,794
#Freight Train Miles		1,741,062	1,572,379
#Passenger Train Miles		1,938,744	1,875,004
Total Train Miles (Rev.& Non Rev.)		3,784,822	3,596,636
Freight Car Miles-Loaded		40,537,221	35,789,824
Freight Car Miles-Empty		17,788,304	15,508,679
Passenger Train Car Miles		14,733,145	14,328,666
Total Amount of Pay Roll		$7,328,561.82	$7,448,462.27
Number of Employees		61,175	63,474
DAILY AVERAGES PER MILE OF ROAD OPERATED			
Operating Revenue		$36.21	$35.79
Operating Expenses		$27.91	$30.15
No. of Tons Moved One Mile (Rev.Fr.)		1,870	1,872
No. of Tons Moved One Mile (All Fr.)		2,325	2,337
No. of Rev.Pass. Carried One Mile		330	325
#AVERAGES PER FREIGHT TRAIN MILE			
Freight Revenue		$5.37	$5.55
No. of Tons of Freight (Rev.Fr.)		454.0	494.0
No. of Tons of Freight (All Fr.)		564.4	616.1
Loaded Freight Cars		23.3	22.8
Empty Freight Cars		10.2	9.9
#AVERAGES PER PASSENGER TRAIN MILE			
Passenger Train Revenues		$2.49	$2.57
Passengers Carried		71.9	71.9
Passenger Cars		7.6	7.6
Average Operating Expenses per Train Mile		$3.12	$3.48
Average Length of Haul (Rev.Fr.)	Miles	314	328
Average Passenger Journey	Miles	102	94.3
Average Tons per Loaded Fr. Car		24.2	27.1
Av. Fr. Receipt per Rev.Ton Mile		1.182¢	1.123¢
Av. Passenger Receipt per Pass. per Mile		2.521¢	2.604¢
Ratio of Pay Roll to Operating Revenues		47.9%	50.2%
Ratio of Pay Roll to Operating Expenses		62.1%	59.5%
Ratio of Operating Expenses to Revenues		77.09%	84.25%

Contains a proportion of mixed train miles.

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CANADIAN NATIONAL SYSTEM

(Steam Lines in Canada & United States)

For the Month of July, 1925 - 1924

OPERATING REVENUES

	1925	1924
Canadian Lines	$17,340,084.19	$17,418,539.21
Duluth, Winnipeg & Pacific	136,855.00	130,267.00
Grand Trunk Western Lines	2,697,332.00	2,282,370.00
New England Lines	196,342.81	155,493.79
Total	20,370,614.00	19,986,670.00

OPERATING EXPENSES

Canadian Lines	$16,022,721.24	$17,094,220.83
Duluth, Winnipeg & Pacific	156,576.45	149,975.41
Grand Trunk Western Lines	2,055,277.41	1,958,749.79
New England Lines	211,097.99	198,473.02
Total	18,445,673.09	19,401,419.05

NET OPERATING REVENUES

Canadian Lines	$1,317,362.95	$ 324,318.38
Duluth, Winnipeg & Pacific	Dr. 19,721.45	Dr. 19,708.41
Grand Trunk Western Lines	642,054.59	323,620.21
New England Lines	Dr. 14,755.18	Dr. 42,979.23
Total	1,924,940.91	585,250.95

OPERATING INCOME

Canadian Lines	$1,334,218.75	$ 356,950.19
Duluth, Winnipeg & Pacific	Dr. 19,665.16	Dr. 24,678.62
Grand Trunk Western Lines	262,723.85	90,136.36
New England Lines	Dr. 83,159.91	Dr. 110,492.11
Total	1,494,117.53	131,643.10

SUMMARY

Seven Months Ended July 31st.

	1925	1924
ALL RAILWAYS		
Operating Revenues	$229,216,231.97	$247,498,737.95
Operating Expenses	207,459,696.04	227,239,830.53
Net Operating Revenues	21,756,535.93	20,258,907.42
Operating Income	18,342,439.33	17,499,536.52
CANADIAN NATIONAL RAILWAYS		
Operating Revenues-Canadian Lines	$105,547,578.24	$114,481,552.22
United States Lines	20,366,778.76	20,367,675.78
Total	125,914,357.00	134,849,228.00
Operating Expenses-Canadian Lines	$103,878,009.51	$114,167,782.95
United States Lines	16,369,060.75	17,466,764.16
Total	120,247,070.26	131,634,547.11
Net Operating Revenue-Canadian Lines	$ 1,669,568.73	$ 313,769.27
United States Lines	3,997,718.01	2,900,911.62
Total	5,667,286.74	3,214,680.89
Operating Income - Canadian Lines	$2,362,314.52	$ 775,872.34
United States Lines	668,133.47	Dr. 613,271.57
Total	3,030,447.99	162,600.77
CANADIAN PACIFIC RAILWAY		
Operating Revenues	$89,705,380.71	$98,187,778.17
Operating Expenses	78,640,655.91	86,279,102.01
Net Operating Revenues	11,064,724.80	11,908,676.16
Operating Income	11,186,521.51	12,729,646.40

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Sir Henry Drayton July 1925

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THE RAILWAYS

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The country's most serious problem consists of the railways - of railway duplication - of lines built for in advance of the requirements of the country.

It is ridiculous to blame the Liberal Conservative party for the present situation. That party did not authorise the wasteful and unnecessary construction that has taken place; did not give the guarantees that made the country liable for the wildest railway exploitation the world has ever seen.

The Liberal Conservative party was responsible for the construction of the Canadian Pacific. That line has been and is a great success. Not only has it not been, and is not now, a charge on the public but it has been and still is the largest Canadian taxpayer.

The former Liberal administration built the National Transcontinental and guaranteed the bonds of the Grand Trunk Pacific. Not content with this grandiose undertaking the Liberal administration brought into being a third transcontinental, the Canadian Northern, and guaranteed the bonds for its construction with the exception of the line in British Columbia which was guaranteed by that province. The railway duplication was expensive, criminal, stupid in the extreme. Certain sections of the country found themselves with three lines with only enough business for one and other sections were left largely unprovided. The most expensive railway construction is in mountain districts with the many necessary bridges, tunnels, fills and cuts, but nevertheless under the former Liberal administration at great expense the Grand Trunk Pacific and Canadian Northern railways were built practically side by side through the mountain ranges of Alberta ~~xxx~~ and British Columbia.

The country went on a wild spree of railway exploitation, of railway construction, made without the slightest regard whether the lines were necess or not; whether they could pay or not and without the slightest regard to t resultant burdens on the country. The country today is paying for it.

This era of exploitation is referred to by Liberals as the gol era of prosperity and expansion. Well gold flowed all right but it wa not our own. The millions of railway bonds endorsed by the Governme

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sold all right. The liability for it all was never considered. Perhaps the most extraordinary thing, however, is to find the King Government doing the same thing to-day as that Government by endorsing the bonds of the country's railways in the fiscal years ending March 31st, 1924, and 1925, for railway purposes other than the payment of former obligations to the extent of $118,000,000 without recognising the liability and showing it in the debt. In the days of this exploitation of our country's credit there was work for everybody. A false prosperity was engendered. Why during the ten year period when these lines were constructed ending with 1913 Canadian purchases from the United States exceeded the total of the United States purchases in Canada by the enormous sum of $1,506,950,513 and yet some people wonder why we owe so much to that country and that so many of our resources are owned by its citizens. If you choose to mortgage your farm sufficiently why you can buy automobiles and live like a fighting cock but only so long as the borrowed money lasts when your lot will be hard and bitter and you will be lucky if you don't lose the farm altogether. Don't do too much grumbling about the railways. You have had your good time, fictitious as we all now know it was and it has to be paid for - but remember, always remember who was responsible for it.

Reference has been made to the Canadian Northern line in British Columbia guaranteed by that province and running to Vancouver while the line guaranteed by the Dominion Liberal administration runs to Prince Rupert. Both lines converge from their common ground the Yellowhead Pass. Both are operated by the National Railway system but the distance to Prince Rupert is some 200 miles further than to Vancouver. The following figures given by the King Government during the past session eloquently show the respective usefulness of these two lines from the Pass to the Pacific Ocean. The figures are:

	1923	1924
Tons of freight carried to Vancouver	336,501	672,942
" " " Prince Rupert	33,052	26,257
" " " from Vancouver	104,084	84,906
" " " Prince Rupert	27,516	18,645

The systems became insolvent and were taken over under Liberal Conservative administration. The country was at war. At all costs it had

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to fully function - function everywhere - production both of good-stuffs and munitions were absolutely necessary to the fullest extent of our capacity.

Nothing else could be done. In any event the usual receivership would have served no useful purpose as the Dominion and the provinces were liable for almost everything under their guarantees.

It is true that members of the King administration attacked the action taken by the Conservatives when they were in opposition but it is significant that their railway appointee Sir Henry Thornton had said and more than once that there was nothing else that could have been done, and Mr. Jacobs, M.P., a supporter of the Government and a former bitter opponent of theacquisition of the railways is reported in Hansard as follows:

> "eventually these lines (the present National System) would have had to be taken over and be amalgamated, as they were. I may say frankly that at the time it was done I was rather violently opposed to it, but I have come to believe that there was nothing else for the country to do than to take them over."

To-day no one properly familiar with the situation can honestly say the country was not obliged to take over and operate the systems including the Grand Trunk which was liable for the great load of the Grand Trunk Pacific.

But the burden was heavy, very heavy. Many of the lines were either poorly constructed or had gone very largely out of repaid and a railway does this very quickly. Much work had to be done at a time when all costs were high. The work included much that was practically reconstruction + facilities for the co-ordination of the different systems into one. Rolling stock also had to be obtained. The work was practically finished, cleaned up and paid for by the fiscal year ending March 31st, 1922.

The former Government supplied the money not by endorsing the systems' obligations but in cash as follows:

1919	$ 94,081,637.
1920	45,700,690.
1921	109,662,655.
1922	97,950,645.
Total	347,475,627.

This is an enormous sum but the work was inescapable. Its completion resulted in as good a working system as could be devised. Again

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there is no doubt but that the outgoing administration left the King Government a national railway system operated at a high mark of efficiency and in an exceptional position to meet the transportation requirements of the country.

As to this there is again no room for argument. Sir Henry Thornton, a stranger to Canada, came here in October, 1922. The first thing he did was to acquaint himself with the property he was to administer and very naturally he went over all the lines now embraced in one system. In April, 1923, he makes and signs his first report on the railways. That official report reads as follows:

> "The report of the previous Board of Directors for the year 1921 was in the nature of a three-year survey of the operations and development of these lines as a government owned system. 1922 completes the four-year period of united management of the former Canadian Government railways and the Canadian Northern railway system. The operations of the Grand Trunk Pacific, while only under complete co-ordination since October, 1920, or two and a quarter years, have been included for the full period for comparative purposes.
>
> During the period the Government has provided large sums of money for the physical improvement of these properties, for co-ordination facilities, for additional rolling stock and for branch line construction.
>
> On behalf of the board, I would like to state that after inspection of the main arteries of the system, we find that the work undertaken has been well performed, and that the expenditures on a system of such extent in a growing country, as the former board stated, are never ending, yet it may now be said that the three groups of lines, until recently the Canadian National railways, enter the consolidation in excellent physical condition and operating at a high mark of efficiency as regards actual performance or movement of traffic and other factors controllable by management.
>
> Apart from certain well-known cases of duplication, the lines are well located and in exception position to successfully perform the transportation demands of the country."

No room for debate in left: the evidence is conclusive. Sir Henry Thornton simply gave the facts - easy to be established - the withholding or the distortion of which would have been both foolish, dishonest and unfair to a degree.

Well, what have the Government done with this great public trust so unfortunately for the country placed in their weak and wobbly hands? What have they done to ensure proper administration and economy?

Putting it another way, what more could they have done and kept out of jail, towards breaking our credit and disgusting our ratepayers

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with the whole enterprise?

Breaking up as they did the old organization they appoint a new board - not a single new appointee of which, except Sir Henry Thornton himself, knew anything about railways. They discharge old directors well versed in finance, knowing the value of the dollar, the country's financial position and its business requirements. These men who carried out their high trust efficiently and well, against whose honour and integrity not one word has been said to make room for men whose sole qualification was political service - their usefulness in this ward or in that - their pull here or their pull there. The country's greatest assets must be placed in the hands of the Goughs, Dawsons and Talbots. Although Mr. Gough's knowledge of high finance was illustrated by his having deposited in the Home Bank one million dollars of the railway's funds just prior to the Bank's last annual meeting to be withdrawn some three days after it has served its purpose, his financial ability and his knowledge of the affairs of that Bank, vice-president as he was, was so little that his conviction for making false returns to the Department of Finance was set aside.

But it is to political hacks of this kidney that the King Government think proper to entrust the greatest railway in the world. The result is just what reasonably must have been expected. The wildest extravagance on the one hand and suicidal competition with the Canadian Pacific on the other. Equipment de luxe, $44,000,000, spent in two short years for equipment alone. Radio services. Golf courses. Extragagant and unnecessary purchases of real estate. Political branch lines; the leasing of unremunerative lines and advertising here, there, anywhere, everywhere. Anything, everything that would add to our enormous railway investment and indefinitely postpone the day when deficits might well have become but a disagreeable memory. The railway directors had a plain duty - to keep down all new ventures and refrain from additions to the enormous capital overhead; to serve the transportation demands of the country with the splendid system placed at their disposal to consolidate it rather than to increase it. In other words their plain duty was to the Canaidna taxpayer.

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But all this is foreign to men unacquainted with financial responsibility - men who cannot appreciate that the money of the complaisant government is really public money - money wrung out of a people harrassed by high taxation and that it cannot be squandered without loss to everyone except the immediate beneficiaries and without bringing in its trail business stagnation and unemployment.

Have they spent money? Well this precious directorate as the Government admitted during the last session, have managed to add to the debt of the system in the year 1923, $116,033,186 and in the year 1924, $118,165,656. For two years then they add $234,198,842 to our systems' obligations and add that great sum to the load already with difficulty carried by the long-suffering Canadian ratepayer.

$234,000,000 - what an enormous sum - is it any wonder that many thousand Canadians leave Canada and many find difficulty in carrying on. Let us try and visualize the extend of this crime against the country. let us take the net debt of Canada and go right back as far as 1872, thus covering periods of expansion, of construction of public buildings, wharves, canals and other national facilities and run from there down to 1913 the last year before we ran into war obligations. Well in 1872 the country's debt was $82,187,072. in 1913 the debt amounted to $314,301,685. During this period there were many complaints of political extravagance in the conduct of public business, in the civil service, and in unnecessary construction of public buildings, wharves and the like. Nevertheless in this 41 years of growth when our national plant so to speak was largely constructed the politicians only added $232,114,553 to the public debt while the Government's railway appointees in two short years add $234,198,842 to the railway obligations - to the railway debt. What cheap pikers Sir John A. Macdonald and Sir Wilfrid Laurier must appear to Mackenzie King and his railway friends!

But the management has no proper conception of the value of money. Large, very large salaries are paid - the higher up officials are well looked after and increasingly so. A single illustration will suffice. In 1924 with the effect of the King Government fiscal policies in full swy we had a bad year. The revenue freight tonnage carried by the system fell off 4,749,724 tons resulting in a loss in the haul of revenue freight of 1,613,998,426 ton miles. With this large contraction in

business many...

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business many employees were laid off. As a result $8,529,974 less wages were paid.

One would naturally expect similar reductions to be made in the services higher up - that the different items covering the cost of superintendence would come down. This assumption is rash and can only be made by those ignorant of the management. As a matter of fact the cost of superintendence increased by the sum of $550,000 as the accounts tabled in the House show. Yes these high up get $550,000 more while the workers' pay-roll is cut $8,529,974 and thousands lose all employment.

The first and most pressing matter the incoming Liberal Conservative administration can address themselves to is this very railway question. The national system is too great and big to be anyone's plaything. It must be run economically, freed from political considerations by a Board knowing the necessities of the country and fully appreciating that further addition to our railway debt mean the ultimate destruction of the system or worse. It can no longer be so operated as to be the millstone around the neck of Canada.

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Rep Hon

O.H. 494 Robertson July 1925

Capital	Can. Natl. By Govt. loans, etc.		$ 560,397,957.00
	" " Held by public		913,913,082.00
			1,474,311,039.00
Capital	Can. Pac. Ry.		849,192,000.00
Total capital both Rys			$ 2,323,503,039.00 - to N.B.

Note: Of the 913 million held by public 652 million are guaranteed by Federal or Provincial governments 560 - 652 - 1,212 millions.

Fixed charges are. Annual int. due Govt.	C.N.	$ 31,271,042.00
" " " Public	"	30,361,704.00
" " " "	C.P.R.	14,070,286.00
Total interest account		$ 83,703,033.00
Plus C.P.R. dividends on stock investment		29,857,074.00
Total annual charge against properties or less than 5% on the capital invested in the property.		113,560,107.00

What does it earn?

Gross earnings, Canadian National system year 1924	$ 235,568,182.00
" " " Pacific " " 1924	182,502,156.00
Total gross earnings both lines	418,090,338.00

WHAT were Operating costs?

Operating Expenses Canadian National, 1924	$ 318,343,931.00
" " " Pacific 1924	145,274,914.00
Total operating cost, both lines	$ 463,618,845.00
Plus fixed charges C.N.R.	69,632,747.00
" " " C.P.R.	14,070,286.00
" shareholders dividends, C.P.R.	29,857,074.00
Total operating and interests costs	$ 477,178,952.00
" gross revenues	418,090,338.00
Net deficit all lines for 1924	$ 61,088,614.00
" " if no C.P. dividends paid	29,231,540

Is it any wonder the Canadian people are deeply concerned?

Do revenues increase or decrease? What should they do?

Normal expansion as before the war, Why not?

What was 1924 result?

Gross earnings decreased by $ 20,961,000 pagr. 5 million

Operating expenses decreased 28,044,000. frt. 23 "

Where was the big loss? Ans. 6,826,322 less tons of freight.

The average freight haul in 1924 was 328 miles and 1500 tons was the average tons per train. The decrease in freight carried was therefore 17,100 trains a distance of 100 miles. The railways show that out of each dollar of operating expense 28.26 cts. goes for labor. Who then suffers?

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The wage loss due to decline in traffic was therefore $16,538,534. Dominion Bureau of Statistics show 9169 less men Dec. 24 as compared with Dec. 23, or an average loss to each of $1782.00 for the year.

REVENUE FOR 5 MONTHS THIS YEAR IS FOURTEEN MILLION BELOW LAST YEAR? IF THE ORDINARY CITIZEN INTERESTED HOW MUCH MORE IS THE RAILWAY EMPLOYEE.

Analyze Freight Question Further.

Total freight tonnage handled 1923	C.N.R.	57,248,538	tons
" " " " 1923	C.P.R.	30,852,994	"
	Total	88,101,332	tons
" " " " 1924	C.N.R.	52,498,614	"
" " " " 1924	C.P.R.	28,776,386	"
	Total	81,275,000	"
Decrease 7.7% or		6,826,332	"

C.N.R. loss was 4,749,724 tons
C.P.R. " " 2,077,608 "

In what lines of freight did these losses occur?

We are told almost all in grain. Was it?

C.N.R. classification as follows,	Wheat,	691,000	tons
	Coal	2,012,000	"
	Iron ore	287,000	"
	Coke	61,000	"
	Pig iron & ingots	222,000	"
	Castings, machinery & boilers	255,000	"
	Lumber	561,000	"
C.P.R. not classified	Genl. Mfgrd. goods	675,000	"

No doubt similar

Thus it is shown clearly that a decrease of 7.7% in freight traffic caused our transportation companies a loss of 30 million in revenues, the employees engaged therein 16½ millions in wages and 9169 men the loss of their employment. If that ~~xx~~ be the loss to the transportation companies and their employees, what must the loss have been to the thousands of manufacturing concerns and their hundreds of thousands of workmen who decreased the product of their plant and labor by nearly seven million tons of goods last year which decline has continued this year to date?

Will anyone contend that the railway problem is not serious? If that is admitted who will deny that our national problems are not correspondingly so, as the railways but transport the nation's commerce. Why cannot more traffic be developed? Canada has 40,000 miles of railway serving 8½ million people, or one mile of line to every 221 people. The U.S.A. has 456 people producing traffic for every mile of railway in that country; England has

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over 1500. Roughly a half a million people have emigrated from Canada in three years. To add to our transportation troubles the Government has overridden the Board of Railway Commissioners' Order and compelled our railways to carry grain on the prairies 20% below the rates prevailing on American lines in the same territory causing a loss of $25,000,000 to our railways in earnings in 1925 when the incident occurred, and which reduction has now been confirmed by Parliament so far as grain is concerned. Cost of operation of railways greater in Canada while rates are lower. Inevitably there must be an expansion of business and an increase in traffic handled or the drastic curtailment in operating expenses of both roads with the consequent loss of millions in money and unemployment of more thousands will go on.

Increased traffic flowing from national development in commerce and population thus making the railways supporting is our only salvation. Continued decline in traffic and population spells disaster for Canada.

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074948 29/8/25

Rhodes:

vanishing resonance immorality lightness obliterated

You will receive important letter Monday. Observe

subscription Cowslip atoning Continuacy appended

very strictest confidence re author and contents. Advise you

accountability sarcasm inquisition

act on same immediately.

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074949

Ottawa, Ont., 31st August, 1925.

CONFIDENTIAL

Dear Mr. Rhodes,

The following is clear copy of telegram sent you, and which you were unable to decipher:

"You will receive important letter Monday. Observe very strictest confidence author and contents. Advise you act on same immediately."

Mr. Meighen does not like sending another wire. The numbers we used were plus 723, minus 107, plus 91.

Yours faithfully,

Private Secretary

The Honourable

E.N.Rhodes, M.L.A.

Premier of Nova Scotia,

Halifax, N.S.

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074950

1.10 p.m.

Mr. Merriam:

Mr. Meighen 'phoned to say to use night rate on the code message to Mr. Rhodes.

H.

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CANADA

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

Form 6122
Replacing Form 1-TU

CANADIAN NATIONAL TELEGRAM

HEAD OFFICE, TORONTO, ONT. W. G. BARBER, General Manager

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

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HALIFAX NS 31 551 P

RT HON ARTHUR MEIGHEN 552

OTTAWA ONT

OVERLOOK MY PREVIOUS TELEGRAM STOP BELIEVE HAVE SUCCESSFULLY DECODED YOUR TELEGRAM STOP WILL ACT PROMPTLY

E N RHODES.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

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CANADIAN NATIONAL TELEGRAM

TELEGRAPH CANADIAN NATIONAL AND CABLE

1925 AUG 7 PM 1 27

Form Replacing

Exclusive Connection with WESTERN UNION TELEGRAPH CO.
Cable Service to all the World
Money Transferred by Telegraph

HEAD OFFICE, TORONTO, ONT. W. G. BARBER, General Manager

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HALIFAX NS 31 218 P

321

HON ARTHUR MEIGHEN

OTTAWA ONT

YOUR CODE TELEGRAM UNDECIPHERABLE STOP SENDER MUST HAVE USED WRONG NUMBERS

E N RHODES.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

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CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

SEPTEMBER

1925

Published by Authority of the Hon. J. A. Robb, M. P.,
Acting Minister of Trade and Commerce.

OTTAWA

1925

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074954

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000.

FOR THE MONTH OF SEPTEMBER, 1925

The larger grain crop and the earlier harvest this year compared with 1924 were the main factors in the big increase in freight traffic. Car loadings of grain and grain products in the west reached the high record of 19,234 cars for the week ended September 26 whereas the peak in 1924 was 14,736 cars for the week ended November 1. The increase in revenue freight of the railways as a whole was 55.7 per cent and freight revenues increased by $6,652,683, or 27.1 per cent. The smaller per cent of increase in revenues was due to the low freight rate on grain which reduced the average receipts per ton mile to .940 cent as against 1.199 cents last year and 1.282 cents for last August. Passenger revenues showed an increase of $478,847, or 6.7 per cent for an increase in passenger miles of 16 per cent and a slight reduction in the number of persons travelling. Total revenues were greater by $6,977,635, or 18.9 per cent and with operating revenues increasing only $2,993,033, net revenues increased $3,984,602.

The total pay roll was heavier by $994,085 and the average number of employees was increased 2,032.

The average load per train increased from 536.7 net tons to 647.6 tons but the average earnings per train mile were slightly less.

For the first nine months of the year net revenues for 1925 show an increase over 1924 of $8,873.297.

CANADIAN NATIONAL RAILWAYS: Net operating revenues were increased $1,691,309 over those of September 1924 by the greatly increased traffic. Freight traffic was heavier by 46.6 per cent and passenger traffic by 10.3 per cent, boosting the freight receipts $2,680,088, or 23.8 per cent, passenger revenues $73,367, or 2.4 per cent and total revenues $3,066,271, or 18.7 per cent. Operating expenses were increased by $1,374,962, or 9.2 per cent. The number of employees was increased 944 and the pay roll was larger by $479,156.

Although the average train load was 596.6 revenue tons as against 503.3 tons for September 1924 on account of the greater proportion of freight being low rate (grain), the average earnings per train mile were practically unchanged. Passenger train revenues per train mile showed an increase of 11 cents with an increase of 6.3 passengers per train. The heavier grain traffic was largely responsible for the increase in the average haul and in the reduction in the average receipts per ton mile which declined from 1.063 cents to .898 cent, or 15 per cent.

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CANADA

074955

The lines in the United States also showed improvements in net revenues, making the increase for the system $1,792,614.

For the nine months the Canadian lines show a decrease in gross revenues but the United States lines show increases in net revenues, the total net revenues being greater by $6,249,942.

CANADIAN PACIFIC RAILWAY: Freight traffic for September showed the remarkable increase over that of September, 1924 of 85.6 per cent, the much earlier harvest and also the larger crop being the chief causes. Freight revenues were greater by $3,715,720, or 38.0 per cent. Passenger traffic also showed a substantial increase of 20.7 per cent producing an increase in revenues of $265,057, or 9 per cent, total gross revenues being greater by $3,533,142. Operating expenses were heavier by $1,689,544, or 15.5 per cent, the large increase being $977,240 in maintenance of equipment. Net revenues were increased by $1,843,597 and the operating ratio was reduced from 70.38 per cent in 1924 to 66.18 per cent. The traffic density was greatly increased, the train loading was heavier by 158.5 net tons and 5.2 cars, but the revenue per train mile was less by 16 cents.

For January - September gross revenues show a decline of $3,812,042 but net revenues show an improvement of $2,047,337.

25/11/25

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

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Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000.
For the Month of September, 1925.

	1925	1924
OPERATING REVENUES		
Freight	$31,191,464.28	$24,538,781.26
Passenger	7,622,752.84	7,143,905.65
Mail	611,194.37	603,119.03
Express	1,803,745.32	1,729,816.94
Other Freight Train	287.19	362.44
Other Passenger Train	741,116.69	687,075.24
Water Line	343,359.61	288,812.42
All Other	1,556,042.37	1,900,453.73
Total Railway Operating Revenues	43,869,962.67	36,892,326.71
OPERATING EXPENSES		
Maint. of Way and Structures	$6,616,396.78	$6,223,033.78
Maint. of Equipment	7,660,290.94	6,006,571.01
Traffic	1,360,685.68	1,274,565.25
Transportation	15,352,045.99	14,488,169.57
Misc. Operations	456,798.96	457,811.76
General	962,469.36	988,166.44
Trans. for Investment	Cr. 76,340.73	Cr. 99,004.59
Total Railway Operating Expenses	32,332,346.92	29,339,313.22
OPERATING INCOME		
Net Operating Revenue	$11,537,615.75	$7,553,013.49
Railway Tax Accruals	714,903.24	676,378.46
Uncollectable Revenues	541.89	3,700.09
Hire of Equipment	Dr. 119,900.48	Cr.103,423.10
Joint Facilities Rents	Dr. 101,144.42	Dr.125,832.47
Operating Income	10,601,125.72	6,850,525.57
OPERATING STATISTICS		
Average Miles of Road Operated	38,901.93	38,325.29
No. of Tons Carried (Rev.Fr.)	10,144,050	8,589,784
No. of Tons Carried One Mile " "	3,316,927,458	2,129,971,914
No. of Tons Carried (All Fr.)	11,715,861	9,843,112
No. of Tons Carried One Mile " "	3,692,177,011	2,370,778,843
No. of Rev. Pass. Carried	3,448,906	3,488,617
No. of Rev. Pass. Carried One Mile	283,122,321	244,113,274
# Freight Train Miles	5,701,001	4,417,150
# Passenger Train Miles	4,030,105	3,988,881
Total Train Miles (Rev. & Non Rev.)	10,030,299	8,764,616
Freight Car Miles-Loaded	140,647,553	103,148,409
Freight Car Miles-Empty	74,498,762	42,259,879
Passenger Train Car Miles	30,787,915	29,663,287
Total Amount of Pay Roll	$19,772,147.20	$18,778,061.51
Number of Employees	161,850	159,818
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$37.59	$32.09
Operating Expenses	$27.70	$25.52
No. of Tons Moved One Mile (Rev.Fr.)	2,842	1,853
No. of Tons Moved One Mile (All Fr.)	3,164	2,062
No. of Rev. Pass. Carried One Mile	243	212
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.47	$5.56
No. of Tons of Freight (Rev.Fr.)	581.8	482.2
No. of Tons of Freight (All Fr.)	647.6	536.7
Loaded Freight Cars	24.7	23.4
Empty Freight Cars	13.1	9.6
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.67	$2.55
Passengers Carried	70.3	61.2
Passenger Cars	7.6	7.4
Average Operating Expenses per Train Mile	$3.22	$3.35
Average Length of Haul (Rev.Fr.) Miles	327.0	248.0
Average Passenger Journey Miles	82.1	70.0
Average Tons per Loaded Fr. Car	26.3	23.0
Av. Fr. Receipt per Rev. Ton Mile	.940¢	1.199¢
Av. Passenger Receipt per Pass. per Mile	2.692¢	2.926¢
Ratio of Pay Roll to Operating Revenues	45.1%	50.9%
Ratio of Pay Roll to Operating Expenses	61.2%	64.0%
Ratio of Operating Expenses to Revenues	73.70%	79.53%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Subject to Revision

074957

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of September, 1925.

	1925	1924
OPERATING REVENUES		
Freight	$13,928,371.44	$11,248,282.71
Passenger	3,189,814.39	3,116,447.29
Mail	268,872.82	262,378.58
Express	1,155,610.85	1,105,371.39
Other Freight Train	--	--
Other Passenger Train	311,620.35	272,618.18
Water Line	--	--
All Other	601,167.72	383,887.46
Total Railway Operating Revenues	19,455,257.37	16,388,985.61
OPERATING EXPENSES		
Maint. of Way and Structures	$3,689,819.23	$3,271,246.04
Maint. of Equipment	3,655,752.34	3,060,338.97
Traffic	565,251.09	531,112.24
Transportation	7,684,535.75	7,340,240.93
Misc. Operations	178,736.35	202,601.92
General	544,095.04	558,204.35
Trans. for Investment	Cr. 69,300.30	Cr. 89,817.30
Total Railway Operating Expenses	16,248,889.50	14,873,927.15
OPERATING INCOME		
Net Operating Revenue	$3,206,367.87	$1,515,058.46
Railway Tax Accruals	302,286.15	305,232.47
Uncollectable Revenues	490.12	3,332.49
Hire of Equipment	Cr. 134,195.44	Cr.224,590.64
Joint Facilities Rents	Cr. 42,864.31	Cr. 23,073.14
Operating Income	3,080,651.35	1,454,157.28
OPERATING STATISTICS		
Average Miles of Road Operated	20,659.37	20,487.33
No. of Tons Carried (Rev.Fr.)	3,982,886	3,471,809
No. of Tons Carried One Mile " "	1,550,905,273	1,057,875,739
No. of Tons Carried (All Fr.)	4,698,540	4,062,974
No. of Tons Carried One Mile " "	1,690,988,569	1,168,842,056
No. of Revenue Pass. Carried	1,690,296	1,776,165
No. of Rev. Pass. Carried One Mile	117,200,658	106,208,149
# Freight Train Miles	2,599,781	2,102,029
# Passenger Train Miles	1,827,366	1,837,541
Total Train Miles (Rev. & Non Rev.)	4,624,144	4,167,420
Freight Car Miles-Loaded	64,875,088	48,924,552
Freight Car Miles-Empty	32,150,976	18,614,668
Passenger Train Car Miles	14,003,361	13,479,082
Total Amount of Pay Roll	$10,823,353	$10,344,197
Number of Employees	91,004	90,060
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$31.39	$26.67
Operating Expenses	$26.22	$24.20
No. of Tons Moved One Mile (Rev. Fr.)	2,502	1,721
No. of Tons Moved One Mile (All Fr.)	2,728	1,902
No. of Rev. Pass. Carried One Mile	189	173
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.36	$5.35
No. of Tons of Freight (Rev.Fr.)	596.6	503.3
No. of Tons of Freight (All Fr.)	650.4	556.1
Loaded Freight Cars	25.0	23.3
Empty Freight Cars	12.4	8.9
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.70	$2.59
Passengers Carried	64.1	57.8
Passenger Cars	7.7	7.3
Average Operating Expenses per Train Mile	$3.51	$3.57
Average Length of Haul (Rev.Fr.) Miles	389.4	304.7
Average Passenger Journey Miles	69.3	59.8
Average Tons per Loaded Fr. Car	26.1	23.9
Av. Fr. Receipt per Rev. Ton Mile	.898¢	1.063¢
Av. Passenger Receipt per Pass. per Mile	2.722¢	2.934¢
Ratio of Pay Roll to Operating Revenues	55.6%	63.1%
Ratio of Pay Roll to Operating Expenses	66.6%	69.5%
Ratio of Operating Expenses to Revenues	83.52%	90.76%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074958

Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of September, 1925

	1925	1924
OPERATING REVENUES		
Freight	$13,502,158.80	$ 9,786,436.49
Passenger	3,213,156.44	2,948,098.93
Mail	287,889.71	284,285.34
Express	522,587.90	513,178.31
Other Freight Train	264.69	377.44
Other Passenger Train	406,551.50	383,245.50
Water Line	284,327.46	248,299.42
All Other	781,788.41	1,301,658.88
Total Railway Operating Revenues	18,998,724.91	15,465,582.31
OPERATING EXPENSES		
Maint. of Way and Structures	$2,103,310.84	$2,061,117.73
Maint. of Equipment	3,167,804.35	2,190,563.90
Traffic	709,813.83	669,826.02
Transportation	6,099,742.53	5,474,711.43
Misc. Operations	227,104.78	207,961.28
General	266,246.91	280,298.23
Trans. for Investment	—	—
Total Railway Operating Expenses	12,574,023.24	10,884,478.59
OPERATING INCOME		
Net Operating Revenue	$6,424,701.67	$4,581,103.72
Railway Tax Accruals	288,131.40	262,214.49
Uncollectable Revenues	—	—
Hire of Equipment	Cr. 117,320.98	Cr. 211,103.71
Joint Facilities Rents	Cr. 13,727.95	Cr. 17,652.37
Operating Income	6,267,619.20	4,547,645.31
OPERATING STATISTICS		
Average Miles of Road Operated	13,737.1	13,386.1
No. of Tons Carried (Rev.Fr.)	3,511,145	2,573,846
No. of Tons Carried One Mile " "	1,501,110,861	808,713,274
No. of Tons Carried (All Fr.)	4,232,803	3,127,989
No. of Tons Carried One Mile " "	1,726,659,671	931,851,860
No. of Rev. Pass. Carried	1,173,392	1,152,187
No. of Rev. Pass. Carried One Mile	126,405,822	104,764,751
# Freight Train Miles	2,541,266	1,788,934
# Passenger Train Miles	1,698,012	1,654,467
Total Train Miles (Rev. & Non Rev.)	4,294,024	3,533,836
Freight Car Miles-Loaded	60,969,916	40,500,671
Freight Car Miles-Empty	35,635,808	17,931,660
Passenger Train Car Miles	12,982,468	12,486,802
Total Amount of Pay Roll	$7,281,767.75	$6,737,922.20
Number of Employees	57,498	56,026
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$46.10	$38.51
Operating Expenses	$30.51	$27.10
No. of Tons Moved One Mile (Rev.Fr.)	3,642	2,014
No. of Tons Moved One Mile (All Fr.)	4,190	2,320
No. of Rev. Pass. Carried One Mile	307	261
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.31	$5.47
No. of Tons of Freight (Rev.Fr.)	590.7	452.1
No. of Tons of Freight (All Fr.)	679.4	520.9
Loaded Freight Cars	24.0	22.6
Empty Freight Cars	14.0	10.0
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.61	$2.50
Passengers Carried	74.4	63.3
Passenger Cars	7.6	7.5
Average Operating Expenses per Train Mile	$2.93	$3.08
Average Length of Haul (Rev.Fr.) Miles	427.5	314.2
Average Passenger Journey Miles	107.7	90.9
Average Tons per Loaded Fr. Car	28.3	23.0
Av. Fr. Receipt per Rev. Ton Mile	.899¢	1.210¢
Av. Passenger Receipt per Pass. per Mile	2.542¢	2.814¢
Ratio of Pay Roll to Operating Revenues	38.3%	43.6%
Ratio of Pay Roll to Operating Expenses	57.9%	61.9%
Ratio of Operating Expenses to Revenues	66.18%	70.38%

Contains a proportion of mixed train miles

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074959

CANADIAN NATIONAL SYSTEM
(Steam Lines in Canada & United States)
For the Month of September, 1925-1924.

OPERATING REVENUES

	1925	1924
Canadian Lines	$19,455,257.37	$16,388,985.61
Duluth, Winnipeg and Pacific	178,086.00	168,136.00
Grand Trunk Western Lines	2,801,150.00	2,571,416.00
New England Lines	171,769.63	182,921.39
Total	22,606,263.00	19,311,459.00

OPERATING EXPENSES

Canadian Lines	$16,248,889.50	$14,873,927.15
Duluth, Winnipeg & Pacific	149,108.83	150,993.38
Grand Trunk Western Lines	2,062,675.91	1,874,651.93
New England Lines	205,517.92	264,430.31
Total	18,666,192.16	17,164,002.77

NET OPERATING REVENUES

Canadian Lines	$3,206,367.87	$1,515,058.46
Duluth, Winnipeg and Pacific	28,977.17	17,142.62
Grand Trunk Western Lines	738,474.09	696,764.07
New England Lines	Dr. 33,748.29	Dr. 81,508.92
Total	3,940,070.84	2,147,456.23

OPERATING INCOME

Canadian Lines	$3,080,651.35	$ 1,454,157.28
Duluth, Winnipeg and Pacific	18,338.08	30,942.30
Grand Trunk Western Lines	592,414.24	317,366.87
New England Lines	Dr. 104,245.99	Dr. 156,439.36
Total	3,587,157.68	1,646,027.09

SUMMARY

For Nine Months ended September 30th

	1925	1924
ALL RAILWAYS		
Operating Revenues	$311,541,108.73	$319,238,399.55
Operating Expenses	270,110,406.89	286,680,995.32
Net Operating Revenues	41,430,701.84	32,557,404.23
Operating Income	36,303,211.36	28,333,828.98
CANADIAN NATIONAL RAILWAY		
Operating Revenues-Canadian Lines	$142,542,599.42	$146,533,375.34
United States Lines	26,725,660.58	25,951,249.66
Total	169,268,260.00	172,484,625.00
Operating Expenses-Canadian Lines	$135,764,846.45	$144,451,665.36
United States Lines	21,177,650.90	21,957,139.26
Total	156,942,497.35	166,408,804.62
Net Operating Revenues-Canadian Lines	$6,777,752.97	$ 2,081,709.98
United States Lines	5,548,009.68	3,994,110.40
Total	12,325,762.65	6,075,820.38
Operating Income - Canadian Lines	$7,333,077.20	$ 2,448,921.37
United States Lines	1,519,606.71	Dr. 483,253.21
Total	8,852,683.91	1,965,668.16
CANADIAN PACIFIC RAILWAY		
Operating Revenues	$124,238,674.69	$128,050,716.35
Operating Expenses	102,420,851.51	108,280,229.92
Net Operating Revenues	21,817,823.18	19,770,486.43
Operating Income	21,635,921.93	20,445,882.26

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

FORM T.D. 1 X.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

TELEGRAM

074960

CABLE CONNECTIONS TO ALL THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

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HALIFAX NS SEP 1-25 235

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RT HON ARTHUR MEIGHEN

OTTAWA ONT

LETTER HAS NOT ARRIVED

E N RHODES

2.16 p.m.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074961

96b

Ottawa, September 1, 1925.

Dear Mr. Rhodes:

Your telegram reached Mr. Meighen just as he was leaving for the station to take the train for Toronto. He, therefore, asked me to send you a reply. He cannot understand the letter not having arrived as he was informed it was mailed. The letter is an important one having to do with the railway situation, but was not signed by Mr. Meighen. The Chief thinks probably you were expecting one from him.

Yours faithfully,

Private Secretary.

Hon. E.N. Rhodes, M.P.P.,
Prime Minister of Nova Scotia,
Halifax, N.S.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074962

CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

OCTOBER

1925

+ + +

Published by Authority of the Hon. J. A. Robb, M. P.,
Acting Minister of Trade and Commerce.

+ + +

OTTAWA

1925

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

074963

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000.

FOR THE MONTH OF OCTOBER, 1925.

The freight traffic of the railways as a whole for October was heavier than in 1924 by 10.8 per cent and although it was below that of October, 1923 and 1922, the revenue ton miles for the two months, September and October, were the greatest this year ever made by Canadian railways. The earlier harvest this year advanced the movement of grain considerably. Car loadings passed the 70,000 cars mark the week ended September 19 remaining above that point for 12 consecutive weeks, whereas in 1924 they were over 70,000 cars for only 3 weeks and in 1923 for only 7 weeks.

Revenues aggregated $48,722,639, an increase over 1924 of $4,369,078 or 9.9 per cent. Operating expenses showed very little change; maintenance of way and structures expenses were reduced $367,564, or 6 per cent, maintenance of equipment expenses were increased $633,819, or 9.8 per cent and the total expenses were greater by $407,221, or 1.3 per cent. The net operating revenue was increased $3,961,856 and the operating ratio was reduced to 65.71 per cent which is the lowest since these monthly reports were inaugurated, (January, 1920). The average freight receipts per ton mile were increased from .920 cents in 1924 to .934 cents which, with no increases in grain rates, would indicate an increase in volume of higher class freight.

Freight train loading was heavier than in 1924 and approximately the same as in 1923. Passenger traffic was heavier than last year by 11 per cent and with a decrease in passenger train miles, train loading showed an increase of 6.2 passengers and revenues per passenger train mile, an increase of 8 cents.

For the ten months, January - October, net revenues were greater by $12,835,154

CANADIAN NATIONAL RAILWAYS: The operating ratio for October, 69.25 per cent, was the lowest since the amalgamation of the system. Gross revenues aggregated $23,761,136, being $610,465 greater than in October, 1923, the previous high month and with operating expenses at $16,455,300, the net operating revenues amounted to $7,305,836. This was an increase of $3,144,686 over October, 1924 and of $2,577,828 over October, 1923.

Maintenance of way and structures was reduced $63,940, or 2 per cent from last year's expenses and maintenance of equipment expenses were increased by $737,043, or 25 per cent. This large increase was more from a cut in 1924 than heavy expenditures in 1925; the cumulative totals to the end of October were 2 per cent less than in 1924 and less by 5 per cent than in both 1923 and 1922.

Freight traffic showed an increase over last year's of 26.6 per cent and passenger traffic also was heavier by 14.8 per cent. Freight train loading increased from 648.3 net tons to 697.3 net tons with the average car load one ton heavier.

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The lines in the United States also made a better showing in both gross and net operating revenues, the latter for the entire system being larger than in 1924 by $3,466,115.

For January - October, the net operating revenues for the Canadian lines were increased by $7,840,730, for the United States lines by $1,875,326 and for the entire system by $9,716,056.

CANADIAN PACIFIC RAILWAY: The gross revenues for October, ($19,527,588) were $253,376, or 1.3 per cent larger than in 1924 and have been exceeded only by the revenues earned in October and November, 1923. Net operating revenues have been exceeded by only those of October, 1923.

Freight traffic showed an increase over last year's of only 2 per cent; the heavy movement starting so much earlier this year made the big increase in September and although passenger traffic showed an increase of 6.1 per cent, passenger receipts were less by $34,907. Mail and express revenues also showed slight declines. Maintenance expenses were reduced for both way and structures and equipment, total operating expenses being less by $224,774, or 1.8 per cent.

For the ten months, January - October, gross revenues and operating expenses were less than in 1924 but net operating revenues were increased by $2,525,488.

23/12/25

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074965

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000
For the Month of October, 1925

	1925	1924
OPERATING REVENUES		
Freight	$37,553,535.76	$33,371,011.19
Passenger	6,431,584.83	6,215,413.01
Mail	619,909.32	626,042.08
Express	1,635,283.37	1,551,580.46
Other Freight Train	574.16	193.08
Other Passenger Train	585,924.89	582,506.97
Water Line	382,292.20	350,768.23
All Other	1,513,535.17	1,656,046.25
Total Railway Operating Revenues	48,722,639.69	44,353,561.27
OPERATING EXPENSES		
Maint. of Way and Structures	$5,749,596.25	$6,117,160.55
Maint. of Equipment	7,130,909.06	6,497,090.03
Traffic	1,311,148.50	1,298,700.36
Transportation	16,558,576.24	16,429,184.69
Misc. Operations	392,544.08	390,180.05
General	1,002,620.87	987,803.87
Trans. for Investment Cr.	128,456.42	Cr. 110,402.80
Total Railway Operating Expenses	32,016,938.58	31,609,716.75
OPERATING INCOME		
Net Operating Revenue	$16,705,701.11	$12,743,844.52
Railway Tax Accruals	707,965.62	711,311.26
Uncollectable Revenues	4,169.60	2,498.50
Hire of Equipment Dr.	102,507.63	Cr. 8,963.41
Joint Facilities Rents Dr.	97,469.62	Dr. 113,450.68
Operating Income	15,793,588.64	11,925,547.49
OPERATING STATISTICS		
Average Miles of Road Operated	38,906.15	38,487.40
No. of Tons Carried (Rev.Fr.)	11,783,764	11,528,085
No. of Tons Carried One Mile " "	4,018,593,887	3,625,575,742
No. of Tons Carried (All Fr.)	13,249,420	12,786,773
No. of Tons Carried One Mile " "	4,277,447,037	3,855,468,510
No. of Rev. Passengers Carried	3,109,658	3,116,694
No. of Rev. Pass. Carried One Mile	242,534,637	218,560,477
# Freight Train Miles	6,474,167	5,939,529
# Passenger Train Miles	3,860,286	3,861,550
Total Train Miles (Rev. & Non Rev.)	10,607,493	10,091,890
Freight Car Miles-Loaded	157,057,568	141,537,147
Freight Car Miles-Empty	87,835,087	72,024,273
Passenger Train Car Miles	28,737,747	27,702,665
Total Amount of Pay Roll	$20,238,203.66	$19,692,386.58
Number of Employees	160,248	156,338
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$40.40	$37.17
Operating Expenses	$26.55	$26.49
No. of Tons Moved One Mile (Rev.Fr.)	3,332	3,039
No. of Tons Moved One Mile (All Fr.)	3,547	3,231
No. of Rev. Pass. Carried One Mile	201	183
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.80	$5.62
No. of Tons of Freight (Rev.Fr.)	620.7	610.4
No. of Tons of Freight (All Fr.)	660.7	649.1
Loaded Freight Cars	24.3	23.8
Empty Freight Cars	13.6	13.1
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.40	$2.32
Passengers Carried	62.8	56.6
Passenger Cars	7.4	7.2
Average Operating Expenses per Train Mile	$3.02	$3.13
Average Length of Haul (Rev.Fr.) Miles	341.0	314.5
Average Passenger Journey Miles	78.0	70.1
Average Tons per Loaded Fr. Car	27.2	27.2
Av. Fr. Receipt per Rev. Ton Mile	.934¢	.920¢
Av. Passenger Receipt per Pass. per Mile	2.652¢	2.844¢
Ratio of Pay Roll to Operating Revenues	41.5%	44.4%
Ratio of Pay Roll to Operating Expenses	63.2%	62.3%
Ratio of Operating Expenses to Revenues	65.71%	71.27%

Contains a proportion of mixed train miles.

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OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of October, 1925

		1925		1924
OPERATING REVENUES				
Freight		$18,802,694.33		$15,227,070.93
Passenger		2,745,723.18		2,568,602.32
Mail		265,167.36		267,653.02
Express		1,057,495.39		985,402.27
Other Freight Train		--		--
Other Passenger Train		265,317.45		259,551.56
Water Line		--		--
All Other		624,739.09		531,071.14
Total Railway Operating Revenues		23,761,136.80		19,839,351.24
OPERATING EXPENSES				
Maint. of Way and Structures		$3,163,142.08		$3,227,082.96
Maint. of Equipment		3,679,979.58		2,942,936.39
Traffic		484,856.86		504,215.30
Transportation		8,540,137.52		8,359,553.38
Misc. Operations		159,964.48		177,245.62
General		553,058.05		574,495.62
Trans. for Investment	Cr.	125,838.11	Cr.	107,327.51
Total Railway Operating Expenses		16,455,300.46		15,678,201.76
OPERATING INCOME				
Net Operating Revenue		$7,305,836.34		$4,161,149.48
Railway Tax Accruals		268,662.06		299,154.81
Uncollectable Revenues		4,129.30		2,351.78
Hire of Equipment	Cr.	85,526.85	Cr.	193,877.98
Joint Facilities Rents	Cr.	31,197.89	Cr.	13,681.07
Operating Income		7,149,769.72		4,067,201.94
OPERATING STATISTICS				
Average Miles of Road Operated		20,663.59		20,495.76
No. of Tons Carried (Rev.Fr.)		5,007,472		4,573,329
No. of Tons Carried One Mile " "		2,138,722,741		1,689,571,171
No. of Tons Carried (All Fr.)		5,744,240		5,158,670
No. of Tons Carried One Mile " "		2,260,924,150		1,798,429,550
No. of Revenue Pass. Carried		1,600,210		1,843,132
No. of Rev. Pass. Carried One Mile		106,813,058		93,009,551
# Freight Train Miles		3,242,275		2,774,076
# Passenger Train Miles		1,791,369		1,803,945
Total Train Miles (Rev. & Non Rev.)		5,223,136		4,765,720
Freight Car Miles-Loaded		81,441,021		66,988,147
Freight Car Miles-Empty		47,480,289		34,335,399
Passenger Train Car Miles		13,023,143		12,692,026
Total Amount of Pay Roll		$ 11,398,403		$ 10,794,683
Number of Employees		91,886		87,628
DAILY AVERAGES PER MILE OF ROAD OPERATED				
Operating Revenue		$37.09		$31.22
Operating Expenses		$25.69		$24.68
No. of Tons Moved One Mile (Rev.Fr.)		3,339		2,659
No. of Tons Moved One Mile (All Fr.)		3,530		2,831
No. of Rev. Pass. Carried One Mile		167		146
#AVERAGES PER FREIGHT TRAIN MILE				
Freight Revenue		$5.80		$5.49
No. of Tons of Freight (Rev.Fr.)		659.6		609.1
No. of Tons of Freight (All Fr.)		697.3		648.3
Loaded Freight Cars		25.1		24.1
Empty Freight Cars		14.6		12.4
#AVERAGES PER PASSENGER TRAIN MILE				
Passenger Train Revenues		$2.42		$2.26
Passengers Carried		59.6		51.6
Passenger Cars		7.3		7.0
Average Operating Expenses per Train Mile		$3.15		$3.29
Average Length of Haul (Rev.Fr.) Miles		427.1		369.4
Average Passenger Journey Miles		66.7		56.6
Average Tons per Loaded Fr. Car		27.8		26.8
Av. Fr. Receipt per Rev. Ton Mile		.879¢		.801¢
Av. Passenger Receipt per Pass. per Mile		2.571¢		2.762¢
Ratio of Pay Roll to Operating Revenues		48.0%		54.4%
Ratio of Pay Roll to Operating Expenses		79.3%		68.9%
Ratio of Operating Expenses to Revenues		69.25%		79.03%

Contains a proportion of mixed train miles.

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OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of October, 1925

	1925	1924
OPERATING REVENUES		
Freight	$14,776,296.59	$14,221,171.93
Passenger	2,706,938.59	2,741,846.15
Mail	303,958.32	306,106.99
Express	444,019.17	449,547.77
Other Freight Train	574.16	198.08
Other Passenger Train	299,403.62	296,168.87
Water Line	295,408.36	295,948.01
All Other	700,999.50	963,223.71
Total Railway Operating Revenues	19,527,588.31	19,274,211.51
OPERATING EXPENSES		
Maint. of Way and Structures	$1,823,412.64	$2,004,615.67
Maint. of Equipment	2,691,269.05	2,720,800.03
Traffic	749,282.55	723,473.41
Transportation	6,258,221.46	6,302,224.10
Misc. Operations	182,555.06	167,153.88
General	254,081.21	265,529.23
Trans. for Investment	--	--
Total Railway Operating Expenses	11,958,821.97	12,183,596.32
OPERATING INCOME		
Net Operating Revenue	$7,568,766.34	$7,090,615.19
Railway Tax Accruals	337,248.44	301,985.14
Uncollectable Revenues	--	--
Hire of Equipment	Cr. 180,149.03	Cr. 200,896.01
Joint Facilities Rents	Cr. 32,360.15	Cr. 32,651.17
Operating Income	7,444,027.08	7,022,177.23
OPERATING STATISTICS		
Average Miles of Road Operated	13,737.1	13,539.8
No. of Tons Carried (Rev.Fr.)	4,026,267	4,058,831
No. of Tons carried One Mile " "	1,606,231,732	1,638,357,047
No. of Tons Carried (All Fr.)	4,630,233	4,618,453
No. of Tons Carried One Mile " "	1,734,419,040	1,752,504,305
No. of Revenue Pass. Carried	1,042,275	1,031,454
No. of Rev. Pass. Carried One Mile	104,845,394	98,824,085
# Freight Train Miles	2,620,757	2,598,022
# Passenger Train Miles	1,576,142	1,562,371
Total Train Miles (Rev. & Non Rev.)	4,242,467	4,224,086
Freight Car Miles-Loaded	60,150,377	60,094,615
Freight Car Miles-Empty	32,846,908	31,556,581
Passenger Train Car Miles	12,053,202	11,427,795
Total Amount of Pay Roll	$7,137,538.22	$7,157,837.06
Number of Employees	55,332	55,294
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$45.86	$45.92
Operating Expenses	$28.08	$29.03
No. of Tons Moved One Mile (Rev.Fr.)	3,272	3,903
No. of Tons Moved One Mile (All Fr.)	4,073	4,175
No. of Rev. Pass. Carried One Mile	246	235
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.64	$5.47
No. of Tons of Freight (Rev.Fr.)	612.9	630.6
No. of Tons of Freight (All Fr.)	661.8	674.6
Loaded Freight Cars	23.0	23.1
Empty Freight Cars	12.5	12.1
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.38	$2.43
Passengers Carried	66.5	63.3
Passenger Cars	7.6	7.3
Average Operating Expenses per Train Mile	$2.82	$2.88
Average Length of Haul (Rev.Fr.) Miles	398.9	403.7
Average Passenger Journey Miles	100.6	95.8
Average Tons per Loaded Fr. Car	28.8	29.2
Av. Fr. Receipt per Rev. Ton Mile	.920¢	.868¢
Av. Passenger Receipt per Pass. per Mile	2.582¢	2.774¢
Ratio of Pay Roll to Operating Revenues	36.6%	37.1%
Ratio of Pay Roll to Operating Expenses	59.7%	58.7%
Ratio of Operating Expenses to Revenues	61.24%	63.21%

Contains a proportion of mixed train miles.

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074968

CANADIAN NATIONAL SYSTEM
(Steam Lines in Canada & United States)
For the Month of October, 1925-1924

OPERATING REVENUES

	1925	1924
Canadian Lines	$23,761,136.80	$19,839,351.24
Duluth, Winnipeg and Pacific	187,130.00	163,202.00
Grand Trunk Western Lines	3,111,784.00	2,678,382.00
New England Lines	115,770.20	159,762.76
Total	27,175,821.00	22,840,698.00

OPERATING EXPENSES

Canadian Lines	$16,455,300.46	$15,678,201.76
Duluth, Winnipeg and Pacific	179,524.29	163,779.94
Grand Trunk Western Lines	2,196,106.60	2,081,369.96
New England Lines	184,931.65	223,502.86
Total	19,015,863.00	18,146,854.52

NET OPERATING REVENUES

Canadian Lines	$7,305,836.34	$4,161,149.48
Duluth, Winnipeg and Pacific	7,605.71	Dr. 577.94
Grand Trunk Western Lines	915,677.40	597,012.04
New England Lines	Dr. 69,161.45	Dr. 63,740.10
Total	8,159,958.00	4,693,843.48

OPERATING INCOME

Canadian Lines	$7,149,769.72	$4,067,201.94
Duluth, Winnipeg and Pacific	376.91	3,426.86
Grand Trunk Western Lines	495,997.05	228,703.72
New England Lines	Dr. 129,070.08	Dr. 136,561.99
Total	7,517,073.60	4,162,770.53

SUMMARY
For Ten Months Ended October 31st.

	1925	1924
ALL RAILWAYS		
Operating Revenues	$360,263,748.42	$363,591,960.82
Operating Expenses	302,127,345.47	318,290,712.07
Net Operating Revenues	58,136,402.95	45,301,248.75
Operating Income	52,096,800.00	40,259,376.47
CANADIAN NATIONAL RAILWAYS		
Operating Revenues-Canadian Lines	$166,303,736.22	$166,372,726.58
United States Lines	30,140,344.78	28,952,596.42
Total	196,444,081.00	195,325,323.00
Operating Expenses-Canadian Lines	$152,220,146.91	$160,129,867.12
United States Lines	23,738,213.44	24,425,792.02
Total	175,958,360.35	184,555,659.14
Net Operating Revenues-Canadian Lines	$14,083,589.31	$ 6,242,859.46
United States Lines	6,402,131.34	4,526,804.40
Total	20,485,720.65	10,769,663.86
Operating Income - Canadian Lines	$14,482,846.92	$6,516,123.31
United States Lines	1,886,910.59	Dr. 387,684.62
Total	16,369,757.51	6,128,438.69
CANADIAN PACIFIC RAILWAY		
Operating Revenues	$143,766,263.00	$147,324,927.86
Operating Expenses	114,379,673.48	120,463,826.24
Net Operating Revenues	29,386,589.52	26,861,101.62
Operating Income	29,079,949.01	27,468,059.49

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Pat

OK answered copy wire

Canadian Pacific Railway
EN ROUTE

Farnham, Que 27/10/05.

4969

Report current rate effect you once stated if returned to power you would see that wages of railway workers was reduced x We think so can contradict at meeting to-night.

A Williams

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074970

CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

NOVEMBER

1925

+ + +

Published by Authority of the Hon. J. A. Robb, M. P.,
Acting Minister of Trade and Commerce.

+ + +

OTTAWA

1926

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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074971

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000.

FOR THE MONTH OF NOVEMBER, 1925

Results of the railways as a whole for November showed an increase in freight traffic over October but freight revenues were less by 6 per cent. Compared with November 1924 the traffic was heavier by 13.4 per cent and the revenues by $4,291,837, or 13.8 per cent. Passenger traffic and revenues also were increased and total gross revenues showed an increase of $4,789,574, or 11.7 per cent.

Operating expenses were greater than in 1924 by $1,520,273, or 5 per cent, maintenance of equipment showing an increase of $951,011, or 14.2 per cent and transportation expenses, an increase of $754,664, or 4.6 per cent. Maintenance of way and structures showed a slight reduction and general expenses were cut by $122,512, or 14 per cent. The increase in net operating revenues was $3,269,301 and the operating ratio decreased from 74.15 per cent to 69.72 per cent.

Although the traffic density was greater, the net tons per train was slightly less but the number of freight cars was .7 greater; also the average load per car was lighter by .7 tons. The passenger traffic per mile of road increased 6 per cent and the number of passengers per train also increased by 4.1 or 7 per cent. The average receipts per ton mile showed a small increase although the grain tonnage which depresses the average was considerably heavier than last year.

The cumulative totals for the eleven months show an increase in the gross revenues but a decrease in the operating expenses, increasing the net revenues by $16,104,456.

CANADIAN NATIONAL RAILWAYS: Gross revenues were not only greater than those of November, 1924 by $3,072,775 but exceeded those of November, 1923 by $365,177. Operating expenses were 5.4 per cent over those of 1924 but were 7.5 per cent under those for November, 1923. Net revenues were $5,620,743 and with the exception of those for last October, were the largest earned since the system was consolidated.

Freight traffic showed an increase of 23.4 per cent over November, 1924 and freight receipts increased $2,705,674, or 19.3 per cent. Passenger traffic also was heavier by 9.2 per cent.

The average freight train loading was increased by 44.7 net tons and 1.7 cars and the earnings per train mile were increased 19 cents with the average receipts per revenue ton mile reduced from .865 cent to .836 cent. The Duluth, Winnipeg and Pacific and Grand Trunk Western Lines earned substantially increased net revenues but the New England Lines showed an operating deficit of $14,108 as against a net revenue of $15,802 in November, 1924. For the entire system the net revenues were $2,716,180 greater than in 1924.

For the first eleven months gross revenues of both Canadian and United States lines were greater in 1925 and operating expenses were less which increased the cumulative net operating revenues by $12,432,236 and the operating income by $12,910,770.

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074972

CANADIAN PACIFIC RAILWAY: The freight traffic was heavier than during October despite the one day less and freight revenues were also greater. Compared with November, 1924 the increase in the revenue ton miles was 5.3 per cent and in freight revenues, $1,180,072, or 8.6 per cent. Total revenues were greater by $1,226,257, or 6.8 per cent and net revenues were increased $380,103. Maintenance of way and structures showed little change, maintenance of equipment was increased by $512,583 or 21.3 per cent and transportation expenses were increased by $252,763, or 4 per cent.

The average train load dropped from 700.6 net tons to 642.4 net tons and the average load per car from 31.2 tons to 28.5 tons.

For the eleven months January - November, gross revenues were less in 1925 by $2,332,407 but operating expenses were also reduced by $5,237,999 which increased the net revenues by $2,905,592 and operating income by $1,830,043.

26/1/26

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074973

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
WITH ANNUAL OPERATING REVENUES OF $500,000.
For the Month of November, 1925

		1925		1924
OPERATING REVENUES				
Freight		$35,377,344.41		$31,085,506.80
Passenger		5,902,284.19		5,710,706.16
Mail		589,904.88		591,422.04
Express		1,731,807.41		1,463,443.93
Other Freight Train		3,870.24		5,309.05
Other Passenger Train		444,158.73		490,810.76
Water Line		319,235.40		266,961.92
All other		1,437,833.93		1,402,704.37
Total Railway Operating Revenues		45,806,439.19		41,016,865.03
OPERATING EXPENSES				
Maint. of Way and Structures		$5,018,491.36		$5,056,409.67
Maint. of Equipment		7,642,131.15		6,691,119.53
Traffic		1,295,586.43		1,284,316.02
Transportation		16,987,701.37		16,233,037.03
Misc. Operations		357,065.47		342,271.49
General		750,326.54		872,838.84
Trans. for Investment	Cr.	115,964.37	Cr.	64,927.77
Total Railway Operating Expenses		31,935,337.95		30,415,064.81
OPERATING INCOME				
Net Operating Revenue		$13,871,101.24		$10,601,800.22
Railway Tax Accruals		893,579.89		824,989.52
Uncollectable Revenues		2,174.66		2,829.65
Hire of Equipment	Dr.	12,136.51	Cr.	128,732.68
Joint Facilities Rents	Dr.	77,629.43	Dr.	96,679.20
Operating Income		12,885,580.75		9,806,034.53
OPERATING STATISTICS				
Average Miles of Road Operated		39,027.61		38,604.81
No. of Tons Carried (Rev.Fr.)		11,487,035		10,355,415
No. of Tons Carried One Mile " "		4,051,591,572		3,572,741,221
No. of Tons Carried (All Fr.)		12,766,271		11,521,337
No. of Tons Carried One Mile " "		4,292,894,902		3,777,833,272
No. of Rev. Passengers Carried		2,948,917		3,055,043
No. of Rev. Pass. Carried One Mile		219,912,233		206,423,866
#Freight Train Miles		6,685,577		5,808,501
#Passenger Train Miles		3,610,381		3,635,453
Total Train Miles (Rev. & Non Rev.)		10,435,840		9,617,294
Freight Car Miles-Loaded		156,751,049		134,647,915
Freight Car Miles-Empty		91,626,428		76,707,061
Passenger Train Car Miles		26,175,545		25,988,982
Total Amount of Pay Roll		$19,177,878.05		$18,326,350.45
Number of Employees		151,902		149,209
DAILY AVERAGES PER MILE OF ROAD OPERATED				
Operating Revenue		$39.12		$35.42
Operating Expenses		$27.28		$26.26
No. of Tons Moved One Mile (Rev.Fr.)		3,460		3,085
No. of Tons Moved One Mile (All Fr.)		3,667		3,262
No. of Rev. Pass. Carried One Mile		188		178
#AVERAGES PER FREIGHT TRAIN MILE				
Freight Revenue		$5.29		$5.35
No. of Tons of Freight (Rev.Fr.)		606.0		615.1
No. of Tons of Freight (All Fr.)		642.1		650.4
Loaded Freight Cars		23.4		23.2
Empty Freight Cars		13.7		13.2
#AVERAGES PER PASSENGER TRAIN MILE				
Passenger Train Revenues		$2.40		$2.27
Passengers Carried		60.9		56.8
Passenger Cars		7.3		7.1
Average Operating Expenses per Train Mile		$3.06		$3.16
Average Length of Haul (Rev.Fr.) Miles		352.7		345.0
Average Passenger Journey Miles		74.6		67.6
Average Tons per Loaded Freight Car		27.4		28.1
Average Freight Receipt per Rev. Ton Mile		.873¢		.870¢
Average Passenger Receipt per Pass. per Mile		2.684¢		2.766¢
Ratio of Pay Roll to Operating Revenues		41.9%		44.7%
Ratio of Pay Roll to Operating Expenses		60.1%		60.3%
Ratio of Operating Expenses to Revenues		69.72%		74.15%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

074974

Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of November, 1925.

		1925	1924
OPERATING REVENUES			
Freight		$16,718,707.63	$14,013,033.57
Passenger		2,501,572.68	2,350,324.87
Mail		259,202.25	263,999.37
Express		1,158,401.06	918,399.79
Other Freight Train		-	-
Other Passenger Train		178,986.20	236,606.00
Water Line		-	-
All Other		667,476.12	629,206.48
Total Railway Operating Revenues		21,484,345.94	18,411,570.08
OPERATING EXPENSES			
Maint. of Way and Structures		$2,362,893.46	$2,327,351.19
Maint. of Equipment		3,959,370.74	3,426,930.80
Traffic		455,020.97	465,776.87
Transportation		8,720,269.92	8,236,806.91
Misc. Operations		143,226.11	144,388.41
General		334,976.37	506,072.26
Trans. for Investment	Cr.	112,154.63	Cr. 62,920.96
Total Railway Operating Expenses		15,863,602.94	15,044,405.48
OPERATING INCOME			
Net Operating Revenue		$5,620,743.00	$3,367,164.60
Railway Tax Accruals		247,788.60	319,575.57
Uncollectable Revenues		2,110.30	2,714.03
Hire of Equipment	Cr.	129,370.70	Cr. 238,937.57
Joint Facilities Rents	Cr.	39,864.32	Cr. 34,514.21
Operating Income		5,540,079.12	3,318,326.78
OPERATING STATISTICS			
Average Miles of Road Operated		20,763.08	20,495.35
No. of Tons Carried (Rev. Fr.)		4,560,408	4,007,674
No. of Tons Carried One Mile " "		1,999,610,938	1,620,097,068
No. of Tons Carried (All Fr.)		5,162,953	4,553,679
No. of Tons Carried One Mile " "		2,111,674,965	1,713,087,444
No. of Rev. Passengers Carried		1,532,312	1,604,307
No. of Rev. Pass. Carried One Mile		99,832,214	91,437,412
#-Freight Train Miles		3,120,761	2,710,504
# Passenger Train Miles		1,665,512	1,679,126
Total Train Miles (Rev. & Non Rev.)		4,870,493	4,501,756
Freight Car Miles-Loaded		75,461,083	64,141,733
Freight Car Miles-Empty		45,172,358	36,013,214
Passenger Train Car Miles		11,933,023	11,750,145
Total Amount of Pay Roll		$10,539,412	$10,054,466
Number of Employees		85,978	84,374
DAILY AVERAGES PER MILE OF ROAD OPERATED			
Operating Revenue		$34.49	$ 29.94
Operating Expenses		$25.47	$ 24.47
No. of Tons Moved One Mile (Rev.Fr.)		3,210	2,635
No. of Tons Moved One Mile (All Fr.)		3,390	2,786
No. of Rev. Passengers Carried One Mile		160	149
#AVERAGES PER FREIGHT TRAIN MILE			
Freight Revenue		$5.36	$5.17
No. of Tons of Freight (Rev.Fr.)		640.7	597.7
No. of Tons of Freight (All Fr.)		676.7	632.0
Loaded Freight Cars		24.2	23.7
Empty Freight Cars		14.5	13.3
#AVERAGES PER PASSENGER TRAIN MILE			
Passenger Train Revenues		$2.46	$2.24
Passengers Carried		59.9	54.5
Passenger Cars		7.2	7.0
Average Operating Expenses per Train Mile		$3.26	$3.34
Average Length of Haul (Rev.Fr.) Miles		438.5	404.2
Average Passenger Journey Miles		65.2	57.0
Average Tons per Loaded Freight Car		28.0	26.7
Average Freight Receipt per Rev. Ton Mile		.836¢	.865¢
Average Passenger Receipt per Pass. per Mile		2.506¢	2.570¢
Ratio of Pay Roll to Operating Revenues		49.1%	54.6%
Ratio of Pay Roll to Operating Expenses		66.4%	66.8%
Ratio of Operating Expenses to Revenues		73.84%	81.71%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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074975

Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of November, 1925

		1925		1924
OPERATING REVENUES				
Freight		$14,836,303.44		$13,656,230.72
Passenger		2,525,062.83		2,506,156.15
Mail		280,350.36		277,630.33
Express		446,742.64		440,116.40
Other Freight Train		2,838.92		5,299.05
Other Passenger Train		242,977.65		233,271.07
Water Line		250,071.92		211,316.85
All Other		585,665.46		613,735.53
Total Railway Operating Revenues		19,170,013.22		17,943,756.10
OPERATING EXPENSES				
Maint. of Way and Structures		$2,026,055.88		$2,014,714.76
Maint. of Equipment		2,914,689.15		2,402,105.71
Traffic		764,026.49		706,379.05
Transportation		6,575,193.41		6,322,429.65
Misc. Operations		167,896.30		135,976.35
General		219,796.90		219,899.39
Trans. for Investment		–		–
Total Railway Operating Expenses		12,667,658.13		11,821,504.91
OPERATING INCOME				
Net Operating Revenue		$6,502,355.09		$6,122,251.19
Railway Tax Accruals		531,862.68		391,830.14
Uncollectable Revenues		–		–
Hire of Equipment	Cr.	240,761.22	Cr.	287,391.08
Joint Facilities, Rents	Cr.	36,781.19	Cr.	12,068.89
Operating Income		6,248,034.82		6,029,881.02
OPERATING STATISTICS				
Average Miles of Road Operated		13,761.0		13,620.7
No. of Tons Carried (Rev. Fr.)		4,172,550		3,733,323
No. of Tons Carried One Mile " "		1,783,499,211		1,693,414,679
No. of Tons Carried (All Fr.)		4,762,974		4,256,508
No. of Tons Carried One Mile " "		1,906,906,482		1,799,174,550
No. of Revenue Pass. Carried		987,824		1,028,051
No. of Rev. Pass. Carried One Mile		93,958,312		89,977,101
# Freight Train Miles		2,968,293		2,568,122
# Passenger Train Miles		1,473,029		1,483,812
Total Train Miles (Rev. & Non Rev.)		4,479,801		4,082,169
Freight Car Miles-Loaded		66,831,580		57,627,920
Freight Car Miles-Empty		38,709,714		34,345,122
Passenger Train Car Miles		10,816,680		10,925,474
Total Amount of Pay Roll		$7,069,732.88		$6,668,527.43
Number of Employees		53,723		52,030
DAILY AVERAGES PER MILE OF ROAD OPERATED				
Operating Revenue		$46.44		$43.91
Operating Expenses		$30.68		$28.93
No. of Tons Moved One Mile (Rev.Fr.)		4,320		4,144
No. of Tons Moved One Mile (All Fr.)		4,619		4,403
No. of Rev. Pass. Carried One Mile		228		220
#AVERAGES PER FREIGHT TRAIN MILE				
Freight Revenue		$5.00		$5.32
No. of Tons of Freight (Rev. Fr.)		600.9		659.4
No. of Tons of Freight (All Fr.)		642.4		700.6
Loaded Freight Cars		22.5		22.4
Empty Freight Cars		13.0		13.4
#AVERAGES PER PASSENGER TRAIN MILE				
Passenger Train Revenues		$2.37		$2.33
Passengers Carried		63.8		60.6
Passenger Cars		7.3		7.4
Average Operating Expenses per train mile		$2.83		$2.90
Average Length of Haul (Rev.Fr.) Miles		427.4		453.6
Average Passenger Journey Miles		95.1		87.5
Average Tons per Loaded Freight Car		28.5		31.2
Average Freight Receipt per Rev. Ton Mile		.832¢		.806¢
Average Passenger Receipt per Pass. per Mile		2.687¢		2.785¢
Ratio of Pay Roll to Operating Revenues		36.9%		37.2%
Ratio of Pay Roll to Operating Expenses		55.8%		56.4%
Ratio of Operating Expenses to Revenues		66.08%		65.88%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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074976

CANADIAN NATIONAL SYSTEM

(Steam Lines in Canada & United States)
For the Month of November, 1925.

OPERATING REVENUES

	1925	1924
Canadian Lines	$21,484,345.94	$18,411,570.08
Duluth, Winnipeg & Pacific	190,619.00	171,673.00
Grand Trunk Western Lines	2,830,714.00	2,141,631.00
New England Lines	169,772.06	221,248.92
Total	24,675,451.00	20,946,123.00

OPERATING EXPENSES

Canadian Lines	$15,863,602.94	$15,044,405.48
Duluth, Winnipeg & Pacific	147,111.96	152,470.14
Grand Trunk Western Lines	2,050,371.44	1,829,496.93
New England Lines	183,880.47	205,446.28
Total	18,244,966.81	17,231,818.83

NET OPERATING REVENUES

Canadian Lines	$5,620,743.00	$3,367,164.60
Duluth, Winnipeg & Pacific	43,507.04	19,202.86
Grand Trunk Western Lines	780,342.56	312,134.07
New England Lines	Dr. 14,108.41	15,802.64
Total	6,430,484.19	3,714,304.17

OPERATING INCOME

Canadian Lines	$5,540,079.12	$3,318,326.78
Duluth, Winnipeg & Pacific	23,029.56	24,051.81
Grand Trunk Western Lines	372,205.32	Dr. 96,586.24
New England Lines	Dr. 71,046.10	Dr. 50,975.99
Total	5,864,267.90	3,194,816.36

SUMMARY

For Eleven Months ended November 30th

	1925	1924
ALL RAILWAYS		
Operating Revenues	$406,070,187.61	$404,608,825.85
Operating Expenses	334,062,683.42	348,705,776.88
Net Operating Revenues	72,007,504.19	55,903,048.97
Operating Income	64,982,380.75	50,065,411.00
CANADIAN NATIONAL RAILWAYS		
Operating Revenues - Canadian Lines	$ 187,788,082.16	$ 184,784,296.66
United States Lines	33,331,449.84	31,487,149.34
Total	221,119,532.00	216,271,446.00
Operating Expenses - Canadian Lines	$ 168,083,749.85	$ 175,174,272.60
United States Lines	26,119,577.31	26,613,205.37
Total	194,203,327.16	201,787,477.97
Net Operating Revenues-Canadian Lines	$ 19,704,332.31	$ 9,610,024.06
United States Lines	7,211,872.53	4,873,943.97
Total	26,916,204.84	14,483,968.03
Operating Income - Canadian Lines	$ 20,022,926.04	$ 9,834,450.09
United States Lines	2,211,099.37	Dr. 511,195.04
Total	22,234,025.41	9,323,255.05
CANADIAN PACIFIC RAILWAY		
Operating Revenues	$ 162,936,276.22	$ 165,268,683.96
Operating Expenses	127,047,331.61	132,285,331.15
Net Operating Revenues	35,888,944.61	32,983,352.81
Operating Income	35,327,983.83	33,497,940.51

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CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For

DECEMBER

1925

Published by Authority of the Hon. J. A. Robb, M. P.,
Acting Minister of Trade and Commerce.

OTTAWA

1926

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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074978

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000

FOR THE MONTH OF DECEMBER, 1925

December 1925 was the best December the railways have had; gross revenues exceeded those of 1924 by $8,474,708, or 23 per cent and were also greater than in 1923 by $1,660,860, and the increase in net revenues was $3,768,525 over December, 1924 and $3,324,147 over December, 1923.

Freight traffic was not only heavier than during December 1924 by 1,564,853,255 revenue ton miles, or 60.6 per cent but also exceeded the November and October 1925 traffic. Operating expenses were heavier than in 1924 by $4,706,182 or 16.3 per cent, the largest increase being $2,686,632, or 45.1 per cent in maintenance of equipment. Although the average train loading was increased by 106.9 revenue tons, the lower average receipts per ton mile viz. .808 cent as against .993 cent in 1924, reduced the average freight revenue per train mile from $5.13 to $5.04. This lower revenue per ton mile was affected by the large increase in grain traffic; wheat showed an increase of 1,088,331 tons, or 105 per cent and corn, oats and barley all showed large increases, the total tonnage of agricultural products handled during the month exceeding the December, 1924 tonnage by 1,367,543 tons, or 67 per cent. Animal products showed a small decrease, mine products were heavier by 3 per cent, increases in bituminous coal, coke, ores and gravel more than offsetting the decline in anthracite coal traffic, forest products increased 16 per cent, all commodities except ties showing increases, and manufactures and miscellaneous freight increased by 21 per cent, the largest increases being made in bar, sheet and structural iron, automobiles, paper, wood pulp and merchandise.

CANADIAN NATIONAL RAILWAYS: The Canadian National System almost doubled the net operating revenue made in December, 1924. Freight traffic increased 61.9 per cent and freight revenues were greater by $3,400,427, or 29.2 per cent. Passenger traffic and revenue also were heavier than in 1924 and gross revenues showed an improvement of $3,990,642, or 24.3 per cent.

Expenditures on maintenance of equipment were the heaviest in any month during the past three years although the total for the year was only slightly heavier than in 1924 and considerably less than in 1923 and 1922. The total operating expenses were increased by $2,003,320, or 14 per cent.

The heavy movement of grain not only increased the total traffic but was the main factor in lengthening the average haul from 346.1 miles to 443.9 miles and in reducing the average freight revenue per ton mile from .972 cent to .776 cent. It also affected the average car load which increased 3.3 tons and the average train load which increased 113.3 revenue tons.

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CANADA

074979

The lines in the United States also showed considerable improvement over December 1924. The New England lines earned net revenues of $151,580 as against a deficit of $20,283 in 1924. The other lines also increased both gross and net revenues making the increase in net operating revenues for the entire system $2,587,926.

CANADIAN PACIFIC RAILWAY: The freight traffic handled during December showed the remarkable increase of 71 per cent over the December 1924 traffic. It was also heavier than the November 1925 traffic by 9 per cent, over October 1925 by 21 per cent and December 1923 by 5 per cent. Freight revenues were greater than in 1924 by $4,175,575, or 39 per cent and total gross revenues were greater by $4,147,155, or 26.7 per cent.

Operating expenses were increased by $2,642,414, or 24.1 per cent, the largest increase being $1,173,611, or 89 per cent in maintenance of way and structures. This large increase was more the result of light expenditures in 1924 than exceptionally heavy expenditures in 1925: the total expenditures on maintenance of way and structures in the year 1925 were $1,803,484 less than in 1924.

The average car load increased from 29.9 tons to 33.2 tons and the net tons per train from 602.5 tons to 716.4 tons and are very close to the records made in November 1923.

22/3/26/GA

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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074980

Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000
For the Month of December, 1925

	1925	1924
OPERATING REVENUES		
Freight	$33,526,381.09	$25,637,324.03
Passenger	7,020,185.39	6,348,467.14
Mail	724,103.40	720,356.07
Express	1,786,043.57	1,697,130.40
Other Freight Train	3,325.65	Dr. 212.32
Other Passenger Train	520,298.33	469,148.56
Water Line	192,289.99	174,711.45
All Other	1,383,294.00	1,634,287.61
Total Railway Operating Revenues	45,155,921.42	36,681,212.94
OPERATING EXPENSES		
Maint. of Way and Structures	$5,260,607.01	$4,268,084.17
Maint. of Equipment	8,648,191.83	5,961,559.72
Traffic	1,384,382.44	1,539,069.47
Transportation	16,988,069.99	15,989,653.36
Misc. Operations	385,954.40	391,211.13
General	983,897.29	849,492.48
Trans. for Investment	Cr. 55,104.60	Cr. 109,254.95
Total Railway Operating Expenses	33,595,998.36	28,889,815.38
OPERATING INCOME		
Net Operating Revenue	$11,559,923.06	$7,791,397.56
Railway Tax Accruals	1,969,074.56	1,518,140.66
Uncollectable Revenues	11,612.87	18,033.68
Hire of Equipment	Dr. 19,179.82	Cr. 216,947.07
Joint Facilities Rents	Dr. 96,347.91	Dr. 85,864.75
Operating Income	9,463,707.90	6,386,305.54
OPERATING STATISTICS		
Average Miles of Road Operated	39,101.81	38,652.35
No. of Tons Carried (Rev.Fr.)	10,940,598	8,718,493
No. of Tons Carried 1 Mile " "	4,147,758,093	2,582,904,838
No. of Tons Carried (All Fr.)	12,304,012	9,802,405
No. of Tons Carried 1 Mile " "	4,430,648,022	2,771,968,414
No. of Rev. Pass. Carried	3,528,157	3,369,159
No. of Rev. Pass. Carried 1 Mile	246,230,490	222,695,772
# Freight Train Miles	6,651,757	4,998,607
# Passenger Train Miles	3,852,416	3,999,126
Total Train Miles (Rev. & Non Rev.)	10,608,207	9,160,998
Freight Car Miles-Loaded	148,140,358	103,880,779
Freight Car Miles-Empty	87,404,434	53,155,715
Passenger Train Car Miles	27,775,479	27,478,894
Total Amount of Pay Roll	$19,162,975.88	$17,848,121.13
Number of Employees	149,700	143,741
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$37.25	$30.61
Operating Expenses	$27.72	$24.11
No. of Tons Moved One Mile (Rev.Fr.)	3,422	2,156
No. of Tons Moved One Mile (All Fr.)	3,655	2,313
No. of Rev. Pass. Carried One Mile	203	186
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.04	$5.13
No. of Tons of Freight (Rev.Fr.)	623.6	516.7
No. of Tons of Freight (All Fr.)	666.1	554.5
Loaded Freight Cars	22.3	20.8
Empty Freight Cars	13.1	10.6
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.61	$2.31
Passengers Carried	63.9	55.7
Passenger Cars	7.2	6.9
Average Operating Expenses per Train Mile	$3.17	$3.15
Average Length of Haul (Rev.Fr.) Miles	379.1	296.3
Average Passenger Journey Miles	69.8	66.1
Average Tons per Loaded Fr. Car	29.9	26.7
Av.Fr.Receipt per Rev. Ton Mile	.808¢	.993¢
Av. Passenger Receipt per Pass. per Mile	2.851¢	2.851¢
Ratio of Pay Roll to Operating Revenues	42.4%	48.7%
Ratio of Pay Roll to Operating Expenses	57.0%	61.8%
Ratio of Operating Expenses to Revenues	74.40%	78.76%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

074981

Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For the Month of December, 1925

	1925	1924
OPERATING REVENUES		
Freight	$15,037,518.82	$11,637,091.10
Passenger	3,096,003.69	2,683,720.76
Mail	292,973.12	303,807.60
Express	1,213,410.52	1,130,960.66
Other Freight Train	-	Dr. 5,646.08
Other Passenger Train	248,657.97	219,933.92
Water Line	-	-
All Other	542,274.54	470,328.51
Total Railway Operating Revenues	20,430,838.66	16,440,196.47
OPERATING EXPENSES		
Maint. of Way and Structures	$2,092,526.93	$2,296,727.71
Maint. of Equipment	4,323,990.59	2,553,904.14
Traffic	487,165.12	701,231.43
Transportation	8,727,671.21	8,243,318.37
Misc. Operations	153,873.97	169,817.89
General	557,536.49	426,665.15
Trans. for Investment Cr.	53,312.72	Cr. 105,533.39
Total Railway Operating Expenses	16,289,451.59	14,286,131.30
OPERATING INCOME		
Net Operating Revenue	$4,141,387.07	$2,154,065.17
Railway Tax Accruals	322,895.54	242,159.25
Uncollectable Revenues	2,301.20	7,337.17
Hire of Equipment Cr.	66,413.58	Cr. 286,624.48
Joint Facilities Rents Cr.	49,761.81	Cr. 44,578.99
Operating Income	3,932,365.72	2,235,772.22
OPERATING STATISTICS		
Average Miles of Road Operated	20,854.38	20,531.91
No. of Tons Carried (Rev.Fr.)	4,367,864	3,460,292
No. of Tons Carried One Mile " "	1,938,686,603	1,197,714,064
No. of Tons Carried (All Fr.)	4,990,962	3,955,391
No. of Tons Carried One Mile " "	2,078,012,363	1,283,495,181
No. of Rev. Pass. Carried	1,887,638	1,727,539
No. of Rev.Pass. Carried One Mile	114,614,124	101,116,124
# Freight Train Miles	3,142,735	2,378,254
# Passenger Train Miles	1,774,681	1,800,507
Total Train Miles (Rev.& Non Rev.)	4,983,821	4,273,813
Freight Car Miles-Loaded	71,699,445	49,936,157
Freight Car Miles-Empty	41,948,357	26,219,030
Passenger Train Car Miles	12,670,605	12,402,947
Total Amount of Pay Roll	$ 10,559,276	$ 9,761,773
Number of Employees	84,474	80,964
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$31.60	$25.83
Operating Expenses	$25.20	$22.45
No. of Tons Moved One Mile (Rev.Fr.)	2,999	1,882
No. of Tons Moved One Mile (All Fr.)	3,214	2,017
No. of Rev.Pass. Carried One Mile	177	159
# AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$4.78	$4.89
No. of Tons of Freight (Rev.Fr.)	616.9	503.6
No. of Tons of Freight (All Fr.)	661.2	529.7
Loaded Freight Cars	22.8	21.0
Empty Freight Cars	13.3	11.0
# AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.73	$2.41
Passengers Carried	64.6	56.2
Passenger Cars	7.1	6.9
Average Operating Expenses per Train Mile	$3.27	$3.34
Average Length of Haul (Rev.Fr.) Miles	443.9	346.1
Average Passenger Journey Miles	60.7	58.5
Average Tons per Loaded Freight Car	29.0	25.7
Average Fr. Receipt per Rev.Ton Mile	.776¢	.972¢
Average Pass. Receipt per Pass. per Mile	2.701¢	2.654¢
Ratio of pay Roll to Operating Revenues	51.7%	59.4%
Ratio of Pay Roll to Operating Expenses	64.8%	68.3%
Ratio of Operating Expenses to Revenues	79.73%	86.90%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Month of December, 1925

	1925	1924
OPERATING REVENUES		
Freight	$14,843,752.24	$10,668,176.40
Passenger	2,922,560.48	2,663,996.77
Mail	367,605.26	353,306.52
Express	441,741.65	442,804.29
Other Freight Train	3,261.99	5,416.69
Other Passenger Train	250,799.10	229,601.43
Water Line	166,086.08	141,121.39
All Other	678,708.96	1,022,936.67
Total Railway Operating Revenues	19,674,515.76	15,527,360.16
OPERATING EXPENSES		
Maint. of Way and Structures	$2,492,274.36	$1,318,662.69
Maint. of Equipment	3,296,385.57	2,397,858.29
Traffic	817,253.05	762,166.77
Transportation	6,555,071.96	6,054,819.86
Misc. Operations	186,770.68	177,230.97
General	267,971.66	262,573.72
Trans. for Investment	–	–
Total Railway Operating Expenses	13,615,727.28	10,973,312.30
OPERATING INCOME		
Net Operating Revenue	$6,058,788.48	$4,554,047.86
Railway Tax Accruals	1,537,168.65	1,142,173.15
Uncollectable Revenues	–	–
Hire of Equipment	Cr. 301,263.66	Cr. 298,661.48
Joint Facilities Rents	Cr. 3,908.54	Cr. 18,765.26
Operating Income	4,826,792.03	3,729,301.45
OPERATING STATISTICS		
Average Miles of Road Operated	13,761.0	13,632.5
No. of Tons Carried (Rev.Fr.)	3,904,825	2,920,260
No. of Tons Carried One Mile" "	1,942,678,868	1,135,977,304
No. of Tons Carried (All Fr.)	4,536,506	3,410,398
No. of Tons Carried One Mile" "	2,080,657,515	1,233,620,753
No. of Rev. Pass. Carried	1,128,073	1,135,783
No. of Rev. Pass. Carried One Mile	101,407,159	91,189,792
# Freight Train Miles	2,904,375	2,047,465
# Passenger Train Miles	1,586,611	1,715,360
Train Miles (Rev. & Non Rev.)	4,519,122	3,803,407
Freight Car Miles-Loaded	62,644,896	41,230,798
Freight Car Miles-Empty	37,359,734	19,596,620
Passenger Train Car Miles	11,618,001	11,618,080
Total Amount of Pay Roll	$7,022,818.75	$6,426,530.74
Number of Employees	53,223	50,427
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$46.12	$36.74
Operating Expenses	$31.92	$25.97
No. of Tons Moved One Mile (Rev.Fr.)	4,554	2,688
No. of Tons Moved One Mile (All Fr.)	4,877	2,919
No. of Rev. Pass. Carried One Mile	238	216
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.11	$5.21
No. of Tons of Freight (Rev.Fr.)	668.9	554.8
No. of Tons of Freight (All Fr.)	716.4	602.5
Loaded Freight Cars	21.6	20.1
Empty Freight Cars	12.9	9.6
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$[illegible].51	$2.15
Passengers Carried	63.9	53.2
Passenger Cars	7.3	6.8
Average Operating Expenses per Train Mile	$3.01	$2.89
Average Length of Haul (Rev.Fr.) Miles	497.5	389.0
Average Passenger Journey Miles	89.9	80.3
Average Tons per Loaded Freight Car	33.2	29.9
Av. Fr. Receipt per Rev. Ton Mile	.764¢	.939¢
Av. Passenger Receipt per Pass. per Mile	2.882¢	2.921¢
Ratio of Pay Roll to Operating Revenues	35.7%	41.4%
Ratio of Pay Roll to Operating Expenses	51.6%	58.6%
Ratio of Operating Expenses to Revenues	69.20%	70.67%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADIAN NATIONAL SYSTEM

(Steam Lines in Canada and United States)

For the Month of December, 1925 - 1924

OPERATING REVENUES

	1925	1924
Canadian Lines	$20,430,838.66	$16,440,196.47
Duluth, Winnipeg & Pacific	206,291.69	190,646.81
Grand Trunk Western Lines	2,834,456.55	2,365,707.53
New England Lines	380,083.71	320,185.74
Total	23,851,670.61	19,316,736.55

OPERATING EXPENSES

Canadian Lines	$16,289,451.59	$14,286,131.30
Duluth, Winnipeg & Pacific	169,112.21	179,333.37
Grand Trunk Western Lines	1,816,394.00	1,750,578.95
New England Lines	228,502.86	340,409.48
Total	18,503,460.66	16,556,453.10

NET OPERATING REVENUE

Canadian Lines	$4,141,387.07	$2,154,065.17
Duluth, Winnipeg & Pacific	37,179.48	11,313.44
Grand Trunk Western Lines	1,018,062.55	615,128.58
New England Lines	151,580.85	Dr. 20,223.74
Total	5,348,209.95	2,760,283.45

OPERATING INCOME

Canadian Lines	$3,932,365.72	$2,235,772.22
Duluth, Winnipeg & Pacific	21,866.27	11,776.83
Grand Trunk Western Lines	648,602.44	235,124.69
New England Lines	108,671.91	Dr. 82,794.49
Total	4,711,506.34	2,399,879.25

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CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

TRANSPORTATION BRANCH

OPERATING REVENUES EXPENSES & STATISTICS

of

RAILWAYS

With Annual Operating Revenues of $500,000

For Year Ended

DECEMBER 31, 1925

Published by Authority of the Hon. J. A. Robb, M. P.,
Acting Minister of Trade and Commerce.

OTTAWA

1926

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS
TRANSPORTATION BRANCH
OTTAWA

Dominion Statistician, R.H. Coats, B.A., F.S.S., F.R.S.C.
Chief, Transportation Branch, G.S. Wrong, B.Sc.

OPERATING REVENUES, EXPENSES & STATISTICS

STEAM RAILWAYS OF CANADA

WITH ANNUAL OPERATING REVENUES OF $500,000.

For the Year Ended Dec. 31, 1925

Although the railways did not handle as much freight nor as many passengers as in 1923 and earned $20,000,000 less than in 1923, the past year was the most profitable the railways have had from an operating view point. Net operating revenues aggregating $83,567,427 were $19,872,980 greater than for 1924 and $18,224,060 greater than for 1923. These data do not include interest or divident charges but this large increase in net revenues will more than cover any increase in those. Despite the large increase in freight traffic from September to the end of the year, the total for the twelve months was only 4.7 per cent greater than for 1924, and gross revenues were greater by only $9,936,070, or 2.3 per cent.

Operating expenses were reduced by $9,936,910, or 2.6 per cent which increased the net revenues by $19,872,980 and reduced the operating ratio from 85.57per cent to 81.48 per cent. Maintenance of way and structures expenditures were reduced $3,774,386 and were the lowest in the past six years. Maintenance of equipment has also been reduced each year since 1920, although last year only a small reduction was made. The only item of expenses to show an increase was "Traffic" which has been steadily increasing each year and has more than doubled in magnitude since 1919.

The number of passengers travelling was less by 2,534,457 but the passenger miles showed an increase of 1.3 per cent due to a lengthening of the average journey from 66.5 miles to 71.6 miles. The total pay roll was less by $3,192,503 or 1.4 per cent and the average number of employees was less by 3,856, or 2.4 per cent.

CANADIAN NATIONAL RAILWAYS: Gross revenues were larger than in 1924 by $6,994,427 and although they were less than for 1923, net operating revenues were more than double those of either 1924 or 1923. Freight traffic was heavier than in 1924 by 5.7 per cent and freight revenue was increased by $6,981,662, or 4.9 per cent. Passenger traffic also showed a slight increase but receipts fell off by $348,542, or 1.0 per cent.

The big improvement was in operating expenses which were reduced by $5,087,202, or 2.7 per cent. Maintenance of equipment and traffic expenses were the only items to show any increases and these were only small. Maintenance of way and structures were reduced by $845,526, or 2.2 per cent and transportation expenses were less by $3,452,056, or 3.6 per cent.

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The lines in the United States increased their gross revenues by $2,388,592, reduced their operating expenses by $549,941 and increased the net operating revenues by $2,938,533. The net revenues of the entire system amounted to $32,264,414, which was an increase over those of 1924 of $15,020,163.

CANADIAN PACIFIC RAILWAY: The Canadian Pacific railway earned the largest net operating revenues in the past eight years, viz. $41,947,733. Gross revenues were only $1,814,747, or 1.0 per cent greater than for 1924 and were less than for 1923 by over $10,000,000, but operating expenses were reduced by $2,595,584 thus increasing the net revenues by $4,410,332. Freight traffic was heavier than in 1924 by 5.1 per cent and freight revenues increased by $4,852,068, or 4.0 per cent. Passenger traffic showed an increase but receipts were smaller by $724,081 or 2.2 per cent.

Maintenance of way and structures expenses were reduced by $1,803,484, or 6.6 per cent but maintenance of equipment was increased by $429,240, or 1.3 per cent. Traffic and miscellaneous operations also showed increases while a saving of $1,412,919, or 2.0 per cent was effected in transportation expenses. The pay roll was reduced $387,331, or less than a half of one per cent.

There was an exceedingly small difference in the average train loading, in the average length of haul and in the average receipt per ton mile.

22/3/26/GA

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OPERATING REVENUES, EXPENSES & STATISTICS
STEAM RAILWAYS OF CANADA
With Annual Operating Revenues of $500,000
For the Twelve Months Ended December, 1925

	1925	1924
OPERATING REVENUES		
Freight	$320,585,984.84	$307,431,243.16
Passenger	78,123,924.25	79,412,430.68
Mail	7,321,527.95	7,333,174.19
Express	19,470,610.86	19,500,315.52
Other Freight Train	26,404.25	32,956.10
Other Passenger Train	6,998,298.87	6,874,132.78
Water Line	2,649,719.68	2,475,045.94
All Other	16,049,638.33	18,230,740.42
Total Railway Operating Revenues	451,226,109.03	441,290,038.79
OPERATING EXPENSES		
Maint. of Way and Structures	$72,650,098.40	$76,424,485.28
Maint. of Equipment	84,426,155.34	84,455,564.53
Traffic	15,351,094.48	15,189,186.83
Transportation	179,817,981.15	185,486,579.18
Misc. Operations	5,003,873.85	5,028,292.15
General	11,291,395.65	11,717,176.92
Trans. for Investment Cr.	881,917.09	Cr. 705,692.63
Total Railway Operating Expenses	367,658,681.78	377,595,592.26
OPERATING INCOME		
Net Operating Revenue	$83,567,427.25	$63,694,446.53
Railway Tax Accruals	8,963,960.84	8,625,434.96
Uncollectable Revenues	60,885.84	35,983.81
Hire of Equipment Cr.	1,015,785.29	Cr. 2,377,784.49
Joint Facilities Rents	1,112,277.21	Dr. 959,095.71
Operating Income	74,446,088.65	56,451,716.54
OPERATING STATISTICS		
Average Miles of Road Operated	38,879.50	38,448.85
No. of Tons Carried (Rev.Fr.)	108,933,138	107,925,559
No. of Tons Carried 1 Mile " "	31,849,757,504	30,411,802,477
No. of Tons Carried (All Fr.)	125,493,972	123,892,530
No. of Tons Carried 1 Mile " "	35,462,282,771	34,004,898,884
No. of Rev. Pass. Carried	40,304,081	42,838,538
No. of Rev.Pass. Carried 1 Mile	2,886,220,725	2,849,857,994
# Freight Train Miles	60,756,702	59,143,268
# Passenger Train Miles	46,960,706	47,017,057
Total Train Miles (Rev. & Non Rev.)	111,020,630	110,234,900
Freight Car Miles-Loaded	1,411,732,370	1,334,237,617
Freight Car Miles-Empty	714,545,161	639,513,068
Passenger Train Car Miles	339,881,627	336,172,327
Total Amount of Pay Roll	$227,677,525.60	$230,870,028.69
Number of Employees	155,556	159,412
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$31.80	$31.36
Operating Expenses	$25.91	$26.83
No. of Tons Moved One Mile (Rev.Fr.)	2,244	2,161
No. of Tons Moved One Mile (All Fr.)	2,499	2,416
No. of Rev.Pass. Carried One Mile	203	203
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.28	$5.20
No. of Tons of Freight (Rev.Fr.)	524.2	514.2
No. of Tons of Freight (All Fr.)	583.7	575.0
Loaded Freight Cars	23.2	22.6
Empty Freight Cars	11.8	10.8
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.38	$2.41
Passengers Carried	61.5	60.6
Passenger Cars	7.2	7.2
Average Operating Expenses per Train Mile	$3.31	$3.43
Average Length of Haul (Rev.Fr.) Miles	292.4	281.8
Average Passenger Journey Miles	71.6	66.5
Average Tons per Loaded Freight Car	25.1	25.5
Av.Fr.Receipt per Rev.Ton Mile	1.007¢	1.011¢
Av.Passenger Receipt per Pass. per Mile	2.707¢	2.787¢
Ratio of Pay Roll to Operating Revenues	50.5%	52.3%
Ratio of Pay Roll to Operating Expenses	61.9%	61.1%
Ratio of Operating Expenses to Revenues	81.48%	85.57%

Contains a proportion of mixed train miles.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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Subject to Revision

OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN NATIONAL RAILWAYS
For Twelve Months Ended December 31, 1925

	1925	1924
OPERATING REVENUES		
Freight	$149,897,524.31	$142,915,861.52
Passenger	33,303,171.15	33,651,713.61
Mail	3,162,882.91	3,186,763.51
Express	12,574,522.07	12,648,918.92
Other Freight Train	—	—
Other Passenger Train	2,871,842.63	2,799,625.01
Water Line	—	—
All Other	6,408,977.75	6,021,610.56
Total Railway Operating Revenues	208,218,920.82	201,224,493.13
OPERATING EXPENSES		
Maint. of Way & Structures	$37,813,848.51	$38,659,374.72
Maint. of Equipment	41,497,546.21	41,485,014.11
Traffic	5,925,685.92	5,917,111.56
Transportation	91,982,380.25	95,434,436.89
Miscellaneous Operations	1,996,172.43	2,114,877.63
General	6,014,421.48	6,484,774.60
Trans. for Investment	Cr. 856,853.36	Cr. 635,185.61
Total Railway Operating Expenses	184,373,201.44	189,460,403.90
OPERATING INCOME		
Net Operating Revenue	$23,845,719.38	$11,764,089.23
Railway Tax Accruals	2,893,424.36	3,065,538.73
Uncollectable Revenues	50,907.44	23,183.10
Hire of Equipment	Cr. 2,594,018.11	Cr. 2,966,090.25
Joint Facilities Rents	Cr. 459,886.07	Cr. 428,764.66
Operating Income	23,955,291.76	12,070,222.31
OPERATING STATISTICS		
Average Miles of Road Operated	20,596.21	20,527.82
No. of Tons Carried (Rev.Fr.)	43,911,107	42,568,433
No. of Tons Carried One Mile " "	15,593,387,347	14,756,638,289
No. of Tons Carried (All Fr.)	51,868,703	50,810,478
No. of Tons Carried One Mile " "	17,272,726,300	16,579,961,543
No. of Rev. Pass. Carried	20,654,606	21,435,880
No. of Rev.Pass. Carried One Mile	1,272,042,814	1,262,237,621
# Freight Train Miles	29,036,414	28,686,664
# Passenger Train Miles	21,398,455	21,593,255
Total Train Miles (Rev.& Non Rev.)	52,419,240	52,841,043
Freight Car Miles-Loaded	680,302,474	652,006,020
Freight Car Miles-Empty	347,229,798	313,421,406
Passenger Train Car Miles	153,886,769	151,981,928
Total Amount of Pay Roll	$123,848,757	$126,027,321
Number of Employees	85,910	88,558
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$27.70	$26.78
Operating Expenses	$24.53	$25.22
No. of Tons Moved One Mile (Rev.Fr.)	2,074	1,964
No. of Tons Moved One Mile (All Fr.)	2,298	2,209
No. of Rev. Pass. Carried One Mile	169	168
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.16	$4.98
No. of Tons of Freight (Rev.Fr.)	537.0	514.4
No. of Tons of Freight (All Fr.)	594.9	578.0
Loaded Freight Cars	23.4	22.7
Empty Freight Cars	12.0	10.9
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.43	$2.42
Passengers Carried	59.4	58.5
Passenger Cars	7.2	7.0
Average Operating Expenses per Train Mile	$3.52	$3.59
Average Length of Haul (Rev.Fr.) Miles	355.1	346.7
Average Passenger Journey Miles	61.6	58.9
Average Tons per Loaded Freight Car	25.4	25.4
Av.Freight Receipt per Rev. Ton Mile	.961¢	.968¢
Av. Passenger Receipt per Pass. per Mile	2.618¢	2.666¢
Ratio of Pay Roll to Operating Revenues	59.5%	62.6%
Ratio of Pay Roll to Operating Expenses	67.2%	66.5%
Ratio of Operating Expenses to Revenues	88.55%	94.15%

Contains a proportion of mixed train miles.

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OPERATING REVENUES, EXPENSES & STATISTICS
CANADIAN PACIFIC RAILWAY
For the Year Ended December, 1925

	1925	1924
OPERATING REVENUES		
Freight	$126,752,441.55	$121,900,373.21
Passenger	32,937,871.47	33,661,953.09
Mail	3,536,216.06	3,520,691.64
Express	5,579,870.28	5,572,496.46
Other Freight Train	24,528.34	28,410.67
Other Passenger Train	3,867,614.96	3,811,648.40
Water Line	2,184,032.08	2,128,393.85
All Other	7,728,217.24	10,172,076.80
Total Railway Operating Revenues	182,610,791.98	180,796,044.12
OPERATING EXPENSES		
Maint. of Way and Structures	$25,473,903.69	$27,277,388.60
Maint. of Equipment	33,251,054.05	32,821,813.29
Traffic	8,477,102.58	8,341,350.31
Transportation	67,661,133.74	69,074,053.13
Misc. Operations	2,438,183.15	2,358,034.11
General	3,361,681.68	3,386,004.01
Trans. for Investment	-	-
Total Railway Operating Expenses	140,663,058.89	143,258,643.45
OPERATING INCOME		
Net Operating Revenue	$41,947,733.09	$37,537,400.67
Railway Tax Accruals	4,828,843.91	4,220,269.85
Uncollectable Revenues	-	-
Hire of Equipment	Cr. 2,784,283.61	Cr. 3,629,960.35
Joint Facilities Rents	Cr. 251,603.07	Cr. 280,150.79
Operating Income	40,154,775.86	37,227,241.96
OPERATING STATISTICS		
Average Miles of Road Operated	13,678.3	13,357.6
No. of Tons Carried (Rev. Fr.)	34,589, 533	33,139,037
No. of Tons Carried One Mile " "	13,067,430,516	12,428,147,306
No. of Tons Carried (All Fr.)	41,912,305	40,564,809
No. of Tons Carried One Mile " "	14,876,934,763	14,110,063,673
No. of Revenue Pass. Carried	13,581,691	14,031,947
No. of Rev. Pass. Carried One Mile	1,249,985,831	1,221,419,318
# Freight Train Miles	24,801,421	23,569,468
# Passenger Train Miles	19,663,138	19,587,196
Total Train Miles (Rev. & Non Rev.)	45,381,307	44,252,802
Freight Car Miles-Loaded	558,572,048	516,705,162
Freight Car Miles-Empty	272,966,418	238,306,883
Passenger Train Car Miles	144,334,658	142,920,665
Total Amount of Pay Roll	$84,093,586.56	$84,460,918.14
Number of Employees	56,816	57,472
DAILY AVERAGES PER MILE OF ROAD OPERATED		
Operating Revenue	$36.58	$36.98
Operating Expenses	$28.17	$29.30
No. of Tons Moved One Mile (Rev. Fr.)	2,617	2,542
No. of Tons Moved One Mile (All Fr.)	2,980	2,886
No. of Rev. Pass. Carried One Mile	250	250
#AVERAGES PER FREIGHT TRAIN MILE		
Freight Revenue	$5.11	$5.17
No. of Tons of Freight (Rev. Fr.)	526.9	527.3
No. of Tons of Freight (All Fr.)	599.8	598.7
Loaded Freight Cars	22.5	21.9
Empty Freight Cars	11.0	10.1
#AVERAGES PER PASSENGER TRAIN MILE		
Passenger Train Revenues	$2.34	$2.38
Passengers Carried	63.6	62.4
Passenger Cars	7.3	7.3
Average Operating Expenses per Train Mile	$3.10	$3.24
Average Length of Haul (Rev. Fr.) Miles	377.8	375.0
Average Passenger Journey Miles	92.0	87.0
Average Tons per Loaded Freight Car	26.6	27.3
Av. Fr. Receipt per Rev. Ton Mile	.970¢	.981¢
Av. Passenger Receipt per Pass. per Mile	2.635¢	2.756¢
Ratio of Pay Roll to Operating Revenues	46.1%	46.7%
Ratio of Pay Roll to Operating Expenses	59.8%	59.0%
Ratio of Operating Expenses to Revenues	77.03%	79.24%

Contains a proportion of mixed train miles.

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CANADIAN NATIONAL SYSTEM

(Steam Lines in Canada & United States)

For Twelve Months Ended December 1925 - 1924

OPERATING REVENUES

	1925	1924
Canadian Lines	$208,218,920.82	$201,224,493.13
Duluth, Winnipeg & Pacific	2,251,162.69	2,176,474.81
Grand Trunk Western Lines	31,847,954.55	29,591,984.53
New England Lines	2,653,164.55	2,595,230.08
Total	244,971,202.61	235,588,182.55

OPERATING EXPENSES

Canadian Lines	$184,373,201.44	$189,460,403.90
Duluth, Winnipeg & Pacific	1,887,199.37	1,924,405.28
Grand Trunk Western Lines	23,758,407.35	23,881,316.76
New England Lines	2,687,979.66	3,077,805.13
Total	212,706,787.82	218,343,931.07

NET OPERATING REVENUES

Canadian Lines	$23,845,719.38	$11,764,089.23
Duluth, Winnipeg & Pacific	363,963.32	252,069.53
Grand Trunk Western Lines	8,089,547.20	5,710,667.77
New England Lines	Dr. 34,815.11	Dr. 482,575.05
Total	32,264,414.79	17,244,251.48

OPERATING INCOME

Canadian Lines	$23,955,291.76	$12,070,222.31
Duluth, Winnipeg & Pacific	268,542.97	219,833.38
Grand Trunk Western Lines	3,622,114.41	822,906.45
New England Lines	Dr. 900,417.39	Dr.1,389,827.84
Total	26,945,531.75	11,723,134.30

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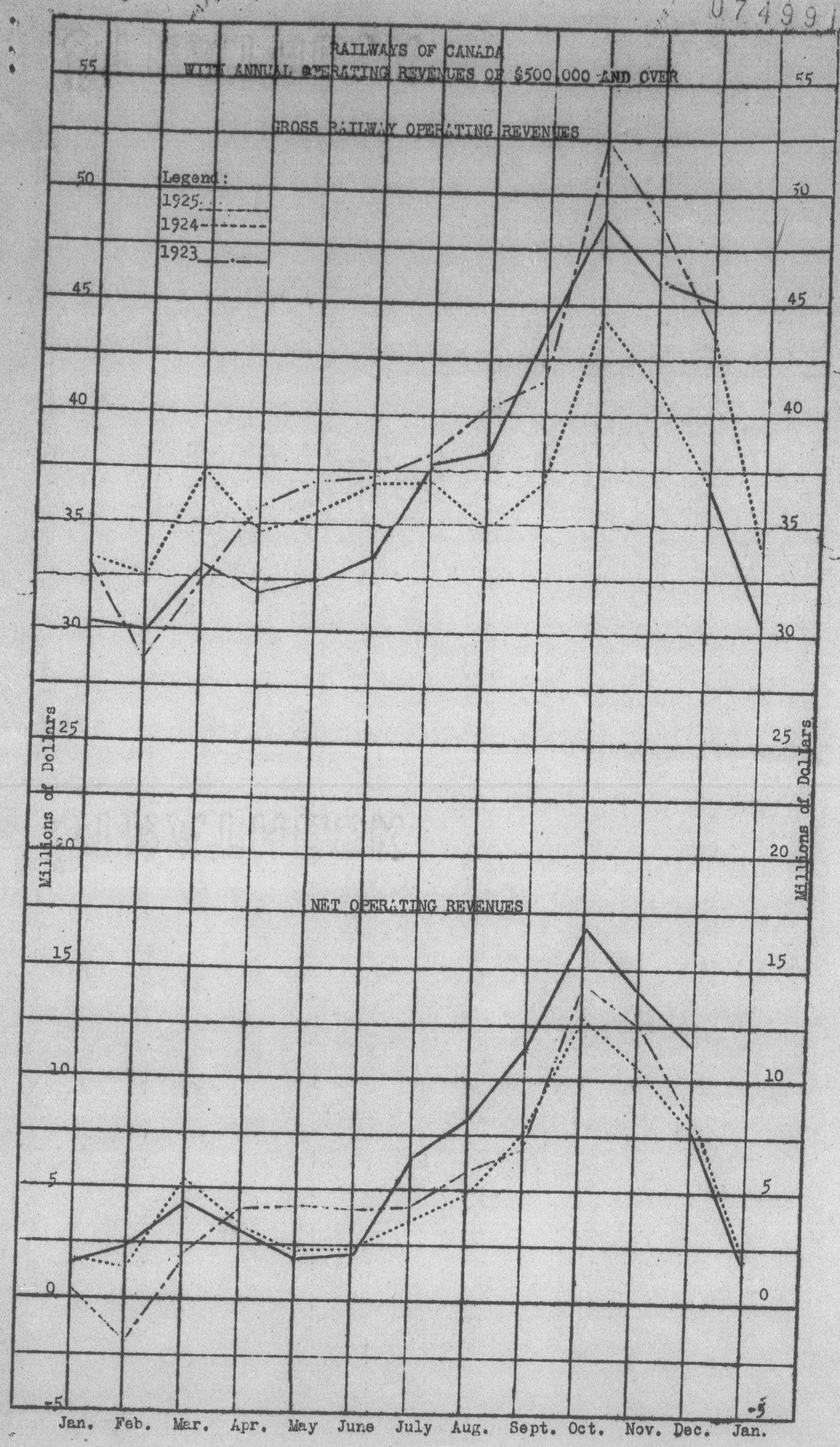

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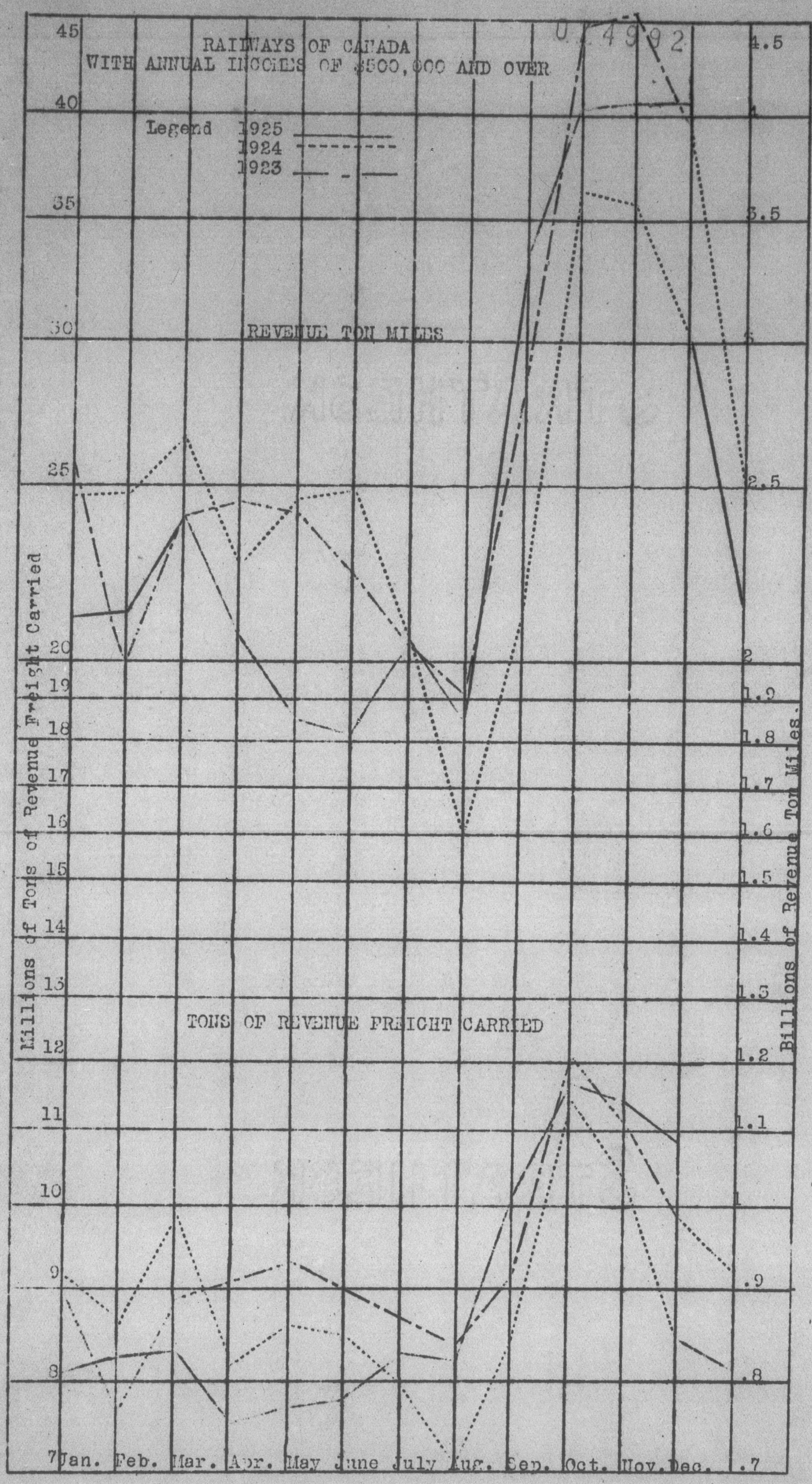

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PRIME MINISTER'S OFFICE

Rep

074993

Subject.....

Date July 6/26 Publication Toronto Globe

THE ANVIL CHORUS AGAIN.

An incidental observation by Premier King during a recent discussion in Parliament is promptly seized by The Montreal Gazette as an argument against public ownership. Mr. King is quoted as saying:

"Turn to the Department of Railways and Canals. We receive communications every few days about officials connected with the Canadian National. I am told these men are favoring this man or that man, or favoring a certain group, or that a lot of them belong to the same political party as honorable gentlemen opposite, and that they should be dismissed."

From this point it was easy for The Gazette to claim that politicians will always want to be heard in connection with the policies and methods of the Canadian National, but that people do not waste their time writing to the Canadian Pacific, for example, about favoritism or anything of that nature. Political interference by agrarians in the West is another crime charged up by The Gazette against public ownership.

It is scarcely necessary at this stage to remind the public that the Canadian National was acquired by the Canadian Government only after private ownership of the various systems had failed, and the Government chose this course in preference to bankruptcy for the lines. Public ownership has rescued the system from a perilous position by good management, and now there is a steadily increasing operating profit, which is expected to meet this year all interest charges due the public.

The Canadian Pacific is an efficient railway, of which the country is proud, but so is the Canadian National, and so is the Ontario Hydro-Electric, which has wrought wonders in this Province at prices to consumers far below those formerly charged by private utility companies, and considerably below those charged by private companies in Quebec today. These illustrations occur, further, just at a time when there is another signal illustration of a failure in private ownership in the passing into a receiver's hands of a great coal and steel concern in Eastern Canada.

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Rep. Gen

PRIME MINISTER'S OFFICE 074994

Subject.....

Date. August 10/26 Publication The Moncton Transcript

THE WAY TO SAFETY

Rt. Hon. Arthur Meighen again denies that he proposes to effect the amalgamation of the Canadian National Railways and the Canadian Pacific Railway. Mr. Meighen is quite emphatic about it. But is his the last word which can be said concerning the policy of the Conservative party? The temporary premier does not attempt, it will be noted, to speak for Hon. Mr. Patenaude and those whom the latter represents. It is possible that the intentions of the latter might have more real bearing on the situation than Mr. Meighen's intentions or desires.

It is quite probable that Mr. Meighen has been fully convinced by this time that it would be unwise, politically as well as economically, to attempt the amalgamation of which he warned us so distinctly during the last campaign. He has found how exceedingly unpopular was that suggestion, and he wishes to disclaim all connection with it.

There are others, however, who are not concerned so much with Mr. Meighen's political future as they are over getting what they want. There is the Montreal group of financial magnates who, it is well known, are vigorously opposed to public ownership in any form, and particularly to successful public ownership, who are the determined enemies of the Canadian National Railway System as a government-owned institution and who would go to great lengths to bring it under private control—on terms satisfactory to themselves.

This is the group which Mr. Patenaude is said to represent and who are supporting Mr. Patenaude and Mr. Meighen, not for any love for the latter but for the distinct purpose of making their way prevail if by any chance Mr. Meighen should succeed in securing a majority in the coming elections. This group would have little trouble in finding allies among the Conservaties of Ontario.

Certainly the Conservatives of the Maritime Provinces have not shown such a love for public ownership and public control that they could be counted on to defend the National Railways from the attacks of its enemies.

Mr. Meighen's assurances are not good enough, because they do not go far enough. What he now intends may have little to do with what would be done by a Conservative government safely entrenched in office.

There is no need for those who are interested in the preservation of the National Railways to take any chances concerning the future of the road, so far as any act of theirs can influence it. There must be doubts concerning the continued independent existence of the road if the Conservatives should attain permanent power. There can be no doubt on that subject with a Liberal government in office. The return of the Liberal party to power at Ottawa will give absolute assurance—assurance that can be gained in no other way—that the Canadian National Railways will continue to be owned and operated by the people of Canada in their own interests and that there will be no amalgamation and no private monopoly of transportation in this Dominion.

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COST OF GRAND TRUNK PACIFIC.

AN APPALLING CHARGE ON THE COUNTRY.

Government Pledges of 1903, and Government Statements To-day—Show that the People of Canada were shamefully deceived.

The character of the Laurier Government as a business administration is beautifully illustrated by a comparison of the present estimated cost of the Grand Trunk Pacific with the statements made by Ministers when the contract was carried through the House, and with the declarations of the Premier and his supporters in the election campaign of 1904.

The Transcontinental Railway programme was the chief issue on which the Government appealed to the people in the last election. These declarations of Ministers, made in the most emphatic and authoritative way, were a pledge to the people of Canada as to the amount of obligation and outlays involved. The campaign literature of the Government party was based on the statements of Ministers. Electors who supported the Government undoubtedly gave full weight to these solemn undertakings.

$13,000,000 WOULD PAY FOR ALL.

What were these pledges?

The Premier's emphatic statement in Parliament, many times repeated on the platform was that:

> The sum total of the money to be paid by the Government for the construction of the line from Moncton to the Pacific will be in the neighborhood of $12,000,000 or $13,000,000 and not a cent more. (Hansard, 1903, page 7691.)

The campaign pamphlet on the subject had for its head line:

> "A Transcontinental Railway for $13,000,000," and in the text this authorized publication said: "It is an actual fact, an indisputable fact, that $13,000,000 will cover every cent of the Country's expenditure in connection with the railway."

Mr. Fielding in Parliament quoted the Premier's statement and declared that it was substantially correct as to the $13,000,000.

MULTIPLIED BY THREE.

In the session of 1908 the Minister of Railways and the Minister of Finance made new statements in the light of their present knowledge, giving the cost to the people of Canada of this railway, on the same basis as the $13,000,000 statement of 1903 and 1904.

But so great has been the increase of cost over the estimates of four and five years before that instead of $12,000,000 or $13,000,000, Mr. Graham now makes the ultimate cost to the people on this basis $38,263,976. (Hansard, 1908, page 12,675.)

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Mr. Fielding, in the same discussion, endorses this announcement. But in Mr. Fielding's statement of 1903 he included in the charge the interest on four-ninths of the cost of the Quebec Bridge. In 1905 he left that out, thus reducing his estimate of the interest charge by more than a million.

Here we have the two estimates on the same basis, made by the same Ministry, in a period of five years, one of $13,000,000, and one of $38,000,000, or, adding the Bridge, between $39,000,000 and $40,000,000.

Yet the section to be built by the Government is probably not a quarter completed, and a large part of it was only placed under contract in July, 1908, while the Mountain section is only partially located. What will the estimate be when the road approaches completion?

THE REAL OBLIGATION.

Turning now from the frivolous and misleading $13,000,000 statements, we take up the actual cost and obligation which the people of Canada are to pay and assume in respect of this undertaking. They were set forth by Mr. Borden in a statement made in the House, July 7th, 1908, and recorded in Hansard, page 12,243. Before giving this, it would be well to print the return of the Minister of Railways, upon which Mr. Borden's statement is based. This is found in a sessional paper brought down by Mr. Graham, and recorded in Hansard, on pages 12,238 to 12,242:

Length of the road from Moncton to Winnipeg		1,803.55 miles
Estimated cost per mile		$ 63,427
Transcontinental share of the cost of Moncton shops		750,000
Terminals at Quebec		2,000,000
Winnipeg shops		1,500,000
Winnipeg terminals, joint arrangement with Canadian Northern—		
Prairie section	916 miles	
Mountain section	839 miles	
Estimated cost of Mountain section		$61,520,000

Take now Mr. Borden's statement of the outlay and obligations of Canada in connection with this road, as based upon the Minister's latest statement:

EASTERN DIVISION.		
Construction of Railway from Moncton to Winnipeg, 1,803.65 miles, at estimated cost of $63,427 per mile.		$114,393,765
Allowing five years for period of construction, there will be an average of 2½ years simple interest at 3½ per cent. during construction, or $4,003,781 67 per year for 2½ years		10,009,454
Cost of Eastern Division at completion will thus be		124,403,219
To this must be added 7 years interest at 3 per cent. (not compounded) after completion, during which G. T. P. is to pay no rent		20,124,676
Also interest at 3 per cent. for three years additional during which no rent is collectable unless earnings are sufficient		11,196,290
		$161,724,185
QUEBEC BRIDGE.		
Cost of Quebec Bridge up to March 1st, 1907 (Government return)	$5,422,238	
Estimated cost of completion	9,000,000	
		14,422,238
TERMINALS.		
Estimated cost of our share of terminals at Quebec, Winnipeg and Moncton, and shops east of Winnipeg		5,470,000

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MOUNTAIN SECTION.

Cost of Mountain Section (839 miles) as stated in return brought down $61,520,000	
Seventy-five per cent. of the above $46,140,000 to be guaranteed by the Government for construction of Mountain Section.	
And the Government agrees to pay without recourse the interest on bonds so guaranteed for 7 years, which at 3½ per cent. amounts to..	11,304,300

RECAPITULATION OF CASH EXPENDITURE.

Total cash expenditure and interest in respect of Eastern Division as above	124,403,219
To this must be added 7 years interest at 3 per cent. (not compound) after completion, during which G. T. P. is to pay no rent..	26,124,676
Also interest at 3 per cent. for three years additional during which no rent is collectable unless earnings are sufficient..	11,196,290
Cost of Quebec Bridge as estimated..	14,422,238
Cost of terminals at Moncton, Quebec and Winnipeg and shops east of Winnipeg	5,470,000
Interest to be paid by the Government without recourse on Mountain section	11,304,300
Total cash expenditure..	$192,920,723

BOND GUARANTEE.

In addition to the above cash expenditure the Government incurs the following obligations on its guarantee of bonds:	
Guarantee on Bond issue on Mountain Section as above	46,140,000
Guarantee on Bond issue on Prairie Section, 916 miles at $13,000 per mile	11,908,000

Cash expenditure	$192,920,7^3
Bond Guarantee	58,048,000
Total..	$250,966,725

ADMITS $230,000,000.

After Mr. Borden made this statement, Mr. Graham and Mr. Fielding took four days to study it over and then made their criticisms. Mr. Graham, ventured to dispute only three items. One was the charge for terminals at Winnipeg, concerning which the Minister's own statement had been ambiguous. Assuming his objections to be correct, there would be a reduction of $878,750. The Minister also objected to the inclusion of the Quebec Bridge in the statement, though the bridge will be part of the G. T. P., and Mr. Fielding himself, in 1903, stated that four-ninths of the cost should be charged to the Transcontinental. The only other item to which Mr. Graham objected was the $11,196,290 interest on the cost of the Eastern section for the three years during which no rent is collectable unless the earnings are sufficient. Mr. Graham believed that the earnings would be sufficient, and Mr. Fielding contended that the amount would in any case be charged against the Company. Anyone who believes that the G. T. P. Company will admit

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that it earns sufficient to pay this rental may strike out $11,196,290. Even then, if only the share of the Quebec Bridge which Mr. Fielding wished to include in 1903 is allowed, the costs and obligations will still exceed $230,000,000.

A FEW COMPARISONS.

Take now the statement of construction cost as made by Ministers in 1903 and 1908.

In 1903 Mr. Fielding made an elaborate statement, said by him to be on high authority, and repeated in 1904. He declared that the road from Moncton to Winnipeg would be built for $51,300,000. (Hansard, page 8584.)

Mr. Graham, Minister of Railways, now places the cost at $114,393,765.

In 1903 Mr. Fielding computed the interest during construction at $3,309,676.

Mr. Graham now says that this interest will amount to $10,009,754.

In 1903 Mr. Fielding estimated the seven years' interest at $11,468,030.

Mr. Graham now admits that this interest will be $26,124,676.

In 1903 Mr. Fielding declared that the guarantee by the Government on the Mountain section "cannot exceed $14,400,000."

Mr. Graham now gives the cost of the Mountain section at $61,520,000, and makes the Government guarantee $46,140,000.

Mr. Fielding and all the other Ministers in their calculations of 1903 and 1904 left out the cost of terminals in the Eastern division, which they now estimate between $4,000,000 and $5,000,000.

In 1903 Mr. Fielding gave the cost of the Quebec Bridge at $4,500,000.

The Government is already liable for more than $6,000,000 in respect to this enterprise, and the bridge is yet to be built.

In 1903 the Ministers estimated the cost of the road from Quebec to Winnipeg at $28,000 per mile.

They now admit it will cost $63,000 per mile.

The Ministers procured official statements that the road from Quebec to Moncton would cost only $25,000 a mile, and only be 400 miles in length.

The Transcontinental Commission now estimates the cost of one division at $32,573, one at $42,000, one at $45,000, one at $51,000, one at $65,000, one at $83,000, and one at $110,000. The distance is increased to 456 miles, and over part of the distance there is a "pusher grade," requiring an extra engine to push the train up.

The total estimated cost in 1903 of the Quebec to Moncton section was $10,000,000.

On the present estimate the cost will be in the neighborhood of $25,000,000.

Such were the pledges on which the Government secured the assent of Parliament and the consent of the Country to the Grand Trunk Pacific contract.

Such are the admissions which the Ministers now make of the absolute worthlessness of these pledges and declarations.

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ADDRESS OF HON. ARTHUR MEIGHEN
AT CANADIAN CLUB LUNCHEON, NOVEMBER
5th. 1919.

Mr. President and Gentlemen:- At three o'clock this morning just eight hours ago, the legislation which was introduced the tenth day of last month passed its third reading after five divisions in the House of Commons. I am here on the invitation of your Club to address its members on the subject of that legislation, a legislation which looks to the acquisition by this Dominion of the stock of the Grand Trunk Railway System.

I gather from the introductory remarks of the Chair, as well as from the reception they received, and indeed from other evidences to which public men cannot be blind, that it is just within the range of possibility that I address, from the Government standpoint, on this subject, a none too friendly audience (Laughter). That is an experience not unknown to me. It is not difficult for me to recall how it was at other times in no sectional, local or provincial spirit, but animated by what I felt were wide Canadian interests, I was called upon to face in our country audiences that were by no means friendly and to stand for and champion policies that were a lot more popular in the city of Montreal than in the constituency to which I had to appeal.

In presenting the reasons for the course we have decided to pursue after long months, yes, years of deliberation, I don't want to hold out to this assembly or to the people of Canada generally that the policy we now lay before the Canadian public is one of fine fruits, all good and no ill. I don't want to paint a glowing landscape of what we now confront or to lead you to believe that by this policy we get into green pastured and fertile fields. We are not yet at that stage of our development.

The difficulty with the public generally is this: that the prospect is always alluring but the penalty, however comparatively worthy on the part of wisdom, is never taken with good grace. We are at the penalty stage of railway development in this country; the penalty in some form has to be paid by the people of Canada. We are at the point now where the awakening of bitterness follows the night of intoxication; the ebb of penalty now follows in the wake of the flood tide of railway construction.

What confronted the Government was not a choice between something alluring on the one hand and less alluring on the other, but a choice as to the best course that could be pursued under all the disastrous circumstances that surround us that would be ultimately in the interests of the Canadian people.

Up until sixteen years ago we had three great railway systems in Canada, and one which I might call a near-great system: we had the Canadian Pacific Railway, well constructed, well managed, and well operated (applause) extending its lines in Canada, a mileage of thirteen thousand miles, operating in

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both Eastern and Western Canada, with one trunk line between - a system in every way well rounded and complete, in every way sound as a railway entity with a splendid collecting system of feeders. There was on the other hand a Grand Trunk System in Eastern Canada, operating at that time about six thousand miles, without extensions into Western Canada. There was, as well, the Canadian Northern Railway, or rather, the beginning of that system that already had well pervaded the three prairie provinces and was serving the people there well so far as they went.

Commencing with that year the country bound itself to the policy of extension of the Grand Trunk System, in yoking the Grand Trunk and the Canadian Northern, extending the one westerly, making a road from the Atlantic to the Pacific, and estending the other easterly from Western Canada into the Province of Quebec and to the city of Quebec.

That policy was deliberately entered upon by the Canadian people. I refer to this fact, not by way of imprecation against the public men of that date, I refer to it only as a great outstanding fact of history with the consequences of which we now have to deal.

By reason of the course then pursued there was built from Winnipeg to the coast the Grand Trunk Pacific, which cost all of two hundred and fifty million dollars; a trunk line virtually without feeders, and from Winnipeg to Moncton, N. B. at a cost, with interest, which aggregates two hundred and fifty million dollars. There was built as well, pursuant to the legislature of 1910, an extension of the Canadian Northern easterly, the Transcontinental, an extension to Eastern Canada foisting on this Dominion the burden of supporting not one but three transcontinental roads.

There is the foundation and basic fact from which we must commence in order to address ourselves intelligently in regard to the developments following in the wake of that fact.

The Canadian Northern Railway system, while it remained a mere local system in the West was as a business entity, fairly prosperous, but never destined to be a great system as a competitor of the Canadian Pacific. While so confined they had ambitions easterly, and those ambitions, fostered as they were by the Government of that day, combined with the circumstances which faced them chiefly in the wake of the war, resulted in the impossibility of its continuance and the obligation of the Government of facing, either the liquidation of that system and its breaking up, or taking it over into the Government lines, It was taken over and became part of the Canadian National Railways.

The merits of that, while I would be very glad to defend them, are not before this audience for discussion, but this is also a fact of history which we must fully take into account in order to intelligently discuss the problem before us now.

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The next great event was this, that the Grand Trunk Company, which was itself a partner in the enterprise of 1903 and 1904, which itself made vast engagements with relation to that enterprise, became unable to carry out this part of the contract by reason, no doubt, partly of war conditions, but by reason initially and principally of the inherent unsoundness of the enterprise itself, and they notified the Government in the month of March last that beyond the tenth of that month it could operate the Grand Trunk Pacific no more. On account of the communities that had sprung up along its lines, the road had to be continued in operation; so the method pursued was to have appointed, through the Exchequer Court, the Minister of the Interior as a Receiver, and he, as Receiver, to operate that road. That event took place in March 1918. This is the third great event that must be kept in mind.

Antecedent to that the Grand Trunk Pacific, whose stock is owned entirely by the parent Grand Trunk, was under obligations to operate the Transcontinental from Winnipeg to Moncton without interest on the cost of construction for ten years, and after that, with interest at three per cent. Before the day came for the Grand Trunk Pacific to take over that obligation, it notified the Government that it was unable to do so and could not possibly face that obligation, and the Government was compelled to step in and operate it instead.

That placed the Canadian National Railways in this position: the Canadian National Railways was the operating body of the Intercolonial Railway, owned by the Government of Canada since Confederation; it was the operating body of the Transcontinental from Winnipeg to Moncton, also owned by the Government of Canada; it was the operating body of the Canadian Northern System, chiefly in Western Canada but with a line protruding into the East, and the Government was Receiver of the Grand Trunk Pacific to the Pacific Coast. That was the form in which the Government railways took shape.

What is that form? It is a system of railways, so far as Western Canada is concerned, that had a good gathering system; that, as a business enterprise was sound, but it had on its back the Grand Trunk Pacific road from Winnipeg to the Coast, without feeders but, worse still, the Transcontinental from Winnipeg to Moncton with no feeders whatsoever, as well as the Canadian Northern Railway. Three Transcontinental roads with only one confined feeding system in Western Canada alone.

Now you have the major fact that all Canadians must face if they intend to give a fair judgment on the problem that confronts them now.

The Canadian National Railways with a confined feeding system, and, heaped on it the burdens of supporting these transcontinental roads, or rather, two from coast to coast, the Grand Trunk ending at Winnipeg; the Transcontinental from there to Moncton, and the Canadian Northern from Vancouver in the West to Quebec in the East. Against that we had the other system, which has a large mileage in Western Canada compared with the mileage and gathering powers of the Canadian National

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Railways, though destined first to serve Western Canada and by reason of these feeders a great gathering system in Eastern Canada as well.

A great man who at one time headed the Canadian Pacific Railway said - I have in my hand the views expressed by Sir William Van Horne to a much esteemed citizen of the city, transcribed by him and sent to me, in which he said: "In constructing a great railway system you must never consider a part as separate from the whole. When we first completed the main line of the C.R.P. it ran through unsettled country, and, while we made every effort to settle the country through which our main lines ran, we would have become bankrupt if we had not acquired lines in well settled districts of Ontario. We also ran into the United States for traffic, and we thus had many feeders and were able to hold out until Western Canada became a great wheat producing country. Our enterprise would have been a failure if we had not stretched out in Ontario and Quebec."

The problem that faces the Canadian National Railway system is the same that faced the Canadian Pacific two or three decades ago. Our problems can be solved in no other way than in the same direction given by Sir William Van Horne. The Canadian Pacific has a large gathering branch line in the West another in the various provinces of the East, except Prince Edward Island, and only one trunk line through a comparatively uninhabited territory to support. They found it necessary to make Eastern connections for their system while they had only one trunk line.

We are in the position now of having a Western system and two trunk lines to support, two lines that must support themselves by traffic East and West. Therefore the obligation which was on the C.P.R. two or three decades ago is on us now with redoubled force.

What is the course we should take? If we seek to follow the same lines that the C.P.R. pursued when they adopted the policy outlined by Sir William Van Horne, we now have the Grand Trunk system in Eastern Canada. Is the Canadian National Railways to be called upon to duplicate, nay, triplicate the two systems in operation now? Is that a sane business investment? Is that the proper application of capital? Is that sound common sense? Will anyone argue or suggest that there is any possibility in the known world of making a system of railways pay that has only one gathering system in Western Canada and has two trunk lines protruding here for thousands of miles in Eastern Canada.

How are these trunk lines to be made to support themselves? If the C.P.R. could not support one without an Eastern system; how are we to support two? It follows, as sound business sense and according to economic laws, that an Eastern system must be secured, whether by Government management and operation or by private enterprise, and no business man who faces this as a business question can deny the inevitability of the conclusion that we must have an Eastern system if the Canadian National system is to be a system at all. That system can be nothing

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but a burden on the backs of the people of this country just as long as it exists.

Consequently the proper thing to do, by whatever method - the essential thing to have done - is to bring that Grand Trunk System of the East in connection with the Canadian Northern System of the West, uniting them by the two trunk lines that pass between.

Now, what will be gained by that process? First, take the great centres which you have here in Eastern Canada; take the city of Montreal. Lines run from the City of Montreal into various points throughthe domain both of the Grand Trunk system and the Canadian National; the Grand Trunk gathers in Ontario alone, out of 72 towns of a population of over two millions, aggregating on the whole about hald the population of this Province; at all of which 72 towns the Canadian National does not gather freight. This freight is either transferred to the C.P.R. going north, or sent over its own line to Chicago, then by other American lines to destination in Western Canada. The result was that that freight passed to American lines and over American territory and reached the various points of the four Provinces of the West over those lines. All that freight was lost to Canadian roads, all the benefit was lost to Canadian roads; all that freight was lost to Canadian towns, to Canadian workmen, to Canadian tax payers.

This is not good business for the people of Canada. If the Grand Trunk comes into the National Railway System, this traffic can be taken from Canadian territory through Canadian towns and can be made to assist in making the Canadian roads pay. There may be a diversion of traffic that now goes through Canada, gathered by the Grand Trunk in the east and destined for the west, which now goes over the C.P.R., but if the Canadian National System is to compete it must seek for traffic; it must be governed by business principles and must have, at all events, more regard for its own success than for that of its competitors.

Now, between many of the most important points in this country the present Canadian National runs, and the Grand Trunk as well; that applies between here and Quebec, between here and Ottawa, between here and Toronto and Kingston and Brockville and Oshawa and North Bay, and many other railway points in this country. It is argued that we could secure the goal we seek by means of a traffic arrangement with the Grand Trunk. Do not for a moment think that the possibilities of that solution have not been thoroughly canvassed by those responsible for public policy.

It is very easy to talk about a traffic agreement. A traffic agreement is a business possibility and a workable success where it is advantageous to both sides. Traffic agreements are unnumerable among railroads. Where one railway can divert its traffic at a certain point to another railway without loss to itself; that railway is not only ready to enter into the agreement but is also ready to observe that agreement.

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Where, on the other hand, the traffic agreement is the fact of taking freight from its own lines and diverting it to those of a competitor, that agreement will not be entered into voluntarily nd if entered under compulsion, it will not be lived up to.

I base that statement, not only on common logic, but on still more common experience. For example, are we to make an agreement with the Grand Trunk that traffic here at Montreal destined, say, for North Bay or for Toronto, is to go over the Canadian National roads because, forsooth, the Canadian National roads may be shorter, and they are to forbid their agents canvassing for trade between Montreal and Toronto? Would that agreement be lived up to ?

I have canvassed the traffic managers of the Grand Trunk and many other systems, and the whole history of such traffic agreements has been one long succession of disputes and arbitrations with no results satisfactory either to the Grand Trunk or to us.

Is the Grand Trunk to be forbidden to seek traffic here destined for west of Montreal, because going to the west there is a longer haul on that road and costs more than if it went over the Canadian National? Ifit is asked or compelled to do that, then those who have had experience in traffic agreements do not look forward with equanimity to the agreement.being followed.

The Grand Trunk, burdened under the obligations of the Grand Trunk Pacific, finds itself now unable to sustain those obligations and finds itself now under the necessity of coming to the Government of Canada - it came last July and again a few weeks ago - asking for assistance to carry it through. The Grand Trunk is in that position that even while we are operating both the Transcontinental and the Grand Trunk Pacific, burdened as it is, the Government is invited to rivet a traffic agreement on it by forcing it and saying to it "you could not stand without that traffic agreement, now please stand up under it".

If we, perforce, bind the Grand Trunk to a traffic agreement, even if workable and capable of producing good results, how could we do so without answering to the Grand Trunk for the penalty it would suffer? A few days ago a statement was made by the C.P.R. tending to discourage the belief that the C.P.R. would take over the Grand Trunk, one of the reasons was that no railway would take over the Grand Trunk, labouring as it was, under its present obligations.

Now. presume that to be true, that no private company would take the Grand Trunk, labouring under its present obligations, then, how can the Grand Trunk continue labouring under its present obligations and under the added burden of a traffic agreement forced on it? Let us presume again that the Grand Trunk cannot sustain the load and cannot continue; how is it to be made to continue? What is the Government to do to secure continued operation of the Grand Trunk System, the Grand Trunk

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Pacific and the Transcontinental? What process should we adopt? Is it suggested that we should continue operating the Grand Trunk Pacific and the Transcontinental and leave the Grand Trunk free from the obligations it entered into with those roads and put the whole of this obligation on the people? Are the people ready to write cheques on the National Treasury to sustain the Grand Trunk Pacific and the Transcontinental and leave the Grand Trunk go scot free?

A VOICE: Pay less for it.

MR. MEIGHEN: For what?

A VOICE: For the Grand Trunk

MR. MEIGHEN: Oh well, if we have got to the point where we are ready to admit that we must get it (laughter) the balance of my journey is fairly easy travelling.

MR. MEIGHEN (Continuing) Now, I think every reasonable man will come to the conclusion that the present condition of affairs cannot continue. To try to sustain the Grand Trunk Pacific, severed from the parent company of which it was originally to be an adjunct under the present conditions of maintaining a Transcontinental line, likewise severed from the parent company, is wholly unbusinesslike, unsound and impossible, and it cannot be continued if we are sane.

$10,300,000 was the loss last year trying to operate the Grand Trunk Pacific, $2,263,000 was lost trying to operate the Transcontinental last year and that without the interest which would be eight to ten millions more. That is what we have already sustained, and that is what we will continue to sustain just so long as we are willing to continue handling these roads severed from the parent company.

Now, is it suggested that we might, by some process, attempt to unite the C.P.R. with the Grand Trunk Pacific and the Transcontinental to make them go? Mr. Beatty has stated that the C.P.R. would not be such fools, and I don't think they would. Is it suggested that we should turn over to that privately owned system the present Canadian National Railways? Does anyone suggest that the Government would face the people of this country with that proposition? I would like to match my judgment that no member of this assembly would suggest that that were a possibility. If we did, what would be the consequence?

For some time to come, undoubtedly, there is going to be a great burden on such a system. Be it privately owned, no man will go into it except with the idea of profit. That, I believe, is the ordinary principle of business. Is anyone going to suggest that there will be a private band of capitalists to take over the Canatian National, the Grand Trunk, the Transcontinental and the Grand Trunk Pacific and that the people of this country will start and put their broad shoulders under this band of capitalists in the hope it will be profitable?

Well,

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if any consider that a business proposition, I suggest that they extend their travels through this Dominion. That they go through some of the experiences that the Government has gone through in the last five years endeavoring to maintain one system after another of subventure in order to postpone the day of abolition to enable private enterprise to succeed.

I place my judgment before the Canadian Club of Montreal that the people of this country are prepared to continue no longer subventuring the public funds to private capital for the maintenance of railways (applause). I venture rather to propound this: if there are disadvantages, difficulties, embarrassments and handicaps inseparably connected with Government operation even through the medium of an independent Directorate, those disadvantages are not so great as would inevitably confront any other means of solution that could possibly be held out. Private ownership can succeed only by relieving private ownership of the obligation entailed, and that is not only unjust, unfair, but impossible in the state of public opinion.

Consequently, the only solution that presented itself was this: to unite the Eastern and Western lines and have a complete railway entity that might be made to pay, or if not, would at least reduce the deficit to the utmost possible minimum. That was sound business, the only way in which you can resolve the present embarrassed railway situation in this country.

Now I say to those who suggest that nothing but private enterprise in railways can succeed; I say to them, the first hope of the Administration is the selection of an absolutely independent Directorate to make the railway system pay. Now, I stand before you and ask any member of this audience of one act since the ~~Nat~~ Canadian National Railway Directorate was appointed that subtracted from the independence of that Directorate by one jot or tittle? I ask the business people of Montreal not to be too much influenced by gossip and by inspired reports. I ask them to seek conference with the Directors of that Road and study the character and business standing of the Directorate of that Road and then decide for yourselves whether there is a man on that Directorate who would submit to Government or political dictation and remain a member of the Government for one hour?

I am not arguing that there are not disadvantages. I know that every error, and there will be errors, but that every one will be doubly magnified once the Government owns the stock. Everyone will feel himself a stockholder and every newspaper in Canada will feel the Government is a fair subject of prey.

As I have endeavored to impress upon you, we have not sought the situation; we have not gone out into the highways and by-ways to seek new responsibilities. The responsibility confronts us and we have presented the best solution we could for a bad situation. We can say to all those who call us by vile names and who suggest all kinds of things in this transaction, to all those who have searched the dictionary for expletives and adjectives, we say to them that everything in

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the way of criticism and attack is utterly without avail and it is the business of those who have nothing but the interest of their country at heart and the essence of whose being and personality is fairness and manliness to let thie criticism pass by them as the idle wind.

Take the position of those who cannot let this problem pass but have to solve, and say what you would do. Put yourselves in the position of those who, I think, are in a position to know the temper of the Parliament and people of Canada, and then decide what you think it would be practicable to do. If you look forward to the day when there will be no more Government ownership, even by corporate entities, then I say, though I don't look forward to that day, this is the only course youcould pursue. In any event, you must have something that private entity would look at before you can hope it will deal with you at all. You must unite the systems. If there is any way other than the course we are pursuing, then I am prepared to hear it now.

These systems, as an economic necessity, must come together if we are to have anything approaching sound business railway conditions in the country. So I say, if you look forward to Government ownership on the other hand, as many do, then undoubtedly, this is the course to pursue. If you look to the other entity, this also is the only course to pursue. If the Government of some future days finds there is inherent unsoundness and impracticability in the Government arrangement, then it at least will have something that can be better bargained with than the Government has to-day. We will have something that has a fighting business chance with the other great competing system of this country.

Those who wish Government ownership damned their course is to oppose this legislation, because Government ownership can never succeed with two trunk lines with a confined feeding system in Western Canada. That is bound to damn Government ownership. For those who believe that there can be nothing but failure and that only private entity must succeed, then the proper course, even to reach that goal, is to unite these two separate entities and make them one.

Now, it is said to me that this is the wrong method to unite them. I think I heard a voice say: "Don't pay so much for the Grand Trunk." I don't really think that is the major question agitating the minds of this audience, but I will deal with it for a moment. The method of approache to this transaction has been to assume the bonded indebtedness of the system, which entails an annual charge of about seven million dollars, some rental charges as well, running to about nine million, and to assume as well the guaranteed stock, entailing an annual charge of two and a half million, or a total of about eleven millions, approaching twelve millions a year.

Above these are the proprietary interest, the preferred and common stocks. Those produced by their sale the sum of $64,000,000 for Preference and $30,000,000 for Common stock, or an aggregate total of $94,000,000. Those are to be arbitrated and if ascertained by the Board of Arbitrators, of which the determining factor will be Sir Walter Cassils, Chief Justice of the Exchequer Court of Canada who has determined finally all questions of values between this

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Government and private systems. That Board of Arbitration will determine whether or not, having regard to all the facts, there is any value in these stocks, and if so, what it is.

Suppose the Board of Arbitration should find there was no value in the stock, that Sir William Cassils says that in view of the obligations of the Grand Trunk to the Grand Trunk Pacific, in view of its bonded indebtedness to guaranteed stocks, its Preference and Common stocks have no value. What is the result of that? It will be this: that the men who have invested $94,000,000 in this country lose that altogether, and why? Because of the inherent unsoundness of the transaction of the Grand Trunk Pacific enterprise.

This is the only way, let me repeat, this is the only way that a share of the loss, at all events, for the Grand Trunk Pacific can be exacted from the Grand Trunk shareholders. Does anyone say that it could be exacted by the process of liquidation? Is there anyone who has given a night's thought to this and knows what the Grand Trunk Pacific is, who would invite the Canadian people to precipitate that road into liquidation, to appoint a Receiver. Appoint a Receivership in the States and Canada; put it up at auction here and in the States. A road there might take this or that part which would be to their advantage, consequently the whole to be disintegrated and the value of it, as a system, lost and gone forever (applause). All that, to say nothing of the damage to the credit of this country by the liquidation of so enormous a line.

Liquidation may sound all right for those who are not much in accord with the business men of the city of Montreal in their economic principles, but Liquidation of any doctrine of liquidation will not get much adherence in the presence of sound business men.

Consequently there is no relief to be sought by charging the Grand Trunk with the operation of the Grand Trunk Pacific, the only way is to charge it against the stock, and by securing that stock, you can charge against the shareholders that $94,000,000. Can anyone suggest another method? If there is no other method, do you suggest we should not charge anything at all and bear it all?

The only method is if the Arbitrators find there is no value in this stock we should charge the shareholders the $94,000,000; if there is value, we can say at least that we did not pay too much. We can say that we are justified in assuming the obligations we have assumed.

REV. GEORGE ADAM: Will you explain the seeming undue haste with which the deal has been put through?

MR. MEIGHEN: If the audience will undertake not to effect undue haste now, I will dispel that.

Undue haste. There are several methods of opposing a Government policy. There is the outright method of opposition, but always accompanying it, and this applies to all the history of politics, there is the argument that it is not the right time; it is never the right time with those who don't like the course pursued.

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Undue haste? Well, just let me outline the facts. This problem the Government and the late Government have been sleeping with this question for five years. We have never been able to get our railway troubles out of our minds since 1914, never for an hour. We appointed in 1916 a Commission which we felt was the most competent that could be selected, composed of men of high standing, Mr. Smith, Sir Henry Drayton, these names cannot be united in anyone's mind with the names of buccaneers, and that of Mr. Acworth, the most competent ~~expert~~ railway expert in Great Britain, and a report was submitted the Government and the people of Canada on the whole situation, together with their recommendations. The majority report of the Commission signed by Mr. Acworth and Sir Henry Drayton recommended to the people of Canada the acquisition, first of the Canadian Northern, next the Grand Trunk, and the acquisition of both by means of arbitration. No one denies that. That is the recommendation the Commission published.

Pursuant to that the Canadian Northern was acquired, and pursuant to that, and particularly by reason of the fact that the Grand Trunk had refused to shoulder its obligations to the Transcontinental and the Grand Trunk Pacific negotiations were commenced looking to the acquisition of the Grand Trunk Pacific, and on the 15th of May, 1918, the Prime Minister of Canada outlined for the third, fourth or fifth time, the difficulties of our railway problem, argued what might be done, suggested the several solutions and stated to the House that the policy of the Government was to follow the Drayton-Acworth report and seek to acquire the Grand Trunk system. Now, is that news to the people of Montreal? It appeared in Hansard on the 15th day of May, 1918. He gave reasons and stated that already and ~~for~~ for some time the Government had been negotiating with the Grand Trunk looking to that result. That was a notification to the Parliament and the people of Canada on the 15th day of May, 1918.

Following that, Ministers of the Government negotiated in Great Britain seeking to acquire the road on terms justifiable and defensible and proposed specific terms to the Grand Trunk management, which were contained in a letter sent on the 11th of July last. That letter and the correspondence leading up to it, line for line, was read to the Parliament of Canada by Sir Thomas White and the whole country was advised of the precise terms of the offer made by the Government for the acquisition of the Grand Trunk, not only the policy the Government intended to pursue, but also the precise terms on which the Government was prepared to make a contract to secure the System.

The Grand Trunk held back, refusing to come to our terms. We were anxious because we knew the longer we put it off the greater must be the accumulated deficits. They finally came to the Government terms and expressed their willingness to negotiate on these lines about October 1st, this year. Consequently full notification was given.

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When this matter was presented in the House the Leader of the Opposition, whose name I mention with pride, stated from his place in Parliament that he would not, for the present, oppose the Government policy for acquisition of the Grand Trunk system.

So when our proposals, known far and wide for almost two years, discussed in the press for that time, read to Parliament sentence by sentence, unobjected to by any member of either side through those eighteen months, no protest levelled that the terms were unfair or should be abrogated, when these terms are finally accepted how is the Government to be charged with haste to acquire the Grand Trunk. If the terms of the Government, known in detail for a year and a half, discussed in detail, open for discussion for a year and a half, and as soon as accepted it is proposed that the only thing we can do is to flunk, then I don't appreciate the spirit of the people of this country.

We notified Parliament the very day the Grand Trunk came to the Government terms. We adhered to these terms during eighteen months and the day they came to terms we came to Parliament and put the proposal before them, advising them there would be no haste whatever, that every man would have an opportunity to study and deliberate on the terms and debate on them and that promise the Government has fulfilled to the letter from that day to this.

Haste and jamming through? These proposals were laid before Parliament as accepted proposals on the 10th day of October. This is the 5th day of November and they are only through one house yet, there has been no closure, there has been a continual statement that all necessary time will be given.

If a month of debate and two years of deliberation are not sufficient then what would be the charge laid against such a drifting Government if we had still held back. I have heard attacks made on the Wait and See policy, but at last, after two years consideration we know our mind and we are fully convinced that the people of this country on a fair consideration of all the facts will at least be willing to concede that the members of the Government who have had an opportunity to study this matter at close range have come to an honest conclusion; that in asking Parliament to accept that conclusion they did so in a constitutional way; that no haste was ever sought, much less put into practice; that every opportunity was given for consideration, deliberation and conclusion.

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1 M-3-22

The Financial Post

The following item of interest to you appeared in the Editorial / News columns of THE FINANCIAL POST, Toronto, of the date of

.....APR 7 1922.....

THE EDITOR

CANADA MUST ANSWER G. T. R. CENSURE

THE FORMER premier, Mr. Meighen, was quite justified last week in bringing to the attention of Parliament criticisms that were contained in a London paper in reference to the alleged unfairness of Canada's treatment of the shareholders of the Grand Trunk Railway Co. in the recent arbitration. He was correct in declaring that the article in question was "defamatory to the honor of Canada." It was unfortunate that the Premier, Mr. King, while agreeing with the views of Mr. Meighen, contented himself with an opinion that the publicity given the words of Mr. Meighen would constitute an adequate reply, or defence, by this country to the charges made.

Mr. King is mistaken, just as Mr. Meighen was mistaken during the previous year when he failed to meet the charges that have periodically travelled through many sections of the British press in connection with the G. T. R. arbitration award. A denial of unfairness couched in general terms is useless, for it is unconvincing.

When these attacks on Canada's treatment of English investors appeared before, THE FINANCIAL POST urged on Mr. Meighen, then Premier, that the investing public in England should be made acquainted with the position Canada took. This has never been even attempted. A statement should be prepared at once by Ottawa, and spread broadcast over investment circles in Great Britain, giving a comprehensive review of the whole connection of the Grand Trunk with the Grand Trunk Pacific; the enormous sums the Canadian treasury has had to contribute year after year to meet G.T.R. liabilities contracted by the Grand Trunk voluntarily; also a list in detail of the aid given the Grand Trunk before and after its purchase by the Government, in order that the British shareholders and other investors may at last realize that the purchase proposal was all that saved the road from going into liquidation. The Canadian Government, in short, must prepare at once to offset the continuous propaganda that has been carried on by directors of the company overseas to make this country officially the "goat" instead of themselves for recklessness in building the Grand Trunk Pacific, and thus ruining the parent company.

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Ottawa, Ont. April 10th. 1922.

Dear Sir: Private

I am in receipt of editorial on the subject of the G.T.R. arbitration criticism in England. To the editorial in the main I take no exception. It states, however, that I was wrong during last year in failing to meet the charges that were periodically advanced in the British press.

You may not be aware that I not only cabled over a lengthy and complete justification of the decision the Government had taken but, while in England took occasion to review the circumstances in history of the entire transaction to the same end. Further, the judgment of Sir Thomas White and Sir Walter Cassels, and, to a lesser extent indeed, the judgment of the Honourable Mr. Taft, are themselves a justification of the Government's courses and of their own decisions and are not only available but doubtless in the hands of all the newspapers over there including those spreading this propaganda. Could there be any more effective

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refutation than the judgment of Sir Thomas White and Sir Walter Cassels?

The propaganda, of course, has a purpose. It is however, from the Empire's standpoint, mischievous and deplorable as tending to generate resentment in this country towards the old land.

Yours very truly,

The Editor,
"FINANCIAL POST,"
Toronto, Ontario.

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GLENSMERE,
OTTAWA.

June 19, 1922.

Personal.

Dear Mr. Meighen,-

Doubtless you have read the enclosed articles, and I remember that on one occasion you made vigorous protest in the House of Commons against the imputations put forward by the "Outlook". It seems doubtful whether the situation is really understood by the people of the United Kingdom. A gentleman who recently visited Great Britain for the purpose of inducing the investment of capital in this country told me that on many occasions, indeed, I think he said on every occasion on which he approached a financial house, the Grand Trunk affair was immediately brought to the front. Before proceeding to England he had foreseen this possibility and he had provided himself with carefully prepared statements of the transactions and incidents which have led up to the present situation. Thus he was in a position to discuss the situation intelligently; he told me that in every instance the explanation that he gave was regarded as satisfactory and removed any difficulty that otherwise would have arisen.

Would it not be possible for Mr. King, yourself and Mr. Crerar to take up the question before prorogation, and to have placed before Parliament, and transmitted to the leading English newspapers a statement of the actual facts of the case. Such a statement would tend to dissipate the unfortunate impression that has grown up through deliberate and continued misrepresentation in the British press.

Faithfully yours,

R L Borden

The Rt. Honourable
Arthur Meighen, K.C., M.P.,
House of Commons,
Ottawa.

Enclosures to follow.

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Ottawa, June 21st. 1922.

My dear Sir Robert:

I have your letter of the 19th. instant. The article in question I had read before and had taken vigorous exception to it on the floor of Parliament.

I also urged upon the Government the making again of a full and clear presentation of facts through the press to the people of Great Britain. Since that I have urged the transmission of the Grand Trunk Annual Statement which discloses clearly the fact that certainly no injustice was done the Company in the arbitration.

The Prime Minister has in each case promised consideration but I do not think has done anything, nor do I think can be persuaded by me to do anything.

Yours very truly.

Right Hon. Sir Robert L. Borden, G.C.M.G.,
Ottawa, Ont.

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Ottawa Journal
Mon. Oct. 30/22

S.T.P. Bonds

IT DOESN'T GO DOWN.

An announcement in London that LLOYD's Bank had received instructions from Canada cancelling payment of the coupon due November 1 on bonds for Grand Trunk Pacific branch lines which are guaranteed by the Province of Alberta brings from the London *Daily Telegraph* the comment that if the coupons are not met by either the Alberta or the Dominion Government "Canadian investments will become still more unpopular than they have been rendered by the treatment given the Grand Trunk Pacific four per cent. debenture holders."

It is explained in Ottawa that there has been no cancellation of the coupons, that the channel of payment has merely been changed from LLOYD's Bank to the Bank of Montreal in London. The *Daily Telegraph's* anxiety, therefore, was premature. It will not go unnoticed, however.

The suggestion of the *Daily Telegraph* that the non-payment of the coupons would make Canadian investments generally unpopular in London is very much in the the nature of a mild attempt at intimidation. The *Telegraph* and other London papers have tried that on before. At the time of the Grand Trunk controversy it was represented to Canada that this country could not afford to refuse to accede to the demands of the English shareholders because of the effect on general Canadian financing in London.

This kind of attempted persuasion is about worn out. Perhaps the failure of the Grand Trunk shareholders to realize all their demands has had some reflection on the London market for Canadian securities, but this will not last. Englishmen as a general thing do not conduct their business on sentiment. Canadian investments have done well in London in years past because they appealed on their merit. The English investor will continue to place his money where the security and prospective earnings commend themselves to him. He will not reject a sound and profitable Canadian investment from a desire to spite this country for its stand in respect of the Grand Trunk investors.

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H.486.

GRAND TRUNK RAILWAY SYSTEM

075017

ACCOUNTING DEPARTMENT

WESTERN LINES

FRED. HORTON, AUDITOR. DETROIT, MICH.
G. B. BIRD, ASSISTANT TO AUDITOR. "
P. HEITMANN, AUDITOR OF DISBURSEMENTS. "
G. A. GODFREY, AUDITOR OF REVENUES. "
W. F. DUNNE, GENERAL ACCOUNTANT. "

J. M ROSEVEAR, COMPTROLLER.
T. H. COOPER, ASSISTANT TO COMPTROLLER.
J. B. McLAREN, GENERAL AUDITOR.
J. F. AITCHISON, AUDITOR OF DISBURSEMENTS.
W. S. HARRISON, AUDITOR OF REVENUES.
W. WALMSLEY, ASSISTANT TO AUDITOR OF REVENUES.
T. H. EWING, SPECIAL AUDITOR.
E. ARNOLD, FREIGHT CLAIM AGENT.

NEW ENGLAND LINES

A. E. PLANT, LOCAL AUDITOR. PORTLAND, ME.

MONTREAL, December 20th, 1922,

IN YOUR REPLY PLEASE REFER TO GA-6-2

Mr. Rex Croasdell,
Private Secretary to
Hon. Arthur Meighan,
Ottawa, Ont.,

Dear Sir:- Outstanding - $ 172.30

As requested in your letter of the 1st inst., I attach hereto copies of the bills making up the total outstanding of $172.30.

Anything you can do to expedite settlement of these old items will be greatly appreciated.

Yours truly,

J. F. Aitchison
Auditor of Disbursements.

24

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

COPY

BILLS COLLECTIBLE

Bill No. 075-18

Dominion Government,

Ottawa, Ont.

Month's Account

D.&P.C. Dept. No. 354.

To GRAND TRUNK RAILWAY SYSTEM Dr.

Date Made December 9th, 1921.

GRAND TRUNK RAILWAY COMPANY OF CANADA

FORM 121 '22

Make Remittance to FRANK SCOTT, Vice-President and Treasurer, MONTREAL

For supplies furnished Car #100 (with Hon. Arthur Meighen) at Toronto during November, 1921, as per detailed statement attached -		
Car #100 36.92		
Plus 15% for handling v 5.54		
42.46	$42	46

DISTRIBUTION			
DIVISION	ACCOUNT NO.	AMOUNT	
General	441	$42	46
	Total	$42	46

For further information address,
J. B. McLAREN, General Auditor, Montreal.

(1-22)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

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BILLS COLLECTIBLE

Bill No. 075019 49978

Dominion Government.

Month's Account

Ottawa, Ont.

D.&.P.C. Dept. No. 354.

To GRAND TRUNK RAILWAY SYSTEM Dr.

Date Made December 9th, 1921.

GRAND TRUNK RAILWAY COMPANY OF CANADA

FORM 121 '22

Make Remittance to FRANK SCOTT, Vice-President and Treasurer, MONTREAL

For supplies furnished Car #100 (with Hon. Arthur Meighen) at Toronto during November, 1921, as per detailed statement attached -		
Car #100 36.92		
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42.46	$42	46

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DIVISION	ACCOUNT NO.	AMOUNT	
General	441	$42	46
	Total	$42	46

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(1-22)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

(H. K.-6-22) (Form 505)

GRAND TRUNK RAILWAY SYSTEM

D. & P. Car DEPT. 075020

Supt's. Office Toronto Division

To Dominion Government, Toronto, December 1st, 1921. 192

Ottawa, Ont.

Car #100 (Hon. Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
1921				
Nov. 1		3 Grape Fruit	45	
		2 Bread, French	20	
		2 qts. Cream	1 20	
		2 " Milk	28	2 13
" 27		6¾ lbs. Bacon	2 64	
		10 " Steak	6 00	
		7¾ " Chicken Broilers	2 72	
		6 " Pork Loins	1 92	
		6 " Lamb Racks	2 10	
		1¾ " Calves Liver	53	
		1 pk. Cooking Apples	70	
		12 Bananas	40	
		4 Turnips	10	
		2 Cabbage	20	
		2 Cauliflowers	60	
		8 Grape Fruit	1 20	
		12 Lemons	30	
		5 lbs. Onions	10	
		12 Oranges	70	
		2 pks. Potatoes	60	
		6 Sandwich Bread	1 26	
		3 lbs. Butter	1 26	
		12 tins Soup	1 85	
		1 Chocolate	13	
		1 Soda Crackers	38	
		6 qts. Cream	3 00	
		5 doz. Eggs	3 50	
		1 Ice Cream	23	
		8 qts. Milk	1 04	
		12 pts. Soda, Club	90	
		1 Marmalade	43	34 79
				$ 36 92

Be particular to always insert in the space provided the name or number of the account which will be charged on your statement of issues, with the labor or material furnished.

Where more than one account is chargeable, insert the words "as below" in the space, and give the names and numbers thereof at the head of the list of article or labor supplied.

Any exception to the correctness of this invoice, or the account charged, must be promptly noted by the official receiving it.

invoice on this form must be made for each shipment or item of labor furnished.

rice at which material is taken into Stock will also be used when it is charged out, and this price will stand until readjusted at stock taking.

on 4, 48 and 107 of the Book of Instructions in connection with the use of this form.

(Printed in Canada)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

(H. K.-6-22) (Form 505)

GRAND TRUNK RAILWAY SYSTEM

075021

D. & P. Car DEPT.

Supt's. Office Toronto Division

To Dominion Government, Toronto, December 1st, 1921. 192

Ottawa, Ont.

Car #100 (Hon. Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
1921				
Nov. 1		3 Grape Fruit	45	
		2 Bread, French	20	
		2 qts. Cream	1 20	
		2 " Milk	28	2 13
" 27		6¾ lbs. Bacon	2 64	
		10 " Steak	6 00	
		7¾ " Chicken Broilers	2 72	
		6 " Pork Loins	1 92	
		6 " Lamb Racks	2 10	
		1¼ " Calves Liver	53	
		1 pk. Cooking Apples	70	
		12 Bananas	40	
		4 Turnips	10	
		2 Cabbage	20	
		2 Cauliflowers	60	
		8 Grape Fruit	1 20	
		12 Lemons	30	
		5 lbs. Onions	10	
		12 Oranges	70	
		2 pks. Potatoes	60	
		6 Sandwich Bread	1 26	
		3 lbs. Butter	1 26	
		12 tins Soup	1 85	
		1 Chocolate	13	
		1 Soda Crackers	38	
		6 qts. Cream	3 00	
		5 doz. Eggs	3 50	
		1 Ice Cream	23	
		8 qts. Milk	1 04	
		12 pts. Soda, Club	90	
		1 Marmalade	43	34 79
				$ 36 92

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An invoice on this form must be made for each shipment or item of labor furnished.

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See Section 4, 48 and 107 of the Book of Instructions in connection with the use of this form. (Printed in Canada)

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CANADA

COPY

075022

BILLS COLLECTIBLE

Bill No. 51988

Dominion Government.

Month's Account January

Mr. C. Perryman, Dept. of Rys. & Canals, Ottawa, Ont.

D.& P.C. Dept. No. 375.

To GRAND TRUNK RAILWAY SYSTEM Dr.

Date Made January 12th, 1922

GRAND TRUNK RAILWAY COMPANY OF CANADA

FORM 121 '22

Make Remittance to FRANK SCOTT, Vice-President and Treasurer, MONTREAL.

For supplies furnished private car #100 (Hon. Arthur Meighen) at Toronto during October, 1921 as per detailed statements attached -		
Car #100	78.25	
Plus 15% for handling	11.74	
	$89.99	$89 99

DISTRIBUTION

DIVISION	ACCOUNT NO.	AMOUNT
General	441	$89 99
	Total	$89 99

For further information address,
J. B. McLAREN, General Auditor, Montreal.

(1-22)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

COPY

BILLS COLLECTIBLE

075023 51988

Bill No.

Dominion Government.

Month's Account January

Mr. C. Perryman, Dept. of Rys. & Canals, Ottawa, Ont.

D.& P.C. Dept. No. 375.

To GRAND TRUNK RAILWAY SYSTEM Dr.

Date Made January 12th, 1922

GRAND TRUNK RAILWAY COMPANY OF CANADA

FORM 121 '22

Make Remittance to FRANK SCOTT, Vice-President and Treasurer, MONTREAL

For supplies furnished private car #100 (Hon. Arthur Meighen) at Toronto during October, 1921 as per detailed statements attached -			
Car #100	78.25		
Plus 15% for handling	11.74		
	$89.99	$89	99

DISTRIBUTION

DIVISION	ACCOUNT NO.	AMOUNT	
General	441	$89	99
	Total	$89	99

For further information address,
J. B. McLAREN, General Auditor, Montreal.

(1-22)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

(H. K. 6-22) (Form 505)

GRAND TRUNK RAILWAY SYSTEM

075024

D.& P.Car DEPT.

Supt's. Office Toronto Division

To Dominion Government, Toronto, November 1st, 1921.

Ottawa, Ont.

Car #100 (Hon.Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
1921				
Oct. 24		7½ lbs. Bacon	3 00	
		13 " Steak	9 10	
		4½ " Veal	1 80	
		10 " Lamb Rack	3 50	
		1 bsk. Grapes	90	
		6 Grape Fruit	90	
		3 Lettuce, Hd.	37	
		12 Pears	75	
		6 Sandwich Bread	1 62	
		5 lbs. Butter	2 10	
		7 qts. Cream	4 20	
		5 doz. Eggs	2 85	
		7 qts. Milk	98	
		10 lbs. Powd. Sugar	90	
		12 McL. Ginger Ale, pts.	1 46	
		25 M.G. Cigars	7 50	
		100 B&H Cigarettes	1 55	43 48
"	29	9¾ lbs. Bacon	6 83	
		29½ " Roasting Chicken	10 33	
		10¼ " Lamb Rack	3 59	
		12 Bananas	40	
		2 Cauliflowers	30	
		6 Celery	45	
		1 bsk. Grapes	85	
		12 Oranges	70	
		12 Pears	75	
		44 lbs. Potatoes	88	
		8 " Turnips	10	
		2 French Bread	20	
		4 Sandwich Bread	1 08	
		Carried fwd.	26 46	43 48

Be particular to always insert in the space provided the name or number of the account which will be charged on your statement of issues, with the labor or material furnished.

Where more than one account is chargeable, insert the words "as below" in the space, and give the names and numbers thereof at the head of the list of article or labor supplied.

Any exception to the correctness of this invoice, or the account charged, must be promptly noted by the official receiving it.

An invoice on this form must be made for each shipment or item of labor furnished.

The price at which material is taken into Stock will also be used when it is charged out, and this price will stand until readjusted at stock taking.

See Section 4, 48 and 107 of the Book of Instructions in connection with the use of this form. (Printed in Canada)

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CANADA

(H. K. 6-22) (Form 505)

GRAND TRUNK RAILWAY SYSTEM

075025

sheet 2

D. & P. Car DEPT.

Supt's. Office Toronto Division

To Dominion Government, Toronto, November 1st, 1921 192

Ottawa, Ont.

Car #100 (Hon. Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
Oct. 29		Brought fwd.	26 46	43 48
		2 lbs. Butter	84	
		7 qts. Cream	4 20	
		3 doz. Eggs	1 74	
		7 qts. Milk	98	
		5 lbs. Sugar, Cut Loaf	55	34 77
				$ 78 25

Be particular to always insert in the space provided the name or number of the account which will be charged on your statement of issues, with the labor or material furnished.

Where more than one account is chargeable, insert the words "as below" in the space, and give the names and numbers thereof at the head of the list of article or labor supplied.

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CANADA

(H. K. 6-22) (Form 505)

GRAND TRUNK RAILWAY SYSTEM

D.& P.Car DEPT.

Supt's. Office Toronto Division

To Dominion Government, Toronto, November 1st, 1921. 92

Ottawa, Ont.

Car #100 (Hon. Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
1921				
Oct. 24		7½ lbs. Bacon	3 00	
		13 " Steak	9 10	
		4½ " Veal	1 80	
		10 " Lamb Rack	3 50	
		1 bsk. Grapes	90	
		6 Grape Fruit	90	
		3 Lettuce, Hd.	37	
		12 Pears	75	
		6 Sandwich Bread	1 62	
		5 lbs. Butter	2 10	
		7 qts. Cream	4 20	
		5 doz. Eggs	2 85	
		7 qts. Milk	98	
		10 lbs. Powd. Sugar	90	
		12 McL. Ginger Ale, pts.	1 46	
		25 M.C. Cigars	7 50	
		100 B&H Cigarettes	1 55	43 48
"	29	9¾ lbs. Bacon	6 83	
		29½ " Roasting Chicken	10 33	
		10¼ " Lamb Rack	3 59	
		12 Bananas	40	
		2 Cauliflowers	30	
		6 Celery	45	
		1 bsk. Grapes	85	
		12 Oranges	70	
		12 Pears	75	
		44 lbs. Potatoes	88	
		8 " Turnips	10	
		2 French Bread	20	
		4 Sandwich Bread	1 08	
		Carried fwd.	26 46	43 48

Be particular to always insert in the space provided the name or number of the account which will be charged on your statement of issues, with the labor or material furnished.

Where more than one account is chargeable, insert the words "as below" in the space, and give the names and numbers thereof at the head of the list of article or labor supplied.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

(H. K.-6-22). (Form 505)

GRAND TRUNK RAILWAY SYSTEM

D. & P. Car DEPT. sheet 2 of 7

Supt's. Office Toronto Division

To Dominion Government, Toronto, November 1st, 1922 192

Ottawa, Ont.

Car #100 (Hon. Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
Oct. 29		Brought fwd.	26 46	43 48
		2 lbs. Butter	84	
		7 qts. Cream	4 20	
		3 doz. Eggs	1 74	
		7 qts. Milk	98	
		5 lbs. Sugar, Cut Loaf	55	34 77
				$ 78 25

Be particular to always insert in the space provided the name or number of the account which will be charged on your statement of issues, with the labor or material furnished.

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CANADA

COPY

BILLS COLLECTIBLE

Bill No. 075938

Month's Account ~~xxxxxxx~~, ~~192~~

D. & P. C. Dept. No. 371.

Date Made January 6th, 1922.

Dominion Government,

Ottawa, Ont.

To GRAND TRUNK RAILWAY SYSTEM Dr.

GRAND TRUNK RAILWAY COMPANY OF CANADA

Make Remittance to FRANK SCOTT, Vice-President and Treasurer, MONTREAL

FORM 121 '22

For supplies furnished private car #100, (Hon. Arthur Meighen) at Toronto during December, 1921, as per detailed statements attached -		
Car #100 34.65 Plus 15% for handling 5.20		
39.85	$39	85

DISTRIBUTION			
DIVISION	ACCOUNT NO.	AMOUNT	
General	441	$39	85
	Total	$39	85

For further information address,
J. B. McLAREN, General Auditor, Montreal.

(1-22)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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BILLS COLLECTIBLE

Bill No. 0750296413

Month's Account ~~xxxxxx~~, 1922

D.& P.C. Dept. No. 371.

Date Made January 6th, 1922.

Dominion Government,

Ottawa, Ont.

To GRAND TRUNK RAILWAY SYSTEM Dr.

GRAND TRUNK RAILWAY COMPANY OF CANADA

Make Remittance to FRANK SCOTT, Vice-President and Treasurer, MONTREAL

FORM 121 '22

For supplies furnished private car #100, (Hon. Arthur Meighen) at Toronto during December, 1921, as per detailed statements attached -		
Car #100	34.65	
Plus 15% for handling	5.20	
	39.85	$39 85

DISTRIBUTION			
DIVISION	ACCOUNT NO.	AMOUNT	
General	441	$39	85
	Total	$39	85

For further information address,
J. B. McLAREN, General Auditor, Montreal.

(1-22)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

(H. K. 6-22). (Form 505)

GRAND TRUNK RAILWAY SYSTEM

D. & P. Car DEPT. 075030

Supt's. Office Toronto Division

To Dominion Government, Toronto, January 1st, 1922. 192

Ottawa, Ont.

Car #100 (Hon. Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
1921.				
Dec. 1,		8 lbs. Bacon	3 12	
		8 " Steak	4 80	
		11½ " Chicken Broilers	3 68	
		10½ " Lamb Rack	3 67	
		12 Pears	85	
		9 Grape Fruit	1 35	
		3 Lettuce, Hd.	38	
		12 Oranges	70	
		34 lbs. Potatoes	68	
		2 " Tomatoes	80	
		3 Sandwich Bread	63	
		2 lbs. Butter	84	
		6 qts. Cream	3 00	
		5 doz. Eggs	3 50	
		6 qts. Milk	78	
		1 lb. Marmalade	30	
		5 lbs. Sugar, Cut Loaf	50	
		2 " Tea, Black	98	30 56
" 4		1 French Bread	08	
		1 Sandwich "	21	
		2 lbs. Butter	84	
		2 qts. Cream	1 00	
		2 " Milk	26	
		1 " Olives	75	
		1 Pineapple Pres.	33	
		2 lbs. Sugar, Powd.	17	
		6 pts. Soda, Club	45	4 09
				$ 34 65

Be particular to always insert in the space provided the name or number of the account which will be charged on your statement of issues, with the labor or material furnished.

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See Section 4, 48 and 107 of the Book of Instructions in connection with the use of this form. (Printed

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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ARCHIVES PUBLIQUES
CANADA

(H. K.-6-22) (Form 505)

GRAND TRUNK RAILWAY SYSTEM

075031

D. & P. Car DEPT.

Supt's. Office Toronto Division

To Dominion Government, Toronto, January 1st, 1922. 192

Ottawa, Ont.

Car #100 (Hon. Arthur Meighen)

DEAR SIR:—I have supplied the following on your requisition, and have charged same to

Account

DATE	Req'n No.	DESCRIPTION OF LABOR OR MATERIAL		AMOUNT
1921.				
Dec. 1,		8 lbs. Bacon	3 12	
		8 " Steak	4 80	
		11½ " Chicken Broilers	3 68	
		10½ " Lamb Rack	3 67	
		12 Pears	85	
		9 Grape Fruit	1 35	
		3 Lettuce, Hd.	38	
		12 Oranges	70	
		34 lbs. Potatoes	68	
		2 " Tomatoes	80	
		3 Sandwich Bread	63	
		2 lbs. Butter	84	
		6 qts. Cream	3 00	
		5 doz. Eggs	3 50	
		6 qts. Milk	78	
		1 lb. Marmalade	30	
		5 lbs. Sugar, Cut Loaf	50	
		2 " Tea, Black	98	30 56
"	4	1 French Bread	08	
		1 Sandwich "	21	
		2 lbs. Butter	84	
		2 qts. Cream	1 00	
		2 " Milk	26	
		1 " Olives	75	
		1 Pineapple Pres.	33	
		2 lbs. Sugar, Powd.	17	
		6 pts. Soda, Club	45	4 09
			$	34 65

Be particular to always insert in the space provided the name or number of the account which will be charged on your statement of issues, with the labor or material furnished.

Where more than one account is chargeable, insert the words "as below" in the space, and give the names and numbers thereof at the head of the list of article or labor supplied.

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See Section 4, 48 and 107 of the Book of Instructions in connection with the use of this form. (Printed in Canada)

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

Montreal Gazette Oct. 2/23

THE GRAND TRUNK STOCKHOLDERS.

The Government has issued a further statement dealing with the claim of Grand Trunk preference and common stockholders for a compassionate allowance. It maintains the position, previously taken, that all obligations have been met and that the holders of junior Grand Trunk securities have received nothing but fair treatment from the Dominion. The purpose of the statement, presumably, is to meet the suggestion, more than once put forward, that Premier King should, upon the occasion of his present visit to London, deal frankly and fully with this claim and, if possible, satisfy the claimants of the Canadian Government's good faith. The statement has been issued in London simultaneously with Mr. King's arrival there, and it is, to all intents and purposes, his own. It supplies no new facts as to the position of these unfortunate investors, for the sufficient reason that there are no new facts to disclose, the ground having been covered exhaustively in previous announcements.

Had the Grand Trunk executive in London accepted the Canadian offer of $2,500,000 for the first three years, $3,000,000 for the next five years and $3,600,000 thereafter, to be divided among the holders of four per cent. guaranteed and other bonds, there would have been something for the preference and common shareholders, though it might not have been much. The directors chose to reject that offer and to accept the later proposal by which the dividends on the four per cent. guaranteed were assured and the value of the preference and common stocks was left to arbitration. The arbitration gave the holders of these securities nothing, and the Privy Council in London upheld the finding. The granting of a compassionate allowance could only be justified upon the ground that these shareholders were possessed of some equity which was extinguished in the terms of the award, whereas the finding of the arbitrators—made after a thorough and protracted inquiry—showed these securities to be without present, if not of potential value. The Grand Trunk was not then, and had not been for years, a profitable enterprise, despite the great advantages of its location and connections and despite the density of its traffic. There were a number of causes contributing to its lack of success, and the error of long-distance direction was not the least of them. The Government did, nevertheless, encourage the impression that it was taking over a prosperous undertaking when it emphasized the value of the Grand Trunk's business as a means of buiding up the Canadian National system. "They acquired," says the present statement, "a bankrupt concern, which they had helped in many ways and which at last confessed its inability to carry on its work. Every day and every hour since the Grand Trunk proper came into the possession of the Government it has been a liability and not an asset, a burden upon and not a benefit to the treasury of Canada."

While this may serve as answer to the plea of the Grand Trunk shareholders, it is also, one would think, a reflection upon the sagacity of those who insisted upon the acquisition of the old Grand Trunk system by the Dominion. The infusion of new life into a group of bankrupt railways by the acquisition of another does not seem brilliant business. The experiment has increased the financial burdens of the Canadian people—already heavy enough, in all conscience—and it has been used as an argument against the further investment of British capital in Canada. It has placed the Government in a dubious position as proprietor of railroads in a foreign country and as a competitor with lines running to Canadian ports. It seems to have served no legitimate interest, public or private. The Government is, therefore, in a somewhat unhappy position when it makes a point of the bankruptcy of the Grand Trunk, nor is it in any better position in its reference to the Grand Trunk Pacific. To pretend at this late date, and in the presence of such disastrous consequences, that the building of the National Transcontinental was anything but an act of political folly, is to affront the intelligence of the public. The building of the Eastern Division between Winnipeg and Moncton did not cause the failure of the Grand Trunk Pacific, inasmuch as the line was built and operated by the Government, but that the enormous expenditure which went into this undertaking—and which is still there—was justified by any economic consideration, is a matter which the public are able to decide for themselves out of their experience as taxpayers. The Transcontinental is not required now for through traffic; it produces little local traffic; it serves a vast area of what is, largely, an inhospitable wilderness; yet the Government wants somebody to believe that the building of this line was "sound statesmanship" twenty years ago. The thing is so manifestly absurd as almost to discredit what would otherwise have been an effective and conclusive answer to the claim of the Grand Trunk stockholders.

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075033 R.B.

DEPARTMENT OF
RAILWAYS AND CANALS

GEORGE W. YATES,
ASSISTANT DEPUTY MINISTER

CANADA

OFFICE OF ASSISTANT DEPUTY MINISTER
OTTAWA, ONT.

January 4, 1924.

Dear Mr. Meighen,

In compliance with yesterday's request from your office, I send you herewith the publications in the case of the Grand Trunk junior shareholders and Grand Trunk Pacific debenture holders, as issued to the press from time to time during 1922.

With the compliments of the season, and kind personal regards, believe me,

Yours faithfully,

Geo. W. Yates

Rt. Honourable Arthur Meighen,
Ottawa.

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Ottawa, Jan. 4, 1924.

George W. Yates, Esq.,
Assistant Deputy Minister,
Dept. of Railways & Canals,
Ottawa.

Dear Mr. Yates:

Thanks for the publications in connection with the Grand Trunk matter, which reached me to-day.

With every good wish for the New Year,

Yours very truly,

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075035

The Financial Times
MONTREAL

January 14th 1924.

PERSONAL.

Rt.Hon.Arthur Meighen,
Parliament Buildings,
Ottawa,Ont.

Dear Mr.Meighen:-

There is a point in connection with the Railway question which I would appreciate very much receiving some information or an opinion from you, as you were in such close touch with the whole situation.

In a statement which our London correspondent has forwarded from the Stockholders' Committee of the Grand Trunk Pacific Four per Cent Debenture Stock, the claim is made not only for regular payment of this interest, but also for payment of arrears of interest for the past four years. They are arguing that the Grand Trunk Railway system by itself will show net earnings for 1923, after meeting fixed charges, disregarding entirely any G.T.P. obligations. They quote figures presented to them by the Deputy Minister of $10,947,046 net operating revenue on the Grand Trunk for the first 9 months of 1923, and estimate $15,000,000. as the net revenue for the entire year 1923. To this total they add $9,500,000. as net revenue from "A number of subsidiaries controlled by the Grand Trunk", making the total net revenue for 1923 $24,500,000. From this they deduct prior fixed charges of $15,000,000, making a net surplus of $9,450,000. Allowing for $4,500,000 as current interest on Government loans, there would be a balance of $5,000,000, out of which they argue Canada could easily pay interest on the G.T.P. Debentures for one year, amounting to $1,395,170.

Not only so, but the claim is made that Canada is liable for the arrears in interest for the past four years or so.

For the moment, I have not checked up their figures, but feel that they fall far short of including all the fixed charges and interest on Government loans that are justly chargeable against the Grand Trunk. Moreover, the Financial Times has always taken the grounds that in estimating the value of the Grand Trunk itself, or Canada's moral obligations to shareholders or holders of G.T.P. Debenture Stock, account must be taken of the heavy liability represented in the G.T.P. These Debenture holders argue that when Canada purchased the Grand Trunk system, it assumed all obligations for the G.T.P., and none of these is chargeable, or should be chargeable against Grand Trunk earnings.

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The Financial Times
MONTREAL Jany 14,1924.

075036

Rt.Hon Arthur Meighen. (2)

On this point, the statement reads:-

"Had the two Railways gone into liquidation, the assets might have failed to realise any surplus available for the G.T.P. 4 p.c. Debentures after satisfying the claims of the holders of prior charges in spite of their security on the property, or anything on account of their arrears of interest. With this prospect, and because of Canada's part in the inception of the G.T.P. and of its potential value to Canada, the Grand Trunk Company appealed to Canada to relieve it of the G.T.P. Canada,while professing herself unable to incur the liabilities and indebtedness on the G.T.P. so long as the Grand Trunk itself remained in independent hands, undertook to acquire the assets and assume the indebtedness and liabilities provided the Grand Trunk itself were handed over on terms to be agreed upon. It is easily to be seen that though neither railway by itself was worth Canada's while, both form together with other lines already in Canada's hands a very valuable coherent Transcontinental system. So great, indeed, was the potential value of such a national system from several points of view, that Ministers were willing, with their eyes open to the indebtedness and liabilities which had accumulated on the G.T.P. before it had a chance xof earning anything, to undertake the risks in consideration of acquiring also its parent, the Grand Trunk".

Our argument on this point has always been that the Grand Trunk system and the Grand Trunk shareholders must be held accountable for the tremendous liability incurred by undertaking the G.T.P. enterprise, and that in any settlement that Canada may make in the future, supplementing the terms of the Grand Trunk Arbitration Award, the Grand Trunk must bear a large portion of the losses incurred on the G.T.P. As to whether to this there should be added a penalty for the failure of the G.T.P. to operate the National Transcontinental Railwsy, is a point which we have not handled, as the G.T.P. liability seemed hopeless without this addition.

If you feel that you can give an opinion on this point, kindly indicate whether you will permit us to quote you, or whether such an opinion is to be considered as confidential, and intended only to guide us in reaching a conclusion on the statement issued by the Stockholders' Committee.

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The Financial Times
MONTREAL

075037

Jany.14th 1924.

Rt.Hon.Arthur Meighen. (3)

May I also ask for a copy of your statement of the relative responsibilities of the Liberal Government up to 1911, and the Conservatives from 1911 to 1921, for the Railway situation as it exists in Canada today. I went out to hear you at Cartierville, and felt that the explanation you gave there was the most complete and convincing one that has yet appeared on the subject.

I trust that in writing you and asking for such information, I am not trespassing too much upon your time. I am very anxious to understand the various phases of the Railway question, in order to be able to handle it intelligently in the coulmns of our paper.

Yours very truly,

Harvey H. Black.

HHB/H. Editor, The Financial Times.

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PERSONAL

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Ottawa, January 18, 1924.

Dear Mr. Black:

I have yours of the 14th instant.

I have never taken very seriously the contentions of the Grand Trunk Pacific Four per Cent Debenture Stockholders' appeal made to the Government of Canada. I say this because there has been no undertaking of any kind or contractual relationship of any kind whatever between these shareholders and the Canadian Government. Certainly in our time there was no basis and so far as I know up to the present, there is no basis for any appeal whatever to the Government of Canada - no more than there would be basis for an appeal to the Government of Britain. If the Four per Cent Debenture Stockholders have any claim it is against the Grand Trunk Railway Company and the Grand Trunk Railway Company's relations with them are exactly the same now that its stock is owned by the Dominion Government as they were when its stock was owned privately. Whatever

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claim they have against the Grand Trunk, they have access to the courts to enforce it and to the courts let them go.

The change in the ownership of the Grand Trunk stock makes no difference in the situation, whatsoever. All they are giving about an assumption of liabilities by the Dominion, arising out of its contract with the Grand Trunk itself, is, in my judgment, pure moonshine. The parties to the contract might have their respective rights under it and these rights can be enforced in the courts by the Grand Trunk Pacific bondholders were not parties to that contract in any way whatever.

They were parties to ~~the~~ contract of long ago with the Grand Trunk Pacific in which the Grand Trunk Railway was a conditional guarantor and they are at perfect liberty to enforce any rights under that contract that they believe have been violated, but they must enforce them, of course, against the other parties to the contract.

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The other phase of the letter touches on the treatment of the Grand Trunk shareholders. Certainly the Grand Trunk shareholders have never established, to my mind, a shadow of a case to show unfair treatment on the part of the Canadian Government. Their shares were utterly valueless before then came and threw themselves at our feet and asked for help. The old Grand Trunk Pacific contract, coupled with absentee management, destroyed the Grand Trunk as a shareholding proposition. If any undertaking has been given to indicate a future readjustment, then I have been no party to that undertaking and I propose to denounce it.

Yours very truly,

Harvey W. Black, Esq.,
Editor, The Financial Times,
Montreal, Que.

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CANADA.

Facts about the Grand Trunk Railway and the Grand Trunk Pacific Railway.

1. Canada has not paid a single brass farthing to the Holders of the First, Second, and Third Preference Stocks or Ordinary Stock of the Grand Trunk Railway, either by way of compensation or return of Capital. A huge amount of money belonging to English investors has been absolutely wiped out. Canada has the Railway!!

2. The reason given for the above action by the Arbitrators acting for the Canadian Government was because Canada had to take over the obligations of the Grand Trunk Pacific Railway. Canada still continues to default on one of those obligations, viz., the Grank Trunk Pacific 4% Debenture Stock. Heads I win tails you lose!!

3. The Holders of the Grand Trunk Pacific 4% Debenture Stock were legally entitled to their interest before the Grand Trunk Guaranteed Stock received any payment. This has been reversed by Canada, who have been paying 4% on the Grand Trunk Guaranteed Stock, leaving the prior and senior security in default!!

4. Canada having obtained possession of the Grand Trunk Railway, continues to charge unduly low rates for the benefit of their own people, thereby effectually preventing the Holders of the 4% Grand Trunk Pacific Debenture Stock from receiving any income!!

The above information is circulated for the benefit of those people who contemplate sending their boys to Canada, and for any others who contemplate investing in Canadian securities or the purchase of Canadian goods.

London, May, 1926.

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GTP.

PRIME MINISTER'S OFFICE

075042

Subject.....

Date Sept 3/26 Publication Montreal Gazette

THE G.T.P. SETTLEMENT.

There is an evident disposition on the part of Grand Trunk Pacific four per cent. debentureholders in Britain, and on the part of the British press as well, to be satisfied with the terms upon which the Canadian National Railways executive propose to settle the six-year-old controversy arising from the non-payment of interest on this stock. This interest had been guaranteed conditionally by the Grand Trunk Railway as parent of the Grand Trunk Pacific, payment to be made out of Grand Trunk net earnings if and when sufficient for the purpose. The Grand Trunk obligation was taken over by the Canadian National, but in subsequent C.N.R. commitments it was believed, or feared, by debentureholders in the Old Country that the spirit of the original contract was not being preserved and that the position of the British investor was being prejudiced unfairly. Certain financial and others newspapers in England, subscribing to this complaint, embarked upon a vigorous campaign which was directed undisguisedly at the credit of this country, and which was calculated to do harm. The Canadian National, however, stood upon what it regarded as its legal rights, and though correspondence took place from time to time between the railway executive here and the committee of debentureholders in London, no progress was made. Public opinion in Canada, while resenting the nature of the attack made upon Canadian credit by a section of the overseas press, has always favored fair and even generous treatment of the people who put their money into the Grand Trunk Pacific enterprise. This view has prevailed, and within the past few weeks an arrangement has been agreed upon which, when sanctioned by Parliament and by—if necessary—the Exchequer Court of Canada, will remedy a condition that has been mutually unpleasant and mutually unprofitable. It is proposed to exchange the four per cent. debentures for a new two per cent. stock to be issued for this purpose, and to provide for the establishment of a sinking fund for the redemption of such new stock. The agreement applies to rather more than £7,000,000 of outstanding debenture stock uncontrolled by the Dominion Government, and holders of this stock will relinquish all claims for interest arrears against the Grand Trunk Pacific or the Canadian National. The terms are not as generous as some interested parties in the Old Country would like, but they may be regarded as equitable, having regard to all the facts and circumstances, and their acceptance, which seems to be assured, will remove a very ugly impediment to the movement of fresh British capital into this country. Expressions of good will have been exchanged between Sir Henry Thornton and the representatives of the debentureholders and it may be assumed that a very disagreeable chapter in Canada's national financial history is being closed.

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STOP LOOK AND LISTEN
BOOST THE GEORGIAN BAY OR TORONTO TO LAKE SIMCOE CANAL THUS SHORTENING AND IMPROVING THE ST LAWRENCE WATER ROUTE
INSTEAD OF THE GOVERNMENT WASTING 70 OR MORE MILLIONS ON THE WORLD'S GREATEST MIRAGE OR WHITE ELEPHANT THE COMPLETION OF THE DILAPIDATED HUDSON BAY RAILROAD ANDCONSTRUCTION OF TERMINAL AT PORT NELSON AND 74 SPECIAL FREIGHT STEAMERS AS WATER ROUTE FOR EXPORT OF GRAIN ETC TO FOREIGN PORTS
AND DECLARED BY ENGINEERS SURVEYORS AND EXPLORERS TO BE THE WORST KIND OF A JINX AND JONAH AND BY EXPERTS TO INFLICT AN ANNUAL DEBT ON THE COUNTRY OF 15 MILLION DOLLARS FOR LIFE
THEN WHY NOT USE A FEW OF THESE MILLIONS TO CONSTRUCT THE GEORGIAN BAY OR TORONTO TO LAKE SIMCOE CANAL ANDBY SO DOING CONSIDERABLE HYDRO OR WATER POWER COULD BE GENERATED ALONG THE LINE AND THE WATER LEVELS OF LAKE ONTARIO AND ST LAWRENCE RIVER RAISED AND THE CHICAGO WATER STEALERS OF US GET A DOSE OF THEIR OWN MEDICINE
WHY NOT DEVELOP A CIVILIZED COUNTRY INSTEAD OF AN ARTIC WILDERNESS
THE FRENZIED VOTERS OF THE NORTHWEST IN FAVOR OF THE HUDSON BAY SCHEME APPEAR TO BE IN THE SAME CLASS AS SOME OF THE STRAY DOGS AROUND OTTAWA THEY SEEM TO HAVE A BAD ATTACK OF RABIES

YOURS TRULY

HABITANT OF HAMILTON 59 YEARS

19

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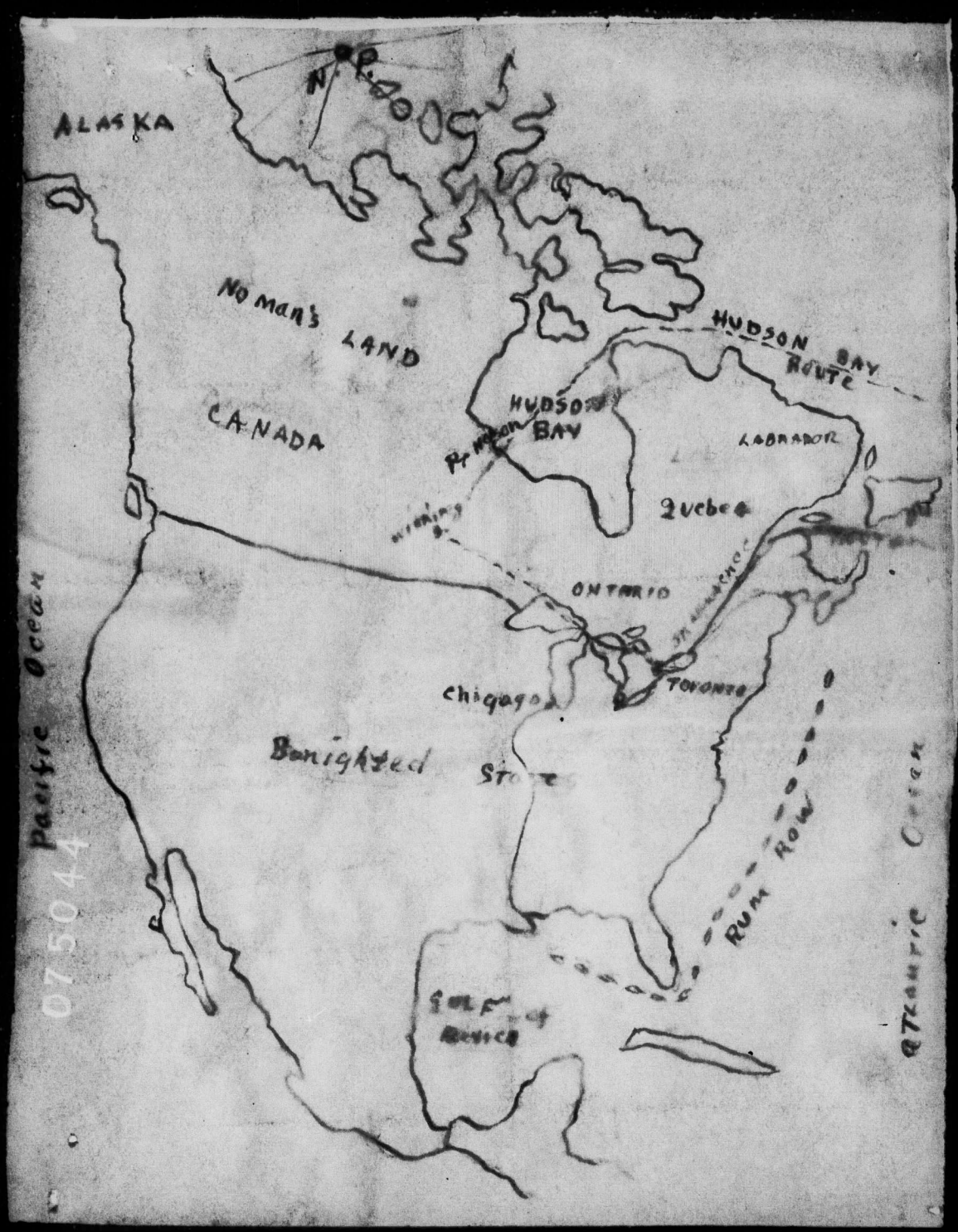

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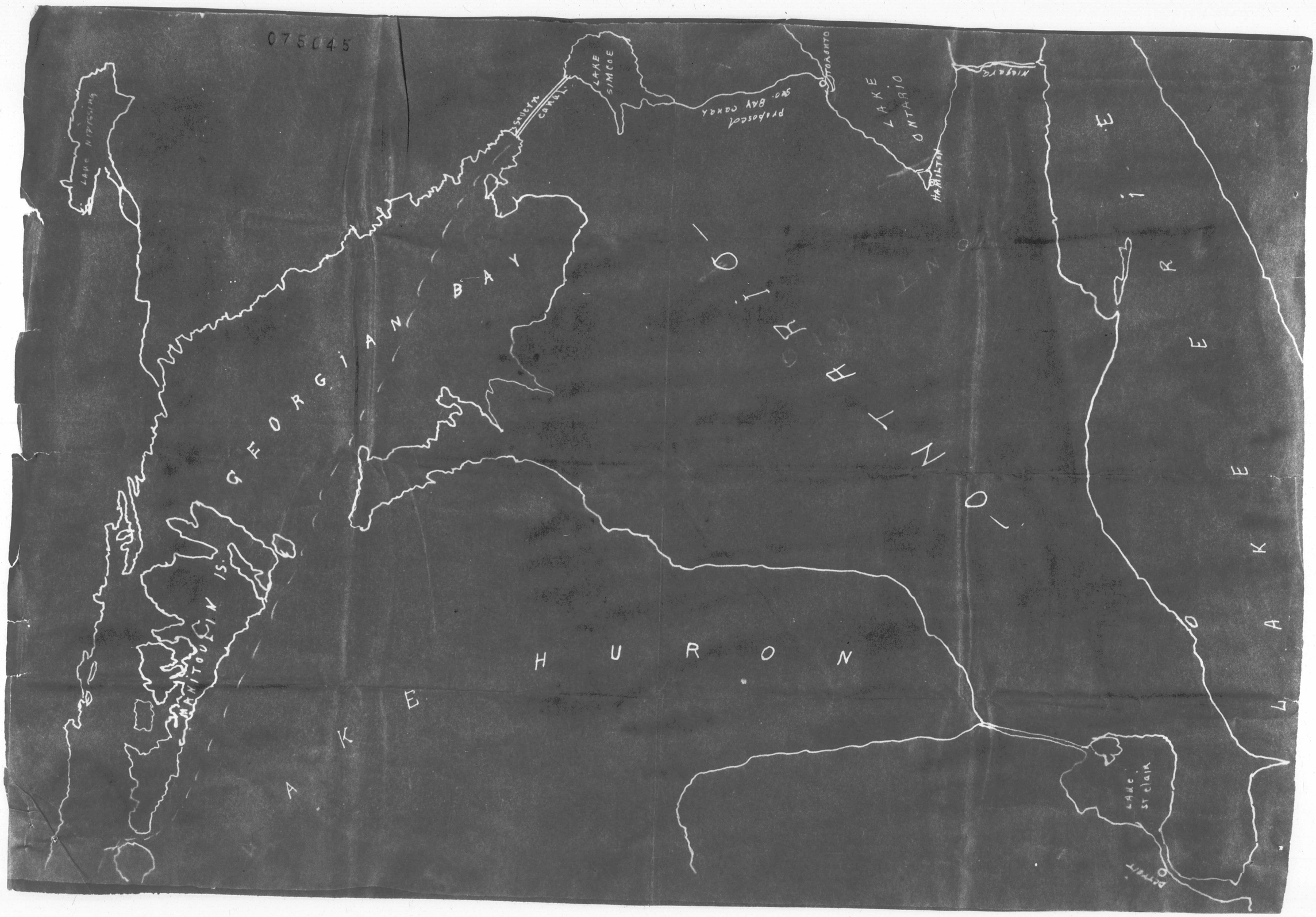

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THE HUDSON BAY ROUTE

Fifty Years Since Project Was First Mooted—Has Been an Issue in Federal Elections Ever Since—First Sod Turned in 1911, by Hon. George P. Graham, and Ninety Miles of Road Still to be Completed—Project a Vital One for Western Canada—Comparison of Grain Carrying Rates Favors Bay Route—Railway Passes Through Territory Rich in Natural Resources.

At the last session of Parliament, owing to effective pressure from the West, an estimate of $350,000 was passed to be used for the purpose of putting in proper condition for operation the 332 miles of the Hudson Bay Railway which was completed in 1918. The work contemplated, however, was not begun until late in August, and was discontinued before freeze-up. During this period between 50 and 60 men were continuously employed, and approximately 60,000 ties have been replaced. No ballasting was done, because the track was not in condition to stand the weight of gravel trains.

In the annals of national undertakings in Canada, the history of the Hudson Bay railway project is unique. The matter has always been a vital one from a Western standpoint. At times the road has had strong support in the East. The question of building the road was brought up in negotiations culminating in the entry of Manitoba into Confederation in 1870. It was an issue in elections in the early '80s, and from that time until the present the project has had the avowed support of all Federal political parties and leaders, and definite, specific statements were made from time to time by those leaders, and in the platforms of the parties, promising the early completion of the road.

The work was begun by one government in 1911, stopped for further investigation, recommended, speeded-up and all but completed by another government, continued by a third, and then stopped again with the announcement that there was no intention of abandonment, but the work would be continued as soon as possible. A subsequent government made a similar announcement, and the present government has again commenced operations on the road, such action having been taken with the support and approval of the leaders of both the other parties; all the three leaders taking the positive stand that the road must be finished. And yet nothing material is being done. Surely this is a situation that has no counterpart in Canadian history—perhaps in history generally.

And further, it is very important to note that, in order to put the completion of the road beyond peradventure, there was provided the means from which a special fund could be obtained to pay for the cost of construction of the railway. This was done in 1908 by setting aside a vast area of unsettled lands in Saskatchewan and Alberta, to be disposed of as pre-emptions and purchased homesteads, proceeds realized therefrom to be the fund mentioned. Over $18,000,000 has already been obtained in this way, while there is yet a considerable amount outstanding in deferred payments and much of the land has not yet been disposed of. A distinct breach of trust would result should this fund be diverted to any other purpose, and the intention of the government which introduced the bill in question and of the opposition which strongly supported not be carried out.

Now, what is the criticism of the H. B. Ry. project, and what are the facts on which it is based? The delightfully general contention, and the one which is most sweeping, is that the route is neither feasible nor practicable. If there is any truth in this, then where does the trouble lie?

1. In the railway?
2. In the Bay?
3. In the Straits?

Certainly not in the first two. The railway is recognized as one of the cheapest in respect of construction, and one of the easiest in the matter of operation in all Canada. It crosses no mountain ranges, as in British Columbia, which might give rise to the question of equalization of rates; the road is practically an air-line, 80-lb. steel, with minimum grades, and there are no sink holes. There are, besides, prospects of local traffic which do not exist in immense areas traversed by other roads.

The Bay is an immense inland sea; the water is deep and is remarkably free from obstructions such as shoals, rocks and even icebergs. There are, therefore, no peculiar difficulties to be found in its navigation.

But, what about the Straits? If, then, any serious difficulties are to be found in the route, they must be here. The width of the channel varies from 40 to 100 miles. Its tremendous depth of water, the absence of obstructing rocks and islands, narrow down the possible dangers of navigation to two: fog and ice. The prevalence of fog off the coast of Labrador and Newfoundland is well known, and the cause thereof is familiar to the child at school. This troublesome feature is frequently found further south in the Gulf of St. Lawrence; but Hudson Strait is north of the region mentioned where fogs most naturally develop, and is probably more free therefrom than the Gulf—certainly than the Strait of Belle Isle—so the northern route in this respect suffers from no disadvantage in comparison with the St. Lawrence; rather, perhaps, it is the more favored of the two.

Therefore, the exceptional difficulties, if any, must then be confined to ice conditions. As the Strait never freezes over, the source of this trouble must be floating ice in bergs or other forms. Icebergs come from the Arctic region via Davis Strait. They mostly drift along off the coast of Labrador and Newfoundland, and some reach the Gulf. It was away south of Hudson Strait that the Titanic was wrecked—on an iceberg, in a fog. And in respect to the Strait, the evidence of well known explorers and navigators is that: "They (icebergs) are occasionally met with, being sometimes carried along the north shore by the prevailing current from Davis Strait, but they are of by no means frequent occurrence, and not one-tenth as numerous as off the Strait of Belle Isle."

Floating or drift ice, however, comes down from Fox Channel and enters the Straits at the West. It is this ice that in the past has caused delays to sailing craft, but, according to Commander Wakeham, "where a sailing ship would be utterly hopeless . . . with an efficient steamer the passage would be accomplished with very little delay or difficulty," and besides, it is important to remember that none of the ordinary aids to navigation which play such an important part in other commercial routes are present in this channel. Were even some of these, such as wireless, available, delays that have sometimes been caused by drift ice, even to steamships, might have been avoided by the imparting of information as to the location of the open channel.

Montreal critics are prone to compare the northern route—without any adventitious aids, just as it was in the days of Hudson,—to the St. Lawrence, on which scores of millions have been spent, not only in the making of a channel, but in the construction of various accessories to navigation to make possible the going and coming of ships therein with reasonable safety. They speak and act as if the St. Lawrence was always thus, but a fair-minded and candid resident of that city, an engineer of national repute, has said: "The River St. Lawrence ship-channel to Montreal was termed impossible; it has been achieved." . . . "The dread hauntings of danger and shipwreck which now pertain to the isolated Hudson Bay, pertained to the River St. Lawrence within the memory of living men, who have, however, seen success won from 'the seemingly impossible'." And he arrived at the conclusion that "inevitably linked up" with our best hopes for the cheaper transportation of our grain are "the possibilities of the Hudson Bay route as an additional and cheap outlet."

The vital question then is; For what period of the year is Hudson Strait navigable for ordinary ships of commerce. An alleged statistician, writing in the Montreal Gazette, replies: "Not at any period of the year, be that period short or long." On the other hand, a Hudson Bay navigator for 39 years says "no reason why steamships should not navigate at any time," and Dr. Bell, F.R.G.S., who accompanied several government expeditions of investigation, supports this statement; so there you are, a range of opinion from "no time" to "all the time."

Many other navigators, explorers and scientific men, including those in charge of and accompanying special government expeditions of investigation, have given evidence on this point. Statements and opinions given by those men have been quoted from time to time and are familiar to the public. Summing these up: the open season for navigating the Straits would commence some time between July 1st and 15th and end between October 20th and November 15th, a range of from 3½ to 4½ months.

Reference has already been made to statements of a Montreal engineer, Mr. F. W. Cowie. Mr, Cowie is consulting engineer to the Harbor Commissioners of Montreal, and has made an exhaustive study of Canadian transportation problems. The quotations already given are from a paper read by him before the Montreal Branch of the Engineering Institute of Canada, in April last. In this he discusses the three great Canadian routes—St. Lawrence, Hudson Bay and Pacific-Panama. He also gives a summary of opinions as to the navigability of Hudson Strait, and his conclusion is: "We may for argument accept Captain Anderson's season, July 15 to Nov. 15, without counting on the extra week earlier or later." The statement of Captain Anderson referred to is as follows: "The period during which vessels could enter Hudson Strait with comparative safety may be taken to extend from July 15th to November 15th, with an extension of a week at either end according to season."

This phase of the matter has been investigated by government expeditions and parliamentary committees, culminating in an exhaustive examination of the whole matter by a committee of the Senate in 1919-20. The report of that committee is "that the season of navigation under present conditions is at least four months in length, and may, by reason of improvements and aids to navigation, be considerably lengthened"; and a select committee of the Manitoba Legislature, in 1884, after careful investigation, found the average period to be "from 4½ to 5 months in each year to ordinary vessels."

There appears to be a pretty general agreement as to the termination of the season about November 15th, probably a little later, depending on what will be found to be the advantages in this connection of aids to navigation. At any rate, the end of the season will be approximately the same as at Montreal, but the northern route will have this decided advantage, that wheat from the prairies can be delivered at Port Nelson in much less time, probably two weeks or more, than it would take to reach Montreal.

The foregoing also practically disposes of the oft-repeated assertion that no material part of the season's crop could be shipped out via Port Nelson in the same year. New crop from the West has reached Montreal before the end of August, but usually the time is about the middle of September; it should therefore arrive at Port Nelson at an earlier date. There would then be from two to three months left for export purposes. Anyway, this argument applies with more force to the St. Lawrence route, which, as the upholders of this route would contend, is not at all handicapped in this respect.

At this point it might be well to take into consideration that the Western plains offer other important products for export besides wheat. Particular reference should be made to cattle. In this traffic the Pacific-Panama route is not to be considered. Serious deterioration results from the long haul to Montreol. A railway journey of more than three days means much in the way of depreciation, but cattle can be transported to Port Nelson from almost any part of the West within that time, and the cool northern ocean trip will land them in Liverpool in fully as good, possibly better condition than when they started. With the British embargo lifted, it is hard to overestimate the advantages of this route for this class of shipment.

The future of Canada depends on the development and production of the Western farming and ranching area. There is no question abont the fertility of this region and the abundance and quality of its products. In these respects it stands unrivalled, certainly unsurpassed by any other country in the world. An outstanding item affecting the success of the West in competing with other countries is transportation; but, unfortunately, at present this otherwise favored area labors under a serious handicap in this respect. Some other great grain-producing countries are the Middle Western States, Argentina, Russia, China, Egypt and Australia. The grain and other products of these are transported to seaboard along natural routes—the courses of the great rivers draining these areas. Canada's western plains are practically coextensive with the basin of the Nelson River and its main tributaries, the Saskatchewan and the Red Rivers, and the natural outlet therefor is by way of Hudson Bay, that great inland sea which seems providentially located for this particular purpose. Canada, however, has ignored this natural method of transporting Western products to seaboard, and these are carried across natural divisions, at great additional expense, to outlets most remote from the scene of production; so, instead of being on a similar basis to Russia, the West finds itself in this respect in the same class as Australia, South Africa and India, and much worse off than Argentina; whereas, owing to her geographical location, Canada should have a material advantage over the last-mentioned countries. The best the advocates of the Vancouver-Panama route can offer is to put the West in about the same position as Australia in respect to ocean mileage and in a quite unfavorable position in the matter of rail haul. And, as to the Eastern outlet, the exceedingly long haul from the scene of production to the St. Lawrence has no counterpart in any other country.

From the standpoint of transportation, what is the position of Canada's grain-growing region as compared with similar areas in the world? The following table gives approximately the distances, land and water, between the different centres of production and Liverpool or other British ports, together with the rates per bushel, inland, ocean and total. For the Canadian West Saskatoon is taken as the important shipping point which is probably most nearly the centre of production of the three Prairie provinces. The rates for Canada via Montreal, New York and Vancouver are minimum rates in force during October and November, 1923. The rates for other countries are mainly estimates based on computations by Mr. F. W. Cowie as set out in his paper:—

COUNTRY (From centre of Production)	Miles to port	Rate	Destinat'n	Miles	Rate	Ttl. rate
CANADA (SASKATOON)						
To Port Nelson	760	12	Liverpool	2996	10	25
Vancouver	1000	15½	"	8600	21½	37
Fort William	900	12				
Montreal	1216	11	C. Race / Belle I.	3007	10	
Extra handling		1¼				34½
To St. John	2350	28½	Liverpool	2750	10	38½
Fort William	900	12				
Buffalo	850	3				
To New York	498	9	"	3036	9½	33½
ARGENTINE						
To Buenos Aires	400	8	"	6260	16	24
AUSTRALIA						
To Freemantle	400	8	"	9606	24½	32½
SOUTH AFRICA						
To Durban	500	8	"	7000	17½	25½
SOUTH RUSSIA						
To Odessa	400	8	"	3426	11	19
NORTH RUSSIA & POLAND						
To Dantzig	400	8	Hull	867	5	13
MIDDLE WESTERN STATES						
St. Louis	400	8				
To New Orleans		6	Liverpool		12½	26½

From the figures given it will readily be seen what disadvantage the Canadian grain growers are laboring under unless the Hudson Bay route is used to a very material extent. The export rates from the different countries referred to run from 13c to 38c; the average is 25c. If the Western farmer could get this rate he need fear no competition. This would place him in a similar position to his Argentine brother, and give him a slight advantage over the Middle Western States. For the West then, on the whole, the northern route offers assurance of relief from overburdening transportation charges and the opportunity for successful and profitable industry.

From the prairies to Port Nelson railroading is easy; no mountainous country, no heavy grades. Rates should certainly not be greater than those to Fort William, taking distance into consideration, but in the table a slightly higher rate is given; it is usual to charge such on a new road, although there might be no justification therefor. The Atlantic Ocean rate during October and November varied from 10 to 12¾ cents per bushel. New York and Port Nelson are the same distance from Liverpool, slightly under 3,000 miles; Montreal, 2,760 miles via Strait of Belle Isle, 3,007 via Cape Race. The rates, therefore, from the three ports should be practically the same, other things being equal. However, in order to cover all contingencies incidental to a new route, an additional charge of approximately one-third of the general ocean rate is included in the northern rate. This may not be necessary or advisable, and certainly would not be when the route is established; but even with this additional charge there would be a saving in shipping via Port Nelson of at least 9 cents as compared with the St. Lawrence, and 11 cents as compared with the Vancouver route, an average of 10 cents; this from Saskatoon as representing the centre of production. By the St. Lawrence route the extra mileage from Fort William to Montreal must be accounted for. By the Vancouver route there is not only additional railway mileage but mountain grades, besides about three times the ocean mileage. Vancouver has the advantage of an all-the-year-round port—Montreal, of an alternative means of export by shipping by rail to St. John. Each, in any event, will get a certain share of the traffic. It is not a question of shutting out the other two routes. They have each important parts to play in Canada's transportation system. For years the eastern route has shown itself quite inadequate to handle properly the Western crop. What the Pacific route can do remains to be seen. The tremendous distance to market, notwithstanding the low mileage, will prevent rates being reduced below a certain level, and must always be high from a Western standpoint. It is imperative that the rates in connection with both these routes be reduced to the minimum. The opening of the Bay route will help to do this. When this is brought about both Eastern and Western routes will continue to get a fair share of the grain traffic and play an important part in the work of the general development of the West. But the Hudson Bay route will set the pace, and the bulk of Western cereals, and practically all Western cattle, will inevitably find this the natural means of export.

And what may be said regarding exports applies in large measure to imports. The carrying of goods directly to the place of consumption at a minimum rate for freight and the elimination of unnecessary handling charges means lessened cost to the consumer, therefore greater consumption, and thus more extensive traffic. This applies to trade with Eastern Canada, as well as with other countries.

The Hudson Bay Railway project has been before the country for fifty years: it has been an issue for forty. Until recently the railway was looked upon simply as a connecting link between the wheat fields and tidewater, a distance of 500 miles. The intervening territory was considered to be of no value, and the Bay in itself made no appeal. However, the construction of the road and investigations in connection therewith have supplied a fund of information regarding the territory through which it passes, which has completely changed the popular idea in respect thereto. It is now known that this area contains natural resources, and is susceptible of production in many respects not hitherto even dreamed of. Instead of a vast expanse of lakes, rock and muskeg of no conceivable economic value, the country is now known to contain extensive tracts of good clay land. That, notwithstanding devastating fires, there are still vast stretches of pulpwood available. That the rocks in many places are mineral bearing. Gold, copper and other minerals have been found. Three million dollars have been taken out of one property, and another is known as one of the large copper-zinc-sulphide deposits of America. That the cataracts and falls on the numerous rivers, some of them of first rank, furnish almost unlimited power possibilities, it being estimated that on the Nelson alone 3,000,000 horse-power is available, and the H.B. Ry. parallels and is in close proximity to that river for two-thirds of its length. The possibilities of this combination can readily be imagined. That the cold waters of the numerous lakes furnish the finest of fish, of which there is an abundant supply, and the last important sturgeon fisheries on the continent are to be found in the enlargements of the Saskatchewan, Nelson and Churchill Rivers, and that the Bay itself, with its fisheries and other animal life, its mineralized islands and the fur production of its adjacent territory, must be reckoned with as an exceedingly important source of trade and traffic.

From this it will readily be seen that the railway not only has been the means of attracting attention to northern territory and dissipating illusions in respect thereto, but will in the future play an important part in opening up and developing that territory. When the road was commenced there was no expectation of local traffic. There is every reason now to believe that this will be of considerable importance, thus making possible a lower through rate giving added benefit to the Western producer.

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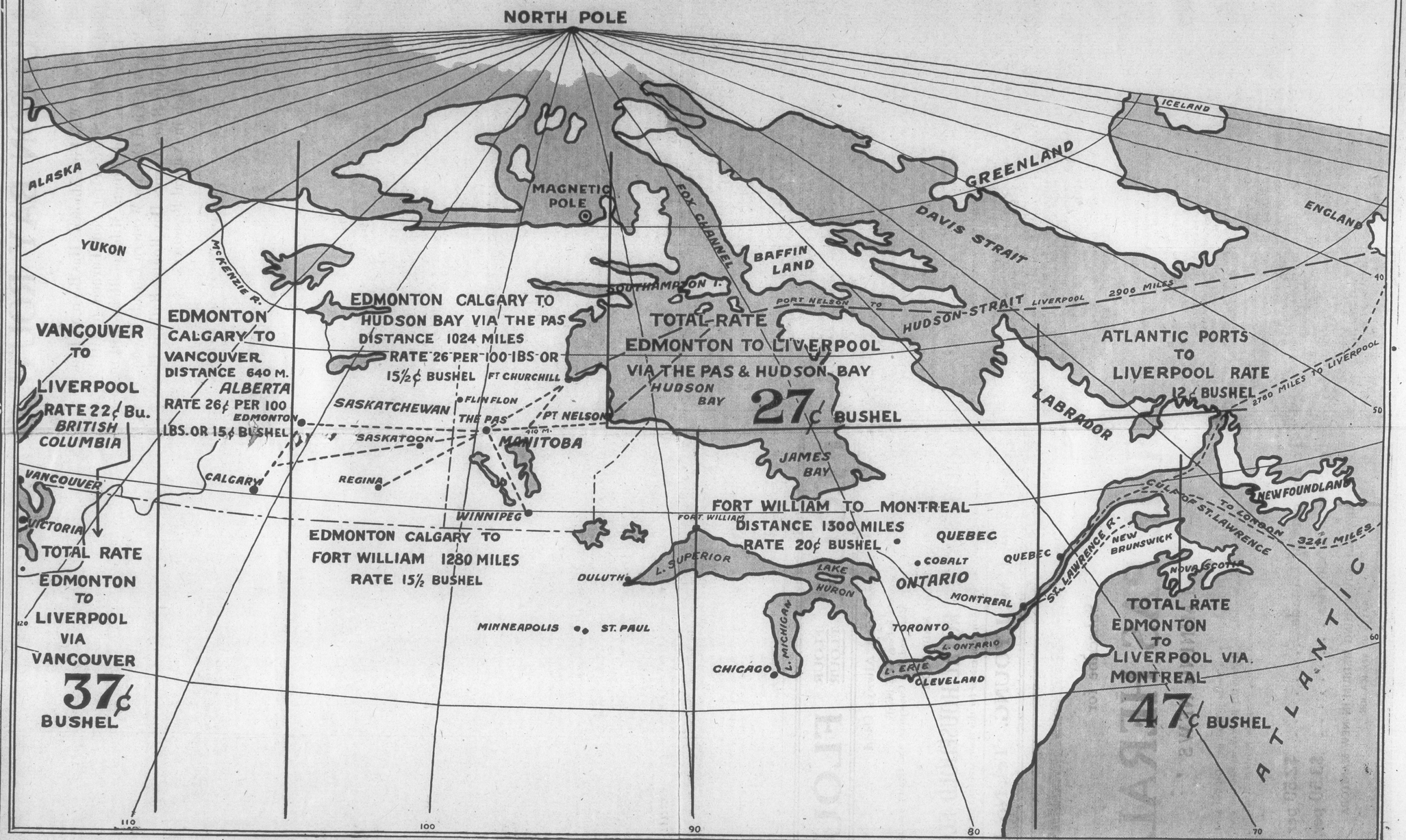
HUDSON BAY CANADA'S NEGLECTED SEA



NOTE—Since the above map was drawn several of the rates have changed. The correct rates are shown in the table of comparisons on the other page.

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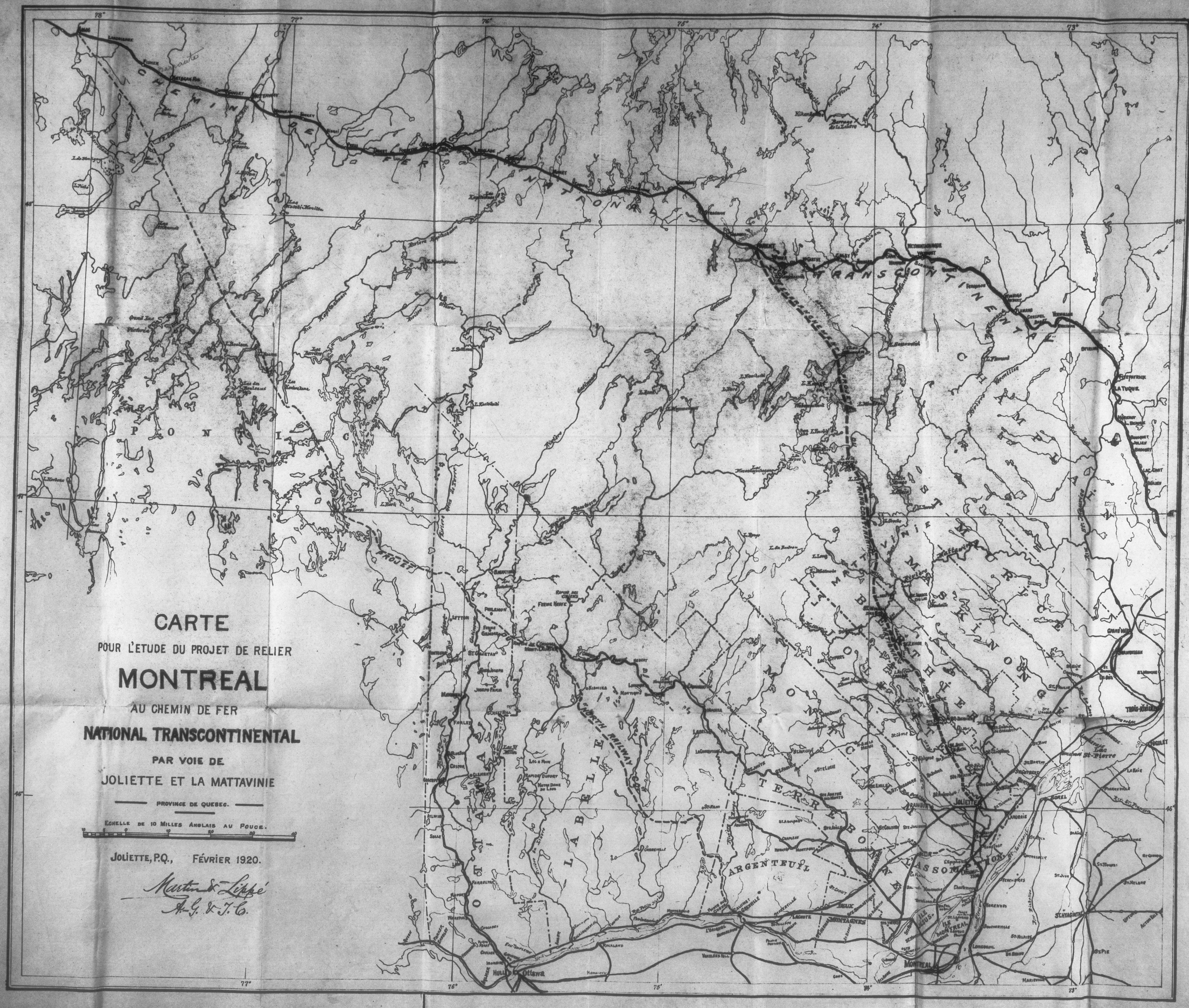
CARTE
POUR L'ETUDE DU PROJET DE RELIER
MONTREAL
AU CHEMIN DE FER
NATIONAL TRANSCONTINENTAL
PAR VOIE DE
JOLIETTE ET LA MATTAVINIE
PROVINCE DE QUEBEC.
ECHELLE DE 10 MILLES ANGLAIS AU POUCE.
JOLIETTE, P.Q., FÉVRIER 1920.
Martineau & Lippé
A.G. & J.C.
CHEMIN DE FER NATIONAL TRANSCONTINENTAL
PROJET
LA BELLE RAILWAY
ARGENTEUIL
MONTAGNES
MONTREAL
Ottawa
Hull
JOLIETTE
LA TUQUE
ST. JEROME
ST. HYACINTHE
ST. PIE
TROIS-RIVIERES
SOREL
LACHUTE
ST. JEAN
ST. JOVITE
ST. MICHEL
ST. HILARION
ST. HELENE
ST. THOMAS
ST. ROCH
ST. LIN
ST. JULIENNE
ST. CLEMENT
ST. ANTOINE
ST. ANDRE
ST. ADOLPHE
ST. ALPHONSE
ST. ALPHEE
ST. ALBERT
ST. ALBAN
ST. ADRIEN

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19 material

The Hudson's Bay Terminals

Official and Expert Judgments on Fort Churchill and Port Nelson

"THAT in the opinion of this committee sufficient care was not taken in the selection of Nelson as the terminus of the railway, and that the Government should not make further important expenditures upon this port without first making a new and thorough examination into the relative merits of Churchill and Nelson, as a terminus for the railroad."—Extract from an official report of the Senate of Canada Committee in 1920, after an exhaustive investigation, and the taking of much evidence.

The Dominion Government has already spent six million dollars trying to manufacture an ocean port and terminal at Port Nelson. But the Hudson's Bay Company steamers still prefer to anchor in the Fort Churchill harbor—where the Government has not expended a dollar to safeguard ships. Nature did all that is necessary.

This pamphlet is prepared for no other reason than to provide members of Parliament with a more intelligent idea of the two ports, about which there is so much controversy—and, in some quarters, a most unfortunate lack of sincerity in facing the facts. If a serious mistake has been made in the choice of ports, as stated by the Senate Committee, after taking much evidence and expert advice, now is the time to have the matter remedied—and not after many more millions have been wasted at Port Nelson.

On opposite pages are engineer's drawings of both Fort Churchill and Port Nelson, reproduced from the original official maps. The water depths, as marked, and natural protection offered to ships seeking safety from storms, are evidenced in a striking way. These illustrations alone tell their own story to reasonable-minded, unbiased men. Unless this project is considered merely as so much political sop, thrown out to part of Western Canada, it should be treated on the same business-like basis as any commercial proposition, which involves the expenditure of many millions.

Hon. Mr. Motherwell, Minister of Agriculture, and a western member, had the courage of his convictions last year and gave some irrefutable facts in the House of Commons dealing with Port Nelson, as compared to Fort Churchill. Following are several judgments by prominent engineers, after personal investigation, rather than hear-say propaganda—largely by people who have never been to Churchill—which confirm what the Senate Committee and Hon. Mr. Motherwell have said—and should be carefully digested by all members of Parliament:

Mr. J. W. Tyrrell, C.E., surveyed both harbors. He says in part: "The mouth of Nelson river was first carefully surveyed and found to be extremely shallow for at least ten miles from shore. The "Alert" was obliged to anchor that distance from land . . . . It would be an exceedingly expensive operation to make a harbor at the mouth of the Nelson river. The whole district is so shallow that terrific seas get up rapidly . . . . **I do not think the conditions can ever be entirely removed** . . . . Ships have trouble getting into the mouth of the Nelson. My next duty was to survey the mouth of the Churchill river, which is situated 120 miles further north. **Here an excellent land-locked harbor was found to exist.** Both my surveys have been mapped, and now appear on the British Admiralty charts of the Hudson's Bay. They can be seen and examined any time."

Mr. W. Thibadeau, C.E., reported to E. Deville, Surveyor-General at Ottawa, on May 10th, 1907, as follows: **"The mouth of the Churchill forms the most southerly harbor of the West coast for ships drawing over 24 feet of water.** This harbor can be kept open all the year by means of ice-breakers."

Mr. C. R. Tuttle, C.E., after personal investigation, had this to say about Fort Churchill Harbor: "On all sides are great hills of rock awaiting the hands of industrial enterprise to be transformed into piers

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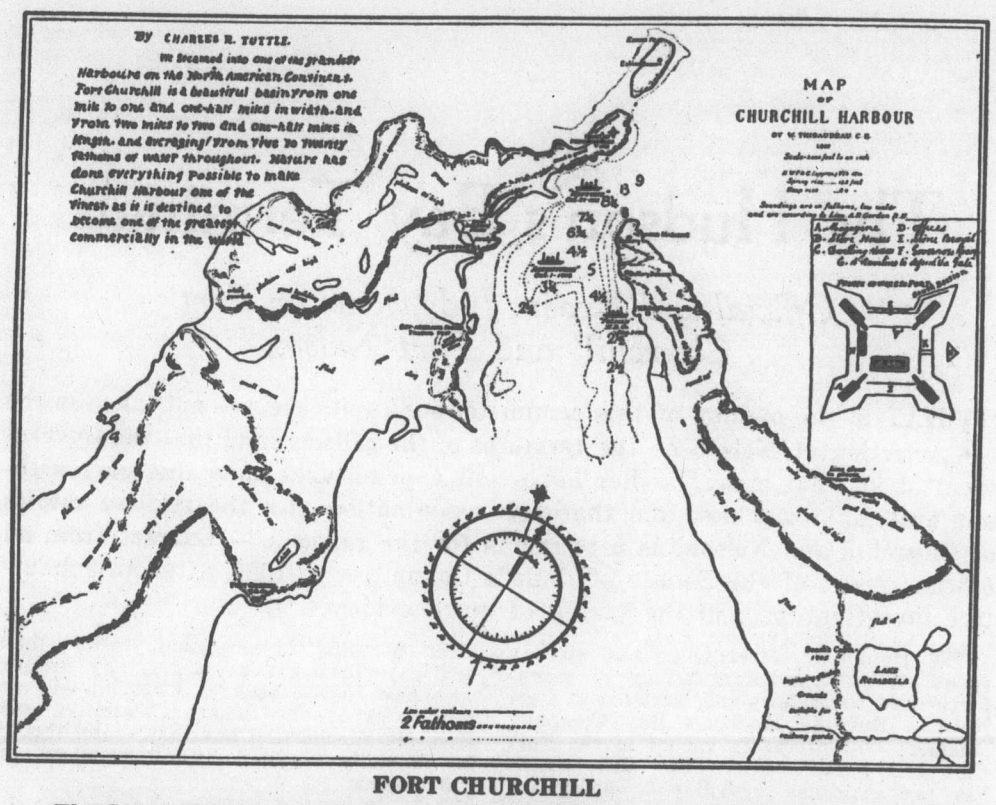

FORT CHURCHILL

The Ottawa Senate Committee in 1920, made this report: "Churchill was shown to be an absolutely land-locked harbor, entirely protected from every wind, no matter from which quarter it should blow, where a few ships could at all times ride at anchor in perfect security."—Water depths given in fathoms.

and docks and wharves for the accommodation of trade. In no other place in the world could needed improvements be more cheaply or more conveniently made. At least ten miles of the shores of this beautiful basin may be converted into wharves, and everywhere the approaches to them from the interior would be most happily accessible. There are no mountains, or gorges, or obstacles of any sort to prevent the approach of the iron horse from the west, or from the south, to the very water's edge. As I have said, **Nature has done everything possible to make Churchill Harbor one of the finest, as it is destined to become one of the greatest commercially, in the world."**

Dr. Robert Bell, C.M., F.R.G.S., C.E., of the Geological Survey of Canada, on March 12th, 1907, replying to Hon. Mr. Davies, chairman of the Select Committee, explained that the **Churchill River is the only stream on the western side of Hudson's Bay which enters the sea through solid rock and has a fixed depth of water.** He thought twelve (12) fathoms was about the depth at the entrance: "Then when you get inside there is good shelter with water shoaling 8, 7, 6, and 5 fathoms at low water, with sufficient space to anchor a considerable number of ships. The entrance is like a slightly bent arm surrounding a point, and **the moment that you turn the angle you are in perfect shelter. The harbor is large and fairly deep. From the time you turn the corner and get into complete shelter there is a space from one-half to a mile in length, where you can lay your ship almost against the shore."**

Lieut. A. R. Gordon, of the Government Expedition in 1886, reports: "The Churchill Harbor is admirably suited for a railway terminus. The necessary docks could be easily and cheaply built, and the deep water basin enlarged at small cost. Stone is laying at the water's edge ready to be laid into docks and piers, and **Nature seems to have left little to be done in order to make this a capacious port, fit for doing business of great magnitude."**

George A. Bayne, C.E., has reported: **"The harbor of Churchill is one of the finest I have ever seen. Nature has done so much for it, in the way of protection from storm and the depth of the water, that without further improvements it is fitted to take rank among first-class ocean ports."**

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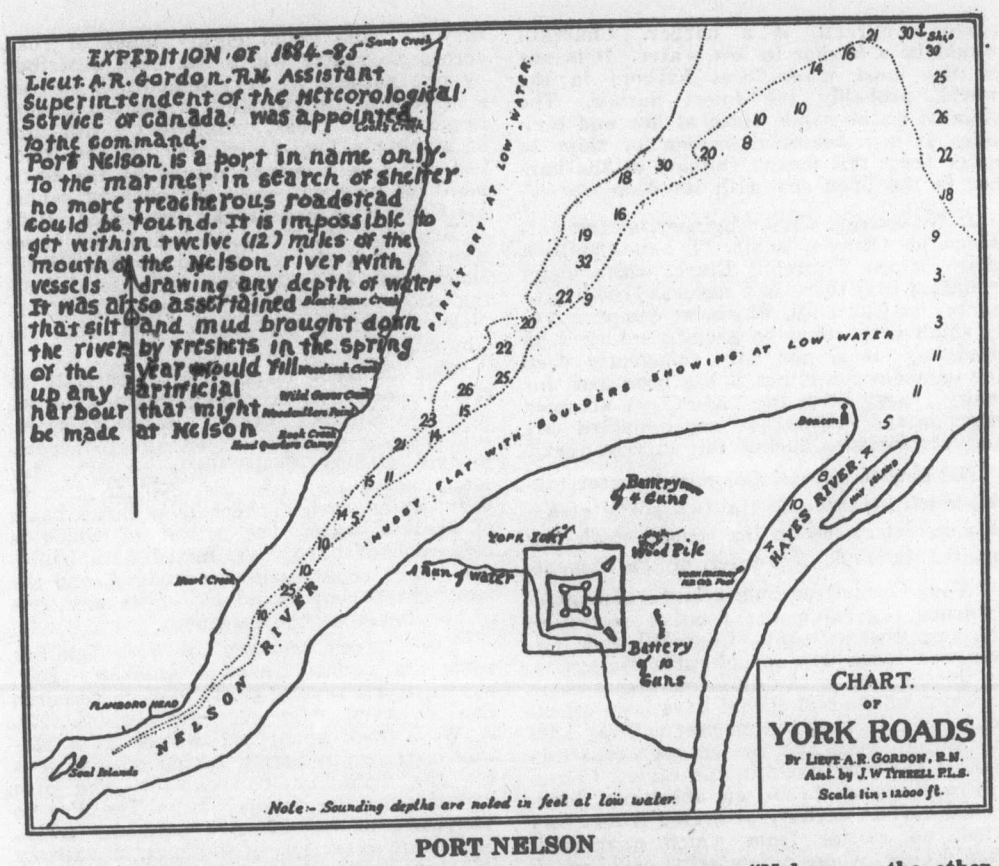

PORT NELSON

The Ottawa Senate Committee in 1920, made this report: "Nelson on the other hand, has no natural protection from the sea, except such as it receives by reason of its remoteness from the body of the sea, there being a twenty-mile stretch of shallows between it and deep water."—Water depths given in feet.

Sir Henry Lefroy, Secretary of the British Geographical Association, several years ago reported: "Churchill will undoubtedly be the future shipping port for the agricultural products of the vast Northwest territory, and the route by which immigrants will enter the country."

Captain Bernier, the most experienced navigator in the far northern waters, had this to say to the Senate Committee: "I **should prefer Fort Churchill, because a ship can come in, and she is in a harbor.** At Nelson, which will never be a port, you have to anchor away out. Before you get a chance to come in you have to contend with all that danger . . . At Churchill you have a big body of water. It is land-locked. **Fort Churchill is the work of Nature—and when a man has to work against Nature there is no money in it . . . .** The tide, too, is less at Churchill than at Nelson. From a nautical point of view I prefer Churchill. **Canada is too poor to maintain a port like Nelson."**

Lieut. Gordon reported in 1886: "I consider the estuary of the Nelson River one of the most dangerous places in the world for shipping to go."

Commander William Wakeham, of the sealing vessel "Diana," stated before the Select Committee in Ottawa, on April 5th, 1907: **"The harbor at Churchill is a good harbor, easy of approach and safe. It is not a very large harbor. Captain Gordon surveyed it, and his report on it is very definite and distinct."**

A. P. Loro, B.A.P.S.C., F.R.G.S., before the Select Committee, February 7th, 1907, said: "Churchill is the only present harbor on the south side of the bay."

Mr. J. B. Tyrrell, giving evidence before the Select Committee of Ottawa, on March 2nd, 1907, said: "The mouth of Churchill River is an exception to the general character of the Hudson's Bay shore. At the mouth of the Churchill River there is a rocky hill rising, or at least a mass of rock. The remarks about the shore descending to the bay do not apply exactly to the mouth of the Churchill River. That is the

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reason Churchill is a harbor. Churchill would be a harbor in low water. It is one of the most magnificent harbors in the world, probably the finest harbor. The channel is the same width at low and high tide. It is a beautiful harbor for ships to enter from the ocean. Outside of the harbor is the open sea with its deep water."

J. W. Tyrrell, Civil Engineer, giving evidence at Ottawa, said: "I have made a chart of the Churchill River, which chart indicates that there is a natural land-locked harbor at Churchill, which, at comparatively small cost, could be greatly enlarged by dredging. It is not only sufficiently deep for immediate use, but it has been used for many years. With the "Alert" we steamed right up and cast anchor, and remained safe and comfortable during the survey work."

The Senate Special Committee, after taking much evidence on the two ports, makes this official review in the report which was printed in 1920, by order of Parliament:

"Your Committee took a large amount of evidence regarding the relative merits of the two western ports, Churchill and Nelson, and there was considerable divergence of opinion among the different witnesses as to which of the two should have been selected, having in view the shorter railway haul in the one case, and the cheaper construction of the port itself in the other. Churchill was shown to be an absolutely land-locked harbor, entirely protected from every wind, no matter from which quarter it should blow, where a few ships could at all times ride at anchor in perfect security. Nelson, on the other hand, has no natural protection from the sea, except such as it receives by reason of its remoteness from the body of the sea, there being a twenty-mile stretch of shallows between it and deep water. A narrow channel, bordered by wide shallows, connects the proposed harbor at Nelson with the open bay. A very large amount of money has already been expended upon the harbor improvements of Nelson, but a much larger sum is still required before the present plans can be carried out. There seems to be considerable doubt whether or not, even when the proposed plans are completed, the harbor at Nelson will be an entirely safe one against an easterly gale.

"To utilize Churchill it would be necessary to build about eighty miles of road across a country which has been described by one witness as very difficult, it having a stretch of thirty miles of morass almost impossible to cross, owing to the difficulty of getting a firm foundation for the road-bed. This is, however, denied by the testimony of two witnesses, of each of whom the Committee was greatly impressed. Both J. B. and J. W. Tyrrell testified that there was a perfectly good and comparatively short route from the present route, deflecting at a point some fifty-six miles from Nelson and going north and east to Churchill.

"The present harbor of Churchill is rather small, but according to the evidence of the Messrs. Tyrrell, uncontradicted, could easily be enlarged enough to accommodate all the trade likely to offer for many years to come. Beyond the present deep water harbor there is a large basin of shallow water, the bottom of which is composed of hard clay, mixed with boulders, which could easily be dredged, and the resultant harbor would be, of its size, one of the finest on the continent.

"The Tyrrell brothers are very familiar with the country around Hudson's Bay, having spent several years each in research and in examination of these regions. Mr. J. W. Tyrrell spent one winter at a station in Hudson's Strait, taking observations for the Canadian Government, and also looked over the country from The Pas to Churchill, on behalf of a company which had some intention of building a railway in that part of the country—a scheme which was afterward abandoned. He had no hesitation in saying that no difficulty whatever would be found in extending the railway to Churchill.

"It is the opinion of this Committee that the Government would be well advised, if, before expending any more money on the harbor works at Nelson, they were to appoint a committee of expert engineers and railway builders to examine the route to Churchill, and ascertain whether or not it is really possible, as the Messrs. Tyrrell say, and what would be the cost and advantage of making Churchill the port and terminus of the Hudson Bay road, rather than Nelson."

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p. 1-58

4th Session, 13th Parliament, 10-11 George V., 1920.

THE SENATE OF CANADA

REPORT

OF THE

SPECIAL COMMITTEE APPOINTED TO REPORT ON THE NAVIGABILITY AND FISHERY RESOURCES OF

HUDSON BAY AND STRAIT

PRINTED BY ORDER OF PARLIAMENT

OTTAWA
THOMAS MULVEY
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1920

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ORDER OF APPOINTMENT.

THURSDAY, April 22, 1920.

On motion of the Honourable Mr. Fowler, it was

Ordered, That a Special Committee of twelve of this House be appointed to take evidence and report at this session upon the navigability and fishery resources of Hudson Bay and Strait, and of the character of the ports of said Hudson Bay with regard to their fitness as railway terminals, and that such committee shall have power to call for persons and papers, and that the said committee do consist of the Honourable Messieurs Bostock, Casgrain, Dandurand, Daniel, DeVeber, Fowler, Lougheed (Sir James), Michener, Schaffner, Sharpe, Watson and Willoughby.

FINAL REPORT.

THE SENATE,
COMMITTEE ROOM No. 534,
FRIDAY, June 4, 1920.

The Special Committee of the Senate appointed to take evidence and report at this session upon the navigability and fishery resources of Hudson Bay and Strait, and of the character of the ports of said Hudson Bay with regard to their fitness as railway terminals, beg leave to make their Second Report, as follows:—

We have held some fifteen meetings and called and examined twenty-one witnesses drawn from all parts of the country. The Committee had in view acquiring information on the following points:—

(1) The length of the season during which the bay and strait were reasonably navigable, having in view the presence of ice, the occurrence and persistence of snow-storms, the advantages to be gained by aids to navigation such as wireless telegraphy, lighthouses, fog signals, and hydroplanes.

(2) The style and size of vessels to be used for the carrying trade.

(3) The relative merits of the two ports, Nelson and Churchill, and the relative cost of the development of each port.

(4) The fishing resources of the bay and strait and of the rivers emptying into the bay.

(5) The mineral resources of the country tributary to the bay.

(6) The utilization of the country for the production of meat and furs to be obtained from the reindeer and musk ox, which would subsist upon the extremely nutritious grasses grown there.

A large number of witnesses were called with respect to the length of the season during which the bay and strait can be safely navigated. There was some variation among the several witnesses regarding the length of the season of navigation, but all agreed that the minimum would under ordinary circumstances be at least four months while the maximum would not likely exceed five months. Voyages have been made through the strait as early as the fifth day of June, and as late as the first part of November with the ordinary type of vessel without meeting any difficulty, but these were admittedly rather exceptional cases. All were agreed, however, that modern navigating appliances such as lighthouses, wireless stations, hydroplanes and fog signals would greatly facilitate navigation in these waters and in a large measure

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overcome the natural difficulties from ice and snow. In order that the route would be able to compete with the more southerly channels of communication between this country and Europe, it would be necessary to have a type of freighter capable of carrying from 5,000 to 10,000 tons of dead weight, and in the opinion of this Committee, from the evidence adduced before us, there would be no difficulty in handling so large a vessel on the route, provided it was properly strengthened and protected in the forward part. Of course, heretofore only vessels of smaller size have been used because ships of larger capacity have not been required.

The consensus of opinion is that Hudson Bay remains open all the year through and that the ice does not extend beyond thirty or forty miles from the shore. The strait is also open for the greater part of the year, and would probably be open all the time except for the ice which comes down late in the autumn from Fox Channel and obstructs navigation in the strait. It was generally conceded by the eight witnesses who gave evidence on this point that the aids to navigation which might be installed along the strait would greatly facilitate the passage and considerably extend the season of navigability.

Your Committee took a large amount of evidence regarding the relative merits of the two western ports, Churchill and Nelson, and there was a considerable divergence of opinion among the different witnesses as to which of the two should have been selected, having in view the shorter railway haul in the one case and the cheaper construction of the port itself in the other. Churchill was shown to be an absolutely land locked harbour entirely protected from every wind no matter from which quarter it should blow, where a few ships could at all times ride at anchor in perfect security. Nelson, on the other hand, has no natural protection from the sea except such as it receives by reason of its remoteness from the body of the sea, there being a twenty mile stretch of shallows between it and deep water. A narrow channel bordered by wide shallows connects the proposed harbour of Nelson with the open bay. A very large amount of money has already been expended upon the harbour improvements of Nelson but a much larger sum is still required before the present plans can be carried out. There seems to be considerable doubt whether or not, even when the proposed plans are completed, the harbour at Nelson will be an entirely safe one against an easterly gale. To utilize Churchill it would be necessary to build about eighty miles of road across a country which has been described by one witness as very difficult, it having a stretch of thirty miles of morass almost impossible to cross owing to the difficulty of getting a firm foundation for the roadbed. This is, however, denied by the testimony of two witnesses, of each of whom the Committee was greatly impressed. Both J. B. and J. W. Tyrell testified that there was a perfectly good and comparatively short route from the present route deflecting at a point some fifty-six miles from Nelson and going north and east to Churchill. The present harbour of Churchill is rather small, but, according to the evidence of the Messrs. Tyrell, uncontradicted, could easily be enlarged enough to accommodate all the trade likely to offer for many years to come. Beyond the present deep water harbour there is a large basin of shallow water, the bottom of which is composed of hard clay mixed with boulders, which could be easily dredged and the resultant harbour would be of its size one of the finest in the continent. The Tyrell brothers are very familiar with the country around Hudson Bay, having spent several years each in research and in examination of these regions. Mr. J. W. Tyrell spent one winter at a station in Hudson Strait taking observations for the Canadian Government and also looked over the country from the Pas to Churchill on behalf of a company who had some intention of building a railway in that part of the country—a scheme which was afterward abandoned. He had no hesitation in saying that no difficulty whatever would be found in extending the railway to Churchill. It is the opinion of this Committee that the Government would be well advised if before expending any more money on the harbour works at Nelson they were to appoint a committee of expert engineers

and railway builders to examine the route to Churchill and ascertain whether or not it is really possible, as the Messrs. Tyrell say, and what would be the cost and advantage of making Churchill the port and terminus of the Hudson Bay road rather than Nelson.

In the meantime, the laying of the rails could be completed to Nelson, and that port could be used for the present in its present state.

While no one was able to speak with certainty as to whether the cod fish were plentiful in the bay or not, there is no doubt as to the strait. All the rivers flowing into the bay team with fish, and walrus and seal are also found in large numbers in the strait. No doubt as soon as the Hudson Bay route is established a very large and lucrative fishing industry will be established there. Recent discoveries have shown that the country surrounding Hudson Bay is strongly and richly mineralized, particularly in gold and copper.

Mr. Stefansson, the distinguished Polar explorer, gave evidence before your Committee. He is a devout believer in the possibility of utilizing what have always been known as the barren lands of the north, and the islands within the Arctic Circle, in the cultivation of the reindeer, caribou and musk ox for the production of meat. He gave evidence as to the splendid quality of the flesh of these animals as food for the people, and as to the cheapness with which it might be produced. He said that the wild lands of the north which have always been looked upon as worthless could carry at least fifty million head of reindeer and ten million head of musk ox, and that the cost of handling these huge numbers would be trifling in comparison with the profit to be made. The effect of this upon the world's food supply would be tremendous, and your Committee would strongly recommend that the matter be energetically taken up by the Government.

Your Committee makes the following findings upon the evidence adduced before them:—

(1) That the Hudson Bay route is feasible and will probably in time be profitable.

(2) That the season of navigation under present conditions is at least four months in length and may by reason of improvements in aids to navigation be considerably increased.

(3) That in the opinion of this Committee sufficient care was not taken in the selection of Nelson as the terminus of the railway, and that the Government should not make further important expenditures upon this port without first making a new and thorough examination into the relative merits of Churchill and Nelson as a terminus for the railroad.

(4) That the waters of the strait and rivers tributary to the bay teem with fish and valuable marine animals, and we believe that the bay is equally well stocked but there has not yet been sufficient data collected as to the extent of the fisheries of the bay to enable an authoritative statement to be made as to their value.

(5) That the mines already discovered in the Hudson Bay district are of sufficient number and richness to indicate the existence of great potential mineral wealth.

(6) Your Committee feel that they cannot too strongly endorse the valuable suggestion of Mr. Stefansson as to the cultivation of the reindeer and musk ox, and would urge upon the Government that the Department of the Interior be empowered to take hold of this matter, earnestly taking advantage of what has been done in this regard by the United States Government.

(7) Your Committee, although it is somewhat outside the scope of their mandate, cannot close this report without making some reference to the national value of the explorations of Vihljalmur Stefansson. He has completely revolutionized our ideas of the region within the Polar Circle. He has demonstrated that it is possible for white men to live and thrive in that northern region though drawing from no other

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resources than those afforded by the country itself, and he has proven that those lands which were looked upon as barren and utterly worthless will eventually be a valuable asset to Canada. The Committee ventures the hope that the Canadian Government will not be unmindful of the great services performed by Mr. Stefansson, whose reward so far has not been commensurate with the national importance of the work he has accomplished.

(8) Your Committee expresses its thanks to the gentlemen who have voluntarily come forward and given valuable evidence upon the important matters under consideration.

(9 Your Committee submit herewith an extract in narrative form of the evidence given before the Committee, and beg to recommend that 1,000 copies of this report and the extract of the evidence be printed in pamphlet form for general distribution.

All which is respectfully submitted.

GEO. W. FOWLER,
Chairman.

EXTRACT FROM THE EVIDENCE OF SERGEANT E. H. L. THOMPSON, R.N.W.M.P.

I am stationed at Port Nelson, having been there almost three years, and I know the country, including a certain portion of that inland from Fort Churchill, south to Port Nelson and east as far as Cape Tatnam. I am stationed at Port Nelson on the north bank of the Nelson river. The Hayes lies south and east of my post. I have travelled north from Port Nelson as far as Fort Churchill, southwest from Nelson as far as the Pas.

I know the country between Nelson and Churchill as well as the average white man knows it from travelling through it. I know the country from Cape Tatnam to Fort Churchill. It is practically barren.

After we reached Broad river we found some timber or pulpwood—pretty scrubby.

Port Nelson is exposed to all the northerly winds.

The deep hole is situated in the channel, about ten miles up the river from the artificial island.

Captain Mack brought the Hudson Bay Company's steamer *Nascopie* in there in 1917 and anchored in the deep hole. I think the *Nascopie* draws from 20 to 25 feet. Captain Mack said that at low water there was a foot of water under the steamer—that is ten miles out toward the bay (referring to Churchill).

I know of occasions when hope was abandoned in the bay; that is to say, a steamboat was in the bay and all hope of saving their lives was practically abandoned, and they entered Churchill harbour in this gale, and when they entered the harbour after passing the harbour entrance, they were in absolutely calm water.

I think the entrance is rather more than 1,500 feet wide.

I never saw the harbour in any state of unrest—practically calm, so that a ship can safely ride at anchor. From my knowledge I would say it is landlocked.

I do not think a dozen of ships of 2,000 tons each could anchor there. I have seen the *Nascopie,* the *Fort York,* and the *Kathleen,* all there at once, and there seemed to be ample room. I have never heard of any difficulty in getting into or out of Churchill harbour. One may say, perhaps, the ice breaks in the Nelson river before it does in the Churchill river; but we have slush-ice running in the Nelson river after we have it in the Churchill river, generally speaking.

After the Churchill river is clear. That is due to the trend of the current, which washes the ice down—it catches and jams in the southwest corner of the bay, off Marsh point, and on the incoming and outgoing tide, the ice is running in and out

of the estuary. Once it goes out, it is out, but at Nelson it is in and out all the time. From my observation I think Churchill in certain ways would be freer of ice for a longer season than Nelson. I should think for the purposes of navigation it would be freer, but my knowledge is too limited to make a definite statement, but I would say this from my knowledge and observation.

The bay freezes out some distance, but I do not know what the approximate or average distance is.

We put a packet across from Nelson to York on the 16th day of November, 1917—two natives in a canoe. They crossed the river at low tide when the slush-ice was out.

The greatest tide we had at Nelson was in the September gale, I think of 1916. It was about a 21-foot tide on that occasion at the time of the equinoctial gale. Last year I left Port Nelson about the middle of June, travelling inland. The shore-ice was not broken then but it broke two days after I left.

We generally look for northerly winds as the prevailing wind across Hudson bay. I think in August, 1917, we saw ice from the barracks, driven in by the easterly winds, but that was rather exceptional. It was out towards the mouth of the estuary, quite visible to the naked eye, and about six or seven miles out at Nelson.

We generally expect to travel in that country by dogs over the snow by the middle of November and we abandon the dogs in May or towards the end of April.

There is very little fog. I have never heard any complaint by navigators of fog in the straits. We have remarkably little fog in that country.

We caught a halibut in the bay last spring. There is no sea-fishing going on. The natives fish in the rivers. The Nelson natives get all the fish they want around the terminals camp, within a mile or so, a species of herring—not the true herring of the Atlantic—a small fish about eight inches long and full of bones. Sometimes we have had an occasional sturgeon out of the Nelson, but in the Churchill we have magnificent rock salmon, we catch them in nets, from six to ten pounds. Then we have the rock sturgeon too, from forty to fifty pounds in weight. We also get white fish in the Churchill. We get rock salmon and salmon trout.

There is great excitement in all that territory north of the Pas over the mineral finds, copper, gold and nickel.

Not very much timber, some small timber. I travelled up the Hayes and branched on to the Shamattawa and then swung across the Sturgeon river to the Hudson Bay Company's port on South lake. All the territory through there has been seriously burned. I do not suppose I saw more than half a dozen trees of commercial value, and I was travelling about seven weeks—I mean real timber, twelve to eighteen inches on the butt. The other was quite small, not more than two or three inches on the butt.

Caribou are quite plentiful, occasionally the Chippewyans have made a tremendous killing at the Crossing, five days west of Churchill.

In my district there are approximately thirteen hundred Indians.

At mile 137 I think there is some clearing that they are endeavouring to cultivate, but along the railway line they have gardens at places; they grow potatoes, vegetables, etc., at different points on the line.

We generally expect the supply ship about the middle of August. I think that in 1916, one of the Government ships left in October, but I could not give you the date. The Hudson Bay Company ship came one year to Nelson, but it was not found satisfactory. The Hudson Bay ships now go to Churchill, then load in Churchill harbour and then they freight with their schooner and by whale boat down to York Factory. They simply steam into Churchill barbour and drop their anchor. They do not go aground at Churchill but at Nelson the ships rest on the mud. There is deep water in Churchill at low tide. At Nelson the terminals have three or four small docks and the lighters come in at high tide and then they rest on the bottom at low tide.

At York Factory the Hudson Bay Company have a little dock. York Factory is between twenty and twenty-five miles from Nelson by canoe, but by dog train between twelve and fourteen miles.

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EXTRACT FROM THE EVIDENCE OF MAJOR G. A. BELL, DEPUTY MINISTER OF RAILWAYS AND CANALS.

The total cost of the Hudson Bay railway, which includes the total expenditure of every kind, and covers the Nelson terminals to the 31st of March, 1919, was $20,851,-816.53. Of that amount $14,526,560.43 is applicable to the railway, $6,325,256.10 is applicable to the terminals at Port Nelson. The original estimate for the terminals at Port Nelson was approximately $25,000,000. Up to date I find no report that that amount will be exceeded. If the work had continued, without interruption, and had been completed, it would not have exceeded that estimate. Of course, as traffic grows at Port Nelson it willnecessitate extension to the harbour. The original estimate of the work would not have been exceeded, but owing to the closing down of the work it will increase the cost. That estimate comprises the dredging to deep water. The $25,000,000 covers the railway and all, including one storage elevator.

EXTRACT FROM THE EVIDENCE OF MR. F. C. T. O'HARA, DEPUTY MINISTER OF TRADE AND COMMERCE.

Practically the whole difficulty surrounding the Hudson Bay route lies in navigating Hudson strait.

Before it is possible to operate the route at all from a commercial standpoint, wireless stations must be established for at least five months in Hudson strait, and also wireless communication with Port Nelson. Operators would have to winter there.

The minimum period of navigation appears to be from the 1st of August to the 15th of October, extending some years to three or four months. The period quoted is the minimum period.

With aids to navigation provided any ordinary ship could make one trip in and out without any danger.

Any ordinary ship, if suitably strengthened to enable her to pass through the light fields of ice, could make two trips in and out, provided aids to navigation were established. Even then more than ordinary dangers to navigation must be expected during the latter part of the season of navigation.

The ships should not be over 3,000 tons deadweight capacity, carrying from 100,000 to 150,000 bushels of grain. They must be fitted with wireless and have a draught not over 17 feet on arrival. More than average speed and horse-power would appear to be necessary.

It is likely that insurance could only be obtained at a high rate, and even then for one round voyage in midsummer.

This, of course, would probably be changed after the route is a while in operation.

The statement that no grain of the new crop would be available for shipment while the Hudson Bay route is open is not a serious disadvantage of that port.

While the new crop would not commence to reach Port Nelson until about the 15th or 20th September, yet the grain of the previous year's crop received prior to that date would be available for shipment by the first boats out each year in the same way as is grain which is received during the winter months at Fort William and Port Arthur. The flow from one crop year to the next is almost continuous.

There is a question, however, whether the average grain exporter or dealer would desire to ship grain to Port Nelson in view of the risk he will have to take against having his grain stored there for 8 to 10 months (upon which charges will have to be paid) as against the advantage of winter and spring rail shipments and earlier opening of navigation from Fort William and Port Arthur. During such time the grain will not deteriorate; on the other hand it is more likely to mature and be of greater value intrinsically, yet the owner will be unable to take advanage of the market fluctuations

and his grain can only be marketed the following year at the season when the price is usully lower than it is during the spring. An exporter can always send his grain to Fort William and Port Arthur and hold it there for better prices—shipping it winter or summer, at any time he so desires. This will be impossible at Port Nelson.

The following are some of the respective distances:—

	Miles.
Port Nelson to Liverpool	2,975
Montreal to Liverpool, via Belle Isle	2,760
Montreal to Liverpool, via Cape Race	2,960
Winnipeg to Port Nelson	886
Moosejaw to Fort William (C.P.R.)	817
Winnipeg to Fort William (C.P.R.)	420
Fort William to Montreal (rail)	995

Experiences in navigating Hudson bay widely vary. One captain has a favourable voyage and reports few difficulties, and naturally is very optimistic as to the route. Another has a bad voyage and his opinion is entirely the reverse. Some ships have come safely through, though at times, from ice or heavy weather, they report having been in serious situations.

In all the reports, however, the utmost caution appears to have been the sole cause of a successful outcome. Difficulties in the nature of magnetic variations, varying currents, ice, fog, heavy gales and heavy seas are not infrequently referred to in the reports of Hudson Bay navigators. These conditions may not be so bad as they actually appear and may be regarded by navigators as all being in the nature of their day's work. Yet, it is sufficient to make one hesitate to take a favourable view of that route, even allowing for more than ordinary conditions of navigation.

AUTHORITIES QUOTED AND EXTRACTS OF OPINIONS.

First.—Period of navigation.

Captain Anderson says as to safe navigation during the summer season, year by year, the question is open to individual opinion.

The seasons vary considerably. Some are excellent and some are bad.

Navigation in Hudson bay may be relied upon from the 15th of July until the 15th of November, with an extension of a week at either end according to the season.

Winter conditions generally prevail in Hudson bay until the latter part of June, and the heat of the sun does not loosen up the ice sufficiently to make navigation safe until the middle of July.

Captain Webb says that from the last week of July until the 15th of October, navigation should be fairly safe for ordinary trading vessels, provided ordinary precautions are taken and there is a competent master in charge.

From his experience, and from reports by other vessels entering Hudson bay at the beginning of the season, there would appear to be nothing gained by leaving Halifax before July 10.

Mr. Harling says, for the three midsummer months, any ordinary vessel could navigate the Hudson bay and straits with comparative safety.

Herbert E. Saunders says that in his opinion the season under ordinary conditions should open about August 1, and vessels can remain in safety at Port Nelson until October 27, which practically gives a working season of three calendar months.

Captain Wakeham says that he agrees with Captain Gordon in fixing the date for the opening of navigation in Hudson strait for commercial purposes by suitable vessels at from the 1st to the 10th of July. I consider that navigation should close from the 15th to the 20th October.

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Captain Bartlett of Polar fame says he would consider navigation on the Hudson Bay route safe from the last of July to November, but with ships constructed to contend with the ice and with a good ice pilot on board could navigate the bay from early in July until late in November.

He was in Hudson bay as far as lake Hudson late in September, 1911; no ice was then in sight. He said he had fished at Cape Chidley as late as the first week in October without seeing ice.

Captain Kean says that in his opinion navigation in the Hudson bay would be safe during August, September and October. In July, ice would frequently be met with, and in many cases very hard and heavy.

The service in most seasons would begin about the end of June and continue until the end of November, with the class of ships such as the Newfoundland sealers.

Captain Kean has seen a heavy jam of ice as late as the 18th of August, but this is the exception rather than the rule. Most years the coast is clear in July.

Second.—Construction and style of suitable vessels.

Captain Webb says, as to the construction and style of suitable vessels, that the class of cargo vessels employed should not be more than 3,000 tons deadweight capacity. Draught on arrival about 17 feet.

Captain Anderson says that on account of the presence of ice in Hudson strait at any time of the year, vessels trading there ought to have their own bows especially strengthened to resist the ice.

Captain Wakeham says, I do not believe that the ordinary tramp ship of commerce should be ever risked in heavy ice.

Captain Bartlett says that vessels should be constructed the same as the Newfoundland sealing steamers.

Captain Joy says steamers should be especially built, have a speed of not less than 14 or 15 knots an hour, and draw 22 feet of water.

Third.—Aids to Navigation.

Captain Webb is of the opinion that if aids to navigation were established the period of navigation might be considerably extended. He says that in his opinion, although the difficulties of converting Nelson into a seaport and Hudson straits into a regular trade route are great, yet with proper and practicable management this will become an accomplished fact.

Captain D. R. Davies says that having taken considerable interest in the port, he made it a point to examine for himself as closely as possible as to the likelihood of the port becoming a success. In his opinion he believes the port will meet a long felt demand. (This was speaking of Port Nelson.)

Fourth.—General Difficulties of Navigation.

Captain Webb says that during the period from the last week in July until the 15th October, ice conditions may have to be encountered; such navigation, however, is contingent upon avoiding fields of ice which might cause temporary delays. These fields are usually moving and usually present in the straits.

Captain Bartlett says that the difficulties and dangers, apart from ice, would be owing to fog, tides, compass attraction and shallow water, but when surveyed and coasts and inlands have been lighted it will only be an ordinary voyage to go back and forth.

Captain Joy says that ice, tides, and fogs are the chief difficulties attendant on the Hudson Bay route.

Fifth.—Hudson Straits.

According to Mr. G. J. Desbarats, the principal danger is in the navigation of Hudson straits. This is a magnificent channel with a width of from 30 to 100 miles, and with no known dangers in the way of shallows or rocks. Icebergs are, however, generally found in the straits, and while these constitute a serious danger in foggy weather or on a dark night, they are easily avoided in the day time or in clear weather. Navigation of these straits should not be very much more dangerous than the navigation of the gulf of St. Lawrence during the iceberg season.

For the past 200 years, according to Captain Anderson, all records agree that Hudson strait is more or less filled with heavy drift ice and bergs during the first half of July, and that there would be very little advantage entering before the middle of the month. Hudson bay and strait do not freeze across, but are so covered with masses of ice that navigation is practically impossible for seven months of the year. During the winter months the intense cold forms a thick haze over the ice, making it impossible to pick up and take advantage of any open leads through the ice pack. Practically the same conditions prevail later in the spring, from the heat of the sun over the ice.

The main party from the steamer *Minto*, in charge of Captain Anderson, left Halifax on July 8, entering Hudson strait with the schooners *Chrissie*, *Thomey* and *Burleigh* in tow on the 28th. She reached Fort Churchill on August 7 and the anchorage off Port Nelson on the 11th.

Captain Davies reports that Hudson strait was entirely blocked, the *Alcazer* entering on July 20, 1913, and it took practically eleven days to navigate the strait.

The year 1911 was an unusual year. The following is the record of ice conditions in Hudson strait from the Hudson's Bay Company's journal, as observed from Erik cove:—

1911.	
July	19—Straits and bight packed with ice.
"	20—Ice still tight on shore.
"	21—Water showing in straits.
"	22—Straits still blocked with ice.
"	24—Ice a little slacker in straits.
"	27—Ice appears to be loose in straits.
"	29—*Beothic* arrived.
August	7—All ice gone.
"	10—Cove filled with ice. Straits appear to be blocked.
"	12—No ice in sight.
"	13—No ice in sight.
"	18—Heavy frost.
"	19—No ice in sight.
"	22—*Pelican* arrived.
September	—Some fierce gales during month.
October	—No ice all month, but considerable wind and snow during month.
November	8—Harbour packed full of ice. Straits fairly clear all month.
December	6—No water to be seen in straits now.

Captain Wakeham reports on the 21st July, 1897: "Since we got clear of the Fox channel ice on the 15th, we have seen no ice to impede any ship; in fact we have been in open water all the time."

The ice mentioned on the 15th he refers to as follows: "We had no opportunity of measuring its thickness, but so far as we could judge much of it must have been fully 40 feet in depth. An ordinary ship would have been in grave danger in this pack as it was extremely heavy grinding, shoving and swinging every direction. The *Diana* behaved admirably. We gradually got into more open water."

On the 18th July they steamed through about 25 miles of ice, most of the time going full speed. On the same day Captain Wakeham reports: "Any suitably protected steamer that could manœuvre easily could have gone through the ice to-day as easily as we did. A more powerful ship could have made better time in the light, brassy ice, but among the larger pans the *Diana* could do better owing to her ability to turn quickly."

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In 1897, Captain Wakeham passed out of the strait on the 20th of July and saw no ice.

He went back into the strait on the 23rd July, and states: "At 9.30 a.m. bored our way through a heavy bar of close-packed ice and emerged into clear open water. It would not have been possible for an ordinary freight steamer to have pounded her way through the ice which we have met since yesterday evening as quickly as we have. We have driven the *Diana* straight through that which would have brought an ordinary vessel to grief at once. There was no disposition to run together or nip, and any vessel could have laid by safely in it, while through most of it the way was fairly open."

Later, he reports snow squalls and gales in September.

He passed into the strait on the 15th of October and out of it again on the 30th.

Captain Thos, McKenzie reports that he does not think you are going to get through Hudson strait into the bay even with suitable steamers before the 15th or 20th of July, and that he would not advise risking coming out of the bay after the 10th or 15th of October.

Captain Fisher states that there is no regularity in the movements of the ice. It all depends on the winds. He says the earliest date on which he entered the strait was on the first of July. That year he got into the bay on the 19th of July. Some years he entered the strait the 1st August, got into the bay on the 9th August, and saw no ice. In September it usually takes a week to ten days to work out of Hudson strait.

From the 23rd of June to the 8th of July, Captain Wakeham reports the strait was blocked a distance of nearly 250 miles, notwithstanding that his ship, the *Diana*, made good progress owing to her handiness and ability to turn quick.

There is a sort of fog, Captain Wakeham says, that will always make navigation in the Hudson strait extremely risky after the middle of October.

Sixth.—The Channel.

Captain Bartlett gives it as his opinion that Fox Channel ice is the worst bar to early navigation, as it sweeps across and blocks the mouth of the strait. This, however, loosens with turn of tide.

Captain Couch says that Fox Channel ice starts to move south about the middle of September, and if it should reach the northern head of Mansel island, against which it becomes solidly packed, egress that winter would be impossible. Coates island is the worst place. On one occasion we encountered three tides in the strait, and our steamer, the *Belladventure*, was jammed in the ice four days from the 15th of July.

Speaking of the channel into Nelson, Captain Webb says the main channel leading up the river is perhaps a mile wide on the average. Navigation in the channel is perfectly safe. At the entrance to the channel the water shallows up. There is, however, a 20-foot channel there at low water. The channel is perfectly straight.

At the entrance of the channel there are some patches 18 feet deep, yet there is 20 feet available up to within three miles of Root creek. With a certain amount of dredging, however, a 20-foot channel would be available up to within a mile and a half of Root creek.

Captain Anderson says the main channel is a straight channel and very simple to navigate. There is plenty of water at most points and the channel is amply wide. It is not possible for vessels of over 17 feet to proceed up the main channel at low water.

Captain Davies says, speaking of Nelson, the port has many advantages, as the channel for fully nine miles is perfectly straight south 37 degrees magnetic, and the ground good holding. The channel is also well protected on both sides by shoals and boulders.

Seventh.—Currents.

Mr. Harling says that the current out of Nelson river is very strong. The current is said to be about 5 knots. During the period that navigation is comparatively safe the boats should be strengthened. This is a comparatively easy thing to do.

Mr. Saunders says that from his own personal experience he is satisfied that the navigation and anchorages in many other rivers are far more dangerous and difficult to navigate than the Nelson river.

Mr. W. J. Stewart, hydrographer of the Naval Service, states there is very little to guide a vessel at the present time to make Port Nelson, even in clear weather. If the weather be thick he has to keep his lead going anywhere over 7 fathoms deep. With the establishment of a town, their buildings and smoke conditions might help him, but at the present, he states, from a mariner's point of view, the outlook at Port Nelson is not good. He further states, over the bar he will have none too much water under him and will still be exposed to the full sweep of the sea. In this exposed locality it will be difficult for the mariner to keep in a dredged cut and for the engineer to maintain. Inside the bar, whilst he will have deep water, he will have strong currents to contend with, and none too much in which to swing at anchor, and very little shelter from the sea and none from the wind.

The current from the Nelson and Hayes rivers is very swift, a great volume of water being discharged into the Nelson roads. When this current combines with the ebb tide and sets against the heavy northerly gales which prevail here in August and September, a very bad sea is raised, especially, as may be imagined, inside the five-fathom line of sounding. The Hudson Bay vessels have found much difficulty in making and holding their position in Nelson roads, and on more than one occasion have been obliged, after waiting some days for favourable conditions, to abandon all idea of discharging; and Captain Kean says the difficulties to be encountered apart from the ice would be very strong currents running there and a very heavy rise and fall of tides, between 16 and 17 feet.

Eighth.—Situation and Difficulties at Nelson.

The shores at Port Nelson are all low with a thick growth of small trees. The inner part of the harbour is very shallow from Seal islands to Rock creek, where the port is 3½ miles wide. The bottom is very uneven, with huge boulders that uncover at low water.

Mr. Stewart, also, in his report of March 31, 1911, gives one or two instances where vessels were unable to discharge at Nelson in view of the heavy seas. In one case a vessel for forty-eight hours had to steam full speed ahead with both anchors down with a heavy sea breaking on board. After remaining in the vicinity for ten days the vessel had to proceed to Churchill to discharge her Nelson cargo.

The entrance to the Nelson river does not generally freeze up until the end of December or the first of January, and occasionally remains open all winter; still the heavy drift ice coming down makes it unsafe for any vessel to ride at anchor in the channel. The river ought to be safe for navigation from the middle of June until the first of December.

Speaking of conditions at Nelson, he says on the 13th of August, the wind was very fresh from the north, and as the current held the *Minto* broadside to the weather, heavy seas were breaking over the decks. Bags filled with seal oil were used to good advantage on the weather side, smoothing the water considerably and preventing seas from breaking on board.

Captain Webb says it is often a matter of extreme difficulty to secure a reliable observation of the sun or stars while making for the mouth of the Nelson river, as clouds and overcast weather is the rule rather than the exception. The land is so low and shoal water extends so far seawards that the present beacons are quite inadequate.

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Ninth.—Wrecks.

Mr. Harling says that the *Allette* and *Cerense* were wrecked in 1913, yet from all information extant at the moment it appears that these wrecks should easily have been avoided with ordinary care.

EXTRACT FROM THE EVIDENCE OF MR. J. G. DESBARATS, DEPUTY MINISTER OF THE NAVAL SERVICE.

The navigation of the straits as far as depth of water is concerned is an easy matter; there is a very fine wide channel, the dangers are few, and there is no particular difficulty in navigating at that point, except from snowstorms, which are prevalent.

The magnetic conditions are poor. The bay is fairly near to the North Magnetic Pole, therefore the deviation of the needle is changing very fast as you go across the bay, and navigation has to be conducted with great care because the needle is not reliable, it is changing its direction continually. There are also magnetic areas; there is one near Fort Churchill, where, as far as we could see, the needle was utterly unreliable, and if there was bad weather, and a ship could not get observations, she would have to be navigated with great care.

We had a train run twice a week over the road to the end of steel to bring out fish and a fair amount was brought out.

We have a scheme for a wireless station at the entrance to the strait and another in the middle to cover the navigation of the Hudson strait. The erection of these stations is very expensive in this locality.

Questioned as to the most economical kind of vessel to use in the Hudson Bay strait, the witness answered that the larger the vessel the more economical the operation, and the size would be limited by the draught of water in the harbour.

EXTRACT FROM THE EVIDENCE OF CAPT. FREDERICK ANDERSON, HYDROGRAPHIC BRANCH, DEPARTMENT OF NAVAL SERVICE.

In 1912 I was with the *Minto* in Hudson bay. Just to show the difference in seasons we left Hudson strait on the 6th November and there was not a bit of ice in sight anywhere. We left Port Burwell coming out on the 6th. I had been off north of Mansell island on the 2nd November, and there was no ice in sight. We went full speed towards the straits; there was not a bit of ice anywhere. The distance through the straits is about 500 miles. The distance from Port Neson to Port Burwell is 1,000 miles.

We made through the straits 10 knots an hour. At 240 miles a day it would take about four days to go from Nelson to Port Burwell. About eight days from Sydney.

To investigate, to see what the conditions were like, I made another run at full speed through the straits, to the west entrance, and then came back again to Port Burwell.

About the end of October or the beginning of November I took a couple of days to go to Mansell island. I was there on the 2nd November at noon, and I left there at that time. I did not know how long the fine weather would continue. Before four o'clock the weather broke and there was a blizzard on that evening. We came right back to Port Burwell.

We went through it, we did not worry about that.

Snowstorms start about the 13th to the 15th September, and you are liable to have them every day throughout the season after the middle of September. They are

very, very serious. The needle is not affected. With the ordinary tramp you must slow down, because while the ordinary large fields of ice are not bad, there are growlers or huge masses of ice with but only a small portion showing above the surface, and if a tramp steamer were to strike one, it would finish her. Of course it was different with the ships I had.

That season of 1912 was a particularly open season. What Commander Gordon found in three years' experience up there is much the same as I would say.

Commander Gordon says: "Having now made voyages on three years to Hudson straits, 1884-85-86, and having carefully examined the reports by the observers as to the formation and movements of the ice in Hudson straits, I have the honour to submit the following statement in regard to the navigation of these waters."

"I give the following as the season during which navigation may, in ordinary years be regarded as practicable for the purposes of commerce; not, indeed, to the cheaply built freight steamer, commonly known as the 'ocean tramp', but to vessels of about 2,000 tons gross, fortified for meeting the ice, and of such construction as to enable them to be fair freight carriers."

"I consider that the season for the opening of navigation of such vessels as the above will, on the average, fall between 1st and 10th July. The closing of the season would be about the first week in October, partly on account of the descent of old ice from Fox channel into the western end of the straits; this old ice being rapidly cemented into solid floe by the formation of young ice between the pans; in such ice, no ship, however powerful, could do anything to free herself. At this time, too, the days are rapidly shortening and snowstorms are frequent, though not of great duration."

I am not a sea captain. I have never had sea-going experience.

In the spring of 1914 the *Bonaventure* was caught in the ice fifty miles east of Cape Chidley. She was there from about the 10th or 12th of July to the 1st of August. There is a current along the north shore of Hudson straits to the west. The ice gets in between Resolution island and the mainland. But generally it passes into the strait south of Resolution island and to the eastward along the south shore coming out.

On the north shore the current is going west. Then it goes round through Hudson bay, passing south along the western shore and north to the east side, passing out through the western entrance to Hudson strait and thence eastward along the south side of the strait.

I have seen icebergs—although the tide was on the ebb—drifting in against the tide. I have seen a series of icebergs apparently charging through the huge fields of ice and dashing the ice away up in the air. You would think the iceberg was charging through the ice, but as a matter of fact the icepack was being carried out by a 7-knot current. The surface current would be running in one direction and down below, at a depth of 30 fathoms, there may be a current in the opposite direction.

I have seen icebergs as far up the straits as Eric cove. They have been reported at the entrance to James bay, but they do not come into Hudson bay as a rule. The icebergs come down Fox channel and they are carried out by the current along the south shore of Hudson straits.

I have seen one outside Port Burwell about 200 feet above the water, and there would be about five or six times as much under water.

The ice from Baffin bay comes down through Davis strait. This ice is carried into Hudson strait by the flood tide and out again by the ebb tide, and in the spring of the year the Fox channel ice comes down and passes out through the strait continually. You will find the ice packing much more closely on the south shore.

Along the south shore of Hudson strait, between Button island and Chidley, the ebb tidal current is seven knots and the flood about five knots. That is the fastest current in the whole strait.

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I was caught out there in the ice, north of Button island, in the spring of 1914. The tide changed from flood to ebb and the ship was caught in the ice. The field ice was all coming in whirlpools, and we had to tie up to a large pan of ice to prevent the propeller of the ship from being torn off. We made the ship fast, with the stern well protected, with wire hawsers, which were brought as tight as a fiddle string by the current and the whole pan was carried around in a circle.

I will tell you of an incident about which you remind me. Captain Reid was up north in the *Minto* in 1913 or 1914—I think 1914—in connection with the Marine Department, placing lights, I think it was, in Hudson bay, and he ran into a field of ice in Hudson strait. He had been accustomed to crossing the Northumberland straits, and his experience was with the soft kind of ice to be met there. As soon as he got near enough to realize the thickness and nature of the ice he stopped the ship, hitting the ice gently, and if he had not done so, the ship would have been seriously damaged, because the ice was so different from what he had been accustomed to; it was hard, blue ice, ten or fifteen feet above the water.

There are, as a rule, open places in the straits, but off Resolution island is a particularly bad point at the east entrance to the strait, and it closes all this opening up. The ebb tide will open up the ice pack a certain amount and then on the flood tide it comes together again.

You will find the tide about 15 feet at Port Burwell; springs rise 19 feet; neaps, 14½ feet.

Then along the straits, further than Sugluk harbour there is only a 6-foot tide. The tide is about 30 feet at Ash inlet, on the north shore. At Churchill spring tides rise 15 feet; neaps, 10½ feet. There is quite a high tide about Big island; that is, in the middle of the north shore of the Hudson strait there is a very high tide; I think it is 30 feet.

There is a difference between the north and the south side of the strait. That makes it very bad. Commander Wakeham was nearly lost off Big island. He was squeezed in the ice flow.

Down in James bay there is not very much tide, but at Port Nelson there is about 15 feet tide on the average.

Port Nelson is as good a port as you can get there.

Churchill is a very good harbour as far as it goes; it is small, though. I do not think it is large enough to accommodate the number of ships that you would have, to make a proposition worth while.

You could put fifty ships in Port Nelson.

I do not think you could get more than three or four ships in Churchill. It is a small harbour—a half dozen ships would fill it up pretty well. There is lots of water there, and construction would not be expensive. If piers were established where ships could lie, you could put more ships in the harbour.

Personally, I think Port Nelson is the better place for a harbour, because the conditions which prevail at Churchill are Arctic conditions. You have Eskimos at Churchill.

Port Nelson is more temperate, and down there at the mouth of the Nelson river there is the possibility of water communication through to lake Winnipeg and right through the country. There are a number of points to be considered about Port Nelson.

A boat with 20-foot draught will go into Nelson. You could not take a ship drawing more than 20 feet up to the terminal at Nelson.

The channel is a quarter of a mile wide. The width of the shallow water is about 15 miles from shore to shore.

The mud flats are all dry at low water and nothing but channel is left. It is about half a mile wide.

I towed two schooners through the strait behind the *Minto*, and the ice would close behind us very quickly. I damaged both schooners, and one so much that I had to beach her at Wakeham bay for repairs. That was in the spring of 1911.

A powerful tug, kept in readiness at some point along the strait, for the purpose of going to the assistance of a vessel in trouble would be good, but seaplanes would be the best in connection with the wireless stations, to find the leads and see where the open water was, and report by wireless, so that ships could be informed.

The point is to keep ships out of trouble. A powerful tug might be of value if a ship got into trouble.

Hudson straits are never frozen over.

During the flood tide it closes pretty tight and you have to wait in the ice until it opens up again with the ebb tide.

15,000-ton boats are rather large I think for handling in the ice. I think there would be difficulty in handling them in the straits. A 5,000-ton boat is about the largest, I would suggest, that could operate there. A ship for that kind of route needs to be protected, reinforced with heavy plates and double frames upward. I think a 5,000-ton boat would be a pretty large boat to operate.

About 60 or 70 miles off Fort Churchill there is a spot where we have difficulty with the needle. The magnetic needle at this point swung 90 degrees, then it came back again. It oscillated a bit, then came back to 10 degrees.

The steamer, I think it was the *Earl Grey*, the ice-breaker, passed over the same place and her compass was swinging around dangerously, and they went straight by the sun until the danger was passed, in about an hour's time. They could not use the compass at all. The compass was lost for about half an hour. One place seemed to be very bad, and I stopped the ship at once and took a sounding and found 68 fathoms, and a gravel bottom. We took observations at once, and fixed the position of the ship, and after holding our course for about half an hour, the compass gradually came back to normal again. It was not a place where serious results could happen.

One year, the Hudson Bay company delivered their freight at Churchill, and it took a year to bring it overland, then they delivered to Nelson. They anchor off some distance, about 20 miles out, and bring it in in York boats.

The *Cearense*, wrecked in the channel, did not make the slightest attempt, so far as I can see, to find the channel going in. I was right on the ground at the time she was wrecked. She inquired the passage from me, and I gave it, and she paid no attention to the directions.

I was off the entrance to the harbour at Nelson in 1913. The wind blew about 75 to 90 miles an hour—that was about from the northeast, a blizzard—and there was not very much sea around there, just the usual slop from the wind blowing hard. There was no very big sea.

These are known dates at which the straits have been entered, have been passed right through. The entrances are both given here:—

1910, eastern entrance, that is Cape Chidley, July 18.	
1910, western entrance, July 21, 3 days passing through.	
1911, eastern entrance, July 25.. ..	4 days passing through.
1911, western entrance, July 29.. ..	
1912, eastern entrance, July 15.. ..	5 days passing through.
1912, western entrance, July 20.. ..	
1913, eastern entrance, July 16.. ..	8 days passing through.
1913, western entrance, July 24.. ..	
1914, eastern entrance, Aug. 1.. ..	7 days passing through.
1914, western entrance, Aug. 8.. ..	

I see from Commander Gordon's report, that in 1885 the eastern entrance was passed on July 20 and the western entrance July 20—there is some mistake in that date. They passed through the straits somewhere about July 20.

1886, eastern entrance, Aug. 1.. ..	19 days passing through.
1886, western entrance, Aug. 30.. ..	

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Date of leaving Hudson strait, 1910 and 1911, November 15. There is no doubt that if they can get through the western entrance, they can get through the eastern entrance. The eastern entrance will not be closed until well into December. The northern pack does not come down until perhaps Christmas time.

These figures are from past records. The pack does not come down that shore until about the middle of December—down the Baffin Land shore, the east entrance.

The Fox channel ice is the ice which chiefly regulates navigation; that is the chief bar to navigation. It comes down at any time. You expect it any time at all, as a rule any time after the first of October. I have heard of the straits being almost closed early in October, and later on I have been at that point and have seen no ice at all. I have passed fields of ice in the straits, but found no ice at all at that point (north of Mansell island). This is very heavy Arctic ice, huge pans of ice, some apparently clear ice, and some might be a quarter a mile across and standing out of the water 25 feet, pretty thick, pretty heavy ice. I have been in my cabin and have looked out the port light and could rub the ice with my hand.

There was no ice shove. The ship I had would not stand an ice shove, but would stand a certain impact at the bow. A ship designed by the late Mr. Newman for Hudson Bay service is cut away forward with projection at the stern to protect the rudders. She is a 5,000-ton ship, taking approximately 170,000 bushels. She has some passenger accommodation on deck, and is strengthened forward with fairly heavy frames and steel plating.

I do not think the comparative cost between this vessel and one of ordinary type would be very much increased, as it is only the forward part that is strengthened.

Even with the modern aids to navigation, ships in this region should have special bow construction, as they might be caught in the flood tide and would have to wait until the ice loosened with the ebb tide, in order to proceed.

Wireless and hydroplanes would aid tremendously in enabling a vessel to keep out of trouble. I never had that assistance. We went to the masthead for information regarding the ice fields.

Wireless telegraphy and hydroplanes would make navigation in Hudson strait child's play in comparison to what it has been. As to its result in lengthening the season, that would be hard to say. Further investigation under that head might show, but I do not think it would extend the season beyond the latter part of November.

It would make it much safer than at present. Hydroplanes kept at the wireless station north of Mansell island would be of use. That is the most important point.

Entering Hudson strait during the spring you cannot get through the passage between Mansell island and the mainland—the safest passage is to the north. When you get to the Hudson bay keep to the north, the ice all goes to the south. Ships have tried to pass through between Mansell island and the mainland in the spring and have been forced to turn back; but in the fall of the year I think there is a very good chance of getting through. Fox channel ice does not come into the bay, it drifts down into the entrance between Coats and Mansell island, and I have seen it pass out many times.

The straits themselves are open; they are packed full of ice, but it is moving all the time, they are never frozen over. The Hudson bay itself never freezes over.

We have records showing that the straits never freeze over, but thereare such masses of ice passing in and out for a certain distance with each successive tidal current, at the east entrance, and passing out through the west entrance, that it would be unsafe, in fact it would be impossible to navigate any ship. That ice loosens up in the spring, but as a rule closely packed during the winter—without any open water showing.

I have records from cape Wolstenholme from a Hudson Bay company's officer. He kept a record all winter. The ice loosened up a bit and you could see

open water in the spring, but most of the time you could not see any open water at all; the straits were practically jammed full of ice. He could see many miles across. Cape Wolstenholme is about 2,000 feet high, and is on the very northern point of the strait, at the west entrance, the most critical and most dangerous point.

James bay is peculiar again. It is open probably about the first of July or the latter part or middle of June, but then the ice from Hudson bay is jammed down there, and there might be difficulty in getting past the entrance to James bay.

About the first week in August, 1912, the *Beothic* left Port Nelson to go to James bay, and she was eight days in heavy ice fields off the entrance to James bay—trying to break her way through, before she could enter the bay.

There is good water right down to the bottom of the bay.

If I am not much mistaken you can get 20 feet of water down to Snake point.

EXTRACTS FROM EVIDENCE OF D. W. McLACHLAN, ENGINEER-IN-CHARGE OF HUDSON BAY TERMINALS.

I am engineer in charge of the work at Port Nelson on Hudson bay. I have been in charge from August 6, 1913. Nelson at that time had been selected as the terminal. The minister went up in 1912, the year before I went up, that was the confirmation of the former selection. I left Halifax on the 4th of July, Sydney on the 8th of July and arrived at Nelson on the 6th of August. We were stuck in the ice, we were stuck about a week in the strait about half way through the strait, then we got away from there and I think we got over to 140 miles from Nelson on about the last day of July and we were stuck there until the 4th. We got loose from that ice on the evening of the 4th, and we arrived at Nelson on the 5th and went in on the 6th. It was heavy ice, enough to stop one of those Newfoundland sealers. I was in the *Bonaventure*, which is just as good an ice-breaker as there is, she was a Newfoundland sealer. There was practically nothing done at the terminal when I got there. I ran it a year and four months the first time, but I have gone back each spring about the 1st of April. I came out sometimes about the 1st of December; sometimes I did not come out until the middle of February. I always go and come overland by way of Le Pas. I have made only the one trip by water.

We have a bridge about two-thirds of a mile long built from the shore out towards the natural channel. Then we have an island built there about one-half mile long and about 400 or 500 feet wide. The front face of that island is not built yet, it will be deep water wharves when it is built. The island is partly filled. The front face of this island where the deep water wharves will be, lies parallel to the natural channel and eight feet from it, that is to say, there is a natural channel running up and down the axis of the estuary. If a line was drawn parallel to the natural channel and along the edge of it you would probably have to go down seventy feet or more to get hard material for a foundation.

Apparently at some past geological period there was a channel there which was about ten times as large as the present natural channel, and that original natural channel had sloping banks rising up, and those banks were quite straight and uniform, and, of course, hardpan. That has been filled up with deposits of sand—great big pockets of sand—and perhaps on top of that another pocket of soft mud, or it may be underneath it, and on top of that again a big deposit of soft clay. In the natural channel the surface is paved with stones, sometimes large and sometimes small. Those stones have evidently been carried away by ice. It is always one stone deep. The current varies. It is about three knots in the channel opposite our works. That would be the maximum. As you go down some miles it gets more. About sixteen miles out you get a current of about eight miles an hour. I know that eight miles out from the island the maximum current on ebb is about five miles an hour. Ten miles out the current is 5·7 miles an hour and 11½ miles out it is 7½ miles an

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hour. At 13 miles out, where the current reaches its maximum, it is 8 miles an hour. From there on it gradually gets less and from there to the ocean it gets less all the time. The maximum is, 17 miles out, 8 miles an hour. Undoubtedly it was caused by the hydraulic conditions resulting from the configuration of the shore. There is a long, deep hole 6 miles long. In one place the water is 90 feet deep. At the outer end of this hole the velocity is greater. The average tide of the island during the neap week would be 11 feet. The average tide at the island from spring week would be about 15 feet. We have had a 20-foot tide at Nelson caused by wind at the island, a northwest blow coming along at spring tide. We have also had very low tides occasionally; some of less than 8 feet. We consider a tide of less than 10 feet unusual. A boat obviously has to follow the natural channel. We are on shore with the freight cars, as it were, and the bridge is the means which we took of getting from the shore to the edge of the natural channel. We found that we could not block the current. We could not combat nature. If the water insisted on running up and down parallel to the shore the only thing to do was to tunnel underneath it or to build a bridge. Once we got to the edge of the natural channel we knew that we were getting to the ships anyway, and we knew we could get a good foundation. We want to interfere with the currents as little as possible. Our terminals contemplate keeping a ship even when it is lying against the wharf, lying like a fish in the water or a ship at anchor, the current coming down quietly and going by it. The channel in which the boat will lie when tied to the wharf will have a current about the same as that in the natural channel and running up and down the face of the wharf. At that point it is only a moderate current. The 3 knots I have given you opposite the island might be more than this. I do not consider that a 3½ or even a 4-mile current would interfere with the ships lying at the wharf.

The upper or inner end of the deep hole is 8 miles from the end of the island. The end of our bridge turns off from the end of the island and the island lies up and down the stream and parallel with the natural channel. Half a mile of the island is built, and that shown on the plan is a proposed extension. The full length is 9,000 linear feet of deep-water wharf, with some additional length for approaches. I cannot extend that island farther up for some time.

Nine thousand feet is the length of the island. Taking 450 feet for a boat so as to work it out evenly, there would be accommodation for twenty ships. That is my proposed scheme at the present time. The island is half a mile long now. The idea is that the ships will come in from the deep channel. We will come up to the end of the island with a 300-foot channel just dredged to 20 feet. I was going to go along the wharf the full 9,000 feet and connect with a big channel which is here, in such a way that the current would come down from the upper end and flow out at the lower end. I would dredge to 20 feet at the entrance channel and to 30 feet at the wharves, and the ships would have sufficient depth under their keels to come up at high water and lie in their berths at the wharf at low water. There is a bar at the mouth of Port Nelson estuary, a matter which we have very carefully investigated.

The island will be built of timber cribwork. It will have 30 feet of water at low tide, 50 at high tide. On the front face it will be about 500 feet wide, with a retaining wall at the back, and we will fill it in with dredging as far as we can. We built the front with the cribs the same as they do in Quebec or Montreal. We propose to found these deep-water wharves on the edge of the old natural channel. We intend to follow out the slope to a point where we will get 30 feet. We follow out the hardpan until we get about 30 feet at low tide. Our cribs will be founded on hardpan, but we will have little or no hardpan to excavate. That has all been carefully studied and this wharf built so that there will be very little hard material to be dredged. None of the deep-water wharves are built. We have a supply of gravel about 12 miles away—stones about the size of your head. I consider that we deserve a great deal of credit for being able to build the bridge. It has been in place for three years and the ice has never moved it. It is timber, built as cheaply as we could

possibly build it. The bridge itself is carried on the cluster of piles. There are pockets left open, and in those pockets we drove 12 by 12 timbers. They are driven down deep in the hardpan; the whole bridge is carried on piles. The length of the bridge is about two-thirds of a mile.

Last winter we knew that the charter which was prepared and published was not right and we went back and thoroughly surveyed the entrance to Port Nelson all over again, with the result that we got the channel in a different place from the one shown on the charter. The result is that we effected a great improvement in the entrance to Port Nelson. We now have a channel there that has 20 feet of water at low tide. That means that when you have the height of the least tide to be expected you get a channel that is 33·7 feet deep. Every ship has to wait for the tide. If they are in the ocean they have to stay there. They get no protection outside. Outside this bar there is no protection other than what is anywhere in Hudson bay. If the storm is too bad they have to go to sea and steam around.

There is no harbour outside this bar. You can come into Port Nelson at any time; you can see the beacons we have on shore or the beacons that we will build; or if you can see the buoys you can come in. A windstorm does not stop you; but a fog does, or a snowstorm. I do not say that snowstorms are prevalent, but I certainly have seen a great many of them. Thick hazes—what we call thick days—are prevalent. By many navigators they are not considered prevalent, but they certainly do occur.

The country up there is peculiar in this way, that if the wind starts blowing in one direction it blows in that direction for about a month without stopping. It is a most peculiar country in that if it starts doing something it gets into the habit of doing it. If it starts to rain, it will rain all summer; if it starts to blow, it will keep on blowing. It is the most peculiar country that I ever saw.

The original channel on the charter, that is Captain Anderson's charter we were using until we knew better, or in the absence of better information.

Deep water in the Hudson bay is about 22 or 23 miles out from the island. Two beacons or ranges that could be seen 23 miles away would have to be built up very high.

The channel that we found this summer has a direction which really leads to the shore more quickly than the channel coming straight up the estuary would lead and we can build a beacon on shore and another one behind it a mile or so that will probably be about 90 or 100 feet high, and we can see those from deep water in Hudson bay. We can see those beacons before leaving deep water and we can keep in range with them until we come into the range of two other beacons to be built on the other shore, then we will come along those until we come to a point about 12 miles away from the end of the island, and that of course, is a shore distance. We can build other beacons in the river up near the island. The channel I got this summer enables us to navigate to within 12 miles, whereas before that, we would have to stay at 21 miles or 22 miles out.

We could not anchor a ship in a storm out in a channel. If a storm were on we would have to go to sea. This new channel is a natural channel without any dredging. The depth is 20 feet at low tide, 26·7 at high tide and about 40 at spring tide.

The great advantage of the new channel found this summer is that at first it leads towards one shore and then towards the other shore and finally up the centre of the estuary, so that beacons can be built on shore so close that a ship can see the first pair and steer towards them keeping them on range until the second pair come in line and then along these until the third pair come in line and then up towards these until well into the estuary. The width of the channel at the narrowest point is 1,200 feet. The first shoal near the channel is eight miles from the north shore. At that point where I said it was 1,200 feet wide, it is 30,000 feet or six miles, from shore. On the other side from it to the shore it is about twelve miles.

There are a number of narrow places, one at mile 14, one at mile 15, and one at mile 17 and one at 18 miles from the island.

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Dredging anywhere out in this outer estuary would be an awfully difficult problem.

I will not say there is no silt coming down the river, because the whole place is muddy, but I do not believe there is any change occurring in that estuary; I believe now, it is the same as it has been and will be the same a hundred years from now.

Buoys will stay in position in the new channel during the navigation season, but further south in the swift part of that channel it is a great problem to get a buoy to stay. You put a buoy there and it goes out to sea or sinks so it cannot be seen. We have a terrible job really to make them stay in position. We can put buoys in on the flats and they will stay all right, but they are misleading so far from the channel, because it is the strength of the current that makes the difficulty. The best buoys we found are large wooden barrels anchored with chains and heavy rocks.

We anchored the tug all right in every part last summer except near the outer end of the deep hole, there is good anchoring inside the seven mile point. There is plenty of depth of water from seven to 13 miles out, but the material is such that we have had difficulty in anchoring a tug. It is not regarded as good anchorage.

Outside that bar we certainly get rough wind, but the waves get less and less as you go up the estuary. It is my judgment that ships will not have difficulty from a northeast wind in lying against the wharf. I base that opinion on our experience in Newfoundland boats and our temporary wharves along the shore. We have not lost much time unloading lighters and we have tied up our boats to those wharves for the last five years.

The channel at the point where we do our lighting is about two thousand feet wide.

As long as there is no fog I do not see that there will be any danger in navigating up through the channel. You will have to keep in sight of your buoy or beacons. The right thing to do would be to see both. About mile 8 the bottom is soft mud with a paving of stone on top.

When a tug or boat of any kind drops its anchor that anchor may glance off the stones for a little distance, but it generally brings up all right and the whole ground is considered by marine men to be good. Of course, we have boats that drag. This refers to all the distance from the island. It is considered good holding ground by marine men. Further out the samples that I was able to get from tallow put on the end of very heavy lead and dropped on the bottom, always showed yellow sand and gravel. From mile 8 out to about mile 13 I found yellow sand and gravel. That is not considered good holding ground.

Our experiences with the tug in some cases, especially, showed that the tug dragged. We could not anchor the tug with her anchors. She was a steam tug about 100 feet long. On the other hand the evidence that we have with regard to large boats anchoring in the deep hole is altogether confined to the upper end of that hole, by that I mean the section between mile 8 and 9 and between mile 7 and mile 8, the length of the deep hole is about five miles. We found last summer that the deep hole is very much narrower than it is shown on the published charts. At mile 8, in the deep hole, the width is already about 1,200 feet, so that the deep hole, so far as navigation of the channel is concerned, is only wide enough and no more as we need to take a ship into shore.

The present channel between the ocean and Quebec is 1,000 feet wide. The *Alcazar* anchored in the deep hole, but her captain made a great deal of noise about his doing so. He did a lot of talking about the danger he was undergoing. I tried to get the captain to go in further where it would be easier for us to unload but he would not move from where he was. He claimed that his anchor had dragged a little, he claimed a lot of things of that nature.

The deep hole extends from mile 8 to mile 13. Captain Mack, in the *Noscopi*, anchored about 4¾ miles from the island. He was not anchored within three miles from the deep hole. At the upper end the width of the deep hole is about 2,700 feet.

The ice in the estuary breaks up on the last day of May or the first day in June. The ice in the estuary is of three kinds. First of all the channel generally is smooth in winter for three miles above our work and that ice is about five feet thick in the

spring from the edge of that smooth ice into the shore we have what we call rafted ice. It would be from eight to ten feet thick and very rough, then out from the head of the deep hole that smooth ice changes again and goes back into rafted ice again. From the head of the deep hole out to perhaps where the *Cearance* lies, or perhaps a good many miles beyond, it may remain open all winter or it may become a mass of terribly rough rafted ice depending on the severity of the winter. Usually we expect to go out of the harbour about the 1st of June, but last spring it did not go out until the 13th of June. After the ice goes out it comes back, but it comes back broken up. The tide that takes it out only goes out a certain distance and the ice keeps coming back in chunks until away on very late. I cannot really recall the latest date that we have seen ice coming back that was serious, but it comes back for a long while in such a way that you could not put out any buoys. Any buoys put out beyond say the Arlette would be carried away, in fact there certainly was enough ice out there hovering about to carry away buoys until the first of September one year.

During September there is no ice. I have never known of any ice in that month that would do any damage to anything. The young ice that forms in the harbour generally appears from the 7th to the 11th of October. That did not interfere with navigation, but that ice gets thicker and thicker until about the 15th of October when we begin to beach our plant as quickly as we can, and by the 18th of September all our scows, tugs, dredges, pontoons and all those things are ashore.

The time does not vary from year to year very much. I do not think we have ever lost more than 24 hours in a season by putting them in too soon, and I do not think we have ever had any serious loss from not putting them in soon enough. From the 1st of September to the 15th of October I have never seen anything that would obstruct navigation in the harbour. The last thing we do before we beach our tugs is to take up the buoys. About the 18th to the 22nd of June the plant all goes into commission. We cannot put out the buoys until we know that the drifting ice is not going to take them away. We always put them out as early as we can. We lost half our party by putting them out too soon. The buoys at the outer bar should never be put out until the 20th of August because if they are I think the chances are very great of losing them.

One of the difficulties in connection with navigation at Port Nelson is the very fact that it is probable that a ship could come in earlier than the buoys could really be put out, that is, there might be enough ice out there to take away the buoys and still there might not be enough to stop a ship from coming in. Certainly no buoy could have stayed in that outer estuary on August 29, 1917, because I was there in a gasoline boat on that date and the shallow flats were studded with grounded masses of ice and in many places on the bar itself there were masses of ice one hundred feet square grounded.

This ice comes down from the west coast. It comes apparently from the northern section of the bay and keeps drifting south, and finally melts away. It lies like a great blanket up against the coast between cape Tatnam and cape Henrietta Maria. It is heavy. I have measured, and found chunks aground in 33 feet of water.

I think beacon lights would help navigation. A boat would have to come in without buoys. The only thing that you would have to depend on in that case would be the range lights. It would require very high beacons. Beacons can be built that can be seen from deep water in Hudson bay into our works at Nelson without using buoys at all, and that would lengthen navigation.

Churchill is land-locked. The anchorage area is very small. About three ships could anchor there and swing on their bow anchors.

The whole place is covered with enormous boulders; on the land, in the water, everywhere. I never saw as many boulders in all my life as I saw at Churchill. They could be removed, of course. The Churchill river is on an average two miles wide, and I am sure I was never more than one hundred feet away from a boulder on that trip. The river is about two miles wide and two feet deep for thirty miles, and the

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shore is flat and low. Churchill really consists of a small harbour at the mouth, deep enough to provide swinging room for three ships, anchored by the bow, and then a large lagoon-like area back of it, that fills and empties with the tide. It is about two miles wide at the mouth of that lagoon.

I went up to Churchill in a tug. There was an awful storm, and when we were going around Knights Hill beacon we practically touched bottom, about nine miles off shore; that would be about 20 or 30 miles from Churchill.

A Hudson bay pilot told me that we should never have allowed ourselves in going to Churchill to get into water less than 9 fathoms deep. He said a boat going into Churchill should feel her way in with the lead. That means that there is a channel not less than 60 feet deep. In making the port I would have had a picnic at Churchill as compared with the difficulties which we have had at Nelson from the engineering point of view. The barren lands are simply peat bogs. They are frozen from a depth of about 20 inches from the surface down as far as you would like to go. They never thaw out. We don't know how deep they go, because we never dug a hole more than 9 or 10 feet deep. We found from samples taken that it consists of 95 per cent of water and 5 per cent of peat. It stinks even when frozen. The surface area as far as you could see was practically barren. Occasionally, a live willow would be seen. Fully one third of the surface area was covered with water. You could push a pole down through the 8-inch mat and then a little further through the soupy liquid before you hit the frozen peat. The whole area was absolutely flat. I understand that there is 25 miles with no creeks crossing. This barren-land area extends practically all the way from 15 miles north of Nelson clear up to within, I suppose, 10 miles of Churchill. Building a railway line to Churchill, I think, on the original location that was chosen in 1908, you would cross about 30 miles of barren land.

There is no grass anywhere in that country. The barren lands cross the Churchill river. You see barren lands all along the north side of the Churchill river for, I suppose, 15 miles. You would see the barren lands just one third of the way down on the bank, and for the next one third, there would be trees, and below that devoid of trees, on account of ice jams. Where those trees are you would get a good railway bed.

Mr. Armstrong, of the Hudson Bay Railway engineering staff, ran a location across to Churchill. They ran it through, but whether they ran it through barren lands knowing that they could go somewhere else, or whether they ran it through barren lands knowing they could not go somewhere else, I don't know, but they did run it over barren lands. Any dredging they do at Churchill is difficult and expensive.

I have made a study of ships, and I found that the most common ship on the ocean was between 3,000 and 4,000 tons gross. From this I reached the conclusion that the ship which a port in Hudson bay should be built to accommodate, was a ship of between 5,000 and 7,000 tons gross, and that provision would have to be made for a ship drawing 26 feet 3 inches of water; her gross tonnage something over 5,000 tons, and her dead weight carrying capacity about 7,000 tons. It may be that special ships will be built to navigate Hudson bay, and these will not adhere to the usual dimensions of ocean tramps.

A ship coming into Port Nelson should come in along the Tatnam coast, using its lead to keep a safe distance from shore until she finds March Point beacon, Sam's Creek beacon, or a new beacon which we have built several miles north of Sam's creek, now called Carter's beacon. This done, she should move to a position 8¾ miles from Carter's beacon, and anchor there, awaiting high tide. From this point, she should see 2 ranges lighting up the channel; the nearer one 16½ miles away. She should proceed along this range 5½ miles, passing through a channel 1,200 feet wide, and 30 to 20 feet deep; going out 2 feet less. This will have to be added by reason of the ship not being able to reach this point when the tide is at its highest. At the end of the range at a distance 13 miles away, the ship should observe 2 other ranges toward which she should turn and continue along the new course almost 4

miles. On this latter course she would travel through a channel 1,200 feet wide and 20 feet deep at low water. Along this latter course and the course preceding it, there is no area wide enough or deep enough for a ship drawing 26 feet 3 inches to anchor and remain throughout low tide. If she did, she would be upon the bottom when the tide fell to its lowest. At the end of the course last described, the ship arrives at what we call the outer end of the deep hole. At this point the velocity of the water on the ebb tide is very great, being 8 miles an hour; 2 hours after high water at the island. At this point, also, w ehave difficulty in maintaining buoys. The current is so strong that buoys are submerged a large part of the time and give assistance only at slack water. We have had to place buoys in on the Flats where the depth of the water was not great; it was not so swift. At this point, too, the ordinary tug's anchor would not hold her excepting near the time of low and high water. At this point, the ship having completed the former course should see on her right 2 ranges which will have to be built near the present "Wreck Alett." The nearer of these range beacons or lights will be a distance of 8 miles away and the ship will have to turn and steer for them and keep them on line for a distance of 5 miles, at the end of which she has reached the upper end of the deep hole and is at a point 8 miles from the end of the island. On this course she has passed through a channel which was one half a mile wide at the beginning of the course and near the end about 1,200 feet, the surface of which at no point projected closer to the range line than 300 feet, affording to ships a width of 300 feet on either side of a range line in which ships can safely navigate. Water varies from 30 to 90 feet velocity, 7½ miles low end to 5 upper end. The material in the bottom is yellow sand and gravel. I do not consider it safe for the ordinary steamer drawing 26 feet of water to anchor. The sailing ship *Benmore* always dragged, and gave as much trouble when anchored between mile 7 and 8 from the island, which is the upper end of the deep hole. A ship entering Port Nelson, having arrived at the upper end of the deep hole, which is 8 miles from the island, would continue on the line of other range beacons for a period of 5½ miles to a point 2½ miles from the island. Through this section the ship would travel in a channel which is not less than one-half a mile wide throughout the greater part of its length, and has considerable areas where the depth at low water of average spring tides is not more than 18 feet and passes over certain spots where the depth is only 17 feet. To these depths must be added 13 feet in order to obtain that available at high water of low neap tides. On the incoming journey, therefore, there is available 30 feet, and on the out journey 29 feet. The ship having arrived at the point 2½ miles from the end of the island, enters an artificial channel the width of which is proposed to be 300 feet. The above proposed channel is 20 feet at low water and is to be dredged. There is no good anchorage for ships of 26 feet of water from deep water to the island, but I do not consider it necessary to anchor ships in Port Nelson, though it would be a convenience to do so. Dredging to create anchorages would be very expensive. A ship in going from deep water to Hudson bay must weather any storms that may come during her stay at Port Nelson while tied to the wharf, but the 20 miles of relatively shallow water from deep water to the port cause the deep sea rolls or waves to be broken up, and while serious so far as small light vessels were concerned, would not affect a large vessel.

Captain Freakley and other captains concur in this idea. Throughout the greater part of the navigation season, buoys should be used and with buoys ships could enter and leave in thicker weather than by means of range beacons. But ice conditions during August and after the 18th of October will displace or carry away any buoys in place, and reliance could not be placed upon them. There would probably be a period before buoys could be placed and also a period after which they would be taken up, during which ice conditions would not prevent a ship entering or leaving Nelson. At Nelson, during August, September and October of some years it rains 15 days a month. In other years in these months it rains only for a day per month. Our men

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usually lose one day a week on account of bad weather. Fogs are more prevalent when there is loose ice about. I have memories of ships being held at the outer bar at least two days on account of thick weather and inability to see land marks or the tug which we sent to pilot up the men. We have had snow storms in every month of the year, and the worst summer storm ever experienced was about the middle of September.

The question of fog is an important one. Captain Pence said that during the months of July, August and September, in 1915, there was about 15 per cent foggy weather, but as a rule very much less than that after September 1, each season.

At Port Nelson we have a dry dock 200 feet long and 46 feet wide.

My knowledge of Churchill is derived from about 6 hours spent in it September 26, 1917, and 1 hour on the 29th, with 3 days spent in a trip up to Churchill river as far as the mouth of the Deer river. I do not conceive that any one visiting Nelson for a similar period would be enabled to express any opinions of great value. The entrance to Nelson was picked up through the fog, the beacon on the top of the hill being seen almost as soon as the land. The entrance to Churchill is easily made, and once inside of the natural breakwaters which overlap each other, the harbour was found to be sheltered, and the tug anchored in very good still water. The area of deep water inside of Churchill harbour is small. Back of the area shown upon the published chart there is a right wide lagoon-like enlargement of the harbour, which is 5 miles long and about 4 miles wide. This fills and empties in the tide, and the large quantity of water discharged from it on the ebb tide is the cause for the existence of the deep water area generally called Churchill harbour. On either side of the harbour, running back into the country at an angle of about 90 degrees with one another are two mountain-like rocky ridges, which form the natural breakwaters for the harbour. The area between these rocky ridges has been filled with boulders, sand and gravel. Any dredging required for the creation of a basin in front of dock walls on the foundations of same would be very difficult to do, so far as the excavation is concerned, but disposal could be made in Hudson bay with ease. For the construction of deep water wharves, there is available right at the work a large amount of rock, and I am told that not many miles away there is a large deposit of gravel.

From what I saw on the Churchill river trip, I judged that from Fort Churchill to about 7 miles south of the point of junction with the Deer river there are no difficulties to the building of a railway. Between the above two points, there is a distance of 30 miles about which I have only indirect information. These are the barren lands, actually a peat bog, frozen perpetually from 20 inches below the surface to unknown depths. This peat being 95 per cent, water would settle and shrink enormously if thawed and drained. It may be possible to avoid a large part of the barren lands and to obtain drainage into the Deer river. I do not know. I have thought a great deal about the difficulties of building a railway across barren lands, and the only way that I can see would be by the construction of a continuous pile trestle or a continuous timber platform. The Hudson Bay railway throughout almost its entire length is not built of solid material ,such as clear sand and gravel, but is constructed out of the vegetable material of the country. This creates an embankment which is compressible and has a tremendous shrinkage, and would require a large amount of ballast continuously applied for a great many years. In dry seasons, I fear train operation will cause a great many fires in the moss, and these in turn will cause smoke, which will envelop the whole country, as occurred in the very dry seasons of 1915.

We dug trenches about 10 feet deep right along parallel with the sills of the buildings we were erecting and put a timber in the bottom, and put posts on top; filled the trench back, and put the sills on top of the posts and put the building on top of that. Those buildings never sunk.

In another place we took a steam pipe, drilled a hole and put the steam pipes on it, thawed out the ground, and before it had time to freeze again with an ordinary pile-driving equipment we drove piles. Then we let the piles freeze up and put the buildings on top of them. We even put machinery on the foundation, an engine, etc., and they never moved at all.

No doubt in building a railway over the barren lands the same methods can be used. A 12-inch timber platform would isolate the frost below from the heat above.

The branch to Churchill would be about 150 miles long. I don't think there would be any grade pretty nearly level. My opinion is that Nelson can be made deep enough for all purposes. The ice action in the Nelson and Churchill rivers is somewhat different. At the head of navigation on the Nelson, 53 miles above Port Nelson, we have seen ice jams 55 feet above the summer level, and as late as the first of July banks of that height were still remaining. It is said jams have been known 75 feet high. On the Churchill the ice jams at the head of the tide 8 miles from the entrance do not appear to rise more than 5 feet above water level.

Very little timber in the vicinity of Churchill and Nelson of commercial value. We have used some 1,250,000 feet, and expect to get more.

Regarding the navigation season from the Atlantic to Port Nelson, my opinion is that in the early part of the season the ice conditions immediately off Nelson will govern, and that at the end of the season the ice conditions at the head of Mansell island will govern. The latest ice at the mouth of the Nelson estuary occurred in the season of 1917. On August 13 of that year the ice appeared to stretch in a continuous belt from Nelson shoals towards cape Tatnam, and I consider a tramp steamer could not pass through. On August 29 in the same year I found the ice stretching in a great belt just off the outer bar. Beyond this seaward the surface area of the water seemed to be densely packed, though a tramp steamer might be able to worm her way through at considerable danger to herself. Anything in the nature of buoys in the outer bar and for many miles inside it would have been carried away had they been placed. During the next few succeedings days ice was seen floating about in the estuary at within 8 miles of the island. The experiences of this particular season are extreme. In the year 1915 a Newfoundland sealer arrived at Port Nelson on the 1st of August and the tramp steamer *Sheba* arrived in 1916 on the 8th of August. They both met considerable ice. I do not think that any ship arriving at Port Nelson earlier than the 20th of August has done so, since I have been there, without encountering ice at some point or other on its voyage.

The latest departure from Port Nelson was on October 22, 1915, when the tramp steamer *Sheba* and two sealers, *Belleventure* and *Adventure*, left. The only ice they encountered was a belt about 12 miles wide near the head of Mansell island. The earliest difficulty with the ice during my stay at Port Nelson was when the tramp steamer *Sinbad*, which left Nelson on the 30th September, 1913, encountered ice in the vicinity of Mansell island, got frightened and came back to Nelson, but made a second attempt, leaving Nelson on the 13th of October, and made the journey successfully. During that same season the tramp steamer *Alette*, which left Port Nelson on the 7th of October, encountered ice near Mansell island and received a hole in her bow and returned to Nelson, wrecking herself on the 16th. Regarding extension of the later part of the season, I believe much can be done by the installation of a wireless on Mansell island and the employment of airships and seaplanes to determine the movement of the Fox Channel ice, and by notifying ships leaving Port Nelson of the areas covered by ice and those yet remaining open. The Fox Channel ice spoken of is the ice which has been formed by the winter preceding, and not by the approaching one. No one knows where it comes from or why it arrives at that time of the year.

The opinions of the various fishermen and sailors who have been in our employ at Port Nelson for the last five years have been to the effect that even though the

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Very little timber in the vicinity of Churchill and Nelson of commercial value. We have used some 1,250,000 feet, and expect to get more.

Regarding the navigation season from the Atlantic to Port Nelson, my opinion is that in the early part of the season the ice conditions immediately off Nelson will govern, and that at the end of the season the ice conditions at the head of Mansell island will govern. The latest ice at the mouth of the Nelson estuary occurred in the season of 1917. On August 13 of that year the ice appeared to stretch in a continuous belt from Nelson shoals towards cape Tatnam, and I consider a tramp steamer could not pass through. On August 29 in the same year I found the ice stretching in a great belt just off the outer bar. Beyond this seaward the surface area of the water seemed to be densely packed, though a tramp steamer might be able to worm her way through at considerable danger to herself. Anything in the nature of buoys in the outer bar and for many miles inside it would have been carried away had they been placed. During the next few succeedings days ice was seen floating about in the estuary at within 8 miles of the island. The experiences of this particular season are extreme. In the year 1915 a Newfoundland sealer arrived at Port Nelson on the 1st of August and the tramp steamer *Sheba* arrived in 1916 on the 8th of August. They both met considerable ice. I do not think that any ship arriving at Port Nelson earlier than the 20th of August has done so, since I have been there, without encountering ice at some point or other on its voyage.

The latest departure from Port Nelson was on October 22, 1915, when the tramp steamer *Sheba* and two sealers, *Belleventure* and *Adventure*, left. The only ice they encountered was a belt about 12 miles wide near the head of Mansell island. The earliest difficulty with the ice during my stay at Port Nelson was when the tramp steamer *Sinbad*, which left Nelson on the 30th September, 1913, encountered ice in the vicinity of Mansell island, got frightened and came back to Nelson, but made a second attempt, leaving Nelson on the 13th of October, and made the journey successfully. During that same season the tramp steamer *Alette*, which left Port Nelson on the 7th of October, encountered ice near Mansell island and received a hole in her bow and returned to Nelson, wrecking herself on the 16th. Regarding extension of the later part of the season, I believe much can be done by the installation of a wireless on Mansell island and the employment of airships and seaplanes to determine the movement of the Fox Channel ice, and by notifying ships leaving Port Nelson of the areas covered by ice and those yet remaining open. The Fox Channel ice spoken of is the ice which has been formed by the winter preceding, and not by the approaching one. No one knows where it comes from or why it arrives at that time of the year.

The opinions of the various fishermen and sailors who have been in our employ at Port Nelson for the last five years have been to the effect that even though the

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fish in Port Nelson were very plentiful, there is no fishing season during which it would ever pay to work them. I have often tried to get tug captains to test the fish when they would be at the outer entrance to the estuary, but I have never been able to really get much information. Some have expressed the opinion that if there were a large supply of fish on the east coast of Hudson bay the bird life would be much greater than it is. On the other hand, we do know that for periods of a week or two at a time there is quite a supply of fish in the estuary, which Indians and ourselves are able to catch by setting nets along the shore. In some cases we have used a sweep net with success, but those periods of plentiful supply are always followed by a month or more during which very few fish can be obtained, and we have never found that it paid to despatch men for this work, as the value of the fish obtained does not pay the expenses entailed, even though the fresh food was of great value in the feeding of a camp of 600 men. At certain periods in the summer the number of white whales or porpoises that cruise up and down the estuary at Port Nelson are numerous. They weigh from 1,200 to 1,400 pounds. We do not as a rule find fish in their intestines.

The amount of dredging we have done at Nelson is inconsiderable compared with what we have to do. The equipment we had at Nelson was not at all suitable for the work we had to do. For years, ever since the war broke out, we have had the greatest possible need for a couple of dipper dredges and the Government would not buy them. They said the war is over and we do not want to incur additional expense at present. The result is that we have been fiddling with the matter of dredging and we have not made any real attempt. I say the cost at Nelson would be two and a half times greater than anywhere else for anything done in the way of derdging. We cannot tell what it would cost, and what it has cost is no criterion of what it will cost.

If you hire a man you only get sixty days' work out of him and you have to pay him enough to live on for the whole year. You have to pay that man a whole season's wages for doing perhaps sixty to ninety days' work. Almost anywhere else in Canada you can get eight or certainly seven months' work out of a man and we do not get more than three.

I assume we could work our dipper dredge equipment only sixty days per year. On two five-cubic-yard dipper dredges which I tried to buy four years ago I figured only sixty days per year and only 20 hours per day, and we would get per year only 120,000 yards.

The men would go into commission about 1st of July and they would stay in commission until the 15th of October, about two and a half months, but they would lose a large part of the time due to bad weather and that kind of thing. If you need a man for sixty days, you must pay him a year's wages. For any work we do at Nelson we can employ them six and a half months and do it pretty cheaply, but when we have to go out in the water it is quite different. If we had the railroad you could probably employ men just as is done for the harbour.

Another unfortunate thing about construction work at Nelson is that it has to be done at the same time as the harvesting in the Northwest. I made an estimate of wages for a five-yard dredge. The wages per year to be about $20,000. Labourers may get some other work after our employment ends, but the tug captain, dredge men, and deck hands are different. They may do a little, but they do very little during the winter.

EXTRACT FROM THE EVIDENCE OF MR. V. STEFANSSON, ARCTIC EXPLORER.

I have spent altogether ten winters and twelve summers north of the Arctic circle. The principal time has been spent from Behring strait in American Alaska east to Canada, and then through Canadian territory east to about 100 miles east of the

mouth of the Coppermine river; then inland to Great Bear lake and in general all over the country north and east of that lake. I have crossed three times from the Arctic ocean inland over the divide into the Yukon basin; once I crossed over the divide to the ocean again.

I have been twice the entire length of the Mackenzie once in 1906 and again in 1908, that is from Edmonton to the mouth of the Mackenzie.

Whether it is Alaska or the mainland of Canada or the Canadian islands, 75 per cent of the time we have lived on game, sometimes as long as a year and a half at a time entirely on game, without tea, or salt, or flour, or bread, or anything of that kind—just on the products of the rifle. It was the most healthful sort of life and food, and a most attractive sort of occupation. Blubber is a very valuable article of food. It is very similar in taste to cream when fresh and similar to mutton fat when it is boiled. Its nutritive value is similar to that of butter or bacon and is four or five times that of fresh lean meat per pound.

The Mackenzie is forested all the way down by spruce forests which, doubtless, will be of local value when the country becomes settled; but so far as I can see the presence of the forest is in the main a disadvantage. The most valuable country is that which is not covered by forests.

The name "barren grounds" is a libel. If you called it prairie, it would give you a more correct idea of the country. I do not say the country is identical with the Manitoba prairie, but that term would convey a fairly accurate idea of the country.

I went from Manitoba into Dakota when I was young and I was brought up there in the cattle country. At any time when I was a mile from home I could not see it, could not see anything but the rolling prairie. If at that time I had been magically transferred into the middle of Banks island I could not have told that I was not still in Dakota. If I had been a botanist, I would have recognized that the grass was of a different character, but a casual observer would not know there was any difference.

There is grass as far north as any islands that are to be found. The Ontario school geography says that the mainland of Canada north of the tree line is covered with lichens and mosses. That is absurd. They are found in low places, it is true. In Ungava it is said to be rocky, and there is little soil. Whenever you have little soil and many rocks, you have lichens growing on the rocks. But in most of northern Canada that is not so. Anyone who has seen this country knows it is a grass-covered country; lichens are a secondary form of vegetation. They are plants that flower, and commonly grow immediately on rocks.

The value of those grasses for food purposes may be inferred from the fatness of the animals that live on them.

The temperature of the country is about the same as Manitoba. Manitoba is one of the best portions of Canada, and while you may prefer the climate of Victoria, the growth and population of a country does not depend so much upon the agreeableness of the climate, as upon its resources. The climate of Manitoba is stimulating, like a cold shower. There is something to be said for a tepid and perfumed bath, but there is also much to be said in favour of a cold shower.

Sir Frederick Stupart (the director of our meteorological survey) told me that for twenty-five years he has had an observatory where I was born on lake Winnipeg. He has also had during the same period an observatory on Herschell island, in the Arctic Ocean, and during those 25 years the lowest temperature recorded at Herschell island was 54 degrees below, and 55 degrees below zero on lake Winnipeg.

If you go south from Herschell island towards the mountains, towards Dawson, you will find it getting colder and colder in the winter. In the mountains back of Dawson you have a temperature of 75 degrees below, that is on account of the altitude and the distance from the sea from Slave lake. If you were to emigrate from lake Winnipeg to Slave lake and if you did not take with you a thermometer, but depended only

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on your sensations, you probably would not notice any difference in the winter. You would see of course, that the sun is lower, but I do not think you would notice much difference in the temperature although the average temperature might be five degrees lower and winter a little longer.

In the Northwest territory west of the tree line, the grasses have plenty of time to mature and that is the point, because after they once mature they keep their nourishment the year.

The musk oxen are fatter in the early winter than in the summer. The fatness of the caribou does not depend on feed, it depends on the breeding habits of the animal for instance, the bull caribou put about 50 pounds of fat on their back in September. By the end of October they do not have an ounce of fat on their backs, that is at the beginning of the rutting season they are fat, at the end they are lean, but the cows are still very fat and at Christmas time the bulls have lost their fat but the cows are still fairly fat. In February you find the old bulls begin to fatten while the cows get thinner, so you see that it is not the feed that controls the fatness, it is really the breeding habits of the animals.

The musk oxen keep fat throughout the whole year.

These grasses prevail throughout the whole northern territory, from the tree line as far north as 80 north latitude—where the soil is suitable whenever it is not rocky.

Beginning at the international boundary the tree line practically coincides with the crest of the Endicott mountains, then running east the line goes to the Mackenzie about fifty miles above the mouth across there, and it follows parallel to the coast, within fifty miles from it for some distance, and then when you get in the vicinity of Liverpool bay you find the trees almost down to the foot of the bay and the line runs across the neck of the Bathurst peninsula and near Melville mountains and strikes the valley of the Horton river. The tree line just about follows the valley of the Horton river, there being only in a few places trees to the east of it, though there is a forest to the west, and when you come down within fifty miles of Bear lake you come to a continuous forest; the tree lines run east there to Dismal lake. There are trees on the west end of Dismal lake and on the east end of it, but none in the middle. The tree line runs a little south from Dismal lake and then east to the Copper mine river. Then it extends down the valley of the Copper mine river almost to the mouth and back again; that is, just in the valley of the Copper mine, but to the east of that, by Eskimo information, I know that the trees recede farther from the coast, and that the line runs in a general south westerly direction towards Fort Churchill, and Hudson bay.

Now, the country that is most valuable for immediate development, in my opinion, is that country which has no trees, or at least country that has trees only in the river valleys, with the uplands bare. The Horton river, the Coppermine river and the Dease river are such rivers; that is, there are plenty of trees in the river valleys, but the uplands are good grazing land, extending back. That is why there are so many wild caribou there.

I think the grasses are mainly annual, but the main thing is that vegetation is abundant. It is shown by the fatness of the animals that it is also nutritious. Turnips are known as far as a little north of the Arctic circle. At fort Good Hope, which is easily six miles south of the Arctic circle they have large crops of potatoes and vegetables. Fort Good Hope is four or five miles from the mouth of the Mackenzie river.

Moose are increasing in the forestry area. A herd of caribou passed our camp at the head waters of the Dease river on Bear lake. The trail they made was four miles wide and there was scarcely a square foot in that whole area, unless it might be in the shelter of a high rock, where it was not covered with foot prints. There were probably over one million in the herd.

David Thompson, one of the early explorers of the Hudson Bay Company, says that he saw one of these herds pass him and he estimated that there were at least three and a half million in the herd. I think these herds are temporary gatherings of caribou and that a month later you would not find them in one herd. They would probably be scattered into an indefinite number of bands.

The domestic reindeer or caribou at the age of two and half years will average 150 pounds dressed meat, but the wild caribou is considerably larger, I should say 250 to 300 pounds. The reindeer and caribou are practically the same. The domestic reindeer and the wild caribou always fraternize when they meet. There are many cases in Alaska of domestication of the caribou. They are easily herded in large bands. The Americans in Alaska have made a success of the domestication of the reindeer.

About thirty years ago a missionary by the name of Sheldon Jackson began to advocate the introduction of reindeer into Alaska in the interest of the Eskimo and he finally was able to convince the American Government, and between twenty and twenty-five years ago they introduced 1,280 reindeer into Alaska. These 1,280 reindeer have developed into 170,000 and since two years the meat has been on the markets.

The meat is good and sells higher than beef, although it can be produced very much cheaper. About fifty animals to the square mile have been raised on some ranches year after year.

The herds are increasing at the rate of doubling every three years. Eskimos are used for herders, the herders are usually on foot, but they occasionally ride the reindeer themselves. They drive around on reindeer sledges, which are sometimes like toboggans. They herd them as we do large herds of sheep, and if you will come and see my motion pictures you will see dogs driving reindeer exactly in the same way as sheep dogs drive sheep. They tend to roam somewhat like cattle and stampede somewhat like cattle.

The snow fall in the north is very slight, so that you can see the grass sticking up through the snow. The animals seldom have to scratch for it, they can get it easily. The snow fall in the Northwest territories is not more than one-quarter or one-half as heavy as in Manitoba, and what little snow does fall much is swept away by the wind into the deep ravines or into the lea of the hills. On 95 per cent of the land you can see the grass sticking out here and there through the snow.

The area of pasture land in Canada suitable for these animals is estimated at three million square miles, so that the actual grazing land at a conservative estimate would be one million square miles, which would support fifty million reindeer.

The musk ox is a better animal than the reindeer for many reasons. He does not stampede or roam, then they have the faculty of defending themselves, if a wolf or stray dog were to attack them he could not kill or drive them away. I estimate the number of musk ox on Melleville island is about 4,000. I should think there would be anywhere from ten to twenty thousand musk ox on the mainland of Canada and on various islands. If you start with a herd of five or ten thousand domesticated reindeer you can incorporate each year a certain number of wild reindeer. As to their length of life, Mr. Lindeberg, of Nome, Alaska, has a reindeer cow still breeding that has had 26 cows. She is 28 years old. One of the advantages of musk oxen is their wool. A musk ox produces about 50 pounds of excellent quality of wool each year. Just now it seems that the musk ox is the most valuable animal in the world, if domesticated, he needs no hay, and no barns to shelter him. He could not be killed by blizzards and hardly by wolves. He produces three times as much meat as the domestic sheep and three times as much wool, and no one could tell the meat from beef.

The wool is of an excellent quality and one manufacturer is now engaged in making cloth from it. I should say they would dress on the average 400 pounds under domestication, but you would not kill them under four years old.

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My suggestion is that a permanent experimental station be started on Melleville island, bring a certain number of animals in each year and gradually accumulate a herd and eventually the business after it had become established would extend further south and to Labrador.

You find musk oxen within 400 miles from the north pole, and they are grass eaters. There is plenty of coal in all those islands except Victoria island, plenty in Banks island, Melleville island, Ellef Ringnes Island and Amund Ringnes island.

During the winter we spent on Melville island we had two camps, 90 miles apart, both located at coal mines. One produced a bituminous shale that would leave a residue, almost the same size and shape as the piece that you would put in the stove. The other was a good quality of coal similar to the Ladysmith coal which we carried on one of our ships.

I think Churchill would be the best place to establish a musk-ox ranch because we know that it is good musk country. They have inhabited the vicinity within the last hundred years. It is convenient to the Hudson Bay railway and I have a good deal of faith in Hudson strait. The land we are speaking of is the coming great grazing country of the world. This and the tracts are in the same latitude in Siberia. In temperate lands the raising of potatoes and apples and wheat are more profitable. The semi-arid lands of Washington, Arizona, and Alberta are being converted into agricultural lands by irrigation. The grazing lands are consequently getting less and less and the price of meat and wool will not come down; and if we continue to be a meat-eating and wool-using people the vast lands of the north will have great value. The people who tell me about the difficulties of navigation up north commonly exaggerate them. The basis of our success in our last expedition was the fact that we ignored the people who harp on supposed impossibilities. They told me exactly why it was impossible to do the things that we have since done. People who should have known better had no faith in the food-producing power of the north. I started north over the ice from Alaska, carrying no food. The authorities were against it and said it could not be done safely—starvation would inevitably result—but we never missed a meal, our dogs never missed a meal and we travelled 10,000 miles without losing a dog. Our critics had completely under-valued the resources of the north. A most outrageous thing, I think, is to say, as our school geographies do, that the northwest country is a country covered with lichens, part is in fact forested and the open country is mainly prairie country, grasses and not lichens form the main part of the vegetation. You do not find muskeg and moss except in rocky places. Wherever the land is level and not rocky you find grass.

I have seen coal in nearly every island north of Canada. There is a copper-bearing district from the northeast country of Bear lake, running 100 miles east by 200 miles north, where copper is well known to outcrop here and there. At present the cost of mining that copper is prohibitive but if you once got the country settled the cost of mining would be reduced and the other resources of the country will in general increase in value through the settlement of the country that will result from the taking up of the reindeer industry.

The fishing in Great Slave and Great Bear lakes will probably be found to be the best in Canada, the best in the world. I have seen trout weighing 50 pounds up there. The bays begin to freeze over about the 20th October and by the 10th or 20th November the whole lake is frozen over.

I do not know of any evidence to show that the tree line is going south. I do know a good deal of evidence in the other direction, because the glaciers in Greenland and southern Alaska are retreating, getting smaller every year. So far as we know the climate is getting warmer. We have caught codfish in the Arctic ocean which seemed to be identical with the Atlantic cod. We caught herring in tremendous schools in 100-fathom sweep nets. You would get a boatload practically at a sweep. Then there are whitefish and many other kinds of fish. In starting a herd of reindeer in the north

in my opinion you should secure Alaska reindeer for the west side and Norwegian reindeer for the east side because it is more convenient. The Alaska reindeer is a better breed but larger than the Norwegian but it is very easy to take reindeer straight across from Norway past Iceland to Hudson bay. It is a short ocean voyage.

The reason Dr. Grenfell did not make a success of his reindeer venture was that he started on too small a scale. Both the reindeer and musk ox will give substantially the same return in meat and in wool that our other animals do, without any hay or barns, without any coddling, and with very little care. There are two things that musk ox need in the way of care. One is that they do not at the present time breed at the right season; that would have to be arranged for, just as we do to-day with our domestic sheep. You would also have to protect them from wolves at the calving time; reindeer you would have to protect from wolves all the time. I would say that one of the things that the Government ought to do would be to exterminate the wolves of northern Canada; that may seem to be a big task, but it is not when you look at the returns you would get. The Americans are exterminating their wolves. They do it by employing rangers. Each ranger costs the Government from $4,000 to $5,000 a year, but he turns in all the skins and their sale brings back to the Government most of what they pay to the ranger.

There are a few ptarmigan in the southerly islands, geese and ducks are numerous in the southerly islands but very few farther north. Musk ox will never cross ice. If we once get musk oxen on Melville island, their descendants will never leave it. Caribou, however, migrate between the islands. You will find caribou on every island.

EXTRACT FROM THE EVIDENCE OF CAPT. NORMAN E. FREAKLEY, HUDSON'S BAY COMPANY NAVIGATOR.

I am a navigator in the employ of the Hudson's Bay Company. I have been navigating Hudson bay and straits since 1898, in both steam and sailing vessels. The first were the old sailing vessels that the Hudson's Bay Company used; they were especially constructed for the Hudson bay and straits trade, being strongly built to contend with ice conditions. I have also navigated Hudson bay and straits in an ordinary wooden sailing vessel which had been strengthened specially for the voyage, and latterly with steamers which were specially constructed for the seal fisheries on the Labrador coast, where they have to contend with heavy ice conditions. These vessels are very much the shape of the ordinary steamer, only, perhaps, not so full in the bottom, and the bow is so raked that in striking the ice they will slide up on it instead of striking a solid blow. This special bow probably reduces the carrying capacity by 5 or 10 per cent; it would not exceed 10 per cent. I have navigated Hudson straits the end of October. Difficulties arise in the vicinity of Mansell and Nottingham islands and cape Wolstenholme. The late ice coming down Fox channel blocks the entrance to the west end of Hudson straits. It comes down Fox channel and swings eastward through Hudson straits to the Atlantic. In the bay, as far as I have been able to learn, the general set of the current is south down the west side, east across the south end, at the entrance to James bay, and north by the east coast, thence into the straits. That is the general trend of the current, although this set is affected to a lesser or greater extent at different points by the diurnal rise and fall of the tide and by the outflow of the large rivers flowing into the bay. There is a considerable northerly set of current up the east coast of Hudson bay between the off-lying islands and mainland of Ungava; this current attains a velocity of 4 miles an hour in places. Some of the Fox Channel ice may find its way into the bay, but the greater part of it swings to the east when leaving Fox channel and passes through Hudson straits into the Atlantic. The ice met in Hudson bay is formed there and does not come from Fox channel.

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Towards the end of October the last ship to pass eastward through Hudson bay and straits from Port Nelson, in 1915, was the tramp steamer *Sheba*, convoyed by the sealing steamers *Adventure* and *Bellaventure*. These three vessels left Nelson on October 22, 1915, for Halifax, and got through safely. In 1904, however, one of the Hudson's Bay Company vessels had to turn back from Mansell island on October 17, on account of ice. She wintered at Charlton in James bay. This, however, was a sailing vessel; probably had she been a steamer she would have got through, but it is dangerous to put any vessel into heavy ice so late in the season. You will readily understand that in entering ice in the spring or summer you do so with the knowledge that even if you are stuck it is only a matter of time before the ice will ease up and release the ship again, whereas late in the season a vessel becoming caught is liable to remain all winter, if she is not crushed and totally destroyed by ice pressure.

There is no particular channel through Hudson straits or bay. The straits never freeze over from end to end and remain so for any length of time. According to reports from Hudson's Bay Company's posts situated on the north and south sides of Hudson straits, the straits never freeze over entirely, but there are vast fields of ice passing through from west to east all winter. At times the straits are completely blocked by these fields and at other times there are extensive areas of open water.

The general set of the current through Hudson straits is from west to east. There is a constant southerly set down Fox channel swinging to the east around cape Dorset and between Salisbury and Nottingham islands, joined in the vicinity of this point by the current which flows up the east side of Hudson bay and into Hudson straits between Mansell island and cape Wolstenholme. From the east end of the straits part of the Arctic current flowing down the west side of Davis straits enters Hudson straits by Resolution island and flows west along the north shore of Hudson straits as far as Big island; at this point this current is met by the current from Fox channel and Hudson bay and diverted southward across the straits to the south shore of Hudson straits. In other words, the current in Hudson straits may be divided into three movements, the easterly current from the west end of Hudson straits on both sides as far as Big island, the westerly current on the north side of the straits from Resolution to Big island and an easterly current on the south shore of Hudson straits from opposite Big island to cape Chidley. At points these currents attain a great velocity. At some places seven miles per hour at spring tide. They are generally stronger along the shore than at mid-stream. The danger to any vessel caught in heavy ice in one of these currents would be obvious. There are no icebergs in Fox channel or Hudson bay and comparatively few in the west end of Hudson straits, but numerous in the eastern portion of the straits. Coming from Davis straits they enter Hudson straits on the north side, with the aforementioned current, passing up Hudson straits on the north side of Big island; there meeting the eastern flow of the current, they swing across the straits to the south and pass eastward to the Atlantic along the south shore. Bergs are rarely if ever seen west of Charles island. These bergs originate presumably in Greenland. Field or pack ice only comes down Fox channel. In thickness it would run from one to one hundred feet.

At Nelson or Churchill the bay freezes from ten to thirty miles from shore, varied according to the season. I have wintered at Port Nelson and also at James bay.

During my stay of three and a half years at Port Nelson, 1913 to 1917, the earliest ship to reach that port arrived on the 1st of August, the latest the 22nd of October. The bay ice is of a different type to the Arctic ice; it drifts in large floes and consists in part of frozen snow, whereas the Arctic is heavy blue solid ice. In the centre of Hudson straits there is a light current of probably one or two knots an hour, along the shore, in places, four or five to seven knots.

It is customary if ice conditions permit to make a straight and as short a course as possible through Hudson straits. When there is ice it is advisable to enter on the north side taking advantage of the westerly current and avoiding the heavy tide rips

around cape Chidley. Early in the season open water is most likely to be found on the north side. Coming out late in the season vessels keep more to the southward and pass between Button islands and cape Chidley, if they are able to make this point with day light.

Ice in the straits is drifting field ice although it may be temporarily jammed.

Ordinary tramp steamers have been employed by the Department of Railways and Canals to run between Halifax and Port Nelson, for instance, the steamships, *Alcazar, Sinbad, Sheba, Sharon, Durley Chine, Cerense,* and *Allette*. Of these, the *Cerense* was wrecked at the mouth of the Nelson river on September 13, 1913, and the *Allette* leaving Port Nelson on September 14, 1913, encountered ice and damaged her bow. She returned to Nelson and was beached on October 7. It is possible that a tramp steamer leaving Halifax early in July might be six weeks getting to Port Nelson, whereas, in September she could make the passage in eight days. September and early October are the most open months in the year. I have seen steam sealing vessels stuck in Hudson straits for several days unable to move. A specially constructed steamer could buck ice that would stop a tramp.

The earliest I have passed through Hudson straits and bay was with a sailing vessel. We arrived off the Moose river in James bay on the 29th of July.

I have been at Port Churchill several times. It is not very large. Churchill harbour has an area of about one and a half square miles, and of this about half a square mile is suitable for anchoring ocean-going vessels. On account of the depth of the water there is room for three ocean-going steamers to swing at anchor. Spring tides are 16 feet, neap tides about 11 feet. The entrance to Churchill harbour is clearly defined and is about 2,000 feet in width with 1,100 feet between the 18-foot contours. There is as much as 90 feet of water in the channl and not less than six fathoms outside. The current through this entrance, at ebb tide, is 5 to 6 miles an hour, but the entrance from the sea is short, not much more than its own width.

In the small area before referred to there is about 30 feet of water; this shoals gradually on the west side but is fairly deep inshore on the east side.

With a strong northeast wind, or gale, a swell heaves in from seaward, but not enough to bother a large ship. The holding ground is not good and a vessel is likely to drag with the wind in this direction, but with a moderate steamer it is a safe harbour.

Nelson is a different proposition altogether. It is more open. Churchill is a land locked harbour, whereas Nelson is an open roadstead with a long channel to get into it.

It was Marine Superintendent for the Department of Railways and Canals at Port Nelson for over three years, during which time I superintended the buoying of the steamer channel, the piloting of the steamers in and out, and the lighterage of the freight to and from the steamers. The highest tide on record at Port Nelson was 20 feet; average spring tides 16 feet and the neap tides about eight. A vessel of 3,000 tons is large enough to navigate the Hudson straits and Port Nelson under present conditions. There would be no difficulty in navigating a vessel of 5,000 tons through the straits provided you did not encounter ice and she did not draw too much water for Nelson river.

The big grain carriers of the Great lakes draw about twenty feet. I do not think the ordinary lake grain-carrying vessels would be fit to navigate Hudson straits. Provided ice is not encountered, there is no limit to the size of vessel that can navigate Hudson straits.

While lighthouses and wireless stations, fog and signals and hydroplanes are necessary for Hudson straits, I do not know if the aids referred to would lengthen the season, but it would make a considerable difference in the length of time for the vessel's passage and the vessel by making shorter trips could make a greater number of them. We are liable too to have snowstorms or hailstorms at all seasons, but they do not interfere more than they do with navigation around the Nova Scotia coast

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during the winter. Some years are better than others for navigation through the straits. Ice breakers would not be of much use in the straits. Ice in the straits proper is more or less continually on the move. I think a powerful ice breaker could keep the Churchill and Nelson rivers open, but it is the ice in the Hudson straits that controls the situation.

I have landed cargoes at Nelson and Churchill and as a ship master I would say that Churchill is the easier to get into and best sheltered harbour of the two. Vessels approaching Nelson get in touch by wireless and the pilot is picked up about 20 miles from the inner anchorage. The difficulty starts in picking up the mouth of the river. The vessel approaching Port Nelson first makes the land in the vicinity of cape Tantam and steers westward, keeping in about 9 fathoms of water until Marsh point is sighted. The course is then altered to the northward and the ship anchors in the vicinity of the outer buoy in about six fathoms of water. The coast line in the vicinity of the mouth of the Nelson river is very low and difficult to see except in very clear weather.

The outer buoy is about twenty miles from the inner anchorage. The channel is buoyed each season as soon as the ice is out of the river, the buoys being taken up again in the fall as soon as the ice commences its reappearance. They are laid about the end of July and taken about the end of October.

Range lights would be useful specially in the early season or late season when the drifting ice might move the buoys. I would also suggest a light-ship in place of the outer buoy about twenty-five miles out.

Docks are under construction but not yet built. Nelson is not a natural harbour but an open roadstead. The vessel lies in the river about one and a quarter miles from the shore and the freight is lightered to the land.

One is a natural harbour and the other is artificial. At present the deep water area has only capacity for three steamers, each say 400 feet long, to swing clear of one another at anchor. With dredging and dock accommodation many more vessels could be accommodated, according to the form of docks constructed. Regarding the construction and cost of the same, that is a question I would refer to the engineers to decide. Speaking as a mariner, Churchill is undoubtedly the more accessible harbour of the two. From a mariner's point of view, Churchill harbour is more easily approached, entered, and offers more shelter at present than Port Nelson. As far as I know, the bottom of Churchill is composed of hard-pan and loose stones, affording a poor holding ground for anchors, whereas the bottom of the Nelson river, at the anchorage, is clay or mud strewn with boulders and stones. I should judge the two places are very similar, but the bottom at Churchill is somewhat harder. All coasts between are liberally strewn with boulders. The entrance of Churchill harbour is short and deep, while the entrance at Nelson has a channel about 20 miles long, with 20 feet of water at low tide over a boulder strewn bottom. The rock outcrop is on both sides of Churchill harbour. There is no rock outcrop at Nelson at all. For general navigation in these waters I would say a vessel of 3,000 tons is best. Any vessel larger, especially ships of 10,000 tons, would be unwieldly amongst ice and would have too deep draught. A large vessel is slow in turning and must have considerable headway to give her steerage way; this necessary headway would prove disastrous if she struck anything, and it is impossible to navigate amongst field or packed ice without striking at times. A 10,000-ton ship, say, with her engines stopped and the headway off her, swinging round with the wind, should she strike on a big floe of ice, would damage herself considerably by reason of her own great weight, whereas a smaller vessel would sustain no damage. A 5,000-ton ship would not be easily handled amongst heavy ice, but if property protected it would help considerably.

The ice goes out in Churchill about the same time as in Nelson, but both Nelson and Churchill are clear of ice before any vessel can pass through the straits in the spring, and the straits are again closed to navigation before the rivers are frozen up

in the fall. So far as Nelson roadstead and Churchill harbour are concerned, ice goes out about the middle of June, and navigation could start there about the middle of June, but the straits are not navigable at that time. Navigation is closed about the last of October or first of November. During the season there is no trouble getting a ship into Churchill, the entrance is well defined on both sides and is deep. It is like going into the harbour of St. John's Newfoundland.

Northeast is the worst wind that we have at Nelson. The northwest wind is off land and would not trouble us. With a strong northeast wind and ebb tide there is quite a choppy sea at the mouth of the Nelson river. I would not attempt to take a ship in there under certain weather conditions. I would go into Churchill at any time, as long as I could see to pick up the entrance to the harbour. I would not attempt to go into Nelson at low water; I would wait for the high tide. Leaving Hudson straits and bay out of the question, the *Nascopie*, of 2,600 tons, might navigate Nelson from July until November.

In the winter of 1913 local craft was put into quarters at Nelson on the 16th of October; in 1914 on the 19th of October; in 1915 on the 23rd of October; 1916 on the 18th October.

It is difficult to keep the buoys in place when there is ice drifting in the river. These should be lifted as soon as the ice starts to make, and navigation, if continued, should be done with the use of range lights or beacons. The rime forms around the buoy, which makes it difficult to tell from a distance whether it is a buoy or a knob of ice.

EXTRACT FROM THE EVIDENCE OF CAPTAIN J. E. BERNIER, ARCTIC EXPLORER.

I have been on nearly every island in the Arctic, except the new islands that were found by Steffansson. I have been navigating since 1904 in three different ships. I have been in Hudson bay on three trips. The ice is one of the difficulties that close the eastern part of the straits; that is, it takes two seasons before the ice comes down. The icebergs come from Greenland down along the coast. There are two kinds of ice that comes down here; the old ice, that is, what we call the growlers. A growler is a piece of ice irregularly formed. You cannot tell the depth of it when you see it. It is very hard to navigate a steamer there. About the end of October it comes down and closes the straits so that after October there is danger of the ship meeting that old ice during a gale. It is very important that ships should be built especially for ice navigation. The *Fram* was built for ice navigation and survived. The *Guss*, afterward called the *Arctic*, is a ship that has done eleven years and is now as good as ever; also the *Rooseveldt*. These ships were built especially for ice navigation, and they have stood the test, they have done their work, and they are proofs that for navigating in Hudson bay and the Arctic ocean, where there are four different kinds of ice it is necessary to have ships especially built for ice navigation. It is a mistake to send in tramp steamers. They may sometimes hit a piece of ice, and if it is old ice the ship is done for. The ship should be double-framed forward and have thicker plates. She has to have good power. The extra strength would reduce the carrying capacity by about 5 per cent. You only need to strengthen forward. Once you pass amidships, the after end never strikes the ice, except sideways. The hull should be shaped so that the ship will go on top of the ice, instead of pushing. The hull must have a forward slant so that when the ship encounters a big piece of ice she will go on top. She shakes herself, displaces that ice, and goes on. When you are pushing a piece of ice, when there is other ice in front, you have to push the whole thing. You have to do the same as is done in Siberia. All the ships there have the bow so shaped that the ship will go on top of the ice. This ice is, of course, loose ice.

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During the spring the Fox channel and the bay, which is a very large area, discharges this ice towards the strait and that is the reason that in June especially the channel is pretty well filled. But a vessel built for ice, if there were wireless stations on Resolution island, Ashe inlet, and Cape Wolstenhome, could be advised on which side of the channel there was the least ice. In the past when we came from the sea, we had no information whatever, and if we happened to get into the ice and the pack closed, we had to go back or wait, and it would not suit a fast vessel to wait. But if she got wireless messages she could make the clear water. One day's wind would clear the ice away from the coast, and then the vessel could go in, she could make the 250 miles in a day. In the bay there is what we call an ice raft. That breaks away from the coast and seems to gather together. That ice would not hamper a modern vessel. In the fall of the year part of the north Fox channel ice breaks off and comes down in here, and closes this part in the last days of October. I went in on the *Arctic* on the 13th of October, and I found a good deal of ice, and went south of Mansfield and never saw ice after that. I went to Fullerton and arrived on the 16th of October. There was no ice whatever in the bay, nor in the east part of the strait, except a few icebergs and they were no impediment. I should say after November a vessel could not pass the straits but could navigate in the bay. When you enter the strait you have 55 per cent of variation; when you get to Churchill you have none, therefore a ship has to change its course very often to meet that. Since the Government has taken hold they have corrected the variation, they have found out the right variation and that makes it far safer now than it used to be.

Aids to navigation will give a captain pointers as to where to pass at certain times. I don't think these aids would lengthen the season any more in the fall than say late October or 1st of November. If we have information from the shore, that knowledge may perhaps mean a trip more for the ship. I would think that in clear weather seaplanes would help a great deal, but not in the fog, which is like a wool sheathing, the same as we see it on the mountain top. Observation from the land would be safer. If you got your position from the wireless station it would help, otherwise sometimes when you are in the ice for three or four days and the tide is running back and forth your position is not very certain and it becomes dangerous. If we had a proper ship we could go through the straits up to the 1st of November, and I think with the help of wireless we could go through there in June. Whalers used to go through there in June. Captain Adams and Captain Comber used to go early in July, sometimes in June. They had no steam power. I think, with properly constructed vessels, you could navigate from the 15th of June until the 1st of November.

I do not think it would be advisable to go later than that, because you would have to go through that big old ice. A proper vessel would go through all right, but it would not be any benefit to be at Churchill or Nelson any earlier than that.

The average season of navigation is four months. With wireless I would say four and a half, perhaps.

In midwinter there is open water in the straits sometimes, but the ice is struggling to go through Fox channel eastward. There is always ice moving out. An ice breaker would do away with lots of the difficulty, but against that you would have a lot of trouble navigating because of fog. Sometimes you can see land when you are ten miles away; other times, when you are five or six miles away, you would think you were right on it. This is not really fog; it is steam caused by reason of the water being warmer than the air, and a kind of vapour rises higher than your mast.

You would not be able to see the ice to go through. You could not pick out a lead. You might put your nose into something that you wouldn't like.

At the entrance of Hudson strait there is any amount of codfish. I did not fish in the bay, but we found tommy-cod, which would show that there must be some codfish. Further east we used to take two or three hundred fish a day. At Fullerton we caught a

few halibut, but no cod. We caught salmon further north. When I was north of Baffin Land I found that every river along there was teeming with fish. I had the best market in Quebec for the fish I brought from there—salmon trout. They weigh from ten to fiften pounds. Some of them are speckled. I wintered seven winters on those Arctic islands.

There is plenty of grass on all the low lands, any amount of vegetation and caribou. On Melville I saw many hundreds of caribou and musk-oxen. There is especially on Melville, Banks and Victoria islands a great deal of animal life.

There are snow squalls in the straits in the summer. Sometimes I have gone through a snow squall for four hours, and then all of a sudden the weather has cleared.

Probably in the latter part of October, if there is a strong northeast wind, and if the ice is coming down, it may close the straits for a whaler, but for a steamer of the ice-breaking class, that would not stop it. Our experience for years has been with the heavy vessels. I found coal on mostly all the islands. I found coal on Melville island, and Banks island, and at point Barrow. It is a brown lignite of old formation. I have been working there, at Ponds inlet and Salmon river and Miles inlet, from Baffin Land. There is a large deposit of coal there, a vein seven feet thick. I took enough to coal my ship back. It burns equally as well as Sydney coal. It has more gas in it. I might describe the residue by saying that the engine and everything gets coated. It burns well. The residue is like the ashes of wood, or grass probably. It slacks as soon as it is mined. We found no difficulty in burning it. You could mine it in the winter time and get a vessel to go through the first thing in August and she would have to leave there by the first of October, that is at Baffin Land.

I should prefer port Churchill, because a ship can come in and she is in a harbour. In Nelson you have to anchor away out; before you get a chance to come in you have to contend with all that danger. Suppose you dredge there and next spring is an exceptionally fine spring and there is a heavy thaw. Your channel is filled up with sand and the channel is somewhere else. The work that you have done is lost. At Churchill you have a big body of water. Of course, some dredging would have to be done. It is land-locked. There (indicating Fort Churhill on the map) is the work of nature, and when a man has to work against nature there is no money in it.

Going into Nelson when the weather is clear you can go in at any time. When the weather is foggy you have to wait out there for three or four days. The channel is so far away that you can hardly see the land when you are anchored, and sometimes when it is not very clear you may be ashore before you see the land. From the nautical point of view, I prefer Churchill. The tide, too, is less at Churchill than at Nelson. There are good harbours in Hudson straits, useful as harbours of refuge. Port Burwell is a good port except in southerly winds. The gales there are squally. They are not usually steady.

The strait of Belle-Isle is navigable from June to December. The size of the ship in Hudson bay does not matter. It depends on the port you are entering. I should say 4,000 tons, if you find a suitable place for loading and discharging. Any ordinary size of ship could navigate in Hudson bay and strait. The size would not matter, as long as the vessel was a sea-going ship and properly built for ice navigation. A large ship can be used in the bay and strait.

EXTRACTS FROM EVIDENCE OF COL. WM. P. ANDERSON, MARINE DEPARTMENT.

The concensus of the testimony gained from a study of the reports and from statements of experts is that the Hudson bay and strait are navigable for a minimum of three months and a maximum of four months in the year with specially protected vessels. So far as I can judge, the navigation conditions of Hudson bay and strait would be about the same as navigation conditons in the White sea. Conditions

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throughout the north country, when you get accustomed to them and understand how to meet them, are never as bad as you expect them to be. That has been our experience everywhere. There would be about 25 per cent loss in cargo capacity by reason of the necessary strengthening of the vessel and about the same additional cost in construction. A heavy ice-breaker might take in a convoy of ships during the open season. We have more information about the navigability of the strait than we have about the bay. I think myself that it is probable that on the west shore of Hudson bay navigation would be possible for a longer period than it would out into the Atlantic. The west shore of Hudson bay is gradually sinking; consequently you have a condition of wide flats, both on land and out from the shore. This goes almost practically all the way from Chesterfield inlet to Nelson, excepting off Churchill. The whole of the shore from Chesterfield inlet is low; at Churchill itself there is good water in the approach; but the shore between Nelson and Churchill and between Churchill and Chesterfield inlet is shoal. There is nothing to impede the entrance to Churchill from the outside. The evidence seems to show that the Hudson bay is less encumbered than the strait and that the season is somewhat longer.

It does not freeze over, but it freezes out for several miles. With the help of an ice-breaking steamer you can always get through from 12 to 15 inches of board ice. I think that would lengthen the season at Churchill to about five months. Personally, I feel satisfied that there is going to be quite a large trade in Hudson bay itself, independently of the strait, from fish and pulpwood and possibly minerals. My opinion is that snow squalls are more frequent in that country than fogs; they are not really fogs, but water chilled by the air. I do not think this would affect navigation when there is much ice. From the 1st August to the 1st November is the normal period of navigation of the strait. You might get in a few days after the 1st November. The season varies from year to year. It was the middle of August the year I sent up a man with aids to navigation, with automatic lights, unwatched lights to be put up at salient points in the strait and bay, and he was so much delayed in getting the work done that he could not finish it that year. Aids to navigation would help. Most of the navigation of the straits has been done without any help in giving a man assurance of his location. If a sailor can get an absolutely certain point of departure it is a great help to him. I think seaplanes might be of advantage in advising a ship by wireless where the ocean leads were and where the best open water was.

I think to establish an aeroplane station on Mansel island and wireless aids ought to be of valuable assistance during the navigable season. I do not think it would extend it. It would make navigation more regular. I do not attribute much importance to the ice that you will meet at the east end of the strait—the berg ice—that can be dodged. I have seen a good deal of berg-ice conditions in the strait of Belle Isle and up the Labrador coast, and it is easy to dodge that. It does not close up and it does not crowd you ashore, or anything of that kind.

There would need to be more than one aeroplane station. It would require one at each end. The strait is 500 miles long, and would require two or perhaps three aeroplanes. I would rather have more aeroplanes and less wireless stations. The aeroplane can get a birdseye view over a large extent at once. To be of use you ought to see a lead for fifty miles. I think an aeroplane would be more suitable than a seaplane.

EXTRACTS FROM THE EVIDENCE OF LANCE CORPORAL RICHARD WHITE, NAIN, LABRADOR.

I reside at Nain, on the Newfoundland-Labrador coast. I have lived there since 1912. I have been through Hudson straits to Hudson bay. I know Port Burwell. As a rule the eastern entrance of the strait is blocked with ice in November.

The Indians have told me, natives who live at Port Burwell, that during the winter there is more or less open water in the straits. Local ice never forms there, except in the protected bays and coves on account of the current, but the ice comes down through Davis strait and from Fox channel. The ice in the Atlantic entrance is principally from Baffin bay and Davis strait and that the bay entrance is from Fox channel principally.

Ducks and acquatic birds are killed by the natives all during the winter at Port Burwell. They hunt seals in the winter and use their kayaks. I have been in the straits as early as the first week in August but I was never there after the end of September. If it is the intention to navigate the waters of Hudson bay and strait, I think aids to navigation like areoplanes, to discover the leads through the ice, and wireless telegraphy would be of great advantage. There is a very valuable sea trout fishery at Port Burwell. Every river in that vicinity is teeming with large sea trout. And in the past there was a considerable cod fishery carried on there by a steamer from Newfoundland. Cod fishing is done by the natives at Port Burwell. There are halibut banks there, but they are some distance off the coast. I never heard of any herring. The only other sea animals are the seal, the walrus and the white fish, that is the white whale, numbers of which are caught. They often catch the white whales, in the seal nets. They get enormous quantities of seals there. White whales run from 15 to 25 feet in length.

EXTRACT FROM THE EVIDENCE OF EDWARD E. PRINCE, DOMINION COMMISSIONER OF FISHERIES.

I have for twenty-five years paid special attention to Hudson bay fishery resources. I have been to Nelson river, Saskatchewan, north of the Pas, and west, in what you might call the basin of Hudson bay. I went overland, not by Hudson strait.

On the western shore of Hudson bay and James bay, the shallowness is extreme, and the large amount of ice which forms and breaks up and moves about backwards and forwards there is rather a menace both to fish life and to the food of fishes. One would not expect to find very large fishery resources there, but on the eastern coast of Hudson bay conditions are different. You have deeper water and high shores and a great number of islands, which shelter the water, and I have evidence that there is a real abundance of fish on the east side of Hudson bay.

There are three sections to the fisheries; first, those of the open sea, second, the estuary fisheries or the fisheries of the mouths of rivers, and then there are the fisheries of the rivers proper and the lakes. Fish occur there, undoubtedly of the cod family, and the food of the cod occurs. I got from Dr. Bell specimens of capelin, caught at Moose Factory. Cod always follow the capelin, and the scientific man would say that where there are capelin, cod should occur.

There are several kinds of cod. The Arctic cod and the true cod do not extend very far into the bay. They are around cape Wolstenholme. The west of Ungava bay is, I think, about the last locality where true cod are got—the large cod. But there are several species of cod in the Arctic. One is called the Ogac; another is the Saida.

The true salmon does not appear to be frequent in Hudson bay. Its northern limit is, I think, Ungava bay. The Hudson Bay salmon is called Hearn's salmon, after the British explorer Hearn, which runs from 2 to 18 pounds weight.

They are very abundant; they are a migratory fish and go in and out into the bay and up the rivers again. The famous explorer Ross said that the fish were so abundant that he could almost walk upon the backs of them in Big Whale river.

Then there is a sea-trout and flat fish. There is also the large white fish. White fish are typical fresh water fish, but in Hudson bay quantities come down and hang

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about the estuary. They are valuable food, they range up to 6 pounds. Then there is the lesser white fish, sometimes called herring, corresponding to the so-called lake herring, which are quite abundant. They are better than the sea herring having less bones. Then there are gold-eye herring and true herring, and ling. Ling belongs to the cod family. It is a very ugly fish with a large head something like a white fish.

Because of the cold water these fish are better than those produced in southern waters. Mr. Stefansson said he considered ling one of the best fish for food. Its liver is regarded as a dainty.

There are jackfish or pike in the rivers or lakes, and the landlocked salmon occurs. Also the sturgeon in practically all the rivers of Hudson bay occur. It is the King sturgeon. Sturgeon yields a variety of products such as oil and leather, and the caviar or salted roe is a valuable product; the flesh is good. They weigh sometimes 100 pounds.

All reports are that fish in Hudson bay, particularly on the eastern side, are extremely abundant. The white whale is the most abundant of the whale tribe, especially on the west side of the bay. The natives eat them. They eat the flesh and eat the skin, regarding it as a great delicacy. It is jelly like, and good leather is made from the whale skin. There are immense schools of them that could be harpooned from canoes or driven ashore in bays. The oil is exceedingly good. They are from 1,200 to 1,500 pounds in weight, feed mainly on capelin. The narwhale also occurs there and is 12 feet to 16 feet in length, but is quite valuable; has a long ivory tusk and one of these is now worth from $60 to $80. The walrus is also plentiful. It yields ivory and hide and blubber—the total weight of an average specimen is about 2,000 pounds. The walrus is really being decimated, great numbers have been killed simply for the ivory.

The amount of ivory got from Marble island, by United States whalers, was extraordinary.

The polar bear is extremely valuable and comes in the fish class, almost, because he is more in the sea than out of it. His hide makes him very valuable while the weight of the flesh may be from 800 to 2,000 pounds.

I think the Alaska salmon should be introduced into Hudson bay. They are very productive and I think they are well worth experimenting with.

There is also the Inconnu—it is something between a salmon and the white fish—runs up to 40 pounds in weight. It occurs in the Mackenzie river, also in Great Bear lake waters and Great Slave lake. It might be introduced into Hudson bay.

The fish in the lakes south of Hudson bay are largely white fish and grey trout, sturgeon and pike perch. The last we call the dore—the yellow pickerel.

EXTRACT FROM THE EVIDENCE OF JOHN LAMBERT PAYNE, STATISTICIAN, DEPARTMENT RAILWAYS AND CANALS.

I am statistician for the Department of Railways and Canals. For a number of years I have given very studious attention to the proposition of a railway to Hudson bay. I have been studying the problem from the standpoint of its practicability as a railroad, and in that connection it seems to me that you have three problems indicated:—

1st, that of traffic;
2nd, that of storage;
3rd, that of ships.

You must have traffic for a railroad. What prospect is there for traffic? You have west of this railroad a very large wheat-growing area. Regina is related to Port Nelson in like manner as it is to Fort William. If you assume that 100,000,000

bushels of wheat could be diverted to the Hudson Bay railroad, then you would have a traffic of 3,000,000 tons. This wheat will be taken to Liverpool. Assuming that the freight rate is equal to that of the C.P.R. between Regina and Fort William you would have these 3,000,000 tons to transport on that basis, that is, carried at the rate of ·620 cents per ton per mile—that is the exact equivalent of 24 cents per 100 pounds between Fort William and Regina. Now on that basis if this railroad should be fortunate enough to transport 100,000,000 bushels it would earn $7,890,000 in round figures.

Now, as to the cars coming back. On the C.P.R. 35 per cent of all cars that are moved eastward are taken back empty. All railroads have that problem of the empty car, but this railway has it exaggerated to a very high degree, there would be so little return traffic. Of course that same condition has already arisen in every new country through which a railroad is being projected. This is true of the C.P.R. We have only a small percentage of the railways of Canada paying their way. Assuming that these cars all go back empty, this makes a very serious traffic situation. The railway must compete with the other railways to get this wheat, and you have three railways competing for it, and they are able to get 65 per cent of their cars filled on the return trip westward.

If you are depending on wheat supply for your traffic, when you consider the cost of storage, the cost of the railway, the investment in ships, you are really spending $10 to do a certain definite thing which you would be accomplishing just as easily by spending $3.

The engineers are in our own department and I have asked them what was the expectation for local traffic, and they have always shaken their heads and said there did not seem to be any. The facilities for traffic often create traffic. I think it would be unreasonable to expect that the road would be utterly barren.

EXTRACT FROM THE EVIDENCE OF THE HON. MR. COCHRANE, P.C., M.P.

I was at one time Minister of Railways for the Government of Canada. It was during my term of office that the Port of Nelson was selected as the terminal of the Hudson Bay railroad. The selection was finally decided by me largely on the report of engineers. I went myself to both places, Nelson and Churchill. The port of Nelson was nearer and the railroad would be shorter. The engineer reported that it would be necessary to cross the bad lands for a long distance where the bottom was all the way down from six to ten feet before you got to anything like hard stuff, and I thought the building of the road would be a very difficult proposition.

The tenders to go to Churchill was four million dollars more than to go to Nelson, and while the harbour at Churchill would be easier to develop for a small harbour, yet the difference would not be as much as the difference in cost of building the railroad. Neither one of them was at that time very much of a harbour. But before I was there a boat drawing 20 feet of water went up to Nelson to where the harbour has been developed. No work had been done when I was there.

When I came into office the contract for the first section had been let; there was not much work done; but the contract for the first section was let, and supplies had been sent to Nelson.

The selection of a terminal had not been finally made then, but I think if you will look up *Hansard* you will find that Mr. Graham, my predecessor, said his records from the engineer had been in favour of Nelson, the same as mine. I questioned the engineer and satisfied myself. Of course, I saw both places, but my opinion as to a harbour would not amount to anything. I am not an engineer and it would only be a guess.

The surveys were made to Split lake, and that is where the change would have taken place, at Split lake.

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Churchill is a better harbour in one way, but it is very small. If there was ever any business of any account done there, and in my opinion it would cost fully as much as Nelson, to develop, providing you made a harbour of any size, but the initial development would be cheaper.

There would be more dredging at Nelson than at Churchill. Another big factor is the fact that it is ninety miles further on a railroad and on a railway that is a big item in hauling, and in building.

The expense of the material that would have to be hauled in that ninety miles would be considered and there is also the question of whether or not the railroad would stand up after it was built, on account of the foundation.

I think that the proper aids to navigation going through the straits and the channel will help it wonderfully, but I think the straits are an even harder thing to overcome than the port. We were two days in coming through the straits. I feel that with proper aids to navigation the straits can be used longer than most people at present time think, both longer and more effectively.

EXTRACT FROM THE EVIDENCE OF THE REV. W. G. WALTON, MISSIONARY.

I have been a missionary on the east side of Hudson bay for 27 years. I have been once through the straits, but I hear news of them every year from Hudson Bay captains. My district extends to the mouth of the straits. My parishioners subsist largely by fishing and hunting, with some Government aid thrown in. They get chiefly white fish and tulibee and speckled trout in James bay. In Hudson bay they still get the white fish, the grey trout and what is called the Hearns salmon, which is really, I think, a sea trout, averaging from five to twelve pounds in weight. I have seen them as high as 30 pounds. The fish we have there are excellent. They are fairly plentiful at Belchers islands and all the way from cape Jones up to cape Wolstenholme. Some of the salmon are large. One man brought down three fish weighing 97 pounds; then we have cod fish. We have always called these rock cod. They are not the Atlantic cod, but similar to the Greenland cod. We have not many seals, but they get some walrus also. Capelin are fairly plentiful in the Whale river. I have found grass in the water wherever I have gone.

EXTRACT FROM THE EVIDENCE OF MR. J. B. TYRELL, MINING ENGINEER.

I am an engineer. I have been three separate years in Hudson bay itself and several years more in the country to the west of it. In the bay I have been as far north as Chesterfield inlet and in the country west of it as far as the north bend of the Dubawnt river, and that is as far north as I have been.

I have been over the route of the Hudson Bay road fairly closely. North of Churchill the west coast is fairly low and as far as one can see from the shore treeless to the vicinity of Chesterfield inlet and Ferguson river. To the south of Churchill where I travelled it is treeless for a distance back from the shore. Much of the country has the general appearance of the stony parts of the prairie country in the provinces of Saskatchewan and Alberta. It is covered with grasses or sedges. The country is low and would come down to near the shore. Within thirty or forty miles from the shore the trees were small black and white spruce and tamarack, with a few larger spruce close to the river valleys. Farther from the shore is larger timber of much the same character with Banksian pine and poplar coming in as well.

This timber would be suitable for pulp. The whole country from Churchill southward to the Severn river, which is one great swamp with scattered spruce and

tamarack over it. It rises on an average of five feet or thereabouts to the mile from the bay inwards. So it has that much drainage. This is probably the largest continuous swamp in the world. It represents the ancient bottom of Hudson bay because the bay once etended over that area. The actual amount of timber, except along the banks of the rivers, is comparatively small.

North of that wooded country is a country covered with grasses and sedges, known as barren lands, which country supports a large number of grass eating animals. I went through that country twice with canoes, once down the Dubawnt and once down the Kazan river. I was then on the geological survey of Canada. There would be no trouble whatever with pack horses across that country. There was abundance of feed in the summer time on this prairie country to feed the pack horses. When I was descending the rivers I lived entirely on my rifle.

The term "barren lands" as used in the north is a slight alteration from what the half-breeds call the "bare grounds," that is, the treeless grounds. It does not apply in any way to the barrenness or want of vegetation of the country, further than that it does not support trees. With regard to moss, it does not grow north of the line of growth of forest. There is no moss on the barren grounds. Grasses and sedges grow thin, similar to the grasses seen on the prairie and in other places, but moss grows only where it is under the shadow of the trees. Consequently there is no frozen moss on the barren grounds; the surface of the ground can be seen almost everywhere under the growth of grass. There are lichens growing on the rocks—usually known as "reindeer moss," but that is not a true moss at all. Ordinary bog moss does not grow on the barren lands.

There is a stretch of country along nearer the shore between Churchill and Nelson that has very few trees on it. It is fairly open and grass-covered. It is over that stretch that we walked down in the winter from Churchill to Nelson.

I have not been up the Deer river.

I also walked in the winter from Churchill to Split lake and to the north end of Norway House. There would be no trouble at all building a railway on that level plain from Churchill to Nelson.

It is not correct to describe that country as consisting of 6 inches of moss, and then ice and frozen peat. The soil is gravelly and stony. It is mixed gravelly soil, often called "hardpan," that forms the surface. When you get to trees you get true bog moss. The swamp begins when you get back far enough to get under the trees. On that swampy area there are no great basins full of water or moss as there are in the rocky country to the south. There is just the even blanket of moss over a level stony soil. This big swamp extends from Churchill southward up the Churchill river and across the Nelson. I was not up the Churchill river. I only went across inland. But south it crosses about the fishing lakes south of the Churchill river, and thence it extends southward across the Nelson river, about Split lake, then across the Hayes at Knee lake or a little below it, and thence it extends across the country to the southwest.

I have not personally followed it any further than the Severn river. The width of the swamp would be about 100 miles. I have described practically the southwest line which lies from 400 to 500 feet above the bay, because the land rises, as I have said, at an average rate of 4 or 5 feet to the mile.

Between the southwest side of the Arch-Hudsonian swamp and the prairie country is a great rocky area such as occurs all through northern Ontario and northern Manitoba, dotted with ponds and lakes. An exceedingly rocky country that we all know so well as forming the rocky barrier north of the main agricultural portions of Ontario and Manitoba. I travelled once on foot from York Factory to Norway House and once from Churchill to Split lake and Norway House, and thence on both occasions to Selkirk. My object in travelling on foot directly across country was to see the line of the

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projected Hudson Bay railroad. It was in 1893-94, December and January. There was snow, but you could see very well what kind of country you were travelling over. We had to dig down every night through the snow to make our beds. The snow does not get deep. In December when we came out it was not very deep, just a few inches.

There would be no trouble in building a railroad, even if it were necessary to get to the bottom of the moss; it would only be necessary to remove 2 to 5 feet of it, according to the inequalities of the underlying clay. From Split lake to Churchill there would be no trouble in building a railroad. I remember that we crossed one high gravel ridge, 26 years ago. There is a big gravel ridge across and between Churchill and split lake. I climbed up over it. I remember it very well. There was not enough snow on the ground to obscure the gravel. On the middle portion of the line of the Hudson bay there is quite a long stretch of road where not much gravel has been found.

Hudson bay once reached much farther inland than it does now. As the sea receded, it left a series of gravel beaches roughly parallel to the shore, very similar to the gravel ridges that run northward through western Manitoba. A gravel beach that you could run on pretty nearly all the way from Nelson to Churchill.

Within a comparatively few yards from the banks of the rivers you get to the average thickness of moss. Conditions are the same on the Hudson Bay railway. In many of their ditches they have gone down to the underlying clay and have got a perfectly solid bottom. The "hardpan" or hard stony clay is right under the moss. In some places there is a certain amount of sand over the hard stony clay, but in most cases the hard stony clay forms the surface. Animals do not feed on that moss. It is swamp moss such as they are using in the hopitals for dressings.

Nelson harbour is a shallow V-shaped basin of water, with the water flowing over a bottom of hard, stony clay. There is no bar at the mouth of the Nelson. The bottom all across the mouth is hard stony clay, with a few boulders lying on it. That extends right up into the V-shaped basin, so that if one dredged a straight channel down into that stony clay, it would stay dredged just as long as you wanted it. It would not fill in. The current and tide would keep it quite clear. It would be more inclined to scour.

There are errors in the chart. The words on the chart are: "deep, soft and at low tide." you can walk on that tidal flat at low tide with slippers on, without getting your feet wet. The ground is hard, stony clay. It is very hard and is swept smooth and clean by the water. It extends to the channel on the east side and I am satisfied that it extends underneath the channel and that it can be dredged easily, but not with a sand pump dredge. There is no silt in the Nelson river except what is broken down by the storms from the northwest bank of the estuary. The upper portion of the stream is a fairly clear ater river that does not bring down list. The river current is rapid and the tide ebbs and flows very fast.

With aids to navigation, and a reasonable amount of dredging that could be made a good safe chanel. Of course, across the wide mouth of the Nelson river you have very shallow water, so that when there is a storm, even a northeasterly storm, the waves break on that shallow bottom far out, so it is hardly fair to say that you get the full force of the storm in the harbour. You do not. The breakers are far out. It has spent itself by the time it gets in.

There are two or three points about Churchill harbour that might interest you. It is completely land locked by rocky points and there is a relatively small lagoon just inside those rocky points. There is also a large and very shallow basin, say eight miles long and a mile or so wide, with rocky sides extending southwest from the present deep basin. That larger basin has been said by some to be filled with sand; and by others to be filled with rock. Actually it is filled with hardpan or clay that I have spoken of. It is a rocky basin filled with hard stony clay—not many very large boulders. They vary in size greatly, but the average would not be much bigger than your fist. A few might be two feet or more in diameter. The tide runs out of

the mouth of that lagoon at say eight or ten miles an hour at spring tide. My idea of the proper method of enlarging that basin, if it needs to be enlarged—and of course it would need to be if it were used as a harbour for any number of ships—would be to shatter the stony clay with charges of dynamite. Each time that a blast was fired with the outgoing tide, the current would carry the greater portion of the blasted material out into the open ocean—all except the boulders—and the large masses. There would be no difficulty dredging the remainder with a heavy bucket or dipper dredge. There are very few boulders that could not be handled with an ordinary dipper dredge. At Churchill the tide might be allowed to do a lot of dredging work for you, because the water is a hundred and twenty feet deep at the entrance.

When I was looking over the ground at these two harbours I was acting as geologist on the staff of the Geological Survey of Canada.

At spring tides it would be difficult for steamers to go in for about four hours out of the twenty-four.

Nelson, I think, can be made a harbour. That is, I think it can be made so that ships can lie quite safely in it, and that freight can be loaded into ocean-going ships; but it will take very much more money to make a harbour at Nelson than it will at Churchill. If the same money had been spent at Churchill that is said to have been spent at Nelson, a large basin could have been dredged, which would have been a rock-protected and absolutely land-locked harbour, one of the finest harbours in the world.

I am a mining engineer, not a civil engineer, but I should say that the extra cost of building the railroad from Nelson to Churchill would be a very small fragment of the huge expenditure necessary to make a harbour at Nelson. That is the huge extra expenditure over what would be required to make a harbour out of Churchill.

I may say here that I have the utmost confidence in the railway to Hudson bay being of definite economic value to the country. I believe firmly, and I have made a study of the matter for a great many years, that when that railroad is completed to the bay and a harbour is constructed, either at Nelson or Churchill, or at both, it will be of great service in both export from and import to the Northwest.

It is largely due to the fact that the Hudson Bay railway was under construction, that new mining areas were discovered to the west of the road, and it looks as if branches might have to be built from the road before the road itself is completed to the terminals. The minerals already discovered are gold, copper and zinc.

One copper mine, the Mandy, had a beautiful vein of copper ore, one of the finest I have seen in the northern portion of North America. It ran about 20 per cent pure copper.

There is quite a considerable stretch of very fine arable land along the railway. From Le Pas northward for twenty or thirty miles limestone comes close to the surface and the land is not of very great value. From there for a hundred and fifty or two hundred miles is a stretch of beautiful clay land, just as fine land, as far as I could see, as any in Manitoba. It is partly wooded. I think there is coal in this district.

I estimated the area of this arable land in Northern Manitoba, adjacent to this railway at 5,000 square miles. Afterwards Mr. William McInnes, of the Geological Survey, reported that my estimate might be raised to 10,000 square miles. That is land fit for settlement. It is not a grass covered country for it is largely covered with poplar and spruce; it is much like the Dauphin district. It is better land than that near Selkirk, which is chiefly a stony clay; near Winnipeg and from there west, the soil is underlain by stratified deposits laid down in glacial lake Agassiz, similar to those of northern Manitoba. It is an undulating country; there is abundant rainfall and there are many beautiful lakes and streams. The climate is suitable for grain raising; the soil very similar to the clay land in Northern Ontario.

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The country is covered with a scattered forest of spruce and poplar. It would yield a few cords of pulpwood to the acre all over the rocky country.

There are three points that have occurred to me in connection with the fishery resources of Hudson bay: At the mouth of the rivers on the west coast of the bay the traders and natives set nets, as they do down on the shore of the Bay of Fundy and elsewhere, when the tide is out. When the tide rises a few fish get into those nets and when the tide falls again the fish are taken out. I have seen these nets and they appeared to me to contain a small whitefish or herring. The employees of the Hudson's Bay Company, living at Churchill and Nelson rivers were, for the most part, Orkney fishermen who had entered the employ of the company. These men did not do much fishing in the bay, but they went inland to the lakes and caught fresh water fish and freighted them out to support the men at the posts on the bay. I have seen schools of thousands of white porpoises in the mouth of the Nelson and Hudson rivers. I have seen them in enormous numbers and the Hudson's Bay Company had white porpoise fisheries at Churchill and Nelson for many years on account of their great abundance.

I do not know the east coast from that standpoint. So far as the development of the mining industries on the west coast by the opening up of the railway, I would say that a railway terminus would provide a centre on the shore of the bay from which prospecting could be carried on into the Keewatin Greenstone country to the north. In similar country to the south we find mineral deposits. I have little doubt that when these Greenstone areas northwest of Hudson bay are accessible to prospectors they will be found to be rich in mineral wealth; when we can run up with a gasolene launch from Nelson or Churchill to Chesterfield or Wager inlets or to any of the other harbours on the northwest side of the bay, we may confidently expect discoveries of valuable minerals to be made. As one acquainted largely with the north country I think the prospects make the road to Hudson bay worth while, even for the development of the country itself.

There is a magnificent stretch of country worth prospecting around the bay. Near the railway the prospectors have entered and are finding minerals. I believe that for the development of the country itself the Hudson Bay railway is worth building. Our pessimists have always objected to building railroads into new parts of the country and every railroad that we have built into new country has justified its building. The country immediately west of Hudson bay would be good pasture land for reindeer and musk ox. I have no doubt large numbers could be kept. There are undoubtely many millions of wild caribou in this country. You should kill off the wolves and wolverines.

I happened to see the first herd of reindeer that went into Alaska. It was not a success. Afterwards they brought the proper kind of animal and they multiplied very fast.

I travelled in an open Peterborough canoe along the west shore of Hudson bay up to the 16th of October before shore ice formed. A reasonably good steamer should be able to travel for two or three weeks longer than a Peterborough canoe.

Interruption by Mr. Walton: "I travel in a Peterborough canoe every summer on the east side as late as the 5th of November."

I think a reindeer ranch proposition on the west coast would be quite feasible. I saw great stretches of grass land, and also I saw vast herds of caribou which live on grass exclusively. They seemed to get abundance of feed.

There is no snowfall to interfere. Most of the caribou go south in the wintertime to the edge of the woods where the snow does not pack. They live in enormous numbers there.

EXTRACT FROM THE EVIDENCE OF MR. W. A. BOWDEN, CHIEF ENGINEER, DEPARTMENT OF RAILWAYS AND CANALS

I am chief engineer, Department of Railways and Canals. I have had 32 years' experience. I have been to Port Nelson and through the straits. My personal interest in the Hudson Bay railway matter dates from the year 1893. Along about 1907 it became a question for the consideration of the engineers of the Department. Commander Gordon had been out in 1884 and 1885. He reported that ordinary steamers could not navigate the straits earlier than July 10, and that the latter part of October would mark the close of the season. In 1897 Commander Wakeham was sent out with a specially selected vessel to determine how early and late the straits could be navigated. It was a sealer called the *Diana*, a vessel that could resist ice pinches which would crush an ordinary vessel. He arrived off the eastern end of the straits on June 22, and without difficulty passed the first third of the distance, when he encountered ice with which he battled until July 10, most of the time around Big island. He got through to Mansell island on the 13th. The bay was open at the time, free from ice. He did not proceed to the eastern end; he went up near Salisbury island, where he arrived on the 15th of July, and was caught in the ice for a few hours, and thereafter he cruised in the straits, and he reports that he encountered no further ice conditions after the 15th of July. The *Diana's* net tonnage was 275; gross tonnage, 473; horse-power, 70.

Commander Wakeham was not materially hindered by ice after July 15. He then left the straits, returning the latter part of August; went through to Churchill, arriving on the 28th. During the month of September he was cruising about the straits; on the 21st of September he was at cape Chidley, and he had some snowstorms during that time. On October 10 he started through the straits from the eastern end to the western. He reached Diggs on the 23rd or 24th of October, turned around and went back to Douglas harbour, where he spent about a week. He left Douglas harbour on the 29th October and was down on the Labrador coast on the 31st ,not having encountered any ice. October 31 he passed out the eastern end. We do meet ice from Fox channel in the straits. We do not know the origin of that ice or how long it takes coming down. It drifts around, being encountered first in the neighbourhood of Mansell island. About October 10 or 15 is when we first observed it. This ice does not stop navigation. I have been endeavouring to get the boats out later every year. I have been meeting with a good deal of opposition, but I have put forward the dates very materially. I have sent out vessels leaving Port Nelson on October 22. An unprotected steamer there had no difficulty in making the straits. This was an ordinary single-decked tramp steamer without any ice strengthening whatever, 290 feet long, 3,400 tons, named the *Sheba*. I purposely did not strengthen the three ships which we purchased: the *Sheba*, the *Sharon*, and the *Durley Chine*. I decided that it was desirable in the interest of the project as a whole that they should know what an ordinary vessel could do. The probabilities showed that with care in navigation the vessel would not be wholly lost. With some knowledge of ice navigation they can avoid the greater dangers. These vessels made a number of voyages to the bay without any trouble, going early and coming late.

In 1916 we were unable to get Newfoundland sealers on account of the war, and we made two voyages with the *Sheba* and two with the *Durley Chine*. None of those vessels were at all seriously damaged on that route during this time. I made the passage in 1914.

The *Sheba* was selected expressly for handling construction materials; she is an ordinary tramp style of ship. I would recommend for permanent traffic on the bay and straits during the season of navigation as an economical boat a boat of about 400 to 410 feet in length, about 8,500 tons capacity, and not exceeding 25 feet draught.

Previous to 1909 Port Nelson had never been considered as a terminal for the Hudson bay route. While there was not much tangible information against Nelson,

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Churchill was better known by reason of its use by the Hudson Bay Company. Churchill was a small natural harbour for the boats that the Hudson Bay Company sent out to the bay. It was an excellent port of refuge and answered as a natural protected harbour of sufficient size for their business. Largely on that account I think paper locations had been put on the map, drawing railroad lines to Churchill. There have been no lands acquired along the route of the Hudson Bay Railway or Port Nelson terminal by private parties. An area two miles by ten was reserved at Port Nelson. I have no knowledge as to the extent of land ownership around Churchill. In 1908, John Armstrong, a railway engineer, was appointed to make a location survey to the bay. He was not particularly restricted to any terminus on the bay, but Churchill was incidentally mentioned in his instructions. He pointed out that in going to Churchill he would be passing by Nelson, which should be investigated, and he was told to investigate. He reported on October 30, 1909, and his report is published as a sessional paper in 1910. The gist of this report and all sucessive reports with respect to the harbours is that for vessels of the character of the *Sheba*, Churchill is a protected harbour, whereas port Nelson is an open estuary in which the force of the sea is very greatly reduced by the mud flat extension from the point at which a vessel would anchor out to the bay. Relatively there is no comparison between the two harbours for the use of an occasional vessel of that size. But at Churchill the natural harbour was so small that not more than three vessels could anchor in the harbour at one time. I am referring to vessels of the type of the *Sheba*.

With respect to vessels of the size which we may hope will some day navigate the straits, Armstrong's report at that date would show that there was no protection whatever. Such a vessel would have to anchor in the mouth of the port. Whereas the deep hole at Nelson would look after a fleet of such vessels, always with the qualification that the anchorage is not ideal. This report, however, is greatly in error, it had been hurriedly made. With inadequate facilities, by the engineers, and does not fairly represent the conditions. It is signed by Armstrong that field work was done at Nelson by Mr. Fry and the original drawings were made by Fry at Churchill. I don't think Armstrong had been either at Nelson or Churchill when he made that report and without personal knowledge. The measurements were made by his subordinates in the winter time, from the ice. We have made no further surveys at Churchill by our own staff. The same people who made the blunders at Nelson have made blunders at Churchill to the detriment of Churchill. The class of blunders that they made at Nelson was to the benefit of Nelson, and the blunders made at Churhill were to the detriment of Churchill, as it works out. The error at Churchill, however, is not serious. It is that the deepwater area is shown somewhat smaller than it really is. Instead of having the deep water area restricted to the neighbourhood of the harbour, as shown on the Armstrong drawing, it really extends half a mile inside. Its width, however, is not more than a thousand feet. The surveys demonstrated that a very easy line could be got to Port Nelson; that a line having heavier construction over a considerable area, and also necessitating a considerable stretch of construction across the tundra, could be got to Churchill. By tundra, I mean that character of country in which the moss is practically submerged in water—a small skin of moss overlaying a foot of semi-liquid peat which in turn rests upon perpetually frozen material of depth unknown and is made up chiefly of water. The construction to Churchill meant a longer line. Nelson had the obvious and positive advantage of being a shorter line. The difference is anywhere from 67 to 82 miles. The same line would be used to a certain point on the route from which the branches would turn either to Nelson or to Churchill. The actual final determination between the two did not take place until August, 1912. The call for tenders was made on alternative routes. Our estimates showed the Nelson line to be about $3,000,000 cheaper than the Churchill line. The contractor's tender was about $4,000,000 more for the Churchill than the Nelson.

In view of the difference in the tender costs there was a strong preference for Nelson—there were other reasons. The expenditure on the Hudson bay system is not for the purpose of furnishing protection for vessels, but to get the grain overseas as cheaply as possible, and the extra length of line to Churchill, with its consequent extra cost of maintenance, would offset a very considerable capital expenditure at Nelson. For 10,000,000 bushels development Churchill would not be cheaper than Nelson; but for twenty-five or thirty millions Nelson terminals would cost less than Churchill. The railway has an advantage of four millions and operating preference is all in favour of Nelson.

This route is not adding to our congestion on the seaboard but is really giving us an addition to the spout from the western provinces, it is of real advantage to the west and relieves the transcontinental roads of a substantial amount of traffic during the season of congestion. A very moderate volume of traffic would pay operating expenses if the full existing through rate was equitably divided between the railway and the steamships.

Local traffic won't amount to very much along the road. The mines are unfortunately not immediately contiguous to the line. I think copper ore might be shipped over the road.

There is no reason why a vessel of a certain type cannot run as safely to Port Nelson as she can to Montreal, during a certain season of the year, and during that particular time insurance rates should be no higher than to Montreal. I would say that during the month of September navigation to Port Nelson is as safe as to Montreal.

Our experience with regard to insurance was this, we put thirty-eight vessels through the straits during the season of 1914 and had no serious accidents of any kind. In 1913 the two vessels that were lost, their loss had nothing whatever to do with the ice or the merits or demerits of the harbour. One of them was several miles out of her course; the other was deliberately run aground.

I think August 1st would be a better date to consider as the opening of navigation, rather than July 10th as suggested by Captain Gordon and Commander Wakeham, closing not later than November 1st—how much later than that we do not know. A wireless station established on the northern shore of Mansell island to form a base for aviators who might fly over that western end of the strait, giving information as to the nature progress and location of the ice floes, would I think materially extend the length of the navigation season. Through the straits themselves there is no menace to navigation, whatever, other than the shoaling on the western end of Charles island. This is not a distinct shoal but shoal water. This menace would be wholly removed at the western end by the installation of an ordinary light together with a fog-signal. Apart from that, the strait is free from navigation difficulties. The feasibility of the route might well be determined by the operation, for a few years, of vessels by the Government. I think twelve vessels, six to be owned by the Government,—which might have five per cent extra expenditure for ice strengthening—and six ordinary tramp steamers to be chartered. This would form the basis of the experiment. A vessel working in ice is generally given a considerable dead rise so that the ice pinch will lift her up. We have operated ordinary tramp steamers during three months of the year. We think it can be continued with boats of a larger size, of the same type. A two million bushel elevator would be ample, the rest of the grain would be stored in the interior of the country. I would not store in large quantities at the bay.

Twelve vessels would carry a traffic of about eight million bushels. These would be used only as an experiment to demonstrate the feasibility of the route. We could use one hundred vessels on the route, but that is a thing of the future.

The Government vessels would make three trips in the year, that is why we would have them ice strengthened. From 7,500 to 8,500 tons would be the size of the vessels I would recommend, when speaking of deadweight capacity of vessels entirely.

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I think continuous winter navigation of the straits would be impossible. It is conceivable with proper aids to navigation that we may add the whole of November to our present open season, but that is not probable. I think too much has been made of the snowstorm and the fog. Freight steamers, moving at half speed, can continue through in fog or snowstorm. These snowstorms are just flurries of short duration.

It is utterly out of the question to hope to get in one hundred or one hundred and fifty vessels on that route all of a sudden. The Government must demonstrate the feasibility of the route before private owners are going to send in their vessels.

Captain Anderson was making hydrographic surveys in 1914 and was caught in the ice off cape Chidley, at the same time we came along with five vessels, we were outside of him and had no difficulty in entering the straits. The *Sheba* was one of these. We went in at the north side of the strait near Resolution island. We were not very far off Resolution island. The north channel was free, the other closed, that shows what advantage wireless would be. I think aeroplanes would be of great advantage.

I believe in the feasibility of the route. The route would do for grain and live-stock going out, coal, structural steel and package freight coming in. Practically the size of the vessel is determined by the capacity of the port.

If Mr. Tyrrell meant that a rational location of a line to Churchill can be made without crossing any of the barren lands, all that I can say is that he is wrong, absolutely, positively, unequivocally wrong. If the traffic gets so great that Port Nelson cannot handle it then go to Churchill; but Nelson is first for the traffic of the size we figure on; Churchill has probably the better harbour, that is the cheaper in original construction. We have had more vessels at one time in Nelson harbour during construction than could possibly have entered Churchill.

Churchill is a mass of boulders. At Nelson, there are boulder ridges along either side of the channel, the boulders are in the clay. I do not think, as Mr. Tyrrell says, that dynamite could be used with very great effect in clearing Churchill. I am speaking solely from reports. I know Mr. Tyrrell, he is a reputable man who is up in his profession as a geologist. I do not know of him as a civil engineer.

I think the excavation would have to be done by dredging and our information from the engineer was that the material at Port Nelson could be handled by a hydraulic dredge, but the material at Churchill could not, it would require dipper dredges.

We use a clam dredge at Nelson in connection with the hydraulic. It would have been better to have had a dipper dredge. Total estimates of the port was $11,000,000 and a million dollars for the elevator. A two-million-bushel elevator would cost more than a million. These figures were made for 1913 at normal prices outside. Even at pre-war prices an estitmate of twelve millions for the port would not apply to what we are proposing to carry out now. At present I cannot guess what it would cost but at pre-war prices, and free from interruptions and losses already caused by the war we should have completed the railway for sixteen millions and the harbour work for thirteen millions at normal prices. The interruption of the war has cost a few millions. The railway is nearly completed. There is only part of the work which has doubled in cost. We have expended some twenty millions already. The original estimate was around twenty-seven or twenty-eight millions. According to the statement of January, 1919, we then expended $13,720,000 on the railway and $6,321,000 on the terminals. Of the railway end of the enterprise we have the grading completed through to Port Nelson. The principal bridges are completed in a permanent manner and are very fine structures. They are all steel. There is very little trestle work along the route. We have spent a good deal of money on the water supply and have not got the question satisfactorily solved yet. The river water is fresh at low tide.

The island which is the site for the wharves should take care of five or six 7,500-ton vessels. Probably ten might anchor in the deep hole, which would make fifteen or

sixteen vessels taken care of at one time. Probably in four years' time the port could be made ready for use as a harbour for shipping grain. Then if the boats come for the cargoes I think there would be no difficulty in handling 15,000,000 bushels. As a matter of economy it is perhaps desirable that the steel should be there before we do anything more.

I have always considered Nelson the better terminus. Armstrong favoured Nelson from 1912, but I am quite willing to take my share of that responsibility. I do not think Armstrong was even at the bay. He based his report on the reports he got from his engineers. The actual construction was not further than fifty or sixty miles out of Le Pas when the contract was let for Nelson. Churchill was not rejected as impossible for railroad construction. Churchill was rejected on purely commercial grounds, such as mileage, which apart from operating cost in the future means a definite increase in the cost of the railway. And for a large harbour development Nelson would outstrip Churchill anyway. You would be passing up a good port to go to an inferior port. By inferior port I mean requiring a larger expenditure of money because for a large development Churchill would actually cost more than Nelson. For a small development Churchill would be cheaper than Nelson. But the extra cost of the railway would destroy that advantage and the extra rail haul of the grain remains in perpetuity.

EXTRACT FROM THE EVIDENCE OF MR. E. E. CLAWSON, DEPARTMENT OF MARINE.

I am the officer in charge of lighthouse construction for Hudson bay and strait. I established nine beacons in the strait and one beacon at March point, Hudson bay. All the beacon lights were established on land. We also sent twenty ice buoys and gave them to the Department of Railways and Canals to establish in the river. We maintained lights in the strait and cape Tatnam during the season of 1915.

EXTRACT FROM THE EVIDENCE OF MR. J. W. TYRELL, CIVIL ENGINEER.

I am a Dominion land surveyor and civil engineer. I have on more than one occasion been in the Hudson Bay district. I have gone both over land and by water. I have been there five different times. My first visit was in 1885. I was then hydrographer and I took the soundings. We went in by way of the straits during July, 1885. The ice delayed us considerably. We arrived off the entrance to the strait in the month of June and encountered ice. We did some surveying of the adjoining coasts drifting in the ice and returned to St. Johns for repairs—to have some iron sheeting put on the bow. She was a wooden ship, a sailing barque with auxiliary steam power. We were not suited for coping with obstacles. It was all we could do to get along in ordinary open water, without pretending to do much battling with ice. We met the ice north of port Chidley, at the eastern entrance, between that and Resolution island. When we returned to the straits we had no further difficulty, but passed through. The *Neptune* had been up the year before and located five observation stations at various points in the straits and we went up to relieve the stations and take off the men. I remained on board until our return in the autumn. Then I was left off at Ashe inlet, on the north shore of the straits, and remained there all winter taking tidal and meteorological observations. But during the summer of 1885 I accompanied the ship. We surveyed several of the islands down the east shore of the bay.

We met an enormous amount of walruses, which swarmed about the shores of these islands. The walrus lives on clams and other shell fish, and we found them in great numbers.

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During the month of July we crossed the bay to Churchill, and I spent some days apparently surveying the mouth of the river. Since that I have made a more complete and accurate survey of it. Later we went on to the mouth of the Nelson and to York Factory, and I made a survey of the mouth of the Nelson river. We took a great many soundings. We went up the Nelson as far as Flamborough Head, a distance of about 30 miles by river. At Flamborough Head the banks rise high, although they are very flat. It was about the first of August when I finished the survey at Nelson. I did not see any ice there and remember it was very hot and that the mosquitoes and black flies were as bad as I have seen them anywhere.

I do not recollect on that tour having any difficulty whatever in connection with the navigation after our first obstruction, which was in the month of June. I do not think we saw any more ice. We passed out through the straits to the station, where I spent the winter. I occupied the time during the winter months with my dog sleds taking journeys east and west and surveying the coast. I had two men. We got a continuous observation, night and day, during the winter both of the meteorological conditions and of the action of the tides and the temperature, winds, and snowfalls. The lowest temperature we had was 42 below. I have experienced it colder than that in Winnipeg. We had Government tested thermometers. There are very strong tidal currents through the straits, particularly at the narrow points, like the entrance, the centre and where the channel is congested by islands. We took our observations every hour of the day and night for a year and a half. There are no big icebergs in Hudson strait—they do not go across the straits; they went on to the west.

We had an observation point 400 feet above the sea, and I had a telescope built into a cairn on top of that cliff, and I used to go up every day to look at the conditions through the telescope. I could see a long distance, clean out to the middle of the straits. The ice was almost constantly on the move as in the tidal current, the maximum of which was 8 miles an hour.

Outside of two months there were open leads all the time. They were the months of January and February, I think. My belief is that the straits are navigable for about five months in the year, figuring on aids to navigation—July, August, September, October, and November. I think the ice at the eastern and western extremity of the straits would not interfere particularly during those five months.

On the 5th of June, 1886, I was still occupying my shack at the Ashe point and a whaling steamer came into the strait and anchored right in front of our station without knowing we were there. The ice in the harbour was still firm but there was no ice to be seen in the straits. The captain told me that he had not seen a pan of ice in Hudson strait up to that time and he passed on the next day into the west. His ship was a Dundee whaler. I think she was wood. He got through all right and returned in the autumn.

We met a great number of seals. A friend of mine, Senator Blanchard, from Newfoundland, established a very successful cod fishery in Ungava bay. We got great numbers of other kinds of fish—salmon, white fish, sturgeon. Seals frequented all the shores of the straits and bays.

My second trip to Hudson bay was a good many years later, in company with my brother, J. B. Tyrell. It was in '93. I went overland from Edmonton, through lake Athabaska, down the river Dubawnt, and entered Hudson bay through Chesterfield inlet. On the Thelon river, which is a magnificent stream, I found the banks well timbered with fine spruce, well developed white and black spruce. It did not extend back a great distance from the river but occupied the valley. I came across the remains of moose along the banks of this river. I did not see any living animals. I saw great bands of musk oxen which I photographed. The stream is about a quarter of a mile wide—about the size of the Ottawa river. It was teeming with fish, splendid white fish. It is navigable up to a certain point from the bay.

Between Churchill and Nelson we were further from the coast than twenty miles. The distance from Churchill to Nelson in a straight line is 120 miles. We were probably thirty or forty miles in from the coast. The country bore chiefly tamarack and small spruce. Near the coast it is bare.

My third trip was a railroad exploration trip. On the trip now being considered, we followed the regular route of the Hudson bay, travelling from the fort to York Factory, then up the Hayes river to Oxford House, and from there to Norway House.

In 1900 the Department of the Interior asked me to go out and make an exploration of the divide between Great Slave lake and Hudson bay, with a view to railway construction between the head waters of the Hudson bay and the Mackenzie river. I went out and spent eleven months on that work. We found the country covered with grasses and large herds of reindeer or caribou.

On the last expedition we started from Prince Albert and passed through to the head of lake Winnipeg, followed the route of the Nelson river as far as Split lake, and from Split lake we portaged north. The proposed route would go on the north side. I did not actually locate a railroad. I went through taking notes of the character of the country with a view to locating a route, and the north side was the route that we selected. From Split lake I portaged across to what is known as the little Churchill river and descended into Great Churchill and followed the Great Churchill to its mouth. That is the route we followed and I stopped to take official photographs, etc., on the way.

When descending the Great Churchill river, from fifty to one hundred miles up the stream there were very remarkable sand ridges, so remarkable that I exclaimed to my companions, "Why, here the railroad is already built for us." That was on the south side of the Churchill in the direction in which the railroad would be built if it were built to Churchill.

There is continuous solid land to the mouth of the Churchill from the head of lake Winnipeg. I saw nothing, and I was there to investigate the possibilities of railway construction, I saw nothing between the head of lake Winnipeg and the mouth of the Churchill river in the way of serious objections. I saw some swamps, but no railroad that ever was built was built without getting some swamp. There was nothing in the way of impossible or impassable barriers. Of course, I did not see it all the way across, but from what I did see following the route I did, I would say it was quite feasible. The Character of the country as far as I could see, it is quite suitable for railroad construction, not a difficult country at all. I have been right across there from a point about thirty miles from Churchill to Churchill. I have travelled down there in the winter time and never saw anything in the way of impassable land. As a matter of fact it is hardpan boulder clay, meaning that it is old beach bottom. Many years ago the bay covered all that territory.

I have made a chart of the Churchill river, which chart indicates that there is a natural harbour land locked at Churchill which at a comparatively small cost could be greatly enlarged by dredging. It is only sufficiently deep for immediate use. It has been used for years

With the *Arctic* we steamed right up and cast anchor and remained safe and comfortable during the survey work.

I have been at Nelson on several occasions. The broad flats are an indication of just what the bottom is. beyond it is hard boulder clay. It would be possible to dredge with a dipper dredge at Churchill. It would be too hard for a suction dredge. Dynamite would assist, but it would have to be dredged also. The boulders do not run very large, from pebbles up to two or three feet across. The large ones are comparatively rare. I do not think one-twentieth of the material would be boulders. I have a very decided opinion which I have expressed on many occasions as to which of the two, Nelson or Churchill, is the more desirable harbour.

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I am very strongly of the opinion, and always have been, since I surveyed them both, that Churchill was decidedly preferable.

I consider, and have always considered that the expense of making a harbour at the mouth of the Nelson was prohibitive.

I have absolutely no financial interest of any kind in Churchill or in Nelson.

I think a basin sufficiently large to accommodate an enormous quantity of ships could be made at the mouth of the Churchill at very much less than it costs to build a harbour at Nelson. I think that Churchill is by far the preferable harbour from any point of view.

Ships have difficulty in getting into the mouth of the Nelson. I have been stranded thirty miles off the mouth of the river in a little boat on the flats.

Coming down on my last trip in just a little shallow boat we went aground out of sight of land. We had a crew of Eskimo who were supposed to know the river like a book and they undertook to take me in by the best channel they knew of, but we went aground about ten miles off the land and had to stay there until the tide lifted us off some ten hours later, and when surveying the harbour in the *Arlette*, we were anchored thirty miles off the mouth of the river and the whole district there is so shallow that terrific seas got up rapidly. Our anchors began to slip and we let our oil tanks run to prevent the sea breaking over us, and even with that we had to cut loose and go out to sea to avoid being carried on shore. That is the condition of things at the mouth of the Nelson and I do not think these conditions can ever be entirely removed.

We did not find that Mr. Bowden has said, the side shoals break the force of the waves. We found it extremely rough in the shallow water. When we were out on board the *Arlette* Commander Bowden did not care to bring this ship into the narrow channel. For three hundred years the Hudson Bay ships have been anchored out where we had. To this day they lighter their goods in little boats. I was there in 1905.

At that time the Hudson Bay people were still loading and unloading their cargoes by means of lighters. The Hudson Bay people make Churchill their main shipping point and distribute their goods from there to a great extent, because it is the natural harbour of the western coast.

Churchill is a perfectly land-locked harbour. I believe the Hudson Bay route for the transportation of western grain is perfectly feasible and very desirable. I think Churchill harbour is open for five months in the year. Observations have been taken for over one hundred years, and from my observations I believe that the straits are navigable for five months in the year. I think that is all you could safely rely upon. In some years it would be more, because the year Captain Guy came there on the 5th June he did not see a pan of ice. I would not count on navigation in June, but I think you could safely rely on navigation during July, August, September, October and November. There would be some new ice met with in November. That would bring it to the first of December. There would be new ice, of course, in the straits during the month of November, but the new ice is only light and does not endanger navigation, although it might delay it.

The land northeast of lake Winnipeg and down around Split lake is quite fit for settlement, and I observed not only in one place but in many places natural features of the country what geologists would call moraines, I think, immense gravel ridges constructed by the force of nature. They had much the appearance of great railroad embankments, principally they were constructed by the action of glaciers. I observed them particularly marked in the vicinity of Churchill. The sandy gravel part is such that it would not support timber. In many cases it was overgrown with timber. It would make ideal railway valleys.

The current in the Churchill river cleans out the ice as soon as it breaks up. It has no chance of remaining there.

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THE HUDSON BAY RAILWAY

From speeches delivered by

JOHN A. CAMPBELL

Commissioner of Northern Manitoba

in December, 1922

and January and February, 1923

THE PAS, MAN., MARCH 1ST, 1923

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HUDSON BAY RAILWAY

The most important question before the people of the West to-day is, "Shall the Hudson Bay Railway be completed forthwith?" An answer in the negative means the abandonment of the road for an indefinite period and the probable further consequence that it would eventually be dismantled. The whole question, however, of completing and putting into operation this important project is not so simple as might appear on its face. There must not only be taken into consideration the question of the feasibility and practicability of the route which, it was thought, had been settled definitely and favorably years ago and which is now opened up again, and the further question as to the actual material benefit that will result to the residents of the western plains and to Canada as a whole by the opening up of this route for traffic, but also several other matters affecting the issue must be carefully considered before the final decision is arrived at. Some of these are as follows:

The railway is already four-fifths completed and fourteen million dollars has been spent thereon, also six million dollars on the terminals.

The original reasons for constructing the road, viz., that it would be a quicker, cheaper and better route for exports from and imports to Western Canada, are certainly not less important and pronounced to-day than they were when the road was first undertaken. Subsequent developments have brought to light the fact that there are resources in the territory through which the work passes previously not known nor dreamed of, and development of these resources, and even connection with the bay itself, with its possibilities for northern trade, might be matters of the greatest importance to the people of this country.

While as a rule financial conditions in recent years have not justified embarking on any new enterprise of a national character, this particular undertaking is not a new one, but was nearing completion when the work was stopped, and besides other works of the nature mentioned have been commenced within the period stated. Again, the Hudson Bay Railway is an exception in another respect, in that provision has been made for a special fund to cover cost of construction.

This railway has been specifically and solemnly promised by successive governments and political parties in Canada for half a century. Do these promises and pledges have any significance? Should the people place any reliance on the word of those whom they have placed in positions of highest importance?

Only very few people have any doubt that the road will eventually be completed and put into operation, so, "if eventually, why not now?" Why wait until the work already done has so materially deteriorated that the money already expended is practically lost?

The situation in regard to farming in the West at the present time is such that something must be done to lessen the transportation

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charges paid by the farmer not only on each item of his production but on the goods he uses and consumes.

All these then and other points must be carefully taken into consideration before final judgment is pronounced.

HISTORY OF THE PROJECT

Although the project of a road to Hudson's Bay is of special interest to western people, it is not a sectional but a national enterprise. In many respects it bears to the prairie provinces a similar relation to that which the Intercolonial Railway and the Canadian Pacific Railway bear to the maritime provinces and British Columbia respectively. The construction of these two railroads was a condition of the entry of the provinces interested into confederation. While the construction of the H.B.R. may not have been a specific proviso in the agreement resulting in Manitoba becoming a province, nevertheless it is recorded that the question was brought up at the preliminary negotiations, and those acting on behalf of the province contended that the residents of the West would expect the Dominion to construct a railway to the bay, this being the natural outlet for the products of the western plains. And that the matter was taken seriously by the Dominion government is indicated by the statement of Hon. Thos. Greenway in a debate on the subject in parliament in 1907. He said: "I remember having had the honor of sitting on a committee of this house more than thirty years ago, when we took a good deal of evidence upon the subject (H.B.R.)."

An Issue in Many Elections

During the half-century that this project has been before the public it has been an issue in many dominion and provincial elections; in some, the main issue, and in not a few, practically the only issue. The history of the railway politically and otherwise has such an important bearing on the question at issue that it is necessary to briefly review this.

All old-timers in the West will remember the notable by-election in Winnipeg in the year 1887. The sole issue in this election was the Hudson Bay Railway; not for or against, but as to which candidate and which party could best be relied upon to bring about its immediate construction. The contestants were Hugh Sutherland, an active promoter of the road, and W. B. Scarth, a supporter of the government of Sir John A. Macdonald, which government evidently endorsed the stand of its candidate, who was elected, thereby placing a distinct obligation on that government.

Prior to and during the historic election campaign of 1896, Sir Chas. Tupper, the prime minister, in parliament and elsewhere came out strongly in favor of building the Hudson Bay Railway. In the house in March of that year, in the course of a speech on that subject, he said: "I may say that, in my judgment, the rapid development and progress of Canada as a whole depends more upon the development of that great prairie region between the Red River and the Rocky Mountains than upon any other scheme that can be devised." And he quoted from remarks previously made by himself as follows: "Elaborate authorities have been quoted here by honorable gentlemen opposite to show that the navigation of the Hudson's Bay is impracticable. Sir, there is no person in this house, there is no intelligent man in this

country, who does not recognize the vast importance to Canada of this outlet for that great prairie region." He quoted from the report of Admiral Markham that the strait is readily navigable between four and five months in the year, and wound up by giving his own opinion as being favorable to the feasibility of the Hudson Bay route, and denounced those opposing it as lacking in faith in their country.

Terminal Works at Port Nelson

The election brought about a change of government, and during the succeeding years, by means of expeditions, committees of parliament and otherwise, there was made a very full and searching investigation into the merits of the route. Year after year debates on the subject took place and leaders of both sides vied with each other in expressing their confidence in the practicability of the route and the surpassing importance of the construction of the railway. The following are extracts from speeches made during this period by prominent men whose places of residence were widely separated and who were of different political views but of one mind in this particular respect.

Sir George Foster, in the House of Commons, 1907:

"With reference to the special question which has been brought up to-day, I believe the time has come when the Hudson Bay Railroad should be more than an academic question, just to be talked of sympathetically. I believe it ought to be built, and it cannot be built now any too soon."

M. C. McCarthy, M.P. (Calgary):

"I have not the slightest hesitation in saying that I am in favor of the government undertaking this work with the least possible delay. . . . . The great reason which appeals to me in favor of this project is that it would save a haul of about 1,500 miles from the majority of the places from which grain is shipped in the prairie section, and that it would also relieve the congestion of freight at the time when it is most desirable we should have speedy shipment."

George W. Fowler, M.P. (New Brunswick):

"The question of the Hudson Bay Railway is a very important question to the people of the West. I do not believe that a more feasible route for a new transportation line can be found than by way of Hudson Bay. For my part, though coming from the extreme east, I am strongly in favor of the construction of this road."

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Sir Wilfrid Laurier at Niagara Falls, Sept. 18th, 1908:

"We have undertaken the construction of another railway," said Sir Wilfrid, "the Hudson's Bay Railway. The Hudson's Bay Railway, I am sure, does not appeal very much to the people of Welland County. It concerns more the people of the West. But I say to you, gentlemen of Ontario, and you will agree with me, that what concerns one portion of the community concerns every part of the community. . . . We have come to the conclusion that the time to build this railway is now; not to-morrow, but now; and we have surveyors in the field looking at the condition of the country and preparing plans for us, which we shall be prepared to put into execution as soon as we receive them . . . so as to insure the largest measure of benefit possible to the Canadian people in the northwest provinces."

The Campaign of 1911

Although the work on the road was commenced in 1910, the whole matter was made an issue in the memorable election of 1911. The opposition claimed that the work was not likely to be expedited by the government to the extent that circumstances demanded. The Halifax platform of Sir Robert Borden included a clause calling for construction of the railway, and in his tour of the West Sir Robert specifically and definitely announced at various points that "the Conservative party has been committed to the construction of the Hudson's Bay Railway since 1896. The road will be built by the next Conservative administration without one day's unnecessary delay."

Borden Government Resumes Construction

As a result of this election the administration of Sir Robert Borden replaced that of Sir Wilfrid Laurier. The incoming government forthwith stopped work on the road and announced that it intended to make a further and more complete investigation regarding the route and terminals. Hon. Frank Cochrane, the new minister of railways, personally looked over the ground and inspected the proposed terminals. On his return he spoke enthusiastically of the project. He said: "I have every faith in the scheme, and I will push the Hudson Bay Road for all it is worth. We intend to make this a good road. We have four-tenths grade. We are using eighty pound rails. I believe that the Hudson Bay route will mean much to the West in the way of lower freight rates. It will be a leveller, east and west. Just consider how much cheaper iron, steel and coal, for instance, from Sydney, could be shipped to the prairies. It will be of the greatest advantage to the East, and I believe eastern opposition is dying out. We found the bay free from ice. In fact, the only ice we saw to amount to anything was the bergs near Belle Isle, where all the Atlantic steamers encounter them. The straits are very wide, and with the aid of wireless I believe can be kept open for a long period." Surely a comprehensive and optimistic statement. It was subsequently announced that the railway would be finished in time to take out the 1915 crop. The fulfilment of this promise is now about eight years overdue.

Discontinuance

The statement is frequently made, not only in the East but also to some extent in the West, by those who should know better, that work on the railway was discontinued at the outbreak of the war or in the early years of the war. This is not only incorrect but on the contrary the work was speeded up and accelerated during the first years of the war, and was not finally discontinued, according to statement made by the Minister in parliament, until 1918, about the time

Gas Cars on Hudson Bay Railway

of the signing of the armistice. Most of the work on the road and and terminals was done during the war period, and the greater part of the expenditure was incurred during that time. It is possible that the government had in mind at one time the possibility of the transportation of troops by this route. And here it might be pointed out that many, particularly those directly in touch with military affairs, contend, as an important reason for the completion of the road, that it may be invaluable in the event of Britain or Canada again being engaged in war.

Reasons for Stopping Work in 1918

Now, why was the work stopped? Considering circumstances as before mentioned, no satisfactory answer has been given to this question. The alleged reasons on examination narrow down to two.

1. Lack of men—It is however rather peculiar that within a few months after discontinuing the work on the Hudson Bay Railway contracts were let for resumption of work on the Welland Canal which had been closed down completely several years before. The reason given for this renewed activity was the importance, if not the absolute necessity, of providing work for the unemployed, which were then becoming increasingly numerous. Other public works were started again, ostensibly for the same reason. To the Hudson Bay Railway alone, of all national undertakings, this had apparently no application.

2. Lack of money—The statement so frequently made was that the financial condition of the country did not warrant any further expenditure on the H.B.R. Other public works of national importance did not seem to suffer fron the somewhat sudden and not too apparent conversion to the principle of economy. Again take the case of the Welland Canal. The work had been closed down and plant disposed of years before. No reason for resuming this work could be given but what would apply with added force to the H.B.R. Besides

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there were strong reasons why work on the canal should be deferred, especially in view of the financial conditions then existing. In an article in the *Grain Growers' Guide* recently, the writer, although favourable to the canal scheme, has set out the situation in this respect very succinctly:

"It is somewhat of an anomaly that the big St. Lawrence project is still in the discussion stage, while the Welland ship canal is almost finished. Canada is going about the waterways problem backwards."

And the work will cost over one hundred million dollars, of which one-half has been spent. The other fifty millions plus for this cart-before-the-horse project can, it would seem, readily be obtained, but not a fraction of that amount for the H.B.R.

Again the same people who cry economy when the northern railway is mentioned are strongly advocating the St. Lawrence canal scheme involving an expenditure of anything from five hundred to a thousand million dollars and perhaps more. Western Canada in not averse to this undertaking; it simply reserves judgment. In the meantime, finish what is on hand.

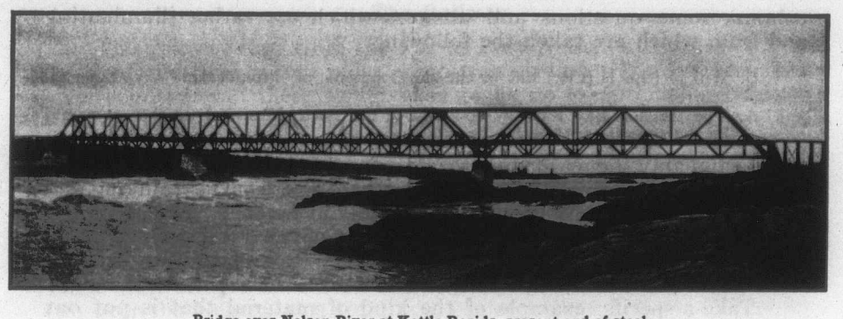
Vast sums are yearly being poured into the old Trent Canal, and this for "construction" purposes. Eastern harbour works get regular handouts, and the construction of an expensive new dry-dock at Victoria has been commenced and is being continued; this since a certain by-election in that place in 1919. Further comment in this respect is surely unnecessary.

The Branch Lines Argument

What was meant to be a particularly clever and subtle stroke has been provided by certain ministers of the crown in their statement that if additional money is expended on the Hudson Bay Railway the provision cannot be made for the construction of branch lines in the West so necessary to the success of the settlers in many districts. There is no question about the pressing need for certain of these lines, but why make the Hudson Bay Railway the alternative? Why not the completion of the parliament buildings, or the Welland Canal, or some other national undertaking? Why, as a matter of fact, should there be any condition or alternative of this nature? Should not these separate enterprises each stand on its own feet? And, anyway, the implied threat could not and would not be carried out. In fact, the situation would likely develop quite otherwise. The completion and operation of the Hudson Bay Railway is more likely to bring about additional branch line contruction.

Special Fund Provided

Not only in the ordinary sense is there no ground for discriminating against the H.B.R., but this enterprise is in an exceptionally favourable position in respect of funds, for which provision has been specifically and definitely made. An amendment to the Dominion Land Act, 1884, provided for a land grant of sixty-four hundred acres for that part of the line in Manitoba and twelve thousand eight hundred acres for the part in N.W.T., such grant to be given to any person or company who would build the road. In 1908, when it had been practically decided to make this a government enterprise, the act was further amended by replacing the aforementioned provision by one providing for the setting aside of a large area of land in Saskatchewan and Alberta to be disposed



Bridge over Nelson River at Kettle Rapids, present end of steel

of as pre-emptions and purchased homesteads, the proceeds realized therefrom to be earmarked as a fund for the construction of this railway.

The Hon. Frank Oliver in introducing this amendment said:

"While we have the provision in regard to a land grant in aid of a railway to Hudson Bay facing us on the statute book, we also have the fact that the need of a railway to Hudson Bay is more strongly impressed on the people to-day than ever before by reason of the settlement of the two western provinces, because the further west settlement proceeds, the greater the advantage of an outlet to the Bay will be. . . . What I had in view was to place before the parliament a proposition that should put beyond question the fact that we had adequately provided assistance from an entirely new source of revenue to enable the Hudson Bay Railway to be built. . . . The position, as I bring it before the house and country, is that beyond all question we are offering an adequate means of meeting the liability that will be created out of an entirely new source of revenue, to the full satisfaction of the people immediately interested and, I believe, of the people of the country as well.'"

Sir Robert Borden, speaking on the bill, emphasized the fact that whether sufficient money for the purpose was realized in this way or not "the Hudson Bay Railway project stands by itself, endorsed and approved by this House" and must be completed. Recently a statement was furnished by the department of the interior showing that lands from this area to the extent of over eight million acres had been sold and more than eighteen million dollars has been already collected, the balance still remaining outstanding in the way of deferred payments. The question then naturally arises what does the government propose to do with these funds if they are not used for the purpose to which they were devoted?

Opposition to H.B.R. Develops

A short time after construction of the road was well under way criticism of the scheme practically ceased. But after the work had been discontinued for a couple of years or so those opposed, particularly eastern publications, seeing an opportunity not only to prevent resumption of the work but to have the railway dismantled and the scheme finally abandoned, commenced an active campaign of criticism and abuse; and propaganda was extended far and wide. What these critics lack in argument thay make up in denunciation and violent language. The road is referred to as "folly run mad," "senseless undertaking," "mad enterprise," etc., and its advocates as "bigoted fanatics." While the *Montreal Gazette* was fulminating against the scheme, there appeared in the *Montreal Star*, tucked away in its correspondence

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column, some questions and answers which are rather illuminating and from which are taken the following:

> Q. Will it (the H.B.R.) aid in the development of Montreal as a commercial centre?
> A. The Hudson Bay Railway could be of no use to Montreal; in fact, it would be detrimental to Montreal's interests.

Unquestionably the reason is here given for the attitude of the Montreal "interests." But this may be simply a case of erroneous thinking and results will prove that Montreal will still have all the business its terminal can handle. Why then should that port exhibit such grasping proclivities and take the attitude that every item of western produce must pay a toll there.

Take a specific example of the kind of material that is put out for eastern consumption. Mr. J. Lambert Payne, in the course of an article also in the *Gazette* and bristling with inaccurate statements, writes:

> "It has been assumed that the ordinary ship of commerce could go in and out of Hudson Bay during four, and possibly five, months in the year, beginning at the end of June and ending with October. . . . It was discovered, however, beyond the possibility of a doubt, that the ordinary ship of commerce could not navigate the straits at any period of the year, be that period short or long."

Although anticipating discussion of the navigability of the straits, let us take the evidence of Mr. W. A. Bowden, chief engineer, department of railways and canals, which effectively disposes of the above. Speaking before the Dominion royal commission in Ottawa, he stated that during the last three seasons (1914-15-16) "we have not met with a single accident, although in one of the seasons thirty-eight passages through Hudson Straits were made," and in his evidence before the Senate committee he referred to the steamers used as "tramp steamers" and "unprotected," and that purposely he did not strengthen the ships purchased by the government as "it was desirable in the interest of the project as a whole that they should know that an ordinary vessel could do," and "these vessels made a number of voyages to the bay without any trouble, coming early and going late." It might be pointed out that no evidence whatever is given in support of the very extraordinary assertions of Mr. Payne, and this also may be said regarding the bulk of eastern criticism. However, the reiteration of these statements is having its effect. But what of the West? For some time it remained in a rather apathetic state, apparently under the delusion that things would work out all right in good time. The now famous "dismantling" order has furnished the necessary "jolt" and awakened the western people to the seriousness of the situation.

However, the issue has been raised again, and it is advisable to meet it, even if this involves going over the same ground that was covered years ago.

FEASIBILITY OF THE ROUTE

The question is as to the feasibility and navigability of the Hudson Bay route. In what respect is this route not feasible? or navigable? Are the "insuperable difficulties" to which reference has been made to be found in the railway, in the bay, or in the straits, or in all three of them? Let us look at each of these separate divisions of the route:

The Railway

The railway runs from the Pas to Port Nelson, a distance of four hundred and twenty-four miles, almost an air-line. It goes through a level country, and there would seem to be no exceptional difficulties with regard to construction or maintenance. A portion of the road, owing to the somewhat spongy nature of the upper soil, would require perhaps more than the ordinary amount of ballast, but there has been found only one sink-hole in the whole route, and that was effectively disposed of several years ago. The grade is completed to the bay and eighty-pound steel has been laid a distance of three hundred and thirty-two miles, leaving only ninety miles to complete. Three steel bridges have been erected, one over the Saskatchewan and two over the Nelson, at a total cost of one million dollars. There is, as Hon. Mr. Cochrane stated, a four-tenths grade and movement of traffic should be pretty easy. Any advantage there may be is in favor of outgoing traffic. The sidings are long and at frequent intervals, the supposition evidently having been that a double track would be necessary in the not too remote future. The railway approximately parallels the Nelson River and only a short distance therefrom for about two-thirds of its length, and in this course the river contains many important water-powers. At one place, about thirty miles from the railway, four hundred thousand h.p. can be developed at a minimum expense. There are therefore important and far-reaching possibilities in the way of electrification.

2. Hudson Bay

This is a vast inland sea; a body of salt water eight hundred miles long by five hundred miles wide. It does not freeze over. The water is deep, and there are no obstructing rocks or islands and practically no icebergs to interfere with navigation. There are no special obstacles to be overcome by navigators, and all reports go to show that this immense body of water can be as readily and easily navigated as almost any other.

3. Hudson Straits

If there are any serious difficulties in respect to the navigation of this route these must be found in Hudson Straits. Are the straits navigable? It is passing strange that it was only within a comparatively recent period that any such doubt has been expressed. In the departmental publication, "The Hudson Bay Road," Mr. McKenna makes some very pertinent remarks:

> "In the course of a century and three-quarters seven hundred and fifty vessels, ranging from seventy-gun ships to ten-ton pinnaces, crossed the ocean, passed through the straits and sailed the bay in the service of the company. And only two were lost. A marvellous record, when it is remembered that all the craft were sailers, most of them small and of rude construction, and that the bay and strait afforded none of the modern accessories to navigation in the way of coast aids."

The straits are 450 miles long and from forty to a hundred miles wide. The water is exceedingly deep and there are no shoals or rocks to impede navigation. Mr. A. P. Low, who commanded the "Neptune" expedition says:

> "There is no natural difficulty in the navigation of the bay and strait so far as the depth of water, presence of obstructions and width of channel are concerned."

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What difficulties there are then are in the nature of floating ice. This comes down from Fox Channel at certain seasons of the year, but is pretty well broken up by the time it reaches the straits. To some extent icebergs and other forms of ice enter the eastern end from Davis Strait, but any ice of this nature does not go through the straits hardly more than half way, and only a very small portion of the ice from this source enters the straits; most of it continues on into the Atlantic, where it is found off Newfoundland and sometimes in the Gulf of St. Lawrence.

Wireless Would Facilitate Navigation

It is authoritatively stated that owing to existing currents there is an open channel in the straits at all times and, with ordinary aids to navigation, including wireless equipment, information could be given as to the location of this channel and thus delays would be avoided. As an instance of what can be accomplished in this respect, an official for several years located at Port Nelson has reported that when he first went in he was on one of the government steamers to which reference has already been made, another of these steamers was a day or so in advance and several others were coming along a couple of days or so behind. While going through the straits, the commander of the leading ship sent a wireless message to the others regarding a large ice floe and advised in what respect it would be necessary to change their course in order to avoid this. The commander of the second steamer, however, decided to go straight ahead and see what was the situation. The result was his ship was delayed by the ice, although no damage resulted. The ships following changed their course slightly, avoided the ice and arrived at Nelson before the second boat. As to the advantage, therefore, of wireless communication in navigation of the straits, no further comment would appear to be necessary.

Aids to Navigation

A noteworthy feature of the controversy is that adverse critics appear entirely to overlook the fact that on the Hudson Bay route are to be found none of the ordinary aids to navigation that are regarded as necessary and which are provided in other commercial routes. It is hardly in order then to compare this northern route in its natural state with other commercial routes on which so many millions have been spent to make them reasonably safe for navigation. Let there be placed at Hudson Straits a modern equipment designed to minimise the dangers of navigation and many fearsome and so-called insuperable difficulties will disappear entirely. Even in its natural state small sailing vessels have navigated these waters successfully for over two hundred years, and it is a well known fact that this class of vessel may be becalmed and held up for days in ice floes that would offer no difficulties to an ordinary steamship.

EXPERIENCE OF NAVIGATORS

Some of the government expeditions which have been sent out to determine beyond doubt the feasibility and navigability of this route are the following:

Commander A. R. Gordon, in 1884-5-6, in the "Neptune" and "Alert."

Commander William Wakeham, 1897, in the "Diana."

A. P. Low, in the "Neptune," in 1903 and 1904.

Dr. Bell, F.R.G.S., accompanied several government cruises and made many trips to the bay. From the mass of information available regarding the bay and straits, not only by way of reports from the aforementioned but from statements and reports of other navigators, explorers, scientific men and Hudson's Bay Company officials, the following statements are taken more or less at random. A careful examination of these should enable the unbiassed searcher after truth to form an opinion as to the conditions which actually exist:

Commander A. R. Gordon—

"The ice has been supposed hitherto to be the most formidable barrier to the navigation of the straits, but its terrors disappeared to a great extent under investigation. We met no icebergs in Hudson's Bay nor did we hear of any being seen there; in the straits a good many were seen. The icebergs seen in Hudson's Straits in August and September would form no great barrier to navigation, nor do those met with off the Straits of Belle Isle, nor were they more numerous in Hudson's Straits than they frequently are off Belle Isle."

Commander William Wakeman—

"Steam has now effected a complete revolution in ice navigation, and the most advantageous time for pushing on is when the ice is loose. Under similar circumstances a sailing ship would be utterly hopeless. . . . The nature and consistency of the ice in Hudson's Straits are such that, with an efficient steamer, the passage should be accomplished with very little delay or difficulty. . . . I absolutely agree with Captain Gordon in fixing the date for the opening of navigation in Hudson Strait for commercial purposes by suitable vessels at from July 1 to 10. I consider that navigation should close from October 15th to 20th."

Dr. Bell—

"It is impossible that there should be at any time in the twelve months difficulty in navigating the straits, for they are upon tide water. . . . Why, navigation through the straits should be particularly easy, because, while there may at times be floating ice, there are no rocks and no islands upon which to go ashore."

Captain William Kennedy, who accompanied an expedition in search of the remains of Sir John Franklin and who has had eight years' experience of the Straits, says they are navigable from June to November.

Captain William Hackland, in the Hudson's Bay Company's service for 39 years, reports:

"Straits never freeze; no reason why steamships should not navigate at any time."

J. W. Tyrrell, who has gone through the straits several times, writes:

"The straits can, in my opinion, be relied upon for unobstructed navigation from July 15th to November 1st, with a possible extension of two weeks at either end. . . . As to icebergs, they are occasionally met with in Hudson Straits, being sometimes carried in along the north shore by the prevailing current from Davis Strait, but they are by no means of frequent occurrence and not one-tenth as numerous as off the Straits of Belle Isle."

Captain Bernier:

"The Hudson Bay and Strait are open to navigation the year around, but as far as the Strait is concerned icebergs block the way in places according where the current into or out of the bay drives them. With wireless stations established so that ships could be directed in their course the Hudson Bay ports would rank amongst the most important on the continent, owing to the very appreciable difference in distance to Europe compared with that of other ports."

A select committee of the Manitoba legislature was appointed in 1884 to procure evidence and report upon the practicability of the Hudson Bay route. After taking evidence of a number of men with a thorough practical knowledge of the subject a report was made from which the following is taken:

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"No evidence has been given that goes to prove that Hudson's Straits and Bay proper ever freeze over, or that the ice met with in those waters is sufficient to prevent navigation at any time of the year. That consequently the period of navigation is defined by the time during which the ports, harbours, or roadsteads on the shores of the bay can be entered by vessels of a suitable description for such navigation. From the evidence adduced it appears that such ports or harbours are open, on an average, from four and a half to five months in each year to ordinary vessels."

During the years following numerous other investigations of a similar nature have been made from time to time, culminating in that of a special committee of the Senate which reported in 1920. The first two clauses of that report are as follows:

"That the Hudson Bay route is feasible and will probably in time be profitable."

"That the season of navigation under present conditions is at least four months in length and may by reason of improvements in aids to navigation be considerably increased."

The question of the occurrence of fogs has frequently been brought up. Competent authorities state that fogs are not so prevalent in the straits and bay as farther south off the Labrador Coast and the Strait of Belle Isle and sometimes in the St. Lawrence Gulf; that in fact the northern waters are somewhat remote from the area where these fogs naturally develop.

Recently a writer of a newspaper letter, referring to the difficulty of navigating the straits, said that "this feature ought to be settled beyond peradventure of a doubt" and that "twenty-five years hence it could probably be definitely determined." In the light of evidence already submitted during a period of double that length of time, is it at all likely that the question could be more definitely settled in twenty-five years hence than it is now, unless the route in the meantime were actually put into operation for commercial purposes? But any such action is condemned by the writer. His attitude therefore is somewhat in line with the well-known injunction to refrain from entering the water until one has learned to swim.

THE OPEN SEASON

Altogether it may be definitely stated that the route, after being provided with accessories to navigation which owing to the progress of science may now be obtained, is open for commercial purposes from the beginning of July until well on in November. Reports are conflicting as to June, so that even a considerable portion of that month might be included. However, it may be said with reasonable assurance that the season will extend to about the same time as that at Montreal. Taking into consideration then the fact that grain from Western points will take upon an average one month to reach the St. Lawrence, whereas the haul to the bay will cover a period of not more than ten days, the northern route would therefore have the advantage at the end of the season of about three weeks.

This is a complete refutation of the assertion frequently made that the route in any event is not open at the proper season for the export of western products, particularly grain. As shown above, there would be a period of two or three months during which the crop might be shipped out in the same year that it is grown, and thus the northern route has in this respect an important advantage over that via the East.

There has been considerable speculation as to the effect of the opening of this new route on other established routes and interests. In a

recent issue of the *Winnipeg Tribune* appeared a special article on the routing of grain, from which the following is taken:

"How many people in the Dominion realize that one-half of every bushel of grain sent down the lakes from Fort William to the European consumer passes out of the hands of Canadian carriers after it leaves the terminal elevators at the head of the Canadian lakes? It may well be challenged as uneconomic, as a great national waste, but it is a fact, humiliating though it may be. No more practical argument can be employed in favour of additional and improved routes for Canadian grain to Europe. . . . So, if the Hudson Bay route was handling grain to-day or the Pacific Coast route, the chief industry to lose would be that in the hands of alien interests—the American lake fleet, the American elevators, the American railroads and the Atlantic ports of the United States."

Return Cargoes

Another question that is frequently asked is: "What about return cargoes?" As though that were a matter that affects exclusively the Hudson Bay route. The Vancouver-Panama route has this difficulty to contend with, the St. Lawerence route is by no means free from it, and the same trouble is to be found in connection with Great Lakes transportation and with our railways in certain seasons. When the products of the West go out via Hudson Bay, then the goods and supplies needed and used there will enter by the same route, including goods which cannot now be obtained on account of transportation costs. A tramp steamer takes a cargo out of Port Nelson to Liverpool. Being a "tramp," it will in all probability not return by the same route, but pick up a cargo for other ports and there possibly load again for Port Nelson, and this traffic would be in addition to the trade to and fro which would be taken care of by "liners." The carrying of goods by ships right into the heart of the West means lessened cost, therefore heavier consumption and thus greater traffic. Besides, as has already been intimated, the big advantage of this route is in the smaller number of trans-shipments that take place and the fewer items of profit that are added to the original cost.

COST OF THE ROAD

A great deal has been said and written about the expense involved in completing the route and terminals. The total cost of the railway to the thirty-first of March, 1919, was $14,526,560. There was an item of one million dollars in the estimates in 1918 for the completion of the road and it was stated at the time that this amount would be sufficient for the purpose. This would have made the cost of the road, if then completed, fifteen and half a million dollars. However, owing to deterioration and damage from disuse and neglect, the cost of completing the road will now be somewhat greater than would have been the case in 1918. The Minister stated in parliament in March, 1920, that

"The estimated cost of completing the tracklaying into Port Nelson is $1,750,000, but to complete the railway will require $4,000,000."

Costs were higher then than now and this last mentioned amount should not now be exceeded.

Major G. A. Bell, deputy minister of railways, in his evidence before the senate committee, stated:

"The original estimates of the work ($25,000,000) would not have been exceeded, but owing to the closing down of the work it will increase the cost. That estimate comprises the dredging to deep water. The $25,000,000 covers the railway and all, including one storage elevator."

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Recently a writer of a newspaper letter, referring to the difficulty of navigating the straits, said that "this feature ought to be settled beyond peradventure of a doubt" and that "twenty-five years hence it could probably be definitely determined." In the light of evidence already submitted during a period of double that length of time, is it at all likely that the question could be more definitely settled in twenty-five years hence than it is now, unless the route in the meantime were actually put into operation for commercial purposes? But any such action is condemned by the writer. His attitude therefore is somewhat in line with the well-known injunction to refrain from entering the water until one has learned to swim.

THE OPEN SEASON

Altogether it may be definitely stated that the route, after being provided with accessories to navigation which owing to the progress of science may now be obtained, is open for commercial purposes from the beginning of July until well on in November. Reports are conflicting as to June, so that even a considerable portion of that month might be included. However, it may be said with reasonable assurance that the season will extend to about the same time as that at Montreal. Taking into consideration then the fact that grain from Western points will take upon an average one month to reach the St. Lawrence, whereas the haul to the bay will cover a period of not more than ten days, the northern route would therefore have the advantage at the end of the season of about three weeks.

This is a complete refutation of the assertion frequently made that the route in any event is not open at the proper season for the export of western products, particularly grain. As shown above, there would be a period of two or three months during which the crop might be shipped out in the same year that it is grown, and thus the northern route has in this respect an important advantage over that via the East.

There has been considerable speculation as to the effect of the opening of this new route on other established routes and interests. In a

recent issue of the *Winnipeg Tribune* appeared a special article on the routing of grain, from which the following is taken:

"How many people in the Dominion realize that one-half of every bushel of grain sent down the lakes from Fort William to the European consumer passes out of the hands of Canadian carriers after it leaves the terminal elevators at the head of the Canadian lakes? It may well be challenged as uneconomic, as a great national waste, but it is a fact, humiliating though it may be. No more practical argument can be employed in favour of additional and improved routes for Canadian grain to Europe. . . . So, if the Hudson Bay route was handling grain to-day or the Pacific Coast route, the chief industry to lose would be that in the hands of alien interests—the American lake fleet, the American elevators, the American railroads and the Atlantic ports of the United States."

Return Cargoes

Another question that is frequently asked is: "What about return cargoes?" As though that were a matter that affects exclusively the Hudson Bay route. The Vancouver-Panama route has this difficulty to contend with, the St. Lawerence route is by no means free from it, and the same trouble is to be found in connection with Great Lakes transportation and with our railways in certain seasons. When the products of the West go out via Hudson Bay, then the goods and supplies needed and used there will enter by the same route, including goods which cannot now be obtained on account of transportation costs. A tramp steamer takes a cargo out of Port Nelson to Liverpool. Being a "tramp," it will in all probability not return by the same route, but pick up a cargo for other ports and there possibly load again for Port Nelson, and this traffic would be in addition to the trade to and fro which would be taken care of by "liners." The carrying of goods by ships right into the heart of the West means lessened cost, therefore heavier consumption and thus greater traffic. Besides, as has already been intimated, the big advantage of this route is in the smaller number of trans-shipments that take place and the fewer items of profit that are added to the original cost.

COST OF THE ROAD

A great deal has been said and written about the expense involved in completing the route and terminals. The total cost of the railway to the thirty-first of March, 1919, was $14,526,560. There was an item of one million dollars in the estimates in 1918 for the completion of the road and it was stated at the time that this amount would be sufficient for the purpose. This would have made the cost of the road, if then completed, fifteen and half a million dollars. However, owing to deterioration and damage from disuse and neglect, the cost of completing the road will now be somewhat greater than would have been the case in 1918. The Minister stated in parliament in March, 1920, that

"The estimated cost of completing the tracklaying into Port Nelson is $1,750,000, but to complete the railway will require $4,000,000."

Costs were higher then than now and this last mentioned amount should not now be exceeded.

Major G. A. Bell, deputy minister of railways, in his evidence before the senate committee, stated:

"The original estimates of the work ($25,000,000) would not have been exceeded, but owing to the closing down of the work it will increase the cost. That estimate comprises the dredging to deep water. The $25,000,000 covers the railway and all, including one storage elevator."

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He subsequently informed the committee that the elevator referred to would be one of one and a half million bushels capacity.

A bushel of wheat will not take up any more space at Port Nelson than at any other terminal. Terminal elevators will have to be provided in any event. The eastern and western ports are now loudly calling for the erection of additional storage facilities. Some of these will be needed, irrespective of whether the Hudson Bay Railway is completed or not, to take care of the grain naturally tributary to the ports in question. The elevator capacity necessary to handle the grain which would naturally go out by Port Nelson should of course be erected at that point. The cost in the latter case should not average any more than in the other instances. It should be quite clear, though, that whatever amount the railway and terminals will cost over and above the original estimate is the price that will have to be paid for the discontinuance of the work.

Miss Agnes Laut, than whom perhaps no one is more familiar with the history of Western and Northern Canada and with the existing conditions herein and who has written several books dealing therewith, says in one of these:

"If the Hudson's Bay route is not fit for navigation, the country must make it fit for navigation. Of telegraphs, shelters, lighthouses, there is not now one. If Peter the Great had waited until St. Petersburg was a fit site for a city, there would have been no St. Petersburg. He made it fit. The same problem confronts Northwest America to-day. It is absurd that a population of millions has no seaport nearer than 2,000 miles. Churchill or York would be seaports in the middle of the continent. Of course there would be wrecks and difficulties. The wrecks are part of the toll we pay for harnessing the sea. The difficulties are what make nations great. One day was the delay allowed the fur ships for the straits. Who has not waited longer than one day to enter New York harbour or Montreal?"

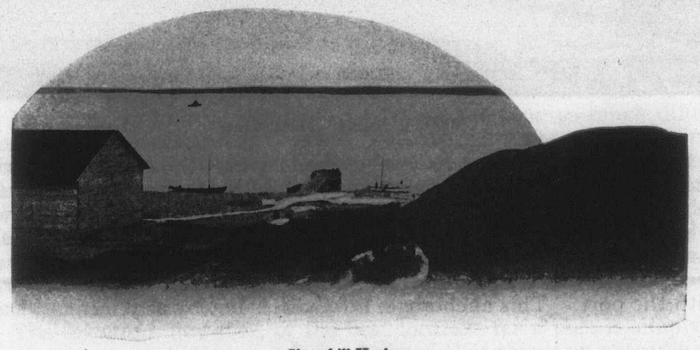
HUDSON BAY TERMINALS

What about the terminals? Has not a serious mistake been made in the selection of Port Nelson instead of Fort Churchill? In connection with the discussion of the Hudson Bay route no questions are more frequently asked than these, and possibly none are harder to answer. Although on this point statements, especially of laymen as distinguished from engineers, are particularly dogmatic, however, many if not the majority of opinions so emphatically stated appear to be based on lack of knowledge and misconception of the exact conditions. As a case in point, take this from a recent issue of the *Kitchener News Record*: "Churchill on Hudson Bay was originally selected as the terminus of the railway. Real estate and other interests had the location switched to Nelson." There is nothing on record to show that Churchill ever had been selected. Besides, the fact is that the whole area at Port Nelson is a government reserve. There is no private ownership of land there. The *Record*, in this as in other statements in the same article, speaks "utterly regardless." Without having investigated the matter thoroughly, a layman would probably say that Churchill should have been selected, and, whether or not he would take the same attitude after investigation, he would then see that the argument is not by any means all on one side. Let us then look at the facts, and from these we can draw our own conclusions.

Churchill Harbor

Churchill is a harbor naturally protected by its walls of grey quartzite, which close in at the mouth leaving an opening about two

thousand feet wide. The harbor is the mouth of the Churchill River which there forms a wide lagoon or basin. The water at the entrance is about one hundred feet deep, and just within is an area more than a mile long and from one-third to half-a-mile wide having a minimum depth of thirty-four feet. Adjoining this and extending for another mile or so upstream is another area with a minimum depth of twenty feet to twenty-five feet. This latter comes close to the east shoreline and along here a mile or a mile and a half of docks could readily be built. The dredging might be rather difficult, but the disposal of the material in the bay would be quite easy. It is said that the deep-water



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There are then excellent facilities for a certain amount of shipping. Should these not be sufficient for the business which would develop it would be necessary to extend the deep-water portion of the harbor. This would involve dredging, and it is in this connection that the engineers' reports differ very materially. All agree that dredging can be done, but are not in accord as to the difficulty and expense involved. The main trouble seems to be in connection with boulders of considerable size. These appear both on shore and in the shallow water. To what extent they exist in the deeper water is not known. The bottom of the basin, at any rate in the upper part thereof, is hardpan, which material is harder to handle than clay, sand or gravel, but on the other hand when the work is accomplished it is of a much more permanent nature. In making a port at Churchill the difficulties from an engineering point of view would have been much more easily overcome than those at Nelson.

Nelson Harbor

The mouth of the Nelson on the other hand is a "v"-shaped estuary. It is a roadstead rather than a harbor. Port Nelson is situated at the upper end of this estuary twenty miles from the deep water of the bay. Coming in from the bay a ship would enter a channel which was located and mapped out in 1918. This first crosses what is known

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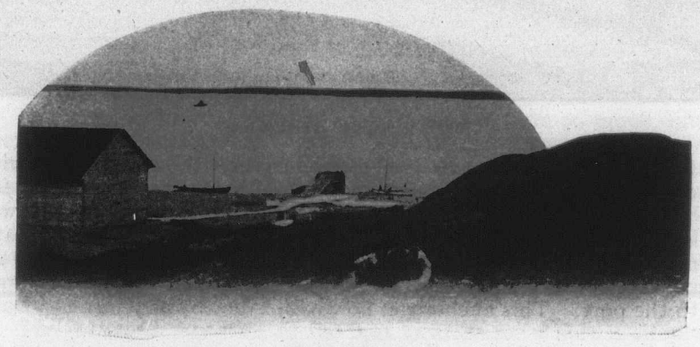

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Bridge to "Island" at Port Nelson

as "the bar." It is from twelve hundred to three thousand feet in width and will allow for the passage at low water of boats drawing twenty feet. In this channel, between miles eight and thirteen from the port, is what is known as "the deep hole," where the water is of sufficient depth at all times to accommodate the largest steamers and extensive enough to give anchorage for any number of ships which might be engaged in traffic with the port. This anchorage, however, is not by any means ideal.

Harbor Works at Nelson

The harbor works at Nelson consist of a 17-span bridge running out from the shore a distance of 3500 feet to the edge of the channel. From the end of the bridge, running up-stream along this channel and approximately parallel to the shore, there will be erected an "island" which at first will be half a mile long by five hundred feet wide, the intention being to eventually extend this to nine thousand feet and connect with the shore at the upper end, thereby allowing continuous passage of trains. The "island," which will furnish wharfage and terminal facilities, will be built of timber cribwork. It will be filled in with material taken from the channel by dredging. There will be thirty feet of water here at low tide, fifty feet at high tide. The deep-water wharves thereby provided will be founded on the edge of the old natural channel, which is composed of hardpan; thus there will be thirty feet of water at all times where ships will load and unload, and a channel out to sea of twenty feet. This will mean that Nelson will be a tidal harbor for ships of greater draught than twenty feet, but it may be pointed out that some of the greatest harbors in the world are tidal harbors. It is asserted that ships can ride at anchor in the deep hole or remain tied to the docks without suffering damage even in the greatest storms owing to the distance which these locations are from the deep water of the bay; that the force of any storm which might arise will be very materially broken before it reaches the places mentioned.

Now, while as previously stated it would have been much easier from an engineering standpoint to construct the necessary harbor works at Churchill than at Nelson, still it is claimed that these engineering difficulties have now been overcome and that the terminal facilities

which it is proposed to erect at Nelson will be quite adequate and satisfactory for the extensive traffic which it is anticipated will develop. The claim is made also that, the walls of the channel being of hardpan and the current of the river rapid at this point, that the dredging which will be done will be of a permanent nature and very little of this work will be required from year to year. Authorities differ in respect to the difficulty and cost of dredging at this port as compared with Churchill; but it may be generally conceded that, although there is considerable similarity, the work at Nelson will not be so difficult or costly per yard or unit as that at Churchill. But in the former case the work will have to be done on a very much more extensive scale and has to be done as a necessary preliminary to any shipping operations, whereas at Churchill the dredging immediately required would not be very extensive, and how much would be ultimately necessary would depend on the amount of shipping which would then require to use that harbor.

However, in view of the fact that there has been so much difference of opinion even amongst experts with regard to these two terminal ports and on account of the feeling that appears to have developed very generally, rightly or otherwise, that a wrong selection has been made, it is therefore very important and strongly advisable, as recommended by the senate committee, that without delay the whole matter be thoroughly investigated by a board or committee consisting of men of unquestioned standing in matters of this kind, and on report being submitted the final selection shall be made.

The selection, however, of the best location for a port is simply a detail in the general scheme. It is admitted that this is an exceedingly important detail and will play no small part in the general success of the enterprise, which, however, should not be held up indefinitely simply because there is a difference of opinion on this point. The *Toronto Star*, in a recent reference to the undertaking as a whole, said: "Isn't it too splendid a possibility to be left untried or abandoned when so nearly completed. If Nelson is the wrong terminal, why not shift to Churchill?" Let the railway then be proceeded with, and while this is being done the investigation mentioned should take place and this exceedingly important detail disposed of as other details of the scheme, also important, will have to be investigated and decided upon from time to time.

It is not inconceivable, however, that both terminals shall eventually be required. If, after the investigation mentioned, the present selection is confirmed, then the question of using Churchill will be one for consideration at some later date. The time will depend on trade developments. If, however, it is found advisable to change the terminal location at the present time, it might be in order, owing to the work that has already been done at Nelson, to continue the connection with that point with a view to the development of trade with the north and particularly to the exploitation of the fisheries of the bay.

RESOURCES OF THE BAY AND DISTRICT

A glance at the map of Canada shows clearly that Hudson Bay would appear to be strategically, perhaps rather providentially, located for the purpose of providing a short and easy outlet for the products of the western plains. The bay bears a similar relation to this country as a whole to that which the Mediterranean occupies in the east. It

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might, however, be more fittingly compared to that other Old World sea, the Baltic. They are approximately the same length, but the bay has an area of about 500,000 square miles, three times that of the Baltic. The latter extends to a slightly higher latitude, but has the advantage of a southern entrance. Three great countries are mainly dependent on the Baltic for their sea-borne commerce, although navigation there is seriously interrupted from November 15th to May 1st. The Gulf of Finland is closed one hundred and fifty days each year, and "sudden and frequent changes of the wind, accompanied by violent storms, render this sea dangerous for navigation." Stockholm and Petrograd are further north than Fort Churchill, and there would appear to be no physical reason why the work accomplished by Peter the Great on the shores of the Baltic should not be duplicated on Hudson Bay.

An interesting comparison also is that between the bay and Port Nelson on the one hand with the White Sea and Archangel on the other. The White Sea has a northern outlet directly to the Arctic Ocean. This is seven degrees north of Hudson Strait, and Archangel, situate at the southern extremity of this northern sea, is four degrees north of the entrance to Hudson Bay and eight degrees north of Port Nelson. Archangel was founded in 1584, and was the chief seaport of Russia until the founding of St. Petersburg in 1703. The harbor of Archangel, which according to Nelson's Encyclopedia "has been deepened from twelve feet to twenty-two feet, is an excellent one and, though ice-bound from October to May, is visited annually by more than eight hundred vessels." This port played an exceedingly important part in the war, and at that time "rivalled the great commercial cities of the world in the number and tonnage of ships arriving and departing."

HUDSON BAY FIRST GATEWAY TO WEST

Only about a century ago Hudson Bay was looked upon as the only gateway to the west and north. The Hudson's Bay Company had then practically all their posts on its shores, and even for many years afterwards outlying posts which were subsequently established were tributary to those on the bay. In the meantime the great plains of the west were penetrated by traders from the east and trading headquarters gradually shifted from York Factory to Montreal. Thus it came about that later generations had very little knowledge of the great bay of the north and its resources.

The pendulum is now swinging back. The expansive prairies of the west that were first viewed by the lone pathfinder from the bay became peopled and prosperous. As production increased and the inadequacies of transportation facilities came to be a serious handicap, attention was again turned towards the original gateway of the north as a means of relief, providing an additional outlet. Through this gateway came the original Red River settlers, and it is not too much to expect that the products of the descendants of these pioneers shall find their way to the markets of the world by the same route.

Practically all the present western farm area except the Peace River District is situated in the basins of the Saskatchewan and Red rivers which form part of the great Nelson river basin draining into Hudson Bay. Now let us look at some other great wheat producing countries: the middle western States, Egypt, Russia, China, Argentine. The grain and other products of these are transported to the seaboard

along natural routes, the courses of the great rivers draining the territories in question. Canada, however, has ignored this natural way of transportation, and western products are carried across the natural divisions at great additional expense to outlets most remote from the scene of production. Western Canada's present serious handicap is not in ocean mileage but in extent of rail haul to reach seaboard.

THE SAVING IN RAIL HAUL

Montreal and Port Nelson are practically the same distance from Liverpool, approximately 3000 miles. From Port Arthur to Montreal is in round figures 1000 miles. If a line is drawn from Weyburn to Dauphin, any points in the vicinity of this line are practically the same distance from Port Nelson as from Port Arthur, and therefore in respect to these points the northern route has the advantage of one thousand miles. For territory east of this line it is proportionately less, but for that to the west the distance gained is considerably more. In round figures the saving in mileage by the bay route in respect to certain points is as follows: Regina, 1050 miles; Calgary, 1150 miles; Saskatoon, 1175 miles; Prince Albert, 1300 miles; Melfort, 1300 miles; Edmonton, 1100 miles. When it is taken into consideration also that this saving in transportation is mainly in respect to rail haul, it can readily be seen what benefit and advantage will accrue to western farmers by shipping over the shorter route. Additional considerations, such as congestion which frequently occurs in the eastern route and which became very acute last fall, and the exorbitant freight rates which were imposed by eastern shipping interests, accentuate that advantage.

BRITISH VIEWS OF THE ROUTE

It is interesting to note the attitude of the Old Land toward this project. In the issue of November, 1917, of *Kelly's Monthly Trade Review*, a standard and reliable monthly commercial publication of London, England, there appeared as the leading article one entitled "Our Backbone—a Government Wheat-Transport Line—The Port Nelson-Liverpool Route." The title in itself is very significant. In this the statement is made that "Canada alone, the greatest of our wheat-producing dominions, can easily by development supply every bushel of the great margin of grain now imported as food to the British Isles." The writer points out that "Canada's prairies are the nearest and most prolific wheat producing areas of the Empire," and that "the completion of the state railway from The Pas to Port Nelson on Hudson Bay and the establishment of a line of grain carrying and other ships by the Hudson Strait route is the beginning therefore of a movement of enormous importance both to Canada and to the United Kingdom."

A detailed statement is given showing the distance in land and sea miles, or rather water miles, for the great lakes are included under that head, between Saskatoon and Liverpool via Montreal and Port Nelson respectively, which statement shows an advantage in favor of Port Nelson route of 792 land miles and 393 sea miles, in all 1185 miles. The important item of course is the saving in land miles, for the rail haulage according to statement recently made costs seven times as much

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as the water haulage. A further point in this connection is that by the Montreal route grain is handled four different times, whereas by the northern route only two handlings are necessary. It is the number of trans-shipments of exports, and more particularly perhaps of imports, which adds so much to the cost which the western settler has to pay, for not only is he accountable for direct charges in connection with these but, in the case of imports, there is generally an item of profit added on each occasion.

The article in question concludes with the following: "In the prospective Port Nelson-Liverpool route we see the pioneer in the development of the era of greater Canadian wheat supplies and a government wheat and food transport line. Its completion will be awaited with an interest commensurate with its high importance to the Dominion of Canada, to the United Kingdom and to our Allies."

CATTLE SHIPMENTS

An exceedingly important advantage which the Hudson Bay route has over all other routes, and which has hitherto not been specifically mentioned, is in connection with the shipment of cattle. In a debate in the house of commons in 1908, Mr. J. Herron, M.P. (Alberta), said:

"I would like, however, to say that one phase of the Hudson Bay route which specially commends it to the favor of the people of Southern Alberta lies in the advantage that it will offer in connection with the shipment of cattle from the range country. Our wild stock raised on the prairies do not take kindly to transportation by rail. It is the long railway journey from Alberta to the seacoast that takes practically the cream off the business of cattle raising on the western plains; and if we had a railroad to Hudson Bay it would give us the advantage of a shorter railway journey by 1,000 miles. For that reason alone the people of Southern Alberta are specially interested in the building of that railroad."

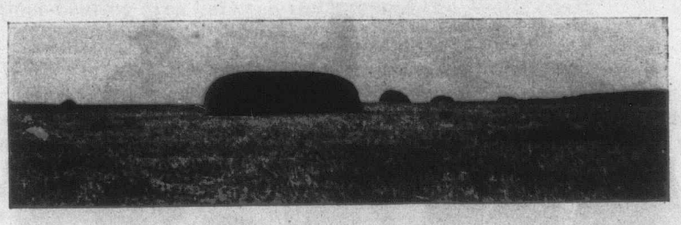
The point raised by Mr. Herron has been emphasized time and again by prominent cattle dealers, and applies to all the western provinces. The Vancouver-Panama route, whatever may be its advantages in other respects, is considered impossible for the shipment of cattle to the Old Country. The St. Lawrence route, owing to long rail haul, involves serious depreciation in cattle shipments. But the best authorities contend that on the Hudson Bay route, owing to comparatively short rail haul and cool ocean voyage, cattle will arrive at their destination in better condition than when they began the journey. The benefit of the northern route in this respect can hardly be over-estimated, especially now that the British embargo has been removed.

The possibilities of winter-feeding and finishing cattle generally are receiving marked attention. In the last report of the Canadian Bank of Commerce is the following: "To an onlooker it seems a matter worthy of much consideration why the west does not carry on winter feeding to the same extent as does Ontario." This, with the embargo off and the Hudson Bay route in operation, should put the cattle industry of the west on a firm, permanent and profitable basis.

Reasons which in 1910 were considered good and sufficient justification for beginning the H.B.R. have not been lessened in any way during subsequent years, but have been strengthened and accentuated during this period, and in addition other new and cogent reasons for the completion of the road have developed.

AGRICULTURAL AREAS

During a number of years past, particularly at the time the right-of-way was being located and subsequently when the railway was under construction, there was brought to light the existence of valuable resources in the territory through which the railway passes. It will come as a surprise to many that the region mentioned contains large tracts of agricultural land. Officials of the Dominion government who



Hayfield adjoining town of The Pas

have travelled the country have reported that there is an immense clay belt lying some distance north of The Pas which includes an area of ten thousand square miles. The railway passes through this for a distance of over a hundred miles. Other similar areas less in extent are to be found throughout this territory. It has been shown that cattle-raising can become a profitable industry in different sections of this northern country where hay and water are abundant and shelter easily obtainable. Also it is important to note that The Pas is at the apex of the fertile Carrot river triangle. Engineers are now working on a reclamation scheme for the benefit of the lower part of the valley, and there is under construction a branch of the Canadian National Railway running from Melfort northeasterly to connect eventually with the southern terminus of the Hudson Bay Railway at The Pas. It is anticipated that the land tributary to this railway will in time be fully settled and comprise a prosperous farming community.

WATER POWERS

The proximity of the Hudson Bay Railway to the water-powers of the Nelson has already been referred to. It is estimated that the Nelson river is capable of producing over three million horse-power. Water-powers on other rivers are numerous and important.

PULPWOOD

Fires during the last quarter of a century have done great damage to the forest growth, but there are still extensive areas of pulpwood available. This, in conjunction with ample water-power facilities, makes possible the establishment of important industries.

FISHERIES

The cold waters of the numerous lakes of the north produce an abundance of fish of unexcelled quality, particularly lake trout, white fish and pickerel, and the sturgeon fisheries of the Churchill and Nelson rivers are probably the most important of the class on the continent.

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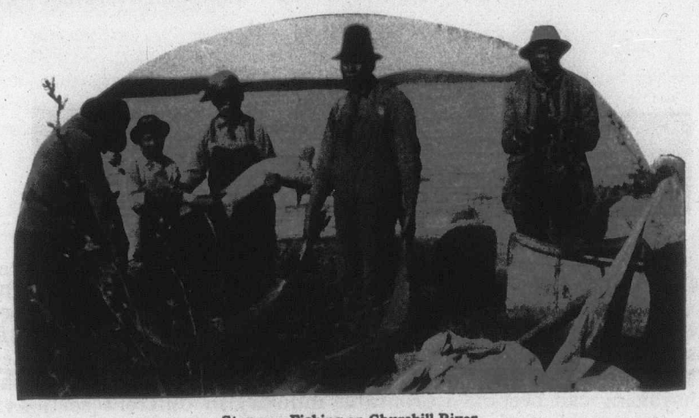
MINERALS

The mining industry however will in all probability bring about the most important development in the north. The area in which discoveries have already been made, known as The Pas mineral belt, extends from a short distance west of the Hudson Bay Railway into the Province of Saskatchewan, in all about 150 miles, and is approximately 25 to 30 miles in width. At the eastern end, at Wekusko (Herb)



Sturgeon Fishing on Churchill River

Lake, tributary to the railway, some important gold discoveries have been made, and one camp is now in active operation. It is toward the western part of the belt that the now well-known Mandy and Flin Flon properties are located. From the former about two and a half million dollars' worth of copper was taken out during the early years of the war, and in the latter, after several years of diamond drilling at an expense of about three-quarters of a million dollars, sixteen to eighteen million tons of sulphide ore has been proved up. This contains copper, gold, silver and zinc with a normal value of seven to eight dollars per ton. This area is part of the great Laurentian Shield, and is of the same formation as the Cobalt region of Northern Ontario. The mineral discoveries already made in Northern Manitoba are simply an indication of the possibilities of the futire.

HUDSON BAY

And what about the bay itself? Those who can speak with authority now call it a "national asset." No thorough and complete investigation of the fishing possibilities has yet been made, although there are certain governmental reports in connection therewith. From these and information obtained from other sources there is reason to believe that this extensive body of water and the rivers emptying therein can be relied upon for an abundant supply of such valuable fish as cod, herring, halibut, salmon, etc., for which an excellent market could be found on the prairies if the railway to the bay were in operation.

The hunting possibilities, especially in the northern part of the bay, are an important consideration. There the walrus, seal and the great Greenland whale abound. Immense herds of caribou roam

throughout the territory to the west and musk oxen may yet be found in considerable numbers. A reindeer industry has recently been established in Baffin Land, and there is no reason why this and others of a like nature should not be as commercially successful as the industry carried on in Alaska for a number of years.

Extensive iron deposits are known to exist in the Belcher Islands. It is reported that there is galena in workable quantities. Gold, silver and molybdenum have been found and it is well known that there is a copper-bearing area between the bay and the Arctic coast.

THE FUR TRADE

And first, last and all the time there is the fur trade. The pursuit of the little beaver brought the first trading ships into the bay and the territory tributary thereto under the British crown. Since the grant of a royal charter to the Hudson's Bay Company two hundred and fifty years ago this territory has been recognized as one of the greatest fur-producing areas of the world. The advent of the railway will not lessen the value of this trade; it is quite possible that the effect will be in the way of an increase. The country is so vast that extended portions thereof have not yet been explored. The railway will enable the hunter and trapper to penetrate further inland and yet give him better facilities to market his catch. There should also be taken into consideration the possibilities of fox-farming and rat ranching. The establishment of industries of this nature is now being considered.

MAY RIVAL THE T. & N.O.

What the future may reveal in respect to the resources of Hudson Bay and district cannot of course now be told, but undoubtedly the opening of this territory and connection with northern regions is an important reason for the completion of the railway. It may be that the experience of the Temiskaming and Northern Ontario Railway will be repeated. This line was projected for a special purpose—to open up an agricultural area—but was the means of bringing to light one of the richest mineral districts in the world.

Reference to the T. & N.O. Railway brings to mind another of the peculiar inconsistencies of certain opponents of the H.B.R. in the east. Last year a contract was let for the construction of seventy miles or so of this railway north of Cochrane, and the Ontario government has announced its intention of extending this line to James Bay as soon as possible in order to take advantage to the fullest extent of that outlet and of the extensive trade which it is expected will develop thereby. It would appear, therefore, at this distance that there are those who are boosting the Ontario project, at the same time opposing the construction of the railway in the west on which so much money has already been spent and which is so near completion.

And, besides, at the time of the extension of the boundaries of Ontario and Manitoba in 1921, the former province stipulated for and secured a strip of territory five miles wide through the area granted to the latter. Ontario's representatives declared that this strip was of vital importance to that province in order that it might have direct communication with the bay at Port Nelson, at which point it was arranged the strip should terminate. This is another instance of where

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actions speak louder than words, and it is said that this desire of Ontario was not unremotely connected with the selection of the port mentioned as the H.B.R. terminal.

GENERAL SUPPORT OF SCHEME

In view of the history of the H.B.R., the condition in which it now stands is inexplicable. No public enterprise in Canada has received more general endorsation and support from national governments, parties and leaders. Prominent statesmen in the Dominion arena—opponents in almost every respect—have united in advocating the carrying out of this project, and there would certainly appear to be no change in the situation in this regard in recent years, although there have been several changes in government. Here are statements from the prime minister, former prime minister and leader until recently of the Progressive Party, as set out by them in letters to the secretary of The Pas Board of Trade.

Rt. Hon. Mackenzie King, December, 1920:

"With respect to the particular project of the Hudson Bay Railway, such expression as there has been on behalf of the party was given in parliament at the time the project was inaugurated."

Rt. Hon. Arthur Meighen, November, 1921:

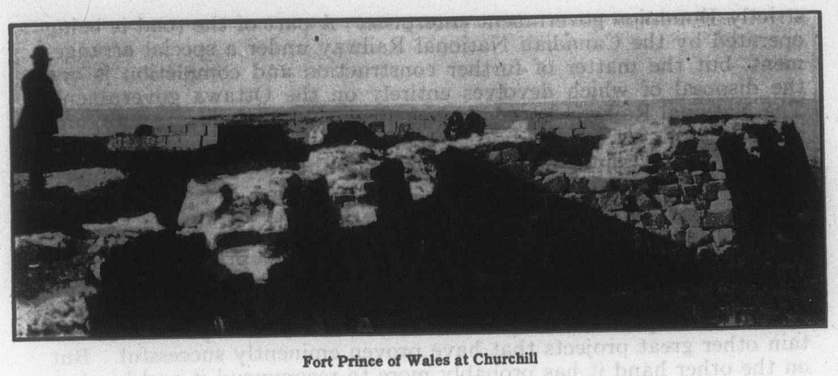
"I have several times stated the policy of the government towards the Hudson Bay Railway. I regard its completion as essential, and not only that but am most anxious that the least possible delay be allowed before its completion is finally undertaken."

Whitemud Falls on Nelson River

Hon. T. A. Crerar, December, 1920:

"Expressing my own personal view, I have no hesitation in stating that this road should be completed to the bay at the earliest possible moment, and I hold the further belief that eventually it will become one of the great trade routes of the world."

Hon. Mr. Mackenzie King was a member of the government which began the construction of the road, and his letter would indicate that he and his party have not altered their attitude in this respect in any way. Mr. Robert Forke, M.P., who succeeded Mr. Crerar, has already come out strongly in favor of completion of the road.



Fort Prince of Wales at Churchill

IS IT A POLITICAL SCHEME?

It seems quite popular in certain quarters to refer to this enterprise as a political scheme; that the political parties have been "flirting with it in response to western sentiment;" that it "was inaugurated and continued to serve the political needs of both parties," etc., etc. In a word, the charge is that the political parties, and inferentially their leaders, have not been nor are they now acting sincerely in the matter, that all have conspired to flimflam the public. What is the significance of statements made in this regard? These are the alternatives presented. Either the prime ministers of Canada and other political leaders from Sir John A. Macdonald to Hon. W. L. Mackenzie King (men in whom the people of Canada have reposed their confidence and to whom have been accorded the highest honors in the gift of the people) having unequivocally and unconditionally promised that they would put through and complete a certain national undertaking, have made this promise without having properly investigated the circumstances or conditions in connection with the enterprise in question, in short, without knowing anything about the nature or significance of the pledge which they gave so freely; or on the other hand knowing that this promise or pledge could not be fulfilled or if fulfilled would not be in the interest either of the west or Canada as a whole, deliberately gave such pledge in order to obtain some seeming political advantage which at best could only be temporary! Are the people of Canada to understand that Macdonald, Tupper, Laurier, Borden, Meighen, King and many other leaders are guilty on either count? The alternatives need only to be squarely and plainly presented to show the evident absurdity of the charge. An affirmative answer to the above question would mean the destruction of any confidence which this country has in its system of government or the integrity of its leaders.

But, looking again at the history of the undertaking, what is the inescapable conclusion if the road is not completed, if it continues to be left in its abandoned condition?

NOT PART OF C.N.R.

The Hudson Bay Railway, contrary to an impression that seems to be more or less prevalent, is not part of the Canadian National system. It is still "under construction," and therefore is as yet a

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strictly Dominion government enterprise. A part of the road is being operated by the Canadian National Railway under a special arrangement, but the matter of further construction and completion is one the disposal of which devolves entirely on the Ottawa government. The National Railway board, and particularly its president, may, and probably will, act in an advisory capacity, but the responsibility still rests on the government, and it is with them that the people of the west have to deal.

SUCCESSFUL UNDERTAKING

The success of any great enterprise, public or private, cannot be determined beforehand in every detail with mathematical precision. There is some element of chance in all undertakings of any importance, and in this respect the H.B.R. does not differ in its inception from certain other great projects that have proven eminently successful. But on the other hand it has probably more to recommend it and has less of the element of the unknown or undetermined than some of these other projects. Mr. E. W. Beatty, K.C., president of the C.P.R., in his New Year's address says: "The Canadian Pacific was built in the face of almost unsurmountable financial and physical difficulties and without any assured prospect of achieving success." Everyone is familiar with the criticisms of that great railway enterprise when the scheme was first under consideration. It was said by those even in high places that "it would not pay for axle grease for the wheels," and that "it would soon become simply twin streaks of rust." A quotation from the *Vancouver World*, which by the way is a strong advocate of the completion of the H.B.R., is of interest at this point:

"Many people still living have not forgotten that a learned engineer published a book to try and save Canada from the 'folly' of building the Canadian Pacific Railway. It makes comforting reading nowadays that 'there is only one strip of land 46 miles wide suitable for agriculture west of the great lakes, and everything north of this line is locked in a land of perpetual ice'."

As intimated in the foregoing, even the western plains were condemned utterly as a place of settlement by those of little faith and less vision. It is not merely a coincidence that this defamatory outpouring emanated from the same locality from which denunciation of the H.B.R. is most pronounced and virulent. The *Montreal Transcript* in 1856 made this very candid reference to what was then known as the west:

"The Red river is an oasis in the midst of a desert, a vast treeless prairie on which scarcely a shrub is to be seen. The climate is unfavorable to the growth of grain; the summer though warm enough is too short in duration, so that even the few fertile spots could with difficulty mature a potato or a cabbage."

History is again repeating itself. The H.B.R. is now subject to the same animadversion that was urged against the C.P.R. nearly half a century ago and against the fertile plains of the west a few years earlier. Who shall say that the results achieved by what are now the world's greatest transportation system and Britain's greatest wheat producing area shall not have their counterpart in the future in the success of the Hudson Bay Railway?

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BENNETT CONTRADICTS MEIGHEN ON H.B. RAILWAY

BENNETT TELLS PEOPLE HE CANNOT VOTE FOR HUDSON BAY RAILWAY

Contradicts the Premier Who Pledged to Complete to Extent of $12,000,000

MR. MEIGHEN'S RIDING

Special to The Star

Ottawa, Ont., Sept. 10.—The speech of Hon. R. B. Bennett, minister of finance, delivered ostensibly on behalf of Right Hon. Arthur Meighen, in Portage La Prairie last evening, has created consternation in Conservative circles here. Mr. Bennett is reported as having said, with respect to the Hudson Bay Railway: "So far I cannot see my way to vote at the present time for it. This country must face realities. We must pay our debts. There are obligations that must be met. It would cost thirty millions to complete the road."

Mr. Meighen, the premier, pledged himself to complete the road to the extent of an expenditure of $12,000,000. Mr. Bennett, finance minister in Mr. Meighen's cabinet, has stated in Mr.

(Continued on Page 3)

Thornton's XI. Plays to a Draw

Scarborough, Eng., Sept. 10 (CP). —The cricket match between the Australians and C. I. Thornton's eleven was to-day left a draw. The scores: England, first innings, 244; Australia, first innings, 194; England, second innings, 79 for three wickets.

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075056

W. D. DUNLOP
BOX 719
YORKTON, SASK.

Hudson Bay
19

Dec.24th 1923

Right Hon. Arthur Meighen.
Ottawa.

My dear Meighen;-

Enclosed please find copy of letter which speaks for itself. I am also sending a copy to Dr. Tolmie.

I notice in the Saskatoon Phoenix of Dec.19th an address given by Mayor McConnell of Saskatoon on the Hudson Bay route. He does not state however in this address the amount of work done under the different political parties.

Could you kindly forward me a statement of the work done on the Hudson Bay road during ~~the~~ Conservative administration?

yates?

Wishing you the Compliments of the Season, I remain.

Very truly yours,

W. D. Dunlop

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075057

Dec. 24th 1923

Dr. Munroe.
Pres. Conservative Ass'n
Saskatoon. Sask.

Dear Sir;-

I was appointed on the Publicity Committee at the Saskatoon Convention and brought the matter up in that Committee that we should use the local weekly papers in place of spending money for publicity on the organized dailies.

My suggestion was that we use the Yorkton Enterprise for the North Eastern section and one of the Moose Jaw papers for the Southern portion, and oth r weeklies, presumably from Prince Albert and other parts where feasible, for the rest of the province.

Since that time I have been talking with some of our Committee in Yorkton and with some of the newspaper editors, especially Mr. Wynn editor of the Yorkton Enterprise, and he suggested that we hold our Executive meeting on the same date and at the same place as the Press Association, and in the meantime he will get the opinion of some of the local weeklies and get them acquainted with this proposition. He also suggested that we establish a Central Bureau for Publicity and have our weekly write-up sent to each of the papers. In this way we would build up a competing organization with the dailies of the Province.

The fact is that the Star, the Leader, the Post and the Phoenix are all one, owned and operated in the interests of the Liberal party, and by establishing a competing organization we would have a permanent advertising medium with very little expense. The object would be to have all the Conservatives in the Province subscribe for these papers, and by increasing their circulation the papers would be able to give us our write-up at a very moderate price. As a rule the farmers do not patronize the dailies, in fact they seldom see them.

These dailies figure they have a monopoly of the newspaper business of this Province, and even at that I do not believe they are a very profitable investment, as the Winnipeg dailies cut away a considerable part of their territory to the East and North of this Province, and my opinion is that we will get better results by using the weeklies than we would from using the dailies of this Province.

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075058

Kindly let me know what you think of this proposition and let me know at as early a date as possible when the meeting of our Executive will be held so that we will have sufficient time to get the editors of the different weeklies acquainted with the proposition and have them attend this meeting in force.

Wishing you the Compliments of the Season, I remain.

Very truly yours,

Sgd W A Dunlop

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19

Hudson Bay Ry

075059

Ottawa, Jan. 7, 1924.

Geo. W. Yates, Esq.,
Asst. Deputy Minister,
Dept. of Railways & Canals,
Ottawa.

Dear Mr. Yates:

Could you let me have a statement of the work done on the Hudson's Bay Railway from 1911 to 1917, and from 1917 to 1921, for the information of my Chief. I do not know the proper officer in your Department to approach and for that reason I am bothering you.

Yours faithfully,

Private Secretary.

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075060

122-22nd Street, East
Prince Albert, Saskatchewan.
January 9, 1924

Dear Sir,

I have heard many people discuss the building of the Hudson Bay Railway and have tried to study the situation out for myself and now I would like to have your valuable opinion

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on this issue. 075061

Would you please give me a brief outline of your views on this subject and send them to me as soon as it is convenient.

This would be a great aid to me as I am working out a speech with this subject as my Topic.

I remain yours truly
Ferne Browne

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R.B.

075062

DEPARTMENT OF
RAILWAYS AND CANALS

CANADA

GEORGE W. YATES,
ASSISTANT DEPUTY MINISTER

OFFICE OF ASSISTANT DEPUTY MINISTER

OTTAWA, ONT.

January 10, 1924.

My dear Merriam,

I have yours of the 7th instant, on my return to the City this morning, and, in the course of a few days, hope to send you the information asked for therein.

Yours very truly,

Geo. W. Yates

A.W.Merriam, Esq.,
Private Secretary,
Office of the Leader of the Opposition,
House of Commons,
Ottawa.

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075063 R.B.

DEPARTMENT OF
RAILWAYS AND CANALS

CANADA

GEORGE W. YATES,
ASSISTANT DEPUTY MINISTER

OFFICE OF ASSISTANT DEPUTY MINISTER
OTTAWA, ONT.

January 11, 1924.

My dear Merriam,

Further to yours of the 7th instant, I send you with this a copy of our annual report for the fiscal year ending March 31, 1923, recently issued. On page 132 you will find a statement of the expenditure on the Hudson Bay, from the year 1909, and on the Terminals, from the year 1913, the years in which work was commenced in both cases.

The figures in italics are credits, those of 1919 and 1920 being for the sale to the Canadian National Railways of certain material that was detiorating because of the suspension of construction towards the end of the War. The credit in 1921 was for the sale of the S.S."Sheba", which had been purchased for work in connection with harbour development.

Trusting that this will give you the information you require, I am

Yours very truly,

Geo. W. Yates

A.W.Merriam, Esq.,
Ottawa.

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Manitoba Free Press Jan 12/24

075064

13

The Geographic Advantages of the Hudson Bay Route

The map accompanying this article clearly and simply shows ocean trade routes most concerned in the export and import transport of this country, and particularly suggests the distance involved in the Hudson Bay route in comparison with the distance incurred in the use of any of the other routes. The map is drawn to scale, but having had the mercator projections erased to make the geographic distances clearer, does not show Hudson Bay in relation to the North Pole. And though this omission does not enter into any discussion of the transport distances, it is as well to explain how remote the bay is from the pole. Testimony on this point was given before the Royal Geographical society by Dr. Robert Bell, F.R.S. He explained how "a constant effort was made to "associate Hudson Bay and Strait with the Arctic regions. Although the "bay stretches for a thousand miles from north to south, and the distance "is still greater from the Atlantic ocean at the entrance of the Strait to the "western shore of the bay, yet these waters do not anywhere reach the "Arctic circle and the latitude of the southern extremity is south of that "of London."

Neither does the question of the feasibility of the Hudson Bay route enter into the comparison of its advantage in geographical distances enjoyed over those incurred by other trade routes. Some of these advantages are obviously plain in a study of the map, which shows that the Hudson Bay route offers the shortest way for western Canadian produce and stock to the European markets, which means to their reception through the port of Liverpool. How much shorter? In some instances, tremendously shorter. But, as can be seen, the differences in ocean distances incurred by either the New York, Montreal or Hudson Bay route cannot be very marked, and is not so; therefore, whatever significance may attach to the greater value of the Hudson Bay route, must rest in the shorter rail haul it may offer. This has been computed, in comparison with the Montreal route, to give an average advantage to points in western Canada west of Winnipeg of an approximate thousand miles.

As illustrative of the distances to be saved by shipping through the Hudson Bay route, a few points have been chosen at random for inclusion in the following table of comparative distances. These may not be accurate to a few miles, but are approximately so:

TO LIVERPOOL

Point of Shipment	Via Hudson Bay Rail	Via Hudson Bay Ocean	Via Hudson Bay Total	Via Montreal Rail	Via Montreal Ocean	Via Montreal Total	Mileage Saved by H.B.
Winnipeg	660	2966	3625	1465	2763	4223	602
Brandon	850	2966	3816	1544	2763	4307	491
Saskatoon	748	2966	3714	1842	2763	4605	891
Edmonton	974	2966	3940	2168	2763	4931	991
Vancouver	1650	2966	4616	2937	2763	5700	1084
				Via New York			
Oregon	1500	2966	4466	3000	3036	6036	1570
Duluth	762	2966	3728	1165	3036	4201	473
				Via Vancouver—Panama			
Brandon	850	2966	3816	1350	8639	9989	6173
Saskatoon	748	2966	3714	1000	8639	9639	5925
Edmonton	974	2966	3940	869	8639	9508	5563

As the above table gives comparative approximated geographical distances between points of shipping, it is not to be confused, it should be mentioned, with a table upon which might be computed the freight rates that would have to be based upon land and water transport. Obviously the distances quoted between some of the points would imply, in the open months of the year, a water freight for that part of the way through the Great Lakes. The savings in freight rates to be gained by shipping through the Hudson Bay route may be dealt with in a subsequent statement: this one merely implements the map with an analysis of geographical distances to show how much shorter are the distances implied in the Hudson Bay route than in any other great ocean trade route.

A corollary to the above table of distances between the point of shipment and the ultimate port of entry, Liverpool, may be given, succinctly in the facts set forth in the following brief table. It shows distances from illustrative points on the prairies to Port Nelson and to Fort William. Port Nelson is a port of shipment, and consequently freight reaching there has gone its whole journey before being transferred into the ocean-going vessel. Before freight reaching Fort William, or Port Arthur, though, can be transferred into its ocean-going vessel by the Montreal route, it has, of course, to traverse the entire distance from the Head of the Lakes to Montreal:

Point of Shipment	To Port Nelson	To Ft. William	Note.
Edmonton	974	1250	Port Nelson is the ocean port.
Calgary	1074	1250	
Saskatoon	748	900	Ft. William is 1216 miles from the port of Montreal.
Dauphin	700	600	
Brandon	850	560	

RAIL HAUL AND OCEAN VOYAGE

Greater importance must attach generally to finding the shorter haul by rail rather than to seeking the shorter ocean transport. The farmer in western Canada anywhere between the Great Lakes and the western limits of the Peace River country may expect and hope in time to find himself living in one of the greatest stock producing countries in the world. By what route will he ship that stock? By Montreal? Or by Hudson Bay? Or by Vancouver and the Panama? When he compares the first two alternatives, he will find the ocean distances about the same, practically the same; but he will find the rail haul much shorter to Hudson Bay. Some may, however, think that the shorter rail haul, in some cases, and the greater ocean transport offered by the Vancouver route may afford them the attraction of a lower freight rate. But when they come to shipping their stock and certain other products of their farms they will at once perceive, upon reflection, that that route will be impossible, owing to longer distances quoted in the first table given, and especially because of the extreme climatic features of the ocean passage. Much testimony as to the admirable nature of the Hudson Bay route as a means of export for livestock has been offered by westerners in the past and today. The late Senator Davis, of Prince Albert, may be quoted from a speech he delivered in the Senate, in which he referred to the surveyor-general's report. This declared that "for the transportation of grain, "and fresh meat and cattle, as Colonel Dennis has pointed out, the Hudson "Bay route, besides shortening the distance, would have greater ad-"vantages, owing to its cooler and more uniform temperature." The comparison was being made with the Montreal route. But there is no need to harp upon the self-evident futility of the Vancouver-Panama route as suitable for western Canadian livestock.

OTHER GREAT OCEAN ROUTES

As Europe finds readjustment, and as the restlessness pervading world trade imbibes its sedatives, western Canada must come into more acute competition with the other great grain producing and stock exporting countries. Then, the shortest route to Europe, with the least rail haul, will be a vital advantage to the people possessing it. The value of the advantage in this respect accruing to the Hudson Bay route can best be appreciated by comparing it with some of the other trade routes in the world. These have recently been set out by Frederick W. Cowie, consulting engineer to the Harbor Commissioners of Montreal. He perceives in the Hudson Bay route an outlet and an inlet which will be badly needed by Canada if western Canada is to serve the Dominion to its utmost capacity, and be itself, in turn, most beneficially served. Again, for simplification, a comparative table may be added here, comparing the great grain routes emanating from outside of Canada, with the route to be taken from an imaginary point 400 miles from Port Nelson, that distance being set to conform with the distance estimated for the other countries by Mr. Cowie:

TO ENGLAND

Point of shipment	Route	Rail	Ocean
Western Canada	Hudson Bay	400	2966
Kansas City	St. Louis and river to N. Orleans	400	*4561
Argentine	Rail to Buenos Ayres	400	6435
India	Rail to Karachi and via Suez	400	6043
Australia	Rail to Freemantle and via Suez	400	9566
Southern Russia, (Black Sea)	Rail to Odessa, vessel to Hull.	400	3426

*Not including river distance.

Japan to Liverpool, via San Francisco, is 11,000 miles; via Prince Rupert and the Hudson Bay route it is 8,275 miles.

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19

Hudson Bay Ry

075065

Ottawa, Jan. 14, 1924.

W.D. Dunlop, Esq.,
Yorkton, Sask.

Dear Mr. Dunlop:

Your recent letter reached me some days ago and I immediately took steps to secure the information with regard to the Hudson's Bay Railway as per your request.

Attached hereto you will find a statement of the expenditure on the Hudson's Bay from the year 1909, and on the terminals from the year 1913, the years in which the work was commenced in both cases. The figures underlined in red are credits, those of 1919 and 1920 being for the sale to the Canadian National Railways of certain material that was deteriorating because of the suspension of construction towards the end of the war. The credit in 1921 was for the sale of the S.S. "Sheba" which had been purchased for work in connection with harbour development.

Trusting this will give the desired information

Yours very truly,

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075066

Ottawa, Jan. 14, 1924.

George W. Yates, Esq.,
Asst. Deputy Minister,
Dept. Railways & Canals,
Ottawa.

Dear Mr. Yates:

Thanks for yours of the 11th enclosing information with regard to the Hudson's Bay Railway. This is just what Mr. Meighen wanted.

Yours faithfully,

Private Secretary.

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075067

Ottawa, January 15, 1924.

Dear Mr. Dennison:

I have your letter of the 11th instant and thank you for giving me your views on this matter. My own position as regards the Hudson Bay Railway has been always clear and definite. It has been repeated in every part of Canada as well as in the House of Commons. However, we have proceeded along so far with it and it must be completed as soon as we honestly can.

With my personal regards and best wishes for the New Year, I remain,

Yours very truly,

Henry T. Dennison, Esq.,
Yorkton, Sask.

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075067

Ottawa, January 15, 1924.

Dear Mr. Dennison:

I have your letter of the 11th instant and thank you for giving me your views on this matter. My own position as regards the Hudson Bay Railway has been always clear and definite. It has been repeated in every part of Canada as well as in the House of Commons. However, we have proceeded along so far with it and it must be completed as soon as we honestly can.

With my personal regards and best wishes for the New Year, I remain,

Yours very truly,

Henry T. Dennison, Esq.,
Yorkton, Sask.

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075068

Ottawa, February 12, 1924.

Dear Sir:

I should really have acknowledged your letter sooner, but I have been absent from Ottawa more or less continuously and my correspondence has, as a result, become greatly in arrears. Attached hereto is copy of a speech which I delivered in the House of Commons last session with regard to the Hudson's Bay Railway, and which will, I think, give you the information you desire.

Yours very truly,

Ferne Browne, Esquire,
122 32nd Street East,
Prince Albert, Sask.

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CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 1

TELEGRAM

P75069

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

198 RA A 77 NL 1 EX

WINNIPEG MAN MAR 7-24

THE RT HON ARTHUR MEIGHEN

LEADER OF THE OPPOSITION OTTAWA ONT

387

AT A MOST ENTHUSIASTIC MASS MEETING OF THE ON TO THE BAY ASSOCIATION THE MEETING URGED BY UNANIMOUS VOTE THAT THE GOVERNMENT OF CANADA NOW ASSEMBLED AT OTTAWA PROCEED WITH ALL DESPATCH IN THE COMPLETION OF THE HUDSON BAY RAILROAD MORE PARTICULARLY FOR DEVELOPMENT IN THE IMMEDIATE FUTURE OF THE WONDERFUL NATURAL RESOURCES ALONG THE ROUTE AND TO OPEN THE WAY FOR THE PRODUCE OF THE COUNTRY THROUGH THIS MOST DIRECT ROUTE TO THE ATLANTIC OCEAN

CHARLES F GRAY

CHAIRMAN

9.20 PM

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Hudson Bay Rly
19

075070

Ottawa, March 8, 1924.

Dear Mr. Gray:

Your telegram of the 7th inst. reached me in due course. You may rest assured that should the completion of the Hudson Bay Railway come before the House I shall give your representations my most careful and earnest consideration.

Yours very truly,

Charles F. Gray, Esquire,
Winnipeg,
Manitoba.

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075071

H. A. Mackie, K.C.

A. E. Popple, LL.B.

BRIEFING IN CRIMINAL AND
EXTRADITION CASES

201 McLEOD BUILDING
Edmonton, Alberta

March 10th, 1924

Right Honorable Arthur Meighen,
Leader of the Opposition,
House of Commons,
Ottawa.

Dear Mr. Meighen:- Re Hudson Bay Railway

W. H. Morrison was in Saskatoon recently and there met a man by the name of Johnson who was contractor on the Hudson Bay Railway at the time of its construction. He told Morrison that the present Government had sent a gang of men this Summer to Port Nelson to dynamite the concrete which had been laid as foundation for work in the Bay so that it could be argued that Port Nelson coud not serve as a terminal of the railroad since the water or the tide had washed away the concrete.
This man Johnson knows the man who did the blasting.
It is evident that the King Government intends to make a move in the direction of completing the Hudson Bay Railroad with Churchill as a Port.

You might make inquiries in the House about this little affair. Johnson will be around Le Pas, Sask. this Summer.

The same Johnson gave Morrison a set of estimates and specification which were damaging in that they saw that folish prices were paid for construction work. These specifications include the period of 1911 to the time when construction work was discontinued, I believe in 1916 or 1917.

Please let me hear from you in this matter and oblige,

Yours truly,

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Hudson Bay

075072

A SEAPORT OF OUR OWN

To the Editor of The Leader:

Sir:—Free from international complications should be the ambition of every resident of the three prairie provinces of Canada.

The Hudson's Bay is commonly associated with the polar regions; yet no part of it is within the Arctic circle. Its northern part is in about the same latitude as the Highlands of Scotland; Moose Factory, on the southern share, is further south than London. The temperature of the water of the Bay is several degrees higher than that of Lake Superior. In the opinion of Commander Gordon, the Bay may be regarded as a vast basin of comparatively warm water which, doubtless, has a mitigating influence on the winter of the surrounding country.

The length of the Bay is 1,000 miles; its greatest width is six hundred. It covers an area of over half a million miles. Its extent is six times that of the Great Lakes. It is more than half the size of the Mediterranean Sea, and comes within a hundred thousand miles of being equal in expansion to the Caribbean Sea. It is the third largest marine area in the world—and is located within 500 miles of our wheat fields. The distance from Port Nelson to Liverpool is 2,966 miles; from Montreal to Liverpool via Bell Isle, 2,767 miles, and via St. John, 3,097 miles.

A new route would also be furnished between England and Eastern Asia, which via the Suez is about 16,000 miles, via New York and San Francisco about 11,000 miles, and via Port Nelson and Prince Rupert less than 8,000 miles. Just for a minute, study the map of the Dominion of Canada and figure out the tremendous advantage this outlet, when completed, would be to our country and the world at large.

The Hudson's Bay Railway, which connects The Pas, Manitoba, with the Canadian National Railway branch from Winnipeg to Prince Albert, is completed for 332 miles from The Pas to its second crossing of the Nelson River at Kettle Rapids, where a bridge has been built, leaving 92 miles of additional construction to complete the road, on which grading has already been done. The end of the steel is 30 miles from the head of navigation. Construction costs to date are approximately twenty million dollars, including the work commenced at Port Nelson, amounting to over six million. The principal expenses still to be undertaken are the costs of completed ocean terminals, elevators, aids to navigation, etc., laying of steel for 92 miles, preparing the road-bed, and the purchase of rolling stock.

We need the Vancouver route and the St. Lawrence route, too; but we need the Hudson's Bay route most of all. It will cost the least, and is more direct and can be completed in half the time. In fact, the prairie provinces of Western Canada should have been settled through Hudson's Bay ports. Is it economy on the part of the Dominion government to hold up the completion of the Hudson's Bay Railway, for the sake of a few millions, while the west is losing millions each year in excessive freight rates? The present government has done practically nothing with the appropriation they got from Parliament last year, and have not in any way indicated that they intend doing anything this session. I believe that they had between 50 and 60 men engaged all last summer on the H.B. road between mile 214 and The Pas putting in ties. They probably put in a few thousand ties, but did not begin to use up their appropriation of $350,000.

WHY ALL THIS DELAY?

T. F. THOMPSON.

Nokomis, March 10, 1924.

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075073

19

Ottawa, March 15, 1924.

H.A. Mackie, Esq., K.C.,
201 McLeod Bldg.,
Edmonton, Alta.

Re: Hudson Bay Railway

My dear Mackie:

I have your letter of the 10th. I would think if any persons had been sent last summer to do dynamiting at Port Nelson they were sent by the National Railway Board. I believe the best course to pursue is to question the Government on the subject, and steps to this end I am taking at once.

Yours very truly,

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Winnipeg Mar. 25/24

To the Hon Arthur Meighen

Dear Meighen

It is a long time since I wrote to you, you have answered every letter I ever wrote you, so the fault is all my own. I am not as interested in politics as used to be nevertheless I have followed your career all the time and there is no one in Canada more anxious to see you Premier of Canada than I am. I think I could die fairly happy if every Province and the Dominion were ruled by conservatives. There is one thing that I am sure of, and that is that no matter what an elector calls themselves (if they do not call themselves conservatives) they are Grits with a thin coating of whitewash yet thin as it is thousands are deceived by it. Now I am not interested in Railroads or public works of any kind

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as much as I was years ago, but when the late Hon John Norquay Premier of Manitoba in 1887 advocated the building of a road to Hudson bay and made a start on it by building 40 miles. The Grits of Manitoba led by Joe Martin (Greenway played second fiddle) turned it down, now they are howling about a road to the bay being the salvation of this Country. When the ~~Laurier~~ Laurier Gov put through a bill to build the G T P that was to be the salvation of the country, now the Progressives (white washed grits) and Liberals would discard that road and complete the road to the bay. I do not mean the eastern Liberals now I was always in favour of that road until very lately and I am indifferent now, I suppose it is on account of my age. I think now that very soon all Alberta wheat will go to the coast and perhaps a little from Sask. half way between Fort William and

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Vancouver is just about the East side of Alberta. Better facilities for handling the grain at Vancouver and also a lowering of the grade by tunnels in the Mountains would help a lot. A real reciprocity in natural products would be established between B.C. & Alta. All the West needs B.C. lumber and fruit and a great quantity of her fish. Cars going there loaded with wheat would not come back empty like from the head of the lakes but would come back loaded with lumber, and certain other things could be shiped in them part of the year, and while most of the fruit and fish would have to be shiped in refrigerator cars, the roads might as well use them from there, as from the East or south. If that took place Alberta and B.C. would quit howling about Free trade with the states, and Alberta would be indifferent about the Hudson Bay road.

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I hope this finds yourself and family well, I have not heard from Jack Wright for quite a while I hope he is well. My daughter and youngest son is living in Vancouver I am keeping fine myself scarcely as swift as I used to be, but my heart is just as young. I stay in Winnipeg most of the time generally take a trip to Ont and Vancouver every year, but no place like Manitoba for me. This has been one of the finest winters I ever seen. hoping to hear from you. I remain your true friend W McKelvy

Address
C/o Wilfred T Boyd Barrister
510. Somerset Bld Wpg

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Mail & Empire Toronto March 28/24

075078

HUDSON BAY ROAD COSTS $20,750,000

Estimated Total Investment of Nearly Fifty Millions Completed.

DEFICIT KEPT DOWN

Low Losses at Present by Reason of Minimum of Service.

Special to The Mail and Empire From Staff Reporter.

Ottawa, March 27.—To complete the Hudson Bay Railway and Port Nelson ready for the shipping out of grain would bring total expenditure on this enterprise to between $45,000,000 and $50,000,000, is the conclusion drawn from the reply of the Minister of Railways to questions asked as to the expenditure necessary to make that port ready to handle export business.

The Government has spent on the Hudson Bay Railway approximately $14,500,000; and on the terminal about $6,250,000, or a total of $20,750,000. Probably another $5,000,000 would be required to carry the steel to tidewater. In the opinion of the Department of Railways and Canals, another $20,538,000 would be required to make the harbor ready for shipping grain. These figures total $46,500,000, and there would certainly be other extras.

The fixed charges on the investment would be at least $2,500,000 a year, to say nothing of the annual deficit on operating the railway. At present this is kept down to about $25,000 a year, but this low figure is made possible only through the minimum of service.

A total expenditure of $20,750,000 to date on the Hudson Bay enterprise looks quite large when it is remembered that the expenditure on the harbor of Montreal to the end of 1922 is given as $31,000,000.

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Manitoba Free Press Mar. 29/24

075079

A Covenant to be Kept

The casual reader approaching the question of the construction of the Hudson Bay road for the first time and relying for his information upon the eastern newspapers which are fighting the project, would get a very wrong idea of the origin and nature of the present controversy.

"Here," he would say, after reading their diatribes, "are "these unreasonable Westerners with some crazy new scheme for "wasting public money; and they will not even agree to a delay "of a few years time until an enquiry can be made." He would also learn from the same sources that all the known authorities were agreed that what the West is demanding is a patent impossibility.

But if our enquirer will pursue his studies further he will learn some things that will surprise him a bit—these, among others:

That it is not a new project, but was brought to the public attention forty years ago. Mr. King, the Prime Minister, who has now to deal with this matter, was still in the marble-playing age when this first came before the public.

That there have been within that period repeated examinations of the route and enquiries into its practicability; and that the net result of these was a decision by two Dominion Governments in succession that the road should be built.

That as long ago as July, 1906, Sir George Foster, who is not exactly an irresponsible public man, declared in Parliament: "I believe the Hudson Bay railway ought to be built and it can-"not be built now any too soon."

That Sir Wilfrid Laurier, Prime Minister of Canada, said in 1908, sixteen years ago: "We have come to the conclusion that "the time to build the Hudson Bay railway is now; not tomorrow, "but now, and we have surveyors preparing plans for us which "we shall be prepared to put into execution as soon as we receive "them."

That Sir Robert Borden in the same year declared that his party was committed to the construction of this road.

That construction of the road was begun in 1910, fourteen years ago. Mr. Graham, the present Minister of Railways, turning the first sod at The Pas.

That a change in government taking place in 1911, the new government went on with the work, accepting it as a national undertaking about which there was no division of opinion.

That Mr. Frank Cochrane, Minister of Railways in the Borden Conservative Government, after a personal inspection of the route said in Parliament: "I have every faith in the scheme and I will "push the Hudson Bay road for all I am worth. I believe the "Hudson Bay route will mean much to the West in the way of "lower freight rates."

That construction of the road was carried on, until by 1918 the road had been graded to the Bay, rails laid to within 90 miles of Port Nelson, extensive harbor improvements carried out—at a total cost of 20 million dollars.

That the sole reason given for the suspension of the work was financial exigencies due to the war.

That there has never been any official intimation that the route is to be abandoned.

That last year, in Parliament, Mr. Graham, the Minister of Railways, said: "So far as the Government is concerned, they "have never suggested the abandonment of the Hudson Bay project."

That in the same debate, Mr. Meighen, leader of the Conservative party, said: "I favor the Hudson Bay railway. . . . We are "not at the commencement of the venture. We are well on to-"wards the conclusion of the venture. This country has been "committed to the project for at least fifteen years. . . . It is a "matter of good faith that the covenant be kept."

Having learned these facts the searcher after knowledge would begin to wonder at the audacity of the eastern opponents of the road in assuming that the project is a patent and transparent fraud, put forward by the insatiable Westerners for the purpose of looting the treasury. He would say that the case for the early completion of the road is unassailable; and that the opposition to it is malignant and prejudiced. And he would be right.

The West expects the covenant to which Mr. Meighen made reference to be kept. Not twenty years hence, but NOW, with only such delay as is inescapable in carrying out a project of this magnitude.

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075080

19.

Ottawa, March 31, 1934.

Dear Mr. McKelvie:

I am indeed glad to get a letter from my old friend William McKelvie. You have been quite negligent for a long time back. As years pass the letters that come from the old stalwarts of 1908 are getting fewer and fewer, but, as you know quite well, there are none for whom I have the same feelings of obligation as I have to those who worked so loyally with me in the early battles in Manitoba.

Your ideas on Dominion politics are still very sane and practical. The development of the western route, made possible by Conservative policies and nothing else, is one of the most encouraging features of the past two years. It looks as though our grain would pass that way from the whole province of Alberta and possibly from even a larger area. The Hudson Bay Railroad is a real ~~profit~~ problem. I have taken my stand upon it both in the west and in the east. Its difficulties are greater than we anticipated.

The other day on the street here I met the Reverend Mr. Young who was in Gladstone in 1908.

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075081

I had quite a talk with him. He is now in Oakland, Ontario. The present Member for Neepawa, including Gladstone, is Mr. Milne, who seems a very quiet inoffensive man, and, who takes little, if any, part in the affairs of the House. I am certainly glad to know you can still take trips east and west and may your good health long continue.

Yours very truly,

William McKelvie, Esquire,
c/o Wilfred S. Boyd,
510 Somerset Bldg.,
Winnipeg, Man.

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Gazette Montreal April 2/24

075082

Dauphin Threatens to Get Divorce From Canada

Ottawa, April 1. — The peril of a new Dominion being created within the Dominion of Canada, is set forth in a petition which people in the vicinity of Dauphin, Man., have sent to their Progressive member, John W. Ward. They demand the construction of the Hudson Bay Railway and state that if it is not completed by 1925, "we, the people," will carry the matter to the foot of the throne, asking the King to divorce them from the rest of Canada.

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D. Smith
~~R. DIAMOND,~~
PRESIDENT

R. C. Fahrni
~~J. H. BALLANTYNE,~~
SEC. TREAS.

R.H.Ecclestone
~~S. DICKAHANY,~~
VICE PRES.

0 7 5 5 5

6a 19

Board of Trade

Gladstone, Manitoba

Canada April 4th. 1924

Hon. Arthur Meighen
Parliament Bldgs

Ottawa, Canada

Dear Sir:-

I have been directed to advise you that the following resolution was adopted at the annual Meeting of the Gladstone Board of Trade last evening. This resolution I believe is a true expression of opinion of the citizens of this town and district and we respectfully solicit your influence in the House when the measure comes up for discussion:-

" Resolved that we the members of the Gladstone Board of Trade are in favor of the completion of the Hudson Bay Railway during 1924 "

Thanking you for your interest in this matter I am

Yours truly,

Roy C. Fahrni
Secretary
R.C.Fahrni.

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075084

CYPRESS CLUB MEDICINE HAT

April 6th 1924

My dear Mr Meighen

Writing to you so often you may think I have gone nutty or that I have very little to do such is not the case. I am a very busy man except on Sundays and as I gave up going to Church the day before the Referendum on the Liquor question. becaus of a Sermon by the Rev narrow minded Shearer and that after a regular attendance for more than forty years thirty five of which I served as an Elder you can see on Sunday I do not have much to do when the wind is blowing like it is to day. If I was not writing to you I would be reading

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the Saturday Post or thinking of what a bad old cuss I have been at times

Yesterday I met two old time freinds Dr Michael Clark wired that he was going through on the noon train and we had a talk for nearly half an hour Captain Ross who at one time lived here and built the Assiniboia Hotel came in on the Evening train and I had a long talk with him over a half bottle of Scotch and thats the best little thing there is for drawing out a mans thoughts:

Clark had been in Saskatchewan advocating Free Trade and Ross had been in Wpg taking a few days rest he is now in charge of the Hudson Bays Boats at the Pas and has opportunities of knowing things which we do

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not all have. While he was in Mpg
there was a Meeting largely
attended which had for its object
starting a movement to press
for the completion of the H B Ry
to Churchill or Nelson because
of Ross being a rather important
man at the Pas he was asked
to address the meeting he
refused first because he was
not used to Public speaking
and secondly because he did not
think the Road showed he
completed. I have known Ross
a long time he was while here
considered somewhat of an
English Johnny whose father
had too much money and
gave too much of it to his Son
he never made any money out
of the Hotel and never appeared
to care whether he did or not

075086

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but I know Ross had lots of Horse Sense and that he is absolutely honest. There has always been a lot of difference of opinion about the Hudson Bay I have and you have heard from fellows like Bill Bush he of the big Whiskers "I think you must know him he lived a long time in Wpg" who advocates the HB Ry and no other place but Churchill for the Harbor Ross says it will never pay to build that road and that as a Harbour Churchill is impossible. he has never been to the Bay but he knows Sea Captains who have and he believes what they have told him because they could have had no object in trying to deceive him. I think you should know this

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075088

CYPRESS CLUB MEDICINE HAT 1904

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Then again about Clark I want to tell you something of him like friend Ross he likes Scotch so do I to a certain extent and I know when men have a bottle of Scotch between them they often give out things they would not think of letting out at another I am an admirer of Clarks I think he is an able man on the platform and he is certainly a Prince to meet when you have some spare time to ~~pass~~ put in. I know it is said he drinks but I do not think what he drinks hurts him. I know Sir John A McD drank more than Clark and he

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made
as good a showing as most of
the Boys General Grant drank
and Lincoln said on one
occasion that he wished he
could get some of his other
Generals to take a little of the
same stuff Clark told me he
was as good a Tory as I was
except for the Tariff and
that one thing he believed
in was honesty and he could
not bring his mind or
conscience to support McK.K
I think Clark would like to
be in with you and I do not
know what you think but
submit all the foregoing
for your consideration
Just one word more look at
the enclosed and return it
when it has served its purpose

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075090

I am sending it to show you
what a D F I am to be
bothering with this kind
of thing. When I have no
real need to do it. I had
to pay this on my note to
the Bank. I sell and buy
Govt Bonds on Commission
not becaus I have to but becaus
I want to be busy at something
and the only thing I know
how to do at all well is
make a little money now
and then Hope I am not
bothering you I have no
purpose to serve in writing
you all this except that I want
to see you do your job right &
think I can help a little

Yours truly
W Mc Inns

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COPY
KL.

075091

19 6 1

Kelvington, Sask., Apl. 8/24.

Donald Sutherland Esq., M.P.,
House of Commons,
Ottawa, Ont.

Dear Mr. Sutherland:-

It is some time since I have troubled any of the old Ontario guard with a plea for support in any project, but I am going to put something up to you and, as a farmer yourself, I know that I will have at least a sympathetic hearing.

Am attaching an effusion of my own that will serve to show you what I assure you, is in the minds of nine-tenths of the people of the Prairie provinces - secession. You can have no conception of the feeling there is over the Hudson Bay matter and it will take cool heads to avert a worse thing than the setting up of a separate British colony on this continent. I do not believe that there is much of an annexationist spirit in the west and certainly none at all amongst the immigrants from the U. S. who are our best advocates of British connection - odd as that may seem.

What I wanted to say, particularly, is that the time is ripe for the Conservative party to step in and, by vetoing all possible public expenditure but that of the completion of the Hudson Bay line, to win the gratitude of the west. You will have noted that the party in Sask. has been re-organized under the leadership of Dr. Anderson and while the province is overwhelmingly Liberal theoretically, there is a strong Conservative element in every riding and these groups are now at work on organizing effectively as may be. What I should have said at the beginning of this paragraph was "veto all public expenditures possible to veto".

We do not need any of the branch line construction that is proposed one-tenth as much as we need the Bay line and there will be not a word of protest if they are all cut out this year providing the Bay line is completed. The Vanceboro line referred to in the verses may be a necessity, but we view it as simply another link binding the west to the continued shipping of our grain over the longest rail route possible. Other extensions in the east we know or care little about, but having been in the Vanceboro territory I know the strategic value of it to the C.N.R., but the west is after a cut in the rail haulage that will put yearly, approximately, $60,000,000 into the pockets of the western farmer, to spend for eastern products - mark you that.

I wish you would talk this matter over with Mr. Meighen and have him tell the west just where he stands on the subject of Hudsons Bay Ry. construction. He may be skeptical of the value of the line, but he need not be if it never hauls a bushel of grain to Port Nelson

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075092

the natural resources of the territory traversed will repay all the expenditure, but-as over 700 vessels belonging to the Hudsons Bay Co. have sailed into the bay in the last 100 years with the loss of only one obsolete ship, we know that the route is feasible and will be more so when properly equipped with marine safeguards.

The whole west is aflame with indignation over the delay and the waste that is going on along the part of the road already completed. It is possible for the Conservative party to win the next election if they promise the west the Bay road NOW - and this despite the use of Forks or any implement, agrarian or otherwise.

I wish we could get you out here with that old Scotch twang of yours to rouse the spirit of the drooping troops. You put South Oxford on the map and I believe that you could do wonders with a western audience providing you were given local color and stuck to the plow handles and the needs of the west.

Trusting that I have not bored you and that I will have the pleasure of hearing you some time and a line to say what you think of our case, I am.

Yours sincerely,

(Sgd.) Geo. H. Haney.

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075093

THE WAY TO THE BAY

An open letter to Hon. W.L. McK. King.

.....

With the uttermost farthing ground out of the West,
  Ere she lands her vast crops at the sea,
You haven't a dime to spend on the line
  That will make this great prairieland free.
To our plea for "The way to the Bay", Mr. King,
  You reply with a curt - "N.S.F."
But you've money to spend on a tapering tower
  That may mark your political death.
We will not desert the old flag, Mr. King,
  Or the Empire that mothers the world,
But you'll build us the line to the Bay, Mr. King,
  Or - there'll be a new banner unfurled.

You tell us the Senate sits hard on this scheme,
  And we know that in this you speak true,
But we're tired of the tricks of that barnacle crowd -
  We look, not to them, but to YOU.
YOU were given command of our fair ship of State,
  To direct without favor or fear
But you're letting the forecastle pilot the craft
  With the sequel that wreckage is near.
Then give us "The Way to the Bay", Mr. King,
  Ere the tide of secession up-rolls,
Or we'll show you the way to the hay, Mr. King,
  When our chance comes again - at the polls.

You willingly father the Vanceboro line -
  A matter of ninety odd miles -
And the buying of hotels in La Belle Paris
  Evokes nothing harsher than smiles.
You've doubled the payroll on government jobs -
  That is, your predecessors and you -
But YOU are the man on the job, Mr. King,
  And YOU get the blame - only you.
You subsidize private-owned ships, Mr. King,
  While your own lie a-wash at the quays;
Could you not send these idlers up into the Bay
  To carry our wheat O'er the seas?

You could if you would - and you will, Mr. King,
  Or we'll cut this Dominion in twain;
And on whom, do you think, when the histor's writ,
  Will fall ignominious blame?
On you, Mr. King. You are seized of our case;
  You know that we pay through the nose
For every dam'd thing, both forward and back,
  From the grain we produce to our clothes;
You know that it costs us a third of our crop
  To land it at old Liverpool -
So give us "The Way to the Bay", Mr. King -
  Be the BOSS, Use the old Golden Rule.

- Fairfax.

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CANADA

Regina Leader April 10/24

075094

H.B. ROAD CLAIMS IMPRESSED UPON OTTAWA CABINET

Premier Told by Delegation of Possibility of Breach With East Unless Action Taken

13

OTTAWA, April 9.—Warning that there was danger of a breach between the east and the west unless conditions in Western Canada were improved, was given to the government today by General R. W. Paterson, of Winnipeg, a member of a large delegation which came to urge the immediate completion of the Hudson's Bay railway.

General Paterson stated that he had recently been told by a westerner, who was "English to the backbone," that if the west did the best thing for itself it would join up with the United States of America. Governors of western states had declared that they were in favor of constructing the railway. He said that a number of Winnipeg business men favored construction of the road but were restrained from an expression of opinion because of the threatening attitude of big business in the east.

After listening to speeches in favor of the Hudson's Bay railway, Premier King expressed the hope that the representations made would find their way, through the press, to the people of Eastern Canada. Representations had been appearing in certain sections of the press against the completion of the work. The great national tragedy of today was that east and west seemed unable to discuss together their own peculiar problems. The biggest thing before Canada was the creation of a Canadian national sentiment. He hoped the day would come when those who were earnest in their desire for th development of this country woul be able to talk together and discu their problems at first hand.

So far as the Hudson's Bay w concerned the government could on thank the delegation and promise to give serious consideration to the representations made. The delegation represented the three prairie provinces and had among its members Robert Forke, Progressive leader, and a number of Progressive members of parliament. It was introduced by Hon. A. B. Hudson.

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CANADA

075095

19.

Ottawa, April 10, 1934.

Dear Mr. Cousins:

I have your letter of April 6th, giving an account of your visits from Dr. Michael Clark and Mr. Ross. I am especially glad to hear a few words even if indirectly from my old friend Michael Clark. You know, of course, we all had a great admiration for him here at Ottawa. He is absolutely telling the truth when he says in everything but tariff policy he is Conservative. By his very instincts, to say nothing of his matured opinions, he is in thorough harmony with all that the Conservative party stands for on the matter but tariff policy. Dr. Clark has never been able to draw the distinction between Canada's position as an under developed country beside the United States and England's position of the days of Peel and Cobden.

I am very interested to hear what Mr. Ross had to say to you on the subject of the Hudson Bay Railway.

Yours very truly,

W. Cousins, Esquire,
Medicine Hat,
Alberta.

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CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

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07509

RA349 77 4 EXTRA NL 1/60

WINNIPEG MAN 10

HON ARTHUR MEIGHEN

483

OTTAWA ONT

NOTWITHSTANDING WELL UNDERSTOOD NECESSITY FOR ECONOMY I UNQUALIFIEDLY URGE COMPLETION OF HUDSONS BAY RAILWAY TO PORTNELSON I DO THIS IN THE FULL BELIEF THAT SOME THROUGH BUSINESS WILL IMMEDIATELY BEGIN TO TRICKLE OVER THE ROUTE AND THAT IN A COMPARATIVELY SHORT TIME A LARGE VOLUME OF BUSINESS BOTH OUTGOING AND INCOMING WILL BE HANDLED BY THIS RAILWAY AND THAT THE

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RA349 SHEET 2/17 WINNIPEG MAN MEIGHEN OTTAWA ONT

BENEFITS TO WESTERN CANADA WILL BE INESTIMABLY GREATER THAN ANY POSSIBLE TARIFF REDUCTIONS

HUGH ARMSTRONG PRESIDENT ARMSTRONG INDEPENDENT FISHERIES.

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TELEPHONES { N 6594
N 6841

075098

Armstrong Independent Fisheries Limited

Specialty :
WINTER CAUGHT FROZEN FISH

Head Office :
151 Bannatyne Ave.

Winnipeg, Manitoba

Personal

April 10th, 1924.

Hon. Arthur Meighen,
Ottawa, Ont.

Dear Arthur:

I enclose a formal letter and have sent the telegram. I agreed to telegraph with some reluctance to MacKenzie King and afterwards made up my mind that I would have nothing to say to that wiggler. I have no use for him, or anyone like him, and I am getting too old to pretend.

So far as the Tariff is concerned, those who advocate reductions are in my opinion only chasing a shadow, but I have no sympathy whatever for the Liberal party. They themselves educated that School of political thought which you designate as the dilapidated wing of the Liberal party, and now it rises and shakes its fist in their face. If ever any class of people have been absolutely insincere in Canadian politics so far as Tariff is concerned, it has been the Leaders of the Grit party. Some one said that the people are as well governed as they deserve to be, and I agree with it. It is not that certain sections of the people are insincere, but they are ignorant, and one lifetime is too short to educate them. I suppose it will be just a case of staggering along, and every fellow doing the best he can according to his lights.

Yours truly,

Hugh Armstrong

HA/A

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CANADA

075099

TELEPHONES { N 6594
N 6841

Armstrong Independent Fisheries Limited

Specialty :
WINTER CAUGHT FROZEN FISH

Head Office :
151 Bannatyne Ave.

Winnipeg, Manitoba

April 10th,1924.

Hon. Arthur Meighen,
Ottawa,Ont.

Dear Sir:

Those actively interested in the promotion of the proposition to complete the Hudsons Bay Railway are busy getting representative Winnipeg firms to telegraph the Hon. MacKenzie King their views. I have not the pleasure of the acquaintance of Hon. MacKenzie King, and suppose he would pay very little attention to me anyway, but I am willing to do my bit in this matter, and have consequently decided to telegraph you, which I have done, the following being a copy of the telegram, and in your discretion you may pass the telegram on to the Premier:

"Notwithstanding well understood necessity for economy I unqualifiedly urge completion of Hudsons Bay Railway to Port Nelson.I do this in the full belief that some through business will immediately begin to trickle over the route and that in a comparatively short time a large volume of business both outgoing and incoming will be handled by this Railway and that the benefits to Western Canada will be inestimably greater than any possible tariff reductions.

Hugh Armstrong,
Pres. Armstrong Independent Fisheries."

It is thirty-two years this Summer since I was a Member of a Delegation that went to Ottawa to urge upon the Government the building of the Hudsons Bay Railway. Doubtless the scheme was premature then, but I have been a constant believer in the route and am yet. If Western Canada ever fills up with settlers, and the Lord knows whether it will or not, unless something can be devised to make living conditions easier, I firmly believe that this route will be taxed to its capacity, and that the roads running East and West will not do any diminished volume of business.

Yours truly,
Hugh Armstrong

HA/A

PRES. ARMSTRONG INDEPENDENT FISHERIES

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CLASS OF SERVICE	SYMBOL
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Day Letter	Blue
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075100

CANADIAN NATIONAL TELEGRAM

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WINNIPEG MAN 10 -11 APR 1924

CALL LOCAL 298
FOR MESSENGER
Canadian National Telegraphs

HON ARTHUR MEIGHEN
HU ONT.

NOTWITHSTANDING WELL UNDERSTOOD NECESSITY FOR ECONOMY I UNQUALIFIEDLY URGE COMPLETION OF HUDSONS BAY RAILWAY TO PORTNELSON I DO THIS IN THE FULL BELIEF THAT SOME THROUGH BUSINESS WILL IMMEDIATELY BEGIN TO TRICKLE OVER THE ROUTE AND THAT IN A COMPARATIVELY SHORT TIME A LARGE VOLUME OF BUSINESS BOTH OUTGOING AND INCOMING WILL BE HANDLED BY THIS RAILWAY AND THAT THE BENEFITS TO WESTERN CANADA WILL BE INESTIMABLY GREATER THAN ANY POSSIBLY TARIFF REDUCTIONS.

- HUGH ARMSTRONG, PRESIDENT ARMSTRONG
INDEPENDENT FISHERIES.

845A

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19

075101

Dear Hugh

If this of any real value to you? As a matter of fact this Govt. will not go on with the H.B.R. The problem likely will be up to us.

A.M.

Foot note to letter written Hugh Armstrong on Apr 11/24 re H B Ry

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075102

Ottawa, April 11th, 1924.

Honourable Hugh Armstrong,
Pres. Armstrong Independent Fisheries,
Winnipeg, Man.

Dear Hugh:

Your telegram of the 11th inst., has just reached me. A day or so ago I had a long interview with the Hudson's Bay people at which they explained their case very fully. I have always taken thesstand, both in the House and out of the House, that this railroad was pledged to Western Canada and should be built so soon as our financial conditions would permit.

Yours very truly,

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CANADA

Manitoba Free Press Apr. 12/24.

075103

What a Twenty Million Dollar Road Looks Like as It Lies and Rots

Trains on H.B.R. Travel Shakily and Dangerously, Stopping at Night for Safety's Sake, Past Ties Decaying Unused and Over Roadbed Sinking in Muskeg—Huge Bridges and Terminals Rust While They Wait for

Reece Hague, the writer of the following article, is a well-known newspaperman, who has been for some years a resident of The Pas, and has been the Free Press correspondent at that point. Mr Hague's duties have taken him on many trips up and down the line of the Hudson Bay railroad, including the "muskeg" section. He is therefore in the best position to describe for the Free Press the present appearance of the road, and to present the case for its rehabilitation and completion which lies in the wasteful deterioration, through sheer neglect, of this expensive and originally well-constructed line, left "in the air" when only ninety miles from its destination.

BY REECE H. HAGUE

TO view a magnificent achievement of man falling, through neglect, into disrepair, and faced by ultimate devastation and ruin, is a depressing sight.

One wonders what would be the feeling of the men, through whose intellect and physical toil a great work was accomplished, could they revisit the scenes of their labor and witness the deterioration of their handiwork, which they had left vibrant with life and apparently assured of success, but which had now grown shoddy and ineffective through the ignorance or apathy of those into whose hands the control of the vast structure had been placed.

These thoughts invariably occurred to the writer on the occasions of his intermittent trips over the Hudson Bay railway, and have become more pronounced as the years have passed, the deterioration of the line has increased, and travelling has been rendered slower and more dangerous.

What high hopes were held out in the days, now some seven years distant, when hundreds of men toiled on this venture; by their labors overcame every obstacle, and gradually saw the two steel tracks which were to link up the north of Canada with the south and open up a vast new transport system, gradually creeping towards their ultimate destination.

The Vigorous Start

Infinite toil and tremendous expenditures of money were needed to perfect and complete this undertaking. Inexorably the steel crept forward. Inferior work when encountered was painstakingly rectified. Foot by foot the steel advanced into the wilderness. One-half the distance was covered, three-quarters and still the line extended on. Then, suddenly, when the end appeared in sight, all the greatest difficulties had been overcome and work of only a minor nature was required to put the finishing touches to this undertaking, there was a cessation of work; the hundreds of laborers and the men who had directed their labor drifted off to new fields; the birds and beasts of the northern wilderness were left undisturbed. The first chapter of the history of the Hudson Bay railway had been abruptly terminated.

Since that time the authorities who control the destiny of the Hudson Bay railway have occasionally, when stung into action by the insistent demands of the people of the west, despatched small and entirely inadequate gangs of men to carry out absolutely essential repairs to that part of the line previously constructed, but no attempt has been made to complete the undertaking.

True, bright new mile posts were erected some two years ago to replace the somewhat shabby ones which had served hitherto. Gangs of surveyors and their assistants exercised infinite care to see that the distances were accurately recorded, but as for any systematic effort to keep the roadbed in decent repair, no such thing apparently ever occurred to the authorities.

Ties Rot Unused.

Many new ties were distributed in the ditches running alongside the roadbed, but there the enthusiasm of the authorities ceased, and these ties have long since commenced to crack and rot, until they appear almost as disreputable as their brothers which are making a valiant effort to hold up the steel.

As the months pass the road becomes worse and worse, and the men whose duty it is to conduct the train which makes occasional journeys from The Pas to Mile 214 on the railway embark on each successive trip with additional trepidation.

The ties which have so long struggled manfully to fulfil their obligations gradually give up the ghost in disgust and sink back broken and decrepit into the roadbed, and the steel rusts and buckles. The last 90 miles of roadbed, leading into Hudson bay, on which no steel was laid, lies neglected and forlorn.

In the meantime the authorities place their fingers in their ears to drown the chorus from the throats of the westerners to whom this railway is a vital thing, its completion a consummation devoutly to be desired.

That the Hudson Bay railway is in a shocking condition will be admitted by anyone who has travelled over it during the past three or four years. To complete it seven years ago would have been a comparatively inexpensive matter, when one considers the large sums of money which had already been expended upon it. Even now the amount required to thoroughly repair the line already laid, and put down the 90 miles of steel required to carry the railway through to the bay, is trivial compared with the original outlay on the venture; but every time engineers are sent over the constructed portion of the road they shake their heads on their return and report in sorrowful tones that deterioration had increased a few thousand—or maybe a few hundred thousand dollars—and so matters drift along.

Time Means Huge Loss.

It is by no means too late to save from total ruin the line already constructed, but delays are always dangerous. Every month in which the line is allowed to lie neglected means an additional cost in the future of thousands of dollars, to say nothing of the fact that the work of repair will be rendered increasingly difficult.

Possibly the widespread agitation for the completion of the Hudson Bay railway, which was recently launched in the west, will have the desired effect and serve to awaken the authorities at Ottawa from their lethargy and revive in them a sense of their responsibilities to the people whom they are supposed to serve. It may, and it is sincerely to be hoped that it will, result in the restoration and completion of probably the most important national project in Canada.

The writer has found it necessary during the course of his activities in the past few years to travel fairly frequently over the Hudson Bay railway. It is not a particularly pleasant journey, nor is it the safest journey which he has ever undertaken, and when one returns from such a trip he usually carries with him a realization of the usefulness of such institutions as life and accident insurance companies.

Twice a month a train leaves The Pas for Mile 214, Hudson Bay railway, returning, if the fates are kind, some 78 hours later. On the occasions when severe mishaps are encountered, the time of return is sometimes dragged out several days.

This bi-monthly service was supplemented some months ago by a weekly train between The Pas and Mile 82, from which point a continuous stream of people and supplies have been pouring into the mining camps at Herb Lake, connected with the railway by a government road.

Travelling Dangerous

The condition of the line is such that travelling at night is far too dangerous to be indulged in, and when darkness sets in the train stops to await the resumption of the journey at dawn. Even during the day light hours travelling is extremely slow, as there are many dangerous points in the track where great care has to be exercised by the engineer, invariably a man thoroughly conversant with all the vagaries of the road over which he is journeying.

By far the most pleasant method of travelling over the Hudson Bay railway during the summer months is by gas car, although even this method is by no means devoid of danger, the cars not infrequently jumping the rails with unpleasant consequences to the occupants.

Travelling by gas car is not encouraged by the officials and it is necessary to secure special permis-

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sion to utilize this method of locomotion, this permission being only granted, as a general rule, to persons travelling on special government business, when speed is essential.

The territory through which the Hudson Bay railway travels is for the most part flat, muskeg territory, grown over with stunted spruce and jack pine. From the point of natural beauty the trip is by no means extraordinary and the train which plies along the line is described locally as the "Muskeg," from the nature of the country through which it runs.

The feature of the journey which most impresses the traveller is the air of utter neglect which one sees at all points along the line. At a rough estimate it would appear that 85 per cent. of the ties are rotten, many of them being broken right across. In consequence the rails have spread, and to look ahead along the line reminds one of nothing more than two enormous, active caterpillars wending their way into the distance. In places, too, the road-bed has sunk into the muskeg..

With adequate gangs of men employed on the road all these difficulties could have been prevented, and even now could be remedied if the authorities could only see fit to launch an industrious campaign of repair work.

Telephone Posts Skew-Jee

Few of the telephone posts are standing upright. Many of them have broken while others have rotted at the base and are lying full length in the muskeg. At intervals one sees neglected barrows and other equipment left just as they stood when work was suspended, while hundreds of kegs of spikes lie broken and their contents rusted along the right of way.

The large and costly bridges at The Pas, Manitou rapids and Kettle rapids are still in good repair, judging from outward appearances. These are all magnificent structures. The first marks the starting point of the line where the railway crosses the Saskatchewan river, and the other two are situated at points where the line crosses the Nelson river.

At intervals one runs parallel for some distance with side tracks, many of which have apparently never been used since construction days. At these points sign posts have been erected, bearing what apparently were intended to be the names of towns or stopping places, but in most cases the inscriptions are barely decipherable.

The first point of interest one passes on the journey north from The Pas is the large wireless station, now dismantled, which at one time was built to connect with Port Nelson. At Mile 17 one passes Clearwater lake, one of the finest natural pleasure grounds in western Canada, and one extensively patronized by residets of The Pas during the summer months, where the children can bathe with safety from the sandy beach while the male members of the party fish for the large trout and pickerel which abound in the lake, and the women folk gather the wild strawberries, raspberries, gooseberries, blueberries, etc., which thrive in abundance.

At Mile 32, fishing camps are encountered and at Mile 42, or Cormorant Narrows, one sees a small settlement perched on the banks of Cormorant lake, an excellent fishing locality. A short distance from Comorant Narrows, enterprising ranchers have taken up a large tract of land and are operating it with success.

The Gold Area

Stopping places occur at Miles 81 and 82, the latter being conducted by the "Diamond Queen," one of the most outstanding characters of the north, whose genial presence does much to cheer the traveller on his way. Miles 81 and 82 are the connecting points between the steel and the important gold bearing area of Herb lake, in which notable discoveries have been made recently, and which is, at present, staked for miles around, with operations being carried out on various properties.

From this point onwards an occasional trapper's shack is about all that one passes until one reaches Mile 137, a thriving fur trading centre connected by waterways with other fur districts in the interior.

Mile 185, or Thicket Portage, is also an important fur area, where several rival traders have well equipped stores, and, like practically all other points on the line, is connected with one of the many large lakes, well stocked with fish, in which the country abounds.

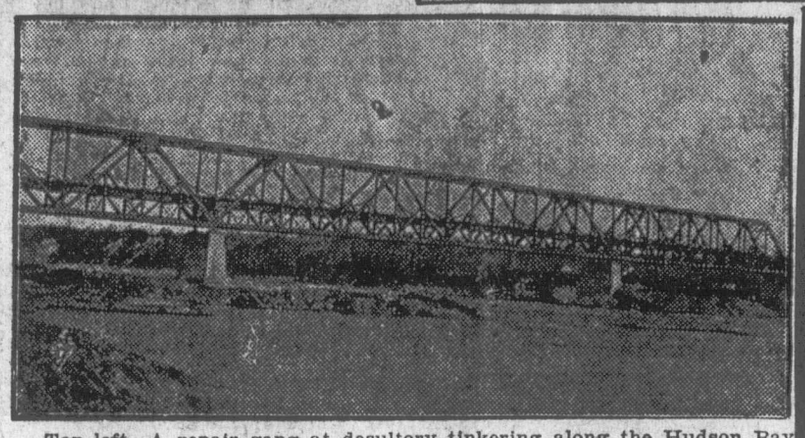
Mile 214, or Pikwitonei, was the site of workshops during construction days and is still quite a sizeable settlement, although some of the old engineers' buildings are deserted. It boasts stopping places and restaurants and usually marks the end of the journey of travellers on the "Muskeg," unless, as during last summer, the train makes occasional journeys on to Manitou Rapids at Mile 239, where extensive sturgeon fishing was then being carried out.

Kettle Rapids, near the end of the steel, can be reached by gas car but the "Muskeg" does not venture that far. Trading posts are situated at Kettel Rapids, the proprietors being allowed to use their own gas cars to travel to Mile 214. In the Kettle river, near the steel, genuine speckled trout are found, the only place in which they are known to occur north of the great divide.

In the course of this article the writer has not endeavored to advance the many incontrovertible arguments for the completion of the Hudson Bay railway. It has merely been his desire to provide readers with a description of the appearance which this railway presents at the present time.

Settlers Still Waiting

The many settlers who took up their abodes at various points along the right of way still present an optimistic front, but as the years pass and the line lies neglected and uncompleted, their faith in human nature must be commencing to wane. They have been promised much; they have isolated themselves, living day after day in the hope that the next week or the next month will see the resumption of the work which means so much to them; and still the powers that be remain oblivious of their obligations.



Top left—A repair gang at desultory tinkering along the Hudson Bay railway. Top right—The Hudson Bay railway bridge crossing the Saskatchewan, photographed during the dog race carnival at The Pas. Below—The bridge across the Nelson river; another fine and expensive structure still intact.

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075105

Ottawa, April 14, 1924.

Honourable Hugh Armstrong,
151 Bannatyne Ave.,
Winnipeg, Man.

Dear Hugh:

It is a long while since I have seen your signature but have not forgotten it, and am glad to get your letter of the 10th.

I think, just as I have said, that we have to complete this Hudson's Bay railway. I must admit confidentially that my hopes for its practical success have been somewhat impaired of late years but I cannot pretend that my judgment would be good even if I felt that my stand as to the completion of the project depended upon my own opinion as to its practical success. I think we have to build it as a matter of good faith, and just as soon as possible, and at least to a point of giving it a fair trial. You should know something about the question, and I have sometimes wondered whether you relly feel the thing would go or not. That Nelson Harbour seems to me a pretty forbidding proposition.

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CANADA

075106

In tariff matters the Government is certainly moving wrong for this country. We simply cannot stand up to the fight at all as against the United States if we are going to conduct our tariff policy in this fashion and keep the whole industrial ~~situation~~ community in a state of suspended animation, or rather suspended stagnation, with continual threats of further slashes. It is a positive heartbreak the way the people are oozing out of Canada. One would have thought the United States would have become saturated long ago, but they seem to be taking them on still without great difficulty. The Dominion must stand up to a good, strong tariff policy or raise the white flag commercially, one or the other. If we take the right course in tariff matters, then we can and ought to make special transportation concessions to the Maritimes and the prairie West.

Yours very truly,

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TELEPHONES { N 6594 / N 6841

075107

Armstrong Independent Fisheries Limited

Specialty :
WINTER CAUGHT FROZEN FISH

Head Office :
151 Bannatyne Ave.

Winnipeg, Manitoba

Apr. 14th, 1924.

Hon, Arthur Meighen,
Ottawa, Can.

Dear Sir:-

I have yours of Apr. 5th. I do not know to whom you refer when you say that you had an interview with the Hudson's Bay people.

Also note that in your opinion the present Government will not do anything in regard to this line. That is just what I expected.

Yours truly,

Thomas Armstrong

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CANADA

Manitoba Free Press April 15/24

075108

Fiction Re the Hudson Bay Route

The manner in which opposition to the Hudson Bay route has been created in the East by misinformation that has been so freely spread regarding it, is exemplified in the remarks of the Farmers' Sun that "the Hudson Bay is closed by nature to navigation before "the grain crop of the year begins to move from the western "provinces." The report of the senate committee of 1920 showed that the route would be open for four months—July to October inclusive—and probably longer with modern aids to navigation. That is to say, this northern route would be open nearly as late as the St. Lawrence route. And this means that wheat could be shipped from Port Nelson two weeks later than wheat from Fort William to go by the St. Lawrence, since it would take about a fortnight for the grain to reach Montreal.

This claim that wheat cannot go out by Hudson Bay the same season it is grown appears to be one of the bits of misinformation which is most sedulously circulated. It is recalled that Mr. Carvell, chairman of the Board of Railway Commissioners, made this statement when he was last in Winnipeg, adding that no one questioned this "fact!" It is astonishing that anyone who has given even the slightest consideration to this question should make so absurd a statement.

Wheat from Western Canada goes out from Montreal the same season it is harvested, does it not? Wheat, as the map shows most clearly, can reach Port Nelson much quicker than it can Montreal. Why then can it not go out by the Bay, seeing that it is by universal consent open at that time? In fact, wheat from Northern Manitoba and from Northern and Central Saskatchewan can get to Port Nelson sooner than it can get to Fort William. When the route is in operation it will be found that wheat will get to Europe by the Bay, which if shipped the other way, would stay in storage at the lake front for the winter months.

Nor is there any occasion to worry unduly, as the Sun does, about "the fogs, icebergs and rock-bound coasts of Hudson Bay "and Straits." There is, at the worst, not much more fog on the Hudson Bay route than on the St. Lawrence route. Between the "rock-bound coasts" there is deep water for navigation and a complete freedom from the danger of reefs or shoals. "Through "the Straits themselves," said Mr. Bowden, Chief Engineer of the Department of Public Works, "there is no menace to naviga-"tion." And any difficulty from ice conditions would be greatly lessened by the aids to navigation that are now possible, including wireless telegraphy by means of which ships can be informed how best to shape their course.

The Straits, though the Farmers' Sun does not appear to know it, are from thirty to a hundred miles wide, "with no known "dangers," says G. J. Desbarats, Deputy Minister of Naval Service, "in the way of shallows or rocks." For a channel with rock-bound coasts, icebergs and fogs, how about the Straits of Belle Isle? Yet, despite the dangers, a great traffic passes through it yearly. There are periodically wrecks in those straits—liners have even gone ashore and war vessels belonging to the British navy have been lost. But nobody proposes to abandon the Straits.

We were told the other day in the cables that navigation in the Baltic was very dangerous owing to floating ice and fog. But no one proposes to withdraw shipping from the Baltic. These conditions occur at intervals in all northern waters, and are elsewhere accepted and made the best of. But because Hudson Bay cannot duplicate the conditions of the Mediterranean it is not, if the Eastern interests have their way, to be put to the purpose for which it is intended by nature—that of giving the north central part of the continent its own outlet to the world.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Manitoba Free Press April 16/24

077109

TRADES COUNCIL DEALS WITH MANY QUESTIONS

Wire Sent to Premier King Urging Action on Hudson Bay Route

Hear From Hon. A. B. Hudson That Pension Bonus is to Continue

Support of the Trades and Labor Council in its efforts to bring about the completion of the Hudson Bay railway, was sought by the On-to-the-Bay association, represented by J. Menzies, at the meeting of the council last night in the Labor Temple. Mr. Menzies explained the objects of the association and invited the council to apopint further delegates to the executive of the association. As a result, three more delegates were appointed, to act with J. Addison, previously appointed, on the executive. They were N. Crowe, W. H. Hoop and G. Leslie. A motion was also passed that the council wire Premier Mackenzie King, urging the early completion of the road.

A communication from Hon. A. B. Hudson, in reply to a letter from the council regarding the bonus on pensions to soldiers, was read. In the letter, Mr. Hudson stated that he had been informed by the minister that it was the intention of the government to introduce legislation at the present session, to extend the bonus on pensions either permanently or for a number of years.

Return of Records

Regarding the records seized during the strike of 1919, which the council seek to have returned, a letter was read from the department of the attorney-general, suggesting that the council take the matter up with the counsel who represented the government at that time, and pointing out that Hon. E. J. McMurray, who was now solicitor-general, should have no difficulty in securing the records, as they were no longer of any use to the crown.

The petition of the Life Underwriters' association, to secure exemption of premiums paid on life insurance, up to one-sixth of the income, was explained by F. J. Dixon who thought that it was not just to tax a man on what he was putting aside to provide for his family. This had been recognized in the old country, Mr. Dixon said, and it was felt by the Life Underwriters that similar conditions should prevail here.

Labor Day Celebration

The question of the Labor Day celebration was brought up in the report of the special committee which had it in hand, it was reported that assurance had been given the committee that no arrangements had so far been made for the day by the Scottish Athletic association, and a meeting was arranged between delegates from the council and the executive of the association, to discuss the matter, on Thursday night in the Labor Temple. Representatives of the council on the Federated Budget board, H. Kempster and W. H. Hoop, were re-elected. The position of secretary of the council becoming vacant, through the resignation of W. H. Hoop, a sucessor was appointed in the person of H. Robertson.

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CANADA

Mail & Empire Toronto April 17/24

075110

WEST EAGER TO SHIP BY HUDSON BAY ROUTE

Conservative Leader in Saskatchewan Expects Line's Completion.

PARTY GAINS GROUND

Dr. Anderson Looks for Victory at the Next Provincial Election.

Dr. J. T. M. Anderson, of Saskatoon, who was recently chosen leader of the Liberal-Conservative party in Saskatchewan, was in Toronto for a short time yesterday on his way home from Ottawa, where he was a member of the delegation from the "On to the Bay" Association, which went to the Capital to urge the completion of the Hudson Bay Railway.

"One of the most serious problems confronting the western farmer today is the need for cheaper transportation facilities," stated Dr. Anderson to The Mail and Empire. "Among the solutions favored by the farmer is the completion of the Hudson Bay Railway. As a result of our visit to Ottawa, we feel sure that the Liberal-Conservative members in the Commons are in sympathy with this project, and the delegation received a very fine impression when they visited the Conservative caucus. The speakers were given a very attentive hearing, and felt that the Conservative members would support the completion of the railway."

Dr. Anderson stated that the railway had been completed from Le Pas, Manitoba, to within 92 miles of Port Nelson, and that the grading on the unfinished 92 miles had already been done. To complete the road about $4,000,000 would be necessary. Its completion would enable the western farmer to ship his grain and cattle via Hudson Bay at least four months of the year and probably longer, with a considerable saving in freight rates, owing to the shorter rail haul and the comparative cheapness of water transportation. The line would also serve valuable mining properties, besides opening up 10,000 square miles of land suitable for agriculture.

DR. J. T. M. ANDERSON,
Liberal-Conservative Leader in Saskatchewan, a visitor in Toronto yesterday.

Have Spent $21,000,000.

Several years ago, Dr. Anderson stated, certain Crown lands were set aside to be sold as pre-empted homesteads, the idea being to use the money realized for the Hudson Bay Railway. Lands to the value of $28,000,000 were sold, of which $20,000,000 had already been paid to the Dominion Government. The total cost of the railway to date had been $21,000,000, and the people of Manitoba and Saskatchewan feel that only the amount of money paid by them had been expended on the road, and that the $8,000,000 still owing would be more than sufficient to put the road into first-class condition and lay the steel over the remaining 92 miles. The feeling of the farmers in Manitoba and Saskatchewan was strongly in favor of the completion of the line, he stated.

"It is expected that the lands adjacent to the railway will be settled by peoples from northern European countries, where the climatic conditions are much the same as in this part of Canada," said Dr. Anderson. "We have room for millions more people in Western Canada, but we cannot expect to get them and hold them unless better and cheaper transportation facilities are provided."

West a Melting Pot.

Dr. Anderson for the past 14 years has been a school inspector in Saskatchewan, and resigned a short time ago to accept the leadership of the Conservative party in the Province. Much of his work was among the non-English settlers, in connection with which he said: "The majority of our settlers from non-English countries are making very satisfactory progress. The people are anxious to have their children educated, and representatives of races are found in our high schools, normal schools and our university.

Conservatives Gaining.

As to the political situation in Saskatchewan, Dr. Anderson stated that the Liberal-Conservative party will be organized thoroughly, and there is every indication that the people of the Province will endorse the platform of this party when they are given an opportunity to register a verdict. The general feeling is that it is time for a change, as the present Liberal administration has been in power for nearly 20 years.

The delegation from the "On to the Bay" Association, of which Dr. Anderson was a member, consisted of Ex-Mayor C. F. Gray of Winnipeg; General Patterson, Winnipeg; H. S. Patterson, Winnipeg; G. Wiese, Kelfield, Sask.; L. C. Calder, Saskatoon; Mayor G. H. Clare, of Saskatoon, Sask.; Charles MacDonald, Prince Albert, Sask.; J. Bradley, Hanley, Sask.; and W. J. McFadden, Star City, Sask.

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CANADA

Moose Jaw Times April 17/24

075111

REASONS FOR OPPOSITION

Every time the question of completion of the Hudson's Bay Railway is brought into Parliament, and many times between, certain interests and people in Eastern Canada lash themselves into frenzy in condemnation of the Hudson's Bay route. If these interests would confine themselves to facts and not so largely to spreading misinformation, their objections might be permissible, but when it becomes necessary to resort to fiction to create and keep alive the opposition to the route, the purpose of the Eastern interests becomes too apparent.

The Farmers' Sun, a publication which would logically be expected to be supporting a project as all-important to the farmers as is the Hudson's Bay route, recently was responsible for this: "The Hudson's Bay is closed by nature to navigation before the grain crop of the year begins to move from the Western provinces." It also refers to "the fogs, icebergs and rock-bound coasts of Hudson's Bay and the Straits."

The report of the Senate Committee of 1920 shows that the route would be open for four months of the year, July to October, inclusive, and probably longer with modern aids to navigation. It is at once apparent that the Hudson's Bay route would be open as late in the fall as the St. Lawrence, or nearly so. It takes wheat at least two weeks, and this a very conservative estimate, to reach Montreal. Wheat goes out from Montreal the same season that it is harvested. A glance at the map is proof that wheat can be shipped to Port Nelson over the completed Hudson's Bay Railway quicker than it can be shipped to Montreal. Why then cannot it be shipped out via Hudson's Bay? On the face of it, it looks very much as though wheat can be shipped out via the Hudson's Bay route, which would, if shipped via Montreal, remain in storage there for the winter, or remain in storage at the head-of-the-lakes.

As to "the fogs, icebergs and rock-bound coasts of the Bay and Straits": In all the reports in the possession of the Dominion Government, and in all the evidence of men who have spent winters and summers in Hudson's Bay and along its shores, there is nothing to substantiate the statement of the Farmers' Sun as to icebergs in Hudson's Bay. There are icebergs and flow ice in the Straits, but there are icebergs and flow ice in the Straits of Belle Isle and off the mouth of the St. Lawrence. They are a menace in the St. Lawrence route as is witnessed by the elaborate precautions of light-houses, fog signals and wireless stations. They are necessary for the St. Lawrence route, and no one has ever claimed that they would not be necessary for the Hudson's Bay route. But given the same elaborate safeguards that exist on the St. Lawrence, and the Hudson's Bay and Straits would be a close rival as to safety. There is this factor which is not usually stressed, but which is an important one: The Hudson's Bay and Straits are not known to navigators as is the St. Lawrence route, and there has not been spent in its development the millions which have been spent to make the St. Lawrence safe. A few wireless stations along the shores of the Straits and ships sent there with wireless equipment, after one winter, could secure valuable information as to the presence and quantity of ice in the Straits. The Straits are from thirty to one hundred miles wide and the water deep enough for all purposes of navigation. "Through the Straits themselves there is no menace to navigation," is the statement of Mr. Bowden, chief engineer of the Department of Public Works. Mr. G. J. Desbarats, Deputy Minister of Naval Service, says in the Straits "there are no known dangers in the way of shallows or rocks."

But Hudson's Bay is not the same as the Mediterranean and, therefore, Eastern interests have their opposition. The Baltic is dangerous to navigation because of floating ice and fog, but no one has suggested that it should be closed to navigation.

The Montreal Gazette, published in the city of Montreal, which is situated on the St. Lawrence River, and is a port through which Canadian grain passes, took advantage of the opportunity of the "On-to-the-Bay" delegations' interview with the Government to again oppose the completion of the route. Referring to Port Nelson and the Hudson's Bay route, it says:

"A port into which ships cannot enter, a sea route that is hazardous at the best, that is not navigable at all for the greater part of the year, and that is closed before the Western crop begins to move—such is the alternative outlet upon which the country is asked to spend a minimum of fifty millions, without taking into consideration the necessary aids to navigation. The thing is utterly and fantastically absurd, has been condemned repeatedly by scientists who have examined it, officially or otherwise, and would never have been countenanced at all except for political reasons. The Western provinces say they must have it; the answer of the Dominion Government should be that the Western provinces are free to go on with it, at their own expense, and thereby demonstrate their confidence in the economic soundness of the project."

It will be noticed that the Gazette is quite willing that the Western provinces should complete the terminal at Nelson and the railway at their own expense. Is that suggestion fair? Since the Canadian Pacific Railway was first built across Canada the people who have lived in the Prairie Provinces have been paying for the development of the Harbor of Montreal and the St. Lawrence River route. Yearly the people in the West pay a huge sum towards these facilities. If the good of all Canada is to be served, and not one particular portion, the development of every route which will take the Western farmers' grain out of the country to the world's markets must be gone ahead with. The Western farmer is convinced that the Hudson's Bay route will mean that he will get a larger return for his crop. A larger return means more money to spend, and there is no question but that for some years to come Eastern Canada will continue to be the industrial portion of the Dominion. Therefore the East stands to benefit from the Hudson's Bay route.

All the arguments, which originate in the East and which are advanced in opposition to the Hudson's Bay, bear too plainly the aspect of selfishness. If the Eastern interests did not fear what might happen with the development of the Hudson's Bay, it is questionable if they would make such strenuous opposition to its completion.

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CANADA

075112

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Ottawa, April 17, 1924.

Dear Hugh:

I find I did say in my letter of the 14th: "the Hudson's Bay people" I meant the people who were advocating the road,- Jack Campbell, Gray, etc.

Yours very truly,

Honourable Hugh Armstrong,
Pres. Armstrong Independent Fisheries,
Winnipeg, Man.

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19

Pursuit

Apr. 17th, 1924.

Personal

Hon. Arthur Meighen,
Ottawa, Can.

Dear Arthur:-

I have your letter of April 14th. I said in a former letter that I believed we would all be surprised at the volume of business that would be done over the Hudson Bay Railway, if completed, or something to that effect. Like you I have sometimes doubted the efficacy of the road, but I have no doubt whatever that in twenty-five years' time the people who are alive then will see ithis a flourishing commercial road. I am like you so far as Port Nelson is concerned. No one has ever been able to tell me the reason why the switch was made from Churchill to Port Nelson after the Conservatives came into office, and frankly between you and me, I have suspected that there was a reason for this switch which the Conservative Party would be ashamed of if this reason were made public.

As to our tarriff policy I absolutely agree with you. Good Canadian and Britisher as I am, if I were in any other business but the one which I am in-and absolutely anchored to it- I would go to the United States. The only way that Canada can hold its own with them is to stand up to them, and we have not backbone enough to do it.

They seem to have stirred up something with Japan that may keep them thinking. One cannot help being impressed with the idea that the United States has its troubles ahead. It is a great, big, unwieldy nation, with an inelastic form of government. It looks to me a good deal like trying to steer a big ship with a chip for a rudder.

HA/Mc

Yours truly

Hugh Armstrong

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CANADA

Gazette Montreal April 24/24

075114

HUDSON BAY ROUTE OUT OF QUESTION, SAYS GRAIN BROKER

Short Navigation Season and Heavy Costs Entailed Urged by James Carruthers

FUTURE OF VANCOUVER

All Money Spent on Pacific Port Justified is Declaration—Will Not Hurt Montreal

Th Hudson Bay route is impracticable for grain shipment, but Vancouver eventually will ship all grain grown west of Medicine Hat, Alta., James Carruthers, Montreal grain broker, believes from observations made during a Western trip which he has just completed.

For three reasons, Mr. Carruthers finds the Hudson Bay route out of the question. First, official reports show that the Bay ports would not be open more than three months of the year, and that they would close just as the Western grain movement proper starts; grain, therefore, would have to be carried for one year before shipment out of the country. Second, ice exists even during the three months the Bay route would be open; that would mean specially constructed boats for the Bay grain trade, and the terrific cost would not justify shipowners in building boats for a three-month traffic. Third, Hudson Bay ports have only 12 to 15 feet of water; continuous dredging at big expense would be essential.

"Why throw good money after bad?" Mr. Carruthers asked yesterday. "The problem must be considered from the all-Canadian point of view" he added, stating that the West is riddled with pro-Hudson Bay propaganda and that the biggest businessmen will not, for fear of the farmers, oppose the project openly, though many do so privately.

All expenditures on the port of Vancouver, however, are justified, Mr. Carruthers thinks. At present lack of elevator accommodation and general facilities for grain handling are causing congestion, to the annoyance of shipowners, but with the development of port facilities he foresees a great future for Vancouver as a grain port, without Montreal suffering in any way.

"In the first place" said Mr. Carruthers "so far as shortness of distance is concerned, the Hudson Bay route would be ideal, in my opinion, if ice conditions were not as they are.

"I know nothing of the possibilities of that country in the way of timber, minerals, or fisheries, but as a grain route, I am of opinion that Hudson Bay will never amount to anything, and my reasons are these.

SEASON TOO SHORT.

"According to all the reports I have ever seen at Ottawa, and from what I have learned from ocean shipping men, that Hudson Bay route would be open, at the very outside, not more than three months in the year, and that period would be July, August, and September.

"The harvest does not start in our Canadian North West until practically the end of August, and there are no grain shipments of any account by Fort William and Port Arthur before the latter half of September. We have no shipments in quantity until the end of September; then, in the port of Montreal, they go right on through to the end of November.

"The Hudson Bay route, therefore, would not be available for shipment of grain the same year it is harvested, and it would have to be carried over for a year either at Hudson Bay ports or somewhere back to the West. Just at the time the grain starts to move, the Hudson Bay route would close up.

"We all know, from the reports we have, that during the months the Hudson Bay route would be open ice is present more or less, so that specially constructed ocean steamers would have to be built to go into that trade. The ordinary ocean boat that trades all over the world could not possibly trade on that route for the reason that it could not buck the ice. Now if that trade would have to be undertaken in specially built boats, and supposing the Hudson Bay route was open for even three months, what are the boats going to do for the other nine months of the year? Shipowners would not be justified in building boats specially for that trade, and the cost would be terrific. Now, here in Montreal, we have boats carrying the grain that can trade in every part of the world.

"Another thing is that, from the reports I get, there is no depth of water in the Hudson Bay ports—either at Port Nelson or Fort Churchill—and there would have to be continual dredging at tremendous cost. I understand there are only twelve to fifteen feet of water in those ports; here we have from thirty to thirty-five feet of water.

"I talked to several big businessmen in the West who were strongly against the Hudson Bay project. The others say they do not know exactly what they think. The situation is that the West is full of propaganda in favor of the Hudson Bay route. Big newspapers are filling the farmers with arguments for the route. The result is that even the biggest men in the West, though they may be against the route, are afraid to come out publicly and say so. They are afraid of the farmers.

"My attitude is this. Why not look at the whole thing from the all-Canadian point of view? A start has been made on the Hudson Bay Railway. But why throw good money after bad?

VANCOUVER'S FUTURE.

"Now, in strong contrast to the Hudson Bay route, let us consider Vancouver.

"There is a port that, in my opinion, justifies all the money that is being spent or may be spent on it, because it is an all-year port. The authorities that want to spend money in that port, I think, are quite right. I believe myself that all the grain grown west of a certain point, say Medicine Hat, Alberta, will eventually go by way of Vancouver.

"At present, of course, they have not the proper facilities for grain handling that they should have at Vancouver. Their elevator accommodation is much under what it should be, and the result is that there is congestion, demurrage is piling up on ships, and for a time the shipowners will be sore at Vancouver. But once the ports gets the elevator accommodation it must have, permitting the grain to flow uninterruptedly as it does in Montreal, the boats will go there, and Vancouver will develop as a great grain port.

"To develop, however, Vancouver must be sure that its port affairs are in the hands of a harbor commission composed of practical men who will run the port on business lines and, as here in Montreal, will not permit interference by politics. Vancouver must realize that a great deal depends on its harbor commission; for instance, the city must make sure that land bordering on the port is owned by the port authorities, as it is here, and that private ownership of waterfront does not impede progress or realization of plans that may be laid. Now is the time for Vancouver to make the move that will insure its having a practical and effective harbor commission.

"Montreal will not suffer. Montreal will get all the grain it can handle. But if Vancouver is built up as a grain port, it will take away a lot of grain that is now shipped via American ports.

"There is one thing more. We must build up our North West, settle it, get more population there for the millions of acres of good land that are now idle. We have got to help the farmer, make him contented, draw to agriculture in the North West others who will aid in developing the country. Inducements for population must be offered."

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C.W. McMILLAN,
PRESIDENT

GRAIN EXCHANGE
Winnipeg, Canada.

April 26, 1924.

Hon. Arthur Meighan,
House of Commons,
Ottawa, Ont.

Dear Sir:

Now that there is a good deal of agitation on getting the Hudson's Bay Railway completed I think it would be a very good idea if the Government could be persuaded to equip one of the Merchant Marine Boats with wireless and have it navigating the Hudson Straits during the Summer and on into the Winter as late as possible.

I have suggested this on different occasions to some of the Government Members and a friend of mine has also written Mr. Hoey a Progressive Member in the same connection. If the Government do undertake to send a ship up to navigate the Straits I would like to see one or two Western men on the Boat.

The Government has already a wireless station at Fort Nelson and one at The Pas so that the World can be informed from day to day under what conditions they are navigated.

I was over to see Mr. Ramsay a couple of times at your request and as far as I can see everything is going nicely. I will drop you a line occasionally to keep you informed in this connection.

Yours respectfully,

C.W. McMillan

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"And what is writ is writ—
Would it were worthier."—Byron.

TUESDAY, MAY 6, 1924.

THE CANADIAN PACIFIC AND THE HUDSON BAY ROUTE

The opinion expressed by the Saskatoon Star the other day to the effect that the Canadian Pacific Railway had a branch line projected to Fort Churchill, and that each year some few miles were added to it, goes to confirm the view expressed in these columns some months ago that Montreal influences were interested in having the Canadian Nationals tied up to Port Nelson and that when the race to the Bay was finished the Canadian Pacific would be in the better port. To express this opinion is really handing a bouquet to the Canadian Pacific. In the contest for the most profitable railway territory and control of the best ports, the Canadian Pacific is bound to look after its own interests. With railway managements business is business, and if the politicians of the Borden—"Bob" Rogers regime wanted to furnish fat contracts for their political friends by building a viaduct out over the sand bars at Port Nelson, it was not for those who oppose the Hudson Bay route on general principles, or for those who have an eye on Fort Churchill, to put forward serious objections.

Confirmation of the opinion that the Canadian Pacific Railway is seized of the importance of Fort Churchill is furnished by an examination of the railway map. Starting at Cardston, Alberta, the Canadian Pacific have in operation a system of branch lines running east by north via Assiniboia to Moose Jaw; then over the main line to Regina, this system connects up with the Regina-Young-Naicam branch under operation to a point southeast of Prince Albert, with the survey heading still north and east through the Cumberland district.

Business is business, and if there is wheat and cattle to be shipped via the Hudson Bay, depend upon it the Canadian Pacific will have its share of the traffic. Nevertheless, it sometimes happens that business is not business. It might in the long run prove more sensible to apply to the building of the Hudson Bay the principle proposed by the Canadian Pacific in respect to the Winnipeg-Fort William gap when the National Transcontinental was undertaken, namely, a double track with running rights for two railways instead of another single track system. Would it not be a wise move for the two Canadian transportation systems to get together on the Hudson Bay development, thoroughly explore for the best port, make it a joint undertaking, say, from Le Pas, and, when development and traffic warrants it, a double-tracked line, that would save millions annually in operating efficiency and fixed overhead? In the light of past railway policy and experience the question we have propounded seems almost silly; nevertheless it is one that the Minister of Railways might well make the subject of a conference between the responsible heads of our two transportation systems. If President Beatty and President Thornton can co-operate and pull together to develop the all-British route via Hudson Bay, they will make transportation history and bring about one of the biggest achievements for Canada and the Empire. The principle involved is being adopted in both Great Britain and the United States under a system of consolidations that eliminates wasteful competition and promotes efficiency. It is a first-rate principle to apply in respect to the development of the Hudson Bay route.

HUDSON BAY ROUTE GAINING GROUND

As the Manitoba Free Press views the situation, the special effort recently made to place before the East the case for the Hudson Bay route has had some effect and has improved the prospect for the early completion of the railway. This is evidenced by the alarm shown by active opponents of the route and the new zeal with which they belabor the undertaking. For instance, this outburst from the Montreal Gazette:

"The farmers themselves, or many of them, have swallowed the Hudson Bay railway propaganda, with the result that there exists in the Western provinces a demand that is as clamorous as the proposition is foolish, and the Government at Ottawa, having no mind and very little conscience of its own, is in danger of yielding to what, for vote-catching purposes, it may choose to regard as public opinion."

Speaking of "swallowing," this Montreal journal is pretty good at that practice itself, the Free Press says, for it accepts as gospel truth all the misinformation contained in the recent interview of James Carruthers, the Montreal grain man—including the fiction about the Bay route being open only three months and no grain being able to go out by that route the same year it is harvested. Then the fearful "hazards" of the route, the "menace of ice," and the employment of specially built ships that would have to "charge enough in three months to carry a twelve-month overhead." The Gazette thus proves to its own entire satisfaction that the proposed Hudson Bay route is a farce.

But all this stuff is easily answered and all the West has to do is to keep up the good work already begun by refuting in the East the absurd arguments against the route and putting the case fairly before the people.

It is reported from Ottawa that the Government will provide $2,000,000 towards the completion of the Hudson's Bay line from Kettle Rapids to Port Nelson. It is to be sincerely hoped that the Government is taking some such action, for the only answer the West will accept will be the putting into experimental operation, at least, of the route on which $20,000,000 already has been spent. And there is every reason to believe that the experiment will be successful and that a new route will be establishd which will be of tremendous benefit to the West.

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THURSDAY, MAY 8, 1924

A FACT AND A PRECEDENT

In its latest slam at the Hudson Bay Railway the Montreal Gazette declares that if the West wants to proceed with such a precarious undertaking it should pay the cost out of its own pocket. Not a dollar, it declares, should be taken from the national treasury for this purpose.

The Gazette is evidently blissfully unaware that what it demands of the West the West has already done or stands ready to do. Every dollar that has gone into the construction of the Hudson Bay Railway was derived from sale of Western lands and the money was especially ear-marked for that purpose. We have official verification of these facts in questions asked in the House of Commons a few days ago by Mr. Tobin and answered by Hon. A. B. Copp, Secretary of State. Here is Hansard on the subject:

Hudson Bay Railway

Mr. TOBIN:

1. What was the total cost of the Hudson Bay Railway on the 31st March, 1924?

2. How much money did the government receive from the sale of lands, the proceeds of which were to apply to the construction of the said railway?

3. What will be the probable cost to finish the said road?

4. Are there any other available lands which could be sold in the said territory, the proceeds of which could be applied to finish this road?

Hon Mr. COPP:

1. $14,459,941.26, capital expenditure to March 31, 1923. Expenditure to March 31, 1924, is not yet available.

2. There was no specific authority under the Dominion Lands act, 1908, for the sale of land for the purpose of Hudson Bay Railway construction, but pre-emptions and purchased homesteads were sold under the provisions of the said act. The net amount collected on account of pre-emption sales up to March 31, 1924, was $15,984,134.89, from purchased homesteads $3,146,421.84, a total of $19,130,556.73.

3. $6,250,000 (estimate) exclusive of terminals or harbor developments.

4. By order-in-council of the 16th March, effective 20th March, 1918, P.C. 651, pre-emption and purchased homestead provisions of Dominion Lands act were suspended and these provisions were subsequently deleted from the act by the amendment of 1918, chapter 19, section 28.

This should make the situation sufficiently satisfactory to even such a strict guardian of the Federal Treasury as the Montreal Gazette. Approximately fourteen and a half million dollars has been spent on the Hudson Bay Railway and approximately six million dollars, exclusive of terminals or harbor developments, is required to complete it. As against this cost of work done and estimate of work still to be done we have the fact that the Dominion government had collected on March 31 of this year from the sale of Western land nearly sixteen million dollars and from purchased homesteads something over three million dollars, a total in excess of nineteen million dollars.

It is true, as stated by Mr. Copp, that there was no specific authority under the Dominion Land act, 1908, for the sale of land for the express purpose of building the Hudson Bay Railway. The intention and purpose of the act were nevertheless clearly understood. So much so that when the Borden government proceeded with the undertaking Hon. Frank Oliver claimed that the credit for it really belonged to the government of Sir Wilfrid Laurier which had provided the cost of construction from the sale of Western lands.

Since it should now be fairly clear to the Montreal Gazette that the West has furnished the fourteen and a half millions already spent on the Hudson Bay Railway and has a credit from which the road can be completed, it may abate the fury of its resistance to the completion of the project. Incidentally it may be fair enough to admit the logic of the precedent which should impose on Eastern Canada the pleasant duty of carrying out its own pet projects from its own resources and without any cost to the West.

075117

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

Gazette Montreal May 9/24

HUDSON BAY ROUTE NOT JUSTIFIABLE ASSERTS ENGINEER

Wheat Transportation More Costly by Northern Route Argues J. L. Busfield

SCHEME DISAPPROVED

Economically Unsound, Declares Montreal Branch of Institute of Engineers—Delegation to Ottawa

Condemnation of the Hudson's Bay railway project as being unsound was the subject of a resolution passed at last night's meeting of the Montreal Branch of the Engineering Institute of Canada. There was some opposition to the passage of a resolution taking a stand on the subject, not on the ground of dissent with the facts as laid down by the speakers of the evening, but because of the fear that the Branch might be accused of playing politics, and, further, because some of the western Branches might take an opposite attitude. When President O. O. Lefebvre finally put the resolution to the vote there were only seven against.

The speakers on the subject were L. C. Nesham, J. L. Busfield and I. J. Tait. The membership present was large, and in addition there were representatives of business bodies who had been specially invited to hear the discussion.

Mr. Nesham, who was in the territory to be traversed by the proposed road, and at the terminal, Port Nelson, for a considerable time, talked of the nature of the country, illustrating his subject with lantern slides. Mr. Busfield delivered a carefully detailed statement of the economic aspects of the project, which was carefully listened to. Mr. Tait dealt with the navigation difficulties. He did not declare that navigation was not feasible, but did believe that it was not commercially feasible. Mr. Tait read extracts from the log of a boat which had gone into Hudson's Bay in August, and moved out during a period also supposed to be the open season. The log was a steady recital of smashed propellers, of hold-ups because of heavy masses of ice, of fog, gales, and other dangers for navigation, all of which would play a part in the matter of fixing insurance rates.

MR. BUSFIELD'S CASE.

From every viewpoint the construction of the Hudson's Bay Railway for the purpose of getting western wheat to Europe will not work out, declared J. L. Busfield, B.Sc., A.C.G.I., M.E.I.C., A.M.I.C.E., in his interesting contribution to the discussion. Mr. Busfield went into a detailed economic study of the question, leading up to the conclusion that the cost of transporting wheat from a centre point in Saskatchewan to Liverpool via the Hudson's Bay route would be 42 cents a bushel, whereas the rate today for the same bushel of wheat is 31½ cents. Throughout his argument, Mr. Busfield made generous allowances to the proponents of the route.

The first essential, he showed, is to delve into the prospects of the wheat export market, and this brings out the fact that while the world consumption has not materially increased of late years, Canadian exports have very heavily increased, due to the fact that Russia and the Balkans have been out of the export market, but Russia he believes will soon be an important factor, and Canada cannot look to increasing the total of its wheat exports, but may even have to face a decrease of wheat exports. The marketing of Canadian wheat does not reach its maximum until the end of September, and is high in October and November, the farmer selling because of the fact that he cannot finance it for a long period, and for the further reason that the terminal facilities in the West are inadequate. This means therefore that Canadian wheat goes on the world market in greater quantity than the purchaser can absorb it, with the natural result that the price is down, whereas if the sales were more evenly divided throughout the year prices would not drop. The very congestion at present on the railways and lake boats by reason of the heavy fall shipments prevents still further dumping of Canadian wheat at Liverpool, and consequently further dropping of prices. To have another means of getting wheat to Europe at the same time would mean still lower prices for the farmer, since the wheat out of Hudson's Bay would arrive at the same time as wheat by other routes. The Panama Canal has also to be taken into consideration, and Mr. Busfield here spoke of the probability of the Orient becoming a good market for Canadian wheat.

Dealing with the matter of present rates by the rail haul, the rail and water, and the all-water route, Mr. Busfield pointed out that the prime consideration in determining the rate on wheat is not distance of the haul, consequently the argument of those who favored the Hudson's Bay railway because it would knock 1,000 miles off the haul does not sound reasonable to him.

COST OVER PROPOSED LINE.

He then turns to estimating the cost of hauling a bushel of wheat over the proposed line. The cost of the road is placed at $50,000,000, which makes the fixed charges $4,000,000 a year. Port Nelson is open at the most generous estimate for 16 weeks, and during that period he did not believe that more than 18,500,000 bushels could be handled, or even delivered by the farmers. This would be on the basis of 300,000 bushels a day at Port Nelson. Mr. Busfield then cuts down the fixed charges which export wheat would have to be by allowing for 25 per cent. of the cost of the road, maintenance, and operation to be charged to inbound freight and business obtained from the development of natural resources, though he is not optimistic as to such source of traffic, and thus brings the fixed charges which export wheat would have to bear down to $3,000,000 a year, which added to $1,613,750 for operation and maintenance, means that wheat would have to bear a burden yearly of $4,613,750. This is from The Pas to Port Nelson. Based on the 18,500,000 bushels of wheat exported this would mean a rate of 24.95 cents, and the cost from the production centre to Port Nelson would be 30 cents, an almost impossible rate. A rate of ten cents would mean that 54,000,000 bushels of wheat would have to be handled at Port Nelson, and this would be a physical impossibility.

From Port Nelson the wheat must next be taken to Liverpool, and Mr. Busfield went into the ocean transportation problem. He pointed out in this respect that the combination ocean liners played the main part in the handling of wheat. It was looked on by the liners as a "fill in" cargo, and there was keen competition to get such cargo. Obviously the lines that come to Montreal with and for passengers and other cargo would not go to the Hudson's Bay route to get wheat, and so it would be only the tramp steamer that would go to Port Nelson. Tramp steamers coming to Montreal for wheat figure on cargoes to New York or other North Atlantic ports, and then come to Montreal for wheat for the return trip to Europe. To induce them to go to Hudson's Bay for wheat after landing their cargo at New York would mean a rate at least 25 per cent. higher than charged at Montreal. Next, the tramp steamers would have to take into consideration the extra hazard of the Hudson's Bay route, notably the insurance rates, and other handicaps to navigation at low rates, and consequently it would have to be expected that the rate from Port Nelson to Liverpool would be 100 per cent. more than the Montreal to Liverpool rate. This would mean from point of production in Saskatchewan to Liverpool there would be a rate of 42 cents per bushel, as against a present rate of 31½ cents.

DELEGATION TO OTTAWA.

The resolution, moved by J. L. Busfield, seconded by G. R. MacLeod, reads as follows:

Whereas, there is at the present time a strong demand for the completion of the Hudson's Bay Railway project, and

Whereas, the subject is of national interest, and

Whereas, information obtained and data compiled from many sources by competent members of the engineering profession covering both the physical and economic aspects of the problem was fully discussed at open meetings of the Montreal Branch of the Engineering Institute of Canada, held on April 3rd, and May 8th, 1924, and

Whereas, the facts presented indicate that the project is economically unsound, and that it would be detrimental to the interests of the Western Provinces, and, furthermore, that there is considerable doubt even as to the practicability of the project from a purely physical aspect.

Therefore be it resolved that the Montreal Branch of the Engineering Institute of Canada, subject to the approval of the Council, respectfully submit the data and opinions presented at the aforesaid meetings, together with a copy of this resolution to the Federal Government at Ottawa, through the medium of a representative delegation, and that this delegation shall urge upon the Government that full consideration and the closest study be given to the facts and views presented and a complete investigation carried out before undertaking any further work on the project; such investigation to determine whether or not it is in the best interests of Canada that the Hudson's Bay Railway be completed.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

075119

Ottawa, May 9, 1924.

Dear Colin McMillan:

I duly received yours of the 26th ultimo. On the first appropriate occasion I shall make this suggestion myself in the Commons. Thank you very much for the short report on Mr. Ramsay. I will deeply appreciate a little supervision in this connection, but do not want you to go to special trouble. Any report you can make I will rely upon absolutely.

Yours very truly,

C.W. McMillan, Esquire,
President, McMillan Grain Co. Ltd.,
Winnipeg, Man.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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WINNIPEG MAN., MAY 10-1924

RT.HON.ARTHUR MEIGHEN,

OTTAWA ONT.

PRESS REPORTS TODAY INDICATE UNLIKELYHOOD OF APPROPRIATION BEING MADE THIS YEAR FOR COMPLETION OF H.B.RAILROAD STOP CONSERVATIVE PARTY HAS ENVIABLE RECORD IN THIS REGARD AND MANITOBA PARTICULARLY IS LOOKING TO YOU TO MAINTAIN IT STOP CONSERVATIVES WON HALF A DOZEN ELECTIONS IN THIS PROVINCE ON DEMAND FOR EXTENSION OF BOUNDARY AND CONSERVATIVES GAVE MANITOBA ITS DUE IN THAT REGARD STOP WE ASK YOU TO DO ALL POSSIBLE TO SEE THAT THIS PROVINCE GETS THE REAL BENEFIT OF ITS NEW HINDERLAND AND THAT THE WEST IN GENERAL GETS THE FULL VALUE OF ITS NATURAL OCEAN OUTLET.

C.F.GRAY,

PRES. ON TO THE BAY ASSOCIATION.

Gray

628PM.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

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075121

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Ottawa, May 12, 1924.

Dear Mr. Gray:

Your telegram with regard to the Hudson Bay Railway reached me today. My attitude on this question is well known as I have stated it both in and out of the House of Commons. You may rest assured that I shall give to this question, if and when it comes before the House of Commons, my very best consideration.

Yours very truly,

C.F. Gray, Esquire,
Pres., On to the Bay Association,
Winnipeg,
Manitoba.

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PUBLIC ARCHIVES
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CANADA

Citizen Ottawa
May 28/24

075122

HUDSON BAY ROAD SMALL CHANCE IN RAIL COMPETITION

Has No Longer Any Hesitation in Saying Line Doomed to Certain Failure, Reports Engineer.

MAY BE FISH, BUT NO FISHING SEASON

Important Facts Concerning Harbor Bed Had Not Been Ascertained Beforehand.

That the Hudson Bay route had little chance of being able to compete with the present lake and rail route for export grain, is the opinion expressed by D. W. McLachlan, engineer in charge of the dredging operations at Port Nelson, in a report to the department of railways made in September, 1917.

The report, which has not before been made public, was tabled in the House of Commons yesterday with a file of correspondence.

Mr. McLachlan begins one letter to the chief engineer of the department with these words: "Many times in the past four years I have been on the verge of coming out in absolute condemnation of the undertaking on which I am engaged, but so long as I thought there was a chance of the Hudson Bay Railway proving of value for any national purpose I thought I had better not do so especially as I know you were always one of its strong supporters.

"In the light of ice conditions this year I have come to the conclusion that the season for tramp steamships on this route is going to be so short that the cost of doing every item of work in the handling and transporting of merchandise is going to be so great that the route is not going to be able to compete with the lake route to Georgian Bay and rail to Montreal."

Navigation Season Short.

Mr. McLachlan estimates the average season of navigation into Port Nelson at two months; that is between the actual docking of the first ship and the departure of the last. He submitted an estimate he had made based on the rates at that day showing that the rate on grain from Saskatoon to Liverpool via Fort William and Montreal was 26.4 cents per bushel. It would have cost 19.9 per bushel to haul the grain from Saskatoon to Port Nelson including handling charges, leaving a margin of 6.5 for the ocean rate, extra insurance and interest on the cost of works.

Doomed To Certain Failure.

"I have no longer any hesitation in saying that the Hudson Bay Railway is doomed to certain failure," Mr. McLachlan goes on to say. "There may be fish in the Hudson Bay, but there is no fishing season. There may be minerals on the east coast but they are as accessible from Halifax as from Port Nelson. As for the agriculture possibilities north of the same point—there are none."

From time to time, Mr. McLachlan's reports emphasize the great difficulty under which they were compelled to work because of dredging silt. In several places his reports indicate that the breakwater constructed some years previously at Port Nelson could not prevent this silting because important facts concerning the harbor bed had not been ascertained beforehand.

"Good Deal of Mourning."

"I have been doing a good deal of mourning over this situation," he says at the end of one report, "partly because I am unable to transform it so that it would appear that the creators of this breakwater had at least some knowledge of the chief injunction given by all authorities on estuary harbors."

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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075123
REFUSED BY THE
OTTAWA JOURNAL

THE ATTACK ON THE HUDSON'S BAY ROUTE.

The Editor Journal:-

I have read with considerable interest the belated "confessions" of Mr. W.D. McLachlan, engineer in charge of the port of Nelson, adverse to the above route; and your caustic comments thereon. But Mr. McLachlan's opinion does not really affect the question of the feasibility of the route at all, but only the selection of Port Nelson as the terminal of the railway. This I have opposed from the time it was mooted before the War. It was stupid, non-practical, and was probably made in order to delay or kill the enterprise. Mr. McLachlan knows practically nothing of the navigation of Hudson's Straits, which is the only real impediment to the complete all summer navigation of Hudson's Bay from outside. Otherwise Churchill would be as easily accessible during the whole summer as Riga, St. Petersburg, Helsingfors, etc. The climate of H. Bay is about the same mean temperature.

It was not Mr. M's. business to determine the navigability of the straits, but to construct a harbor on the exposed low bank of swift silty river, 30 miles wide at that point; with no protection from the sweep of eastern gales from the great salt bay. Possibly he superwised the location, dredging and trying to keep open a channel running twenty miles out through shifting shoals, into the deeper water of the Bay.

But all this work was unnecessary. By building say 50 or 60 more miles of line, and following the lower reaches of the Churchill (instead of the Nelson) to Fort Churchill, a fine, deep sheltered harbor, which could be enlarged as needed, was there. No ice rushes, no gales to affect the anchorage, and a trifling expenditure in the construction of wharves, warehouses and elevators, compared to that at Nelson. The H.B.R. will have to be deflected about 100 miles West of Nelson, northeastward toward Churchill River, and the Nelson section abandoned for the present. This will actually effect a great saving in the completion of the railway. I never knew any Western men who supported Nelson as the port.

The rates on grain quoted by Mr. M. are purely hypothetical. We are all glad to see the Vancouver grain route develop; although at first denounced by eastern interests; as it will relieve some of the congestion in the West. But when Alberta farmers can make money shipping their grain over the long heavy grades through the Rockies, and by the tremendous roundabout of the Panama route, then Saskatchewan and Manitoba farmers can get better rates over a level grade, short line to salt water, and ashort straight water voyage to Europe. When the tramp vessels for the four months grain trade of Hudson's Bay are needed, they will be as readily available as they now are for the more dangerous Kara-Siberian grain and hide route, with only one trip per year. This route pays now and improves yearly.

As to the navigability of the route which Mr. McLachlan condemns let me in one more letter place the opinion of three practical well-known Arctic navigators against his views.

Like so many other eastern men you take a narrow view of the future development of our northern country. Had that view prevailed always, we would have no West nor North now. I have never been shortsighted or blind to our great heritage. In the winter of 1898 - 99, I saw the pioneer hend of 500 tame reindeer driven down the Yukon river on the ice, "to relieve the starving miners in Alaska"! It was a great fraud and graft, but now there are over 140,000 tame reindeer in Alaska, and rapidly increasing. Their carcasses are being shipped by thousands to the Pacific Coast cities for meat.

Our government moves slowly, but I expect to live to see the beginning of reindeer, muskox and fur farms, which eventually will spread over the whole of the country, from Churchill river to the Arctic ocean, and from Hudson's Bay to the Mackenzie. In addition to these there will be the whale and deep sea fisheries, the river and lake fisheries, the mineral wealth from Coppermine river to the northern Ontario mines, the toll of the great caribou herd which passes yearly within 30 miles of Churchill, when controlled and directed. Some men go through a country and see nothing but a wilderness; others like the late John Macoun, using their eyes and reasoning from facts, see the whole grand panorama of the home of millions of prosperous and contented people, where the pioneer only saw: "The smoke of the hunting lodges of the wild Assiniboines"

Ottawa, 29 May, 1924.

Henry J. Woodside.

Major H. J. Woodside,
Hon. Cor, Secy. OVERSEAS LEAGUE
53 First Ave., Ottawa, Canada.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

The Availability of Port Nelson

Manitoba Free Press
May 29/24

There has been made public at Ottawa a letter from D. W. McLachlan, the engineer in charge of the dredging operations at Port Nelson, to the chief engineer of the Department of Railways, written in 1917, in which this engineer takes very gloomy views of the possibilities of the Hudson Bay route based upon the defects of Port Nelson as he saw them. There is nothing in Mr. McLachlan's letter about the navigability of the Bay and the Straits; his grief was all about the difficulties he was experiencing in making a workable harbor out of the Port Nelson roadstead. There has never been a great engineering job done yet without periodic outbursts of gloom by the men on the task; often the difficulties appear insuperable and it is only by vision, courage and indomitable perseverance that they are finally overcome. Doubtless Mr. McLachlan's outburst of gloom could be matched by corresponding expressions of doubt by engineers engaged seventy or eighty years in fixing up the St. Lawrence route so that ocean vessels could come to Montreal. Why try to make something out of this stormy, northern, inhospitable, foggy, rock-bound channel when an all-the-year route by the open sea could be obtained by dropping down to New York? If the American revolution had not taken place and North America had remained one country the St. Lawrence route would probably still be undeveloped because of just such appeals as these. The northern route through the Bay now encounters opposition born of native pessimism and the easy and lazy belief that the St. Lawrence route having been developed despite difficulties can now give the central western part of Western Canada all the service it requires.

Mr. McLachlan's letter to Mr. Bowden in 1917 does not, however, represent his last word upon Port Nelson. Three years later he was one of the chief witnesses before the special Senate committee appointed to report on the navigability of Hudson Bay and Strait. His evidence covers ten large printed pages and he gives his views much more exhaustively than in the recently exhumed letter. If in 1920 Mr. McLachlan thought the Hudson Bay route impracticable he had the opportunity to say so under conditions which would give the greatest possible measure of publicity to his views; moreover, it was his duty to do so. He did nothing of the kind. He did not go beyond indicating that there were serious problems to be solved before Port Nelson could be developed into a port; but this has never been questioned. It is possible that Mr. McLachlan's somewhat lugubrious evidence on this point was responsible for the third of the Senate's recommendations:

"That in the opinion of this committee sufficient care was not taken in the selection of Nelson as the terminus of the railway, and that the Government should not make further important expenditures upon this port without first making a new and thorough examination into the relative merits of Churchill and Nelson as a terminus for the railroad."

The evidence given by Mr. McLachlan in 1920 throws some light upon the circumstances under which the 1917 letter was written. He says in the course of his evidence that the climatic conditions during 1917 were exceptional: "the experiences of "this particular season," he says, "were extreme." He was also a little more cheerful about the harbor, due to the discovery of the true channel. It is difficult to believe that an engineering staff engaged in dredging a harbor could spend years on the job without discovering the channel by which such an immense volume of water as that discharged by the Nelson finds its way to the sea; but this appears to have been the case. In his evidence to the Senate committee Mr. McLachlan said:

"Last winter we knew that the chart which was prepared and published was not right and we went back and thoroughly surveyed the entrance to Port Nelson all over again, with the result that we got the channel in a different place from the one shown on the chart. The result is that we effected a great improvement in the entrance to Port Nelson. We now have a channel there that has 20 feet of water at low tide. That means that when you have the height of the least tide to be expected you get a channel that is 33.7 feet deep. Every ship has to wait for the tide. This new channel is a natural channel without any dredging. The depth is 20 feet at low tide, 23.7 at high tide and about 40 at spring tide."

A natural channel of that size and depth, kept clear without dredging by the flow of the stream, would appear to solve a good many of the difficulties which loom so large in the complaints of 1917. This discovery tends to reinforce the argument that the undoubted difficulties in the way of developing the port will yield to time, patience and resourcefulness.

The letter of 1917 abounds with references to ice conditions in Nelson Harbor. A casual reading of the letter would leave the impression that the harbor was frozen over in 1917 until the end of August; and that early in October ice again blocked the port. But this impression would be wrong. "The ice in the "estuary," said Mr. McLachlan, in his evidence before the Senate Committee, "breaks up on the last day of May or the first day in "June." Sometimes the harbor freezes in winter: sometimes it does not. Said Mr. Lachlan:

"From the head of the deep hole out to perhaps where the Cearance lies, or perhaps a good many miles beyond, it may remain open all winter or it may become a mass of terribly rough rafted ice, depending on the severity of the winter. Usually we expect it to go out of the harbor about the 1st of June, but last spring it did not go out until the 13th of June. After the ice goes out it comes back, but it comes back broken up. The tide that takes it out only goes out a certain distance and the ice keeps coming back in chunks until away on very late. I cannot really recall the latest date that we have seen ice coming back that was serious, but it comes back for a long while in such a way that you could not put out any buoys."

Further, he says:

"One of the difficulties in connection with navigation at Port Nelson is the very fact that it is probable that a ship could come in earlier than the buoys could really be put out, that is, there might be enough ice out there to take away the buoys and still there might not be enough to stop a ship from coming in."

Here the problem which must be solved to make Port Nelson usable for a considerable period each year is indicated. The floating, rafted ice washed back and forth by the tides submerges or carries away the buoys that mark the channel; only for a comparatively brief period is there complete immunity from this ice. But this period does not mark the limits of the navigability of the port. "There would probably be," says Mr. McLachlan, "a period before buoys could be placed and also a period after "which they would be taken up, during which ice conditions "would not prevent a ship entering or leaving Nelson." We refuse to believe that the engineering resourcefulness of Canada will be baffled by this problem. One obvious suggestion was made by Capt. Freakley, a Hudson Bay navigator, who said that when buoys cannot be used "navigation should be done with the use of range lights or beacons." Once means are found to mark the channel Port Nelson will be available for vessels for a considerable period each year. The finding of the Senate committee, after hearing evidence from Mr. McLachlan and others, was:

"The entrance to the Nelson river does not generally freeze "up until the end of December or the first of January, and occa-"sionally remains open all winter; still the heavy drift ice com-"ing down makes it unsafe for any vessel to ride at anchor in "the channel. The river ought to be safe for navigation from "the middle of June until the first of December."

And the general conclusion of the committee upon the whole question was:

That the Hudson Bay route is feasible and will probably in time be profitable.

That the season of navigation under present conditions is at least four months in length and may by reason of improvements in aids to navigation be considerably increased.

These findings are in conformity with the formal official declarations of policy by succeeding governments, that the route is practicable and is to be developed as one of the national avenues of transportation. They are not likely to be seriously affected by the little epistle which was dashed off by Mr. McLachlan seven years ago, when he was suffering perhaps from the blues and which has just been made public by a thoughtful and deliberate government.

075124

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075125

THE H.B.R. - NAVIGABILITY OF STRAITS. Letter No. 5

The Editor:-

As I have already said, the question of the navigability of Hudson's Bay lies almost entirely with that of Hudson's Straits. If these were not there, or were 200 miles wide, then Hudson's Bay would be as navigable as is the Baltic Sea, and much more so than the White Sea, whose chief city, Archangel, has a population of 20,000 due mostly to seaborne trade.

There has been no lack of evidence collected during more than forty years as to the navigation of the straits and bay. Let us take some of the latest, that of three of the most capable and practical of Arctic sailors.

Our own Captain Bernier "brave old admiral of the ArcticW says:

"We went in late in the fall and arrived on the 16th October. The harbor was frozen about four inches. There was no ice in the Straits at the time. One of the difficulties of the straits and bay at that time was the variation of the compass which was not actually put down. Since that time the variation has been put down and that difficulty has gone. What we want for safe navigation is wireless telegraphy to let the masters know on which side of the strait he has to come. Sometimes the north side is clear, sometimes the south side; On a vessel which can travel 240 miles a day, if she has news from certain points, she could come in quicker and safer. Otherwise you have only the vision of a man, which is about ten miles, and sometimes not that. An ordinary unprotected steel steamer should not go in before the middle of July, and then find out from the wireless stations, the condition of the ice north and south, because there is always an opening. As to the bay itself it is never frozen over, only a margin around." Captain Bernier cut his way into Fullerton, and wintered there with a whaler.

Capt. George Comer, a Hudson's Bay whaler for 13 years, speaking before the Reindeer commission said:- "Speaking of connection with FORT CHURCHILL, WHICH SHOULD BE THE TERMINUS OF THE HUDSON'S BAY RAILWAY, the navigation of Hudson's Bay would lose its terrors when wireless stations and lights were established on its shores and along the straits. The Hudson's Bay Company now use steel vessels, which cut right through the ice. The wireless would keep navigators posted as to the ice. Some seasons we could leave home earlier. With lots of easterly winds, with the straits full, the boats could keep out of danger. It would be a matter of only a few days from Newfoundland with fast steamers. Could count on more than four and a half months of navigation. Men take more chances as they get used to conditions. The Canadian government should assert its right over Hudson's Bay." This was to protect the fishing and fur animals.

During construction work on the harbor of Port Nelson, many vessels came and went through the straits, with little or no difficulty. Mr.W.A. Bowden, chief engineer Dept. of Railways and Canals, before a Royal Commission in 1916, after noting that navigation did not open through the straits until the end of July, and giving other information about the route, said:- "Tramp steamers have left as late as October 23rd and gone through without encountering any ice."

On the 17th Sept. 1922, Capt. Wayte of the steamship "Boethic" on his return from Hudson's Bay said:-

"The difficulties of navigation in Hudson's straits and bay, and in James bay, between the months of June and January are due to several causes, the most of which are remediable by the usual safeguards provided in navigable waters by governments controlling them. The straits, Hudson's Bay and James Bay are exceptionally free from submarine obstacles, such as rocks, reefs and shoals along the routes which navigation takes to the present commercial points; the soundings are uniform and change gradually as to be a very safe guide in fog, or when observations are not obtainable, as soon as these waters have been correctly charted and the soundings plotted on the chart. With a correct chart of the straits, Hudson's Bay and James Bay, with lighthouses and wireless stations at such leading points as Cape Chudley, Cape Weggs, Charles Island, Diggs Island, Mansell Island, Coats Island, Churchill, Nelson and at a few prominent positions in James Bay, these waters afford perfectly safe navigation for any competent mariner, except when obstructed with ice, and these stations will greatly reduce the delays and dangers attending the presence of this obstacle. The "Boethic" left Charlton Island near the mouth of Nottaway River August 26th and arrived at Sydney September 5th, making the voyage of about 2,500 miles inside of ten days, and having not once to stop or slow down for ice or any other cause in James Bay, Hudson's Bay or the Strait."

Ottawa, June 1924.

Henry J. Woodside.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

075126

THE H.B.R. - NAVIGABILITY OF STRAITS. Letter No. 5

The Editor:-

As I have already said, the question of the navigability of Hudson's Bay lies almost entirely with that of Hudson's Straits. If these were not there, or were 200 miles wide, then Hudson's Bay would be as navigable as is the Baltic Sea, and much more so than the White Sea, whose chief city, Archangel, has a population of 20,000 due mostly to seaborne trade.

There has been no lack of evidence collected during more than forty years as to the navigation of the straits and bay. Let us take some of the latest, that of three of the most capable and practical of Arctic sailors.

Our own Captain Bernier "brave old admiral of the Arctic" says:
"We went in late in the fall and arrived on the 16th October. The harbor was frozen about four inches. There was no ice in the Straits at the time. One of the difficulties of the straits and bay at that time was the variation of the compass which was not actually put down. Since that time the variation has been put down and that difficulty has gone. What we want for safe navigation is wireless telegraphy to let the masters know on which side of the strait he has to come. Sometimes the north side is clear, sometimes the south side. On a vessel which can travel 240 miles a day, if she has news from certain points, she could come in quicker and safer. Otherwise you have only the vision of a man, which is about ten miles, and sometimes not that. An ordinary unprotected steel steamer should not go in before the middle of July, and then find out from the wireless stations, the condition of the ice north and south, because there is always an opening. As to the bay itself it is never frozen over, only a margin around." Captain Bernier cut his way into Fullerton, and wintered there with a whaler.

Capt. George Comer, a Hudson's Bay whaler for 13 years, speaking before the Reindeer commission said:- "Speaking of connection with FORT CHURCHILL, WHICH SHOULD BE THE TERMINUS OF THE HUDSON'S BAY RAILWAY, the navigation of Hudson's Bay would lose its terrors when wireless stations and lights were established on its shores and along the straits. The Hudson's Bay Company now use steel vessels, which cut right through the ice. The wireless would keep navigators posted as to the ice. Some seasons we could leave home earlier. With lots of easterly winds, with the straits full, the boats could keep out of danger. It would be a matter of only a few days from Newfoundland with fast steamers. Could count on more than four and a half months of navigation. Men take more chances as they get used to conditions. The Canadian government should assert its right over Hudson's Bay." This was to protect the fishing and fur animals.

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Ottawa, June 1924.

Major H. J. Woodside,
Hon. Cor, Secy. OVERSEAS LEAGUE
53 First Ave., Ottawa, Canada.

Henry J. Woodside.

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HON ARTHUR MEIGHEN

HU

TELEGRAM ANDREW KNOX TO BOARD OF TRADE PUBLISHED YESTERDAY SAYS ADMITTED CONSERVATIVES NOW SUPPORTING MONTREAL AGAINST HUDSON BAY RY SUCH STATEMENT RATHER IMPORTANT HERE

S J BRANION

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USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

075128

Ottawa, June 3, 1924.

Dear Mr. Branion:

I have just received your telegram of the 3rd ~~May~~ inst. advising me that Andrew Know, M.P., had just telegraphed the Board of Trade at Prince Albert stating that it was now admitted the Conservatives were supporting Montreal against the Hudson's Bay Railway.

This statement is typical of the general propaganda methods of the Progressive-Liberal combination. There are undoubtedly Conservatives opposed to the completion of the Hudson's Bay Railway and there are very many Liberals, not only in Montreal but in all parts of Eastern Canada ~~even,~~ likewise opposed. Even among those sitting with the Progressives a voice occasionally is lifted opposed to the enterprise.

The ~~decision~~ policy of the Conservative Party, as a Party, toward the railway has been stated by myself

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CANADA

075129

not only in Eastern Canada but in Western Canada and has not varied in any particular. As I made my position very clear in the city of Prince Albert I do not now need to do so again.

Yours very truly,

Albert J. Branion, Esquire,
Prince Albert,
Sask.

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PUBLIC ARCHIVES
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CANADA

075130

62-N
19

Ottawa, June 3, 1924.

Dear Albert:

I have yours of the 3rd instant. Referring to my letter to you today, if you care to you can publish it.

Kindest personal regards.

Yours very truly,

A.J. Branion, Esquire,
Prince Albert,
Sask.

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J. McMILLAN, General Manager of Telegraphs, Montreal.

075131

17RA.Z. 5AM,42 NL., WINNIPEG MAN JUNE 5 -6-24

MR MEIGHEN, PARLIAMENT BLDGS OTTAWA.

RESOLVED AT A MEETING OF THE WOMANS INSTITUTE OF WINNIPEG TONIGHT THAT WE PETITION PARLIAMENT FOR THE IMMEDIATE COMPLETION OF THE HUDSON BAY RAILWAY TO TIDEWATER WHICH WILL BRING A BENEFIT TO EVERY HOME IN WESTERN CANADA IN REDUCED COST OF LIVING.

WOMENS INSTITUTE OF WINNIPEG.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

Box 1
19

075132

Ottawa, June 6, 1924.

Women's Institute of Winnipeg,
Winnipeg,
Man.

Dear Madam:

I am directed by the Right Honourable Arthur Meighen to acknowledge receipt of your telegram of the 6th inst., in regard to the Hudson's Bay Railway, and to say that he has stated his position on this matter both in and out of the House of Commons.

Yours faithfully,

Private Secretary.

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PUBLIC ARCHIVES
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075133

Box N
19

Ottawa, June 6, 1924.

Dear Sirs:

I have just received your lettergram advising me that the Honourable H.H. Stevens had moved for a return in the House of Commons resulting in the bringing down of the report of Mr. McLachlan, an engineer, and that such report has been widely circulated by others. Your lettergram advises me also that the Honourable Dr. Tolmie, in a recent interview in the Vancouver Sun, made no reference to the question of the completion of the Hudson's Bay Railway. On these premises you deduce that the Conservative Party will not support an appropriation in this Session's estimates toward completion of the Road.

~~The~~ to comment on the basis of the deduction does not seem necessary.

At the present time there exists no such estimate.

My position as respects the Hudson's Bay Railway has been repeatedly stated both east and west

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and in the House of Commons and remains the same.

Yours very truly,

On to the Bay Association of Canada,
Saskatoon,
Saskatchewan.

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Day Letter	Blue
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ART MEIGHEN

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HANSARD MAY THIRTIETH STATES MCLACHLAN 1917 REPORT BROUGHT DOWN ON MOTION OF STEVENS VANCOUVER STOP THAT REPORT NOW BEING BROADCAST BY ORGANS OF INTERESTS OPPOSING SASKETCHEWANS DEMAND FOR HUDSON BAY RY STOP DOCTOR TOLMIE AFTER TRIP THROUGH SASKATCHEWAN HOME MONTHS AGO IN WHICH H B R DEMAND WAS STRONGLY PRESENTED TO HIM IGNORED WHOLE MATTER IN VANCOUVER SUN INTERVIEW ON HIS RETURN SAYING HE FOUND NO TARIFF DISATISFACTION ON THE PRAIRIES BUT BIG DEMAND FOR ACCESS TO VANCOUVER PORT STOP SASKATOON STAR GAVE PROMINENCE TO TOLMIE INTERVIEW AND TO HIS SUPPRESSION OF IMPORTANT FACTOR PUBLIC OPINION ON PRAIRIES STOP TOLMIE AND STEVENS ACTIONS INDICATE SASKATCHEWAN CANNOT EXPECT CONSERVATIVE SUPPORT FOR APPROPRIATION THIS SESSION TO COMPLETE RAILWAY STOP WE ARE NOW WIRING STEVENS THAT IN JUSTICE TO HIM OUR EXECUTIVE WHICH INCLUDES MEN WHO HAVE WAITED FORTY YEARS FOR OPENING BAY ROUTE WILL WELCOME AND MAKE KNOWN WHEN RECEIVED STATEMENT HE IS NOT OPPOSED TO APPROPRIATION THIS SESSION SUFFICIENT TO COMPLETE RAILWAY AND THAT PENDING RECEIPT OF SUCH STATEMENT ACTION CONSTRUED ANTAGONIST —TO SASKACHEWANS MAJOR DEMAND STOP WILL APPRECIATE BEING INFORMED THIS WIRE HAS COME TO YOUR PERSONAL NOTICE

815a ON TO THE BAY ASSN OF CANADA EXECUTIVE NORTHN SASK DIVN

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CANADA

Ottawa Journal June 10/24

075136

HUDSON BAY R.R. IS WORTH WHILE AS MILITARY LINE

Later Reports By Engineer Favor It As Back Door For Troops.

NO VALUE AS GRAIN ROUTE AS RATES BOUND TO BE HIGH

Harbor At Port Nelson Open Two Months a Year But Not Ice Free.

While the Hudson Bay Railway, in his opinion, is of no value to western Canada as a grain route, it should be retained as a "back door entrance in the military sense," D. W. McLachlan, engineer in charge of operations at Port Nelson, recommends to the Department of Railways in a report dated February 6, 1923. The recommendation of S. J. Hungerford that the steel from Mile 214 to Mile 349 should be taken up and used elsewhere is not concurred in by Mr. McLachlan, who points out that the highway provided by this railway is valuable for police, fire and game patrols.

Reports of Engineer McLachlan, subsequent to those of 1917 (tabled some days ago), were tabled in the House of Commons yesterday. He estimates the rate from Humboldt, Sask., as a representative shipping point, to Liverpool via Port Nelson, at $12.63 per long ton. From the same point via the present lake and rail route the rate is $12.17, he says. Via the proposed St. Lawrence deep waterways it could be reduced to $10.96.

"Results of the above study of rates," he says, "show that as a grain route the Hudson Bay Railway is of no value to western Canada. However, the writer believes that the road can be of value as a back-door entrance, in the military sense, and it should be extended to the head of stern-wheeler navigation on the Nelson river, 50 miles south of Port Nelson. Light equipment hauled by gas engines of the Plymouth type is all that the traffic offering will require for the 300 miles from Mile 82 to the head of navigation."

Costly Work Necessary

Reports on the condition of the ties already laid indicate that they must be replaced. Large quantities of new ballast are needed to replace the "vegetable material" now used as ballast over a good part of the road. The cost of bridges will be big, said the engineer, especially that over the Airhole River, requiring a viaduct 1,000 feet long and 100 feet high. The 91 miles awaiting steel "is said to be graded but is really a mound of vegetable material," says the report.

The reports dealing with Port Nelson itself grew more optimistic in later years. In 1923 it was found that the artificial island built there as a base for operations and the bridge connecting it with the shore had splendidly stood the test of ice action, storms and tides. Surveys of 1918 had proved that it would be feasible to provide for the accommodation of ships up to 26 feet draft, "but no anchorage for such ships can be provided except at huge expense within 22 miles of the proposed docks. Strong tidal currents and low distant shores will always prevent ships entering or leaving Port Nelson except during clear weather," the report adds. The season of navigation, Mr. McLachlan says, will be from August 20 to October 20 for tramp steamers. The harbor will not be entirely free from ice during that period, however.

To accommodate such ships, the report says, four miles of dredging was necessary to 20 feet below low water, and about 4,000 feet of dock wall would have to be built.

A report on potential traffic from R. A. C. Henry, chief engineer of the Canadian National Railways, dated at Toronto on March 14, 1918, also tabled, agrees that the cost of handling at Port Nelson probably would be higher.

Mr. Henry thinks that there is sufficient grain traffic outbound and a potential coal traffic inbound to make the road pay. The fact that navigation has not been proved safe, however, would prevent private companies from putting in a fleet of ships, Mr. Henry thinks, and the Government would have to provide a line of vessels. Grain would have to be left over from the previous year's crop to provide cargoes for the first ships coming in.

13

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Telephones: Main 1714 Atlantic 2433

W. TEES CURRAN, President and Managing Director JOHN REID, Vice President JOHN GILMORE, Secretary-Treasurer

Directors:
CHARLES WILSON, S. W. EWING, A. P. MATHIEU.

Engineers: HAROLD A. CALKINS, B. Sc.
HORACE F. STRONG, B. Sc.

Counsels: Hon. J. L. PERRON, K. C., M. L. C.
J. HILLYARD LEECH, MA. LL.B., K. C.
R. T. MULLIN, B. C. L.,

075137

The Ungava Miners and Traders Limited

Main Hermatite Bed, Clarke Isld. Hudson Bay

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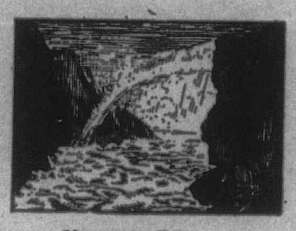
Montreal
CANADA



Nastapoka Falls, Hudson Bay

June 11th, 1924

Right Hon. Arthur Meighen,
Leader of the Opposition,
Parliament Building,
Ottawa,
Ont.

Dear Sir/--

I am taking the liberty of enclosing you a copy of a resolution passed by the above company and forwarded to the Prime Minister and the Minister of Railways and Canals. The company has about one hundred and fifty shareholders all of whom are intensely interested in the completion of the Hudson Bay Railway and the development of the Hudson Bay route.

Undoubtedly, with the development of the mineral resources of the northern portion of Canada, will come about its ultimate opening up by rail and water route, but if the development of the Hudson Bay route now is going to be a means of a lower freight rate for the wheat growers and cattle raisers of Canada, why should there be any delay? If the road were not to be completed now there will be a very serious depreciation of the large portion that is built, and, also, to my way of thinking, would leave those who are responsible for the construction of the railway in a very humiliating and dishonourable position.

Having spent several seasons in the Hudson Bay country, on the east coast, since 1907, and having been through the Hudson Strait a number of times, I can speak from experience. I have no hesitation in saying, and I want to put myself on record as having done so, that I believe, with the aids to navigation, the Hudson Bay route will be feasible for at least six months of the year. Archangel is open for six months of the year, then there is no reason why our northern route should not be also.

If Canadians had half the grit of the Americans who put through the Panama Canal, this Hudson Bay Railway and route would be developed and made a success, it is child's play to what the opening of the canal meant. In dealing with this matter we must never lose sight of the great wealth of Canada that lies in the North, and how much this railway and route is going to help in its development. We, the members of this company, trust that you will feel it your duty to help along this great railway and marine scheme, that will mean so much to Canada both West and East.

Yours faithfully, W. Tees Curran

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075138

The following resolution was moved, seconded and unanimously adopted at a Meeting of the shareholders of the UNGAVA MINERS AND TRADERS LIMITED at a meeting duly called at Montreal on the twenty-sixth day of May, 1924, the President, Mr. W. Tees Curran in the Chair:--

WHEREAS the shareholders of this Company have learned that an important delegation from the Western Provinces is at present in Ottawa to urge upon the Honourable the Prime Minister and the Members of the Canadian Government to push forward the necessary work to complete the Hudson Bay Railway, and

WHEREAS the ore deposits on the east coast and within the Hudson Bay are of great tonnage and of undoubted value, and

WHEREAS the Ungava Miners and Traders Limited are owners under grants from the Crown of a body of iron ore estimated to contain three hundred and twenty millions of tons of merchantable ore above sea level, and probably billions of tons under water, which ore could be exported crude or could be advantageously treated and converted into iron and steel in Canada, to the great economic advantage of the people of Canada, and

WHEREAS the said iron ores could be smelted electrically by utilizing the enormous water power of the Nastapoka Falls, adjacent thereto and under lease to this Company, and

WHEREAS Canada is importing iron and steel products to the value of over two hundred million dollars annually;

BE IT RESOLVED that the completion of the Hudson Bay Railway would be an economic and financial advantage to Canada and that every effort of the Government to do so is fully justified in order to facilitate the development and mining of the valuable mineral resources of the Hudson Bay country, which are at present formidably prejudiced through lack of railway communication.

SIGNED by the following shareholders of the Ungava Miners And Traders Limited:--

Hilary deJersey	Jas. Cooper	J. Herbert Lauer
Herbert J. Woodman	Chas. Wilson	H. M. Genn
Titus Davies	J. M. McGill	L. A. Curran
A. G. E. Rankin	Geo. McGill	E. A. Curran
H. H. Kavanagh	John Reid	L. L. Bremner
T. G. Mitchell	Florence Auerbach	Marcus Auerbach
J. Gilmore	T. H. Prissick	H. A. Calkins,B.Sc.
M. Graham	R. Tollett	Rev. J.A.M.Brosseau
Emma Graham	A. P. Mathieu,B.C.L.	Robt. Mullin, B.C.L.
J. Gordon	Louis Ellison	W. Fraser
L. R. Hutchison	C. M. Moore	W. Tees Curran

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075139

Ottawa, June 12, 1924.

Dear Sir:

Your letter of the 11th instant, enclosing resolution with regard to the Hudson's Bay Railway duly reached me. I shall, of course, give to your representations my best consideration but may I say that I have taken my stand on the completion of this railway both in and out of the House of Commons.

Yours very truly,

W. Tees Curran, Esq.,
President and Managing Director,
The Ungava Miners & Traders Ltd.,
120 St. James St.,
Montreal, P.Q.

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075140

United Farmers of Manitoba

GORDON LOCAL

F. A. Sirett, President
C. Lucas, Vice-President
A. J. Grassie, Secretary

GLENDALE, Man., June 18th 1924

Rt-Hon Sir A. Meighen.
Ottawa Ont.

Dear Sir.

We the United Farmers of Manitoba assembled, here bye request that your party urge the government to make full arrangements, for the completion of the Hudson's Bay Railway, at the present session of parliament.

We feel that in the interests of Western Agriculture it is imperative, that the line be completed without further delay, And that the time is ripe for the fulfillment of the pledges made to the people of Western Canada, in regard to this Railway.

Yours truly

A J Grassie
Secretary

F A Sirett
President.

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CANADA

Ottawa Journal June 20/24

075141

THE HUDSON BAY RAILWAY.

Whatever shred of confidence the public mind continued to harbor in the Hudson Bay Railway must be completely dissipated by the indictment of the entire scheme from the pen of Mr. W. D. McLachlan, engineer in charge of dredging operations at Port Nelson, tabled in Parliament on Tuesday. Mr. McLachlan, whose report was made in 1917, but for some reason never made public, writes:

> "I have no longer any hesitation in saying that the Hudson Bay Railway is doomed to certain failure. There may be fish in the Hudson Bay but there is no fishing season. There may be minerals on the east coast but they are as accessible from Halifax as from Port Nelson. There is nothing for the Hudson Bay route north of the Huronian rock out-crops south of Split Lake so long as the St. Lawrence route is available. As for the agriculture possibilities north of the same point—there are none."

Mr. McLachlan further states:

1. That transportation of grain via Hudson Bay would be more expensive than by the Fort William-Montreal route.

2. That liners could never successfully run into Port Nelson, and that packing freight could not be handled in large quantities.

3. That navigation of the straits and entrance into Port Nelson Harbor are not feasible for more than two months of the year.

4. That in the year 1917 Port Nelson was blocked with ice up to August 29.

The people of Canada have already invested some $25,000,000 in this scheme. Is it conceivable that, in the face of such evidence as Mr. McLachlan adduces, they are prepared to put another $50,000,000 in it—the amount which a parliamentary return this session stated to be necessary for its completion?

The Hudson Bay Railway scheme was conceived in political expediency. It was urged by both the old parties as a political bait to the West. And, finally, it was entered upon in those easy, optimistic days when our debt was one-sixth of what it is today, when the income tax was unknown, when Canada, afflicted with a boom, went on a railway spree from which she has been suffering ever since.

Ten years ago not a bushel of grain passed through the port of Vancouver. This year 50,000,000 bushels, or practically the whole of the exportable surplus of Alberta, was shipped to Europe that way—and next year the amount will be increased. Is it possible that in the face of such a development, with all of the crop of Alberta and a portion of the crop of Saskatchewan destined to go via the Panama Canal, with Canada all but committed to the St. Lawrence Waterway scheme, and with our transcontinental railways still in vast difficulties, this country, head over heels in debt, and suffering from a weight of taxation, is going to throw $50,000,000 more of good money after $25,000,000 of bad money to build a new railway through an uncolonized country to a port where the chief product is ice and the majority of the inhabitants wolves?

The proposition is grotesque; and any Government which enters upon it, any Government which ignores what Engineer McLachlan has written, as well as the facts we have tried to set out, will invite swift reprisals from the public.

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The Yorkton Enterprise
Published every Tuesday and Friday by The Enterprise Publishing Co., Limited, at Yorkton, Saskatchewan.
S. N. WYNN, Editor.

A Return Cargo for the Hudson's Bay Railway

In our last issue, we commented on the extensive iron ore deposits on the Belcher Islands in Hudson's Bay, and we pointed out that these supplied another argument in favour of the Hudson's Bay Railway, which would render them accessible for purposes of commercial exploitation. Our information was derived from an English Mining Journal, "The Mining World and Engineering Record" from wh'ch we quoted at length. In its latest number, that of June 7th, a more extended survey of the present situation with regard to these deposits is given, and as this publication is not as well known in this country as it deserves, The Enterprise takes pleasure in reproducing the article in question in full, having been enabled to do so through the courtesy of Dr. T. A. Patrick, who furnished us with a copy of it.

The article is from the pen of Dwight E. Woodbridge, E.M., of Duluth, Minnesota, and is entitled "Iron ore in the Belcher Islands; the basis of a mining romance." Its text follows:

"Several hundred square miles of the Belcher Islands, Hudson's Bay, are covered by an iron-bearing formation. It is of a type essentially similar to that of the Mesabi iron range, in Minnesota, whose production records are well known. As one of the potential iron fields of the world it is entitled to study, examination, and perhaps to intensive exploration.

"The Belchers are a group of islands lying nearly 100 miles at sea from the east coast of Hudson's Bay, nearly opposite Richmond Gulf, 50 miles north of which an iron formation was discovered many years ago, and was examined in the year 1909 by an American expedition headed by Dr. C. K. Leith, of the University of Wisconsin. Dr. Leith found an iron formation of especial interest because of its "remarkable lithological similarity to the Upper Huronian or Animike group of Lake Superior." He found all phases of the Animike to be represented near Richmond Gulf including the characteristic ferruginous chert, or taconite, of the famous Mesabi range of Lake Superior. He did not find any large iron ore deposits of commercial grade, although he noted "an occasional band not exceeding 4 ft. in thickness sufficiently rich in iron to reach commercial grade." But glacial erosion had been deep and it seemed to him to be reasonably certain that any further concentrations of iron ore may have been swept away, for the ores are softer than the adjacent rocks.

"At the time of Dr. Leith's visit nothing was known of the Belchers; they had never been surveyed; it is supposed that no white men had then seen them. Some years later they were visited by two prospectors who had been told by Esquimaux that green exposures of red rocks occurred there. If a Lake Superior iron formation existed on the east coast, as seen by Dr. Leith, it was possible that it also was present on the Belchers, perhaps less eroded, and possibly containing thicker seams of commercial iron ore. Those who became interested in the discoveries of these prospectors were desirous that the islands be visited by some engineer who specialised in iron ores, and in their exploration and economics. I was asked to go there, and did, in 1920, passing nearly the entire summer in the trip and in the task of examination. The journey was difficult and somewhat dangerous, but was accomplished successfully.

"It was apparent that, no matter what might be found in the way of iron ore, its value would depend to a very large extent on the attitude of the Government as to transportation and other matters. So, before going north I secured from the Provincial Government of Ontario at Toronto an understanding that if the properties should warrant development and if it should be carried out to a successful conclusion adequate rail facilities from the south end of Hudson's Eay to existing main traffic highways would be provided and reasonable freight rates would be established. In this connection I may state that soon after this visit the Government did secure authority to build a line of railway from Cochrane, at the northern end of the Temiskaming and Northern Ontario road, to Moose Factory, at the southern extremity of James Bay, and that a part of this road is now in service for local traffic.

"It is easy to see why Canada wants to develop an iron resource. Only those nations attain the maximum of prosperity and power that have iron and coal. That is a fact so axiomatic that it needs no argument nor illustration. Canada has the coal in quantity. Aside from the possibilities existing in the Belchers it has no considerable reserves or iron ore of commercial qualities. True, there are in Western Ontario and elsewhere great areas of lean magnetites which are subject to concentration on a commercial basis, but the people of the Dominion have not yet seen fit to undertake their exploitation.

"Any forecast of the possibilities of the Belchers is hard to make. No discharge of dynamite has ever reverberated among those iron-bound cliffs. No shovel has turned the dirt. No ore has been developed. The amount of commercial ore that can now be measured is too trifling to warrant the heavy expenditures necessary for mines, ships, piers and railways. There is this area of some 300 square miles of iron-bearing rocks, such as have, elsewhere and under suitable geologic conditions, produced numerous mines and created a vast industrial region out of a wilderness. The Belcher area must be compared not with the developed area of its type as they now appear after millions have been spent in development and mining, but with those districts as they did look before these expenditures were made. The comparison then becomes not only fair, but interesting.

"The average iron content of the approximately 140 square miles of the Mesabi range taconite formation is computed to be about 30 per cent.; more than 50,000 drill holes on the Gogebic range showed an average of about 35 per cent. iron in the formation. The 300 square miles of the Vermillion region has about the same percentage. The comparable average of the exposed formation itself does not suffer from these comparisons; it is evident that iron is in the rocks in sufficient quantity.

"The iron is there; the question is, has it been concentrated into commercial quality in bodies of enough importance to make mining profitable, and to justify the preliminary expense of development? More thorough geological examination than I had time to give, to be followed by drilling based on this examination, is the only way I know in which this question may be answered. Exposed in the formation at some points are seams up to 25 ft. in thickness of satisfactory commercial ore. This ore is hard, dust and moisture free, assays about 52 per cent., and breaks easily into a blocky material of suitable sizes for furnace use. At one point I saw about 1,000,000 tons. If so much, then why not more, if like conditions prevailed elsewhere under the cover?

"What has been necessary to produce commercial iron ore in the Mesabi district, for instance, has been basins in which certain waters might circulate to dissolve out the gangue minerals, leaving the iron oxides; and time and moisture to facilitate this dissolution. Much of the formation on the Belchers is several hundred feet thick; it rests on rather impervious and somewhat folded Archean rocks. It has been covered by igneous flows that appear to be recent, in geologic time. Two questions rise in a study of the situation: If conditions were such as to cause the presence of iron-bearing solutions, are there underlying and comparatively impervious rocks in which these solutions might have been impounded and precipitated? Were the taconites of the formation exposed for a time sufficient to allow this concentration to proceed adequately? That is, how old are the irony rocks; how recent are the lava flows?

"In the examination that I was able to make it seemed that these queries could be answered favourably. There is folding in the underlying rocks, and there are indications of shallow basins. The upper stratum of the taconite, in immediate contact with lava, has been subject to such leaching as has robbed it of its iron and left it white and cherty. This would indicate that there was time for the process of enrichment. The formation is an early rock; the lava flows seem to have been recent.

"The Belchers are far removed from civilisation; perhaps a half-dozen white men have visited them. To the time of my visit they had not appeared on the maps except as a series of uncertain dots. Not only the islands, but the mainland also, is a terra incognita. Even to-day the course of rivers coming out of Ungava land to the east coast of the bay are known for a few miles only; back of the littoral they are indicated by dotted lines, confessions of the ignorance of the geographers. The only inhabitants of the islands are a few Esquimaux, reported by mainland missionaries to be the most destitute and degraded of all the natives around Hudson's Bay. It is, indeed, hard to conceive of people any more destitute than these, who live only on raw meats and in daily danger of starvation, on a treeless expanse of rocks. And degraded they surely are, if by the word one means an ignorance of the institutions of Christianity, a moral code that does not conform to our own, and a system of customs that does not at all coincide with those of their civilised brethren.

"Not only must there be iron ore and rail transportation to make the Belcher investigation attractive; there must be workers and water transport on those icy and tempestuous seas. As for labour, there are the natives, thousands of whom live, if not on the islands, then on the mainlands surrounding. The Esquimau race is one of happy, intelligent, quick and active men, inured to hardship and destitution, in all respects far preferable to the Indians who inhabit the regions between them and the whites. They live in danger daily—from hunger, cold, disease or drowning. If they could be assured of food and shelter, if they could know that the gratification of to-morrow's needs depended alone on an exchange of service, and if they were not to be so overpampered as to promote diseases incident to a more civilised life, that service would be given willingly and to the extent of their ability. I have no doubt they would make excellent miners. And in this opinion I am not alone, but coincide with those who know them better than I. Fear removed, and the opportunity to work, would put them into a situation that they would regard as paradise.

"As for the second problem of these two, water transport. One must inspect the map. A comparison then can be made between this region and the Lake Superior situation. Records of the Hudson's Bay Co., compiled over a period of more than 200 years, show that there is no serious difficulty in navigating the interior of the Bay for a length of time each year that is coterminous with that during which navigation is open on Lake Superior, say for seven months or more. This takes care of the water transport from the Belchers to Moose Factory, which is at the southerly end of James Bay, about 340 miles away. Hindrance to Hudson's Bay navigation by big ships is not inside the Bay, but is caused by the ice floes of the Arctic passing down from the north, outside the Bay, in Davis Straits and elsewhere. Even the toy ships of the company, without power or strength, comparatively speaking, negotiate the Bay for six months or more each year. The Bay itself, though it floats more or less during most of the summer, permits for a long season the passage of such ships as would be engaged in ore traffic.

"From the islands to Moose it about 340 miles; from Moose to Lake Superior at Michipicoten harbour is about 300 miles, and there now is a railway half that distance; from Mich'picoten to American Lake Erie ports, which are the destination of most of the ore now sent forward from Lake Superior, is 530 miles. When once on Lake Superior this ore is in that vast stream of commerce flowing from Duluth and nearby ports through the Sault on to the blast furnaces of Ohio and Pennsylvania. From the mines, say, of the Mesabi range to Duluth is about 100 miles, and from Duluth to Lake Erie ports is 800 miles. This means a difference of 200 miles of rail haul and one extra handling charge. But the railroad freight rate to be applied to Belcher ore is so much lower than that affecting lake ores that this difference comes to about 75c. a ton plus the handling charge of say 15c. or 90c. in all. State and local taxes against ore mined on the Mesabi for the past five years has averaged 75c. a ton, and the average royalty rate charged by fee owners to the miners is about 75c. a ton. The Belchers would pay no more of such taxes than to provide enough money to carry on community activities, which should be limited to the needs of the esquimaux. As to royalty, there either will be none at all, or it will be on a scale very much lower than in the lake region.

"Therefore the comparison between the two regions as to fixed and overhead charges is not unfavourable to the Belchers. They are competitive with Lake Superior if enough ore is found to make the basis for an industry.

"The foregoing is a very brief summary of a situation that presents many features of interest and promise. I might go into it much more in deta'l, and the "human interest" tale of a journey to that unknown wilderness might have considerable attraction to the lay reader, but is not in place in a discussion of the economics of the affair. The mineral possibilities that lie concealed in the region on the north s'de of the vast Laurentian shield are alluring; they are as stimulating to the imagination as any in the world to-day. On the south side of that shield are the mines of Lake Superior and Eastern Ontario. Who is in position to say that the similar sediments on the north side are worthless?"

This article should leave no doubt in the mind of anyone as to the commercial possibilities of the iron ore deposits in the Belcher Islands. It deals with labour costs, with the cost of transportation, with mining royalties, with the difficulty of working the deposits—in short, with every item of expense which would be incurred in the exploitation of the ores. To this writer at least the difficulty of navigating Hudson's Bay does not seem so serious as it has appeared to some opponents of the Hudson's Bay Railway. And he is a member of no political party, is connected with no section of the country, is not even a Canadian; he and the expert investigators who preceded him, were American citizens, interested in commercial prospects alone, and not at all in political propaganda. Their testimony may therefore be accepted without question.

From our Western point of view, the logical route for the export of iron ore products of the Belcher Islands is the Hudson's Bay Railway. The ore would form a large part of the return cargo which is needed to make that railway a paying proposition, and about which the opponents of the railway profess to be so doubtful. The same cars which are used to carry out a large part of the West's grain crop might be sent back laden with ore; they are quite adaptable to that purpose. Meeting the coal from the Alberta coal fields, of which there are great quantities suitable for smelting purposes, this ore would form the basis of a great iron and steel industry on the Prairies—an industry which would provide new home markets for Western grain, and would do much to stabilize the economic life of the whole region.

Ontario is quite alive to the value an industry based on the Belcher Islands iron ores would have for her; we learn from the article quoted that a railway, with low freight rates provided for, was not only promised, but has actually been partly constructed, far into the North Country. One cannot but suspect that the opposition to the Hudson's Bay route in certain quarters is due to the possibility of the diversion by it of the Belcher Islands iron into channels where it will not be available to serve the purposes of certain Ontario interests. There is no reason why the West should yield its claims to further their ends.

But it is not on sectional grounds alone, or mainly, that would urge the Hudson's Bay Railway rather than the Ontario line, as the natural route for the shipment south of the great potent'al iron resources of the Belcher Islands.

It is desirable from a national viewpoint that all of Canada's resources should be fully developed, and developed by her own efforts that she should have as varied and as self-contained an industry as possible. As the article points out, "only those nations attain the maximum of prosperity and power that have iron and coal;" if Canada is to build up a great industrial system, she must have these minerals in large quantity as its foundation should not, then, be left to an American University, and to American mining interests, to pass upon the merits of her greatest potential source or iron ore and to arrange for the exploitation of this source in a manner suitable for themselves; that should be the business of the Department of Mines at Ottawa, and, indeed a thorough examination of the Belcher Islands mineral formations by the Geological Survey is long overdue. Their development should be arranged in a manner calculated to promote the utilization of the resources of Canada to the fullest extent and in the most economical manner, whether it is calculated to suit the American iron industries or not. Now obviously, this means that the Hudson's Bay Railway route and not the Northern Ontario route should be used to take out the ore from region of the Bay. If the former route is used, the ore would be shipped across the open Bay; if the latter road is the one chosen, all the navigation difficulties in shallow James Bay are at once encountered. If the ore is shipped via Moose Factory in Ontario, all the expense of constructing terminal facilities, organizing a shipping service and pushing a railway through to the Bay will be borne by that one traffic, whereas, if the ore is shipped by Port Nelson, the same port, the same railway route used for it will also be used for a great grain traffic. Obviously, it will be cheaper for the country to serve the two purposes by constructing the railway to Port Nelson, instead of running a special line to James Bay.

But in any case, the ore should be shipped south via Port Nelson and smelted with Alberta coal, because otherwise all the resources of the country will not be developed to the fullest extent possible. The American whose testimony we have quoted confidently expects that the great mass of the Belcher Islands iron ore will be shipped out by Mchipicoten on Lake Superior to the great manufacturing centres in Pennsylvania, where it will be smelted and worked up into the finished product. Even if it is worked up in Canada, American coal will be used, as it is now in the iron works at Sault Ste. Marie, since Ontario has no coal of her own. The industry will be dependent on an uncertain supply of raw material from another country; it will not add to the nation's industrial strength. Which is preferable, to work up Canadian ore in this country with Canadian coal, derived from the Alberta mines, or to use coal from across the line, and perhaps have the manufacturing carried on across the line, too? Surely, there can be only one answer to that question. It is the duty of the Canadian Government so to develop its transport system as to encourage Canadian industries as much as possible, to make them supplement one another, to make our industrial system independent of other countries as far as the key industries, such as the iron and steel industry, are concerned. The Hudson's Bay route is, then, from the national point of view, the logical route for the export of the Belcher Islands ores.

When we add that this railway, when completed, will serve other and even more important national purposes, that it is completed most of the way, and graded all the way, to Port Nelson, that millions have been spent on the construction of harbour facilities there, the case for its construction becomes overwhelming. We therefore call upon the Government at Ottawa to pass the vote for the money required for its completion in the supplementary estimates for this year, without unnecessary delay.

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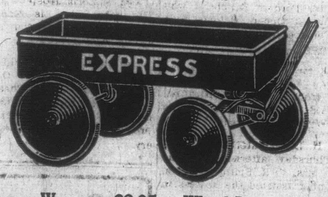

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Ottawa, June 24, 1924.

A.J. Grassie, Esq.,
Secty., United Farmers of Manitoba,
Glendale, Man.

Dear Sir:

I am directed by the Rt. Hon. Arthur Meighen to acknowledge receipt of your letter of the 18th inst., with regard to the Hudson's Bay railway, and to say that the representations you have made will have his best consideration and attention.

Yours faithfully,

Private Secretary.

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WINNIPEG, MAN, JUNE 24th.

J. S. MENZIES,
CHATEAU LAURIER, OTTAWA, ONTARIO.

DELIVER COPIES OF THE FOLLOWING WIRE TO HON. E.J.McMURRAY, HUDSON, GRAHAM, FORKE, KNOX, WOODSWORTH AND AS MANY OTHERS AS YOU THINK NECESSARY. THIS IS THE ONLY ONE TO OTTAWA.

THAT THE EXECUTIVE OF THE ON-TO-THE-BAY ASSOCIATION VIEWS WITH GRAVE DISQUIETUDE AND DISSATISFACTION THE STRONG POSSIBILITY THAT THE RAILWAY ESTIMATES WILL NOT BE REPORTED TO PARLIAMENT IN TIME FOR A DAY TO BE GIVEN AS PROMISED FOR DEBATING THE HUDSON BAY RAILWAY BEFORE THE SUPPLEMENTARY ESTIMATES ARE SUBMITTED TO THE HOUSE. THAT FAILURE IN THIS RESPECT WILL BE TAKEN THROUGHOUT THE WEST AS WILFUL EVASION OF AN ISSUE VITAL TO WESTERN CANADA.

THAT WESTERN MEMBERS PARTICULARLY THOSE WHO HERETOFORE HAVE SHOWN COMMENDABLE ACTIVITY IN THE MATTER BE URGED BY TELEGRAPH TO PROTECT THE INTERESTS OF THEIR CONSTITUENTS BY MOVING IF NECESSARY TO ENSURE DEBATE BEFORE THE SUPPLEMENTARY ESTIMATES ARE SUBMITTED AN AMENDMENT TO THE MOTION TO GO INTO SUPPLY AT THE EARLIEST POSSIBLE DATE AND THUS SECURE THE OPPORTUNITY FOR DEBATE THAT HAS SO FAR BEEN DENIED.

AND THAT COPIES OF THIS RESOLUTION BE TELEGRAPHED TO THE PRIME MINISTER, HON. E. J. McMURRAY, RT. HON. ARTHUR MEIGHEN, ROBERT FORKE, ANDREW KNOX, HON. A.B. HUDSON AND J. S. WOODSWORTH.

ON-TO -THE-BAY ASSOCIATION.

per C. F. GRAY, PRESIDENT.

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Calgary Herald June 26/24

075145

TAXATION BURDEN BAR TO PROGRESS

Hudson's Bay Company Head Hopes for Increased Immigration to Lift Load

By HARRY N. MOORE
(British United Press Staff Correspondent)
(Special Cable to The Herald)

LONDON, June 26.—While generally optimistic regarding Canada's future, Sir Robert Kindersley, governor of the Hudson's Bay Company, in presenting his annual report to the shareholders, emphasised the necessity of increased immigration in order to lighten the present heavy burden of taxation. Sir Robert also referred at some length to the impossibility of any permanent basis of recovery being reached until European affairs had been settled.

Sir Robert was a member of the Dawes commission and for this reason his statement that "everyday's delay in bringing the finding of the Dawes commission into effect inevitably lessens the chance of complete success," is of particular interest. In spite of the huge crop of 1923, no less than 57,895 acres of land in Canada reverted to the company, more than the total acreage covered by sales.

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Ottawa, June 28, 1934.

Dear Mr. Gray:

I beg to acknowledge on behalf of the Rt. Honourable Arthur Meighen copy of telegram from the On-To-The-Bay Association, dated June 24th, addressed to Mr. J.S. Menzies.

Yours faithfully,

Private Secretary.

C.F. Gray, Esq.,
President, On-To-The-Bay Association,
Winnipeg, Man.

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THE H.B.R. - CHURCHILL HARBOR & RESOURCES. Letter No. 6. 075147

Western M.Ps. & Press:-

When by order of Sir Sam Hughes, I hurriedly started recruiti. for overseas service in August 1914, I had no time to arrange my business; and later some of my papers were stored away in over two years absence in Europe. Recently I came across a valuable pamphlet edited by J.A.J. McKenna, and issued by the Hon. Frank Oliver, then minister of the interior, and godfather of the H.B.Ry. It is full of evidence as to the practicability of the route, and the resources of the Hudson's Bay region.

It contains a valuable map, drawn by my old friend in Klondik W. Thibadeau, C.E., showing Churchill harbor, an exceptionally clear one too. It is called a tidal basin, is wide and sheltered by hills and plateaus of rock over one hundred feet high on the west and north, and by lower hills on the east. The soundings from the entrance or roadstead vary from 60 to 25 feet in the habbor at low tide. There is every opportunity for a further enlargement of deep water in the bay, by dredging when necessary. Fine building stone, limestone, gravel, sand and other building material is abundant close by. Ground suitable for railway yards is marked out; and the distance from the solid bank to 25 feet of water in low tide is only a few hundred feet. At the mouth of the harbor is that great, partly dismantled fortress, begun nearly 200 years ago, and finished at a cost of about $5,000,000. Some years later it was surprised by a French fleet under LaPerouse, who had little difficulty in navigating the straits and bay. This would still be available if the line was completed as suggested by Mr. McLachlan "for military reasons!" This idea would array the influence of every pacifist in the country against the H.B. Ry.

Why any civil engineer of standing should pass this commodious, easily accessible harbor by, and select such an exposed impossible location as at Port Nelson, for a terminal port of the H.B. Ry., is beyond my comprehension, if it were not for the purpose of delaying or destroying the route. When I heard that Nelson had been selected I prepared to make a strong public protest against it; but a western friend of the route, told me that it might not be good policy, as it would be better to risk Nelson than to cause delay or worse to the whole project. Some say that Nelson was selected to placate Ontario, which was demanding a right of way through New Manitoba to the terminus of the H.B.Ry.; which was granted in the settlement.

In this pamphlet is a complete map of the H.B.Ry. surveyed from LePas to Churchill, 474 miles, or a trifling difference of 50 miles. The survey appears to have been made as the H.B.Branch of the Can.Nor.Ry. and assuredly McKenzie & Mann would select the best and cheapest route, without any political or sectional feeling. Nelson is not shown.

The distance from Churchill to Liverpool in nautical miles is 2946; from Liverpool to Montreal via Belle Isle (the more risky and foggy route) is 2761; via Cape Race 2927; or almost the same as from Churchill. "The freight upon grain from the wheat belt to Hudson's Bay would approximate 10 cents a bushel, the same as to Port Arthur; the additional 15 cents from there to the Atlantic seaboard would be saved to the farmer, and this of itself represents a fair profit to the wheat grower." "Assuming an export trade of 20,000,000 of bushels, which can easily be handled in two months of the season by the proposed railway -- the saving would amount to $3,000,000." These figures are as reliable as those quoted by Mr. McLachlan. The saving on cattle would be much greater, as after 3 days rail travel cattle deteriorate, but on ocean voyages they gain flesh, being better cared for and fed. "Upon the 82,000 head of cattle shipped to Montreal from the west during the past season, the saving on freight along, $6. a head, or in round figures $650,000, would be equal to about 20 per cent of the selling price." (about 1910 I think)

The climate around Churchill is milder than farther west. The harbor by a record of 70 years kept by H.B.Coy. is open on an average for 5 months, from 19th June to 19th November. The earliest closing was 1st Nov. 1837, the latest on 4th Dec. 1861, and 1885. Of the timber, peat, agricultural products, waterpower, and fisheries, the latter very rich and varied, more later.

Ottawa 28 June, 1924. Henry J. Woodside.

Major H. J. Woodside,
Hon. Cor, Secy. OVERSEAS LEAGUE
53 First Ave., Ottawa, Canada.

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CANADIAN NATIONAL TELEGRAM

1WGGR 340 NL 8 EXTRA

Winnipeg Man 30 June 1924

J S Menzies

Chateau Laurier Ottawa Ont

See Major M. A. MacPherson of Regina and cooperate Have copies of resolution handed to Premier Mackenzie King, Hon George Graham, Hon Sir Henry Drayton, Robert Forke, Andrew Knox, The Rt Hon Arthur Meighen, Hon A. B. Hudson, J. E. McMurray.

Meeting of executive On To The Bay Association June 30th suggestion made before Parliamentary Committee on National Railways and Shipping by Hon Sir Henry Drayton respecting Hudson Bay Railway was taken under consideration.

Resolved that this executive regrets that Parliament has not taken action up to the present time at its present session towards the immediate completion of the Hudson Bay Railway.

And further that if it is not the intention of the Government through Parliament to keep faith with the Western Provinces by completing the Hudson Bay Railway without further delay this executive pledges itself to devote all its weight and influence to urging and assisting the Prairie Governments or any of them towards the acceptance or responsibility for the future of the said Railway if a firm offer be made by the Federal Government upon equitable terms.

And further this association if Parliament at its present session does not intend to take active measures to ensure the speedy completion of the said railway strongly urge that the Dominion Government make a firm offer to the Prairie Provinces or any of them.

And further that such offer should include all physical assets of the uncompleted line, plus unexpended balance of

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monies collected under land sales contract pledged by the Government of the Late Sir Wilfrid Laurier for the construction of the Hudson Bay Railway, plus an assignment to the Prairie Provinces or ahy of them, of the uncollected balances land sales contracts to be applied for the purposes of railway.

And that while appreciating the bona fides and good intent of Sir Henry Drayton's suggestion before the Committee on National Railways and Shipping this executive does not consider that it goes sufficiently.

Charles F. Gray

President On To The Bay Association of Canada.

135AM.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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19

THE H.B. RY. - LOCAL RESOURCES OF THE ROUTE. Letter No. 7

075150

Western M.Ps. and Press:-

In Letter No. 6 I told of the splendid harbor at Churchill, and the easy route thereto. The country to and around Churchill is supposed to be barren, but this is an ordinary fallacy of those who cannot estimate the resources of a new country.

I can only give brief testimony to the climate. Mr. E. Mosher of Halifax, was at Churchill from 2nd Sept. to 7th January, superintending the building of the barracks for the R.N.W.M.Police. "So far as the weather is concerned, I would as soon have spent the months in Churchill as in Halifax". He "did not find the cold any more severe than in the east". According to his observations, "the lowest temperature registered was 39 below zero".

The Rev. Dr. John McDougall, pioneer missionary, describes the country south of Split Lake as favorable for settlement, the growth of vegetation almost tropical, and "the climate is far more moderate than in Southern Manitoba, the home of No. 1 hard wheat". Summer frosts are practically unknown. Dr. Bell gives the probable reason for this condition of the climate.

James Robson who superintended the building of Fort Prince of Wales at the mouth of Churchill harbor, after five years of residence, writes in 1752,"The marshes and low ground are full of good grass, and there is a patch of ground near Eskimaux Point, which though exposed to the north and northeast produces good radishes, colewort, turnips, small carrots and lettuces, and other salading; blackberries also grow upon the heath . . . The cattle here would live and do well if the same care was taken of them as is generally taken of them in England. The horses . . had been kept for several years and were constantly employed in drawing stone and other materialfor the fort."

"Dr. Bell nearly a century and a half later saw some very good potatoes and turnips growing at Churchill. He observed an abundance of hay in the neighborhood, and hear the bay open grassy land of unlimited extent, affording extensive pasturage. He found the small herd of cattle were in 1879-80 being recruited by animals calbed at the fort, whereas it was formerly not considered possible to breed stock there". Good butter was made at the fort.

Now as to the fisheries which have been slightingly referred to by Mr. McLachlan. We have the evidence of a number of responsible authorities that the lakes from Le Pas to Churchill are swarming with whitefish, and other food fish like trout, pike and even suckers. Salmon, sea trout and whitefish are, Mr. O'Sullivan states, "both plentiful and of excellent quality, the porpoise or white whale is very common in the mouth of the Churchill". "The barren ground caribou herd in hundreds over the country, and wild geese, duck and ptarmigan there breed and abound". Ungava's shore streams on the east side of the bay abound in the finest salmon, in trout and speckled trout unlimited.

Mr. McKenna in reviewing the evidence of a century and a half, adds "it would appear that Canada has at that point on Hudson's Bay a safe port, open for several months in each year, and a site for a city, with immense fisheries at its doors, and large possibilities as to the development of the mineral wealth deposited in its neighborhood". With all of which, after reading the evidence, I agree.

The great "barren ground" herd of caribou pass yearly within 30 miles of Churchill, and under government regulation and supervision, a toll of from 5,000 to 50,000 could yearly be taken without decimating the main herd, providing the wolves which prey on them, taking tens of thousands of young animals, were destroyed, which can be done.

Waterpower is everywhere on a splendid scale along the Churchill, the Nelson and tributaties, far more than necessary to electrify the whole line.

Most of the route seems to be fairly well forested with "spruce, poplar, tamarac, balsam, excellent white spruce and Banksian pine, etc." The pulpwood supply running from LePas to Split Lake, ten miles each side of the railway, is estimated at near six million cords", a very low but safe estimate". In the absence of a very large amount of fuel timber, each of the explorers emphasizes the presence of large and deep beds of good peat, which eventually will be found an excellent substitute for many purposes.

OTTAWA, 3 July, 1924.

Henry J. Woodside.

Major H. J. Woodside,
Hon. Cor, Secy. OVERSEAS LEAGUE
53 First Ave., Ottawa, Canada.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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The H.B.Ry. - GENERAL REVIEW. Letter No. 8.

075151

Western M.Ps. and Press:-

In concluding the series of letters on the Hudson's Bay Route for this season, I must admit that not one tenth of the evidence in its favor has been presented, but I have exhausted my purse. This is because I have paid all the expenses of printing, envelopes, paper, and the postage except the last two issues, which were franked through the kindness of Mr. Robt. Forke, M.P., in spite of the protest of the Ottawa Citizen, which is one of the meanest, most ignorant and virulent opponents of the Scheme. I have not received a cent from any quarter whatever, to recoup me, nor am I inspired by any interest, except that of the special need of the central prairie West, for an outlet to the sea, and a short and good route to Europe. I have supported this idea for over forty years, and feel it a duty to help it to completion, although it may not benefit me personally one cent when in successful use. But I am an all Canadian.

19

A member of parliament recently spoke of the sordid greed and grasping selfish spirit of a class of men who entered into corporations, and forced themselves into office, for the purpose of robbing or wrecking those institutions. This spirit is rather common in the eastern part of this continent. There are people and interests which would wreck or paralyze the H.B.R., just as other railways have been wrecked or delayed for selfish or local interests. I think the first phase of this work will clearly indicate that. The selection of Port Nelson was well planned to cover a fine chance, to at least delay construction and operation; for we are now faced with the statement that it will cost over $20,000,000. to make this exposed and unsheltered port serviceable, and an enormous annual outlay in dredging, to keep 20 miles of shifting bar channel open to deep water. Nelson would never have been heard of but that in the days of the H.B.Coy it was on the route of the shortest water way from the bay to Norway House on Lake Winnipeg. Then there is an estimate of $3,000,000. to complete the last section of railway to Port Nelson.

I repeat with emphasis, that the Nelson section must be abandoned for the present at least. If Churchill ever becomes too small a harbor to handle the immense traffic, then Nelson may be revived in the happy future. Back about one hundred miles west of Nelson, the line must be deflected north eastward on the old survey toward the Churchill river, and to Fort Churchill itself, with its exceptionally fine harbor. Some 150 miles of new line will have to be built. This at $50,000. per mile will cost $7,500,000. Adding say $3,000,000. for wharves, storehouses and elevators necessary at the opening of the route, makes it up to $10,500,000. But from this deduct $3,000,000. saved from the completion of the Nelson section, then compare $7,500,000. and its good harbor easily maintained for handling grain etc. for at least four months of the year, with twenty millions epxnditure at Nelson, and a wretched harbor.

A proposition has recently been put forth that the H.B.Ry should be handed over with a subsidy for its completion, to the western provinces. I would strongly recommend the acceptance of such offer if reasonable enough. It would take the work out of eastern and hostile hands, which will do all they can to delay it. If the proper men are appointed to handle the work, and the contracts are let and supervised as a good private railway would do, the work can be finished at about half the price at which the Dominion government can build railways. For proof of this, consider the cost of the National Transcontinental Railway across northern Quebec and Ontario, which cost many times the estimate even in the days of Sir Wilfrid Laurier.

The talk of no vessels to be had during the four months of open straits and bay, is a pure myth. There has been no difficulty in getting all the good vessels required to make the one seasons dangerous trip to the mouth of the Obi and Yeneséi rivers, through the shallow Kara sea, carrying goods from England and Europe, and bringing back, grain, hides, timber, etc. from the centre of Siberia. Now was there any difficulty in getting plenty of tramp vessels to brave the dangerous, stormy, icy trip around Cape Horn, for grain and hide cargoes, during and since the days of sailing vessels. Recently a Scotch vessel loaded with coke bucked the Cape Horn gales for several months, and then had to turn and run around the world via Cape of Good Hope, and Australia to Peru, with her cargo, on a voyage of over a year duration, with mush storm damage. And if the Panama canal had not been dug, that route would still be claiming its large annual toll of vessels and lives. Again we are now told that a great fleet of tramp vessels will be available next wheat season for the Vancouver - Panama - European grain route, which is good news to all true Canadians.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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In former letters I have cited enough evidence from high and experienced authorities, to show that the straits are open yearly for safe navigation by steam vessels for at least four months, and the bay for much longer time. That the straits and bay are exceptionally free from shoals, rocks and such impedimenta to navigation. That the establishment of lights and wireless stations along the straits will reduce the risk at any time and facilitate the passage of vessels in and out. That the Churchill harbor open for at least five months of the year, is a safe, deep, commodious and easily accessible harbor, capable of enlargement, an excellent site for a city, with abundant of building material right at hand, with plenty of ground for railway yards, and deep water close to the shore where needed. That the country around Churchill can produce hay in abundance and many classes of vegetables and grain, also that cattle and horses have lived and bred there for many years, in at least two centuries. That the country between Churchill and Le Pas affords a reasonably easy railway route. That it has many sections of good agricultural land with a safe climate for grain and vegetables. That there is a reasonable amount of timber, great deposits of good peat, much mineral country and an immense waterpower along both Churchill and Nelson rivers and their tributaries. That the fisheries of lakes and rivers of the Hudson's Bay basin are immense and untouched; that the deep sea fisheries, except whale fishing, are not yet developed. That the neighborhood is visited annually by millions of wild caribou, and that reindeer, muskox and fur farms will flourish in that region. What more is required but intelligent development?

To show how consistent some papers are:- the Ottawa Citizen and the Ottawa Journal, both of which are bitter and determined opponents of the H.B.Ry., are also both supporters of the Georgian Bay Ship Canal system, because that passes through Ottawa and will benefit this city. This canal, before the war, was estimated to cost over one hundred million dollars (now will cost over two hundred). The H.B.Ry. in spite of Dominion government waste on it, when completed will cost about 30 millions. The railway will lower the wheat rate as much as the canal would. The canal will be open free of tolls by treaty with the U.S. and makes little or no returns (except in waterpower development if that can be credited to it). The same applies to the St. Lawrence deep sea canal route, which when completed will be partially controlled by the U.S., and will be a charge on the general public, with free tolls to U.S.

The H.B. Ry. will be completed by money obtained directly from the sale of western lands set apart for that purpose, and will be under no foreign control, and will pay its way almost from the beginning. As much waterpower can be developed along the H.B.Ry. as along the St. Lawrence. Toronto supports the deep sea St. Lawrence canal system because the freighters will pass Toronto both ways, possibly call there. Montreal opposes the St. Lawrence deep sea canal route because the freighters from Europe to Port A thur, will pass by Montreal, whereas they now load and unload there, when of deep draught. Some say Winnipeg favors the St. Lawrence system, rather than the H.B. Ry. because with the former it would retain its prestige as the greatest grain market in America. With the H.B.Ry. in operation much of the Saskatchewan grain would not go via Winnipeg and the lakes. It is hard to build up a harmonious consolidated country with such clashing interests.

OTTAWA, CAN. 17 July, 1924.

Henry J. Woodside.

Major H. J. Woodside,
Hon. Cor, Secy. OVERSEAS LEAGUE
53 First Ave., Ottawa, Canada.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

Moose Jaw Times July 23/24

075153

A SUMMING UP FOR THE HUDSON BAY

A member of Parliament recently spoke of the sordid greed and grasping selfish spirit of class of men who entered into corporations, and forced themselves into office for the purpose of robbing or wrecking those institutions. "This spirit is rather common in the Eastern part of this continent. There are people and interests which would wreck or paralyze the Hudson Bay Railway just as other railways have been wrecked or delayed for selfish or local interests," Mr. Henry J. Woodside, of Ottawa, says in the last of a series of letters addressed to members of Parliament and the Press.

The selection of Port Nelson, Mr. Woodside claims, was well planned to cover a fine chance to at least delay construction and operation, for we are now faced with the statement that it will cost over $20,000,000 to make this exposed and unsheltered port serviceable, and an enormous annual outlay in dredging to keep twenty miles of shifting bar channel open to deep water. Nelson would never have been heard of but that in the days of the Hudson Bay Company it was on the route of the shortest waterway from the bay to Norway House on Lake Winnipeg. Then there is an estimate of $3,000,000 to complete the last section of railway to Port Nelson.

Mr. Woodside states with emphasis that the Nelson section must be abandoned for the present at least. If Churchill ever becomes too small a harbor to handle the immense traffic, then Nelson may be revived in the happy future. Back about one hundred miles west of Nelson the line must be deflected northeastward on the old survey toward the Churchill River, and to Fort Churchill itself, with its exceptionally fine harbor, some 150 miles of new line will have to be built. This at $50,000 per mile will cost $7,500,000. Adding say $3,000,000 for wharves, storehouses and elevators necessary at the opening of the route, makes it up to $10,500,000. But from this deduct $3,000,000 saved from the completion of the Nelson section, then compare $7,500,000 and its good harbor easily maintained for handling grain, etc., for at least four months of the year, with twenty millions expenditure at Nelson, and a wretched harbor.

A proposition has recently been put forth that the Hudson Bay Railway should be handed over with a subsidy for its completion to the Western Provinces. Mr. Woodside strongly recommends the acceptance of such offer if reasonable enough. He says it would take the work out of Eastern and hostile hands which will do all they can to delay it, but he overlooks the fact that the East would be more hostile than ever, and while the treasure of Canada would be poured into Vancouver, Montreal, Quebec, Halifax and St. John to develop these ports, Hudson Bay would be impoverished from the outset.

The talk of no vessels to be had during the four months of open straits and bay is a pure myth, Mr. Woodside says. There has been no difficulty in getting all the good vessels required to make the one season's dangerous trip to the mouth of the Obi and Yenesei rivers, through the shallow Kara Sea, carrying goods from England and Europe, and bringing back grain, hides, timber, etc., from the centre of Siberia. Nor was there any difficulty in getting plenty of tramp vessels to brave the dangerous, stormy, icy trip around Cape Horn for grain and hide cargoes during and since the days of sailing vessels. Recently a Scottish vessel loaded with coke bucked the Cape Horn gales for several months and then had to turn and run around the world via Cape of Good Hope and Australia to Peru, with her cargo, on a voyage of over a year's duration, with much storm damage. And if the Panama Canal had not been dug that route would still be claiming its large annual toll of vessels and lives. Again we are now told that a great fleet of tramp vessels will be available next wheat season for the Vancouver-Panana-European grain route, which is good news to all true Canadians.

In former letters Mr. Woodside cited enough evidence from high and experienced authorities to show that the straits are open yearly for safe navigation by steam vessels for at least four months, and the bay for much longer time. That the straits and bay are exceptionally free from shoals, rocks and such impediments to navigation. That the establishment of lights and wireless stations along the straits will reduce the risk at any time and facilitate the passage of vessels in and out. That the Churchill harbor, open for at least five months of the year, is a safe, deep, commodious and easily accessible harbor, capable of enlargement, an excellent site for a city, with abundance of building material right at hand, with plenty of ground for railway yards, and deep water close to the shore where needed. That the country around Churchill can produce hay in abundance and many classes of vegetables and grain, also that cattle and horses have lived and bred there for many years, in at least two centuries. That the country between Churchill and Le Pas affords a reasonably easy railway route. That it has many sections of good agricultural land with a safe climate for grain and vegetables. That there is a reasonable amount of timber, great deposits of good peat, much mineral country and an immense water-power along both Churchill and Nelson Rivers and their tributaries. That the fisheries of lakes and rivers of the Hudson's Bay basin are immense and untouched; that the deep sea fisheries, except whale fishing, are not yet developed. That the neighborhood is visited annually by millions of wild caribou, and that reindeer, muskox and fur farms will flourish in that region. What more is required but intelligent development?

To show how consistent some papers are, Mr. Woodside says: "The Ottawa Citizen and the Ottawa Journal, both of which are bitter and determined opponents of the Hudson Bay Railway, are also both supporters of the Georgian Bay Ship Canal system, because that passes through Ottawa and will benefit this city. This canal, before the war, was estimated to cost over one hundred million dollars (now will cost over two hundred). The Hudson Bay Railway, in spite of Dominion Government waste on it, when completed, will cost about thirty millions. The railway will lower the wheat rate as much as the canal would. The canal will be open free of tolls by treaty with the United States, and makes little or no returns (except in water-power development if that can be credited to it). The same applies to the St. Lawrence deep sea canal route, which when completed will be partially controlled by the United States, and will be a charge on the general public, with free tolls to the United States. The Hudson Bay Railway will be completed by money obtained directly from the sale of Western lands set apart for that purpose, and will be under no foreign control, and will pay its way almost from the beginning. As much water-power can be developed along the Hudson Bay Railway as along the St. Lawrence. Toronto supports the deep sea St. Lawrence canal system because the freighters will pass Toronto both ways, possibly call there. Montreal opposes the St. Lawrence deep sea canal route because the freighters from Europe to Port Arthur will pass by Montreal, whereas they now load and unload there, when of deep draught. Some say Winnipeg favors the St. Lawrence system rather than the Hudson Bay Railway, because with the former it would retain its prestige as the greatest grain market in America. With the Hudson Bay Railway in operation much of the Saskatchewan grain would not go via Winnipeg and the lakes. It is hard to build up a harmonious consolidated country with such clashing interests."

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Mail & Empire Toronto Aug. 2/24

075154

CHURCHILL HARBOR THE BEST TERMINUS

Comment by Well Known Engineer on the Hudson Bay Railway.

PROJECT IS FEASIBLE

But Mistake Made in Selecting Port Nelson—Senate Committee Finding.

(By J. W. Tyrrell, C.E., M.E.I.C.)

This great question, which has been the subject of many newspaper articles of late, as well as the theme of many serious discussions and debates in Parliament and the Senate, appears to be still unsettled. The Government at Ottawa has approached the question at various times and in divers ways with due caution and deliberation. Several expeditions have been equipped and sent out to make practical tests and investigations concerning the navigation of the route and the prospects of terminal sities, and these several expeditions have reported in accordance with their findings.

As "doctors differ," so have some of the explorers of the Hudson Bay route differed in their opinions. But it appears to me that the whole question was thoroughly and comprehensively reviewed by the Special Committee of the Senate appointed to report on the navigation and fishing resources of Hudson Bay and Strait in the year 1920. That committee, comprising twelve members of the Senate, after making exhaustive inquiries and examining all available authorities, reported, in part, as follows:—

"Your committee took a large amount of evidence regarding the relative merits of the two Western ports, Churchill and Nelson, and there was a considerable divergence of opinion among the different witnesses as to which of the two should have been selected, having in view the shorter railway haul in the one case and the cheaper construction of the port itself in the other. Churchill was shown to be an absolutely landlocked harbor, entirely protected from every wind, no matter from which quarter it should blow, where a few ships could at all times ride at anchor in perfect security. Nelson, on the other hand, has no natural protection from the sea except such as it receives by reason of its remoteness from the body of the sea, there being a twenty-mile stretch of shallows between it and deep water. A narrow channel, bordered by wide shallows, connects the proposed harbor of Nelson with the open bay. A very large amount of money has already been expended upon the harbor improvements of Nelson, but a much larger sum is still required before the present plan can be carried out. There seems to be considerable doubt whether or not, even when the proposed plans are completed, the harbor at Nelson will be an entirely safe one against an easterly gale.

The Committee's Report.

"Your committee makes the following findings upon the evidence adduced before them:—

"(1) That the Hudson Bay route is feasible, and will probably in time be profitable.

"(2) That the season of navigation, under present conditions, is at least four months in length, and may, by reason of improvements in aids to navigation, be considerably increased.

"(3) That in the opinion of this committee sufficient care was not taken in the selection of Nelson as the terminus of the railway, and that the Government should not make further important expenditures upon this port without first making a new and thorough examination into the relative merits of Churchill and Nelson as a terminus for the railroad."

The above findings of the Senate Committee are well based upon established facts, and their final recommendation is absolutely sound. My own belief is that if sufficient care had been taken in the selection of the railway terminus it would not have been at Nelson, and millions of wasted money would have been saved. If I may be permitted to say so, I have written and spoken upon this subject many times, always as now being convinced that Churchill is the preferable railway terminus and only suitable harbor on the west coast of the Bay.

From actual records extending back for a great number of years, the average dates of opening and closing of Churchill Harbor are the 19th of June and 18th of November, making an average natural open season of just five months, which time, with modern improvements to navigation, might be considerably extended. The earliest recorded date of opening is June 5th, 1863, and the latest July 2nd, 1866. The earliest date of closing was November 1st, 1837, and the latest was December 4th, 1885. We can, therefore, absolutely count upon Churchill harbor being open for the months of July, August, September and October, with probable extensions of this period at either end, and with the assistance of an ice-breaker, I presume the harbor might be kept open as long as might be desired.

No Insurmountable Difficulties.

It is quite true that the selection of Port Churchill as the terminus would involve the construction of about 60 miles of additional railway, but such construction would not, so far as I am aware, be exceptionally difficult or expensive. I have covered the route myself with a view to future railway construction, and found no unsurmountable difficulties.

Following the above facts, I take the liberty of quoting from Mr. D. M. McLachlan's statements, as reported by the Special Committee of the Senate. He—the engineer in charge of the work at Nelson—is reported as saying:—

"The amount of dredging we have done at Nelson is inconsiderable compared with what we have to do. The equipment we had at Nelson was not at all suitable for the work we had to do. For years, ever since the war broke out, we have had the greatest possible need for a couple of dipper dredges, and the Government would not buy them. They said the war is over and we do not want to incur additional expense at present. The result is that we have been fiddling with the matter of dredging, and we have not made any real attempt. I say the cost at Nelson would be two and a half times greater than anywhere else for anything done in the way of dredging. We cannot tell what it would cost, and what it has cost is no criterion of what it will cost."

Such being the case, the powers of Ottawa are surely well advised by the Senate Committee when they say that "the Government should not make further important expenditures upon this port (Nelson) without first making a new and thorough examination into the relative merits of Churchill and Nelson as a terminus for the railroad."

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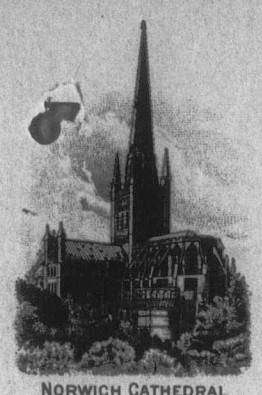

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WILLIAM COUSINS
RESIDENT AGENT PHONE 3347
MEDICINE HAT, ALBERTA

Medicine Hat, September 24th, 1924

The Right Honourable Arthur Meighen,

Ottawa, Ont.

Dear Mr. Meighen:-

I note in the Calgary Albertan what you said in Prince Albert about the Hudson Bay Railway to be finished, but not now.

There is a lot of difference of opinion as to the finishing of this road. You know more about it than I do, but I have some idea from hearing old timers talk.

I do not suppose what you said would make you popular with the Prince Albert people, but they should give you credit for being honest, which will help.

As for the Montrealers getting after your scalp; do not let that get on your nerves. Just keep on going as you have been and you will make the grade some time.

With kind regards,

Yours sincerely,

W Cousins

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

Edmonton Bulletin Sept. 25/24

075156

HBR

CHEER UP, MR. MEIGHEN.

Mr. Meighen has been making some speeches on the Hudson Bay railway project in the section of the country where that topic is one of very keen interest. He has not, he says, as much faith in the scheme as he might have, but considers that the Dominion has made a contract with the settlers in northern Saskatchewan and Manitoba to complete the line. He added, in an address at Melfort, that "no country in Canada's financial position could afford the necessary outlay." Which seems to mean that the leader of the Opposition is in favor of finishing the job—some time. Also that in his opinion the country is already so heavily loaded with debt that the some time is just as indefinite as it sounds.

Mr. Meighen is one reason why the Hudson Bay road is not now under construction. Those members of Parliament, in and out of his party, who hold similar views are other reasons. Hon. Geo. P. Graham stated the case briefly but correctly during the last session when he said that with the House of Commons as at present constituted it would not be possible to secure a vote of the money necessary to complete the undertaking. The enterprise is not stalled by action of any party, but by the unwillingness of men in all three parliamentary groups to assume responsibility for the further investment. And back of that unwillingness lies the same doubt that Mr. Meighen confesses in the practicability of exporting prairie wheat by that route or of doing so at a profit.

On this subject the plain fact is that the leader of the Opposition speaks for a non-party parliamentary majority, will continue to do so until a general election is held, and may do so after it is held. It is popular in some quarters to say that eastern members oppose the Hudson Bay project because the C.P.R. and the Canadian National managements want them to. That argument is easily countered by the suggestion that some Progressive members from the prairies perhaps support the scheme because local influence makes that course popular, rather than because they are convinced of the economic soundness of the project.

Aside from this mud-slinging style of discussion, it is patent that the House of Commons is skeptical of the Hudson Bay route, and that the skepticism of the members is a reflection of the doubts in the minds of their electors. However disappointing that may be it is a fact that the advocates of the proposal have to face, and which they cannot smother by imputing selfish motives to the hostile majority in Parliament or the people they represent. The Hudson Bay route will have to win out on its merits, if it wins at all, and it can only do that if the evidence favorable to it is kept before the public in eastern Canada until doubts give way to confidence.

One satisfactory development is that the handicap of which Mr. Meighen speaks is being overcome. The regime of deficits under his Premiership has given way to one of surplusses. Canada is now paying its way, and slowly cutting down the burden of debt he left, and to which his Government made contributions which were wholy unnecesary and staggering in amount. Had Mr. Meighen as Premier taken the serious view of public finances that he takes as leader of the Opposition he would not now have to say that the country is too heavily in debt to implement its "contract" with the settlers to whom he spoke. His Government in a single year shovelled out enough money—that could have been saved—to complete three or four Hudson Bay railways.

Let the leader of the Opposition not despair, however, nor preach despair to the settlers. His successors are doing what they can to pull the country out of the hole in which he left it, and with some success. They have cut expenditure, sensibly lightened taxation, and still have revenue enough to pay running expenses. The change came late, but not too late. A few more Robb budgets and the financial position will have cleared sufficiently to make further constructive expenditure safe. Then it will no longer be possible to say that Canada is too poor to spend the twenty millions or so necessary to complete the Hudson Bay railway; if public opinion as represented by Parliament is by that time convinced of the wisdom of making the outlay.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Manitoba Free Press
Sept 30/24
075157

Mr. Meighen and the Hudson Bay Road

Mr. Meighen's political policies are not very popular in the West; and this fact only throws into higher relief the soundness of his general views upon the Hudson Bay Railway.

Speaking at Melfort last week, Mr. Meighen is reported to have said that both political parties are pledged to complete the Hudson Bay Railway. He pointed out that the built portion was all laid by a government of which, for eight years, he was a member. Demands on the treasury had made a stop imperative in 1917 but the government of that year had always intended to complete the line, and the Conservative party of Canada would never be a party to indefinite postponement.

Having thus expressed himself with emphasis upon the main question, Mr. Meighen used language which appeared to suggest doubt as to whether, at the present time, the country should be asked to make the necessary outlays to complete the port at Port Nelson. "Completion of the road, however," he added, "was a matter of contract "with the thousands of settlers who "had come into the north country."

The West has not been unreasonable in the position which it has taken with respect to the time in which the work should be completed.

When work was suspended at the close of the war the people of the West took it like good sports. They accepted without question the government's statement that there was no money to go on with the work.

Later, when they saw the same government take 70 million dollars and throw it away in building ships, at the cost of some $200 a ton, they began to think they had been altogether too complaisant in this respect.

That is pretty much their mood today. If the country is going to make capital expenditures the West will expect the Hudson Bay enterprise to get the consideration to which it is entitled by virtue of the seniority of the scheme, the validity of the contract between the people of the West and the government to which Mr. Meighen referred, and the political and commercial reasons which suggest action.

There will be no large capital expenditures in the East, with the Hudson Bay road ignored—without vigorous and sustained protest.

The road should be completed to the bay without delay; after which the improvement of the port should be proceeded with, with reasonable promptitude.

The West is quite prepared to be reasonable in this matter; but it is not going to be quite as guileless as it was after the war when it agreed to a suspension of all work, only to see capital expenditures on a huge scale upon other national enterprises, not nearly so closely related to the public needs.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

075158

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Ottawa, October 4, 1924.

Dear Mr. Cousins:

On my return this morning I have your letter of September 24th. Many thanks for your good words. The Montreal situation I think I understand very well. It will improve but whether it does or not I shall do my duty as I see it and not be swerved, especially by those who are least of all entitled to complain.

Yours very truly,

William Cousins, Esq.,
Norwich Union Fire Insurance Society Ltd.,
Medicine Hat, Alta.

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ARCHIVES PUBLIQUES
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075159

THE SASKATOON PHŒNIX
Published at 226-230 Twentieth Street East, Saskatoon, by The Star Publishing Company, Limited

TUESDAY, OCTOBER 7, 1924.

Mr. King and the Hudson Bay Railway

"I believe it would be much better for Canada," said Mr. Mackenzie King at Winnipeg, "if we had the Liberal and Progressive forces as one, and if the causes they have in common were advocated from one end of Canada to the other."

This should be the keynote of the prime minister's addresses in the West. He is now in the heart of that region which set its face against both old parties at the last Dominion election and sent a group of insurgents to parliament. The Progressive voters are the only effective "opposition" which the Liberal party has to meet in the West. It is an opposition to be met not by direct attack but by alliance. The objective of the Liberal party in the West should be not to create issues between itself and the Progressive party but, as Mr. King says, to unite the two in opposition to Toryism. Speaking in terms of tactics, Mr. King can only eliminate the Progressives by cutting the ground from under their feet.

What he should know is that he cannot hope to do that unless he places himself at the head of the forward-looking electors of the West by advocating and putting into effect the policies they desire.

Mere phrase-making about "the forces of progress on the one hand and the forces of reaction on the other" will not get Mr. King anywhere in the prairie provinces. He can only unite the forces of progress by becoming the exponent of definite progressive policies. In short, there is an opportunity in the present political situation for a stroke of constructive statesmanship by Mr. King.

That is why his Winnipeg statement on the Hudson Bay Railway is exceedingly disappointing. Had the prime minister found it possible to promise immediate completion of the road, he could have made the Western provinces solidly Liberal for years to come. And he could have done so without alienating his supporters in the East. No sooner will it become clear that the steel is to be carried to Port Nelson than opposition to the road will dissolve like snow in the spring-time.

Mr. King asserts that an appropriation for the completion of the Hudson Bay Railway would be defeated in the Senate. But why anticipate opposition not yet expressed? The Senate is a more or less useless arm of the legislature. Sometimes it is a positively harmful influence in public affairs. But perhaps Mr. King exaggerates its baseness. The Senate did not defeat any Hudson Bay Railway votes between 1910 and 1917, when the line was being constructed. The Senate of 1920, practically the same Senate as we have with us today, adopted a report of a committee of Senators which declared the Hudson Bay route feasible and likely to be profitable. This report, it is true, cast some doubt on the wisdom of choosing Port Nelson as the terminal, but suggested that pending an investigation of Churchill's facilities "the rails could be completed to Port Nelson and that port could be used for the present in its present state."

Mr. King's excuse, in fact, hardly seems plausible. It will not convince Western voters.

Mr. King speaks in Saskatoon tonight. It is not to be expected that his remarks here on the Hudson Bay Railway will be, in their general intent, different from those he made before a Winnipeg audience. It is to be hoped, however, that he will elucidate a little more precisely the reasons why he does not believe the Hudson Bay Railway can be completed at once.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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Mr. King and the Hudson Bay Route

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The Dominion Government will not be successful in fobbing off the Hudson Bay railway line against the branch lines, as Mr. King, following a precedent already set by Mr. Motherwell, attempted to do in his public address on Saturday evening.

The branch lines and the Hudson Bay road are in different categories. The former are needed to meet traffic already in existence or ready to be created the moment the steel is laid. Mr. Ruel, appearing before the Senate committee on behalf of the branch lines last session, said that every one of them would pay its way. The building of these roads is a mere incident in the operation of the Canadian National system. They are needed to permit that system to serve its patrons; they will pay for themselves; and they ought to be built as a part of Canadian National routine, as they would be if this were a privately-owned corporation.

If the Hudson Bay road were in the same class as the branch lines a good case could be made out for putting it at the end of the list; and a long way after the rest of the branch lines at that. But the Hudson Bay road is not a colonization proposition at all; and the West will make a considerable error in judgment if it permits the government to put it on that basis. It is recalled that Mr. Graham, the Minister of Railways, in his most dulcet tones, tried last session to induce the Western members to accept the view that the road should be continued as a colonization project. This, together with later remarks by Mr. Motherwell and Mr. King, makes it pretty clear that what the government is trying to do is to dwarf the Hudson Bay road into a mere colonization project. Once they are successful in this they will be able to put up a quite plausible case for postponement of construction, which is quite obviously what they are after, being at present in the awkward and dangerous position of being between the Eastern and Western jaws of the nut-cracker on this question.

The Hudson Bay railway is a project of national development —the case for it must rest upon the strength of the arguments in support of the view that its construction will put the whole of Western Canada in a better position in relation to world markets than it is at present. The effect of opening up the route, if what its advocates say is right, will be, in effect, to move Western Canada hundreds of miles nearer the sea, with all that this implies in the way of inducing prosperity. A new branch line is a mere addition to our Western transportation equipment: the Hudson Bay route, if feasible, is a multiplying agency which will act magically upon every factor making for Western development and prosperity.

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Mr. King professes himself a believer in the route and its possibilities. This being so he must give its claim to consideration due rank in relation to other projects of national development. It cannot be side-tracked or suspended while other projects involving large outlays are going forward elsewhere without very vigorous opposition developing in Western Canada.

If the government should decide to go on with this work the immediate capital outlay need not be large. Obviously the first thing to do is to build the road to the bay. The work of developing Port Nelson ought not to be gone on with until the port can be reached by rail. According to the public accounts six million dollars have been spent upon the port, but the port as it stands does not show it. While work was being done on the port workmen were shipped in and out by sea, making the working season very short and the expense of construction very high. If the task of effecting a minimum development of the port, sufficient to permit a beginning in transportation, is tackled from the land side with a railway in operation bringing in supplies and workmen at need the problem will be found much less difficult and expensive than it appeared ten years ago.

It would, we think, be entirely reasonable for the West to ask the government formally and explicitly to list the opening of the Hudson Bay route as one of the great national tasks to be carried out as rapidly as circumstances warrant. The Opposition, in view of Mr. Meighen's position on this question, would be bound to fall in with such a declaration. This would put an end, once for all, to this constant yawping which is going on in the East about this being a visionary, chimerical and wholly impossible scheme,, and would remove one fertile source of misunderstanding between the East and the West.

Further, the West would be within its rights in pressing for the comparatively slight capital outlay which will be required to carry the rails and the engines from the present end of steel to the bay. Once the road reaches the bay there can, of course, be no turning back; and the further steps in the development of the route can be taken in keeping with a reasonable programme of construction. The fanciful estimates of capital cost put forward in the East are for the purpose of killing the scheme outright; once it is the settled policy of the country to complete the enterprise to the point where it can be given a trial, it will be found that the money required for these initial outlays will be but a moderate percentage of the sums which now figure in the Eastern attacks upon the project.

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Citizen Ottawa Oct. 9/24

075161

FORCEFUL LANGUAGE TO CABINET MEMBERS

Western Delegation Tell Federal Ministers They Must Get H. B. Road.

SASKATOON, Sask., Oct. 8.—"We have got to get the Hudson Bay Railroad and we are going to get it. We are not going to be put off," declared T. N. Campbell, speaking as a member of the delegation that waited on visiting members of the cabinet at Prince Albert today.

Another delegation, consisting of former members of the R.N.W.M.P., asked for some kind of adjustment to eradicate discrimination in pensions against "old 50 cents a day men." It was pointed out that some of their pensions amounted to less than $18 a month. Hon. Chas. Stewart said he believed something to "wipe out the discrimination" would be done at the coming session.

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WINNIPEG, FRIDAY, OCTOBER 10, 1924
Manitoba Free Press

075162

POLITICS

Mr. King on the H.B. Road

Mr. Mackenzie King, speaking at Prince Albert Wednesday night, said that his references at Saskatoon to the Hudson Bay railway had been misinterpreted in some quarters. That part of Mr. King's speech at Saskatoon having reference to the Hudson Bay railway, and the relations between the Liberals and the Progressives is herewith reproduced, as it appeared in the Saskatoon Star. The report purports to be a verbatim record, being in the first person; and is doubtless accurate. Upon these points Mr. King said:

"Now I come to the question which I know is much in your minds—the Hudson Bay railway. (Applause.) You are anxious and eager to have the Hudson Bay railway immediately completed. Like the people of other parts of Canada, you particularly want the things you have at heart. On all hands we are asked by their representatives to do something at once.

"For railway purposes we have been obliged to decide on a policy of building as we can afford to do so. We have decided that where there is settlement in the country at the present time our duty first is to the men and women who have settled there.

"I must be perfectly frank and say that it would not be possible to get the house of commons as it is constituted today to vote money to complete the Hudson Bay railway."

Question from the audience in two places: "Why not?"

"Because, first of all, you cannot get all the money to do all the things I have referred to at once. Because money is needed for branch lines. The second reason—I am going to be very frank with western Canada—we have been doing a great deal for western Canada in the house of commons in the last few years in regard to railway matters. When we came into office we found that an agreement was not being enforced by the government of the day, an agreement which meant much to the people of the west.

* * *

"I moved for a committee of the house myself to take the matter in hand. Many of the western members said themselves they thought the government was trying to shelve the matter in committee. I told them not to worry. The committee reported finally that the Crow's Nest rates on grain should be restored at once, the remainder within a year or two. At the instance of the government, the grain rates came into effect at once, the other part later.

"It has been said this was done on pressure of the Progressives. That is not correct. These things were done because they were part and parcel of the Liberal policies. I am not saying this in disparagement of the Progressives. On the contrary, I thank them for their support.

"You will remember when I spoke here the year before the general election I made the statement that if returned to power we would reduce the duties on agricultural implements of production. That promise has been carried out. (Applause.)

"It was most unfortunate that we should have been separated into two parties, when our policies were the same. There is no use in being divided into two groups on policies where we should be united against the forces opposing us.

"What about the Progressives? It doesn't make my task any easier with respect to the Hudson Bay railway that they are outside the Liberal party. No group of men can threaten the present government that they will put them out of office because they won't do this or that. But the statement that these things the Liberal government has been doing have been to get Progressive support has made it very difficult to get millions more for western Canada when the people of eastern Canada can get the things they need.

"Now let me tell you where we have had our difficulties. We have just had a by-election in Northumberland. What has been our opposition's attitude? That everything the Mackenzie King government has been doing has been for the west at the expense of the east. We were told that the Crow's Nest agreement made it more difficult for the east to get the lower rates they should have. That our fiscal policy helps the west and hurts the east.

(Here Mr. King quoted an item from the Montreal Gazette, leading Conservative organ, illustrating his point.)

* * *

"When I spoke in Northumberland a few weeks ago I defined policies and I defined them in the manner I will in western Canada. I intend to say the same thing in western Canada as I told them in eastern Canada. I haven't [illegible] their own different from the rest of Canada.

"I ask you to think that matter over between now and the next general election.

"Where is the Progressive party today? There is none in the Maritimes, none in Quebec, there is no Progressive party I can find in Ontario, and none in B.C. Suppose you elect your full representation of Progressives at the next election, where will they be?

"These are practical questions. You have got to be able to count on your support, not bargain for it." (Applause.)

"I read an interesting editorial in the Saskatoon Phoenix tonight, a paper that has been kindly and helpful, and I want to thank the editor for his suggestions. But he refers in that editorial to Progressive policies. If he means Progressive sectional policies, they are not mine. That is why my Winnipeg statement is 'exceedingly disappointing.' If I promised that the Hudson Bay railway would be proceeded with at once, possibly it would make the western provinces 'Liberal for years to come,' and I would like that very much, but if I had found it possible to promise immediate completion and made the western provinces solidly Liberal, what would you think of me if you learned I made promises which I knew would be very difficult if not impossible to carry out?

"I prefer now to say the unpleasant thing, and try to do more, but I will not promise the pleasant thing and do less.

"I see difficulties in the way of the immediate completion of the road; I believe it will be completed, but as our finances permit it. I think you will help the completion of it by being patient as the government sees year by year how far it can go.

"I personally believe that the road would serve a useful colonizing purpose. I believe it would open great wealth in the north. I think it would justify itself. But the people of other parts of Canada who have their own particular wants don't see the immediate necessity that you all feel here.

"As far as the government can find it possible to go on with that work, it will be proceeded with, but as far as giving any pledge that the work will be completed immediately, I do not believe I could get the support of enough of the house to carry out such a promise.

"Now that isn't a pleasant message to bring you, but I pay you the compliment of being frank and giving you the question from all its bearings.

"Honestly and frankly, would you find it possible if you were making pledges in carrying on the business of the country to do more than the present administration is doing? I have only kind feelings for the Progressives, for the help I have had from them and for the friendship I have with them."

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MEIG[illegible] 26, I, Volume 126)

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Would it were worthier."—Byron.

MONDAY, OCTOBER 13, 1924.

PREMIER KING ON THE HUDSON BAY RAILWAY

In referring to the hearty welcome given by Saskatchewan to Premier Mackenzie King, we said that his Hudson Bay Railway statement was remarkable because of its very frankness; that his explanation of why the Government could not bring in the necessary legislation was very disappointing to the gathering, but that the manly, straightforward and forcible way in which he dealt with the matter won the admiration of his (Saskatoon) hearers.

Speaking at Prince Albert the following (Wednesday) night, Premier King said that his reference at Saskatoon to the Hudson Bay Railway had been misinterpreted in some quarters. The Times-Herald report of his speech was one of the fullest and best sent out over the wires after the meeting, and, we believe, was a correct and comprehensive summary of his speech. But this Hudson Bay matter is of such vital importance to the West, and as a national issue, that we give herewith that part of the Premier's speech at Saskatoon having reference to the Hudson Bay Railway, and the effect thereon of the relations between the Liberals and Progressives. The report is that of the Saskatoon Star, and purports to be a verbatim record, being in the first person, and may, therefore, be taken as accurate.

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"For railway purposes we have been obliged to decide on a policy of building as we can afford to do so. We have decided that where there is a settlement in the country at the present time our duty first is to the men and women who have settled there.

"I must be perfetly frank and say that it would not be possible to get the house of commons as it is constituted today to vote money to complete the Hudson Bay railway."

Question from the audience in two places: "Why not?"

"Because, first of all you cannot get all the money to do all the things I have referred to at one. Because money is needed for branch lines. The second reason—I am going to be very frank with Western Canada—we have been doing a great deal for Western Canada in the house of commons in the last few years in regard to railway matters. When we came into office we found that an agreement was not being enforced by the government of the day, an agreement which meant much to the people of the West.

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"I moved for a committee of the house myself to take the matter in hand. Many of the Western members said themselves they thought the government was trying to shelve the matter in committee. I told them not to worry. The committee reported finally that the Crow's nest rates on grain should be restored at once, the remainder within a year or two. At the instance of the government, the grain rates came into effect at once, the other part later.

"It has been said that this was done on pressure of the Progressives. That is not correct. These things were done because they were part and parcel of the Liberal policies. I am not saying this in disparagement of the Progressives. On the contrary, I thank them for their support.

"You will remember when I spoke here the year before the general election I made the statement that if returned to power we would reduce the duties on agricultural implements of production. That promise has been carried out. (Applause.)

"It was most unfortunate that we should have been separated into two parties, when our policies were the same. There is no use in being divided into two groups on policies where we should be united against the forces opposing us.

"What about the Progressives? It doesn't make my task any easier with respect to the Hudson Bay railway that they are outside the Liberal party. No group of men can threaten the present government that they will put them out of office because they won't do this or that. But the statement that these things the Liberal government has been doing have been to get Progressive support has made it very difficult to get millions more for Western Canada when the people of Eastern Canada cannot get the things they need.

"Now let me tell you where we have had our difficulties. We have just had a by-election in Northumberland. What has been our opposition's attitude? That everything the Mackenzie King government has been doing has been for the west at the expense of the east. We were told that the Crow's Nest agreement made it more difficult for the east to get the lower rates they should have. That our fiscal policy helps the west and hurts the east.

(Here Mr. King quoted an article from the Montreal Gazette, leading Conservative organ, illustrating his point.)

* * *

"When I spoke in Northumberland a few weeks ago I defined policies and I defined them in the manner I will in Western Canada. I intend to say the same thing in Western Canada as I told them in Eastern Canada. I haven't one message for the west and one for the east—I have one message for all Canada.

"I told the east that we were carrying out our promise made before election. The Crow's Nest agreement was made by Sir Wilfrid Laurier, and we were carrying out his policies. That was the statement I made in Eastern Canada; it is the statement of our position in Western Canada.

"I am not seeking to belittle the efforts of our Progressive friends; our feelings are cordial toward them, but we do believe they are mistaken in staying outside the party whose policies are the same as their own.

"When the government is forming its program it takes into its inner councils the members of the party, it discusses with them perfectly frankly what the whole situation is. That works very well with the east. When it comes to the west, where are our friends, the Progressives? Off in a room by themselves. These are very real difficulties that I am explaining.

"Now, our friends from the east ask me: 'How much support are you getting, Mr. King, from the people who ask for the Hudson Bay railway? We ask for a little money for public buildings, and don't get it. We are keeping you in power by our votes, and you ask us for millions for the west.'

"I say, and I say it in all sincerity, that the most unfortunate thing for this party is that its representatives should stand apart in the house of commons, seeking to have policies of their own different from the rest of Canada.

"I ask you to think that matter over between now and the next general election.

"Where is the Progressive party today? There is none in the Maritimes, none in Quebec, there is no Progressive party I can find in Ontario, and none in B.C. Suppose you elect your full representation of Progressives at the next election, where will they be?

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"Honestly and frankly, would you find it possible if you were making pledges in carrying on the business of the country to do more than the present administration is doing? I have only kind feelings for the Progressives, for the help I have had from them and for the friendship I have with them."

Our interpretation of Premier King's speech is that if the West wants the Hudson Bay route opened up, the West has got to fight for it the way the East fights for what it wants, namely with a united front that can command parliamentary power. That is what the West lacks today. The West needs at Ottawa, not a block of votes apart, but man power and leadership that will be a real factor in giving direction to party policy and government achievement; not only so many representatives, but representatives that will make their mark on the map of Canada. This, we believe, is what Premier King wants the West to think about. He wants more Western blood in his government, and he can only get it if the West is willing to give it.

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(Here Mr. King quoted an article from the Montreal Gazette, leading Conservative organ, illustrating his point.)

* * *

"When I spoke in Northumberland a few weeks ago I defined policies and I defined them in the manner I will in Western Canada. I intend to say the same thing in Western Canada as I told them in Eastern Canada. I haven't one message for the west and one for the east—I have one message for all Canada.

"I told the east that we were carrying out our promise made before election. The Crow's Nest agreement was made by Sir Wilfrid Laurier, and we were carrying out his policies. That was the statement I made in Eastern Canada; it is the statement of our position in Western Canada.

"I am not seeking to belittle the efforts of our Progressive friends; our feelings are cordial toward them, but we do believe they are mistaken in staying outside the party whose policies are the same as their own.

"When the government is forming its program it takes into its inner councils the members of the party, it discusses with them perfectly frankly what the whole situation is. That works very well with the east. When it comes to the west, where are our friends, the Progressives? Off in a room by themselves. These are very real difficulties that I am explaining.

"Now, our friends from the east ask me: 'How much support are you getting, Mr. King, from the people who ask for the Hudson Bay railway? We ask for a little money for public buildings, and don't get it. We are keeping you in power by our votes, and you ask us for millions for the west.'

"I say, and I say it in all sincerity, that the most unfortunate thing for this party is that its representatives should stand apart in the house of commons, seeking to have policies of their own different from the rest of Canada.

"I ask you to think that matter over between now and the next general election.

"Where is the Progressive party today? There is none in the Maritimes, none in Quebec, there is no Progressive party I can find in Ontario, and none in B.C. Suppose you elect your full representation of Progressives at the next election, where will they be?

"These are practical questions. You have got to be able to count on your support, not bargain for it." (Applause.)

"I read an interesting editorial in the Saskatoon Phoenix tonight, a paper that has been kindly and helpful, and I want to thank the editor for his suggestions. But he refers in that editorial to Progressive policies. If he means Progressive sectional policies, they are not mine. That is why my Winnipeg statement is 'exceedingly disappointing. If I promised that the Hudson Bay railway would be completed at once, possibly it would the western provinces 'Liberal for years to come,' and I would like that very much, but if I had found it possible to promise immediate completion and made the western provinces solidly Liberal, what would you think of me if you learned I made promises which I knew would be very difficult if not impossible to carry out?

"I prefer now to say the unpleasant thing, and try to do more, but I will not promise the pleasant thing and do less.

"I see difficulties in the way of the immediate completion of the road; I believe it will be completed, but as our finances permit it. I think you will help the completion of it by being patient as the government sees year by year how far it can go.

"I personally believe that the road would serve a useful colonizing purpose. I believe it would open up great wealth in the north. I think it would justify itself. But the people of other parts of Canada, who have their own particular wants, don't see the immediate necessity that you all feel here.

"As far as the government can find it possible to go on with that work, it will be proceeded with, but as far as giving any pledge that the work will be completed immediately, I do not believe I could get the support of enough of the house to carry out such a promise.

"Now that isn't such a pleasant message to bring you, but I pay you the compliment of being frank and giving you the question from all its bearings.

"Honestly and frankly, would you find it possible if you were making pledges in carrying on the business of the country to do more than the present administration is doing? I have only kind feelings for the Progressives, for the help I have had from them and for the friendship I have with them."

Our interpretation of Premier King's speech is that if the West wants the Hudson Bay route opened up, the West has got to fight for it the way the East fights for what it wants, namely with a united front that can command parliamentary power. That is what the West lacks today. The West needs at Ottawa, not a block of votes apart, but man power and leadership that will be a real factor in giving direction to party policy and government achievement; not only so many representatives, but representatives that will make their mark on the map of Canada. This, we believe, is what Premier King wants the West to think about. He wants more Western blood in his government, and he can only get it if the West is willing to give it.

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Toronto, October 23rd, 1924.

The Hon. Arthur Meighen, M. P.,
House of Commons,
Ottawa, Ont.

clippings referred
Mr Helmer
for filing

Dear Mr. Meighen,-

I enclose herewith clippings referred to. Particular attention is called to the article in the Manitoba ~~"Free Press"~~ under the caption "Politics."

Re H B Rly

Yours faithfully,

J E Walz
General Manager.

JEW-S.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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Winnipeg Standard
Oct 24/24

The Free Press, Hudson and Backus

One of our country subscribers wrote us a few days ago suggesting that we should, in order to popularize ourselves with the farmers, begin to advocate that all commissions should be abolished and that the Senate's tail should be cut off close behind the ears.

To his proposal to abolish costly commissions which, in three cases out of every four, serve no other purpose than to enable the Government, either Provincial or Dominion as the case may be, to wash its hands of the responsibility of dealing fairly and squarely with the particular question under consideration, we fully accede.

We have a clear example of the folly of appointing commissions in the case of the one appointed by the Bracken Government to deal with educational problems of our Province. The men appointed were for the most part competent to deal with the questions submitted to them. We presume the Government had confidence in their judgment and their integrity, otherwise they would not have appointed them. We have no criticism to offer on the capability or the character of the five men who sat on the commission. Some of them were exceptionally well qualified to accomplish the task assigned them, notably Dr. Daniel McIntyre and Mr. Murray, President of Saskatchewan University; nor have we one word to say against Dr. Learned, the learned doctor from across the line, who accepted an invitation to study the University and Agricultural College questions of our Province and write his report upon the same.

We desire our readers to clearly understand that we are not here finding fault either with the make-up of the commission or with its findings and its recommendations. What we desire to condemn is the lack of either vision or backbone in the Bracken Government which appointed these men. The Province of Manitoba did not require this commission any more than a coach requires a fifth wheel. If we'd had a competent, efficient Government, the recommendations made by the commission would already have been carried out without waiting for the advice of these learned experts.

While the Norris Government was still in office Mr. J. T. Haig had strongly urged that the very things recommended by the Murray commission should be done, but his unanswerable arguments were unheeded, first by the Norris Government and afterward by the Bracken Government.

When the present Government came into power they were pledged to economy, as well as to greater educational efficiency. Mr. Haig told them how they could have both, but they preferred not to take the good advice offered them. They decided to wash their hands of all responsibility by appointing a commission to make a survey of the whole field of education, and make recommendations. The survey was made and the report when published showed that these learned experts were of exactly the same opinion as Mr. Haig and the other Conservative members of the Legislature.

No doubt the Government hoped when they appointed the commission that its report would be different from the one they did make. If this were not the case they would surely have carried out the proposals made. Their failure to act on the advice given shows how farcical the whole thing has been so far as the Government has been concerned.

We'd like to know what thoughtful men and women in rural Manitoba really think of this so-called "Farmer's Government" appointing a commission to tell them what to do and then refusing to take the advice given.

We believe in three cases out of every four where commissions are appointed, there is no advantage gained excepting that it serves as a temporary expedient to relieve an incompetent, irresponsible Government of an unpleasant duty, so we would heartily join with our good Scotch friend in advocating that there should be no more appointing of costly commissions. With his suggestion re the Senate, however, we find ourselves unable to agree.

The Standard believes that while it may be true that sometimes an unworthy man is appointed to the Senate, and while it may also be true that our Second Chamber may at times make mistakes, yet a careful study of our history since the time of Confederation shows that in four cases out of five where the two Houses disagreed the Senate was right and the House of Commons wrong.

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We are aware that there is at the present time a hostile feeling in the minds of Western farmers against the Senate. This can be accounted for by the fact that for years past The Free Press, The Tribune and the Grain Grower's Guide have been trying to create a sentiment against the Senate that would bring about its destruction. We feel confident if our Manitoba farmers had been getting all the facts concerning bills vetoed by the Senate during recent years, instead of joining in a crusade against that Chamber, they would unite with the constantly increasing number of Manitobans who hope that our Second Chamber will never lose its veto power it exercised to kill Mackenzie King's bill to repeal the Water Level Control Act passed by the Meighen Government in 1921.

For the benefit of such of our readers as are not familiar with the facts connected with this interesting question, we take his opportunity of presenting them again :

About four years ago Mr. Backus began to hint strongly that he was in a position to control the water supply of the Winnipeg River, and that he thought it would be worth a million dollars to Winnipeg and the Province of Manitoba to have a guaranteed steady supply.

Winnipeg citizens did not like the prospect of being placed at the mercy of this American corporation, which had acted in defiance of the State Government of Minnesota, and which during the war period had shown such a reckless disregard for the regulations re the distribution of newsprint.

No Winnipeger who knew the past history of Backus was desirous that our city and our Province should ever get under his heel, and consequently safeguarding measures were at once thought of.

In view of the fact that Manitoba did not have control of her natural resources it became necessary for the Federal Parliament to pass a bill to safeguard our interests, hence the passing of the control bill by Meighen. This was a wisely worded measure, which duly safeguarded the rights of all to the injury of none. This is the act of which Mr. Hudson spoke in his statement given out to the press on Tuesday, in which he said :

"It provides effectually not merely against the Backus menace, but also against others which may arise in the future. It is in my opinion, the true solution of problems arising in connection with inter-provincial power streams."

This Lake of the Woods regulation act was carried through Parliament by Meighen in 1921, just the session before his Government was defeated at the polls.

During the 1922 session Mackenzie King, the leader of the new Government, carried through the House of Commons a bill to repeal the Meighen act, which he spoke of as trick legislation. His attempt to destroy the 1921 act would have succeeded had it not been for the veto of the Senate.

Again in the session of 1923 the Liberal leader once more tried to repeal the act, which seemed to have earned his anathema. He carried his repealing bill through the Commons, but again the much abused Senate saved the day for us.

We'd like our readers to note that neither Mr. Hudson nor The Free Press has the common every-day decency to give either Mr. Meighen or the Senate any credit for having saved them from the clutches of this soulless corporation.

In the very same edition in which The Free Press reports the large protest meeting of Winnipeg citizens held in the Pantages Theatre, there appears another editorial strongly urging that the veto power be taken from the Senate.

Poor old Free Press ! Poor A. B. Hudson ! They say the Meighen act of 1921 must not be repealed. It is the only safeguard we have against the Backus menace they tell us. Then, with the same breath they seek to inform us that the veto power of the Senate should be withdrawn. They know that the veto power of the Senate has twice saved us from the Backus clutches, and that it is our only hope of safety for the ensuing session of Parliament.

In a nutshell, they want the Senate at the next session of Parliament to save us from Mackenzie King's attempt to sacrifice us to Backus, and in the meantime they would like Mackenzie King, if possible, to take from the Senate its power to do that very thing.

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Ottawa, October 28, 1924.

Dear Sir:

I am acknowledging, in the absence of Mr. Meighen, the clippings, with regard to the Hudson's Bay Railway, enclosed with your letter of the 23rd October. I am forwarding these to Mr. Meighen in Western Canada.

Yours faithfully,

Private Secretary.

J.E. Walsh, Esq.,
Canadian Manufacturers' Assn.,
Toronto, Ont.

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075168

BRANION AND COMPANY
BARRISTERS, SOLICITORS, NOTARIES PUBLIC
S.J.A. BRANION, B.A., LL.B.
TELEPHONE 2797
ROOMS, 1, 2, 3, UNION BANK BLDG,
PRINCE ALBERT, SASK.

November 3, 1924.

Honorable Arthur Meighen,

OTTAWA, Canada.

Dear Arthur:

You know well how large the two questions of the Hudson's Bay Railway and freight rates loom in this part of the West.

The information has been spread abroad that about four million dollars would complete the line to the Bay and it would seem that the people in this part of the Province are set upon at least that amount of further work being done, even if they must wait for the building and equipment of a commodious Port. Would it be cheap politics and bad statesmanship to come out plainly for the completion of the Road to the Bay, within say three years, without any definite promise as to the building of ~~a Port?~~ harbor facilities?

I have never fully mastered the question of haulage costs and freight rates to any such extent as would enable me to say that irrespective of the effect on the Railways the tariff provided by the Crows Nest Agreement should be made operative in all Western Canada, but if something of this nature could be made a plank in a platform, the feeling in the West is such now that it would go far to

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overshadow any other pleas which might be raised.

So many people lately have expressed in my hearing the kind of opinion which is intimated above that I thought it worth while writing you a letter because I presume that you appreciate letters which set out local feeling and local suggestions.

Yours truly,

S.J.A. Branion

SJAB/C

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Manitoba Free Press Nov. 4/24

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URGES COMPLETION OF HUDSON BAY RAILWAY

Representative Saskatchewan Delegation Waits on Premier King at Regina

Stated New York Syndicate is Ready to Invest in Province When Line Finished

(Special Despatch to the Free Press by Staff Correspondent.)

Regina, Sask., Nov. 3.—Premier Mackenzie King and his colleagues had a busy time here today. Several delegations called on them during the morning. At noon the premier spoke at a luncheon arranged by the men's and women's Canadian's clubs and the Rotary club. In the afternoon, at 2.30, he heard a delegation representing the provincial On-to-the-Bay association; a t4 o'clock there was a civic reception, while in the evening there was a mass meeting in the Stadium.

The On-to-the-Bay delegation was representative of all parts of the province and was headed by Col. F. J. James, George Edwards, president of the Saskatchewan Grain Growers' association, and J. A. Gregory, mayor of Battleford.

Letter From Syndiacte.

Arguments for the immediate completion of the Hudson Bay railway were presented. Emphasis was also laid on the fact that in the morning a letter had been received from a New York syndicate asking what steps had been taken to urge on the Dominion authorities the necessity for completing the road.

In the letter it was stated that some of the clients of the corporation were interested in investing capital in some new industries in Saskatchewan, but the ultimate success of these projects depended upon the completion of the Hudson Bay railway.

The delegation submitted the following resolution:

"Whereas during the past 40 years Canadian governments, irrespective of party, have been committed to a policy of constructing a railroad to the Hudson bay;

"And whereas the Canadian government is now and has been for a number of years the trustee for large sums of money ear-marked of this project;

To Prevent Emigration.

"And whereas the necessity itself to us of preventing emigration from our country which can be done by improving the morale of our people;

"And whereas our people feel that the solution of the transportation problem and the rates problem is dependent on the completion of the Hudson Bay railway;

"And whereas, there now remains only 92 miles to complete;

"Now, therefore, be it resolved by this representative body of Saskatchewan citizens that the government be urged forthwith to complete the Hudson Bay railway. Not only because of repeated promises or because of its trusteeship as aforesaid, but because the demand of our people is so insistent and so unanimous, based on the belief that by strengthening our morale, it will prevent emigration, and that by bringing foreign markets closer it will solve transportation problems to our producers."

The prime minister expressed himself as grateful for the additional information submitted, and stated the matter would receive the best attention of the government.

Prohibitionist Deputation.

A request that the Canadian Temperance act be so amended that any citizen may lay a charge in connection with the illegal manufacture of liquor, in the same manner as under the criminal code of Canada, was embodied in a petition laid before Hon. W. R. Motherwell, Hon. Charles Stewart and Senator A. Haydon, by a deputation representing the Saskatchewan Prohibition league. In urging the requests, the deputation stated that prohibitionists and anti-prohibitionists were opposed to home brew and moonshine, and it was time the law was made really effective. The government was also urged not to take the responsibility for licensing any more breweries or distilleries, and that the policy be maintained of not issuing licenses for the manufacture of liquor without the written endorsation of the government of Saskatchewan. The deputation also stated that it would be glad to be assured that the Dominion government would give every aid to the enforcement of the liquor laws by provincial governments. The delegation was headed by Rev. Hugh Dobson.

Empire Relations.

There was a large attendance at the noon luncheon, which was held in the Regina Trading company's banqueting hall.

Premier King spoke on the subject of Empire relations. He gave an account of the imperial conference in London last year which he attended, and described the situation now existing with reference to the ratification and signing of treaties concerning one part of the empire and all parts.

"There are two fundamental principles of the whole constitutional system," said the premier. "They are the principle of imperial responsibility and the principle of the supremacy of a Dominion act of parliament. As these two things are recognized, we can work out a plan of co-operation which will be enduring as time itself. To depart from them, to leave aside recognition of the principle of ministerial responsibility to the people whom ministers of the empire represent, or forget the supremacy of parliament, would imperil the whole structure from the constitutional point of view."

The civic reception at the city hall was also a well-attended function. A feature was the presentation of an address of welcome on behalf of the city council by Mayor S. C. Burton. In the address appreciation of the prime minister's work was expressed.

Premier King warmly acknowledged the welcome, saying he was particularly grateful for the city's attitude of good will and co-operation.

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Manitoba Free Press
Nov 5/24

The Government and the H. B. Route

Mr. King's remarks in his Western tour about the Hudson Bay route cannot be hailed as satisfactory; but they are of some value as re-committing the Liberal party to the completion of the project—this century or next. Mr. Meighen is in just about the same position; he is all for the route provided it remains in the list of uncompleted propositions not to be finished until some fabled era of prosperity descends upon the country.

Highly qualified as this measure of support by Mr. Meighen and Mr. King is, it goes far beyond the opinion of their respective political camps. The view has been sedulously cultivated and is now widely held in the East in both political parties that the building of the H. B. road and the opening up of the route would mean the throwing away of a vast sum of money—the estimates run all the way from fifty to one hundred millions—for no other purpose than gratifying a whim of the Western people. This opposition in the first place was stirred up by interests which are very much afraid that the route, if opened up, will be the success its advocates claim for it; but the feeling thus encouraged has spread throughout the East and has taken firm possession of the Eastern mind. All Westerners who visit the East have a common experience—that of being jumped on by Eastern acquaintances for their support of the Hudson Bay project. In most cases, upon cross-examination, it is found that the protesting Easterner knows nothing whatever about the question, having no acquaintance whatever either with the case which can be made for the road or the objections which can be advanced against it: he is just determined that the West, in this particular case, is going to be beaten out of something which it thought it had secured. There is an instinctive, subconscious feeling in the East, which every visitor from the West constantly encounters, that we, living out here on the prairies are dependent colonists who need periodically to be put in our place; and the Hudson Bay question has become in their minds one of the issues upon which it is necessary to assert this supremacy.

This state of feeling makes the subject a very difficult one for both Mr. King and Mr. Meighen to deal with; and explains the far-fetched arguments which Mr. King has dished up to justify the inaction of the Government. They are both committed by their past to the project. Mr. King was a member of the Laurier Government which deliberately put the building of the Hudson Bay road and the opening up of the Bay route into its list of national works to be carried out with reasonable promptitude; the present Minister of Railways officiated, in the same capacity, at the formal beginning of construction. Mr. Meighen was a member and later the head of the Government which reaffirmed and carried on the work thus begun by the Liberals. Both Mr. Meighen and Mr. King doubtless realize the absurdity of the Eastern idea that, after 20 million dollars have been invested in the enterprise, after the road has been built through 500 miles of wilderness to within a hundred miles of tide-water, after a substantial beginning has been made in developing the harbor at Port Nelson, the project should be abandoned, the partly completed harbor works allowed gradually to be engulfed, the roadbed to be swallowed up in the soil, and the great bridges across the Nelson left to stand in the wilderness, silent but enduring memorials of an act of national cowardice and faithlessness.

Sympathy for Mr. Meighen and Mr. King in their plight may be in order, but it need not go to the point of excusing their evident desire to shirk this issue. They are either national leaders or they are not; if they are, it is their business to tell their Eastern followers to get the idea out of their heads that they can renege on this obligation to complete the Hudson Bay railway, with whatever this implies in the way of harbor improvements, lighting and buoying the channels. As to the rate at which the work is to be pushed to completion, the representatives of the West will be found to be reasonable, once a disposition is shown to discuss the problem on its merits. Meanwhile, the people of the West, we think, are not likely to be impressed by statements such as that made by Mr. King at Regina, when he claimed that because on the portion of the road built years ago some new ties are replacing the rotten ones, actual construction of the road is going forward.

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Ottawa, Nov. 17, 1924.

S.J.A. Branion, Esq.,
Union Bank Bldg.,
Prince Albert, Sask.

My dear Albert:

I have your letter of the 3rd. The suggestions you make may prove to be possible of realization by the time the campaign is upon us. People generally have not the slightest realization of the financial condition of the Dominion at the present time. Every section is clamouring vociferously for millions and threatening political damnation to any who deny or even hesitate. All this is fostered by a press which too frequently is in the hands of men whose only interest is to advance circulation and make money. Sometimes indeed one despairs what the future of the country is going to be until the press takes a more national view.

With kindest personal regards,

Yours very truly,

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CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

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HON ARTHUR MEIGHEN

503 OTTAWA ONT

WOULD APPRECIATE ASSISTANCE IN OBTAINING COPY ESSENTIAL POINTS ENGINEER MCLAUGHLINS TABLED REPORT OF LAST SESSION ON HUDSONS BAY ~~STOP WILL~~ FORWARD COSTS

CHAS E LONG....

075173

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

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Albany Club Toronto 1862

Mackinac Ave
Dec 1/24.
Toronto, Ont.

My dear Mr Meighen,—

I am leaving Wed. at 6 P.M. for Chicago on my way back home; but I want to write you a few lines before I leave. I have been with a number of leading Tories at various times and places since coming east and I shall go back with a feeling that I have staunch friends here.

I have taken occasion to state on all occasions that, in my opinion, if you would announce to the people of the West that if returned you would complete the laying of the rails to Port Nelson

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ALBANY CLUB TORONTO 1882

the Hudson's Bay. you would
go a long way towards
winning Sask. and Manitoba
Mr Jennings of the M. & Empire
has talked over the matter
and agrees that this course
should be taken. Today he
phoned the Pres of the Can.
Mfrs Ass'n and the letter
advised that the Can. Mfrs
would not oppose this.
In fact they seemed to
think that you had
already promised this
to the West. I had lunch with
a leading manufacturer
on Sat. (Mr H. Surrey) and
he sympathized with
the proposition. The cost
would be small —
to complete the laying
the rails to the Pt.
Surely you could get that

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ALBANY CLUB TORONTO 1832

(3)

for. If it can be done, let it be done soon. If you see your way clear to promise this, could it not be arranged that a little credit be directed my way to assist me in my provincial campaign? I am now in a position to go back and say to our people "The Can. Pacific are not opposed to the Completion of the N. Bay Ry." This will mean much in solving the problem East vs West and promoting a happier feeling.

If it could be announced in the very near future that you (whose word is believed in the West) would promise to complete the

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ALBANY CLUB TORONTO 1882

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work I feel sure we
could carry most
of Sask. and Manitoba
and we could
defeat the Liberals
provincially.

I know that you
will give this your
usual careful consideration.

With very best wishes
and assuring you of
my utmost confidence
in you as leader,

I remain, sir,
Most faithfully,

J. Manderson

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Ottawa, December 3, 1984.

My dear Anderson:

I received your letter of December 1st this morning. As to the Hudson's Bay Railway's completion, I may be able to consider favourably the suggestion you make, but there are other things to consider besides the views of those whom you have consulted. I would not apprehend opposition from the Manufacturer's Association as such. Such opposition would certainly not be forthcoming and would not be very serious if it were. The fact is the Conservative Party has no great sense of obligation in that respect anyway. We are labouring for the country and not for any special class. We recognize, of course, the tremendous value of manufacturers to the country.

The failure of the Prime Minister after all the pre-announcements and John the Baptist heraldry that went on to commit himself to immediate completion or any definite statement whatever as to completion will illustrate to you that in his view at least there was considerable political loss to be feared by such a course. Some way or other a very large proportion of our population has lost faith

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the enterprise ever succeeding and, in the present state of our finances, are stoutly opposed to further expenditures now. However, the decision I took in my speeches is the position I believe in and I want to complete it at the earliest possible date we can. If the step you advise me to take proves, after the fullest expboration, to be at all feasible I will be only too glad to follow it and in good time. I may say I have something more of a fairly definite character in mind on the subject.

Yours very truly,

Dr. J.T.M. Anderson, Esq.,
Leader of the Conservative Party
of Saskatchewan,
Saskatoon, Sask.

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Ottawa, Ont., December 5, 1924.

Dear Mr. Long,

Attached hereto is copy of the McLachlin report on the Hudsons Bay Railway as requested in your telegram of a day or so ago.

With kindest personal regards.

Yours very truly,

Charles E. Long, Esquire,
North Battleford, Saskatchewan.

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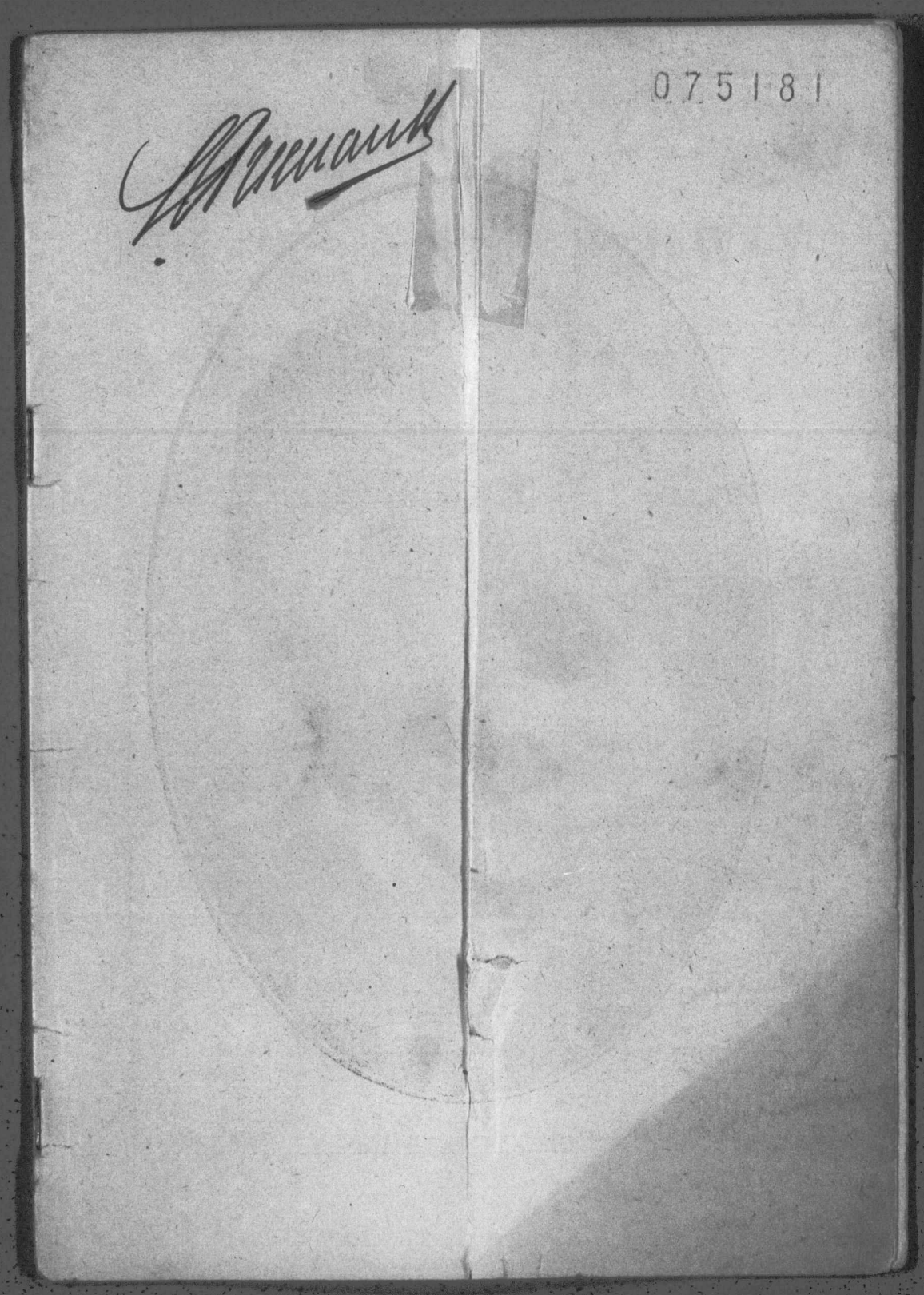

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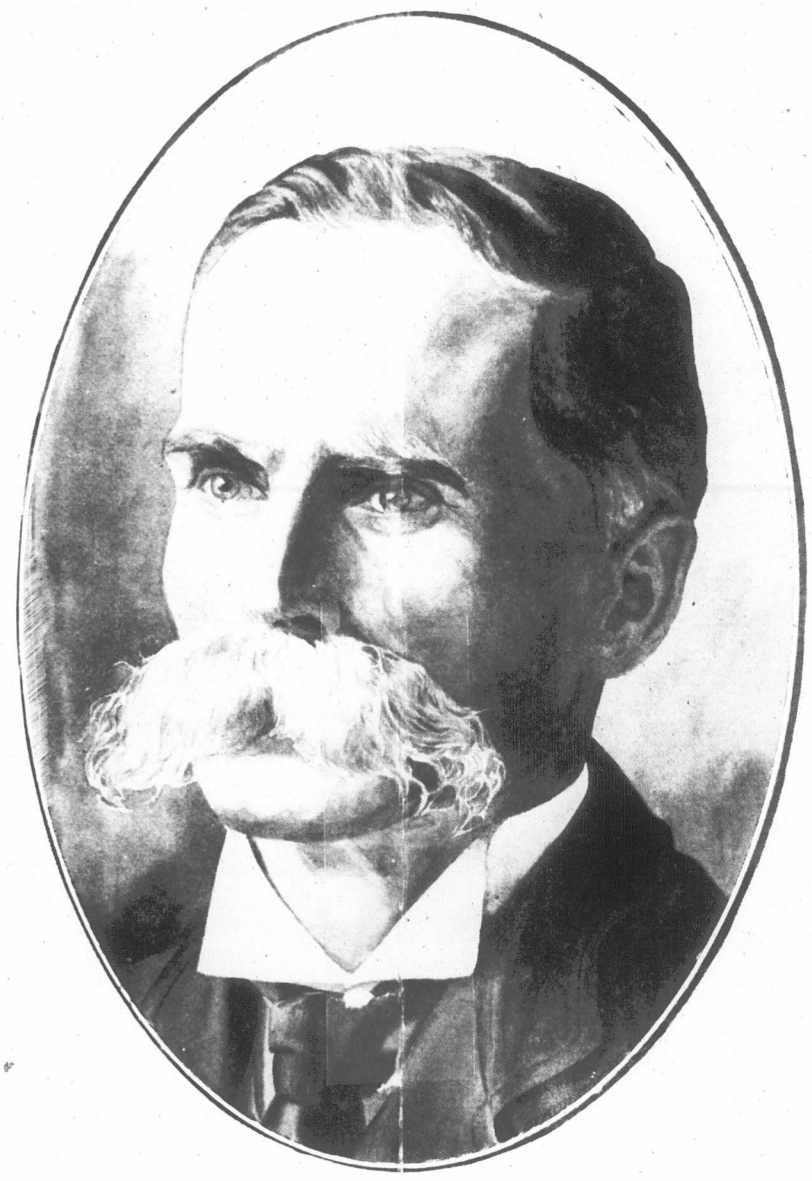

HON. FRANK OLIVER

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THE HUDSON BAY RAILWAY

"DO YOU WANT IT OR NOT?" THE QUESTION OF THE CAMPAIGN.

Extract from a Speech by Hon. Frank Oliver, at Edmonton, September 25th, 1908.

"Just as the Liberal Government undertook the construction of the Grand Trunk Pacific it will undertake and carry to completion the Hudson Bay Railway. The Hudson Bay Railway will cut the distance to Edmonton's ultimate market by 1,000 miles; it will put cents in the pocket of the farmer for every bushel of grain carried to Liverpool, and fractions of cents for every pound of beef shipped. Do you want the Hudson Bay Railway or do you not? That is the question to be answered on October 26th.

"The development of the West is the development of Canada, for it is in the West that Canada has room to grow.

"Canada has achieved in the last twelve years a measure of progress such as some of the fathers of our country may have dreamed of and hoped for—I am sure did dream of and did hope for—but certainly never expected to see.

"I ask you to put the record of twelve years of government, under which Canada has achieved progress that has been as surprising to the rest of the world as ourselves, against the campaign of slander, calumny and obstruction, to which it has and is being subjected.

"If that government's record has been a record for the well-doing and well-being of this country and its people, during each and every one of those twelve years in every legislative and administrative act, then I ask you to give it your endorsation."

Hon. Frank Oliver at Edmonton.

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When Mr. Oliver rose to address the 4,000 people who packed the Thistle rink, he was greeted by cheers and applause which lasted for several minutes. When quiet had resumed, he said:—

Mr. Chairman, ladies and gentlemen, it is some years since I have had the privilege of addressing an audience in Edmonton and it is gratifying to me to see tthe progress that has taken place in the meantime. As the chairman has mentioned, I have been identified with Edmonton for many years and for the greater part of my life I lived in it, hoping to see it become a great city. Although I have been called to another sphere of action, I still have the same faith and interest in Edmonton; and I am proud of the progress it has made. (Hear, hear.) It is to you, Mr. Chairman, I am sure, as it is to me, a source of intense gratification that the choice, which we made in 1876, has been so magnificently justified. (Cheers.) The chairman, your mayor, adventured west, in the early days, looking for the sunset, and we happened to take the same notion in the same year. We came to the decision that Edmonton was the place which was particularly worked by the star of empire. (Cheers.) We have both been identified with the rise and progress of this city, and it is, therefore, a double pleasure to stand on this platform tonight with your mayor and my co-pioneer. (Renewed cheers.)

"Although we came here so many years ago, far from civilization, we did not come to get away from civilization; we came to build up civilization (Cheers.) And when we note what has been accomplished, I am sure our friends present will excuse us for feeling some small measure of humble gratification, and for taking to ourselves some little credit. (Hear, hear.)

"I have, as your chairman said, had the honor to represent this district during a long period, and it is as your late representative and as the Liberal candidate that I would come before you tonight. (A voice: "You will get there all right.") It would be of little avail that I or any of my friends should speak to you from the personal standpoint. When a man has been before the public in a representative capacity for 30 years, his record is not to be set aside by words either of his friends or his opponents. (Hear, hear.) Therefore, so far as the personal factor is concerned, I will not trouble you. If I have done well in the past, played fair, fought hard and successfully for the welfare of this country, if I have been your faithful servant in the past, then I ask you to commission me to act for you in the next five years. I do not, however, ask you to support me if there is any elector, who can point to any act or suggestion on my part in all those years that was not for the upbuilding and welfare of this country and its people.

"The questions to be decided on October 26 are not personal; they are national. The personal element is incidental. I speak as a member of the government, which has been charged with the responsibility of conducting the country's affairs for 12 years, and what I have said in regard to myself, I wish to repeat on behalf of that government. (Hear, hear.) If that government's record has been a record for the well doing and well being of this country and its people, during each and everyone of those 12 years, in every legislative and administrative act, then I ask you to give it your endorsation. If it has been untrue, in any particular, to the best interests of the country, then I do not ask you to endorse it. But, before you come to the conclusion that it has been untrue, I ask you for the proofs of the instances in which it has been untrue. (Hear, hear and applause.)

The Records Side by Side.

"I invite you also to put the record of 12 years of government, under which Canada has achieved progress that has been as surprising to the rest of the world as ourselves, against the campaign of slander, calumny and

obstruction, to which it has and is being subjected. (Cheers.) I have no fault to find with our opponents' methods. They are their own judges as to what is the best means of achieving the public confidence. But I do say that if I thought the people could be successfully appealed to by such a campaign I would not consider it any credit to be a successful candidate for their support. (Renewed cheers.) I should accept defeat with greater satisfaction than victory won by such means.

"Canada has achieved in the last 12 years, a measure of progress such as some of the fathers of our country may have dreamed of and hoped for—I am sure did dream of and did hope for, but certainly never expected to see. We have seen a change, from ocean to ocean, that is as surprising as it is gratifying to every patriotic Canadian. What do our opponents, who ask for support, have to say to that. They admit that the country has prospered and progressed; but they say it has done so not because of but in spite of the Liberal government's administration. Now that is a clear-cut issue and we can afford to discuss it for a few minutes.

In twelve years Canada's trade has doubled. The wealth of Canada, as represented by our financial institutions, has doubled. During our opponents' administration of 18 years, the increase in trade and wealth was less than one-fourth of what has occurred in the last 12 years. (Cheers.) Why was it the country did not grow then and does grow now? We contend that it was because the country's affairs were not managed, according to sound principles of business policy. We say that the country has grown since, because its affairs have been managed according to sound principles of business policy. (Cheers.) They say that the country has grown, because it is a good country and the people are thrifty, industrious and enterprising. There is no doubt that it is a good country and that the people are thrifty, industrious and enterprising. But were not the people thrifty and industrious when our opponents were in power, and was it not just as good a country? It was as large; the soil was the same, and the rivers ran down hill, just as the do now. (Laughter.) The results, however, were not as they have been since. It is a matter so easily explained that I am hardly warranted in suggesting the explanation. It is as though there were two farms adjoining. They are of the same soil and under the same sky. The sun shines on each just the same. But the one carries a mortgage, and the other has money in the bank. Why is the difference? Because there has been bad management in the one case and good management in the other.

Success Not Possible Then.

"Could success be brought to Canada, I ask, with a government, whose policy was restrictive, whose mode of taxation was to levy taxes where there was least money—on the poor man—and use the proceeds for the benefit of the rich, under whose immigration policy more native-born Canadians went to the United States, year by year for 30 years, than there were foreign immigrants to settle this country, whose policy in the administration of the public domain gave 32,500,000 acres to the railway company and the speculator and gave to the settler only what it could not avoid giving him and no more, whose railway policy was monopoly, whose national policy was to set section against section, class against class, race against race, and creed against creed!

"The Liberal government has a trade policy, the foundation principle of which is expansion of trade; and trade has increased accordingly. It has a policy of equalization of taxation, and while the taxes are less burdensome the revenue is greater. It has an immigration policy, under which a million people have been added to the population and the draining of the life-blood of the nation to foreign lands has been practically stopped. (Cheers.) A policy that gives

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25,000 000 acres of free land to the homestead settlers and gives not one acre as railway grant or for speculation (loud cheers); a policy that has substituted for railway monopoly railway competition, so that the prairie is now as well provided in that respect as any other country in the world, and a policy of fair play, honest dealing and due consideration for the rights and privileges of every section and class.

The Encumbrances Removed.

"Is it any wonder that under such a policy, our country has progressed? Not at all. The Liberal government lifted it along, having first removed the encumbrances, which kept it from moving forward under the Conservative government. (Hear, hear and applause.) The Liberal government gave the country the chance it was waiting for; it gave our people the opportunity they were capable and willing to grasp, and the result is that Canada has gone forward by leaps and bounds, at a rate of progression for 12 years that, we hope, will be continued for the next 12, 20, nay 100 years. (Cheers.)

"Why should we be satisfied with the progress that has been achieved? We have a country as large as the continent of Europe, with equal capabiilties and resources, and we have a population less in numbers than that of the smallest state in Europe. There is room and opportunity in Canada for a high-water mark of expansion for the next 100 years; and it depends upon the people and the government they give themselves as to whether we shall realize that expansion or not. (Cheers.) We have had the bitter experience that under misgovernment we cannot and do not have progress. Let us be guided by that experience,which has in it the germ of wisdom, if we will read the lesson, and as the business of the country is going on, as we wished it to and as we hope it will continue to do, let us put in our ballots on election day so that it shall continue to proceed in that way. (Cheers.)

For Railway Monopoly.

"But to deal with particulars instead of generalities. The Conservative government's policy, in its administration of western affairs, was avowedly and persistently railway monopoly, and as the development of Western Canada depended first of all on the provision of increased railway facilities, the Conservative government was effectively throttling development. Those of you who lived here under the Conservative government, will pardon me if I lay stress on the point because there are many here who were not here in those happy days. Western Canada was opened up by the construction of the Canadian Pacific. It reached Calgary in 1883, and in 1891 the Calgary-Edmonton line reached Strathcona. Until 1905 the railway to Strathcona represented the whole of the railway communication in Northern Alberta and until that time the Canadian Pacific was practically the only transportation interest in the two great provinces of Saskatchewan and Alberta. When we discussed public affairs in those days, we never forgot to talk of railway monopoly. (Laughter.) We said, 'This monopoly must be broken or this country cannot succeed.' On the other hand, it was pointed out that there was not enough business for more railways, that the single line of railway to Strathcona had not enough business to keep on the road more than two trains a week. The Conservative party, when in office, said it was absurd to suggest the building of another railroad, when there was not enough business for the one in existence, and it is my duty tonight to point out that their record, since they have been out of office, has been exactly the same. (Laughter and hear, hear.) The Liberals said the position was similar to that of building a city with only one general store. That store might be a good one, carrying every line of goods that the people wanted, but you could not have a city unless you had competition. And so we said you cannot have a

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country unless you have competition in railroad transportation. Why, it was a standing joke in those old days --oh, it was not very much of a joke either, for it was a serious matter—that every man in these prairie provinces was working his farm on shares with the railway company and the railway company took the biggest share. (Laughter and cheers.) Let me tell you, ladies and gentlemen, that in those days a business man undertaking to establish himself in any line of business, first went, if he was wise, to the railway company and asked whether they would let him do it or not. (Hear, hear.) I say, if he was wise, he did, because there were many instances in which men, undertaking to establish business in this country without previously making arrangements with the railway company, found themselves put out of business and their money gone before they had been at it very long. Is there a man or woman in all this great audience who can imagine that progress was possible under those circumstances? Why everybody knows that it was not.

The Monopoly Broken.

"The present government, when it rose to power, intelligently advertised the conditions of the country, on the outside; and on the inside they so administered the public affairs as to make the country desirable for the people to live in. (Cheers.) The result was that the people came in thousands and the transportation problem had to be met. It could have been met in either of two ways: One way was to aid the railway company then operating in the country. Here was a gigantic corporation—supposedly an all-powrful interest, which the government might very well be willing and desirous to conciliate. It would have been possible—very possible, ladies and gentlemen—to have made arrangement with the C. P. R. to have provided additional railway communication as quickly and with as little expenditure of money as that development has been arrived at. The C. P. R., I make no doubt, would have been perfectly willing to accept bonuses as an inducement to extend their system. I will admit that the first effort at railway extension in the prairie country was by arrangement with the C. P. R. The Crow's Nest line was built as a part of that great system by government aid. By the way the buildiing of the Crow's Nest railway is one of the scandals I find alleged against the Liberal government. The Crow's Nest railway was necessary for the welfare of the prairies and for the development of Southern Alberta and British Columbia. It was undertaken in the proper spirit of Canadian development, and it more than justified expectations. But the monopoly condition remained, and monopoly is not in accord with Liberal principles. (Hear, hear.) So, an arrangement was entered into first with the C. N. to build a line across the prairies from Dauphin to Edmonton. Now this railway was built, it is true, without costing the people, so far, one cent. But, notwithstanding that, it was built on a guarantee of its bonds by the government and it could not have been built without that guarantee. (Cheers.) The project was entertained several years before it was carried out and the company was offered a cash bonus of $3,000 a mile. But the company could not finance the project and it was delayed two or more years on that account. It was not until the government came forward with a proposal to guarantee the bonds that it was possible for the railway company to reach Edmonton. This railway was important in many ways. I need not say how important it was to Edmonton and to what extent it has advanced this city's interests and those of the surrounding country. The main feature of it was that it was the first blow at the railway monopoly. (Applause.) From the day that the rails were laid to Edmonton, no one had to ask the C. P. R. whether he might live in the Northwest or not. (Laughter and cheers.) What was the very

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first effect of the building of the Canadian Northern? It cut 200 miles off the price of a railway ticket to Winnipeg; it cut 200 miles off the cost of every pound of produce going out or of every pound of freight coming in. It did far more than that. We have not time to go into all the details. But, today, an Edmonton man is the favored customer of the C. P. R. Whereas, before the C. N. was built they did not know there was an Edmonton on the map. (Cheers.)

The Grand Trunk Pacific.

"The C. N., while a most creditable enterprise, was not, it soon became evident, sufficiently strong in its resources to effectively and completely break the railway monopoly. Something else had to be done and something was done. The G. T. P. project was taken in hand. (Cheers.) This project is one of the greatest railroad enterprises in the world. It is the longest railway in the world except the trans-Siberian railway But in its standard of construction, in its grades, in its curves, in everything that goes to make a railroad it stands unique. It is the highest achievement of railway engineering for such a length that the world has ever yet known. (Applause.)

"Here is where our opponents established their position in regard to railway monopoly. Did they welcome it enthusiastically? Did they say, 'Yes, this is what we have been waiting for all the time and although we did not originate it ourselves we are glad to promote and support it because it is for the good of the country.'

The National Transcontinental project was laid before the House of Commons in June, 1903. It was met by every resource of obstruction that a free parliament permits, and it was not until the snow flew in the fall that His Majesty's loyal opposition were good enough to permit the measure to pass. They were successful in holding back the project for five or six months. They held it back so long that there was a change in the monetary conditions of the world, so that the bargain, as it was originally drawn up, could not be carried out. They were successful in holding it up not for five months, but, in effect, for a whole year. Because the government had to make a new arrangement with the railway company, less favorable to the nation. The government had to go back to parliament in 1904 and the same obstruction was practised. The Conservatives wore themselves out—talked themselves absolutely dry—and had to let the measure pass.

Undertaking Impracticable They Said

"The Conservatives demonstrated to their own satisfaction that the undertaking was impractical and a mistake that would bankrupt the country, and finally took up the position that the government did not mean to build the road but that it was only an election promise. The elections were held, and the people showed that they wanted the railway. They returned the Liberal government to power with a larger majority than it ever had before. (Cheers.) Since then the railroad has been surveyed throughout its length of over 3,000 miles. Nearly 1,000 miles of steel have been laid and today 1,500 miles are under construction. Within three years the trains will be running from Halifax to Prince Rupert, and Edmonton will be on the greatest transcontinental railway on the continent of America.

"The Conservatives opposed this project directly as long as they could; in this contest they are opposing it just as earnestly, but indirectly. They have seen a great light since 1904. They have been converted (laughter) and today their papers announce that even if the Conservative party is elected to power the G. T. P. will be built just the same. (Cheers.) We are pleased to know they are with us in that great enterprise, but, while they say they are for its completion, they are attacking the government because of the expenditure the government has made. This is said to be a government

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of extravagance and of waste. "They are squandering the people's money." and you are asked to vote them out of office, because they are doing so. (More opposition applause.) But, if you vote the present government out on October 26th and the Conservative party came into power and did not spend the people's money on the G.T.P., then how is the railway going to be built. (Counter cheers.) The campaign which is being put up against expenditure is a campaign against development. Continued chering.) It is a campaign on be half of monopoly, pust as much as the obstruction in parliament in 1903-4 was obstruction on behalf of and at the dictation of railway monopoly.

The Hudson Bay Railway.

"The Liberal government has spent money. It's policy is development It knows, as every man does, that you must have expenditure if you will have development. (Hear, hear.) In the face of the attack that is being made upon it in Prince Edward Island, in Nova Scotia, in New Brunswick, in Quebec, and in Ontario for alleged extravagance in its policy of developing Western Canada, the government comes before the electors today with—an apology for the expenditure, a promise to withdraw from their policy of development? No. (Cheers.) They come before the electors today with another proposal for the development of Western Canada. If you return us to power on October 26 we will provide a railway to Hudson's Bay. (Loud and prolonged cheering.)

"That is the government's reply to extravagance. The issue is well defined. You are either for development or for stagnation. As you give your votes on October 26, so will this country go ahead or back. Because the history of Canada is that, under Liberal administration, there is progress, and under Conservative, stagnation.

"Of what benefit is it to the people in this hall if a railway is built down through the wastes to Hudson's Bay? It will cut 1,000 miles out of the transportation between Edmonton and Edmonton's ultimate market. It is not a thousand miles between Edmonton and Winnipeg. You know what it costs to ride to Winnipeg. You know what it costs to haul freight from Edmonton to Winnipeg. I do not suggest that the cutting out of a thousand miles in transportation between Edmonton and Liverpool will involve a corresponding saving in the rates to Liverpool. But it must be clear to everyone that it will make a considerable difference in the cost of that transportation. The price of produce at Liverpool fixes the price at Edmonton. The cost of transport from Edmonton to Liverpool is paid by the man in Liverpool? No. It is paid by the man in Edmonton, and every cent that can be taken off that cost is a cent in the pocket of the man in Edmonton. (Cheers.) It means cents on a bushel of grain; it means fractions of a cent on a pound of beef; it means dollars on every acre of land. Our opponents say: "Oh, the Liberal government does not mean it. It is only an election promise? That was what they said in 1904, when they exhausted everything else that they could think of. But the Liberal government's promise of 1904, endorsed at the polls, has been aboundantly fulfilled. So if the promise made today is endorsed it will be just as abundantly fulfilled. (Cheers.) But, remember, unless the promise is endorsed it cannot be fulfilled. (Hear, hear.) The question to be answered on October 26 is whether you do or do not want the Hudson's Bay Railway.

The Land For the Settler.

"The Liberal government's first care on taking over the management of the country's affairs, was to secure population for Western Canada by the better administration of its lands. Its policy was the land for the settler, and in carrying out that policy the success of this country has been achieved. I am sure it must strike some of us as strange to read in the newspapers and in campaign literature circulated by our opponents, and

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to hear declaimed from the platform that the policy of the present government is the land for the speculator and not for the settler; that, in order to secure for the settler his rights, the Conservative party must be elected to power. (Laughter.) This sounds to many throughout the Northwest as a huge joke. But it is put forward let me tell you, in dead earnest. It is put forward to the people in other parts of Canada, who do not know the conditions surrounding the settlement of this country, and as those provinces have a majority of the representation in parliament, they do not hesitate to make much of this absurd falsehood, in order to deceive the people. If it were not that we have their record, their contentions might be considered to be serious; but, with their record, I cannot understand how they can have the assurance. The Conservative government had the administration of the public lands of the three prairie provinces for eighteen years, and they reserved a half of them for the purpose of being given to railway companies. In other words, to be speculated in by those companies for the benefit of themselves and their friends, who, by following around the circle, we always found to be friends of the Conservative government. (Laughter.) They gave in 18 years 32,000,000 acres to railway companies and 6,000,000 acres to homestead settlers. The Liberal government, in 12 years, has handed over to homestead settlers 25.000,000 acres, and not one acre to a railway company. (Loud and prolonged applause.) Surely their contention is a joke. The Conservative party's literature says the Liberals have "looted" the public domain to make the favored rich. It seems to me that it was the Conservative party who did the "looting" to make the favored rich We have withdrawn the balance of the odd-numbered sections, reserved for railway companies, and thrown them open to settlement. The settlers are the people favored by the Liberal government, and it is they whom they wish to make rich. (Cheers.)

"In the first 16 days of September, 10,000 quarter sections of land, which had ben reserved for settlement for a quarter of a century, were entered, and as a result 1,600,000 acres more have been placed under contract to be brought into cultivation, to produce wealth for the up-building of our country. (Hear, hear.) We disposed of more land in 16 days than the Conservative government did in any year during which they held office. (Applause.) In their best year they succeeded in disposing of some 7,000 quarter sections. That was in the boom year of 1882 and from that time forward, during the rest of their administration, the amount of land they disposed of to actual settlers went down gradually until it sank to 1,800 quarter sections. The policy of land for the speculator, which our opponents carried out, practicaly stopped the progress of settlement. The Liberal policy of land for the settler, along with that of railway development, has resulted in an era of progress. The one aided the other. The railway development would have been useless without the efforts made to secure settlement.

Timber Administration.

Mr. Oliver proceeded to explain the government's methods of disposing of timber limits. He said Edmonton was a good place to discuss it; because the people understood the subject, having a local lumber industry. "The charge made by the opposition is," he said, "that the government has been improvident in disposing of the timber, that it has disposed of it at an unduly low price and that it has showed favoritism. That is an accusation which appeals to an eastern man. It does so for two reasons. Lumber in the eastern provinces is an article of export rather than home consumption and the business of the provincial government is to get as much revenue out of the timber as it can; because it is the purchaser, the foreigner, who has to pay the

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price. But the position is absolutely different on the prairies. We do not export any lumber. Our timber resources are for the use of the people, and the upbuilding of the country, and we acknowledge most freely that we have not administered the timber resources with a view to making them a source of revenue. We say that, in doing so, we have been administering those resources in the best interests of the country. (Hear, hear.) The first necessity of the settler is lumber and if the government has lumber it is its business so to administer it that the settler shall get it as abundantly and as cheaply as possible. (Applause.) Now, that has been our motive in administering the country's timber resources. I fancy that our friends are scarcely making their campaign on that point in this part of the country any more seriously than their campaign in regard to the land. There must be a strange class of settlers in the country if they would quarrel with the government because the government did not make their lumber cost more. (Laughter.) It must be evident that every dollar put into the treasury from the sale of timber limits must certainly come out of the pockets of the settler who buys lumber. (A voice in audience, "No.") My friend in the audience says "No." I would like to ask him from whose pocket it does come, if not from the settler's. The Conservatives, when in office, disposed of the timber ostensibly on the same principle as we have done, but at very much lower prices. (Laughter and cheers.) We have taken out of the standing timber an average of $80 per square mile, while they took out of the value of the standing timber, which they disposed of, an average of something less than $5 a square mile.

A Concrete Instance.

"I will give you a concrete instance of the prices at which our friends disposed of their timber. I have a letter which forms part of a return, brought down to the House of Commons during the last session of parliament:—

"Ottawa, October 4, 1894.

"Gentlemen,—I am directed to acknowledge the receipt of your letter of the 16th ultimo, enclosing the sum of $5, which you offer as bonus for a permit to cut timber on berth 657, situated in fractional township 54, range 26 west of the 3rd meridian, containing an area of 30 square miles, for which public competion was invited. In reply I am directed to inform you that your tender cannot be accepted unless the bonus offered for the berth be increased to $10. (Cheers.) This offer will remain open for 30 days from this date. The sum of $5, which accompanied your communication, is returned to you herewith.

"I am gentlemen,

"Your obedient servant,

"Lyndwode Pereira."

"The letter was addressed to Messrs. Prince Bros., Battleford, Saskatchewan. Thirty-two miles of timber put up to public competition and for which $5 are offered but refused and $10 demanded! That was only two years before the Liberal government took office and we are accused of having wasted the public domain, when we have taken $80 per square mile for the timber we have sold. (A voice, "What about Burrows ") I want to say again that we did not sell that timber for the purpose of producing a revenue but under the system that prevailed it was offered for public competition, so as to prevent dispute between different parties, who might desire to acquire it, and, if people wished to pay high prices, they did it because they wanted it more than their neighbors did." (A voice: 'What did Burrows pay?')

"Burrows paid a little more than $80 per square mile." (Cheers.)

"Now that Mr. Burrows' name has been mentioned I want to say that for every stick of timber bought by him at public competition, after due advertisement, he paid, and his total payments put over $50,000 into the public treasury, being $10,000

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more than anyone else was willing to pay for the timber at that time. (Cheers.)

Received no Undue Advantage.

"Now I want to know what is the matter with Burrows or Burrows' timber transactions. (A voice: "That's all right.') It is insinuated that Burrows received undue advantage over his competitors. No charge has ever been made against any man that he was a party to such, and I ask the good people of Edmonton to be kind enough to keep that fact in mind. (Hear, hear.) Also to be good enough to remember that the House of Parliament is the highest court in the land and has supreme and absolute control over all the transactions of the government of the day; that parliament delegates to certain committees the authority vested in it and one of those committees is appointed for the special purpose of inquiring into any matter affecting the public revenue, whether great or small, with full power to examine witnesses under oath, to send for persons and papers and to enforce its decrees. And before the public accounts committee there were brought 500 files of original documents, containing records of 500 different timber transactions, and those files were placed at the disposal of the members for their study by whatever means they may choose—with camera, microscope, handwriting expert, etc. (Laughter.) There were brought before the committee Messrs. Turriff, Finnie (bank manager), Fraser and every other person, whose name has been handied up and down this country, in connection with those insinuations of impropriety. When they were examined under oath, and declared that there was no foundation for the suggestions of impropriety that had been made, there was not one jot or tittle of evidence in rebuttal and the men who made these suggestions of impropriety asked that the investigation be closed, as they had no more evidence to offer. (Cheers.)

Disproved Their Own Allegations.

"They absolutely disproved their own insinuations, so that they were discredited on the floor of parliament and having been discredited on the floor of parliament, they take refuge in going up and down the country, with limelight views and cameras (laughter), where they have full opportunity to traduce their fellows and to slander their betters.

"It has been said that in the case of the celebrated Moose Lake limit that because A. W. Fraser put in two tenders—one in his own name and the other in W. H. Nolan's name, having written the tender of Nolan in his own handwriting and signed Nolan's name, that that was evidence of impropriety. I have here a tender put in on October 23, 1895, for timber limit 103, $152, signed Isaac Riley, the name of the tenderer being in the same handwriting. I have here a letter dealing with timber limit 703, written a short time afterwards, signed Isaac Riley, in an absolutely different handwriting, showing that the tender put in in Mr. Riley's name was not put in by Mr. Riley. Is that evidence of wrong-doing on the part of the Conservative government, because they accepted such a tender? It would be absurd to say so. The question in opening these tenders was which competition offered the highest bonus. That and that only. Whether the handwriting was of one kind or another—whether it was in this form or that—made no difference to the Conservative government or to the Liberal government, and it would make no difference to any honest and business-like government. The government has to deal in timber matters with people of all classes and conditions who want to saw timber, and if the government said we will not accept your tender because it is not in some particular form, would that be honest dealing, would that be fair to the lumberman? If our opponents consider that that would be good business, I think the people of this country will not agree with them.

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"It has been suggested that there has been impropriety in connection with the Moose Lake limit, because the tender of Jas. Currie, of $6,420 was overtopped by the Fraser-Nolan tender of $7,000—a difference of $580. I think the gentleman who is lecturing on this subject said: 'Is this coincidence or is this design?' And his suggestion that it was design was, I believe, greeted with cheers. Now, in the case of the Riley tender, the amount was $152 and Mr. Dan Sprague, a lumberman, of Winnipeg, tendered at $150—$2 difference. If a difference of $580 is evidence of impropriety under a Liberal administration, how is it that a difference of only $2 is not evidence of impropriety under a Conservative administration? We did not suggest any impropriety. We can easily understand that men, having examined the same limit, have come to the same conclusion as to its value and they have put in their tenders accordingly.

"I have a number of instances here, bearing out this same fact. I have tenders here which were accompanied by cash instead of marked checks. I have tenders in which the amount is not filled in, and the department had to be guided by the amount of the check. All the points of suspicion enumerated by Mr. Ames against these honorable men, are duplicated by instances in the transactions of business by the Conservatives when they were in power.

Highest Tender Every Time.

'I want to make this matter perfectly clear, because a great deal has been made out of it. I hold a list of all the tenders received in the past two years, from Jan. 1, 1906, to Jan. 1, 1908. I find in that list cases which show absolutely that there was certainly no political favoritism. Berth 1260. Messrs. Boyd & Co. got the limit at $330 against Senator T. O. Davis, who offered $280. Senator Davis is a very strong supporter of the government, but he loses this limit by $50. Here is another instance. Mr. Anderson tenders for limit 1275 at $15,050 and H. Finger, of Port Arthur, tenders at $15,000—$50 difference on $15,000. Mr. Finger is a prominent supporter of the Liberal government, doing a lumber business at Port Arthur, and if there was any political favoritism, I submit that Mr. Finger would not have lost that limit by $50 in a matter of $15,000.

"It has been asserted that Conservatives need not tender for limits, because they do not get a square deal. Wm. Cowan, of Prince Albert, Conservative candidate in the provincial elections of 1905, tendered for a limit, offering $5.050. Thomas Mackie, Liberal member for North Renfrew, and a prominent lumberman, tendered at $5.025, and did not get the limit. (Cheers.) Now the people are asked to believe that a difference of $580 on a $7,000 tender is evidence that T. A. Burrows had inside knowledge and undue favor at the hands of the Liberal administration.

For timber limit 1,281, T. A. Burrows tendered $5,000 and C. A. Robertson got the limit at $5,195. I find that for limit 1,293 Senator T. A. Davis tendered $1,250, and William Humberstone, who is a Conservative, got the limit for $1,500. For limit 1,296, W A. Charlton, a prominent Liberal in Ontario, brother of John Charlton, a prominent Liberal in Dominion politics, paid $15,075; the next highest bidder was William Humberstone at $6,666. If Liberals have favor at the hands of the government there was no reason why Mr. Charlton should have paid $9,000 more than Mr. Humberstone offered. For the same limit Dr. H. L. McInnis, of Edmonton, offered $1,051. (Laughter.) I understand that some time ago Dr. McInnis took occasion to complain in Edmonton of the favoritism of the Liberal government in the letting of timber leases. I offer you this instance as to the opinion of Dr. McInnis as to the value of timber limits. (Laughter.)

"Again I find that for timber limit 1,314 L. Quigley offered $725 and succeeded against W. A. Charlton, who

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lost at $621. I need not trouble you with any further instances. But I wish to call your attention to the fact these papers were before the House of Commons for the information of members of the Opposition, and that when they came before the people, making the insinuations they did they did so knowing the facts as they are contained in those papers, and they knew they were trying to deceive. (Cheers.)

Believe in Honest Politics.

"I believe in honest politics, and unless you believe in honest politics too and give a just rebuke to that sort of campaign, you cannot expect to have honest politics in Canada. (Hear, hear.) I only ask you to judge these men on their own evidence. The charge of political favoritism has been made, and they say turn these Liberals out. (Opposition cheers)—and put us in, if you want to be free from political favoritism I have given you the evidence that there is no political favoritism in the handling of timber limits—evidence that cannot be contradicted. I will now gives you evidence as to what we may expect if our friends should, unfortunately, be elected to power.

Political Pull.

"It was this country's misfortune when they had control of its destinies that political "pull" was the only road to the enjoyment of the fair and reasonable opportunities and advantages of this country. I have a letter, dated Portage la Prairie, July 9, 1894, and addressed to N. Boyd, (Esq.), M.P., Ottawa: "Dear sir—I am today in receipt of a letter from Dan Saunders, of Shoal Lake, stating that he had tendered for a permit to cut timber on section 4, township 20, range 22, west. I know Mr. Saunders well He has always been a strong supporter of the Conservative party and can be relied on to stick to us still. He wished me to ask you to look into the matter for him and give him any assistance you can in getting a permit there. I understand that Tully, of Strathclair, is also applying for the same piece of timber, and as he is an opponent I would rather see Saunders get it. Kindly help Saunders in any way you can and I will take it as a personal favor. I will have to write to you shortly with reference to some of my own Ottawa matters.—Yours respectfully. W. H. Whimster."

"The letter is forwarded to the Minister of the Interior, upon it being written the words 'Dear Daly—Kindly see that this matter is looked after.—N. Boyd.'

"Later on, the minister acknowledges it, promising his attention, and subsequently Dan Saunders got his limit. (Laughter.)

The Channels of the Pull.

"Let me point out to you the change in circumstances. Mr. Dan Saunders was the owner of a small mill, and he wanted a timber limit. Mr. Daly was the minister of the interior and he had the disposal of the timber limits. But Mr. Saunders did not write to Mr. Daly. Mr. Saunders' constituency was represented in parliament by Mr. Boyd. But Mr. Saunders did not write to Mr. Boyd. He wrote to Mr. Whimster, and Mr Whimster had to write to Mr. Boyd and Mr. Boyd had to write to Mr Daly in order that Mr. Saunders might get what he was perfectly entitled to. Are those the conditions that prevail now. If some person had called at the Alberta Hotel today, they would have found that there was no such chain in order to get at the Minister of the Interior. (Cheers.) I have made a broad assertion against the Conservative government, and I do not wish you to accept it except on proof.

"Another instance: Winnipeg, November 11, 1894. My Dear Daly—Neil Keith has applied to you for a permit to cut ties in township 11, ranges 16 and 17 east. I would be glad if you could grant him his permit at once Keith is a good fellow and a good friend of ours. He has been connected with Dan Mann for years. He is anxious to get permit quick, so that he may experience no trouble with other sub-contractors. I will be glad

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if you will give this your personal attention, as Keith is a most deserving fellow.—Yours sincerely, R. Rogers."

"Mr. Rogers is the minister of public works in the Manitoba government I believe there was a little error in the description, and on November 16 1894, Mr. Rogers telegraphs to the minister as follows: 'Application for Keith for permit to cut ties should read township 9, not township 11.—R. Rogers.'

"On December 18, there is a wire from the deputy minister to the crown timber agent at Winnipeg: "Advised 15th Keith's tender accepted.

"No trouble about Keith's tender so long as he had the political pull. I have here a number of letters, which I will not trouble to read, but among the men called upon from time to time to exercise their political influence, in order that their constituents and friends might get simple justice, I find J. N. Kirchhoffer, A. A. C. La Riviere and D. H. McDowell.

Case Right at Home.

"There is one transaction that I want to draw your attention to particularly, because it is of intimate interest to this part of the country. The old-timers will remember that there was a mill established by the government at the capital at Battleford for the manufacture of lumber. Shortly before the Mackenzie government went out of office, H. H. Cook and Hugh Sutherland applied to that government for a tract of timber on the Saskatchewan river, and they obtained this mill for the purpose of operating the limits and selling the timber along the Saskatchewan river. The mill they bought was the only mill on the Saskatchewan river, and the people wanted the lumber. Anyone who has worked a whipsaw will know how anxiously the settlers looked forward to the starting of the sawmill at the White Mud. The Liberal government went out of power in September, but they were not out of power 10 days when the rights of Messrs. Cook & Sutherland were cancelled. So the matter stood for some time, and we had to go on whipsawing our lumber. On May 11, 1881, we find that the following letter was received from Toronto and placed on the file. This letter is, in the first place, a proposition, and in the next, an agreement because the person to whom the letter is addressed—H. H. Cook, of Toronto, signs it as a party to the agreement. It runs: "Dear sir,—In consideration of your consenting to permit us to retain a one-third interest in the after-mentioned property we agree to use influence with the government at Ottawa to transfer to you and us the timber limits for which you applied to the Mackenzie government in 1878, situated in the Saskatchewan district west of Edmonton, and including 200 miles or thereabouts, we to have four months in which to succeed in this matter, and in the event of success we agree to share to the extent of onethird all rents, costs or charges made or claimed by the government hereafter. (Signed.) H. H. Cook, P. H. Jarvis and T. M. Daly."

"I do not think I can offer anything stronger in support of the statement that I have made as to the necessity of the political pull in order that anybody might secure their rights. Mr. Cook had a right to those limits; they were cancelled without due warrant and in order to get his rights back he had to agree to surrender two-thirds of his rights to Messrs. P. H. Jarvis and T. M. Daly. To the credit of the government, I may add this transaction did not go through. But I wish to point out that if there had not been an expectation that it would go through, the letter would never have been written and it would not have appeared on the official files of the department.

As to Advertising.

"There has been a great deal said about the failure of the Liberal government to advertise properly. I will give you an instance of the style of advertising, under the auspices of the Conservative government:—

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"Dept. of Interior,
"Ottawa, March 26, 1895.

"Sir,—I am directed to say that on the 10th of January last a copy of an advertisement inviting competition for a permit to cut timber berth 679 in the district of Alberta, was sent to you, and you were asked to be so good as to cause the same to be inserted in the Times, of Edmonton. The crown timber agent at Edmonton has now advised this department that there is no such paper as the Times published at that place; that it died 12 months ago and is now known as the Fort Edmonton News, and that the editor of this paper did not receive the advertisement above referred to.

"I am, sir,
"Your obedient servant,
"Lyndwode Pereira."

"Our opponents complain that we have not given sufficient time in our advertisements for tenders. In their day they advertised in papers that had been a year out of existence. (Laughter.)

"I regret having occupied so much time in discussing matters of such a trivial character, which certainly ought not to have been forced so prominently on people's attention in an event of such great importance as that which is now in progress. But the charge is made that the Liberal government is not honest, and it is right that the charge should be met. Our opponents do not pretend to deny that the Liberal government has been progressive and successful, but they say it is not honest and they have brought forward instances. To those instances I have replied.

"I do not ask my constituents to vote for a dishonest government, and I hope they will do me the credit to believe that I am not and would not be a member of a dishonest government. (Loud cheers.) So, when the charge is made, in order that there may be no question about it in the minds of any man, I have taken the liberty of bringing these facts to your attention.

Saskatchewan Valley Land Deal.

"I do not know that it is worth while to dwell upon the other slanders that have been uttered. Even if it were, time would not permit. I would like to say a word, however, in regard to the Saskatchewan Valley land deal, in connection with which the government is accused of having sold the 250,000 acres, which it disposed of to the Saskatchewan Valley Land Co., on settlement conditions, for $1 an acre, at an unduly low price. The answer to that is that the same company bought the adjoining land from the Regina, Qu'Appelle and Long Lake Railway Co., which was granted the land by the Conservative government, at $1.62 an acre, without any conditions whatever. For the land the Saskatchewan Valley Land Co. purchased from the Liberal government at $1 an acre, they had to put a settler on every alternate quarter section of the tract that they bought. The position of the government is this: The land was there to be given away to actual settlers, and under the agreement with the company the government secured the settlement of it and got besides $1 an acre. The proposition of the company was that they should secure settlement of the land. They succeeded and made money out of it. And I am sure every fair-minded man will admit that a company which goes into a venture of that kind is entitled to any profit it may make out of it. The Saskatchewan Valley Land Co. did not make any more money out of the transaction than the country has made out of it. Inasmuch as the company bought from the railway four times as much land as they bought from the government, then their profits were made—four parts from the transaction with the railway company and one part from the transaction with the government. It was under the policy and administration of our opponents, who decry the whole business, that the land was given to the railway company, and if we have to bear one-quarter of the responsibility, they

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have to bear three-quarters. (Hear, hear.) I think the transaction was to the credit rather than to the discredit of the Liberal government.

A Case Close to Hand.

"But let that be as it may. Let us now consider what, if the Conservatives should have an innings in the administration of the public lands they may be expected to do, and to find that out we need not go a long way from Edmonton. We have a sample Conservative land transaction at our very doors. The late Conservative government granted four townships, lying between Edmonton and Fort Saskatchewan, to Edmonton and Saskatchewan Land Colonization Co. and they paid for 25,215 acres $25,210. Under the agreement, they were to put settlers on the land. They never did anything to colonize it; but, in fact, tried to put some of the settlers, already on, off. (Laughter.) They obtained the land for less than $1 an acre; it was selected land, and, notwithstanding the circumstance, that they failed to live up to their agreement, the land became their inalienable right.

"Just contrast that with the Saskatchewan Valley Land Co. This company fulfilled to the letter its agreement with the government. It paid its money and furnished the settlers. So that, to-day, the district is full of villages, people and farms, and there is great production. (Cheers.)

"The transaction of the Conservative government, with the Edmonton and Saskatchewan Land Co., has had more to do than almost anything else with the holding back from settlement of land within this vicinity.

Their Duplicity Exposed.

"As the question of scrip has been raised, perhaps a word on that subject would not do any harm. I observe that it has been suggested in different parts of the country that there has been impropriety in the disposal of the public domain, and that, as there has been impropriety there must be restitution. With that principle I have no fault to find. If it can be shown that there has been impropriety, I will agree that there shall be restitution. (Cheers.)

"The issue of half-breed scrip is among the instances of impropriety that are alleged against the present government. The people are told that prior to 1896 the Conservative administration settled practically all of the legitimate half-breed claims, and that when the Liberal government came into power it re-opened this matter and admitted demands that had little valid foundation. I infer that this is a case for restitution, and I commend it to you as an illustration of the campaign which is being conducted against the government. Because, while Conservatives are telling audiences elsewhere that the issue of scrip by the Liberal government has been improvident and a waste of the resources of the country, the canvass being made here among the half-breeds is that if they will only vote for the Conservatives their chances of additional scrip are very good indeed. (Laughter.)

For Benefit of Canada.

"I have said enough in rebuttal of the criticisms of the government's opponents. Let me ask you now to consider what is for the benefit and development of Canada and particularly what is for the good of our locality. Should I be chosen again to represent this constituency, it will be my duty, as it will be my pleasure also, to do whatever can be done for its advancement and well-being, and in that connection I would point out that there is no part of this great Dominion that is so deeply and vitally, so immediately and closely, interested in the carrying forward of the Government's policy of railway development and land management. Edmonton occupies a specially favorable natural position. It has achieved great things in the past few years. The mayor tells me that it now has a population of 20,000 and an assessment of $20,000,000. It has completed great municipal enterprises in the past, and is now entering upon municipal en-

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terprises of still greater magnitude, which depend for their success upon the future. Edmonton stands on a solid foundation. But no man in Edmonton, I know—unless the people have changed greatly—will ever be satisfied with the measure of achievement that is now in sight. We have a good country around us. We have —or shall have shortly—three lines of railroad, communicating with the east, and the Hudson Bay railroad will give us direct access to the sea, which will give us still greater advantage over conditions as they are to-day.

Metropolis of the North.

'But that is not why Edmonton is here. Edmonton is here to be the commercial metropolis of the great Northern Canada—the country that lies between here and the Arctic Sea, which is no less than one-quarter of the whole area of this Dominion Cheers.) If I understand aright the position of Edmonton and the aspirations of its people, we are here not for what there is today, but for what there is to be when all this great country to the north, north-west and north-east is brought under the influence of civilization, and is developed commercially, with Edmonton as its great commercial metropolis. (Cheers.)

"The enterprises which we have undertaken will not fulfil their purpose unless those aspirations are to a great extent realized. Edmonton must have the vast northern territory tributary to her developed, or she cannot attain the position, upon the expectation of her attaining which her citizens are building. Therefore, if the policy of the Liberal government as to developments meets with your approval, you, above all people in Canada, are interested in maintaining it (Cheers.) Because you have more country tributary to you to be developed than any other place in the Dominion. (Renewed cheers.) If you expect to have that country developed, you must surely, in your own interests, declare for the policy, and the man, whose line of action, judged by their record, will insure its early and reasonable development. (Loud cheers.)

Still For Liberalism.

"I need not dwell on that point longer. I am sure it is in the mind of every citizen who has any stake in the city; and, again, speaking of the result on October 26, I want to impress upon you a further point. Judging from the great attendance on this occasion and from recent visits to other parts of the constituency, I may assume that the people of the Edmonton division are still for Liberalism and in support of the Liberal party (Cheers.) But it is not good enough that your minds are for Liberalism and in support of the Liberal party. You have to get your ballot into the box on October 26, so that it can be counted, or all your good-will is not worth the snap of my finger. There is, I believe, a possibility of the result being taken as a foregone conclusion. Now, I rope that the result is a foregone conclusion so far as the support of Liberal principles and of the government and its policy are concerned, but there is a danger that that which we accept as a foregone conclusion, if we do not take the necessary steps to reach the conclusion, may not be the actual conclusion at all. We are apt to be busy, thinking of something else, and we do not go to the polls because we think "Oh, well, there are plenty of others, and it is a safe thing anyway."

In Majority is Strength.

"Let me impress upon you that under representative government, the strength of a representative is in the vote behind him. I have no hesitation in saying that it was the large majority which this constituency accorded me in 1904, more than anything else, that caused my selection as Minister of the Interior (Loud cheers). And if I have been able to do anything for the advancement of this country in my position as Minister of the Interior you must thank the people who turned out in their thousands on that day and expressed their minds in no uncertain way. (Cheers.)

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"Further, if you hope to have results from the administration of the present government or from representation of this constituency—either as a private member of parliament or as a member of the government—you must give me the strength of your votes or you cannot expect results.

"The Liberal government has been able t do great things for Canada in the last four years, greater things than it was ever able to do before, because it had a greater majority than ever before. A government without a sufficient majority to carry out its policy might as well be no government. A government must be strong or it is no use. It is not enough that it should attain power. What body of self-respecting men would be a government unless they governed and did something for the country whose responsibilities are placed upon them. So, if your minds are for Liberalism and for continued support of the Liberal government, remember, it is not a question of election. That is not enough. You must express yourselves strongly as being on one side or the other. Otherwise you cannot expect strong work. (Cheers).

Better Strong Than Weak.

"I think I may go so far as to say that there is no reasonable probability of the constituency going strongly Conservative. I would say that it would be better that it should go strongly Conservative than that it should go slightly Conservative. But if it is not going to go strongly Conservative—and I do not think the most optimistic of our opponents expect that—then I do say that it is of the deepest interest to everyone—whether Conservative or Liberal—that it should go strongly Liberal. I want every man to remember that point, that it is the strength of the vote of the people that gives strength to the representative and strength to the government. If the people of this constituency, of this province and of these western praries vote strongly, heartily and unanimously or as nearly so as may be expected in support of Liberal principles and the Liberal policy of development, I can guarantee that the results will be all that you can reasonably expect. (Loud and prolonged applause.)

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075199

19

LEGISLATIVE ASSEMBLY
WINNIPEG

10th January, 1925.

Rt. Honourable Arthur Meighen,
Ottawa, Ont.

Personal.

My dear Arthur,-

Re: Hudson's Bay Road.

Mrs. Haig is taking part in a debate in a few days on this question. I told her some Montreal Engineer had got out an adverse report on the Bay Road. I wondered if you had any literature on hand in regard to this. She is speaking on the side against the completion of the Road, and wants information on that side of the question.

Your early reply will greatly oblige.

Yours very truly,

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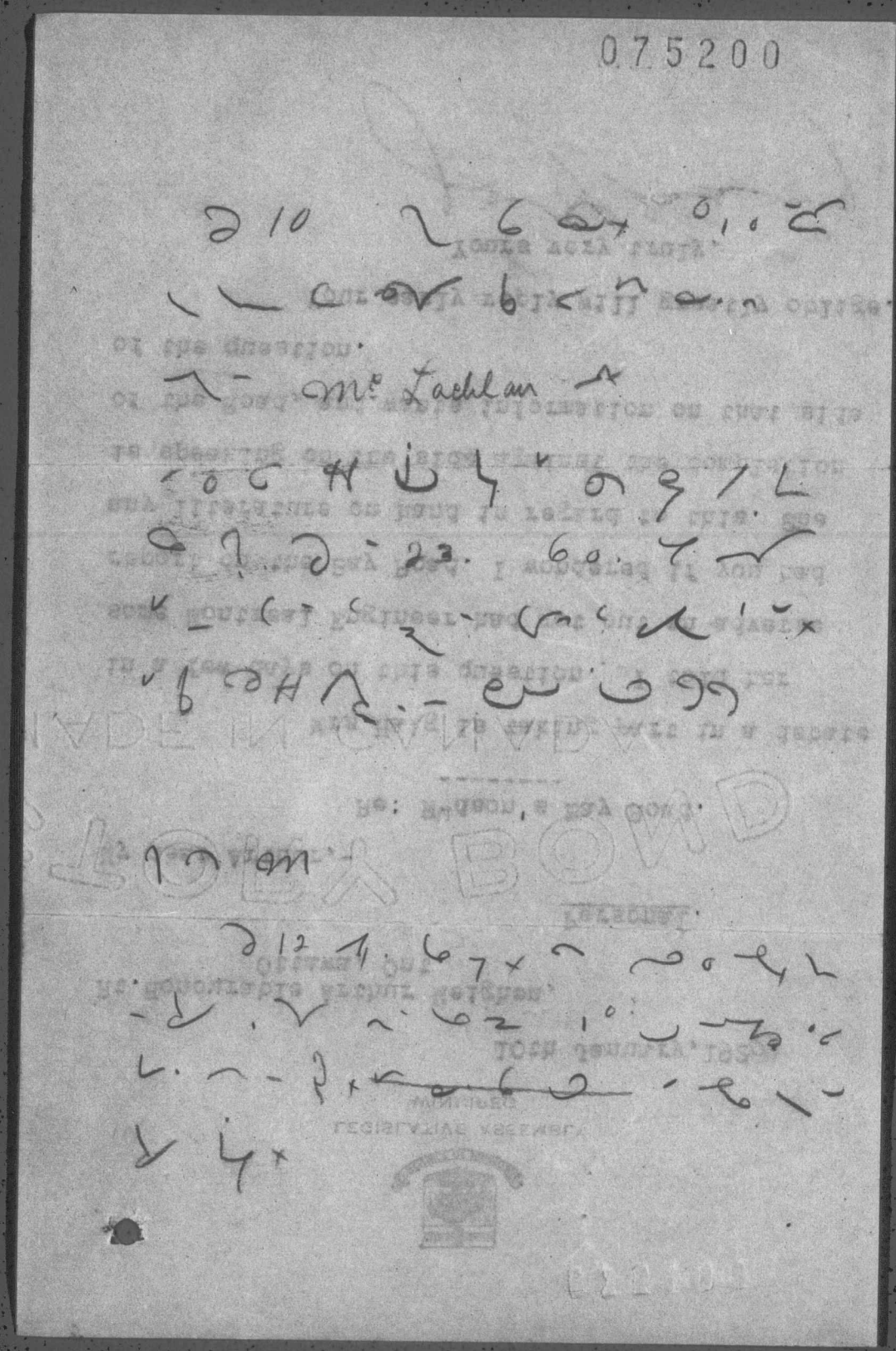
075200



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075201

For the past three years or so I was stationed at Trout Lake. Trout Lake is approximately 300 miles in from Fort Severn on the Hudsons Bay, in the northern part of the District of Particia. I left Toronto on the 20th, Feb. 1923 and arrived at Trout Lake on the 16th June. I travelled via Winnipeg to the Pas, from there to mile 214 by the bi-monthly construction or work train. From mile 214 I travelled by dog-team via the Kettle Rapides, and York Factory to Fort Severn, staying ten days at the Kettle and a week at York Factory. I made a quick trip from York to Severn, taking eight days. Along the coast of the Hudson Bay is, without any doubt, the most dreary desolate country one could ever wish to travel. I stayed two months at Severn until 'open Water' and completed the journey in to Trout Lake by canoe. Trout Lake is some 50 miles long by 23 wide. It is a beautifully clear lake, very deep, with numerous islands. As its name implies it is famous for its fine large lake trout. I travelled over the same route coming out, only that the HBCo. power schooner (MS"Fort York") canoe, and gas car took the place of the dog teams. I figure that from leaving Toronto until I returned I have travelled some 8000 miles. I made six trips between Fort Severn and Trout Lake.

During the past four years I have travelled on the Pagwa, Albany, Ogoki, Trout, Severn and Nelson Rivers. These rivers have cut through sand and gravel and hard-pan clays leaving banks which rise nearly sheer to a height of, in some places, nearly 300 feet. These rivers are shallow with a swift current flowing over a gravel bed. The slope of the northern part of the District of Patricia, down to the Hudsons Bay is very gradual. For instance the Albany River is navigable from the coast up to Martins Falls, a distance of 300 miles for shallow draft river power boats, of the scow type

On account of the Hudsons Bay Rly. the Nelson River is the most interesting. Steel has been laid as far as the Kettle Rapides. The track is kept in good shape up to mile 214, for some 20 miles beyond there section gangs were working on the track when I came out. From there to Kettle the track is in vile shape. In my opinion it will have to be completely re-tied and the steel re-laid, which means practically the re-building of some 100 miles. Beyond the Kettle nothing has been done only grading. There are no bridges, culverts or steel. As rail-road building goes, the HBRly. is an easy thing. The country is flat,no rock cuts or fills, simply laying the steel and balasting. There is a fine large steel bridge over the Nelson at the Manitou and another longer one, at the Kettle. If the line is completed some two more smaller bridges will have to be built beyond the Kettle. There is absolutely nothing in the country through which the Rly. passes, which will ever make it pay. There is no lumber, pulp or mineral, and farming of any or every kind is altogher out of the question beyond mile 214.

The Nelson River is some four miles wide at its mouth. I saw Port Nelson as I passed, and some of its monuments to the amounts wasted in trying to do the impossible. These consist of the terminals. If I remember rightly, 16 great steel structures built out in the river, and four boats stranded high and dry. Proceeding up the Nelson it is good going, with not much current, for canoes or small power boats, for some 50 or 60 miles, then there is 40 miles of rapides which extend up to the Kettle bridge. I am certainly not in love with the Nelson rapides. The banks rise at an angle of 45 or 50 degrees with wild rapides below. Canoe are tracked, and the indians have to be as active as cats to keep a foot hold. I found it difficult enough to walk without tracking or carrying anything.

The heavy ice on the Nelson (also the other rivers mentioned) breaking up in the spring ploughs into the sand and gravel banks, cuts them away, and carries the silt down. At the mouth where the river meets tide water the silt is deposited, so that, in my opinion no matter what kind of dredgers, or how many are used, all that could be dredged out in one season, would be more than filled up the next. In short, it would be a hopeless task. If it was absolutely necessary to make a port at Nelson, something might be done by building a heavy dam a few miles up the river, with a slope at an easy angle up stream so that the ice would ride up and over the top, and owing to the deepened water etc. the silt would be deposited above the dam, and due

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to its being concentrated would be easier dredging. The distance between the mouths of the Hays and Nelson Rivers is eight miles, over a sand bar which is covered at high tide to a depth of three feet, this is close in shore. This sand bar runs out some 25 or 30 miles. It is years ago since the HBCo. SS "Nascopie" went to New York, and then she had to lay out some 25 miles. If, they ever have freighters on the Hudsons Bay, they will have to be ice-breakers and the insurance rates will be prohibitive.

On my way out I met the first batch of 'On to the Bay' tourists, consisting of Winnipeg and Western business men, on their way to Port Nelson. I would be interested in hearing what their opinion of the Rly. and Port project was. I have seen nothing about it in the Toronto Press.

At some future time there might be something doing around the Hudsons Bay and in the northern part of the District of Patricia, though I do not think that this, nor yet the next generation will see it.

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075203

HOTEL BALDWIN

SASKATCHEWAN

B

BALDWIN HOTEL CO. LTD PROP'S.

SASKATOON, SASK.
CANADA.

Will your government if returned to power complete the Hudson Bay Ry. to Port Nelson and provide sufficient harbor facilities to give the route a fair test.

Wm Short
Secy United Farmers of Canada
Saskatchewan Section

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075204

HUDSON BAY RAILWAY AND PORT NELSON TERMINALS - Expenditure to March 31, 1923.

	Year ending	Hudson Bay Railway	Port Nelson Terminals	Total
		$ ¢		
Government expenditure	1909	92,427.83	.....	92,427.83
do	1910	53,043.63	.....	53,042.63
do	1911	184,149.81	.....	184,149.81
do	1912	159,632.00	.....	159,632.00
do	1913	1,009,024.52	90,038.63	1,099,063.15
do	1914	3,071,631.22	1,427,086.03	4,498,717.25
do	1915	3,256,074.39	1,517,669.60	4,773,743.99
do	1916	2,983,425.47	1,905,706.30	4,889,131.77
do	1917	1,792,190.39	812,089.55	2,604,279.94
do	1918	1,288,789.61	590,909.39	1,879,699.00
do	1919	641,318.69	78,760.89	562,557.80
do	1920	247,153.67	11,545.19	235,608.48
do	1921	.....	121,063.71	121,063.71
do	1922	61,563.43	34,769.87	96,333.30
do	1923	13,824.94	27,802.56	41,627.50
		14,359,941.26	6,217,792.52	20,577,733.78

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075205

19

Ottawa, Jan. 13, 1925.

John T. Haig, Esq., M.P.P.,
Winnipeg, Man.

Dear Sir:

Yours of the 10th addressed to Mr. Meighen reached here this morning. As he is unlikely to be back for several days yet I am sending you copy of the McLachlan report, and as well Hansard containing debate on the Hudson's Bay Railway which took place during the session of 1923. This is the only material I could think of that would be of value that we have on hand. I trust Mrs. Haig will be able to get sufficient information therefrom.

Yours faithfully,

Private Secretary.

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075206

19

LEGISLATIVE ASSEMBLY
WINNIPEG

17th January, 1925.

Right Honourable Arthur Meighen,
Parliament Buildings,
Ottawa, Ont.

Personal.

My dear Arthur,-

Re: Hudson Bay Railway.

Your letter of the 13th instant to hand with information enclosed for Mrs. Haig.

Mrs. Haig is very pleased with this data and thankful to you for your help.

Kind personal regards.

Yours truly,

J. W. Bowman

Had a pleasant chat with Dr Johnson this a.m.
Yours
J. W. Bowman

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Major H. J. Woodside,
64 First Ave., - C. 5533W
Ottawa, Canada.

075207

Rt.Hon Arthur Meighen
Ottawa.

OTTAWA, Ont.
30 Jany 1925

Dear Mr Meighen;-

I have wished to write more letters on the tariff and national issues, but I cannot afford to do so as in the past; always at my own expense. I lost too much by going over-seas (over $5,000. cash) and a dropping of my income from over $2700. in 1914 to less than $1700. at present - besides the rotten and unjust treatment I received overseas, for over two years.

I had expected to retire from business before this, and devote my time to writing books and magazine articles, but my financial losses since 1914 prevent that for some time yet.

Last winter I wrote and sent out hundreds of copies of a series of letters on the H.B.Route, assuming all expense and work myself, except that Mr Forke franked the last two issues; and I did not receive a cent from any Western body or person for the work, which took a lot of my time from my business.

Perhaps the West did not appreciate the fact that I told them emphatically that the line must be deflected to Churchill, commencing a hundred miles West of Nelson. They may appreciate it more fully now since the news of the great damage to Nelson harbor and dredges and material there. It is an impossible harbor.

One of my heavist prospective expenses is the mimeographing of letters to the press. I have used a hand machine but it is too slow by far. My Roneo rotary is a failure in spite of repairs. I do not feel at present justified in buying an Edison rotary mimeograph for the good of the country. When I buy paper, envelopes, ink postage and do all the work, I think that is quite enough for me. Now if any of your devoted supporters; most if not all of whom will benefit more than the writer, by your success; has an Edison rotary mimeograph with ink fountain attached, and can spare the same to me, I shall continue my letters to the press.

I am now debarred from the Journal!! Last summer I objected to Mr E.Norman "Bourbon" Smith, throwing my letters into the waste, and told him of my opinion of his high handed act. Now he refuses even the item about the silver mounted cane which the Portage Board of Trade sent me about New Years, for my services representing them on the Crow's Nest rates before the government.

He is no strength to the Conservative party, rather a weakness, for I believe he not only refused to give you real support in 1921, in order to stand in with the winners, for his office rents; but he refused letters from some of us in your support. John Bain has him well and correctly summed up. I seldom if ever ask for any assistance in my letter writing, but in this case I cannot very well go to the added expense of procuring a necessary machine.

Wishing you and the Conservative party every success
yours

H. Woodside

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075208

19

Ottawa, Feb. 5, 1925.

Major H.J. Woodside,
64 First Ave.,
Ottawa.

Dear Major Woodside:

I have your letter of the 30th January. I will speak to Dr. Tolmie and see if there is any way of helping you out.

Yours very truly,

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075209

THE HUDSON'S BAY RY, No. 9 ABANDON NELSON.

Western M.Ps and Press;-

Last year I strongly urged the abandonment of the last 100 miles of track (not completed) to Nelson, and the deflection of the main line to Churchill, whereby a saving of over ten million dollars could easily be made by the change of terminus to a splendid, safe, easily accessible harbor; nad saving in the yearly upkeep of a bad harbor.

To emphasize what I said, comes the report this winter, of a terrific storm from the East, and across Hudson's Bay, which did damage to dredges and other materiel at Nelson, estimated at from five to six hundred thou-sand dollars. This is not surprising, as it is a tremedous task to fom a safe harbor on the exposed shore of a river 30 miles wide, and open to a sweep of salt waterbof hundreds of miles. Then there is the yearly dan-ger of an ice shove in spring, on the wide turbulent current of a broad river, meeting the sea waves across 20 miles of shallows, at high tide. Eastern influence will keep it there to sound the death knell of route.

I learn a new channel has been found across the waste desolation of shallows east of Nelson port; and the new defence of the river is that it carries no silt (detritus, sand) I do not think the matter of a new chan-nel dodging thru the sandbars for 20 miles out into the Bay, matters mu much. The Mississippi had plenty of channels, but they kept filling up in, until the man Eads decided that if most of the extra channels were blocked up, and the best one marked out by jetties (cribs, piles, obstruct-ions) the main discharge would be forced thru a narrow channel, and would wash or scour out a deep bed right to the Gulf of Mexico. There ar now 90 feet where there were formerly 12 over the bar. As the silt depo-osits farther out, the jetties are extended. As Mark Twain puts it; if the Mississippi river was straightened out it would stick out over the Gulf like a fishing rod.

This is what happens in a river which brings down silt, and by means of which much of our continents were formed. Of all the rivers on whose bosoms I have floated, the only one I recall which had little silt is th noble St Lawrence, with its settling basins or great lakes. The Yukon, the Stikine, the Fraser, the Columbia, the Mississippi, the APalachicola, th Ottawa, are all silt bearers, and each has its distinctive bar, or delta, or shallows at its mouth to prove it.

The Nelson is a silt bearer, the shallows 20 miles across at its mouth proves it. The Churchill no doubt carries soil down, but nature formed natural Eads jetties of rocky banks at its mouth, and thus the channel is kept scoured out to a depth of from 27 to 80 feet at low tide and on out into the deep waters of the Bay. Jetties could confine the waters of the Nelson, and if they did not cost too many millions of dol-lars, and the ice did not destroy them, they might work. Vessels did not winter at Nelson, while many wintered in comparative safety at Churchill

Outside the Straits, the navigation of Hudson's Bay will be as safe and profitable as that of the Baltic, with cities like Reval, Helsingfors Kronstad, etc. Experienced navigators tell us that with modern aids like wireless, signal stations and lighthouses, the Straits will lose their terrors; and that they are actually open most of the year.

Last summer I picked up a large, finely illustrated, well mapped book "Through Siberia, the Land of the Future", by Dr Nansen, the famous Arctic explorer. In 1913 the Dr took the trip along the northern coast of Rus-sia, past the White Sea, thru the shallow and dangerous Kara Sea, Pretty well filled with ice, and up the estuary of the mighty Yenesei, to open up a regular trade connection", and prove this alternative route into th centre of Siberia. The old tramp "Correct" took a load of domestic manu-factures, and brot back a load of Siberian Products. Nansen argues very strongly for this route, and shows that one year Capt Wiggins took in 6 vessels successfully. Opposition (like that to the H.B.R.) killed the route for a time, but of recent years the Soviet government is encouragh fleets of European vessels to make the single trip of the season, which is all that can be made on this route, the antithesis to Hudson's Bay.

OTTAWA, Canada April 1925 Henry J. Woodside

Major H. J. Woodside,
64 First Ave., - C. 5533W
Ottawa, Canada.

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OTTAWA, Canada April 1925 Major H. J. Woodside, Henry J. Woodside

64 First Ave., - C. 5533W

Ottawa, Canada.

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Moose Jaw Times-Herald April 25/25.

075210

MOTHERWELL GRILLED AT ON TO BAY CONFAB

Talked Merits Of Terminus For H. B. Line

Winnipeg, April 24—Hon. W. R. Motherwell, minister of agriculture in the Dominion Government, was assailed at a mass meeting under the auspices of the On to the Bay Association last night, for raising the Port Nelson or Fort Churchill issue recently in connection with the movement of the Hudson Bay Railway. His remarks were placed in the category of "Roorbacks" by the speakers of the evening.

Delay Completion

F. H. Martin, consulting engineer, and Brig.-Gen. R. W. Paterson, said that certain interests did not want the road and that if any controversy as to the relative merits of Port Nelson and Fort Churchill as the railway terminus were allowed, the line would not be completed for 20 years.

Port Nelson Best

The advantages of Port Nelson over Fort Churchill were pointed out the chief being that the grade was much easier, that the route was shorter and that the work of preparing Port Nelson had been practically completed. Following the addresses, a resolution emphasizing the urgent necessity of the Dominion Government completing the road to tidewater without delay was unanimously passed.

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075211

15 C Fort Garry Court
Winnipeg May 2-25

The Right Hon
Arthur Meighen P.C.
Ottawa —

My Dear Arthur

— The ultimate completion of the Hudson Bay Railway is inevitable and should not be further delayed —

No matter what delays and obstructions arise from sectional opposition to the project they can not prevail against the insuppressible determination of the people of the west to achieve deliverance from present conditions and overcome the intolerant attitude of eastern people against legitimate western aspirations —

We ascribe to a supreme power ability to design and carry out plans and in this respect we cannot fail to recognize the grand design which fashioned a large inland sea, extending into the centre

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of the continent in order that the people of the earth might be enabled to establish communication in any desired direction.

The destiny of Canada is linked up with a central port whereby she shall be enabled to function from the centre, outwardly rather than the present illogical stand of attempting to ignore the centre and trying (with poor success) to function from extremity to extremity.

The Hudson Bay Road has already cost the people of Canada the alienation of millions of acres of the public domain. The Canadian Northern Railway secured their huge land grant of over four million acres through the charter granted to bind the Hudson Bay Railway. Hon Frank Oliver cast aside & disposed of nine million acres. These stupendous transactions were carried out for the specific purpose of building a railway to Hudson Bay yet we have no road to the Bay.

Is it surprising that the public distrusts public men, when by their acts they show themselves insensible to the enormity of betraying public confidence?

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Both parties have contributed to what has been accomplished up to the present time and each party is entitled with what they have done in this matter, but the project still remains unfinished and the main censure is directed against the Government which stopped construction and left millions in value wasting, unused and idle, which, had the work been completed, would now be earning a revenue -

In my opinion the people of the west are fed up with the Government and other parties who refrain from dealing fairly in this matter and it looks as though the party which does not acknowledge this obligation to the west will get short shrift from this section of the country unless they come forward and declare themselves ready to undertake the immediate construction of the railway to the Bay -

I am hoping that you will realize the situation and that you and your supporters will wholeheartedly strive to get this vexatious question off the slate - Yours faithfully

Andrew Thorpe

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HON. J. R. WILSON, Saskatoon
JAMES CALDER, Moose Jaw
LT.-COL. F. J. JAMES, Regina

"On-To-The-Bay" Association of Canada
Winnipeg

J. S. MENZIES, Chairman Organization Committee
C. M. SIMPSON, Chairman Membership Committee
JOHN MARTIN, Chairman Finance Committee
F. H. MARTIN, Chairman Research Committee

H. P. CRABB, Chairman Publicity Committee
F. C. HAMILTON, Chairman Transportation Committee
D. G. McKENZIE, Secretary U. F. M.
J. ADDISON, President Trades & Labor Council

19

May 4th, 1925.

Dear Sir:-

Where are the funds provided from the sale of Western Land for the purpose of building the Hudson Bay Railway?

In 1908 the Canada Land Act 1884 was amended by cancelling the land grant provided by the Act for the construction of the Railway and replacing this by a definite allocation of land in Alberta and Saskatchewan to be sold as pre-emptions and homesteads, the proceeds to be used for the construction of the Railway as a Government owned road from the Pas to Port Nelson.

Hansard of that date quotes the Hon. Frank Oliver as saying, "While we have the provision in regard to a land grant in aid of a railway to Hudson Bay facing us on the statute book, we also have the fact that the need of a railway to Hudson Bay is more strongly impressed on the people today than ever before by reason of the settlement of the two western provinces, because the further west settlement proceeds, the greater the advantage of an outlet to the Bay will be.....What I had in view was to place before the parliament a proposition that should put beyond question the fact that we have adequately provided assistance from an entirely new source of revenue to enable the Hudson Bay Railway to be built.....The position as I bring it before the house and country, is that beyond all question we are offering an adequate means of meeting the liability that will be created out of an entirely new source of revenue, to the full satisfaction of the people immediately interested, and, I believe, of the people of the country as well". The Hon. Robt. Borden speaking on the Bill said, "whether sufficient money for the purpose is realized in this way or not 'the Hudson Bay Railway project stands by itself, endorsed and approved by this House' and must be completed."

Under this arrangement some nine million acres were sold at an aggregate price of approximately $28,000,000. Up to the Session of the House in 1924 there had been collected of this amount $19,130,556.73 and there had been spent on the road $14,500,000. There is therefore on hand some four and one half

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to five million dollars of actual money collected, in addition to which there are nearly nine million dollars as yet uncollected on the land contracts. This was admitted to be the case by the Premier in the presence of fourteen of his cabinet when waited on by a Western delegation in 1924.

The Hon. G. P. Graham, July 16, 1924 (Hansard page 4849) speaking on the question of this allocation of funds said, "It is true that land was set apart under the Dominion Lands Act for this purpose, it is true that the land was released, and it is true that in a speech the Hon. Frank Oliver did indicate that the proceeds from their sale would be used for the construction of the Hudson Bay Railway. There is no question about it but a great many people do not know it."

The West demands as a matter of right that sufficient of this money be used to complete the laying of steel to the Bay (only 92 miles).

After careful investigation we are satisfied that for an expenditure of less than three million dollars the railway and the Port Nelson can be put in such shape as to be of very great value to this country and that further expenditures will not be required other than those demanded from time to time by the expansion of traffic should the route be, as we believe, a practical one.

The actual laying of the rails to Nelson can be done for less than one million dollars and the balance of the amount mentioned would be used in the completing of the docks, a small amount of dredging and the building of several range lights to mark the channel between the docks and the deep water of the Bay.

The "On-to-The-Bay" Association believing that this request is a reasonable and proper one, is sendin a delegation in its support to Ottawa. It will see each member and senator and seek his individual support to the proposition that provision for this expenditure be made at the present session of Parliament. The settlement of this difficulty by these means cannot but have a highly beneficial effect in improving relations between the east and the west, and your co-operation to the end is earnestly solicited.

Yours faithfully,

President.

RWP/W

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THE OTTAWA JOURNAL
Journal Publishing Company of Ottawa, Limited.
WEDNESDAY, MAY 6, 1925.

THE HUDSON BAY MADNESS.

Parliament on Monday decided to spend $200,000 to repair the Hudson Bay Railway. It also went on record as declaring that Canada must complete this project.

It is a melancholy reflection that at a time when there are public searchings of heart to find a way out of our railway morass, the House of Commons should give such a verdict. By that act alone, if by nothing else, Parliament shows itself divorced from national sentiment, careless of its national trusteeship, unworthy of national support.

The Hudson Bay Railway was the maddest of all the mad, fantastic railway nightmares foisted upon Parliament twenty years ago, and which now remain as a curse and millstone to thwart Canadian progress. Spawn of that period of lunacy when politicians paralleled transcontinental with transcontinental, when with idiotic optimism they spent our dollars like inebriated seamen, it has been a sink-hole for millions, and today not a mind out of Bedlam but knows that its completion will but swallow millions more.

* * *

Into this project already Parliament has thrown some $15,000,000. To complete the road, to repair what has been built, and to give Port Nelson capacity for 10 small ships, will take $30,000,000 more. Replying to a question of Mr. TOBIN in the House last year, Mr. GRAHAM, the Minister of Railways, said that to complete the road alone would cost $6,250,000 (estimate) *"exclusive of terminal or harbor development."* Anybody knowing anything about estimates of that character knows what that means. It means $10,000,000 at least.

* * *

But that isn't all. At page 702 of last year's *Hansard* (vol. I.) there is this question and answer:

PORT NELSON WORKS.

Mr. BIRD:

1. What is the amount, in cubic yards, of the dredging that will be required before ships can dock at Port Nelson?

2. What work remains to be done in order to complete the artificial island at Port Nelson, and what is the estimated cost of this work?

Hon. Mr. GRAHAM:

1 and 2. Statement of Estimated Cost of Harbor Work at Port Nelson, *to accommodate ten 7,000 ton ships:*

Entrance channel end island to opposite Alette 20' below low water, earth and boulders, 1,570,000 yds. at $1.50	$ 2,355,000	
Along dock face on island 4,400 ft. to 30' below low water O.S.T. earth and boulders 2,700,000 yds. at $1.00.....	2,700,000	
5,400 ft. to 15' below low water O.S.T. earth and boulders 1,200,000 yds. at $1.00..	1,200,000	
4,000 ft. dock walls at 77 yds. 308,000 at $12.00..	3,696,000	
Sinking and preparing crib seats 308,000 at $4.00	1,232,000	
3,000 ft. rear crib at 25 yds., 75,000 at $12.00..	900,000	
4,000 ft. anchorage crib 12 yds., 48,000 at $12.00..	576,000	
Anchorage bolts 4,000 ft. at at No. 200, 800,000 at 14c	112,000	
Filling of Island above elev. 7,	600,000	
1,200,000 at 50c	600,000	
		7,116,000
4,000,000 bushel elevator at $1.15 per bushel ..	4,600,000	
Railway yard and terminal buildings	400,000	5,000,000
Lighthouse crib at entrance of harbour	300,000	3,000,000
		18,671,000
Add 10 per cent. for Engineering Management ..		1,867,000
Total		$ 20,538,000

* * *

Twenty million dollars to take care of ten small ships—and to what purpose? No one who has ever seen a ship, no one who has ever seen the sea, no one who has ever heard or read of the Hudson Bay, believes or should believe that its navigation is commercially feasible. What shipping man outside of an asylum is going to put ships on the Hudson Bay route? Will the C.P.R. do it? Or the White Star? Or the Cunards? And what reputable shipping man, unless it be some new Sir WILLIAM PETERSEN, willing to be subsidized with millions, is going to build special ships that could only be used in the Hudson straits for two months out of a year? The whole proposition is grotesque.

* * *

Twenty million dollars for ten small ships! In the House, one member, a Progressive, said the Hudson Bay route would save the West $100,000,000 a year. Just think of it! Ten ships of seven thousand tons, operating for even three months, without delay or mishap, could not possibly take out more than 5,000,000 bushels of wheat. Consequently, if a saving were effected of 50 cents a bushel—which is out of all possibility—the saving to the West would be but $2,500,000. Yet here we have supposedly sane men talking about saving 100 millions a year! It is in keeping with the whole idiotic foundation upon which this structure of folly is being reared. The plain fact is that the Hudson Bay straits are not commercially navigable, and, even if they were, for a period of three months, the achievement would not begin to justify the investment.

* * *

Canada today is burdened with a railway debt that dizzies and appals. We are piling deficit upon deficit to the crippling of our finances. We saw the Canadian National Railways go into debt last year by an additional $100,000,000. Yet it is at this juncture, at a time when people everywhere are writing an interrogation mark after our railway problem, at a time when our people are trying to discover some way out of a desperate position—at such a time this Parliament sanctions a new outlay of $30,000,000 to build a railway to a port of ice and wolves and seals. Could anything be more mad, anything more revealing of the character and calibre of Parliament?

* * *

Not even all the people of the West want this Hudson Bay Railway. The Edmonton *Journal*, one of the sanest and most responsible papers on the plains, is vigorously opposed to it. It is from Winnipeg, Winnipeg which sees its position as a wheat centre threatened by Alberta's crop going through Pacific ports, that the agitation chiefly comes. For a purely sectional reason for no sound reason in the world, Canada is asked to throw millions to the wolves.

* * *

This is not a party question. All parties have been equally guilty in the past. All are equally guilty today. THE JOURNAL particularly regrets the position taken by Mr. MEIGHEN, a position which his experience and his intellect must tell him to be utterly unsound. What nonsense to argue, as Mr. MEIGHEN argued, that because political parties went mad years ago and promised to commit folly, Canada owes it to certain people now to march forward with that folly! A vote-getting pledge, given decades ago, impeached and destroyed and shown to be ruinous by subsequent events, must, according to this logic, be carried out by succeeding generations! Would to Heaven parties were half as scrupulous about more worth-while promises!

* * *

Canada is in no mood to accept this verdict. Overwhelmingly, the nation is opposed to this project; and it may well be that in searching for support from a section in the West those who support this waste of millions will find their conduct costly elsewhere.

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THE HUDSON'S BAY RAILWAY.- A MAD EDITORIAL - Letter No.IO

Western M.Ps and Press;-

I had supposed that the most idiotic ed--torial balderdash printed in any Canadian daily,appeared in the Ottawa C.S.Citizen;an unscrupulous opponent of the H.B.Ry; but after reading the Ottawa Journal's editorial on the subject on the 6th inst. we must all hand the palm to the latter;which is under the direct man--agement of the Great E.Norman Smith. And yet this luminous genius thinks "the West takes its politics too seriously". So since he has become the wet nurse of the Canadian Press,and has actually seen the prairies,he is going to tone down the the West,with a great tone.

That editorial is written with an abandonment,a breeziness,a high coloring,an absence of truthfulness,a brazen maliciousness,that would do credit to the Seattle P.I. in its balyniest days of irresponsible, rotten,lying mendacity. Mr Smith,now that he has seen the Coast,is evidently introducing some Coast methods of writing into his sanctum.

Western people must not blame the Conservatives for the Journal's vagaries,for it expressly condemns Mr Meighen for supporting the H.B.R by which he stands to lose some Easter support. The value of the Jour--nal to the Conservative party is rather negligable,in its erratic way,and the renting of its offices to the reigning government is of vastly more importance. It had a narrow squeak in 1921;but its support of Mr Meighen's government was so weak and wishy washy,that it managed to round the corner with the new Liberal government. I do not think Mr Smith should resent the title of "The Vicar of Bray". Neither the Journal nor the Citizen are free to talk politics intelligently,altho they both agree to stab the H.B.Ry fanatically,when possible.

Let me notice a few of the "maddest" editorial points. It is indeed saddening that when the East has had its full of railways;many of them not needed,but the money was spent in Ontario and Quebec all the same; that Parliament should be called on to keep its promise to the West; made by Frank Oliver,then minister of the interior;and by many other leaders since then. As the Journal says,Parliament may be unworthy of national support,but it is not for keeping its promise to the West. Parliament or the present government may have given the Journal a bad scare over the rent of offices,but that is another question.

Then folows a fiery paragraph on "mad","nightmare","curse","mill--stone","idiotic optimism","inebriated seaman","sinkhole","Bedlam,etc. etc.;which shows the hand that wrote the lovely panegyric for P.D.Ross (owner of the Journal) can still trace beautiful imagery on paper. Altho charming it is not very convincing,no more than 4.4 beer with the froth on it - and I did not know it was on sale yet. But this in--spired article is intended to show up Western people as a lot of idiots,imbeciles,grafters,confidence men,because they support the HBR.

Then this colossus of finance gets down to facts,and shows,accord--ing to figures given Mr Bird M.P. (page 702 Hansard of last year) that it will cost over $20,000,000. to finish Nelson harbor to accomm--odate ten 7,000 ton ships at one time. As a matter of course those ten ships would not be lying in the harbor all the 4 or 5 months that the route is open;altho that would tickle the Journal and Citizen's editorial children immensely. After they have taken on their lodas of grain or cattle,which would be a matter of hours or days; they would try to sneak out through the 20 mile channel over the bar into the deep blue waters of the Bay; and after being wrecked several times by the ice in the Striats,they would proceed to Europe,unload and return for more. In the meantime their place would be taken by other tramps in rotation. It is going to be a grand route for cattle,and if the Journal and Citizen desire; any of their editorial bullocks could be shipped back again to England by this route,which is much cooler thn by the Pacific and Panama.

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The Journal makes a slight editorial error. It is at least 80,000,000 bushels the West counts on sending via Churchill per year (not 5,000,000) and a saving of IO cents per bushel would mean $5,000,000. saved, which, while nothing to E.N.S. and the Eastern barons, is something to the Western farmers. The saving on cattle shipped by this route, would be a much greater item for well known reasons. There would be plenty of tramp steamers for the trade, as there now is for the infin-itely more dangerous one to Siberia via the Kara Sea and Yenesei. Then the wolves on the shores of Hudson's Bay, and the seal who wrote the Journal editorial, would see the procession of staunch vessels passing to and fro through the Striats for at least 4 or 5 months of the years, just as they come out of the Gulf of Bothnia, the White and the Kara Seas, each year. The H.B.Coy have navigated the Straits for about 300 years; fleets of war vessels, and fleets loaded with iron and supplies for Nelson, have come and gone without hurt; except that one vessel trying to follow the new channel to Nelson, ran on a rock and became a loss. But the West is not responsible for the selection of Nelson for the terminal harbor on the Bay. Churchill is the place.

Edmonton and all Alberta supported an Edmonton pioneer, when Hon. Frank Oliver launched the H.B.Ry, as minsiter of the interior; and the road has not cost the East a cent as yet, for it has been paid out of Western lands sold for that purpose by Oliver. The new route via Van-couver attracts part of Alberta just now, but when the H.B.ry is opend via Churchill, Alberta stok raisers will fall over each other to ship their cattle by that route. The opposition of the Edmonton Journal does not count. It is I believe owned or controlled by the Southams, ignorant and bigoted Easterners, and is I expect merely the mouthpiece of the Boston Christian Scientists, like the the other Soutam organs.

Now a word to Western representatives. If you can read between the lines, you can now see how Eastern interests, backed by the Ottawa Journal and Citizen (one and indivisible) et al; and against the in-terests of the West, cleverly switched the terminus to Nelson, to wreck the enterprise. There is where all this "idiotic madness" of the Jour-nal comes in. And if you support the plan to complete the line to Nelson, you are playing tight into their hands; because you are up again-st the impossible - nature will defaet you.

The libe must be deflected to Churchill from a point about IOO miles east of Nelson, and then it will reach a safe, sheltered and eas-ily accessible harbor, with a fine site for a city, and railway yards at slight cost. For a sane and economical expenditure of about $IO,000,000. (with what is saved from the Nelson end) you will be able to begi shipping cattle to Europe, and also grain.

That Uriah Heap of journalism, the C.S. Citizen, naively prints the opinion of Captain Bernier on Nelson harbor, in which he condemns it. But the Citizen is careful not to say that the barev old Admiral of the Arctic strongly supports Churchill as the terminal; and emphatically says that the commercial navigation of Hudson's Bay and Straits is per-fectly feasible; a view supported by many other practical and exper-ienced arctic navigators. And Bernier should know, because he has navigated them, and has taken that old tub the "Arctic" for years throu-gh worse straits and icefields than he could encounter on the route from Churchill to Europe. But I must reserve further comments for the next letter. In the meantime do not be deceived by any promise to fin-ish the line to Nelson; that will only wreck the project by excessive costs. I am a practical railway builder through just the same country as the H.B.Ry traverses (which has great resources) and have seen a lot of river and harbor work on American streams in my life time.

OTTAWA, 7 May 1925 Henry J.Woodside.

Delayed in Printing

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Ottawa, May 8, 1925.

Andrew J. Horquay, Esq.,
15 C. Fort Garry Coast,
Winnipeg, Man.

Dear Andrew:

Your letter of the 2nd was handed me yesterday by the Hudson Bay delegation. I need only say at the present time that I had a useful interview with the delegation and found them by far the best informed, most reasonable and effective in their work of any delegation which has come down.

I think of all things to be done is to convince members of the House who are quite open and ready for conviction that it is not waste of money to complete the enterprise; in a word that it is practicable and feasible. Unfortunately much of the agitation to-day based on the assumption of prejudice has done more harm than good.

With kindest personal regards,

Yours very truly,

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J. McMILLAN, General Manager of Telegraphs, Montreal.

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BROADVIEW SASK MAY 20-25. 251PM.

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OTTAWA-ONT.

WIRE ME REGINA MILEAGE HUDSONS BAY RAILWAY CONSTRUCTED BY ANY LIBERAL GOVERNMENT.

W.A.MACPHERSON.

405PM.

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Ottawa, May 20, 1925.

19

W. A. MacPherson, Esq.,
Regina, Sask.

Never constructed a mile.

Arthur Meighen.

Charge Hon. A. Meighen.

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Ottawa, Aug. 5, 1925.

Rt. Hon. Arthur Meighen,
Portage la Prairie,
Man.

Dear Mr. Meighen:

Morgan O'Brien was in this afternoon. He has just returned from the West and asked me to pass on to you the impressions he formed while attending the Orange Convention. Without exception the delegates from the prairie provinces, those politically friendly and politically opposed, were strongly of opinion that if you could see your way clear to make some public announcement that during your first term of office you would complete the Hudson Bay Railway it would mean the winning of many seats in Manitoba, Saskatchewan and Eastern Alberta. The viewpoint of our friends was it would relieve them from the charge that the Conservative party had nothing to offer the West but Protection. O'Brien is strongly of opinion that an announcement of this kind, leaving out altogether any question of harbour or terminal development, would mean a large Conservative delegation from the Western provinces supporting you in the next House. O'Brien's contention was to have stopped off on his way East but he was unable to do so. He asks me to say that he most strongly urges the wisdom of this move.

Yours faithfully,

Private Secretary.

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Personal

FORT QU'APPELLE
SASKATCHEWAN
CANADA

August 15th 1925.

Rt Hon Arthur Meighen.,
Ottawa., Ont.

Dear Mr Meighen;

Since seeing you, I have met several prominent Progressives and Liberals, and in discussing the political situation with them, the completion of the Hudson's Bay Railway seems to be the paramount issue with them, and when I stated that you had mentioned the completion of that Railway in your speech at Stonewall the other day. They said if you will get the assurance from Mr Meighen, that if he is returned to power he will complete the Hudson's Bay Railway, we will vote Tory, and work for the Tory candidate (as they put it). I have every reason to believe that these men meant what they said, and they have considerable influence in their parties.

If you could do this, it would make the campaign in Qu'Appelle that much easier. If it is not out of order to address a letter to me, giving me the assurance that you will or endeavor to complete the Hudson's Bay Railway if you are returned to power. I think that this would help to put Qu'Appelle out of the doubtful column.

Yours truly,.
D. McDonald

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Ottawa, Aug. 21, 1925.

J.A. McDonald, Esq.,
Fort Qu'Appelle,
Sask.

Dear Mr. McDonald:

I have your letter of the 15th inst. For the present at least it would not be possible for me to go further than I have gone as regards the Hudson Bay Railway. My intention is to complete the road, the Government's intention is to play with the subject and this they have done consistently since they came into power. It may be that when the contest is on I may be able to make a somewhat stronger pronouncement than I have so far, but this will depend upon circumstances. Will certainly do so if I can as I know its value in the West.

Yours very truly,

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Room 413, Dominion Express Bldg.,
Montreal, August 26th,1925.

Private Secretary to the
Right Honorable Arthur Meighen, P.C., M.P.,
O T T A W A, ONT.

Dear Sir,

During the Session before last at Ottawa I understand that certain documents and reports were tabled in the House, with reference to construction work on Hudson's Bay at the proposed terminus of the Hudson's Bay Railway, and I presume these documents have since been printed for circulation. If so, I will esteem it a favor if you will be good enough to send me a copy of the reports at your early convenience.

Thanking you in anticipation for your courtesy, I am,

Yours sincerely,

Chas. A. Smart

M.L.A. Westmount.

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Western Record Winnipeg Aug. 28/25

The Hudson Bay Route

Operation of This Route Would Mean Opening Manitoba's Front Door

The Icelandic celebration held at Gimli, on Saturday last, reminds us that fifty years ago Icelanders invaded Manitoba in a large group of settlers, and also carries us back to more than a century ago when, coming by the front door of the province, Lord Selkirk with his contingent came south into Manitoba.

Is it not a strange thing that we have neglected all these years the front door of Manitoba. Choosing the route of the Hudson's Bay pioneers and traders, Lord Selkirk travelled by the nearest passage into this western country, by canoe and portage wended southward to the locality of Winnipeg. Missing, as it were, a rich agricultural area, a step west of the trail and to the north-west of Lake Winnipeg. Looking back we are led to two conclusions that the Hudson's Bay Company and the Indians purposely encouraged the Selkirk pioneers to seek and settle in lower Manitoba.

A century ago the Hudson's Bay Company held complete sway and possession of the northwest territory of Canada, and were mighty jealous of incoming settlers. The governors of the company were evidently of a one mind track and could not see beyond the length of their noses. Very conservative in their ideas, they missed a great opportunity. History is packed with similar occurrences. Just imagine what a difference there would be in the position of Manitoba today if the Hudson's Bay Company had chosen to settle and populate the localities where their trading stations were situate on the Hudson Bay.

In possession of trackless territory, abounding in mineral and lumber, they could have developed the northland, and today, we should have had an industrial as well as a great grain growing province. But, no, the Hudson's Bay were obsessed with the sole idea of trading with the Indians and trappers for the pelts of the furry animals abounding in the vast northland. Nor did their policy change when on Confederation the company surrendered the bulk of the vast territory it held to the Dominion Government for a consideration, even today it has only added to its policy the sale of land in small quantities to people who have visions of the country about Churchill and Port Nelson, and apparently through its reluctance to give information at its London office to enquiries concerning the Hudson Bay railway, it views with alarm the settlement of the territory which provides the pelts of wild animals and the sporting seal and walrus.

Germany and the Northland

Thus, when the transcontinental railways crossed the southern extremity of Manitoba the front door of the province was forgotten and left, as it were, unlocked. It was left to Germany to realize what the Hudson Bay territory contained and its incalculable value. For some years, prior to the outbreak of the world war, Germans were surveying and prospecting the northland and just before the war they offered the Canadian Government a vast sum of money for some of it, and, moreover, offered to populate it with a hundred thousand settlers within a short period of time.

The offer was turned down by the Canadian Government, but the data collected by those German emissaries is doubtless still in existence, and could readily be produced from the archives of the German government's foreign office. Had the Germans beaten the Allies, Canada might now be seeing hordes of Germans in our rich and vast Northland.

There are interesting annals in Canadian history, but a vast amount remains to be published in connection with Manitoba. The East hitherto has predominated in the minds of Canadians, Quebec and Ontario teems with historics and stories of romance connected with its provinces, but little has been written of Manitoba, and the Western Record purposes attracting more attention to the heritage Manitobans possess, and unearthing historical events which have been recorded or unrecorded.

The canal waterways of the St. Lawrence may have some interest to grain traders, but occurrencies in Manitoba and its development, we opine, will be vastly more interesting to Manitobans. There is romance and inspiration in the descriptions of the treking of the pioneers over these plains, the blazing of forest trails and the wonderful portage through its lakes and rivers.

We have a vast and wonderful province, with incalculable wealth and unlimited opportunities. The days of adventure are not over, of remarkable discoveries yet to be made, and spheres of enterprise open that may put all other enterprises in the shade as far as Canada is concerned.

It requires little imagination for even the ordinary man, sailing up Lake Winnipeg on the "Rapid City" or "Keenora" to see the vista of a populated area. For the man traversing over the trails beyond The Pas to visualize a mining population and furnaces belching forth lurid flames when molten metal is being poured into earthen pots, and later transferred to an adjacent mill by electric conveyers.

"Dreams, dreams," some disgruntled worker or disillusioned settler cries. Well, maybe, but the sort that come true. If Manitobans are ignorant, sceptical or blind to the undiscovered and undisturbed wealth their province contains, as thousands are of its beauty spots, other people are not. Shrewd business men from the U. S. and other countries are making surveys and estimating its values.

Manitobans Must Wake Up

It was one of those freak British tourists who first stated that in the vicinity of Whitemouth there was scenery which reminded him of the sylvan beauties of Kent and Surrey. Another told of the Indian trail leading to Port Nelson and of copper deposits south of Churchill. A Yankee who vizualized a Pittsburg north of The Pas.

Frank Martin, in his talk to American architects and engineers, told them that Manitobans had not realized the immensity of the hydro power Manitoba possessed, and urged them to bring capital and enterprise that factories might be established and run by the hydro power not yet developed. Who declared he saw no reason why internationally our immense hydro-electric power should not be used.

We have not awakened to the magnificent prospect awaiting Manitoba and the industrial development lying ahead. Oh yes, "Canada, we stand on guard for thee" but we want to do more than stand on guard, though there is a saying that "he also serves who stands and waits."

We have a vast number of citizens who are just like dogs in the manger, amongst Laborites of the John Queen type, who will neither feed out of the bin or let anyone else, who toiling not nor spinning, yawp about bringing out immigrants. Lord Haig, as many other Britishers have done, has told the people in Great Britain that Canada is a country of boundless possibilities for the men who have enterprise and the will to work.

It is not the country for those, in or out of it, who expect things to fall into their hands or mouths, but it is for the daring spirits, ardent souls, and healthy minded men prepared to toil and courageously risk their all.

Laborites and kindred sorts want the velvet, and hothouse education of effete civilization, but there can be no velvet without the weaving, and the only education that will benefit Manitoba is the kind that fits the growing youth to the arduous task of developing Manitoba's agricultural and natural resources.

We would strongly advise our school teachers to dig up historical, geographical and physical facts regarding Manitoba, and, without delay, inculcate them in the minds of their pupils. To instil into their minds a desire to do and dare, revive the old Briton and Viking spirit, and put a new vision in their eyes of Manitoba's vast resources and future possibilities. In short, begin to build up a race of enlightened pioneers so that the pupils may be better fitted to develop the province and increase its prosperity by leaps and bounds.

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Important Facts

RELATING TO

The Hudson Bay Railway

COMPILED BY

ANDREW J. NORQUAY

SEPTEMBER 1925

— Published by —

On-to-the-Bay Association of Canada

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The Hudson Bay Railway

INTRODUCTION

That period in history which made India and China desirable fields for European trade also created the desire to discover a short route from European ports to those important markets. Nations and individuals engaged in the effort to find a more satisfactory means than by travelling overland or long voyages around the continent of Africa. In the quest for a short route many notable discoveries were made. The discovery of America, of Canada, and of Hudson Bay each aroused opportunities of far reaching importance.

Discovery promotes trade more than anything and when it can be shown that the exportation of our commodities and manufacturers may be vastly increased, that several branches of foreign trade may be highly improved, that navigation in general may be greatly extended, and our shipping increased, then it deserves to be considered as a thing of high consequence to the public and an object worthy of national attention and encouragement.

Lord Selkirk's recognition of the potential advantages of Hudson Bay over eastern ports can be properly classed as discovery and in utilizing this route for the transportation of the first settlers into Western Canada, he established beyond any possible doubt its importance and practicability.

No matter how important a discovery may be its great potentialities become practically useless unless they be linked up with world traffic. The importance of the Hudson Bay route lies in the fact that not only does it give signal advantage in local conditions but it also opens up new avenues for trade with foreign countries.

For trade between the Maritime provinces and Western Canada, and as an international highway permitting the free flow of traffic from Europe to the Orient or from the Northern States to Europe, the Hudson Bay route stands pre-eminent.

For saving in time and distance no other route can compare with it. Between England and Eastern Asia via Suez is about 16,000 miles and via New York and San Francisco about 11,000 miles, and via Port Nelson and Prince Rupert less than 8,000 miles. From Port Nelson to Vancouver is over eleven hundred miles shorter than from Montreal to Vancouver, equivalent to more than two days saving in time across Canada.

The completion of the Hudson Bay Railway is essential if we would place Canada in a strategic position to engage in a grander development of our resources and to achieve a dominant position among nations.

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MONTREAL AND PORT NELSON

Montreal is the foremost grain shipping port on the continent of North America.

Millions of public money have been spent on the port of Montreal and the St. Lawrence ship channel.

The Dominions Royal Commission in 1917 recommended that all eastern ports be deepened to 38 feet.

The St. Lawrence ship channel between Montreal and Quebec is being deepened to 35 feet.

August 10, 1925, the S.S. Metagama scraped on the bottom of the channel and suffered considerable damage.

There is complaint that the water level is lowered. It usually happens that a greater quantity of water is displaced from the higher levels when the outlet is enlarged and obtsructions removed which would otherwise hold the water and maintain levels.

The Chief Engineer, Montreal Harbor Commission, exclaims—"Thank God there is only one St. Lawrence." "Montreal has nothing to fear."

Future generations might not be so enthusiastic if the present spoliation is permitted to continue and the mighty St. Lawrence River reduced to a rivulet or a creek.

Over thirty-nine million dollars of public money are already charged to the account of the Harbor of Montreal and more expenditure is said to be necessary.

Montreal Harbor Commission expended over fourteen million dollars on harbor facilities and improvements in 1924.

The total cost of the Hudson Bay Railway to date is approximately fourteen million dollars provided for out of the sale of Manitoba, Saskatchewan and Alberta lands and this amount, therefore, is not properly a charge against public revenue, but rather a credit to the three western provinces.

The Government has sold approximately fifty million dollars worth of these lands for the express purpose of building a railway to Hudson Bay.

Montreal Harbor is closed five months in the year.

Evidence supports the claim that Port Nelson being a tidewater port can be made an all year port.

The distance from the centre of production in Canada to seaboard is greater than the distance from production centres to seaboard in countries which compete with Canada.

Montreal is seventeen hundred miles from centre of production in Canada.

Port Nelson is only seven hundred miles, a saving of one thousand miles over Montreal and is the same ocean distance as Montreal to Liverpool.

Estimated rates on wheat, according to Mr. Cowie, Chief Engineer, Montreal Harbor Commission, give Port Nelson an advantage over practically all other competing routes to United Kingdom ports, and a substantial saving over Montreal.

Montreal ships less than one half of Canada's exportable surplus of wheat.

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Why not open another route for American shippers through Canadian ports in the same manner as Canadian shippers have been obliged to use American ports.

Port Nelson not only holds a central position in Canada it is also practically the centre of the North American continent. The same distance in direct line from Port Nelson to Calgary, about 1,100 miles includes the following American cities—Miles City, Montana; Pierre, South Dakota; Mason City, Iowa, and Madison, Wisconsin.

A glance at the map of North America, shows clearly that the Hudson Bay Railway with proper feeders, forms the only natural inlet for many of the imports of the North Central States. This is traffic that should be flowing through Canadian channels to the very great advantage of Canadian Railways, shipping companies and traders, it will flow through these channels as soon as the shrewd American business man is shown where he can save a cent by so doing. This is a most important factor in any discussion of this great question and most certainly should not be overlooked in any arguments, which may be advanced by sectional interests in different parts of Canada, as to the feasibility or economical aspect of speedily and properly opening up this route.

NAVIGATION

There is ample information accessible to those who desire to satisfy themselves that the Hudson Bay and Straits are navigable. Opinions differ as to duration of navigability, but reliable evidence goes to show that Bay and Straits may be navigated practically every month in the year. Long before the use of steam sailing vessels accomplished the navigation of the Bay and Straits, and it is remarkable that very few mishaps have occurred in a period extending over four hundred years.

Admiralty records are said to contain evidence of a voyage to Hudson Bay in 1517, almost a century before Henry Hudson's celebrated voyage.

Ships wintered at Port Nelson in 1611-1612.

The "River of the Strangers" (Churchill) was discovered by a Danish navigator in 1619.

The first trading vessel entered Hudson Bay in 1668, since which time there has been practically continuous communication between England and Hudson Bay.

Hudson Bay has been the scene of several naval battles.

Troops and immigrants have been transported from England to Canada by way of Hudson Bay.

Seven hundred and fifty vessels in one hundred years with loss of only two ships establishes a record comparing favorably with any other route.

Thirty-eight modern tramp steamers passed through Bay and Straits in 1914.

Numberless instances can be cited as evidence of the practicability of the route. On almost every occasion, however, when the question of building a railway to the Bay has been discussed in Parliament, and notwithstanding that there is abundant evidence available, enquiry as to the feasibility of the route has invariably been thrust into the discussion.

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In 1882 Sir Richard Cartwright asked the Government to procure, if possible, the assistance of the Imperial Government to determine the question as to the navigability of the Bay and Straits. The Canadian Government was evidently not successful in securing the aid of the Imperial Government in this matter and in 1883 they despatched an expedition, "The Alert," under Commander Gordon. The description of the "Alert" is interesting. In the Manitoba Free Press, May 6, 1886, appears the quotation: "An important consideration is the steamship "Alert" herself. Is she the best vessel procurable for the purpose? In Lieut. Gordon's report of the expedition he says that the Alert's engine is only equal to about fifty horse power. Surely a vessel with such limited power is hardly fitted to explore the straits and when it is remembered how inadequate her capacity for carrying coal is—240 tons for a five month's voyage—it is reasonable to attribute the delays and struggles mentioned in the report as due to this cause alone, and delays and struggles which would not have occurred had a more powerful and more suitable vessel been employed. Owing to her deficient steam power it was impossible for the Alert to push her way through the ice, and yet the vessels of the Allan Line easily push their way through greater ice obstacles in the Gulf of St. Lawrence every spring on their voyages to Quebec. . . . Beyond the fact that she is strongly built she is without question one of the worst ships that could possibly be sent out. In confirmation of this statement there is the testimony of a number of captains of sailing ships, who know her qualities well and who are also experienced in the kind of navigation which she encountered."

The editor comments on the above as follows:—"This is the coracle the dingy which the Dominion Government saw fit to send out to prod ice, and investigate the straits and yet we are asked to believe that the Government is friendly to the project. A fifty horse power punt with capacity for 240 tons of coal, is sent out on a five months' voyage, to investigate such a project! It could not even shatter ice far less formidable than that which is no impediment to the Allan vessels in the Gulf of St. Lawrence, and yet the Dominion Government proposes to decide this great question by the report which this little shallop, with its toy engine, its handful of coal, and that notoriously striving person Lieutenant Gordon, will make. Nevertheless it is actually proposed to send this vessel out again this year to report on this most vital question. Lieutenant Gordon is a Government employee in the meteorological service at Toronto. He is saturated with the eastern prejudices against this country. His report shows upon every page that he is a feather-bed navigator. He spent all his time pushing his way through the coast ice, and that in the Straits of Belle Isle, and has cumbered his report with repeated allusions to ice which he found elsewhere than in the Straits. It is evident that he and his craft are equally useless, if a fair investigation of this matter is to be secured. The "Alert" should be replaced by a powerful steamer fit for his task, her commander should be superceded by some man of pluck and experience in this particular navigation, and the expedition ought to get underway earlier than before. If this is done, we are confident that no difficulty exists serious enough to prevent the navigation which is to make the Canadian Northwest prosperous beyond all expectation."

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In addition to the foregoing other expeditions were despatched in 1897, 1903-1904, 1911-1914, for the purpose of reporting on conditions in the Bay and Straits. Neither of these expeditions remained in this region during the whole year, consequently do not report on conditions between November and June, when it is claimed that the ice is locked to the shore and therefore cannot be bothering ships.

As far back as 1744, Mr. Dobbs, writing on conditions in the Bay and Straits wrote as follows:—"It is probable that during the whole winter from October to March there is no ice in the Strait to obstruct passage into or out of the Bay, for a ship which chanced to be closed up with ice in an inlet, by the breaking of ice got out and came through the strait at Christmas without finding any ice in the strait to prevent her passage."

Col. R. H. Webb, present Mayor of Winnipeg, passed through the Strait in February 1904, and encountered no ice.

Dr. Robt. Bell, F.R.S., credited with seventeen years' experience in northern waters says:—"It is impossible that there should be at any time in the twelve months difficulty in navigating the Straits for they are upon tide water. . . . Why, navigation through the Straits should be particularly easy, because while there may at times be floating ice, there are no rocks and islands upon which to go ashore."

Captain William Hackland, in Hudson's Bay Company service for 39 years:—"Straits never freeze, no reason why steamships should not navigate at any time."

Mr. J. W. Tyrell, geologist, who passed through Straits several times, writes:—As to icebergs, they are occasionally met with in Hudson Straits being sometimes carried along the north shore by the prevailing current from Davis Strait, but they are by no means of frequent occurrence, and not one tenth as numerous as off the Straits of Belle Isle."

Captain Bernier, explorer, nineteen years' experience in northern water:—"The Hudson Bay and Strait are open to navigation the year around, but as far as the Strait is concerned, icebergs block the way in places according where the current into or out of the Bay drives them. With wireless stations established so that ships could be directed in their course the Hudson Bay ports would rank amongst most important on the continent, owing to the very appreciable difference in distance to Europe compared with that of other ports." In 1924. on his return from the north he wrote as follows:—"The nightmare and terror of the Hudson's Bay are about passed and with aids to navigation, wireless, proper ships and proper men, it will be safer than the St. Lawrence, because there are very few shoals and the water is uniform and nearly constant daylight during the summer, which enables a mariner to see around him."

Ellis. (A Voyage to Hudson Bay):—"As to the dreams of the last age, about the danger and difficulty of the navigation through Hudson's Strait and Bay, it is now out of the case; we know that this navigation is far from being so perilous as it is represented. This is the more manifest from a fact, the truth of which is indisputable, and that is, the Hudson's Bay Company ships, returning year after year without any disaster."

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BUSINESS IN AND OUT OF HUDSON BAY

Available references to business in Hudson Bay are meagre, nevertheless what evidence has become public reveals that considerable profit has resulted from transactions arising from that source.

A charter was granted in 1670 to the Hudson's Bay Company and the capital placed at £10,500. There is mention of dividends of 50% being paid in 1684 and 1688 and 25% divended in 1689.

In 1688 the Company claimed as losses £38,332.15s. on account of disturbance of their trade by French traders from Canada. Another reference to this period claims that the French burned down, plundered and spoiled the forts and factories of the Company, upwards of £120,000 of the Company's property being destroyed.

In 1690 Hudson's Bay Company Charter confirmed by Parliament and stock raised to £31,500.

1721 Company stock raised to £94,500.

1748 Trade between London and Hudson Bay. Exports £5,012.12.3. Imports £30,160.5.11.

For many years up to 1770 York Factory had annually sent to London at least 30,000 skins, in 1790 supply had dropped to 20,000 skins due to competition of French traders.

1770 the Hudson Bay Company insured ships and goods for the first time in their history. Five per cent. per annum on each ship £2,000. Warehouse £3,000.

1809 Company petitions Chancellor of Exchequer for assistance to maintain colony, claiming that it required an annual outfit of British manufactures of between forty and fifty thousand pounds sterling.

1859 proposed scheme of Transcontinental Railway (Grand Trunk). Company offers to sell out for £1,500,000.

1862 Company transfers stock to International Finance Association which took over and paid for Company shares and issued new stock to the public to an amount which covered a large provision for new capital for extension of business and at a great profit to themselves.

1865 the Annual Report shows:—

Money in investments	£346,601	11	9
Money in trade	743,985	7	7
	£1,090,586	19	4

Return on investments and trade £93,580 1s. 9d.

1869 Company transfers territory to Imperial Government for £300,000 retaining several thousand acres surrounding their posts and two sections of land in every township surveyed during fifty years from the time of transfer.

1861-1874 American Whalers made about fifty voyages. Annual catch $124,000. Eleven years produced 22,241 gallons of sperm oil, 81,265 gallons whale oil, 399,729 pounds whalebone, which sold for $1,371,123. In the year 1864 the catch amounted to $427,637.00.

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1875 Sir John Schultz in House of Commons stated:—"Hudson Bay Company who carried on whaling business in two rivers captured 7,749 whales yielding 768 tons of oil worth upwards of £27,000 in the London market.

1882 Mr. Bannerman, South Renfrew, stated in House of Commons:—"During the last eight or ten years a large and increasing trade has been done in Hudson Bay. By a return to the American Government we find that in 1880 between $600,000 and $700,000 worth of furs, whalebone and oil was exported from Hudson Bay into the United States in foreign vessels. These vessels trade there with the native population without restraint and without contributing to the revenue of this country."

1884 "The steamer "Diana" owned by the Hudson's Bay Company is a refrigerator vessel and is regularly in the trade of Ungava Bay. She takes cargoes of fresh salmon to England where it is sold for from 1s. 6d. to 2s. 6d. per pound. Some of her cargo has been re-shipped to Australia.

1925. Free Press, August.—"The Hudson Bay country is a wonderful district for metals," stated John R. Cadawallader, prospector of London, Ont. "Many United States schooners are in the Bay trading with the natives and they are charging the Indians and the Eskimo many times the value of any article they give in exchange for fur. The Bay is full of commercial fish and that would be a great traffic for the railroads, as it looks as if the Bay could never be fished out."

When it is realized that commercial traffic has been carried on in the Bay for centuries, we can only then begin to appreciate the amount of business that is and has been going on with only limited advantage to Canada. No doubt there are in the Archives of the Government of England, France, United States and Canada, records of vessels and evidence of traffic to and from this source sufficient to convince the most sceptical as to the importance of railway connection with this great region.

CONDITIONS IN HUDSON BAY AND STRAIT

Dr. Bell of the Geological Department, Ottawa, who had spent six seasons about Hudson Bay, testified in 1883 that:—"In regard to the Bay itself there is no date for the opening or closing of navigation, because the Bay is open all the year round, like the ocean in corresponding latitudes. It is strictly correct to say that the Bay is open during the winter. There is a margin of ice along the shallow water but it never extends so far but a man on the beach can see the open water on a clear morning. The rivers falling into the Bay are open for an average of six months. This is amply proved by the records kept at the various posts of the Hudson's Bay Company, on the Bay, and which, being kept by the officials for over fifty years, have been presented to the Canadian Government." He also goes on to say, "The records of the Hudson's Bay Company as presented to the Government in 1880, show that the Hayes' River, at York Factory, for an average of 53 years was open on the 15th of May. The Nelson closes much later than does the Hayes', if indeed it can be said to close at all."

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It is interesting, then to note the comparison between the opening of the harbors of York and Montreal, though a fortnight is here given against York to clear the river and again in the fall when ice first forms:—

	Montreal	York
Opening of harbor	1st May	1st June.
Closing of harbor	25th Nov.	10th Nov.

"This proves conclusively that the harbor at York is open and clear of ice for five and a half months of the year, and that vessels could approach docks between those dates. At a port on Nelson River these dates would be extended." Dr. Bell declares that the temperature of Lake Superior below the immediate surface is 39 deg. Fahr., along the east shore of Hudson Bay it averaged 53 deg. in the summer months. "Bathing in Hudson Bay more comfortable than the Gulf of St. Lawrence." "Sun shines longer there than more southern latitudes." "Bay ice, being light and rotten after it breaks away from the shore offers little obstruction to a steamship."

"The greatest danger and delay from the ice is in the entrance into the Strait for the first 40 leagues, from thence the quantity is less, and they pass on with less difficulty, and after getting into the Bay the north-west side is freest from ice. Since therefore, the greatest danger from the ice is in passing the Strait, and so few accidents have happened in so many years, the navigation, I think cannot be called dangerous. The ice that is formed in Bays and Rivers in winter does not break up until it begins to thaw upon the shores in March and April. Yet even then good pilots know how to avoid it, and get into the eddy tide, out of the current, where the ice is most open, but these difficulties would lessen every day if trade were opened. In the spring 'the ice without the harbor (Churchill) is drove to the sea on April 20th'." (Dobbs 1744).

"On the first of June the trading schooner starts on her trips along the coast to gather up the winter's catch of furs." (W. A. Archibald, 1884).

"As the prevailing winds are from the north or north-west, it is most probable that Gabriel Strait (between Resolution Island and Baffin's Land) will be the one for steamers to take, as they will by that means escape the ice driven by the winds through the main or south entrances. It is stated that sailing ships are not taken in that way because the currents are very strong, and the north shore being very high they are liable to be becalmed and thrown on the rocky shores." (Dr. C. N. Bell.)

Capt. J. Tabor, of New Bedford, says:—"Steamers would have great advantage over sailing vessels, as they could steam inside of all obstruction from ice, water being bold close to shore, tides strong, say six to seven miles, but quite regular."

Professor Hind, Toronto, says:—"The only hindrance to an entrance into and through Hudson Strait early in June arises from the obstruction presented by the two ice streams coming from East Greenland and Baffin's Bay, down the west coast of Davis Strait. It is reasonable to suppose that these ice streams are less encountered late in May or early in June than in July."

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"Fox Channel is the main entrance from the northward. Sir Edward Parry, when on his second voyage in search of a north west passage, says that on the 1st of December, in a bay of Fox Channel, where he wintered, while none of the "old ice" was visible, that part of the sea about them was covered with a very thin sheet of young ice, having spaces of clear water. In June of the following year the ice in their wintering bay, where they sawed it was four feet, and that on that date a good deal of ice was still attached to the land.

"As the ice from Fox channel affords the bulk of what passes through Hudson's Strait, it is important to know from an eminent authority like Farry that as late as June the ice still remained attached to the shores for it is evident that if it is there, it cannot be at the same time bothering ships in the Strait, and it points out, what many men who have been through the Strait early in June have insisted on, that the month of July is the worst of the whole year for entering the Strait, but the floe ice, being more affected by winds than bergs, is acted on by the prevailing northern and north-western winds. There is always open water between the rocks and the great body of ice on the north side.

"Some of the Fox Channel ice may find its way into the bay, but the greater part of it swings to the east when leaving Fox Channel and passes through Hudson Straits into the Atlantic. The ice met in Hudson Bay is formed there and does not come from Fox Channel. . . There is no particular channel through Hudson Straits or Bay.

"The general set of the current through Hudson Straits is from west to east. There is a constant southerly set down Fox Channel swinging to east around cape Dorset and between Salisbury and Nottingham islands joined in the vicinity of this point by the current between Mansel island and cape Wolstenholme. From the east end of the straits part of the Arctic current flowing down the west side of Davis straits enters Hudson Straits by Resolution island and flows west along the north shore of Hudson Straits as far as Big island; at this point this current is met by the current from Fox Channel and Hudson Bay and diverted southward across the Straits to the south shore of Hudson Straits. In other words the current in Hudson Straits may be divided into three movements, the easterly current from the west end of Hudson Straits on both sides as far as Big Island to Cape Chidley. At points these currents attain a great velocity. At some places seven miles per hour at spring tide. They are generally stronger along the shore than at mid-stream. . . There are no icebergs in Fox Channel or Hudson Bay and comparatively few in the west end of Hudson Straits, but numerous in the eastern portion of the Straits. Coming from Davis Straits they enter Hudson Straits on the north side, with the aforementioned current, passing up Hudson Straits on the north side of Big Island; there meeting the eastern flow of the current, they swing across the straits to the south and pass eastward to the Atlantic along the south shore. Bergs are rarely if ever seen west of Charles Island. These bergs originate presumably in Greenland. Field or pack ice only comes down Fox Channel. . . Ice in the Straits

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is drifting field ice although it may be temporarily jammed. (Capt N. E. Freakley, Hudson's Bay Co., Navigation and Marine Superintendent for the Department of Railways and Canals at Port Nelson.)

"The tides in Hudson Straits rise for 30 to 40 feet, and run about six or seven miles an hour, and at every turn, where there is ice, many authorities say that much breaking up occurs, and that steamers could take advantage of this while sailing vessels are at a standstill. (C. N. Bell.)

Capt. Hackland reports that fogs are very uncommon, as the general conditions for producing them are wanting in either Bay or Straits.

Log books of nine American whalers, who have been whaling in the Bay, make only one mention of fogs in the passage through the Straits. The Canadian Government has had meteorological stations at York Factory and Moose Factory and as the observers are the officers of the Hudson's Bay Company, we can take their returns without fear of their being too favourable or the reverse:—

York Factory	
Fogs observed 1876	18
No returns 1877	
Fogs observed 1878	4
Moose Factory	
Fogs observed 1878	6
Fogs observed 1879	17
Fogs Jan. to Aug. return 1880	2

"It would be very interesting to compare this return with one from the lower St. Lawrence. Maury's Physical Geography of the Sea, shows very distinctly that the cold waters from the Hudson and Davis Straits reach down to latitude 45, and east to longitude 40 west before meeting with the Gulf Stream. 'By this discovery we have clearly unmasked the very seat of that agent which produces the Newfoundland fogs.' No such influences are at work in the Hudson Strait or Bay, except possibly where the warm summer water of the Bay mingles with that of the Strait, and it is fortunate that reports show that no trouble occurs at that point from fogs, and that one of the great advantages the Bay offers to navigators is the immunity from them as well as shoals and reefs, the islands and shores showing great depths of water close up."

From Maury's explanation of ocean currents it is reasonable to assume that while congestion of ice and bergs occurs at the meeting point of the polar current and the Gulf Stream, the menace of bergs in the northern region is not so great on account of their being scattered over a larger area before being driven together along the coasts of Labrador and Newfoundland.

Whatever difficulties arise from the conditions of ice in the Bay and Straits at this time, it must be borne in mind that at this particular season of the year and in this region the sun shines much longer than in regions farther south, thus giving almost continuous visibility for observing conditions over a very wide range and avoiding possible dangers.

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The following table shows the different durations of sunlight between Ottawa and Fort Simpson in the same latitude as Hudson Strait:—

	Ottawa	Simpson
Latitude	45″26′	61″52′
Hours sunlight	H. M.	H. M.
May 1	14 18	16 05
June 1	15 16	18 39
June 21	15 30	19 14
July 1	15 24	19 02
August 1	14 32	16 56
August 31	13 08	14 08
Hours sunlight	Hours	Hours
May	456	538
June	462	570
July	464	558
August	423	481
	1805	2398

Fourteen days and six hours extra sunlight is a distinct advantage in favour of the northern latitudes, at a time when ice conditions are reported to be the greatest obstacle to navigation.

RESOURCES OF HUDSON BAY REGION

In answer to the question asked by the Select Standing Committee on Immigration and Colonization in the House of Commons, Ottawa, 4th April 1883:—"In a general way, in the Hudson Bay territories, are there many useful minerals?" Dr. Bell's answer was:—"As far as we know there are, but very little search has been made there. I can, however, mention numerous minerals which are already known to exist. They embrace iron, as hematite, magnetite caly, ironstone and rich manganiferous iron ore on the east main coast, copper in its native state and in various combinations; lead, silver, gold, molybdenum, antimony, manganese, chromium, phosphate of lime, jade, chrysophrase, agate, cornelian, malachite, jasper, serpentine, jet, lazulite, petroleum, asphalt, peat, anthracite, bituminious coal, lignite, limestone, granite, sandstone and sand for glass making, moulding sand, clays, marls, ochres, gypsum, iron pyrites, salt, medicinal waters, sheet mica, soapstone and plumbago. These are all known to occur, many in various parts of the territory, and most of them certainly well worth looking after." Mr. Dickson, formerly in the service of the Company, thus refers to the mineral deposits on the shores of the Bay:—"At a certain point on the east coast of James Bay there is a vein of magnetic iron, so extensive, that, when examined by a practical English miner, in 1865, it was pronounced by that gentleman to be one of the most valuable veins of ore in existence.

Mr. Hoffman, chemist of the Geological Survey of Canada, analyzed a specimen of anthracite from Long Island on the east coast, with the following results:—

Fixed carbon	94.91
Volatile combustible matter	1.29
Water	3.34
Ash	0.35
	100.00

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Mr. Hoffman reported also on the composition of the Moose River lignite as follows:—"A piece of this lignite immersed in water for over three days, remained apparently unaffected; it had not disintegrated nor imparted any coloration to the water. This specimen having been kept in the laboratory for months, may be regarded as having been thoroughly air-dried.

Two proximate analyses by slow and fast coking gave:—

	Slow coking	Fast coking
Fixed carbon	45.82	44.03
Volatile combustible matter	39.60	41.39
Water	11.74	11.74
Ash	2.84	2.84
	100.00	100.00

Hearne, the discoverer of the Coppermine River and later Governor or Fort Prince of Wales (Churchill), declares the season for salmon in the neighborhood of the Churchill River begins at the latter part of June and ends about the middle or latter part of August. Salmon are so plentiful near Churchill River that he has known upwards of 200 fine fish being taken out of four small nets at one tide within a quarter of a mile of the Port. Professor H. Y. Hind says:—"If Hearne be correct in his statement that the season begins the latter part of June, it is a fortnight or three weeks earlier than the season for salmon on the Labrador coast." Professor Hind, who made a study of the geography and character of the Hudson Straits and Bay says:—"The season on the coast of northern Labrador south of Hudson Strait is from six weeks to two months later than the season on the coast of Hudson Bay at and for some distance north of Port Nelson. This is established by the testimony adduced in relation to the approach of fish to the shores wholly apart from other considerations." Besides the whale, cod and salmon fisheries the waters of Hudson Bay and the rivers falling into it contain many excellent oil-producing and edible fish. Dr. Bell reports finding "pike, perch, herring, white fish, sea trout, sculpin and caplin, besides pike, pickerel, carp, chub and speckled trout in their proper waters. White porpoise abound, and the walrus and narwhale are killed in considerable numbers." Hearne says he saw the walrus in such numbers on the sea shore north of Churchill, "that the whole beach seemed to be in motion." He also enumerates "mussels, crabs, starfishes, whilks, periwinkles, cockles, scallops, and many other kinds which are found on the beaches in great plenty."

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Water power is one of the great assets of the North Country. On the Nelson River horse-power is calculated for eleven rapids, and aggregates 6,859,000, divided as follows:—

	Approximate head in feet	H.P.
Limestone rapid	85	1,140,000
Long Spruce rapid	85	1,140,000
Kettle rapid	96	1,290,000
Gull rapid	67	900,000
Birthday rapid	24	320,000
Grand rapid	20	270,000
Rapids above Sipiwesk Lake	31	416,000
Bladder rapid	10.6	147,000
Whitemud fall	30	403,000
Ebb-and-Flow rapid	11	148,000
Rapids above Cross Lake	45	605,000

In addition to these there are water powers on the Churchill, Burntwood and Saskatchewan Rivers.

The most important spread of lands capable of being cultivated, extends westerly from the Nelson River to near Burntwood and Wekusko Lakes, northerly to the southern shore of Southern Indian Lake. The area of the basin thus defined is upwards of 10,000 square miles equivalent to more than six million acres. Though this very large area cannot be described as all agricultural land, it contains about the proportion to be expected in a rolling country, of cultivable upland and valley bottom with interspersed areas of muskeg and tracts that are insufficiently drained. Between May 1st and August 31st, Fort Chipewyan, on Lake Athabaska, less than 100 miles north of Port Nelson has 255 hours more sunlight than Ottawa. This extra sunlight is the means of promoting rapid growth and early ripening of vegetation.

Out of one hundred and eighty million acres of land adjudged to be cultivable in the three western provinces, less than forty million acres are under cultivation. One of Canada's greatest needs is immigration, and the opening up of the Hudson Bay route affording a short haul to the sea will provide an irrisistable attraction to our American friends to come over the line and occupy the rich lands in Western Canada. Give our American friends a chance to get near a seaport and see how quickly they will come in and avail themselves of the opportunities which we have to offer them.

HISTORY OF RAILWAY

One occasion for a railway to Hudson Bay might be said to date as far back as 1753 when Capt. La. Corne planted the first seed in Western Canada on the banks of the Saskatchewan River. This event followed by the successful growth of cereals by the Red River Settlers, and culminating in the shipment of the first car load of wheat to Glasgow in 1877, established the splendid achievement of producing the highest grade

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of wheat then known in the world. Such an achievement could have only one effect—the desire to produce and market in as cheap a manner as possible. The Hudson Bay route was the obvious answer to the problem and accordingly became a matter of intense interest to the people of the West.

On March 1st, 1880, Mr. Bannerman of South Renfrew introduced Bill No. 46 to incorporate the Winnipeg Hudson Bay Railway and Steamship Company. In 1881 Mr. Boultbee introduced Bill No. 28 to incorporate the South Saskatchewan and Hudson Bay Railway Company. In both these cases grants of lands were given to the extent of 6,400 acres per mile. The Winnipeg and Hudson Bay Railway Company proposed to build to Port Nelson, whilst the South Saskatchewan and Hudson Bay Railway had as its objective the port of Churchill. In 1884, Sir J. A. Macdonald introduced a resolution on Tuesday April 15th, as follows:—"That it is expedient to authorize the Governor-in-Council to make a free grant of not more than 6,400 acres per mile in Manitoba and 12,800 acres per mile in the North West Territories in aid of the construction of a railway from Manitoba to the Hudson Bay." He said:—"These two companies have been negotiating, amalgamating, severing and amalgamating again, however that may be, it has been found that unless we made a free grant there would not be a sufficient inducement for capitalists to undertake the construction of such a railway, and the Government thought well to accede to their request that the grant should be a free grant. One thing is clear, that the Legislature and the Government of Manitoba have made up their minds that they must have that railway."

An indication of the confidence in this Western enterprise can be taken from the action of the people of Manitoba through their elected representatives. On May 2nd, 1885, the Government of Manitoba passed an act granting aid to the Hudson Bay Railway to the extent of $1,000,000. In May 1888, aid to the extent of $5,000 per mile, on March 31, 1890, aid to the extent of $3,000 per mile, and on April 18th, 1891, aid to the extent of $1,500,000.

In 1887 the road was built for a distance of 40 miles, north-westerly in the Province of Manitoba, from the old Race track immediately west of Winnipeg and ending in the neighborhood of Shoal Lake, Man. As the result of this railway being built the Manitoba Government handed over bonds equivalent to $1.00 per acre, amounting to $256,000.00 The Government of Manitoba was unable to secure title to the lands and therefore brought action for recovery of the $256,000.00. The projected line of the Hudson Bay Railway and Steamship Company followed the east side of Lake Manitoba and northerly beyond the then boundaries of Manitoba into the North West Territories. The idea as revealed in Sir J. A. Macdonald's speech in introducing the resolution was that the 6,400 acres within the province should be obtained from the land lying between Lake Manitoba and Lake Winnipeg, and when they had passed beyond the boundary of Manitoba that they would then receive 12,800 acres per mile. Construction on the line was stopped on account of

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insufficient funds to carry on and also owing to the fact that the building of the Red River Valley Railway from Emerson to Winnipeg, allowed the Northern Pacific to enter Manitoba, and furnish a measure of competition against the monopoly hitherto maintained by the Canadian Pacific Railway. The project of building to the Bay was more or less less lost sight of for some time. However, about ten years later Mackenzie Mann and Company, who had been successful in railway construction in the West, undertook to build a railway from Gladstone to Dauphin and Winnipegosis, known as the Lake Manitoba Railway and Canal Company.

At this juncture negotiations were concluded with Hugh Sutherland for the acquisition of the Winnipeg and Hudson Bay charter with the result that as soon as the Railway was completed to Dauphin and Winnipegosis they immediately proceeded to build westerly into Saskatchewan one route going by way of Swan River along the Porcupine mountains and westerly to Prince Albert, whilst another route was projected by way of Grand View into what was then the North West Territories.

The reader will recall that the grant of 12,800 acres per mile was to have been obtained from the North West Territories, although the intention of the Government when giving the grant was that the 12,800 acres per mile should be taken from the land in the then North West Territories lying to the north of the boundary of Manitoba. Mackenzie and Mann, however, evidently interpreted the intention differently and proceeded to build into the North West Territories in a westerly rather than north-easterly direction. Roughly speaking they received 5,000,000 acres of land towards this purpose.

These conditions prevailed until after the formation of the Provinces of Saskatchewan and Alberta in 1905. It was upon the formation of these Provinces that the demand for the Hudson Bay Railway again became insistent, with the result that the Hon. Frank Oliver, on behalf of the Government of Canada, entered into an agreement with Mackenzie and Mann, to the effect that, if they would relinquish further claim in respect of the Hudson Bay charter, and that if they would build from a point on the Dauphin-Prince Albert line to the Saskatchewan River, that the Government would set aside, and sell, sufficient homestead and pre-emption lands to complete the railway from the Saskatchewan river to the Hudson Bay. Mr. Hudson, June 5, 1924, refers to this in the following terms:—"The statutory provisions impressing the character of a trust upon moneys derived from the disposition of certain Dominion Lands, for the purpose of the Hudson Bay Railway, is found in the statutes of 1908, chapter 20, section 28. As you will observe, this statute does not expressly recognize the trust, but the discussion in Parliament at the time the act was under consideration clearly shows that this was the purpose. You will find this discussion in the 1908 Hansard, volume 6, page 11, 125, and if you will refer particularly to page 11, 129, you will find Hon. Frank Oliver's statement outlining the position. In short, it is this, that, up to that time there had been a standing statutory provision in force for very many years, providing for a statutory grant of 12,800 acres per mile for the construction of a railway to Hudson Bay.

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"Mr. Oliver took the position that this statutory provision was in the nature of a mortgage upon all the undisposed of lands in the north-west, for the purpose of obtaining the construction of the railway. His language on page 11, 130, is this: 'There is, as it were, a mortgage standing against the lands of the northwest in respect to aid to a railway to Hudson Bay The necessity of such an outlet is greater than ever before, and is more impressed on the minds of the people than ever before. Therefore, in wiping out the mortgage upon the lands on behalf of a railway to Hudson Bay, if we undertake to do as we propose in this act, it is necessary that we should place something in its stead, and that is the proposition that I desire to lay before the house.'

"Then lower down on the same page: 'I have said that it was necessary to provide in some way for the construction of a railway to Hudson Bay, and when we were wiping out the liability as it might be called, against the lands of the west, it was necessary that we should make some other adequate provision to meet the case.'

"Again: 'We believed that by the revival of this privilege we would create a new source of revenue to the Dominion treasury that would be adequate to meet the responsibilities which would have to be assumed by the construction of a railway to the Bay.'

"On page 11, 138: 'But I am insisting on the pre-emptions provision as a means of ensuring the early building of the railway to Hudson Bay.'

"On page 11, 148, Mr. Oliver goes on to discuss the probable cost of the railway and estimates that $15,000,000 would be sufficient.

"At the foot of page 11. 150, he states 'WE HOPE BY THIS PROPOSITION TO BE ABLE TO SECURE THE EARLY CONSTRUCTION OF THE RAILWAY, AND WE HAVE EVERY CONFIDENCE THAT THE BURDEN UPON THE GENERAL TREASURY OF THE COUNTRY WILL NOT BE THEREBY INCREASED TO THE AMOUNT OF ONE CENT.'

"On page 11, 152, near the foot, he says: 'At the same time we propose to relieve the mortgage, so to speak, which today lies against the 6,500,000 acres of land of the northwest in respect of the Hudson Bay Railway. As long as that provision remains in the statute books, it is a notice by Parliament to the world that, in the estimation of Parliament, it is a proper policy to grant 6,500,000 acres of land in order to construct a railway from the Saskatchewan to Hudson Bay. That is not in accord with the policy of this government, nor is it in accord with its administration, but by passing this bill, we relieve ourselves of any claims, past or present or future against that 6,500,000 acres.'"

Mackenzie and Mann accordingly built a line from Hudson Bay Junction to the present site of The Pas on the Saskatchewan River.

The Government then proceeded to make surveys and let contracts for the construction of a line from the Saskatchewan to Hudson Bay. Mr. W. A. Bowden, chief engineer, Department of Railways and Canals says:—"The surveys demonstrated that a very easy line could be got to Port Nelson; that a line having heavier construction over a conisderable area, and also necessitating a considerable stretch of construction across the tundra,

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could be got to Churchill. By tundra, I mean that character of country in which the moss is practically submerged in water—a small skin of moss overlaying a lot of semi-liquid peat which in turn rests upon perpetually frozen material of depth unknown and is made up chiefly of water. The construction to Churchill meant a longer line. Nelson had the obvious and positive advantage of being a shorter line. The difference is anywhere from 67 to 82 miles. The same line would be used to a certain point on the route from which the branches would turn either to Nelson or to Churchill. The actual final determination between the two did not take place until August 1912. The call for tenders was made on alternative routes. Our estimates showed the Nelson line to be about $3,000,000 cheaper than the Churchill line. The contractor's tender was about $4,000,000 more for the Churchill than the Nelson.

"In view of the difference in the tender costs there was a strong preference for Nelson—there were other reasons. The expenditure on the Hudson Bay system is not for the purpose of furnishing protection for vessels, but to get the grain overseas as cheaply as possible, and the extra length of line to Churchill, with its consequent extra cost of maintenance, would offset a very considerable capital expenditure at Nelson. For 10,000,000 bushels development Churchill would be cheaper than Nelson; but for twenty-five or thirty millions Nelson terminals would cost less than Churchill. The railway has an advantage of four millions and operating preference is all in favour of Nelson.

"The route is not adding to our congestion on the seaboard but is really giving us an addition to the spout from the western provinces, it is of real advantage to the west and relieves the transcontinental roads of a substantial amount of traffic during the season of congestion. A very moderate volume of traffic would pay operating expenses if the full existing through rate was equitably divided between the railway and the steamships."

"I believe in the feasibility of the route. The route would do for grain and livestock going out, coal, structural steel and package freight coming in. Practically the size of the vessel is determined by the capacity of the port."

"I have always considered Nelson the better terminus. Armstrong favoured Nelson from 1912, but I am quite willing to take my share of that responsibility. . . . . The actual construction was not further than fifty or sixty miles out of Le Pas when the contract was let for Nelson. Churchill was not rejected as impossible for railroad construction. Churchill was rejected on purely commercial grounds, such as mileage, which apart from operating cost in the future means a definite increase in the cost of the railway. And for a large harbor development Nelson would outstrip Churchill anyway. You would be passing up a good port to go to an inferior port. By an inferior port I mean requiring a larger expenditure of money because for a large development Churchill would actually cost more than Nelson. For a small development Churchill would be cheaper than Nelson. But the extra cost of the railway would destroy that advantage and the extra rail haul of the grain remains in perpetuity."

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The Government of Sir Wilfrid Laurier succeeded only in constructing a bridge across the Saskatchewan River when a change of Government took place. After investigation by the Borden Government the line was continued and the selection of Port Nelson as a terminus confirmed. Work proceeded until 1918 when instructions were given to suspend operations. In 1922 instructions were given to tear up the rails. This act roused such a storm of protest in the West that the order was withdrawn. Some time later propaganda was put forth discrediting this project which resulted in intensifying the determination of Western people for the route to be completed. An Association was formed to give expression to public opinion. This Association has carried on with the result that public opinion in the West has found expression in meetings, resolution, letters to representatives and a petition to the Government of Canada which has already been signed by more than 150,000 people in the West.

An inquiry in the House of Commons, as to the cost of the Hudson Bay Railway and Harbor, in May 1924, elicited the following information:—

Mr. Tobin:

1. What was the total cost of the Hudson Bay Railway on the 31st March 1924?

2. How much money did the government receive from the sale of lands, the proceeds of which were to apply to the construction of the said railway?

3. What will be the probable cost to finish the said road?

4. Are there any other available lands which could be sold in the said territory, the proceeds of which could be applied to finish the road?

Hon. Mr. Copp:

1. $14,459,941.26, capital expenditure to March 31, 1923. Expenditure to March 31, 1924 is not yet available.

2. There was no specific authority under the Dominion Lands Act, 1908, for the sale of land for the purpose of Hudson Bay Railway construction, but pre-emptions and purchased homesteads were sold under the provisions of the said act. The net amount collected on account of pre-emption sales up to March 31, 1924, was $15,984,134.89, from purchased homesteads $3,145,421.84, a total of $19,130,556.73.

3. $6,250,000 (estimate) exclusive of terminals or harbor developments.

4. By order-in-council of the 16th March, effective 20th March, 1918, P.C. 651, pre-emption and purchased homestead provisions of Dominion Lands act were suspended and these provisions were subsequently deleted from the act by the amendment of 1918, chapter 19, section 28.

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Mr. Hudson member for Winnipeg, May 25th 1925, enquired in the House of Commons, Ottawa, as follows:—

Mr. Hudson:

1. What was the total area of land disposed of as pre-emptions under the provisions of the Dominion Lands act passed in the year 1908?

2. What was the total price for which these lands were sold?

3. What amount has actually been received in respect of the sale of these lands?

4. What is the total expenditure to date (a) for the construction of the Hudson Bay Railway (b) for the Harbor works at Port Nelson?

Mr. Copp:

1. 12,763,000 acres approximately including entries since cancelled.

2. $38,289,120 approximately.

3. To March 31st, 1925, $16,312,959.95.

4. The expenditure to March 31, 1925, for the construction of the Hudson Bay Railway was $14,902,571.17 and for the Harbor works at Port Nelson $6,244,599.49.

In Mr. Hudson's enquiry there was no mention of homestead sales, but taking the figures in Mr. Tobin's enquiry, which drew the information that over three million had been collected on this account, it is accordingly revealed that the Government of Canada has collected over nineteen and one half million dollars and expended approximately fifteen million dollars, leaving on hand a cash balance of about four and one half million dollars. Moreover, there still remains uncollected, on account of pre-emptions alone, almost twenty-two million dollars and to this twenty-two million dollars should be added the amount collectabe on account of homestead lands, which figures were not asked for and consequently not given. No doubt enquiry will reveal that approximately fifty million dollars worth of land has been disposed of with the primary purpose of furnishing funds to pay for the building of a Railway to Hudson Bay.

PORT NELSON

The conditions at Nelson are described by Mr. J. B. Tyrell, mining engineer, who says:—"Nelson harbor is a shallow V-shaped basin of water, with the water flowing over a bottom of hard, stony clay. There is no bar at the mouth of the Nelson. The bottom all across the mouth is hard, stony clay, with a few boulders lying on it. That extends right up into the V-shaped basin, so that if one dredged a straight channel down into the stony clay, it would stay dredged just as long as you wanted it. It would not fill in. The current and tide would keep it quite clear. It would be more inclined to scour. . . The ground is hard, stony clay. It is very hard and is swept smooth and clean by the water. It extends to the channel on the east side and I am satisfied that it extends underneath the channel and that it can be dredged easily. . . There is no silt in the Nelson river except what is broken down by the storms from the northwest bank of the estuary. The upper portion of the stream is a fairly clear-water river that does not bring silt. The river current is rapid and the tide ebbs and flows very fast.

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"With aids to navigation, and a reasonable amount of dredging that could be made a good safe channel. Of course, across the wide mouth of the Nelson river you have very shallow water, so that when there is a storm, even a northeasterly storm, the waves break on that shallow bottom far out, so it is hardly fair to say that you get the full forces of the storm in the harbor. You do not. The breakers are far out. The storm has spent itself by the time it gets in."

Capt. Anderson, chief hydrographer (Senate Report 1920) says:— "Port Nelson is as good a port as you can get there. . You could put fifty ships in Port Nelson. . . Personally I think Port Nelson is the better place for a harbor. A boat with 20ft. draught will go into Nelson. The channel is a quarter of a mile wide, and mud flats are all dry at low water and nothing but channel is left. It is about half a mile wide. . .Hudson Straits are never frozen over."

With respect to the work of constructing a harbor at Port Nelson, chief engineer McLachlan's evidence before the Senate Committee is herewith quoted:—"There is a natural channel running up and down the axis of the estuary. . . In the natural channel the surface is paved with stones. . . It is always one stone deep. . . Once we got to the edge of the natural channel we knew we were getting to the ships anyway and we knew we could get a good foundation. . . Our terminals contemplate keeping a ship even when it is lying against the wharf, lying like a ship at anchor.

"We have a bridge about two thirds of a mile long built from the shore out towards the natural channel. Then we have an island. . . nine thousand feet is the length of the island. . . taking 450 feet for a boat so as to work it out evenly there would be accommodation for twenty ships. This is my proposed scheme at the present time. The island is half a mile long now. . . The island will be built of timber crib work. It will have 30 feet of water at low tide, 50 feet at high tide. On the front face it will be about five hundred feet wide with a retaining wall at the back and we will fill it in with dredging as far as we can. We built the front with cribs the same as they do in Quebec or Montreal. We propose to found there deep water wharves on the edge of the old natural channel. . . Our cribs will be founded on hard pan but we will have little or no hard pan to excavate. That has all been carefully studied and this wharf built so that there will be very little hard material to be dredged. None of the deep water wharves are built.

"I consider that we deserve a great deal of credit for being able to build the bridge. It has been in place for three years and the ice has never moved it. . . .

"At Port Nelson we have a dry dock 200 feet long and 46 feet wide. . .

"I will not say there is no silt coming down the river, because the whole place is muddy, but I do not believe there is any change occurring in that estuary; I believe now, it is the same as it has been and will be the same a hundred years from now.

"The current varies. It is about three knots in the channel opposite our works. I know that eight miles out from the island the maximum current on ebb is about five miles an hour. Ten miles out the current is 5-7 miles an hour and eleven and a half miles out it is seven and a half

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miles an hour. At thirteen miles out where the current reaches its maximum it is eight miles an hour. From there on it gradually gets less and from there to the ocean it gets less all the time. . .

"The average tide of the island during the neap week would be eleven feet. The average tide at the island for spring week would be about fifteen feet. . We have had a twenty foot tide at Nelson caused by wind.

"There is a long deep hole 6 miles long. In one place the water is 90 feet deep. . . The deep hole extends from mile 8 to mile 13. . At mile 8 in the deep hole the width is already about twelve hundred feet. . . At the upper end the width of the deep hole is about 2,700 feet. . . . The whole ground is considered by marine men to be good. . . The present channel between the ocean and Quebec is 1,000 feet wide.

"Ice comes down from the west coast. It comes apparently from the northern section of the bay and keeps dirfting south and finally melts away.

"The original channel on the charter, that is Captain Anderson's charter we were using until we knew better, or in the absence of better information. . . . Last winter we knew that the charter which was prepared and published was not right and we went back and thoroughly surveyed the entrance to Port Nelson all over again, with the result that we got the channel in a different place from the one shown on the charter. The result is that we effected a great improvement in the entrance to Port Nelson. We now have a channel there that has 20 feet of water at low tide. That means that when you have the height of the least tide to be expected you get a channel that is 33.7 feet deep. . . The channel I got this summer enables us to navigate within 12 miles out. . . The channel that we found this summer has a direction which really leads to the shore more quickly than the channel coming straight up the estuary would lead and we can build a beacon on shore and another one behind it a mile or so that will probably be about 90 or 100 feet high, and we can see those from deep water in Hudson Bay. . . The great advantage of the new channel found this summer is that at first it leads towards one shore and then towards the other and finally up the centre of the estuary, so that beacons can be built on shore so close that a ship can see the first pair and steer towards them keeping them in range until the second pair comes in line and then along these until the third pair come in line and then up towards these until well into the estuary.

"Beacons can be built that can be seen from deep water in Hudson Bay into our works at Nelson without using buoys at all, and that would lengthen navigation.

"You can come into Port Nelson at any time; you can see the beacons we have on shore or the beacons that we will build. . . As long as there is no fog I do not see that there will be any danger in navigating up through the channel.

"The amount of dredging we have done at Nelson is inconsiderable with what we have to do. The equipment we had at Nelson was not at all suitable for the work we had to do. For years, ever since the war broke out, we have had the greatest possible need for a couple of dipper dredges and the Government would not buy them. They said the war is over and we do not want in incur additional expense at present. The result is that we have been fiddling with the matters of dredging and we have not made any real attempt.

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"For any work we do at Nelson we can employ men six and a half months and do it pretty cheaply, but when we have to go out in the water it is quite different. . . Work at Nelson has to be done at the same time as the harvest in the Northwest. . . If we had the railroad you could probably employ men just as is done for harbor."

The Dominions Royal Commission in 1917 after hearing evidence in all parts of the Empire from practical shipping men and naval architects recommended that the approaches and harbors of the chief ports of Eastern Canada should be given a working draught of thirty-eight feet. Unlike Montreal, which is practically an inland port and where the deepening of the channel requires excavating for a distance of 226 miles. Port Nelson is a tidewater port and the character of material to be dredged is readily adaptable to any desired depth. Mr. J. B. Tyrell testifies "that if one dredged a straight channel down into the stony clay, it would stay dredged just as long as you want it."

SUMMARY

Conditions pertaining to the Hudson Bay route may be briefly summarized:—

Practically continuous navigation of Bay and Straits for over 250 years involving a traffic in merchandise and resources from which Canada derives little or practically no benefit.

Resources in fisheries, furs, minerals, lands, timber and water powers awaiting commercial and industrial development.

A seaport in the centre of Canada.

A short route from the centre of production to world markets.

An all year sea route subject to ice hazard during the month of July when almost complete visibility prevails.

An International Highway for world commerce.

A natural (not subsidized) incentive to immigration.

A means to give full effect to a Canadian trade policy.

An incomplete railway and seaport bought and more than paid for, but not delivered.

Approximately fifty million dollars worth of Western Canada lands sold for the specific purpose of building a road to Hudson Bay. Twenty million dollars collected—about fifteen million dollars used—about five million dollars in the possession of the government—and between twenty five and thirty million dollars outstanding and collectable.

Twenty five thousand dollars per mile is considered a fair estimate for railway construction. This includes grading, laying steel, water tanks round houses, etc. In this case, however, the grade is finished so that this estimate could be properly reduced to a lower figure, say $20,000 per mile. We then have 92 miles to complete at an estimated cost of $1,840,000, which would still leave a substantial balance to the credit of the road in the hands of the Government, and the collectable amounts utilized for the further purposes of placing the route in first class condition to accommodate traffic.

Millions of dollars of material and equipment such as ties, rails, bridges tanks, stations, storehouses and stores, dwellings, locomotives, steam shovels, dredges, ships, steam and motor boats, etc., all lying idle and wasting—a decaying monument to the infidelity of our public men.

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The history of the western provinces has been throughout a struggle for a proper appreciation of their intrinsic worth. The dominant eastern forces on the other hand have invariably regarded the west as a convenient scene for exploitation. The value of western resources and production cannot always be so regarded and some day the ugly sisters will realize that "Cinderella" has captivated Prince "Capital" who will enthrone her in her rightful position.

In language that applies equally well today, Mr. W. F. Luxton, Editor, Free Press, wrote May 6, 1886:—"This project is the bright hope of the Canadian Northwest. Compared with it, may other most important things are insignificant. It is nature coming to disperse the barriers which she herself has raised. Our natural disadvantage is that our land is too remote from the sea coast and the markets of the old world; our wonderful natural advantage is that in Hudson Bay we have a sea coast near at hand, and via Hudson Bay we have a shorter route to the old world than that of our neighbors in the east. While nature has placed us far inland, in the very centre in fact, of the broadest portion of the Continent, she has placed near at hand the great inland sea that will solve the difficulties of our position. Our lands are the most fertile in the world, and the opening of the Hudson Bay route must instantly bring us as near to European markets as are the Provinces in the east or the States to the south and east. The prospect is magnificent! No more exciting offer was ever held out to any people than that which is now extended to us by the Hudosn Bay Railway and the great natural privileges with which it is to connect us. Let us see to it that no man dares to oppose this great country in this its great desire."

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GENERAL MANAGER

DIRECTION OF
UNITED HOTELS
OF AMERICA

King Edward Hotel

THE UNITED CHAIN

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HAMILTON, CAN.	ROYAL CONNAUGHT	ERIE, PA.	THE LAWRENCE
WINDSOR, CAN.	PRINCE EDWARD HOTEL	FLINT, MICH.	THE DURANT
WORCESTER, MASS.	THE BANCROFT	HARRISBURG, PA.	THE PENN-HARRIS
ALBANY, N.Y.	THE TEN EYCK	TRENTON, N.J.	THE STACY-TRENT
UTICA, N.Y.	HOTEL UTICA	NEWARK, N.J.	THE ROBERT TREAT
SYRACUSE, N.Y.	THE ONONDAGA	AKRON, OHIO.	THE PORTAGE
NEW YORK CITY.	THE ROOSEVELT	SEATTLE, WASH.	THE OLYMPIC

PHILADELPHIA, PA. THE BENJAMIN FRANKLIN
NIAGARA FALLS, CAN. THE CLIFTON OPEN MAY TO SEPTEMBER

UNDER CONSTRUCTION

PATTERSON, N.J. THE ALEXANDER HAMILTON. NIAGARA FALLS, N.Y. THE NIAGARA
ST. JOHN, N.B. THE ADMIRAL BEATTY

P. K. HUNT.
MANAGER

Toronto,
CANADA

9. 11. 25

Dear Mr Meighen

I am leaving for the west tonight—

I was going to send the enclosed telegram but thought better to enclose under cover—

You will note they are vital questions but ones that have to be answered all over Canada and particularly in the west.

You understand them all too well but I would appreciate your reply in the quickest possible time realizing how busy you are but to help in the fight I must have information that will assist the people to think & act intelligently & I am going to talking facts more than words & think our people to day are looking for men with facts rather than cheap talk & oratory.

Yours Sincere Good Wishes Ralph H. Webb

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CANADA

075252

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 2G

NIGHT LETTERGRAM

J. McMILLAN, General Manager of Telegraphs, Montreal.

Sent No.	Sent By	Rec'd By	Time Sent	Time Filed	Check

Send the following night lettergram, without repeating, subject to the terms and conditions printed on the back hereof, which are hereby agreed to.

9.11.25

Hon. Arthur Meighen
Ottawa

For vital information s/g What is your stand on two million dollars for immediate completion of Hudson Bay Railway stop Talked in Montreal Yesterday they are behind the completion based on my talk s/g were against because they did not know the truth about the question of what the west wanted s/g They are prepared to wait on you to urge its completion if you have any doubt and want me to get an answer from you and I want it for the west stop

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075253

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 2G

NIGHT LETTERGRAM

J. McMILLAN, General Manager of Telegraphs, Montreal.

Sent No.	Sent By	Rec'd By	Time Sent	Time Filed	Check

Send the following night lettergram, without repeating, subject to the terms and conditions printed on the back hereof, which are hereby agreed to.

What about Tariff Commission (Stop) Immigration - Commission (Stop) Natural Resources Commission the West are solid for those and so will the other provinces because it is a safe and better plan and cannot help having the support of the masses and business men and I have to answer those three important questions and so will most all of the candidates (Stop) Will you reopen the Railway Commission Vancouver Rate decision (Stop) Portland Maine versus Halifax and St. John (Stop) Pension Board personnel vital factor with the Returned Men (Stop)

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075254

Rep

Enroute, September 14, 1925.

Dear Mr. Webb:

I received your letter of the 9th. As respects the Hudson's Bay railway, if convinced by dependable offivers that two million dollars will as you say complete the Hudson's Bay Railway and put it into a condition where the feasibility of the road as a practical shipping channel can be given a reasonable trial I would not hesitate to discountenance further delay and proceed to get the road completed. In any event the enterprise cannot stay in the incomplete and utter indefensible condition it is in now.

We are certainly not in a position in Canada to commit the country to large sums for new ventures or even for works now under way that can well afford to stand, but as respects the Hudson's Bay railway the sum you mention, while certainly substantial, would not be witheld by the general will of the Canadian people if convinced that this sum will actually give the practicability of the Hudson's Bay water route a real and fair trial. If, however, should the money required for this purpose turn out to be a very substantially larger amount the time at which we could undertake to

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to complete the road would have to wait along with other public works until we could as a country afford, in fairness to ourselves, to incur the obligation.

You ask also in your letter as to re-opening certain matters before the Railway Commission. What would be possible under the law in this regard would depend entirely on the circumstances which the decision was arrived at. No Government of which I ever will be head will be permitted to bring political pressure upon the Commission. Its status as a judicial body must be scrupulously respected.

Referring to your further question, I may say that any government with which I am connected will strive to the uttermost by every legitimate means to carry Canadian products wholly through Canadian ports.

Yours very sincerely,

Ralph H. Webb, Esq.,
Mayor,
Winnipeg, Man.

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Citizen Ottawa Sept. 24/25.

075256

SAY SYNDICATE READY TO TAKE OVER H. B. ROAD

Winnipeg-St. Boniface Combination Willing To Put Private Capital Into Incompleted Line.

ASK WATER POWER TO OPERATE TRAINS

Grain Interests Said To Have Man In Ottawa Pressing Application.

(Canadian Press.)

WINNIPEG, Man., Sept. 23.—The following story appears in the news columns of the Winnipeg Free Press today:

"If the Dominion government will hand over the Hudsons Bay Railway as it now stands, from Hudson Bay junction to Port Nelson, along with any improvements that have been made for shipping facilities, a Winnipeg-St. Boniface syndicate will complete the road with private capital, according to an offer now before Hon. George P. Graham, minister of railways.

"The syndicate has offered to put up a million dollars as a guarantee of its good faith. The road would be completed within two years of the signing of the contract.

Seek Hydro Power.

"The syndicate seeks the following from the government:

"1. Water power rights on the Nelson river to develop electric power to operate trains.

"2. A four-year agreement for running rights over the Canadian National Railway tracks from Winnipeg, Portage La Prairie or Brandon, to Hudson Bay Junction.

"3. The right to change the terminus to Fort Churchill if thought advisable.

"The syndicate offers to provide a railway pier at the terminus at which vessels drawing 35 feet of water would be able to load safely or discharge cargo.

"Winnipeg grain interests are said to be interested in the syndicate which has had a man at Ottawa during the last week to press the application."

NOT OFFICIALLY RECEIVED.

"No such application has yet been received," it was officially stated at the Department of Railways and Canals last night, in commenting on the report that a syndicate had offered to take over the Hudson Bay Railway and complete it.

Hon. Geo. P. Graham, minister of railways and canals, has been absent from Ottawa for some time, and may not return here for a week or ten days.

It is understood that Mayor R. J. Swain, of St. Boniface, Man., has been seeking an appointment with the minister of railways, and now has a tentative engagement with the Prime Minister who returns to Ottawa today from his Maritime campaign tour.

13

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075257

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T.D. 1

TELEGRAM

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

1925 SEP 28 PM 11 18

MU711 58 PD NL NL

REGINA SK 28

RT HON ARTHUR MEIGHEN

CARE N K BOYD ESQ WINNIPEG MAN

1798

HAD PRESENTED TO ME TODAY FOR SUBMISSION TO YOU STRONG RESOLUTION ON HUDSONS BAY RAILWAY PASSED AT ON TO BAY MEETING HERE STOP FORWARDING ORIGINAL RESOLUTION TO YOU AT SASKATOON STOP SIMILAR RESOLUTION BEING PRESENTED KING TOMORROW AND EXPECT STATEMENT FROM HIM TOMORROW NIGHT STOP CAN YOU MAKE STATEMENT TOMORROW NIGHT TO PREVENT ANY ADVANCE STATEMENT BY HIM

M A MACPHERSON

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Libs in power 20 yrs
Never built a yd of N B
Ry – we buy all that
has to be built & we
will finish it

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ARCHIVES PUBLIQUES
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075258

M. A. MacPherson, LL.B.
BARRISTER, SOLICITOR, NOTARY PUBLIC

408 WESTMAN CHAMBERS
REGINA, SASK.

September 29th, 1925.

Right Honourable Arthur Meighen,
c/o F.R. McMillan, Esq.,
Saskatoon, SASK.

Dear Mr. Meighen:

I wired you last night relative to a Resolution handed to me by the "On-To-The-Bay" Association of Canada. This Resolution I now enclose.

I notice that Mr. King has made an announcement on this question which is typical.

Yours faithfully,

MAM/LR.
Encl.

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075259

"On-To-The-Bay" Association of Canada

SOUTH-EASTERN SASKATCHEWAN DIVISION

OFFICERS:
Lt. Col. F. J. James, *Chairman*
Hon. Geo. Langley, *Vice Chairman*
M. A. McPherson, *Secretary*
J. J. Galloway, *Treasurer*
Alderman H. Perry
W. M. Van Valkenburg
Lt. Col. A. C. Garner
Geo. Edwards, *Pres. S.G.G.A.*
C. J. Watson, *Pres. Regina Board of Trade*
T. F. Thomson, Nokomis

Divisional Headquarters,
1838 Hamilton St.,
Regina,

Copy of a Resolution carried unanimously at a meeting of the Members of the Southeastern Saskatchewan Division of the "On-To-The-Bay" Association of Canada, City Hall, Regina, September 25th, 1925.

That this Southeastern Saskatchewan Division of the "On-To-The-Bay" Association of Canada, in Annual Meeting assembled in the City of Regina, on the 25th day of September, 1925, declares:

"That whereas the Government of Canada granted the Hudson Bay Railway and Steamship Company 6,400 acres of land per mile within the Province of Manitoba, and 12,800 acres per mile within the Northwest Territories, which now includes the Provinces of Manitoba, Saskatchewan and Alberta.

And whereas the Government of Canada sold Homestead and Pre-emption lands inthe Provinces of Manitoba, Saskatchewan and Alberta, in addition to the aforementioned Grant for the express purpose of providing funds to build a Railway from the Saskatchewan River to Hudson Bay."

And whereas Honorable Frank Oliver, Minister of the Interior stated in Parliament - "We hope by this proposition to be able to secure the early construction of the Railway and we have every confidence that the burden upon the general treasury of the country will not be thereby increased to the amount of one cent. "

And whereas the cost of the Hudson Bay Railway is more properly a credit to the Provinces of Manitoba, Saskatchewan and Alberta, rather than a charge against the people of the Dominion of Canada, therefor be it resolved that this Association reiterate its earnest demand that the work of completing the construction of the Hudson Bay Railway should be resumed forthwith and the project carried to completion without any further delay."

That the above resolution be transmitted to the Right Honorable Arthur Meighen, with the request that he, at his next meeting, in the City of Regina, make public pronouncement as to whether, in the event of his party being returned to Ottawa, he will pledge himself and the Conservative party to at once take steps to carry out the wishes expressed in the above resolution.

Major McPherson -
This is also going forward to the Right Honorable W. L. Mackenzie King and Robert Forke, Esq.
Please see that the Right Honorable Arthur Meighen receives this resolution.

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075260

Portage la Prairie,
September 30, 1925.

Dear Major MacPherson:

Your wire of the 28th was received yesterday. The Prime Minister, however, had made his Hudson's Bay statement the night before at Neepawa. Quite characteristically of this Government completion of the Hudson's Bay Railway is not to follow as a matter of right and sound public policy, but merely as a matter of an election bribe. A more sordid and unblushing piece of electoral corruption can hardly be conceived and I wonder how the West will feel about it. I do not intend to compete with him in a contest of this kind, but will only say the Hudson's Bay Railway will be completed by a Conservative government.

Yours sincerely,

Dictated but not read

Major M.A. MacPherson, M.L.A.,
Regina, Sask.

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Calgary Herald Sept 30/25

075261

FURTHER FLOW OF MONEY PROMISED

PREMIER KING has made his first bid for votes in Western Canada by promising if returned to power with sufficient majority to build the Hudson Bay railroad.

Mr. J. T. Shaw assured the people of Calgary at his meeting at the King Edward school Monday night "he is the same as before." Just what does this mean?

If Mr. Shaw is the same as before, he will support Mr. King in this promised expenditure for the Hudson Bay line. Is there any reason to doubt this? Mr. Shaw's admitted record of voting for King government expenditures provides ample cause for such belief.

He was asked by the chairman of his own meeting if he had voted for the Prince Rupert elevator. He replied that he had.

He was asked if he had voted for certain other expenditures and he made the same reply.

Every person in these parts knows that the Vancouver elevators are not being utilised to their present capacity and that there is no need whatever for another elevator at Prince Rupert. But Mr. Shaw by his vote helped to put this appropriation through. The appropriation is $1,300,000.

The Montreal harbor is equipped to care for far more traffic than it is getting and it has kept up interest payments to the Dominion on money advanced to it. The port of Quebec owes the Dominion $20,000,000 on which it has never paid a cent of interest in years, but the King government voted $5,000,000 more to this port—not government money, the people's money—although Montreal is well able to care for all the traffic going that way.

Hon. Mr. King, hunting for support in the West, blithely promises to spend millions more of the people's money on the Hudson Bay road. Until the route via Vancouver and Fort William is blocked and shipments from the West held up, not one cent of this expenditure at Prince Rupert, the Hudson Bay, or Quebec is required.

The Herald leaves this matter to the judgment of the people. This paper submits that there has been no interference with the free flow of grain East or West sufficient to justify spending several millions of dollars at Prince Rupert, the Hudson Bay and Quebec. Without definite need of such additional facilities, Mr. Shaw and Mr. King had no right to vote millions of public money for the Prince Rupert and Quebec enterprises, and plans for spending more millions on the Hudson Bay line are inexcusable.

Will Mr. Shaw also say whether he voted for or against the King government's appropriations of many millions of dollars for a new bridge at Montreal, which is not needed, and for viaduct improvements at Toronto, which can wait?

With the necessity of economy so great, are the people of these parts going to vote for candidates accepted as his supporters by Mr. King, with the appalling record of spending which the King administration has and with Premier King's new pledges of other enormous expenditures?

13

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CANADA

075262

note

On train,
October 8, 1925.

98

Dear Major MacPherson:

I duly received your letter of September 29th with enclosure of resolution of the On-To-The-Bay Association. Will not likely omit this matter at Regina, but would suggest you mention it to me before the meeting.

Yours very truly,

Major M.A. MacPherson,
408 Westman Chambers,
Regina, Sask.

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CANADA

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 1

TELEGRAM

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

~~xx~~ #1 81-13 exa NL

Winnipeg Oct 8th.1925.
Via Vancouver B.C.Oct 9-25

Rt-Hon Arthur Meighen
On No.4.enroute.Exshaw Alta.

If returned to power would you provided that the Government could not immediately see its way clear seriously consider proposition for private capital to take over Hudson Bay Railroad at fair valuation and to complete same to Port Nelson providing the countrys interest were absolutely safe guarded and provision made to enable the Government to take over the line complete within a given period at fair valueation if so desired.

Joseph Myers.
Conservative Candidate for Nelson Const,
Royal Alexandria Hotel Winnipeg.

1050

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CANADA

FORM T.D. 2 X.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

TELEGRAM

CABLE CONNECTIONS TO ALL THE WORLD

TIME FILED

0752 64

CHECK

J. McMILLAN, General Manager of Telegraphs, Montreal.

Send the following Message, subject to the terms printed on the back hereof which are hereby agreed to.

On Train,
October 10, 1925.

Joseph Myers,
Royal Alexandria Hotel,
Winnipeg.

Personally consider completion Hudson's Bay Railway as Canadian obligation to West, but if provinces to secure more expeditious completion willing undertake work or if they favour private company doing so would consider fair proposal conserving public interest.

Arthur Meighen.

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CANADA

075265

"On-To-The-Bay" Association of Canada

SOUTH-EASTERN SASKATCHEWAN DIVISION

OFFICERS:
Lt. Col. F. J. James, *Chairman*
Hon. Geo. Langley, *Vice Chairman*
M. A. McPherson, *Secretary*
J. J. Galloway, *Treasurer*
Alderman H. Perry
W. M. Van Valkenburg
Lt. Col. A. C. Garner
Geo. Edwards, *Pres. S.G.G.A.*
C. J. Watson, *Pres. Regina Board of Trade*
T. F. Thomson, Nokomis

Divisional Headquarters,
1838 Hamilton St.,

Regina, October 13, 1925.

Memorandum to Right Honourable Arthur Meighen.

Re: Completion of Hudson Bay Railway

The members of the On-To-The-Bay Association would greatly appreciate a statement from you at your meeting in the Stadium, Regina, October 13th, that if a Conservative Government, of which you are the head, is returned to power you will complete the Hudson Bay Railway and take up the work as soon as Parliament reassembles.

We feel you are thoroughly justified in entering into this undertaking as there are many millions still to collect from the sale of Western lands set aside to build this road.

This country has been promised the Hudson Bay Railway by both political parties during the past forty years and is tired of waiting. A definite PROMISE TO COMPLETE without any "IFS" or "BUTS" is what the people of Western Canada want.

SUMMARY

We feel that the project should receive the approval of Eastern Canada on the following grounds:-

1. Approximately forty million dollars worth of Alberta, Saskatchewan and Manitoba lands were sold for the expressed purpose of building this line. Only about fifteen million dollars has been spent on the road (and six million approximately on the harbour). (See House of Commons enquiry May, 1924, and May 25th, 1925).

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Total 3,349,000
Can 3,311,000
Bonus 38,000 Leader Oct 13/25

Financial

CANADIAN EXPORTS OF GRAIN THROUGH U.S. SHOW BIG INCREASE

WASHINGTON, Oct. 12. — Grain exports last week from the United States were 3,349,000 bushels, as compared with 4,376,000 the previous week.

Canadian grains exported through United States ports were 3,311,000 bushels, against 2,746,000 the previous week.

NO WHEAT QUOTATIONS

VANCOUVER, Oct. 12. — There were no No. 1 Northern cash wheat

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"On-To-The-Bay" Association of Canada

075266

SOUTH-EASTERN SASKATCHEWAN DIVISION

OFFICERS:
Lt. Col. F. J. James, *Chairman*
Hon. Geo. Langley, *Vice Chairman*
M. A. McPherson, *Secretary*
J. J. Galloway, *Treasurer*
Alderman H. Perry
W. M. Van Valkenburg
Lt. Col. A. C. Garner
Geo. Edwards, *Pres. S.G.G.A.*
C. J. Watson, *Pres. Regina Board of Trade*
T. F. Thomson, Nokomis

Divisional Headquarters,
1838 Hamilton St.,
Regina,

2. Too large a percentage of Canadian wheat is now forced through American ports and our exportable surplus is increasing yearly. The result of opening up the Hudson Bay route would be that we could ship all our produce by Canadian Ports and would also draw traffic from the North Central States for export over the Hudson Bay.

3. In passing through the United States of America our wheat loses its identity and Canada suffers as follows:-

(a) American wheat may be shipped as Canadian wheat and the reputation of Canadian wheat suffers thereby.

(b) American millers use our wheat to improve the grade of their flour and compete with our flour mills in the European markets.

4. The estimated close of safe navigation through the Hudson Strait is only two weeks earlier than Montreal. It takes grain two weeks longer to reach Montreal from the prairies - hence the closing dates may be considered equal.

Submitted on behalf of the S.E. Saskatchewan Division of the On-To-The-Bay Association of Canada.

Yours truly,

President.

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PUBLIC ARCHIVES
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075267

note

On Train,
October 13, 1925.

Dear Sir:

I have just received your letter of the 13th, asking, on behalf of the "On-To-The-Bay" Association of Canada, for a statement from me with regard to the completion of the Hudson Bay Railway. I will refer to this subject in my speech at Regina to-night.

Yours very truly,

Lt. Col. F.J. James,
President, "On-To-The-Bay" Assn. of Canada,
1838 Hamilton St.,
Regina, Sask.

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Hudson Bay Ry.—H. W. A. Johnson, a director of the Farmers' Union, returned to Winnipeg, Nov. 26, 1925, from a trip to Port Nelson, and is reported to have stated that an expenditure of $4,000,000 would put the H.B.R. into a condition to carry traffic, and that to put Port Nelson into a position to handle traffic would require $6,000,000 for dredging, $1,300,000 for lighthouses and beacons, $100,000 for wireless stations, $500,000 for lighthouse tenders, $200,000 for buoys, etc., $500,000 for airplanes and facilities, and $200,000 for a floating dry dock, making a total of approximately $13,000,000.

Two of the newly elected Progressive members of the House of Commons have given notice of motions to be made at the ensuing session. J. Evans, Saskatoon, Sask., will move that whereas the House of Commons at the 1922 session passed a resolution unanimously committing itself to the construction of the H.B.R., and at the 1925 session passed without division a resolution declaring the same principle, and that as no construction has since been done, the House is of opinion that active construction should be undertaken as early as practicable in 1926 and continued until the line is completed to Hudson Bay. J. Millar, Qu'Appelle, Sask., will move that the House is of the opinion that the Government should seriously consider the advisability of completing the railway to Port Nelson during 1926.

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CANADA

Doc 126 ?

19

075269

Dear =

Arthur Meighen
a few facts relative
concerning a useless
expenditure of Money
that will simply
increase the expend-
-itures of this Country
that really cannot
afford it. What is
required during this
Crisis is a leader that
can say No for the
return to also Dominion
regardless of Politics
Yours

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1926

19 material

075270

WHAT WILL IT COST?

A VITAL AND FUNDAMENTAL QUESTION ANSWERED IN RELATION TO THE HUDSON BAY RAILWAY

BY. J. L. PAYNE

With Supplementary Comment on the Subject
From THE SIMCOE REFORMER

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075271

HOW MUCH WILL THE HUDSON BAY RAILWAY COST CANADA?

GETTING A FOUNDATION

There are three basic aspects of the Hudson Bay Railway proposition, namely:—

1—The capital cost.

2—The question of rates.

3—The navigability of Hudson Strait.

The first two are closely associated. If the capital cost is very large, then, obviously, that fact must have a direct bearing on freight tolls, since the revenues must be sufficient to pay interest on investment as well as all operating expenses. It is therefore of prime importance that the probable cost of the road, when finished and equipped in all respects for operation, should be judicially considered.

This railway is an economic proposition, and must be judged like any other such proposition. Its primary cost is therefore vital. Capital cost creates an overhead of fixed charges, and, if those charges are out of proportion to earning power, the entire project collapses under the weight of its own economic unsoundness. That is the way every business man is compelled to deal with matters involving investment, and the situation is not changed when the investor is Government. There is no such thing as two economic principles—one for an individual and another for a nation. Economic law is constant and universal. For that supreme reason the capital cost of this railway becomes the core of the entire matter. Thus far the road has found its advocates among those who have based their judgment solely on the map. It is high time the thing were looked at from the commercial angle—the practical angle.

In making this further analytical study of one of the aspects of the Hudson Bay Railway problem, the writer is acting solely on his own initiative. He has not been prompted by any interest, political or otherwise. The motive behind this pamphlet is to try and save Canada from another grave blunder in her transportation policies.

075272

SOME UNWARRANTED ASSUMPTIONS

It seems to have been assumed by advocates of this project that 332 miles of the line have been completed, and that on the remaining 92 miles only ties and rails are required. This accounts for the low estimates which have been offered to the public, running all the way from $600,000 to $13,000,000. As a matter of fact, if these optimistic and ill-informed gentlemen had taken the trouble to read the official estimates brought down to Parliament they would have seen how far they were under the mark.

Unfortunately for those who have taken it for granted that a few million dollars would put this road in operation, it is a serious mistake to speak of 332 miles as being completed and 92 miles as lacking only the ties and steel. The 332 miles on which rails have been laid are very far from being in readiness for traffic; and as for the remaining 92 miles section, it is little more than a marked out right of way. All that had been done up to the time work was abandoned was to throw up a rough roadbed of peat, which rests on frozen ground. It is illuminatingly indicative of the wilderness through which this road passes that the soil never thaws out, and the only material available for the primary roadbed is peat; for it is a muskeg country, almost from end to end of the line.

While ties and rails were laid for 332 miles, this was done on a wholly temporary basis in order to serve the purpose of getting construction material over the line. The roadbed was not banked up, as would be imperatively necessary under heavy traffic conditions, and very little, if any, ballast was used. Worse still, such construction work as was done between 1911 and 1917, owing to its essentially make-shift character among the peat bogs, has fallen into a very bad state. The ties have rotted into the ground. The rails are badly rusted, and it would be utterly impossible to run the lightest kind of train over them. Therefore, an enormous amount of work would need to be done, and the cost would need to be heavy. The whole 332 miles would practically have to be rebuilt.

If even a layman paused to think, he would see at once that a railway in first class condition when abandoned would suffer enormous deterioration during nine years of neglect. But this railway, was not finished when it was abandoned—very far from it—and, in a muskeg country like the Hudson Bay district, would be peculiarly exposed to injury. As a matter of fact, it has become little more than a right of way, and must be re-constructed from end to end.

If a farmer undertook to do a big job of teaming, he would have to think about his equipment. He would want healthy horses, strong harness and a good wagon. He wouldn't dream of trying

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the thing with a vehicle that had but one wheel. And that idea fits to this railway project. There must be a sound roadbed, adequate motive power and all the things that make for efficient operation. No single link in the chain is more important that another. The railway itself could not serve without transfer facilities at Port Nelson, and, finally, there must be ships. At present there is not even a railway. There is nothing but a make-shift line of rails laid down for 332 miles, utterly unfit, without further large outlay, to do business.

The writer has gone to a great deal of trouble to get at the facts with regard to the cost of putting the road in operating shape, and he proposes in this review to present them for the consideration of all who desire to know the truth in this matter of the Hudson Bay Railway.

THE COST OF COMPLETION

If reference is made to page 40 of Return Nos. 234 and 234A—1924, as brought down to Parliament, it will be found that the Resident Engineer estimated the cost of completing the railway at $5,000,000. That referred solely to the so-called "unfinished" 92 miles. It omitted:—

1—New ties on the 332 miles section.

2—Ballasting and banking.

3—Stations, and telegraphic equipment at each, as well as section and tool houses.

4—Side-tracks and switches for 84 passing points.

5—Motive power and rolling stock.

6—Terminal facilities at Le Pas and elsewhere.

NEW TIES

The life of a tie under favorable conditions is from 7 to 9 years. As most of the ties in the so-called "finished" section have been in the ground for more than thirteen years, they have now practically disappeared. In 1922, the Resident Engineer reported to headquarters in Ottawa: "The ties in the first 214 miles north of The Pas have been in place for nine years, and are so rotten that unless something is done, etc." That was nearly four years ago. Today every tie from end to end of the 332 miles will have to be replaced. The cost, at $1.30 per tie, in the track, 3,000 to the mile, would not be less than $1,294,800. It might easily be $1,500,000, and probably will be.

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BALLASTING AND BANKING

A railway cannot operate efficiently without a sound roadbed. A temporary foundation of peat is useless. There must not only be a properly banked roadway of sufficient width, but an adequately ballasted roadway as well. Such conditions are elementary in railroading; and the Hudson Bay Railway has neither. It cannot get along without both. It would have to be operated intensively for two months each year, and that could only be done on a safe and satisfactory roadbed. Experts have been consulted in this matter and they place the cost of ballasting and bank-widening at $1,992,000.

STATIONS, SIDE-TRACKS, ETC.

Items 3 and 4 might be considered together. Mr. M. J. Butler, Deputy Minister of Railways and Canals from 1904 to 1910, laid out the original plan for the operation of the Hudson Bay Railway, and its fundamental feature was a system of ten-mile blocks, at which loaded trains going East would pass empty trains going West. Thus there would be 42 such blocks, with 84 passing points, one every five miles, and that means 42 telegraph stations, properly equipped. Nothing of that nature has thus far been provided nor included in the estimates. It is absolutely essential, and the cost would be at least $3,327,800.

MOTIVE POWER AND ROLLING STOCK

There is room for argument as to whether or not rolling stock would be required for the Hudson Bay Railway. Theoretically, grain would be delivered to it by other railways, and the cars of those roads would be moved to Port Nelson and then returned. Nevertheless, it would need a good deal of equipment for its own purposes; yet, for the sake of avoiding controversial points, the matter of general service cars is being laid aside.

There is, however, an important fact to be borne in mind. If the Hudson Bay Railway used the cars of other roads, the usual and unavoidable per diem charge would amount to $181,500 for the hauling of 24,500,000 bushels of wheat; and that sum, capitalized at 4½ per cent., is the equivalent of $4,030,000. If the railway provided its own cars, it would take 4,520 box units, at $3,000 each, or $13,560,000 in all.

But motive power is another matter. Beyond all question the road would have to provide its own locomotives. It could not borrow them from the Canadian Natinal, because during the harvest-moving period the Government system could not possibly spare a single unit. Mr. Butler's plan of operation contemplated one train per hour moving eastward and a similar train, though empty, mov-

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ing westward. It happens, however, that on a normal railway at least 10 per cent. of all locomotives in service are in the shops for repairs. All railways have that experience the world over. And there must also be switching engines. So that, at least 74 modern high-power locomotives would have to be purchased along with 66 cabooses. The minimum cost would be $3,508,200.

TERMINAL REQUIREMENTS

From several angles, the situation as to terminal requirements rises far above the matter of the railway itself; and, while that has reference chiefly to Port Nelson, the western terminus is but secondary in importance. In this instance, common sense must be used. If 24,500,000 bushels of grain are to be delivered to the Hudson Bay Railway at Le Pas during the short season of operation, very considerable facilities would be required at that point. There would have to be a large train yard, a turntable, switches, a round-house and so on. There would also have to be two intermediate terminals. Business could not be done without them.

At present there is nothing of that nature at Le Pas or elsewhere, and the $5,000,000 estimate of the Resident Engineer does not include the necessary lay-out. It would cost a large sum of money. Competent authorities place the amount at $4,675,000.

SUMMARIZING COST

Let us now turn back for a moment and bring all these items together, bearing in mind that all costs in the Hudson Bay district are from 80 to 200 per cent. above eastern figures. They are:—

Mr. McLachlan's estimate	$5,000,000
New ties	1,294,800
Ballasting and banking	1,992,000
Side-tracks, stations, etc.	3,327,800
Motive power, etc.	3,508,200
Terminals at Le Pas, etc.	4,675,000
Water tanks, etc.	195,000
Total	$19,992,800

The reader may rest assured that not one of the foregoing items would be brought into the calculation if there were the slightest doubt as to their having been omitted from Mr. McLachlan's estimate of $5,000,000. And every one of these is as essential as are the rails. We must now move on to Port Nelson, where the chief expenditure will have to be made.

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THE PORT NELSON TERMINAL

The line from Le Pas to Port Nelson might be completed and put into operating shape, and yet the Hudson Bay Railway would be utterly useless unless it had the required facilities at the eastern terminal. On them everything would depend. But Port Nelson is not a natural harbor. It is simply the broad estuary of the Nelson River, and no vessel has yet been able to get nearer than twenty miles of it. Seaward is a long stretch of mud flats, which are kept in perpetual agitation by the flow of the river and the tides. To get ships up to any dock which might be built would call not only for a tremendous amount of primary dredging, but constant dredging ever afterward. Here is an enlightening passage from an official report of the Resident Engineer, dated at Port Nelson, July 11, 1917:—

"The cut made by the suction dredge last October is now practically obliterated.....A very rough calculation shows that about half a million yards of silting has taken place."

So it was year after year. The "cut" here referred to by the Resident Engineer is but a fraction of what would ultimately be required; and every foot of it would be subject to siltage—many millions of cubic yards per annum. It would have to be removed every year. To dredge a sufficient channel, the Resident Engineer estimated would cost $6,255,000; but he also makes it clear that, in order to keep it open, the dredges would have to work constantly during the period when such work would be practicable. He gives his estimate of the cost of transfer facilities at Port Nelson as follows:—

Dredging	$6,255,000
Dock	7,116,000
Elevator	8,400,000
Port equipment	300,000
Total	$22,071,000

We may be sure the necessary work could not be done for less. Engineers are not in the habit of over-estimating. So we start with that rather fearsome sum of $22,071,000 as representing the cost of what will have to be done at Port Nelson in order to enable the railway to function. But Mr. McLachlan has confined his figures strictly to Port Nelson. Mr. H. W. A. Johnson, a Director of the Manitoba Farmers' Union, has taken up other needs of the situation. They are: $1,000,000 for lighthouses in the straits; $500,000 for lighthouse tenders; and $500,000 for an airplane service—a total of $2,000,000 additional. Certainly all these things are necessary, although the airplane service is strikingly suggestive of the extraordinary characteristics of this Hudson Bay route.

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Every item in Mr. McLachlan's estimate relates to an imperative necessity. Without a port the railway would be useless; and without a channel, dock and elevator there could not be a port. So now we can bring expenditure and estimated outlay together and see what is the total. Here are the figures:—

Already expended	$20,745,164
To complete railway	19,992,800
Mr. Johnson's additions	2,000,000
Port Nelson terminal	22,071,000
Total	$64,808,964

That would be the capital outlay chargeable to the railway, and would mean $152,851 per mile. Only by comparison can we realize the magnitude of these figures. The Canadian Pacific carries a capitalization of but $45,000 per mile, including its common stock, and the Canadian National a little over $96,000.

And yet the people talk about the Hudson Bay Railway lowering rates! The plain and indisputable truth is that interest charges alone, at 4½ per cent., would amount to $2,916,403 per annum, or $6,878 per mile of line, while every penny the road could earn, if operated to its full capacity and at present rates, would fall below $1,750,000. The fixed charges of every nature carried by the Canadian Pacific, including rentals, are but $938 per mile.

THE COST OF SHIPS

Professor D. A. MacGibbon, of the University of Alberta, in an address before a convention of agricultural societies at Saskatoon, on January 14th last, said on this subject of the Hudson Bay Railway:—"All reports agree that vessels of a special type are needed to withstand floating ice. This means a ship of added cost and lessened capacity." No matter what it may mean, it is the truth. The ordinary ship of commerce could not navigate Hudson Straits. It might do so at rare times; but, if a satisfactory ocean service is to be provided, Hon. Frank Cochrane long ago decided, after adequate investigation, that vessels of special construction would have to be built and operated by the Government. Prohibitive insurance rates for other ships would make that necessary if appalling ice conditions did not.

Two questions at once arise: How many specially-constructed ships would be required? What would be their cost?

We are here in contact with certain ascertained facts. In an official report to his Department, the Resident Engineer of the Hudson Bay Railway declared that the capacity of the road was 24,500,000 bushels of grain per season, and that each steamer could make two round trips. We therefore have definite factors upon which to work. Moreover, it has been agreed that vessels of 7,000 tons would be the absolute limit in such waters, where much manoeuvring would have to be done among the ice. Early investigators placed the maximum at 2,000 tons; but these figures have since been raised—possibly too high.

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Each ship of 7,000 tons, of that class, would be able to transport 200,000 bushels per voyage, and, as she could make but two round trips, it would require 61 steamers to handle 24,500,000 bushels of grain. Very great care has been taken in consulting the highest authorities as to the probable cost of such ships, and the lowest estimate is $500,000 each. Thus 61 vessels would represent a total cost of $30,500,000. Other estimates raise the figures to $35,000,000.

THE FINAL SUMMARY

To the cost of the railway and its Port Nelson terminal, as well as necessary aids to navigation, must be added $30,500,000 for ships. Our final total is $95,308,964.

Let no one suspect that this estimate is exaggerated. It is unquestionably too low. In such a large undertaking as this all experience teaches us that the actual cost invariably runs far ahead of the primary estimate. The unforseen always arises, and it is in every instance adverse.

And now some sobering thoughts force themselves into the matter. For what would this enormous capital outlay be incurred? The answer is: To try an experiment which is beyond all doubt doomed to failure. That is not the conclusion of the writer. It was the deliberate judgment of the Resident Engineer of the Hudson Bay Railway, after years of experience at Port Nelson and a painstaking study of the problem in all its aspects. It is to be found in two or three of his official reports. And he was right.

If the farmers of Manitoba and Saskatchewan did not believe that the Hudson Bay Railway would give them lower rates on export wheat, we should not hear a further word about this subject. And yet, when all the factors are brought together, and judicially surveyed, the conclusion is absolutely irresistible that freight tolls would have to be three or four times higher than they now are if this road is to earn its operating expenses and fixed charges. To the unbiased mind it is as clear as noonday that, if an attempt is made to complete and operate the Hudson Bay Railway, the loss which will fall on the public treasury will be enormous. It will at least amount to $6,000,000 per annum on the railway and as much more on the ships.

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How could it be possible to operate the relatively costliest road on this continent for two months in the year. under conditions which in every way make for abnormal expense, without incurring a heavy annual loss? On one side you have an earning power which could not possibily create a revenue of more than $1.750,000, and on the other fixed charges of $2.916,403. Operating expenses would be exceedingly high, and would swell the deficit. What it would cost to keep the channel at Port Nelson dredged nobody knows; but it would certainly be much more than gross earnings.

Apart from the financial aspect, the pivotal fact in this whole matter is the date at which Hudson Straits are closed. There is a conflict of testimony as to when they are open, in the navigating sense. but there is an absolute agreement as to the time at which they are shut. The Resident Engineer fixed it at 20th October; and, taking one year with another, that is the limit. What does it mean? It simply means that the shipping limit in Manitoba and Saskatchewan would be 5th October. In the whole history of the western provinces there has never once been 20,000,000 bushels of grain ready to be exported by that date. The facts in that regard can be easily checked up. The grain is simply not available for export that early. When, then, would this railway get its traffic, And who would be served by the movement of say five per cent. of the season's harvest by the proposed new route?

If all that is possible were done, we are thrown back on the undeniable fact that the Hudson Bay Railway would be closed before more than a very insignificant percentage of the season's crop could be got in motion for export; and yet people otherwise sane. are proposing to go ahead with a project which would require at least $95,000.000 of primary capital outlay to get it in operating shape. Surely at some point, before it is too late, reason and everyday business sense will be asserted.

Looking calmly at our financial obligations, can we be indifferent to the economic truth in any project which may be submitted to our judgment? Why should a nation be asked to do a thing which an individual, or a group of individuals, would not for a moment dream of doing? These are pertinent questions, and the people of Canada as a whole must answer them. If we have a very grave railway problem on our hands. it is because we refused to reckon the cost before we plunged into unsound ventures. Our chastisement will have been in vain if, with our eyes wide open, we blunder again.

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ANOTHER RAILWAY FOLLY

An Editorial From The Simcoe Reformer of February 18, 1926

What is the truth concerning the Hudson Bay Railway? With the proposal of the Government to carry the undertaking to completion, the question has assumed a position of paramount importance in the mind of every thinking Canadian. Further, a sharp division of opinion undoubtedly prevails throughout Canada as to the merits of the scheme. In many instances advocates and opponents of the project are alike blinded by their own selfish interests, expounding their views and theories with relation only to the benefits or the injurious effects, as the case may be, which will result to their own particular business or their own part of the country. if the line is completed. Sectional viewpoints should play no part in such a discussion. The problem is national in scope and must therefore be dealt with from a national angle, having regard only to the welfare of the Dominion as a whole.

What the people of Canada want in connection with the Hudson Bay Railway is facts, and plenty of them. Every taxpayer in the Dominion will feel the burden of the staggering expenditure necessary to complete the line, and for that reason Canadians are entitled to a clear, unbiased presentation of the facts. But the public has waited in vain for any pronouncement from the Government. For some unknown reason the facts, if any, that justify completion of the line are still obscure so far as the majority of us are concerned. Fortunately, facts to the contrary have not been so lacking, and most Canadians by this time have heard of serious objections to the scheme. Probably the most complete and convincing refutation of the Hudson Bay Railway in its entirety is contained in an illuminating article appearing in The Calgary Herald, and written voluntarily by J. L. Payne of Ottawa, a student of railway economics, who has given ten years of close study to this specific problem, uninfluenced by anybody or any considerations but the truth.

Mr. Payne quotes such authorities as D. W. McLachlan, resident engineer at Port Nelson, who has thoroughly investigated every phase of the situation, and Samuel P. Dunn. editor of the Railway Age. and one of the world's foremost authorities on transportation, who has made an exhaustive study of the question. Mr. McLachlan, in reporting to the Government, declared: "I HAVE NO LONGER ANY HESITATION IN SAYING THE HUDSON BAY RAILWAY IS DOOMED TO CERTAIN FAILURE."

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Mr. Dunn says editorially:—

"The Hudson Bay Railway is one of the most chimerical transportation projects ever conceived. The people of Canada would much better dump $75.000,000 into Hudson Bay than carry it out. If it is carried out they will lose not only their original investment, but millions of dollars every year in addition."

When two such men as these, with all the facts at their finger tips, are thus outspoken in their condemnation of the undertaking, will the parliamentary representatives of Canadian taxpayers be loyal to their trust in plunging blindly into a scheme foreordained to failure and involving many millions of the people's money? Because a former Government committed an act of unpardonable folly, is that sufficient reason why incalculable sums of good money should now be sent after bad?

Read a few of the facts embodied in Mr. Payne's studied presentation. The sum of $20,859,318, exclusive of interest charges, has already been expended on the road. Ninety-two of a total of 424 miles of railway remain to be built. According to the computation of Mr. McLachlan, the resident engineer, it would cost to complete the railway. to dredge Port Nelson, to build a dock and an elevator and to provide port equipment and lighthouses the sum of $27,071,000. Further, Mr. McLachlan reported in 1922:

"The ties in the first 264 miles north of The Pas have been in place for nine years, and are so rotten that unless something is done towards their replacement, the present heavy locomotive and standard cars operated on this section of the line will some day leave The Pas and never return." To which Mr. Payne adds: **"As a matter of fact, the ties on the entire 332 miles of completed road are by this time absolutely useless and must be replaced. That would cost $1,112,000, and raise Mr. McLachlan's estimate to $28,183,000."**

The cost of specially constructed ships necessary for navigation of Hudson Bay would be $20,000,000 (a minimum estimate), which with the expense of aids to navigation amounting to $250,000, would mean an aggregate total of $48,443,000 needed to complete the project. Canada's investment in the Hudson Bay would therefore be approximately $70,000,000.

"How long would the Hudson Straits be open to navigation each year? Obviously that is the key to the entire situation," observes Mr. Payne. The answer is found in illustrations showing icebreakers forcing their way through heavy ice (in some cases 40

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feet thick) during the "open season" of navigation in the month of August, and depicting the entire channel covered with exceedingly heavy icebergs early in October. Pre-supposing the most favorable possible weather conditions, Mr. McLachlan, the resident engineer, places the season of navigation from 20th August to 20th October. Moreover, after a great deal of trouble, he has worked out the maximum wheat-carrying capacity of the proposed route for a single season at 24,500,000 bushels. Generally speaking about 200 million bushels are shipped each year through Fort William. But the Port Nelson route could not handle it for the simple reason that the great bulk of the crop is not ready for shipment until the Hudson Straits have rendered navigation impossible.

On the basis of this statement, which is easily supported by all available figures, the total earning of the Hudson Bay Railway for a single season would be $1,728,241, which includes rates on all imports to Western Canada. These earnings would be eaten up immediately by interest at four per cent. on the capital investment of $47,930,318. which sum excludes the cost of ships. Whence, then, would the operating expenses and the capital cost of ships come? Again, on the basis of Mr. McLachlan's calculation. it is probable that the mere expense of keeping the roadbed in operating condition would be equal to total revenues. That the Hudson Bay Railway could not carry a sufficient volume of traffic to materially benefit the wheat growers of the West is convincingly demonstrated by a glance at the road's carrying capacity of 24,500,000 bushels, as compared with the western wheat crop of 400,385,000 bushels for 1925. At the most the railway could only take care of five per cent. of the crop. In this regard Mr. McLachlan points out that while it now costs $12.17 per long ton by the present route between Humboldt and Montreal, and would cost $10.96 when the new Welland Canal is completed, the cost by way of Port Nelson would be $12.63. He therefore concludes that "AS A GRAIN ROUTE, THE HUDSON BAY RAILWAY IS OF NO VALUE TO WESTERN CANADA."

Such is the wagon to which the Federal Government has hitched its cart. Surely the voice of Canadian taxpayers will be raised in loud and emphatic protest against this mad epilogue of Canadian railway extravaganza.

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A TAXPAYER'S VIEW

A Letter Appearing in The Simcoe Reformer of February 25, 1926

Port Dover, February 23, 1926

Editor Simcoe Reformer,

Dear Sir:—

Your issue of Feb. 18th carried an editorial on the Hudson Bay Railway that should be of vast importance to every citizen of Canada. It should appear on the front page of every newspaper in the country, and if possible be printed in sheet form and sent into every home from Coast to Coast. Further it should be preached from every pulpit. in fraternal organizations, as well as Canadian Clubs, until it would become a voice on every lip protesting against such "wild" expenditure of Public money.

In the Toronto Globe of Feb. 20th, there appeared an article which stated that the appropriation for the building of this road, or rather the completion of it, will appear in the general estimates in order to prevent its being vetoed by the Senate, which it is feared it would be were the estimate brought down separately, but if brought down as a part of other estimates the Senate cannot do anything with it without holding up the whole thing.

It has been said that the Senate are of no use. but if the body of men that constitute it could be the means of destroying the effort of Parliament to put this unreasonable. uncalled for and insane deal over, it would fully warrant its existence for all time to come, even tho it should never do one other thing, and it is to be hoped that it will do so, even if it has to hold up the entire estimates of the Country for a year.

Much has been written against the proposal, many letters have appeared in the press, but your editorial is the only one I have noticed. and supported as it was by reliable Engineers who had reported to the Government the utter impossibility of the scheme, one would think that no political party would lend an ear to it, not even think of squandering more millions on a "blue sky" proposition, and notwithstanding the fact that Premier King is reported to have said to the electorate of the Western Provinces last October, "you send enough men to Ottawa to support me, and I will furnish enough dollars to complete the Hudson Bay Railway," it should not be completed to remain a monument to political whims.

Canada has enough railways now that are not paying their way. Canada has spent enough millions now in political cesspools. The

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Canadian people are round-shouldered from carrying the burden of taxation due to ineffective expenditure of their funds, and it is time for a change, and there must be a change, if this great Dominion is to reap the full benefit of its vast endowments.

Your editorial shows in detail why this road should not be completed, and it is up to the people of the Dominion of Canada to see that it is not done. Some years ago one Government in its "wisdom" began to dig what is known as the Newmarket Canal. They dug, and they built elaborate concrete piers, and they dug until they ran out of water to float their dredges, and there it remains a "dry ditch", useless in every sense of the word. It would be silly and almost criminal to go ahead and complete that "Canal" and it would be just the same to go ahead and sped one more dollar on the Hudson Bay Railway. If the present Premier or any other chooses to go thru the country casting his political "manna" before the electors of any district, let him be responsible personally for finding the cash to cover the demand he created, and not have one cent of it come from the public funds.

The writer was particularly interested in your comment on the question, because of personal acquaintance with seamen who went into the "Bay" some years ago to obtain data for the Government as to the feasibility of the proposed route.

In conversation with them on their return (I am sorry I cannot use the language they did, here) they said that from a Sailor's viewpoint the scheme was absolutely impossible, and completely voiced the sentiment of the engineer you quote.

Every natural condition is against it, and every other condition too, except the unnatural one of twenty-four "Progressive M.P.'s" snapping their whip and bringing the Treasury benches to the scratch. They are the ones that favour this scheme, and they are the ones that are not in a position to say whether or not the Arctic Seas are practicable for navigation.

Shipowners and Shipbuilders know that it is not. Underwriters know that it is not, and above all the men that navigate the ships of the Empire know that it is not, and in the final analysis they alone are the men that have to get their ships to and from every port, and always much is demanded of them.

In the palatial corridors of the "House" at Ottawa, Hudson Bay may be spoken of as glibly as Halifax or Montreal. But those that fight their battle above sixty degrees North Latitude know of the difference.

CAPT. P. C. ROBINSON.

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January 4, 1926.

Rt. Hon. Arthur Meighen,
House of Commons,
Ottawa, Ont.

Dear Sir:

I am writing on behalf of the Executive Committee of this Association to request that you use every means in your power to obtain definite action during the coming session towards the immediate completion of the Hudson's Bay Railway.

We understand that every member elected from Manitoba and Saskatchewan in the recent elections committed himself to work for the completion of this project and we feel that on this question Westerners should unite regardless of party.

Under the present conditions at Ottawa the West is in an unusually advantageous position and there is no doubt whatever that this question can be settled without difficulty if a real effort is made.

We will be glad to assist you with information or in any other way in our power. We have branches in practically every municipality in both Provinces and have already presented a petition bearing over 125,000 signatures. We intend to supplemtnt this and have many thousand additional signatures now.

The prosperity of Western Canada depends on the opening of this route and there is no excuse for further delay.

Yours faithfully,

R W Paterson

President.

RWP/W

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Ottawa, Jan. 7, 1926.

Brig.-General R.W. Paterson,
On-to-the-Bay Assn. of Canada,
Board of Trade Bldg.,
Winnipeg, Man.

Dear Sir:

Your letter of the 4th inst., enclosing pamphlet entitled "Important Facts Relating to the Hudson Bay Railway" reached me to-day. You may rest assured I shall give this subject my best attention.

Yours very truly,

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Ottawa, January 9, 1926.

Dear Sir:

Your telegram of the 9th instant reached me this afternoon. Needless to say I shall give to the representations made by the North East Saskatchewan Associated Boards of Trade, with re gard to the Hudson's Bay Railway, my very best consideration and attention.

Yours very truly,

H. G.

~~Mr.~~ Edginton, Esq.,
Secretary,
North East Sask. Associated Boards of Trade.
Birch Hills, Sask.

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MEMBERS OF
SASKATCHEWAN ASSOCIATION OF ARCHITECTS
ROYAL ARCHITECTURAL INSTITUTE OF CANADA

312 WESTMAN CHAMBERS
REGINA, SASK.

Jan 18th 1926.

The Hon Arthur Meighen
House of Commons
Ottawa.

Dear Mr Meighen.

We are all following with interest your fight at Ottawa. It has occurred to me that there is one question on which you might very well have some questions asked. The Hudson Bay Railway as you know is strenuously pushed by the Prairie Provinces. Personally I think this road should be built at once on account of the rich resour ces it will tap; these resulting in material gain to the country.

Most of the Prairie People are urging this as a grain route. This latter is open to very reasonable doubt and in this connection I think those who are directly interested in the grain matters should show more evidence of their faith. Has or will the Co-Operative Elevator Co give any assurance that if the road is built they will build a terminal Elevator at the Bay. They have money to build one at Buffalo why not one there. Will the wheat Pool stake its faith by a similar assurance. The Government of Saskatchewan has year after year passed resolutions in regard to this road. They have advanced millions to the Elevator Co are they willing now to pledge their faith by agreeing to guarantee bonds on Elevators at the Bay. If you think these are fair questions could they not be asked in the House if the Government spreads itself any more on this question.

There is another matter I would like some information on. I know you are busy and do not expect you to answer this but if you could pass

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it over to the part of our organization in charge it will serve the purpose .

In the House here the Hon Mr Gardner told the M.L.As how when his father decided in the 80s to come west Western Canada was under Conservative rule and the Country was so badly run he went to the Northern States instead. I have no doubt that Gardiner Sr was one of those Ontario Grits who was brought up on the Toronto Globe. During those years did not the Globe knock this country even so far as to advise people to go to the Western States instead on account of the penalties placed upon the settlers . Could you/department dig up some of the Globe's editorials on this question. If we had them, at the first opportunity it might serve well to enlighten our people. Day after day in every conceivable ~~XXXX~~ manner in press and speech the insiduous propaganda of these people against our party is handed out and we have no press or means to combat it. We have not access to the means of getting posted and I am assuming that in our organization there is a department for this which could supply us with information and MacPherson, Bryant and the rest would be in a little better position to hand out to them something to keep them in order.

With best wishes

Yours sincerely

Francis B Reilly

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Ottawa, January 22, 1926.

Dear Mr. Reilly:

Many thanks for yours of the 18th. Your comment on the Hudson's Bay Railway is very interesting and I shall quite likely have an opportunity of using it in the House before very long.

I am having the "Globe" files looked up and will see if anything can be found along the line you suggest.

Yours very truly,

F.B. Reilly, Esq.,
313 Westman Chambers,
Regina, Sask.

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19

THE HUDSON BAY RAILWAY

What Is the Truth in this Important Matter

?

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Conflict of Opinion.

THERE can be no doubt that a sharp division of opinion exists as to the merits of the Hudson Bay Railway. The West believes in it. The East does not. It is not sufficient to say that the West takes a selfish view and has jumped to conclusions, nor that the East, lacking direct interest, has not looked into the matter sympathetically. We get nowhere while clashing goes on along those lines. Nor do we make progress when someone says: "All opposition comes from a group of Montreal capitalists who want to run the country", or something of that sort. As rational Canadians, we should all want to know the truth; and the purpose of this analytical review is to examine the matter from every angle in a judicial spirit.

In thus alluding to the West, it must be understood that neither the Legislature nor the United Farmers of Alberta has endorsed this project.

The writer is absolutely independent. He knows nothing about the alleged group of Montreal capitalists and cares less. He is simply a student of railway economics, who has given ten years of close study to this specific problem, uninfluenced by anybody or any consideration but the truth. Back of that ten years of study lies thirty years of direct and indirect contact with the transportation interests of Canada and the world at large. He has not been asked to prepare a brief in the matter, and is therefore not answerable to any interest nor master for the views he may express.

The Western Attitude

Popular judgment in Saskatchewan, Manitoba and sections of Alberta is strongly in favor of completing and operating the Hudson Bay Railway. The attitude of these people was well and succinctly stated by Mr. Andrew Knox, M.P., in a speech made to Parliament on 4th May last. He said:—

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"We who are pressing for the completion of the Hudson Bay Railway believe implicitly in the feasibility and in the future success of that project and in that conviction we have no need to feel apologetic. We represent hundreds of thousands of people in the West who to-day are equally confident of the feasibility and the successful operation of this railway; and they believe in it as a possible outlet for their produce and as an inlet for their purchases. These people believe that it would overcome the great handicap under which the West is to-day suffering by reason of high transportation costs.

"The people of the West, however, believe in the justice of completing the Hudson Bay Railway; and more than that, they believe in the righteousness of it, if I may put it that way; many of them believe that the Hudson Bay was placed as it is by the all-wise Creator for the purpose of serving as an outlet for the great agricultural plateau of the middle west. The people in that part of the country are of the opinion that it would do more towards bettering conditions in the West, if this railway were completed, than any other transportation project could accomplish. The result of all this is that those who inhabit the three prairie provinces are practically a unit in their request for the immediate completion of the Hudson Bay Railway."

No one who is familiar with popular conviction in the West would feel that Mr. Knox had over-stated the case. The people of the prairie provinces believe as he has said they do. And that belief is entitled to respect. They will not change their belief on merely being told that they believe in a nightmare. Western advocacy of the Hudson Bay Railway might well be said to have its foundation in six convictions:—

1.—That the Hudson Bay route is about one thousand miles shorter than the present route between the prairies and Liverpool.

2.—That the cost of completing the road, now partly built, and putting it in operation would be relatively small—say from $3,000,000 to $7,000,000.

3.—That Hudson Straits are navigable for from three to five months each year.

4.—That the favorable difference in distance would be reflected in a proportionate lowering of transportation charges on wheat.

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5.—That every dollar saved through lower carrying tolls would go directly into the pockets of western grain growers.

6.—That the railway could be operated economically, with westbound as well as eastbound traffic, and that it could be made self-sustaining.

If these opinions, or convictions, are sound, then it is the plain duty of Government to complete the Hudson Bay Railway with all possible expedition and put it in operation. The East should at the same time cease all opposition. On the other hand, if these opinions are unsound and unjustified, the West should bow to the force of reason. Let us therefore calmly and judicially look at the matter on its merits. In other words, let us honestly try to get at the truth.

An Economic Issue

This is not a sentimental matter. It is a stern economic problem, and must be dealt with on accepted economic principles. Provided enough money can be had, a railway may be built between any two points. That is a proverb in railroading. But building a railway is one thing, and having it serve a useful purpose is quite another. It is true, a railway may be of considerable use and yet be a commercial failure. Its capital cost, for example, might be greater than its earning power. To be successful it has got to have adequate traffic and adequate rates. It has also got to be efficiently administered. In other words, there are a number of economic factors which come into play, and they must all co-ordinate.

This matter cannot be settled by parties of laymen going out to Hudson Bay. They do not see there the intensely grave economic problems which lie at the base of this matter, nor can they see the conditions in Hudson Straits.

The Shorter Route

There is no need to waste a moment of time in arguing about the attractiveness of the Hudson Bay route from the standpoint of geographical shortness. It would undoubtedly cut down the distance between a typical wheat shipping point like Regina and Liverpool by about 775 miles. All points nearer to Fort William than is Regina would, however, be less favorably affected, except possibly

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some of those in Northern Manitoba. Southern Manitoba could not be materially helped in the matter of distance from the export market.

Here is a short table of comparative mileages between inland shipping points and Liverpool by way of Hudson Bay and Montreal:

	By Port Nelson	By Montreal
Saskatoon	3,716	4,676
Prince Albert	3,636	4,777
Regina	3,889	4,657
Brandon	3,811	4,427
Winnipeg	3,878	4,302

But nearness to market may easily be offset by other conditions. For example, it might pay a manufacturer to operate a thousand miles away from his consuming market if the adverse factor of distance were more than made up by lower cost of production at the remote point. That consideration arises in this case. A railway is engaged in producing and selling a certain service. The cost of producing that service under one set of conditions may be much greater than under another. We shall look into that aspect of the matter, as it applies to the Hudson Bay Railway, a little further along. It is very important.

In comparing the Hudson Bay route with the present Montreal route, it should be remembered that 514 miles of the latter is by water, at rates lower than those which obtain on the Atlantic. The tolls between Fort William and Montreal were 8½ cents per bushel in November, which includes all loading and unloading charges. Moreover, since this road could have traffic for but one way, the factor of distance to Liverpool is at once reduced by 424 miles.

The Cost of Completion

How much would it cost to lay rails on the remaining 92 miles, build necessary sidings at every 10 miles, construct station buildings and water service, provide motive power and rolling stock sufficient for a line of 424 miles, complete the harbor at Port Nelson and other necessary terminal facilities, build an elevator of sufficient capacity, and establish in Hudson Straits the aids which are inseparable from navigation? The estimates have varied very widely. Mr. Knox speaking for western opinion, said:—

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"My proposal is that they take half of the $15,000,000 which appears in the estimates for the Welland canal and apply the money to the Hudson Bay project; for this amount would be far more than sufficient to bring it to the stage where it could function successfully."

That was very much the highest estimate offered to Parliament during the session of 1925. If these members had taken the trouble to look at Returns Nos. 234 and 234A, brought down in 1924, they would have found there a calculation made by the Resident Engineer of the Hudson Bay Railway to the Department of Railways and Canals, and dated February 6, 1923, as to further expenditures necessary. His estimate was as follows:—

Dredging at Port Nelson	$ 6,255,000
Dock, 4,000 feet long	7,116,000
Elevator, 7,000,000 bushels	8,400,000
Port equipment, lighthouses, etc.	300,000
Completion of H.B. Ry	5,000,000
	$27,071,000

These are the figures of the engineer who has for years been in charge of the work at Port Nelson. They must be accepted with qualification, however. In the entire history of construction work of this nature it has never in a single instance been possible to come within the primary estimate. And there is a further point of great importance. Mr. McLachlan, the Resident Engineer has made no provision for motive power and rolling stock, aids to navigation in Hudson Straits, and for still another large expenditure. In his official report, dated December 1, 1922, he says: "The ties in the first 264 miles north of The Pas have been in place for nine years, and are so rotten that unless something is done toward their replacement, the present heavy locomotive and standard cars operated on this section of the line will some day leave The Pas and never return". As a matter of fact, the ties on the entire 332 miles of completed road are by this time absolutely useless and must be replaced. That would cost $1,112,000, and raise Mr. McLachlan's estimate to $28,183.000.

It would require at least 50 locomotives and 1,200 cars, representing a capital outlay of over $16,000,000, to handle no more than 400,000 bushels per day.

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In various reports, it has been taken for granted that ships of special construction, suitable for operation under heavy ice conditions, will be built and maintained by Government. As Mr. McLachlan's duties did not extend to that field, he omits all calculations as to the cost of ships. As far back as 1914, however, Hon. Frank Cochrane, Minister of Railways and Canals, after sending several expeditions to investigate the situation in Hudson Straits, informed the writer he had definitely decided that Government would have to build and operate ships of special design and strength. We must therefore revise Mr. McLachlan's figures as follows:—

Mr. McLachlan's estimate	$27,071,000
New ties on 332 miles	1,112,000
Cost of ships	20,000,000
Aids to navigation	250,000
	$48,443,000

Inasmuch as $20,859,318 has a ready been spent on the road, (see Public Accounts for 1924, page 9) without taking interest charges into account, we have here a final total of $69.302,318. The charge for taking up old and laying new ties is at Manitoba rates. It would probably be from 100 to 150 per cent higher north of Le Pas. The estimate for ships would provide not more than 12 or 13 units, whereas, if only vessels of special construction were used—as would seem to be necessary—fully 45 would be required to transport 24,500,000 bushels during a season of two months. So that no attempt at exaggeration is being made.

The Season of Navigation

The most conflicting testimony has been given as to what might be called the season of navigation through Hudson Straits. Obviously, that is the key to the entire situation. There have been men who placed it as high as five months; but it is only fair to say they were not referring to a regular commercial service. They made it clear that they meant it might be possible to get in or out, using a small whaler or ice-breaker, in some years at any time between 1st July and the end of October. But a commercial route is a totally different matter. Other men, whose judgment is entitled to much greater weight, have unhesitatingly declared that the conditions as to ice at all seasons are so serious that the ordinary ship of commerce could not operate in Hudson Straits at all. It might get through with perfect safety at certain periods in certain years; but, taking

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one year with another, the constant presence of large bodies of ice, with a shifting channel, take Hudson Straits completely and positively outside the range of a practicable route for vessels of the ordinary type.

Nor could even specially constructed ships be sure of providing a regular service in all years. Winds and currents block Hudson Straits with very heavy ice at all seasons of the year; and fogs and snow-storms occur frequently during what is regarded as the "open season". Tremendous bodies of ice are always there.

The Resident Engineer of the Hudson Bay Railway places the season of navigation from 20th August to 20th October. No one has ever put it later than the end of October. We must, however, look at this route from the standpoint of available traffic. It is to be a channel for export wheat. So long as there is no doubt as to the date of the closing of the straits, it makes little difference how early they may be open. Harvesting conditions fix the date at which wheat could reach Port Nelson. We need not guess about that. Forty years of experience has clearly demonstrated that wheat could not possibly reach Port Nelson earlier than the end of August.

All western wheat that does not go out by way of Vancouver comes down to the head of lake navigation at Fort William. Whatever wheat goes out by the Pacific route could not possibly be available for Port Nelson. Let us therefore look at the facts of this eastbound movement. In 1924 the volume moved out of Fort William by water was 200,543,660 bushels. Of that, the shipments by months were as follows:—

	Bushels
August	9,556,371
September	9,026,256
October	28,651,979
November	32,302,170
December	28,451,877

If the Hudson Bay Railway had been in operation in 1924, and had secured the hauling of every bushel of wheat available between 1st August and 15th October, it could have moved but 32,908,616 bushels, or less than 17 per cent of the total. Since, however, the Resident Engineer of the road has worked out its maximum capacity

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for the whole season at 24,500,000 bushels, we need not speculate any further along that line.

The writer has taken the trouble to get the facts as to wheat movement. Taking one year with another, 75.4 per cent of the season's crop is moved to Fort William between 1st September and 1st December. That fact must come into the reckoning.

The Question of Rates

We may well consider concurrently the two western beliefs that the shorter distance to Liverpool would be reflected in proportionately lower transportation tolls, and that this difference in tolls would go directly into the pockets of prairie grain growers. If the first belief is sound, the second follows more or less logically, although economists are not agreed on the doctrine that the western wheat producer pays the freight both on what he buys and what he sells. However, it is not proposed to introduce any arguments on that point here.

A reasonable basis must be found as a starting point for the discussion of this vital question of whether or not transportation tolls on wheat could be lowered if the Hudson Bay Railway were in operation. The following four points should be acceptable to everybody:—

1.—That the total volume of traffic must earn the cost of operating and also interest charges on invested capital. A margin for contingencies would also be necessary.

2.—That the road would be almost wholly dependent for eastbound traffic on the season's crop, and would therefore be idle for from nine to ten months each year.

3.—That traffic earnings for the operating period of from two to three months would have to carry all costs for the full year.

4.—That sound business considerations demand the rates should be sufficient to cover the three preceding points and enable the road to be self-sustaining.

The grain growers of the West do not want the Hudson Bay Railway because there is a shortage of transportation facilities. As a matter of fact, there is a very large excess of railway mileage in the

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western provinces. They want this road because they believe it will give them lower rates. Let us therefore go carefully into the facts to see whether or not any grounds exist for hope in that regard.

If length of haul were the controlling factor, and all other factors were normal and equally favorable, then western expectations rest on a solid and sound foundation. It happens, however, that all the other factors are exceedingly abnormal and adverse. They are as follows:—

1.—This road is going to cost more, comparatively, than any other road ever built in Canada. It will undoubtedly cost more than $115,000 per mile, due in large measure to the expensive character of the eastern terminal at Port Nelson.

2.—Certain necessary maintenance charges, which go on the year round, must be earned during the short season of operation. There is no parallel for this in railway history. It is a very serious drawback.

3.—Owing to peculiar conditions, which will remain more or less constant, operating costs will be from 80 to 200 per cent above those which obtain elsewhere in Canada.

4.—The traffic will be practically all eastward; so that the haul, in its bearing on rates, must be reckone as being 848 miles rather than 424. The same disability applies to the ships.

5.—There will be no local traffic of any consequence. What business may arise will probably be carried at a heavy loss.

It is not at all difficult to calculate the probable revenue of the Hudson Bay Railway. It is to be a medium for the transport of wheat, and the Resident Engineer at Port Nelson has gone to a great deal of trouble to work out the volume that could be handled. He places the maximum for a single season at 24,500,000 bushels.

If all the conditions of operation were ideal, it is conceivable that the road could handle more business than that. The Canadian Pacific line between Winnipeg and Fort William is almost an exact parallel to the Hudson Bay Railway as to length. It is 420 miles long. The Hudson Bay Railway is 424 miles long. The writer has taken the pains to find out what was the absolute capacity of the

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road between Winnipeg and Fort William when it was a single-track line. At the period of highest pressure, which is in October and November, 816,200 bushels were delivered at Fort William in a single day.

At that rate, the Hudson Bay Railway could handle 48,000,000 in sixty days. But we must see at once, that such a performance could not be duplicated by the Hudson Bay, except during 20 days in October; for the sufficient reason that 816,200 bushels of wheat per day would not be available between 20th August and 20th September. Neither the Canadian Pacific nor the Canadian National has ever averaged half that volume up to 20th September. We must be guided by facts in such a matter.

The Resident Engineer was therefore quite within the mark when he placed the capacity of the road at 24,500,000 bushels for the season of operation. It makes no difference if other traffic were available. The maximum service has been reckoned in terms of wheat and any other business would merely displace grain. The question which must next be answered is as to the earnings from that volume of traffic. It offers no difficulties.

The present rate on wheat from Saskatoon to Fort William, a distance of 900 miles, is 24 cents per 100 lbs., or $4.80 per ton. Each ton would represent 900 ton miles. Dividing that number into $4.80, we have the rate as being .533 cent per ton-mile, or a little over half a cent. The average ton-mile rate on all commodities carried by Canadian railways in 1924 was 1.019 cents; so that, while wheat is moved in trainloads, and is subject to low handling charges, this rate of .533 per ton-mile is probably very close to actual cost. The point is neither important nor relevant in this connection.

Taking the Resident Engineer's figures of 24,500,000 bushels, and, translating them into ton-miles, our total is 311,640,000. At this rate of .533 cent per ton-mile, the gross receipts from eastbound traffic would be $1,661,041 per annum.

Only one other factor as regards earnings comes in. It seems to have been assumed that there would be considerable westbound traffic. The Resident Engineer estimates it at 150,000 tons per annum. He was wrong. The writer has had imports from Europe to western Canada carefully examined, and he has also got the facts

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in that regard from the railways. They have never reached 7,000 tons in a single year. Without estimating how much of that volume would reach the Hudson Bay Railway during its short season, if any, the entire 7,000 tons is brought into the reckoning, and at double the rate on wheat. The amount in revenue would be $67,200.

We now have the total earnings of the Hudson Bay Railway for the season at $1,728,241. Let us see at once that more than every penny of this would be consumed by interest charges on capital liability—without bringing in the cost of ships. Whence would operating expenses come? These the Resident Engineer reports would be 80 per cent higher than in other parts of Canada.

The Resident Engineer of the Hudson Bay Railway made several official reports to the Department of Railways and Canals on this subject of comparative rates. He goes carefully into all the factors of cost per long ton, and shows that while it now costs $12.17 by the present route, between a point like Humboldt and Montreal, and would cost $10.96 when the new Welland canal is completed, the cost by way of Port Nelson would be $12.63. He therefore concludes that "as a grain route, the Hudson Bay Railway is no value to Western Canada". (See pages 40 and 41 of Parliamentary Return No. 234 for 1924.)

At page 48 of the same Return, the Resident Engineer makes careful calculation of the cost of moving wheat from Saskatoon to Montreal, and concludes as follows:—

> "From the above it appears that grain can be delivered to a ship in Montreal more cheaply than to a ship at Port Nelson after the Welland canal is finished."

The difference in favor of Montreal, according to Mr. McLachlan's calculation, would be 5.35 cents per bushel. At the end of this review his report is given in full.

The Common Sense Test

We have seen that the maximum earnings of the road would be $1,728,241 per annum. That sum must equal operating expenses and all other factors of cost, including interest on capital investment. And at that point it is necessary to apply the cold test of common sense to figures which everybody can understand. The crucial

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question is this: What would be the operating expenses and fixed charges? Mr. D. W. McLachlan, the Resident Engineer, at page 40 of the Return brought down to Parliament in 1924, says:—

> "The operating cost per ton-mile, north of Le Pas on the Hudson Bay Railway, may be taken at 80 per cent advance on the rates used in other parts of Canada."

If that be true—and it cannot be questioned—then at one stroke the entire bottom falls out of the Hudson Bay Railway as a project which could serve the western grain grower in the matter of lower rates. But we need not bring Mr. McLachlan's statement into the calculation at all. If operating expenses were identical with those in eastern Canada, we should still find that income and outgo could not be made to balance. Take fixed charges alone. The capital outlay to date has been $20,859,318, and the engineer estimates that $27,071,000 would be required to put the road in operation, leaving all consideration as to ships and so on aside. This total capital liability of $47,930,318, at 4 per cent, would more than eat up total gross receipts—assuming that present freight rates were applied.

Leaving interest charges out of the calculation entirely, and looking at operating expenses alone, here is a controlling fact which would not occur to the mind of the layman: Operating expenses are not created solely by the running of trains. In 1924 transportation represented but 48 per cent of total operating cost. There must be a business and operating organization on all railways. They do not run themselves automatically. But it may be assumed that the Canadian National would administer the road without the addition of a single dollar of expense under that head; and that point will therefore be dropped. It only affects the total by 7 per cent. The other 45 per cent cannot possibly be avoided, whether the road is idle or not. This view will be supported by every railway operator in the world.

Maintenance of way and structures must go on, whether trains are being run or not. If the line is to give its maximum of service, the roadbed must be kept in shape; and that is an annual expenditure on a mileage basis. On all Canadian railways, considered as a group, it amounted to $1,948 per mile in 1924. Ties and rails wear out. Ballasting must be done. It takes so many men to a section

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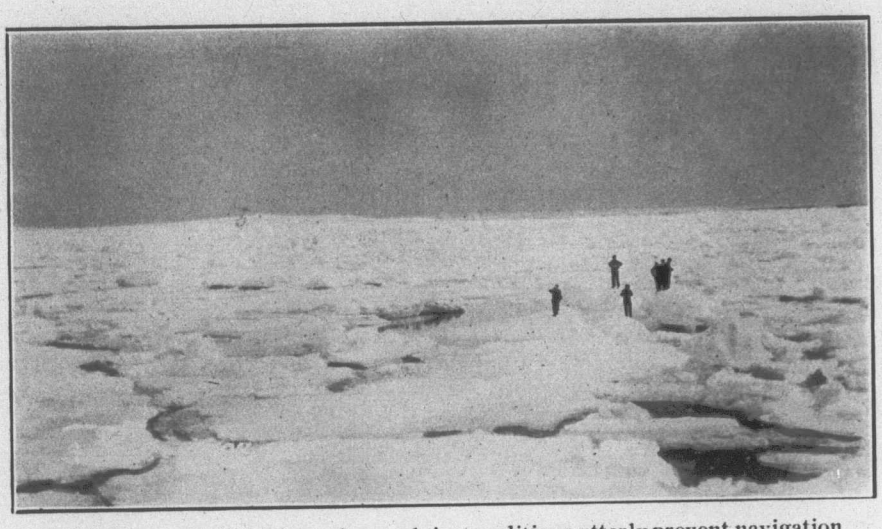
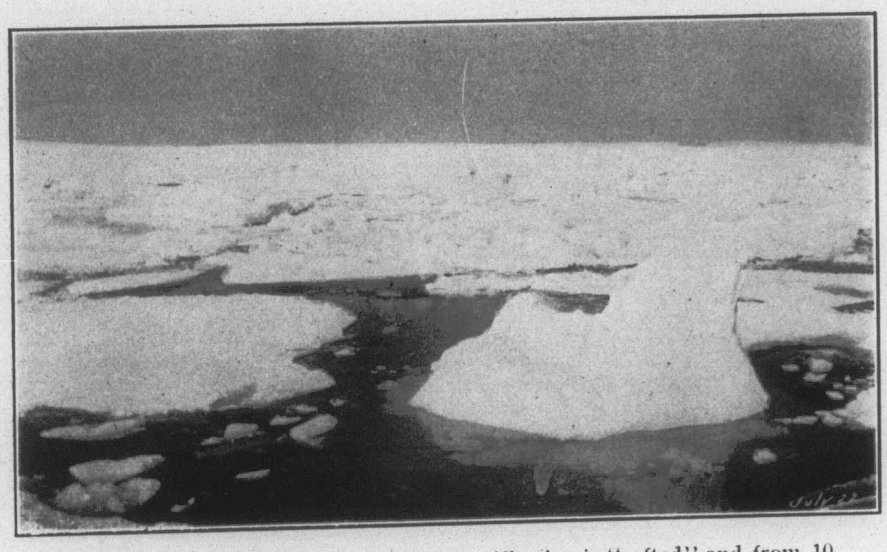


July 20th—It will be seen that such ice conditions utterly prevent navigation by ordinary vessels.



These were the conditions on July 22nd. The ice is "rafted" and from 10 to 20 feet in thickness.

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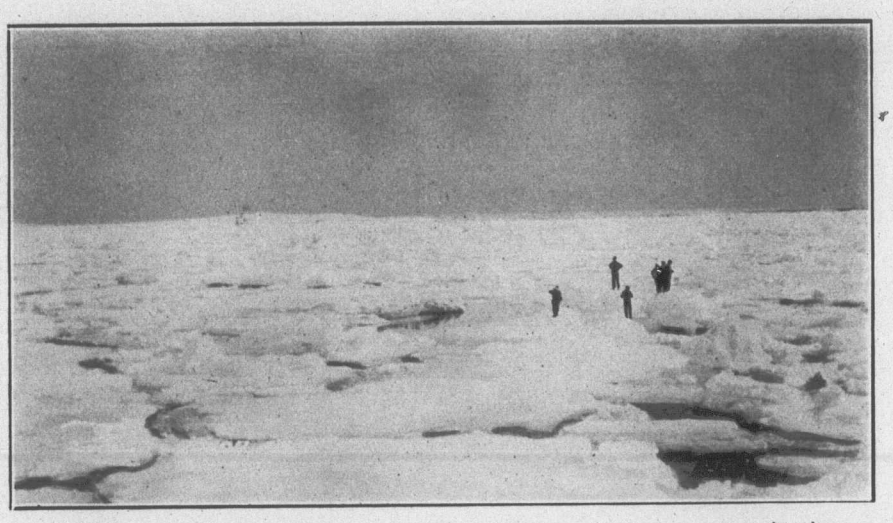

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These are ice breakers forcing their way through heavy ice in August, 1914.

Photo taken 12th August, 1914. A ship is being convoyed by an ice-breaker, which is very slow work.

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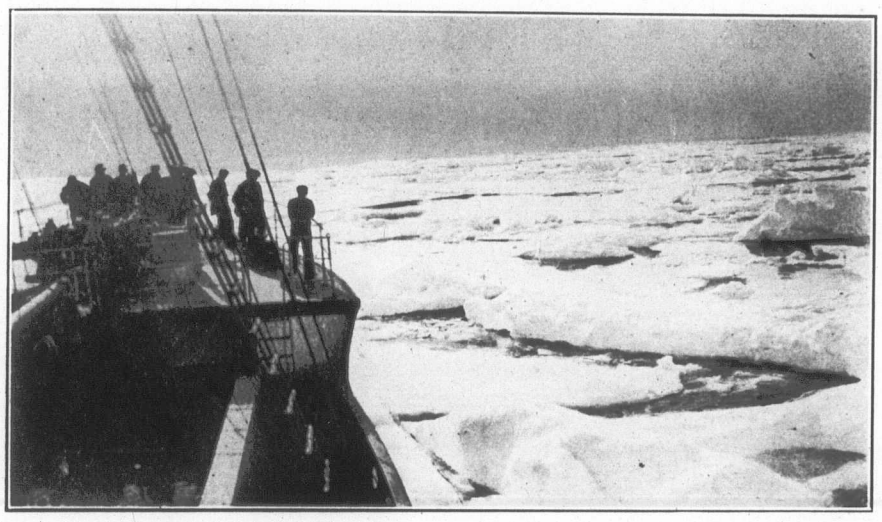

Another picture taken in August. These are the conditions in what has been called "the open season" of navigation.

Still another August scene in the Straits. Note the thickness of the ice, five-sixths of which is under water.

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This is a photo of ice conditions not far from Port Nelson on 9th September. What must have been the situation in the Straits at that time?

October 25th in the Straits. By that date the entire channel is covered with exceedingly heavy ice and icebergs.

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of five miles to keep any railway fit for operation. If the Hudson Bay Railway cost no more for maintenance of way and structures than the average of all Canadian railways, it would have to provide $825,952 per annum for that purpose for its 424 miles of line. Inasmuch as Mr. McLachlan says that labor costs on the Hudson Bay Railway are from 100 to 300 per cent higher than in eastern Canada, it is conceivable that the mere expense of keeping the roadbed in operating condition would be equal to total revenues.

Unavoidable charges of this class attaching to Canadian railways in 1924, irrespective of capital liability, were over $3,000 per mile. They would have had to be paid whether the roads were in operation or not. The same inexorable law applies to the Hudson Bay Railway. The upkeep of roadbed is merely one of the charges from which there is no escape. There are hundreds of others.

A parallel to the cost of keeping up the Hudson Bay Railway would be found in the case of a hotel which, although open for but two months in the year, had to maintain a third of its staff for the full year. The guests during the two months of operation would have to pay for that unproductive outlay, or it would be a loss.

If it be assumed by the advocates of this road that the Canadian National would supply all required equipment, they must re-consider that matter. The Hudson Bay Railway would be in operation at the very period that the Government system would need every locomotive and wheat car it owns. Therefore another big outlay on the capital side must be brought into the reckoning.

Port Nelson is not a natural harbor. A ship of ordinary draft cannot get nearer than twenty miles of the wharf. This means very heavy and costly dredging. Owing to enormous siltage from the Nelson River every spring, the artificial channel made one year is completely filled up the next. There is not a shadow of doubt about that. It appears in many of the Resident Engineer's reports. It is unreasonable to ignore a factor of that gravity in connection with the railway.

Having reached this point in the consideration of certain factors which govern rates, it becomes unnecessary to argue any further the question of the shortness of the Hudson Bay route as compared with the existing route. That favorable factor passes completely out of the reckoning in the face of other and outweighing factors.

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Who Would Benefit?

What measure of service could the Hudson Bay Railway render to the West? That brings the whole proposition down to the final test, because it introduces the factor of individual interest; and that view cannot be excluded. It is obvious that every prairie farmer who favors this road believes he would be benefitted by it. Let us see.

The western wheat crop of 1925 is placed in the Royal Bank bulletin for November at 400,385,000 bushels. We have just seen that the engineer in charge of the Hudson Bay Railway has officially estimated the maximum capacity of the road at 24,500,000 bushels. If the road had been in operation this year, it is as clear as day that 375,885,000 bushels of the season's crop could not possibly have been affected one way or the other as to transportation tolls on that route.

Who would determine, and how, what wheat should go out by the proposed new route? At the moment of shipment, export wheat is no longer the property of its producer. It belongs to the man who has bought it. Assuming that the Grain Growers' Association would deal with the situation, and that they would distribute the lower Hudson Bay rates—if any one now believes they could be lower—over the whole pool, how much would each producer benefit?

Of course, after having shown that rates could not possibly be lower, the foregoing question loses all practical significance. But the broad question of the measure of service possible by the Hudson Bay Railway remains. It goes to the roots of the entire proposition.

The purpose for which the Grain Growers' Association was organized, namely, to pool wheat in order to market it under the most favorable conditions, might easily stand in the way of using the Hudson Bay Railway to its full capacity during the short season it would be in operation. That is very clearly something to think about.

A Summing Up

In all that has thus far been written an earnest and sincere attempt has been made to measure this proposition on its economic merits. If it does not stand up under the tests which have been applied, then there is but one conclusion.

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It will be observed that not a word has been said having a political bearing. The writer is not concerned about that aspect of the matter. He is equally unconcerned as to the views of the two large railway systems. Yet a word about one of the latter cannot be avoided. The Canadian National has been making a brave struggle to get on its feet. It faces tremendous obstacles. Let us, therefore, frankly recognize that every bushel of wheat carried by the Hudson Bay Railway would be one bushel less for the Canadian National or the Canadian Pacific.

There is also the unavoidable thought that the people of Canada are carrying an exceedingly heavy burden in debt and taxation. Every dollar of loss incurred through the failure of the Hudson Bay Railway to pay its way would add to that burden.

Two conclusions are indicated by the facts and arguments which have here been presented. They are:—

1.—That the Hudson Bay Railway cannot carry a sufficient volume of traffic to materially benefit the wheat growers of the West, even though the rates should be lowered in proportion to the favorable difference in distance as between the proposed route and the route now in use.

2.—That there are insurmountable physical and economic obstacles in the way of operating that railway at a cost which would not mean rates several times higher than those which now obtain.

The Hudson Bay Railway would be like no other railway on earth. It would have a terminal which was closed for from nine to ten months in the year. That fact alone should tell every man who pauses to think that such a railway would be operated under exceedingly abnormal conditions. Therefore, extraordinary tests must be applied to it. It cannot, in other words, be measured against a normal railway. Yet we must all frankly see that every factor of abnormality is adverse in its bearing on the proposition as a whole. They all show conclusively that, if the railway is to pay its way, rates would have to be enormously high.

A Startling Confession

Mr. D. W. McLachlan took up his work as Resident Engineer at Port Nelson on 6th August, 1913. Four years later he made the following report:—

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PORT NELSON, MAN., September 17, 1917

W. A. BOWDEN, Esq.,
Chief Engineer, Department Railways and Canals,
Ottawa, Ont.

DEAR SIR,—Many a time during the past four years I have been on the verge of coming out in absolute condemnation of the undertaking on which I am engaged, but so long as I thought there was a chance of the Hudson Bay Railway ever proving of value for any national purpose, I thought that I had better not do so, especially as I know that you have always been one of its staunchest supporters. In the light of the ice conditions of this year, which I observed carefully on August 13, 29 and September 6, in the entrance to Port Nelson and the operation of our ships to and from Port Nelson for the past five seasons, I have come to the conclusion that the season for tramp steamships on this route is going to be so short that the cost of doing every item of work in the handling and transporting of merchandise is going to be so great that the route is not going to be able to compete with the lake route to Georgian Bay and rail to Montreal.

Port Nelson was this year blocked with ice on August 29, and there was still ice around the harbour entrance on September 6, proof of which I inclose.

The *Sheba* altered her course twice on the 12th of September to avoid ice within one hundred and fifty miles of Port Nelson. Though this year is extremely late as regards ice, yet it is quite usual to meet ice in the vicinity of cape Tatnam until September. The extreme season will count in a commercial route. I also feel that we cannot extend the latter end of the season beyond the date on which our ships have been leaving in recent years, which means that the 15th of October will terminate commercial navigation, unless aeroplane reconnaissance of the Fox Channel ice floes brings to light something now unknown.

Assuming for argument as long a season as can be hoped for, viz., two months between arrival of first ship at Port Nelson and departure of the last ship, I find that the Hudson Bay Railway route could not offer a greater rate to tramp steamers to come to Port Nelson than would be required to induce them to go to Montreal, and I feel that under equal rates the tramp steamer will prefer to go to Montreal rather

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than to Port Nelson when sailing to or from a European port.

For your perusal I have prepared the following table, showing cost of transporting grain from Saskatoon to Liverpool via Fort William:—

Saskatoon to Fort William, 917 miles at 4½ mills per ton mile	12·4¢ per bushel
Transfer at Fort William.	
Interest on cost of elevator and dock space at 6 per cent, handling its capacity seven times in season at 45 and 35 cents per bushel first cost $\frac{80 \times 6 \times 1}{100 \quad 7}$	0·7¢ per bushel
Labour and operation of elevator. Average of Port Colborne and Montreal	0·3¢ per bushel
Lake boat transport, Fort William to Bay Port, September rate	1·5¢ "
Transfer at Georgian Bay port, same as above	1·0¢ "
Rail haul to Montreal—	
Present C.P. Ry. line from Port McNicol, 375 miles at 4 mills per ton mile, or	4·5¢ "
C.N. Ry. line to Key Harbour to Montreal proposed; 401 miles at 3½ mills per ton mile	1·0¢ "
Transfer at Montreal	5·0¢ "
Ocean voyage pre-war rates	
Insurance omitted	
	26·4¢ per bushel

As a comparison with the above I have prepared the following table showing costs of transporting grain from Saskatoon to Port Nelson. The rate via Hudson Bay Railway would be as follows:—

Saskatoon to Port Nelson, 730 miles at 6¼ mills per ton mile	13·8¢ per bushel
Transfer at Port Nelson—	
Elevator and dock space each 70¢ per bushel.	
Interest on cost of above space handling capacity twice $\frac{70 \times 6 \times 1 \times 2}{100 \quad 2}$	4·2¢ per bushel
Forward	18·0¢ per bushel
Labour power and operation of elevator double lake costs	0·6¢ "
Interest on cost of ⅔ grain delayed three months, value $1.00 per bushel at $\frac{8 \times 3 \times 2}{100 \quad 12 \quad 3}$	1·3¢ "
Total above	19·9¢ per bushel

Margin left for ocean voyage, extra insurance and interest on cost of works = 26·4 − 19·9 = 6·5¢ per bushel.

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The ocean rate from Montreal is generally a liner rate, not a tramp rate. When a tramp rate is quoted it is usually two cents in excess of the liner rate.

In the figures given I have assumed that it will always cost twice as much to furnish the labour to handle a cargo at Port Nelson as it will cost to furnish the labour to handle a cargo in Fort William or Montreal, and I also assume that the operating cost per ton mile on the Hudson Bay Railway will be 40 per cent higher than a railway between Saskatoon and Fort William, both on account of the increased price of fuel and the shortness of the season, which I consider must synchronize with navigation from Port Nelson to Europe. I can prove that I am within the mark in many ways. If a man is brought here for two months' work as much will be paid out for transportation, wages and time as there is for work done, provided no higher rate is paid than in Fort William and there is in addition the cost of assembling and disbanding the organization. Though transportation on these works has amounted to 28 per cent of the pay-roll, yet there is also a large amount of overhead charges carried by other accounts in the nature of waiting for the season and other things. The construction season here has been nearly three times as long as the operating season will be and one of the embarrassments of the future construction work will be the absence of work in April and May. The very thought of bringing together an organization to operate a port for two months with no other diversion but the loading of irregular ships and then disbanding again as abruptly is, of itself, a most difficult task and its cost will be very nearly the cost of a similar organization elsewhere if operated for their season. The stationman on the Hudson Bay Railway makes $10 per day for 90 days and does nothing the rest of the year. Our men here do nothing outside from November to April, and so it will be for all time.

If you have any doubts re this matter, think of our experience with the stevedore. Time in, time out; transportation in, transportation out; and ten hours when there are no ships.

I have no longer any hesitation in saying the Hudson Bay Railway is doomed to certain failure. There may be fish in Hudson Bay, but there is no fishing season. There may be minerals on the east coast, but they are as accessible from Halifax as from Port Nelson. There is nothing for the Hudson Bay north of the Huronian rock outcrops south of Split

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lake, so long as the St. Lawrence river route is available, and as for agricultural possibilities north of the same point, there are none.

Yours very truly,

(Sgd.) D. W. McLACHLAN.

The Question of Ships

The water end of this transportation scheme is pivotal. If Hudson Straits are not navigable, even for two months, then the railway would not be of any use. If they are navigable for a short period each year, two questions at once arise: First, Could the ordinary ship of commerce, or tramp, be utilized? and second, If the ordinary tramp steamer could not be used, how many vessels of special construction would be required?

One fact has been established beyond all reasonable doubt. It is that Hudson Straits present enormous obstacles to navigation at all, to say nothing about safe navigation. No such body of water is navigated in any part of the world. On every day during what is called the "open season" it is a question of finding a channel through the ice; for tremendous bodies of ice are always there. Sometimes a channel can be found many miles in width. Nearly always, the opening is narrow and tortuous. It is constantly shifting. Growlers, such as sank the *Titanic*, are never absent, nor are icebergs. Everywhere, however, is floating ice of the heavy polar variety, running from 10 to 40 feet in thickness. To add to the difficulty, fogs and snowstorms are frequent, and occur at all seasons.

In the face of such terrible conditions, two conclusions are justified. They are:—

1.—That the ordinary steamer of commerce would be compelled to keep out of such waters, if for no other reason than that insurance rates would be prohibitive. They would also be enormous in the case of government owned vessels.

2.—That navigation would be slow, as well as extremely perilous, to a vessel of any type.

Mr. A. P. Low, in his official "Cruise of the Neptune," page 292, says: "the navigation of Hudson Straits would be possible for ships "specially constructed for ice navigation" but "the voyage

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would be a long one, and the difficulties and dangers would be great."

Assuming then that only vessels of special construction, built and operated by Government, would be required—as was definitely decided by the late Hon. Frank Cochrane, when Minister of Railways and Canals between 1911 and 1917, after sending several expeditions to Hudson Straits to investigate the conditions—the next question is as to the number and cost of such vessels.

While earlier investigations led to the conclusions that 2,000 tons would be the limit of a vessel capable of being operated in Hudson Straits, it is now claimed that 7,000 ton ships could be used. Without arguing the matter, two points are at once indicated:—

1.—That, since a 7,000 ton vessel can carry no more than 264,000 bushels, and could make but two round trips, therefore 46 such vessels would be required to move 24,500,000 bushels.

2.—The cost of 46 steamers of special construction, capable of resisting ice pressure, would be not less than $70,000,000.

In an earlier part of this analytical revew, the cost of ships was placed at $20,000,000. That figure was used tentatively, and was not meant to be considered in any other sense.

Conclusions:

An honest effort has here been made to bring together many of the essential and controlling facts bearing on this Hudson Bay Railway problem. The reader must be equally honest in coming to a decision in his own mind as to whether or not, in the face of all the information that has been presented, it would be reasonable to expect that the Hudson Bay route could lower transportation tolls on export wheat, or that it could render a service which would help the wheat situation in the slightest degree.

In an editorial which appeared in *Railway Age* on 14th November last, Mr. Samuel O. Dunn, the editor, and one of the foremost authorities on transportation in the world, shows that he has made a thorough study of this Hudson Bay question. He goes into the

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matter in all its economic bearings, and concludes a rather exhaustive analysis with this significant verdict:—

> "The Hudson Bay Railway is one of the most chimerical transportation projects ever conceived. The people of Canada would much better dump $75,000,000 into Hudson Bay than carry it out. If it is carried out they will lose not only their original investment, but millions of dollars every year in addition. That the project is seriously advocated by anybody is a striking illustration of the fact that there is no subject upon which there is more false and even preposterous reasoning than concerning means of transportation and their relative advantages and costs."

If this were a proposition in steel making, whose judgment as to its merits would be sought? Certainly not a surgeon's. If it were a proposition in surgery, would the opinion of a steel-maker be regarded as final? We must therefore see that, since this is a problem in railroading and navigation, it can only be settled by men who are able to apply the appropriate economic tests.

The following conclusions are amply justified by the facts presented in this review:—

1.—That the completion of the Hudson Bay Railway would involve a total capital expenditure of not less than $70,000,000. At 4 per cent, that would mean an annual fixed charge of $2,800,000.

2.—That the earnings on 24,500,000 bushels of wheat—the maximum capacity of the road—plus a small volume of westbound traffic, both hauled at rates now effective, would not produce a gross revenue of more than $1,728,241 per annum.

3.—That the operating expenses would be 80 per cent higher than on other railways in Canada, and could not possibly fall below $8,000,000 per annum.

4.—That operating expenses, amounting to at least $5,000,000 per annum would be incurred while the road was lying idle.

5.—That great difficulty would be encountered in organizing an operating and administrative staff for two or three months each year. In most cases, annual salaries and wages would have to be paid. That was what happened when part of the Hudson Bay Railway was in operation.

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6.—That the annual loss on the road, without reducing present freight rates, would exceed $8,000,000 per annum, including fixed charges.

7.—That the closing of Hudson Straits on 20th October would absolutely prevent the moving of more than five per cent of a normal season's crop.

8.—That ice conditions in Hudson Straits would compel the use of ships of special design and construction, at a capital cost of more than $70,000,000.

9.—That the loss on the operation of the ships would probably exceed $5,000,000 per annum.

10.—That all the conditions under which both the railway and the ships would be operated are so abnormal and unparalleled; that the service which could be rendered would be small and could not favorably affect the western situation as to export wheat; that nothing but disappointment and heavy loss could follow an attempt to operate such an extraordinary agency of transportation.

J. L. PAYNE.

OTTAWA, January 25th, 1926.

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Vancouver Province Jan. 27/26

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THE HUDSON BAY LINE.

Among the concessions which the Progressives are forcing from a not too reluctant government at Ottawa is a guarantee that the Hudson Bay Railway will be completed. For more than forty years, the prairies have been longing for this road, and have been fighting for it intermittently. The Selkirk settlers came in via the Hudson Bay and the outlet to the North was the logical outlet for them. So tradition has, all along, lent its force to the arguments of those who favored the line.

When the Canadian Pacific came, it was, of course, a boon to the prairie settlers, but its rates, then as now, did not suit everybody, and efforts were made to bring it to a more reasonable frame of mind by a lively agitation for the construction of a line to Hudson Bay. The promoters of the C. P. R. and the political backers of the scheme, of course, had little sympathy with the rival project. Lord Mount-Stephen referred to it as madness and a humbug, and Sir John Macdonald, in a famous letter to Sir John Rose, spoke of it as "that most hopeless of all enterprises."

But hope sometimes grows out of hopelessness, and the Hudson Bay line, now largely built, is, seemingly, to be driven on to completion. In 1907 when the odd-numbered blocks of land in the prairie provinces were thrown open for pre-emption, the proceeds were earmarked for the construction of the Hudson Bay line and work was commenced in 1911. The route runs from The Pas, on the C. N. R. and the Saskatchewan River to Port Nelson, at the mouth of the Nelson river, 410 miles in all. The preliminary estimates called for the expenditure of $16,000,000, including about $5,000,000 on Port Nelson harbor. Up to the end of the last fiscal year, the expenditure was $14,902,571 on the railway and $6,244,599 on harbor work. The harbor work is not nearly complete, but steel on the road is within ninety miles of the terminus, and all the bridges are in. The cost of completing the project is variously estimated, the figure running from a few hundred thousands up to $13,000,000. D. W. McLachlan, resident engineer, in an official report on February 6, 1923, calculated the minimum cost of completion at $27,071,000. This included $5,000,000 for the railway, the balance being for the harbor. Seemingly, the agreement between the Progressives and the government has to do only with the completion of the actual railroad. The cost of this should not be excessive, but the advantage of completing the line and leaving it without terminal facilities on the Bay is not apparent.

There are arguments in favor of the Hudson Bay road, and they may be summarized briefly. The line will afford another outlet for the prairie crop, and Canada can not have too many outlets. We have only begun to utilize the agricultural resources of the West, and already, at crop-moving time, there is more or less congestion. Hudson Strait, it is said, can be safely navigated by grain ships from August to January, and this is just the time of year when the grain is pressing for an outlet. The route will bring the grain fields 1500 miles nearer to the British market, and the shipping season—at the time when it is most wanted—is a month longer than that via the St. Lawrence river. The line, it is claimed by its advocates, will put the port which it feeds, in about the same geographical relation to Liverpool as New York is.

The short haul and the low rates that will prevail will develop a very large business by the northern route, it is predicted. Not only will grain go out via Port Nelson, but cattle will go also, and there will be an opportunity to revive the cattle trade of the West and to send beef to the British market that will compete with the Argentine. There will be inward traffic, too, it is held. Goods will reach the prairies from Europe via Hudson Bay, and iron, steel and coal from the Maritime provinces will pour into the West in increasing volume.

The railway, too, it is insisted, will open up in Western Canada a market for the still undeveloped fisheries of Hudson Bay and other Northern waters. Besides, there are enormous water powers to be developed on the Nelson and other rivers, and there is always the possibility of the discovery of another treasure-field such as the Ontario Government uncovered in Cobalt and Porcupine when it projected the O. T. and N. line into the wilderness.

Then there is the political argument, that both the great political parties have already promised to complete the road, and the politico-economic argument that the lands earmarked for the Hudson Bay line have already yielded more money than has been expended on the road, so that the actual cost to the taxpayers of the Dominion will not be great.

The advocates of the Bay route are aggressive and insistent, and the picture they have been able to paint is a rosy one. The arguments on the other side will have to wait for another article.

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Farmers Sun Toronto Jan 28/26.

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WOULD MERELY ADD TO WASTE.

MR. MEIGHEN says if the completion of the Hudson Bay Railway would cost fifty million dollars the project had better be allowed to wait. If the Conservative leader had stopped at that he would have been on safe ground and his attitude would have commended itself to those who are really concerned with the Dominion financial position.

Unfortunately, however, Mr. Meighen went on to say if a further outlay of three or four millions would make it possible to test the feasibility of this new route he would be prepared to go so far. That is an unwise position to take. If the Hudson Bay line had not been begun no sane person would think of entering upon the enterprise at the present time. The one fact that brings the scheme into the realm of practical politics is that so large a sum has already been expended. The argument is that since a considerable part of the line has been built it seems a pity to leave the eastern end in the air. But a further expenditure of three or four millions as proposed by Mr. Meighen, would not anywhere near finish the line. It would add force to the argument based on what has been invested in years past.

Mr. Meighen and the country generally may as well face the fact that not three or four millions, but more than twelve times that sum, would be necessary to complete the road and the harbor improvements necessary to make it of any service in the short season of navigation provided by Nature. And when that fact is faced the whole scheme is, under the existing financial situation, ruled outside of the realm of possibles.

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Calgary Herald Jan. 28/26

8.5321

CHALLENGE THE H. B. ROAD PROPOSAL

THE Conservative opposition at Ottawa should boldly challenge the government's Hudson Bay railway policy, not as a bit of political expediency, but for the national welfare.

Western Canada does not need this line of railway. We have ample outlets for our wheat. Adequate facilities for the shipping and elevating of the grain crop are present at ports on the lakes, the Atlantic and the Pacific.

Canada cannot afford to pay for it in the present state of the national finances. The people of the Dominion are crying for economy. They are opposed to extravagance. The Hudson Bay line is an extravagance.

If Liberals and Progressives from Eastern Canada, Saskatchewan and Manitoba will vote millions of dollars for this political scheme, let them be put on record. Where will the members for British Columbia stand, with Vancouver and Prince Albert begging for more grain traffic? Where will the U.F.A. members from this province stand? They know that Alberta does not want this road.

The opposition should take the position that the line is not required, that the whole doubtful venture should be re-examined, and that the country has not the money for it.

Parts of Saskatchewan and parts of Manitoba want the Hudson Bay line. The remainder of Canada is against completing it now. Only the wish to hold the Liberals in office can possibly induce government supporters and Progressives from the other provinces to vote for this proposal.

Challenge this portion of the speech from the throne and either prevent this unjustifiable expenditure or place the members voting for it in their true light before the people.

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Vancouver Province Jan. 30/26.

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THE HUDSON BAY LINE.

In an article published on this page, the other day, arguments in favor of the Hudson Bay Railroad were summarized. The counter-arguments fall naturally into three groups, those that deal with Port Nelson, the proposed terminal of the line, those that are concerned with the navigability of Hudson Bay and Hudson Strait and those that have to do with the economics of the question.

Port Nelson is situated on the Nelson River, next to the Mackenzie and the St. Lawrence, the largest stream in Canada. Whether it can be made a port or not is a question on which there has been heated debate. There is information on record pointing both ways. Hon. W. R. Motherwell, minister of agriculture, made a trip over a portion of the Hudson Bay route in 1924, and on April 7, last, he made a speech in the House of Commons condemning Port Nelson and favoring Fort Churchill. Mr. Motherwell's action has, of course, been explained as a political move—an effort to get out of the way, for the moment, an embarrassing project to which the government was committed. But the same can scarcely be said of Captain Bernier's condemnation. Giving evidence before the Royal Grain Commission in 1923, the well-known Arctic explorer said he considered Canada too poor to maintain a port like Nelson. Even the best friends of Port Nelson do not pretend that a port can be made there without the expenditure of much money, and the minister of railways, answering a question in the Commons early in the 1924 session, estimated that the cost of putting the Port Nelson harbor in shape to accommodate ten 7000-ton ships would be over $20,000,000. Completing the railway, of course, does not necessarily involve carrying out all the harbor work, but without the port facilities, the railroad can not possibly be a factor in grain carrying, and this has always been advanced as the real reason for construction.

Granted the feasibility of providing a port on the Nelson River that will be able to accommodate any ships that may wish to use it, there still remains the question of navigation. Speaking at Saskatoon, recently, Dr. D. A. McGibbon of Edmonton, a member of the Royal Grain Commission, stated that the general opinion of men who have been in the Arctic was that the season of navigation by way of Hudson Bay would close between October 20 and November 1. This, he pointed out, would curtail the shipments of grain most severely, since but a very small proportion of the current season's crop is shipped in September and October. If the season of navigation is as short as Dr. McGibbon has indicated, nearly all the grain that will make use of the Hudson Bay route will have to be held in storage over winter, and the interest and insurance costs will eat very seriously into any saving that may be made through shipping via the northern route. The grain can not be stored at Port Nelson, as it would be out of the market if sent there and would not be available for delivery on contracts should a favorable market develop.

Mr. McGibbon has been taken to task by the Manitoba Free Press, which insists that records are available showing that Port Nelson is generally open for navigation by the end of June, while records of the freeze-up range between November 1 and February 10. Ice-breakers, it believes, could keep the river ice broken generally on into December. Thus the port would have a season of five and a half to six months, compared with Montreal's seven months, and the season for the fall shipment of grain would be quite as long as Montreal's—possibly longer.

It has been stated frequently that the navigation of Hudson Bay itself is difficult, because of magnetic disturbances and that it is unsafe for ships to keep moving at night. The statement is also made that drifting shore ice is a danger in Hudson Strait, while the entrance to the strait is beset by icebergs. The advocates of the Bay route answer these arguments by pointing out that the strait is 300 miles wide, and that there is always a channel. They point out, too, that in the season when the route will be most used by grain ships—from August on to the freeze-up—shore ice is not a serious menace, and the worst of the icebergs are gone.

The arguments here cited, when analyzed, come down to this: The completion of the road involves the creation of terminals; and the creation of terminals on Hudson Bay will be very costly; besides, it is not certain how effective these terminals can be made, for this will depend on the length of the season during which they can be used, and when that season occurs. Four months beginning with September, for instance, would be much more valuable from a crop-moving standpoint than four months ending with September. These questions regarding the length of the season and the navigability of the strait, should, of course, have been settled before work was begun on the road at all. But both political parties were more concerned with winning votes than with making investigations and the country, as a result, was committed blindly to the enterprise. We have already spent over $20,000,000 on it, and there is consequently some force in the argument of the Manitoba Free Press which insists that if work stops now, the money already spent will all be wasted. There is only one thing to do, it says—to go ahead and try out the route.

However, as suggested in our opening paragraph, there are economic arguments against the project. These will be dealt with later.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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075323

The Hudson Bay Route to European Markets

The destiny of the Dominion of Canada is going to be shaped by a little line of railway that leads from nowhere to the shadow of the Arctic Circle.

For more than a quarter of a century grain growers of Western Canada have agitated in favor of the building of a branch line through the Province of Manitoba to Hudson Bay, whose waters empty into the Arctic Ocean.

Hudson Bay has played a noted part in Canada's history. It was the charter granted by a Stuart King to Prince Rupert and the "Gentlemen Adventurers trading out of Hudson's Bay" that laid the foundation of the greatest fur trading company the world has ever known. In the icy waters of Hudson Bay Ibervilla fought an historic battle. The trading posts still scattered along its shores are even today the centre of industry, little points of contact with the great world of civilization outside the enchained vastness of the Frozen North.

Hudson Bay is nearer to the wheat fields of the Canadian Northwest than is any other body of water over which shipments are made to the world's great wheat market in Liverpool. It has been the contendon of the grain growers that the completion of this road would lower freight rates and thereby give the farmers a greater profit on their product. They claim that Government after Government has promised to complete this road but that each in turn has failed when the time for implementing election pledges came.

Today in Canada the Progressives, or the Farmers' Party of the West, hold the balance of power. Without their support Premier Mackenzie King cannot function. They have agreed to support the Liberals in power just as long as the promises made to the electors are kept and the chief promise in their opinion is that of the Liberal Premier that the Hudson Bay Road will be completed immediately.

So after 30 years of being the political problem of the two parties of Canada, this little railway looms up as the thread that is to weave history for the Dominion.

The history of the Hudson Bay Railway is this. The West began clamoring for the road in 1887. In the great Federal general election in 1896, Sir Charles Tupper, then Conservative Prime Minister of Canada, came out strongly in favor of building the road. Sir George Foster, in the House of Commons in 1907, declared strongly for it. In 1908, Sir Wilfrid Laurier, Liberal Prime Minister, said: "We have undertaken the construction of another railway, the Hudson Bay Railway. We have come to the conclusion that the time to build this railway is now: not tomorrow, but now: and we have surveyors in the field looking at the conditions of the country and preparing plans for us, which we shall be prepared to put into execution as soon as we receive them, so as to ensure the largest measure of benefit possible to the Canadian people in the North West provinces."

The Dominion Government in 1910 commenced the construction of the line from The Pas, Manitoba, on the Saskatchewan River, to Port Nelson, on the Hudson Bay, a distance of 424 miles. Work was pursued in good earnest after the Federal general election of 1911, when it was a great issue in the West. The Halifax platform of Sir Robert Borden had then included a clause calling for its construction and, in his tour of the West, Sir Robert definitely announced, "The road will be built by the next Conservative administration without one day's unnecessary delay." Work continued till 1918.

As matters now stand the railway begins at The Pas, on the Saskatchewan River, the end of a branch line of the former Canadian Northern Railway, and runs northeast down the Nelson River to Kettle Rapids, a distance of 332 miles. This portion has been constructed at a cost of $20,859,318.

Both Liberals and Conservatives are now pledged to complete the remaining 92 miles and the present indications are that the work will shortly be done "for better or for worse" since the necessity for securing a certain measure of support from the West, where the scheme has the greatest number of adherents, weighs heavily with both Canadian political parties.

The two sides of the question have been fully expressed and laid before the public in all parts of the Dominion. Those who advocate completing the road, claim (1) that it is practicable as an outlet for western export products, particularly western wheat; (2) that, being shorter than the route now in use, it would lower freight rates proportionately, and (3) that the entire undertaking could be put in operation at a capital cost of from $3,000,000 to $13,000,000.

BOTH SIDES EXPRESSED.

In support of their arguments they point out that various authorities have declared that Hudson Bay and Strait are navigable for 2 1-2 or 3 months on the average each year. There is no disputing that the proposed route is shorter than those now in existence. The following table shows the advantages of the Hudson's Bay route as far as distances are concerned:—

	miles.
Winnipeg via Hudson's Bay to Liverpool	3,626
Winnipeg via Montreal to Liverpool	4,228
Duluth via Hudson's Bay to Liverpool	3,728
Duluth via New York to Liverpool	4,201
St. Paul via Hudson's Bay to Liverpool	4,096
St. Paul via New York to Liverpool	4,240

The differences in favor of the Hudson's Bay route amount to 600 miles in the case of Winnipeg, 500 miles in the case of Duluth and 150 miles in the case of St. Paul. Added to this is the fact that the Hudson's Bay route involves only a comparatively short haul by rail, as compared with the existing routes. Under ordinary conditions the advantage would be overwhelmingly in favor of the former.

It is further argued that 332 miles of the lines have been completed and the remaining 92 miles have been graded, although not up to the final standard, and lack only the steel. Many of the western advocates of the road speak of it as requiring merely the rails on the unfinished section and they take it for granted that the 332 miles are ready for the running of trains.

With regard to the cost of completing the 92 unfinished miles the estimates vary with supporters of the plan from $3,000,000 to about $13,000,000, the latter including the cost of putting the whole route in working order. The sum of $5,000,000 is that most popularly mentioned as the prospective cost of finishing the railway alone and taking that as a basis opponents of the scheme have worked out estimates of the total expenditure necessary before the route can be operated with any efficiency. These in some cases reach as high as $70,000,000. The following method of arriving at that result has been explained in pamphlet form by a Westerner who declares that he approached the subject from a strictly impartial standpoint.

The resident engineer of the Hudson Bay Railway in a return to the Department of Railways and Canals, estimated that the sum of $5,000,000 would be necessary to build the uncompleted portion of the railway, but he pointed out that in addition, if the route were to be used effectively, the expenditure of the following sums would be absolutely unavoidable, in his opinion:— $6,255,000 for dredging at Port Nelson; $7,166,000 for the building of a dock 4,000 feet long; $8,400,000 for the construction of an elevator to hold 7,000,000 bushels of grain; $300,000 for port equipment, light houses, etc. This brings the total cost to $27,071,000, which is regarded as a very modest estimate by strong opponents of the plan.

This sketch map shows the proposed route of the railway in its relation to Winnipeg. The section marked with crosses, from Kettle Rapids to Port Nelson, is the portion which remains to be built.

EXPENSIVE TERMINAL.

It is generally accepted that Port Nelson will be expensive as far as terminal facilities are concerned, as it is necessary, because of ice troubles and other conditions, to build the terminal for transhipment to vessels 20 miles up the stream. This involves a great deal of dredging for a harbor of adequate size and for the requisite channel to the open sea.

There are few also who dispute the necessity for large storage facilities, since the sea route is navigable only in August, September and part of October, and consequently a comparatively small portion of the grain crop can be carried in the year in which it is harvested. As large a quantity as possible must, therefore, be stored at Port Nelson if the sea route is to work to its full capacity.

Opponents point out that in addition to the resident engineer's estimates, there is the cost of replacing the ties along the whole 332 miles of the completed road, since these ties have been in place for nine years and are not in a condition to carry the maximum traffic and to withstand the wear and tear of the modern heavy locomotives and standard cars. This replacement will cost about $1,112,000.

Then the matter of rolling stock is frequently dragged into the light. There will have to be provided at least 50 locomotives and 1,200 cars, it is claimed, if the road is to work to capacity (about 24,500,000 bushels). Furthermore the ice conditions in Hudson Straits for the great part of the navigable season, it is claimed, will necessitate the use of specially constructed vessels. When these two matters are taken into consideration and the amount already spent on the road is added to the total, the cost mounts easily to $70,000,000.

The terminal works at Port Nelson, where the Hudson Bay Railway is to end and the sea route will begin.

SPECIAL VESSELS.

A more drastic calculation still places the cost alone of vessels specially built to withstand ice pressure at $70,000,000. The road has to carry 24,500,000 bushels each year it is argued. The ordinary vessel of 7,000 tons, carries 264,000 bushels and, because of the short period of navigation, it can make only two round trips a year by the Hudson Bay route. Therefore, 46 such steamers must be provided.

With regard to the navigability of the Straits, there are grave doubts in the minds of strong opponents. Most authorities place the navigation period at from 2 to 3 months on the average. A few have made it even shorter and a few have declared that it is possible to pass through the Straits for about 5 months each year. With regard to the latter statement it is claimed that those who made it did not have in mind at the time the requirements of a commercial route. They meant merely that a ship could force its way through, if necessity arose, during the longer period.

In certain years, ice conditions hold later in the summer and begin earlier in the winter than others and photographs have been taken at various intervals since the establishment of the route was first suggested to show the possibilities of serious trouble arising from these facts. D. W. McLachlan, from observations during his four years as resident engineer of the Hudson Bay Railway, placed the period of navigation from August 20 to October 20.

Snow storms and fogs in Hudson Strait are frequent. The channel of clear water is constantly shifting and ice is never entirely absent, so that, even in the month most favorable to shipping, there are to be considered dangers not encountered on other commercial routes.

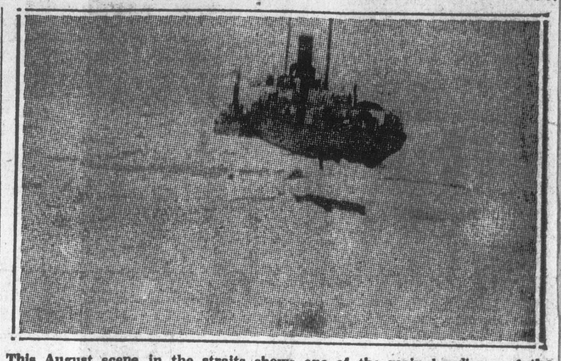
The bridge over the Nelson River at Kettle Rapids, Manitoba, which now marks the end of the completed portion of the Hudson Bay Railway.

The ice dangers in Hudson Bay are not as great but even there seasons vary greatly. In 1917 photographs were taken at Port Nelson on August 29, showing it blocked with ice, and again on September 6, when ice was still to be seen. That same year the Sheba had to alter her course twice on September 12 to avoid ice within 150 miles of Port Nelson. The conditions in Hudson Strait were very much worse at the time.

With regard to the possibility of the route being a profitable venture, its supporters argue that as the distance both by rail and water is shorter than those of other routes from the West, freight rates will naturally be lower and the result will be that not only will Western Canadian grain be attracted to the road but shipments from Minnesota, the Dakotas and other American States will follow. Return cargoes from Europe also they expect to follow the new route for the same reason.

WESTBOUND TRAFFIC.

Their adversaries declare that the distance by the Hudson Bay route might just as well be doubled in computing freight rates, for never yet have the incoming shipments for Western Canada through Atlantic ports approached the total of the outgoing shipments and the Hudson Bay steamers will usually have to return empty. Freight rates on the eastbound traffic therefore will have to be heavy enough to meet the cost of the voyage both ways.



This August scene in the straits shows one of the main handicaps of the sea route.

Furthermore, they say, the period of navigation falls in the months when grain shipments have not reached their height, prices in the European market are not as attractive as they are liable to become later in the season, and the ships will be forced to proceed slowly by the Hudson Bay route because of navigation difficulties, losing a great deal of time, particularly in the Straits. Grain would be the only export for many years, and the drawbacks of carrying cargoes of grain only are fully realized by all shipping companies. There would not be the choice of vessels offered in the larger ports of the Atlantic coast. The choice of destination would be smaller and the opportunity of sending comparatively small shipments of grain by vessels wishing to carry it as ballast, and therefore ready to offer the lowest possible rates, would be eliminated altogether.

In order to make the railroad pay its own way it will have to work to full capacity. That has been set by the resident engineer at 24,500,000 bushels. By transporting that quantity of grain for the three months in which it is possible to ship from Port Nelson, it would have to make enough to pay for its own maintenance during the idle part of the year as well as for its operation in the busy season. The cost of operation has been estimated by the resident engineer at about 80 per cent higher than that of ordinary railways and, whether the Canadian National (the Government owned line) supplies the operating staff or whether there is a special staff engaged for the Hudson Bay railway, the deficit—if there is one—will fall on the Canadian taxpayers. In addition to paying operating and maintenance cost the railroad, if it is not to become a burden on the community, must pay at least the interest on the capital outlay necessary to put it in operation.

The Canadian Pacific or the Canadian National Railways, under present freight rates, would realize $1,661,041 by the movement of 24,500,000 bushels of grain. The Hudson Bay Railway could expect approximately the same amount. Whether it could meet all its obligations with that amount or whether it could not, is an open question. Its adherents say that it is possible. Others say that it is not.

Some Affirmative Arguments

1. The Hudson Bay route to Britain is shorter than any other route from the Canadian West and freight rates would therefore be correspondingly lower.

2. Hudson Bay and Strait are open to navigation for from 2½ to 3 months each year and the Hudson's Bay Company has demonstrated the practicability of the route by trading over it for centuries.

3. Nearly 21 millions have already been spent on the railroad and it could be put into operating order by the expenditure of from $3,000,000 to $13,000,000 more.

4. The Middle West has been clamoring for the route since 1887 and both Liberal and Conservative parties have been pledged for years to its construction.

5. The route will pay for itself by attracting not only shipments to and from Western Canada, but also from the Middle Western States.

6. The railroad will open up a rich mineral district whose development has been held back by lack of railway facilities, and shipments of ore will contribute to the westbound traffic.

Some Negative Arguments

1. Freight rates by the Hudson Bay route will have to be heavy enough to cover the cost of the voyage both ways, as there is little likelihood of much westbound traffic for many years to come, and insurance rates will be high because of the difficulties of navigation.

2. The navigation season is too short to permit of large earnings, and specially constructed vessels will have to be provided to withstand the ice conditions they are liable to meet even in the most favorable months of the year.

3. The capital expenditure, before the route is capable of working to full capacity, will total $70,000,000 or more.

4. Very little grain can be shipped in the year it is harvested, as navigation closes too early. It will have to be stored over the winter season and that which is released over the Hudson Bay route will reach Europe at an unfavorable market period.

5. The full capacity of the road will not be great enough to earn even the interest on the capital expenditure, let alone the cost of operation and that of maintenance during the idle season.

6. Living conditions in the territory traversed by the railroad are so poor that there will be little local traffic to be built up.

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THE HUDSON BAY ROAD.

There seems no reason to doubt that the Hudson Bay Railway is to be completed. It is one of the few undertakings with which the government can go ahead safely, since all three parties in the House of Commons are committed to it, and there can be no danger of an adverse vote. Unfortunately, the country as a whole is by no means so certain of the wisdom of the undertaking, for the country has yet to be convinced that the new grain route via Port Nelson and the Hudson Bay is a practicable one. The arguments in favor of the road have already been given in The Province, and the points with regard to the navigation of the bay and strait and the construction of harbor facilities at Port Nelson have been discussed. There remains the economic question. Will it pay to ship grain via the Hudson Bay route rather than via the Great Lakes or via Vancouver?

There are several phases to the economic question, and they involve such points as the length of the shipping season, the cost of operating the railroad, the type of ships that can be used on the Port Nelson to Liverpool route as well as considerations of insurance and available cargo and such imponderables as the fears and anxieties of grain brokers and their natural desire to make a profit on their transactions.

It is admitted, in the first place, that the shipping season is not likely to be a long one. Even if every advantage is taken of the use of modern ice-breakers, it can scarcely be spun out more than fifteen weeks. That would allow for three or, at the most, four round trips between Port Nelson and Liverpool. The ten 7000-ton ships of which Hon. George P. Graham spoke in 1924, when he estimated the cost of port accommodation at $20,000,000, would be able, in three round trips, to transport only 7,000,000 bushels, or less than 10,000,000 bushels in four trips, and this would scarcely be a factor of importance in moving the Canadian crop. Supposing 10,000,000 bushels could be moved at a saving to the farmer of 10 cents a bushel—and this is the maximum looked for—the saving would be a million dollars, and the interest on the investment—which will be about $50,000,000 before all the bills are paid—will be between $2,000,000 and $2,500,000. There is not much profit there.

But there is no certainty that there will be a saving of 10 cents a bushel or, indeed, of any sum. Mr. D. W. McLachlan, who was engineer in charge of the work on Hudson Bay for several years, wrote his chief from Port Nelson in 1917, expressing the opinion that it would cost more to ship a cargo of wheat from Saskatoon to Liverpool via Hudson Bay than via Montreal. Mr. McLachlan may have been mistaken, of course, but there are several circumstances which suggest that he was correct.

In the first place, at the shipping enquiry at Ottawa last year, it was stated, in defense of high Atlantic rates, that the average ship coming for cargo to St. Lawrence or Maritime province ports carried only 15 to 20 per cent. cargo. Going eastward the vessel carried full cargo, but the goods eastward bound had to pay more than three-quarters of the cost of the westward trip, in addition to the eastward costs. To the Hudson Bay, westward cargoes would be much smaller than to Atlantic ports, since no goods could be despatched via that route for the populous cities of Ontario or Quebec. The ships would have to come almost in ballast, and the wheat would have to pay the cost of the round trip. Added to this would be insurance costs, which would be very much higher than to the St. Lawrence or to Halifax or St. John. Another thing that would send up costs would be the seasonal nature of the work on the railroad, operating very little during eight or nine months. The grain shipped during three or four months would have to pay overhead costs for twelve. The type of ship to be used comes in for mention here, too. The ships will have to be heavier because of the danger from ice, and extra weight will cut down cargo capacity, besides costing more for operation and making the ships less efficient on other routes during the off season.

Mention has been made of the grain brokers, and they are not to be ignored. Vancouver has had some experience of the difficulties of enticing the grain trade into a new channel, even with all the advantages of an all-year-round port and a premium on shipments this way. A cautious broker, who hedges every time he buys, may hesitate to send his grain to a port where it may be frozen in for eight or nine months, and where he can get no satisfactory hedge, while interest, insurance and storage charges pile up on him.

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COMPLETION OF HUDSON BAY RY. GIGANTIC BLUNDER

Abnormal Conditions Render Route Impracticable as Outlet for Grain

WOULD COST $130,000,000

Fleet of Specially Constructed Ships Necessary—Heavy Annual Loss and No Rate Reduction

By JOHN LAMBERT PAYNE.

The following article by Mr. John Lambert Payne, a competent authority on transportation statistics, reviews what has already been done toward the building of the Hudson Bay Railway and follows with a statement of what remains to be done—and the cost. It will be noted that the cost of the enterprise does not end with the completion of the railway itself. Mr. Payne says:

The immediate completion of the Hudson Bay Railway having been made a matter of definite Government policy, it is of prime importance that the economic aspects of the project should be considered on their merits. While this would be an extraordinary railway and, therefore, outside the applicability of the usual comparative tests, it is nevertheless a proposition in transportation and must be measured in precisely the way any other scheme of that nature would be appraised. That is to say, it reduces itself in the final reckoning to a problem in dollars and cents. Those who advocate it claim that (1) it is practicable as an outlet for western export products, particularly western wheat; (2) that, being shorter than the route now in use, it would lower freight rates proportionately, and (3) that the entire undertaking could be put in operation at a capital cost of from $3,000,000 to $13,000,000.

It should be observed, as a starting point, that 332 miles of the line have been completed. The remaining 92 miles have been graded, although not up to the final standard, and lack only the steel. That is perhaps an optimistic picture of the situation, for reasons which will be at once given. It is merely presented in that way because the western advocates of the road speak of it as requiring merely the rails on the unfinished section. They take it for granted that the 332 miles are ready for the running of trains. But that is a wholly unwarranted assumption. The work of building the road was begun in 1911, nearly fifteen years ago, and 332 miles were graded and laid with steel. The remaining 92 miles were not fully prepared for the rails. The so-called "completed portion," however, was abandoned in 1917, and has by this time fallen into a very bad state, with the ties rotted into the ground.

The practicability of the railway as a means of carrying out export grain turns wholly on conditions in Hudson Straits. The Progressives of Saskatchewan and Manitoba assert there is an open season, of from three to five months, during which the ordinary ships of commerce could pass in and out without hindrance. Beyond a shadow of doubt, however, they are wrong. Mr. D. W. McLachlan, who was resident engineer of the road at Port Nelson for four years, fixes the period of possible navigation at two months—from 20th August to 20th October. Other authorities are equally positive in declaring that the conditions as to ice are so appalling at all times that only ships of special construction, capable of moving with safety among bodies of heavy ice, could navigate the straits at all; and the weight of authority is overwhelmingly on that side. When the late Hon. Frank Cochrane was Minister of Railways, he not only sent several expeditions to Hudson Bay to investigate the conditions, but took a trip through the straits himself. He did this in the month that had been said to be most favorable for navigation, September, and, while he did not make an official declaration on the subject, he told many friends that it was utterly unreasonable to talk about ordinary steamers operating in such waters. He quite definitely decided that Government would have to construct and operate ships of an entirely special type; and he took elaborate care to gather information as to the probable cost of such ships. When any one with an open mind looks at the photographs which have been taken in Hudson Straits during the months of July, August, September and October, he will be convinced that the obstacles to navigation, even by specially fortified vessels, are tremendous.

DANGER AND DELAY.

The practical view is at once forced into the foreground. Such conditions as obtain in Hudson Straits are translated into terms of danger and delay, and such terms are again translated into insurance rates and cost of operation. In an article which appeared in Railway Age of 23rd January, Mr. C. A. Morse says: "Any study of railway economics today must put the matter of 'time saved' on the front page." In this instance, the loss of time, unavoidably and inevitably, would be enormous; and that would be contrary to the whole genius and trend of modern aims in transportation. Mr. A. P. Low was sent up by Government some twenty years and more ago to investigate ice conditions, and his picture of the situation is full of facts pointing to constant causes of delay and peril. It is beyond question that during those very months the straits are assumed to be "open" there is never a moment that immense bodies of ice, including hundreds of icebergs and deadly growlers, are not in the pathway of vessels. Snowstorms and fogs are frequent. The channel of clear water is constantly shifting. During the entire period that this railway was being built not a single ship reached Port Nelson unaccompanied by a powerful ice-breaker.

In finally declaring that "the Hudson Bay Railway is doomed to certain failure," Mr. D. W. McLachlan, the resident engineer, lays special emphasis on the ice conditions. "Port Nelson," he says, "was this year (1917) blocked with ice on August 29, and there was still ice around the harbor entrance on September 6, proof of which I enclose." The proof was a photograph, showing immense bodies of very heavy ice. He says further: "The Sheba altered her course twice on 12th September to avoid ice within 150 miles of Port Nelson." If those were the conditions in Hudson Bay, what must have been the situation at that time in the straits? Yet that is the very time when advocates of this road assume that ordinary steamers can move in and out with perfect freedom. It was precisely those conditions which led Mr. William Duff, M.P., who knows something about the operation of ships, to declare in Parliament last year that "there is not a single day of open navigation in Hudson Straits." Voluminous records are available to show that Hudson Straits can never be navigated, at any season of the year, by the ordinary ships of commerce. It is doubtful if insurance for such vessels could be had at all. If it could be, the rates would be enormous. Therefore, the practicability of a railway which is dependent on such an outlet as Hudson Straits is open to grave doubt. At all events, the most ardent advocate of this road should be prepared to admit that such terrifically adverse conditions would be bound to affect very seriously the cost of operation; and high cost of operation means high rates. This allusion to rates brings us immediately into contact with the crux of the whole matter. If the Hudson Bay Railway cannot carry western wheat at lower tolls than those which are now in force, there is not a Progressive in the country who would not drop it. Therefore, it will be opportune to turn in a calculating and judicial spirit to that vital aspect of the proposition. Happily, certain basic factors are readily available. For example, the resident engineer has very carefully calculated the maximum capacity of the road. He places it at 24,500,000 bushels of wheat. Unthinking advocates of the Hudson Bay Railway imply that ten cents per bushel could be cut off the prevailing rate. If, however, the present rates of the Canadian National and Canadian Pacific were applied to 24,500,000 bushels of wheat moved over the Hudson Bay Railway, they would produce precisely $1,661,041. That would be on eastbound traffic. If the road got every pound of imports coming from Europe for the West, and got it during the two months period of operation, the addition to revenue for westbound business at twice the eastbound rates, would be but $67,200. That would mean a final revenue total of $1,728,241. If we are to answer soundly and adequately, the question of whether or not the rates on export wheat could be lowered by the Hudson Bay Railway, we must see what relation to operating expenses this gross revenue of $1,728,241 would have. In other words, we must see if that volume of receipts would enable the road to make one hand wash the other and provide for fixed charges arising out of capital liability. If it could not do that, then obviously it could not lower the rates. To put it in another way: The rates could only be lowered to the extent that earnings were in excess of operating expenses and fixed charges. Let us therefore see what amount of revenue would be necessary to meet operating cost and capital obligations; and, fortunately, it will not be necessary to introduce anything which could be questioned by a man who wished to know the truth in this matter.

AN OFFICIAL REPORT.

On this question of rates, the resident engineer at Port Nelson made an official report to the Department of Railways and Canals. It is dated 17th September, 1917, and contains this very significant statement: "I have come to the conclusion that the cost of doing every item of work in the handling and transporting of merchandise is going to be so great that the route is not going to be able to compete with the lake route to Georgian Bay and rail to Montreal." After giving the details of an elaborate calculation as to rates, in a report dated March 30, 1922, Mr. McLachlan sums up as follows:—

"From the above it appears that grain can be delivered to a ship in Montreal more cheaply than to a ship at Port Nelson after the Welland canal is finished, and as I believe that at all seasons ships would prefer to go to Montreal for cargo, rather than to Port Nelson, I do not see much prospects for the Hudson Bay Railway handling any very large quantity of grain. It should be noted that both the Welland ship canal route and the Hudson Bay Railway route are Government owned; and as the capacity of the Welland route is far greater than the probable Canadian traffic offering, there does not seem to be much object in completing the Hudson Bay Railway for the grain business."

The expenditure on the Hudson Bay Railway to date has been $20,859,318, as shown in the official Public Accounts. To arrive at the sum total of capital expenditure, and then the fixed charges arising therefrom, it is necessary to ascertain the cost of completing the road. To finish the road itself is one thing; to have it in a position to function is quite another. The terminal facilities at Port Nelson are pivotal to the entire undertaking. Mr. McLachlan estimates that $5,000,000 would complete the railway; but that figure does not include equipment. Locomotives and rolling stock could not be had from the Canadian National, since the Hudson Bay Railway would be in operation at the time of moving the western harvest, when the Government system must have every engine and car it owns for its own use. Expert operating men say the absolute minimum for adequate equipment would be $16,500,000. That brings us up to $21,500,000. New ties for 332 miles would raise the total to $23,000,000. To complete the terminal at Port Nelson, which is as essential as the railway itself, the resident engineer in his official report of February 9, 1923, says would cost $22,071,000. The main items are: elevator, $8,400,000; dock, $7,116,000, and dredging $6,255,000. We are now up to $45,071,000. But that is not all. Mr. H. W. A. Johnson, of the Manitoba Farmers' Union, has issued a statement shewing that $2,500,000 would be required to construct lighthouses, provide lighthouse tenders and set up an airplane service. And he is right, except that he is away insire the mark. So that, accepting Mr. Johnson's figures, we have now a final total of $47,571,000; and it is to be observed that these are merely estimates. Who has ever seen a big job of this nature carried out for the primary estimate?

When this $47,571,000 to complete the road has been added to the $20,859,313 already expended we have a final aggregate of $68,430,318. For the railway proper and terminal the capital outlay would be $65,930,318, or over $155,000 per mile. The capitalization of the Canadian Pacific is not half that, and the average for all United States railways is $90,681; so that we would have the Hudson Bay Railway as one of the most costly roads in the world. At 4 per cent., the charges for interest alone would be $2,637,000, or nearly a million dollars more than the gross earnings could possibly be. We are, however, just commencing to identify some of the extraordinary aspects of this most extraordinary road. Mr. McLachlan, whose four years experience at Port Nelson qualifies him to speak authoritatively, is responsible for the official statment that operating expenses "may be taken at 80 per cent. advance on the rates used in other parts of Canada." In other reports he shows that all costs averaged from 100 to 300 per cent. higher than in other sections of the Dominion; and, when the extremely adverse and exceptional conditions are taken into account, they could not be otherwise than very high. For one specific reason, if for no other, operating expenses would be abnormally high; and that is found in the fact that there would be traffic only one way. It costs just as much to haul an empty train 424 miles as a loaded train. There would be no local traffic. But we shall see at once that operating cost would be enormously in excess of receipts. In 1924 the average operating cost of all railways in Canada, considered as a group, was $9,548 per mile. That was for 12 months. Assuming that the Hudson Bay Railway could be operated for two months at the same rate, plus the 80 per cent. increase which Mr. McLachlan says would be unavoidable, we have a final quotient of $2,864 per mile. For 424 miles that would be $1,214,336. As we have already seen that the full earnings of the road would leave a shortage of nearly a million dollars on account of fixed charges alone, our deficit at once passes the $2,000,000 mark. And it must be remembered we have here been figuring earnings on the basis of Canadian Pacific and Canadian National rates. But at this point another very important fact comes into the reckoning.

COST OF MAINTENANCE.

Assuming that the Canadian National would provide the headquarters organization for the administration of this road—which it really could not do without very considerable cost to itself—there is one thing the Canadian National could not do. It could not keep up the roadbed. That would have to be taken care of the year round, and, without going into the details, let it be said that it would amount to at least $2,000 per mile. Here we have another million added to the annual deficit. Another million would inevitably arise from keeping the equipment in repair and paying such a nucleus of the operating staff as would be imperatively necessary for the full year.

The maintenance charges at the Port Nelson terminal would probably add a further $2,000,000 to the deficit; for here an $8,400,000 elevator would have to be taken care of, along with a very extensive dock plant. But the annual dredging bill would be the chief item. Nobody knows how large it would be. Port Nelson, it must be remembered, is purely an artificial harbor. Ships drawing 25 feet of water cannot now come within 20 miles of it. The engineer estimates that it would cost $6,255,000 to do the primary dredging; but, owing to the heavy floods which come down the Nelson river during the breakup, the siltage is very heavy—so heavy that the engineer says the channel is practically filled up every year. That is, from the railway standpoint, the worst feature of Port Nelson. It comes in as a huge factor in this problem on the side of cost, and would mean possibly $3,000,000 per annum, although all losses at the terminal are here estimated at $2,000,000.

Thus we are compelled to see that there is absolutely no hope of carrying out western wheat at lower rates by way of Hudson Bay. Indeed, if the road is to pay its way, the rates would have to be three or four times what they now are by the St. Lawrence route. If common sense is brought to bear on the matter, it will be seen that it could not be otherwise. Here is a road, close up to the Arctic circle, which must be equipped from end to end to operate for two months in the year at high pressure and then be shut down for ten months. How could a staff be got together for that purpose, except at abnormal cost? The truth is that, notwithstanding anything the Canadian National may do, a considerable portion of the operating expenses will continue throughout the full year. Railway men say it would therefore be an exceedingly costly road to operate and maintain. It should not be surprising that Mr. Samuel C. Dunn, editor of Railway Age, recently said of it: "The people of Canada would much better dump $75,000,000 into Hudson Bay than carry it out." We must see, however, that it would cost the Dominion treasury more than $75,000,000 to get this road in operation; for the question of ships still remains. All competent authorities are agreed that ordinary steamers could not operate in Hudson Straits. Therefore, a fleet of specially constructed ships would be required. As each vessel could make but two round trips during the period the railway would be in operation, it would take at least 48 units to move 24,500,000 bushels of wheat, each unit carrying 264,000 bushels per voyage. Such a fleet could not be had for less than $70,000,000. It might easily cost $100,000,000. Taking the lower figure, however, we must frankly recognize the startling truth that, instead of it costing from three to thirteen millions to get this enterprise as a whole in working shape, the call upon the people of Canada would be not a penny under $130,000,000. The annual loss on ships and railway, without reducing transportation charges by the fraction of a farthing, would undoubtedly be many millions.

Apparently the advocates of this road have not paused to look into this proposition from the viewpoint which a private investor would have to take. It would seem, rather, than they had not got beyond the elementary fact that the haul would be shorter. On that they predicate all their conclusions. But, obviously, the shorter haul in any case could easily be counterbalanced by conditions; and that is precisely what arises in this instance. The conditions are most abnormal, and all of them are adverse—so adverse that the practicability of operating the Hudson Bay route at all, no matter at what loss, has not yet been settled. If the experiment is tried, it will involve an enormous capital outlay, and thereafter very heavy annual loss is as absolutely certain as anything could well be. This is essentially a proposition in transportation, and its sponsors are farmers. But all the people of Canada would have to pay the bill, and their burdens in that regard are now about all they can bear. Even if the route should be physically practicable, it would be available for no more than about 7 per cent. of a normal season's crop, owing to the closing of the straits by 20th October.

PUBLIC ARCHIVES CANADA
ARCHIVES PUBLIQUES CANADA
MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

Free Press London Ont Feb. 4/26

015326

The West Not Unanimous

That the people of Western Canada are unanimously demanding the completion of the Hudson Bay Railway is the impression which is given by supporters of this scheme. However, support for the road to the bay is largely confined to Manitoba and Saskatchewan. Alberta, since the opening up of grain routes via the Pacific, is not only not interested, but is against the undertaking, while, of course, British Columbia is unalterably opposed.

The Calgary Herald in a strong editorial calls on the Conservative Opposition to challenge the Government's policy, claiming that it is a piece of extravagance which the country under present circumstances cannot afford:

"The Conservative Opposition at Ottawa should boldly challenge the Government's Hudson Bay Railway policy, not as a bit of political expediency, but for the national welfare.

"Western Canada does not need this line of railway. We have ample outlets for our wheat. Adequate facilities for the shipping and elevating of the grain crop are present at ports on the lakes, the Atlantic and the Pacific.

"Canada cannot afford to pay for it in the present state of the national finances. The people of the Dominion are crying for economy. They are opposed to extravagance. The Hudson Bay line is an extravagance.

"If Liberals and Progressives from Eastern Canada, Saskatchewan and Manitoba will vote millions of dollars for this political scheme, let them be put on record. Where will the members for British Columbia stand, with Vancouver and Prince Albert begging for more grain traffic? Where will the U. F. A. members for this province stand? They know that Alberta does not want this road.

"The Opposition should take the position that the line is not required, that the whole doubtful venture should be re-examined, and that the country has not the money for it.

"Parts of Saskatchewan and parts of Manitoba want the Hudson Bay line. The remainder of Canada is against completing it now. Only the wish to hold the Liberals in office can possibly induce Government supporters and Progressives from the other provinces to vote for this proposal.

"Challenge this portion of the speech from the throne and either prevent this unjustifiable expenditure or place the members voting for it in their true light before the people."

Rt. Hon. Arthur Meighen has taken the ground that if it will only take three millions, as claimed by the On-to-the-Bay Association, to finish the line, then he will support such a vote, but according to competent engineers it will take more like thirty millions than three millions to finish the line to the bay and complete terminals. Then it is all guesswork whether the route can ever be used for transportation purposes to England. Canada, under present financial conditions, cannot afford such a doubtful experiment, which may be an everlasting sinkhole for our money. The country has a right at least to know just what it will cost and what the road can do before any more money is taken out of the treasury.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Chronicle-Telegraph Quebec Feb. 6/26.

075327

SATURDAY, FEBRUARY 6, 1926

"ON TO THE BAY"

With Premier King committed to the completion of the Hudson's Bay Railway project by virtue of his own utterances, and doubly committed by virtue of his vicious alliance with the Progressives, this matter begins to loom as yet another financial stone to be tied to the already over-burdened neck of the Canadian tax-payer. One can quite understand the sentiment of the western farmers in favor of the new road. If the project is of any value at all that value will redound to their exclusive advantage. And it is equally easy to understand the sentiment of the east in opposition to the new road. Whether there is any value in it or not that value can only redound to the east's exclusive disadvantage. That, in a nutshell, represents the two divergent views on the subject. But between these two poles there is a body of intelligent and independent opinion, not the exlusive property of any section, whose voice, however, is as the voice in the wilderness, and, which, by the same token appears to be instinct with the prophesy not infrequently found in such isolated expressions. According to that opinion, the proposed Hudson Bay Railway cannot carry a sufficient volume of traffic to materially benefit the wheat grower of the west even though the rates should be lowered in proportion to the favorable difference in distance as between the proposed route and the route now in use. Furthermore, itis declared that there are insurmountable physical and economic obstables in the way of operating that railway at a cost which would not result in the imposition of rates several times higher thsn those prevailing at present. After a close and reasoned study of all the advantages and disadvantages claimed by the opposing factions the following conclusions are submitted as representing the project in its true light:

1.—That the completion of the Hudson Bay Railway would involve a total capital expenditure of not less than $70,000,000. At 4 per cent, that would mean an annual fixed charge of $2,800,000.

2.—That the earnings on 24,500,000 bushels of wheat—the maximum capacity of the road—plus a small volume of westbound traffic, both hauled at rates now effective, would not produce a gross revenue of more than $1,728,241 per annum.

3.—That the operating expenses would be 80 per cent higher than on other railways in Canada, and could not possibly fall below $8,000,000 per annum.

4.—That operating expense, amounting to at least $5,000,000 per annum would be incurred while the road was lying idle.

5.—That great difficulty would be encountered in organizing an operating and administrative staff for two or three months each year. In most cases, annual salaries and wages would have to be paid. That was what happened when part of the Hudson Bay Railway was in operation.

6.—That the annual loss on the road, without reducing present freight rates, would exceed $8,000,000 per annum, including fixed charges.

7.—That the closing of Hudson Straits on 20th October would absolutely prevent the moving of more than five per cent of a normal season's crop.

8.—That ice conditions in Hudson Straits would compel the use of ships of special design and construction, at a capital cost of more than $70,000,000.

9.—That the loss on the operation of the ships would probably exceed $5,000,000 per annum.

10.—That all the conditions under which both the railway and the ships would be operated are so abnormal and unparalleled; that the service which could be rendered would be small and could not favorably affect the western situation as to export wheat; that nothing but disappointment and heavy loss could follow an attempt to operate such an extraordinary agency of transportation.

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075328

19

Ottawa, Feb. 8, 1926.

Brig. General R.W. Paterson,
On-to-the-Bay Assn. of Canada,
Winnipeg, Man.

Dear General Paterson:

Your letter of the 5th inst., reached me to-day. I appreciate the suggestion you have made that I should allow my name as patron of the "On-to-the-Bay" Association. However, for reasons which you will quite readily understand, I feel it would hardly be the right thing for me to do. I regret I cannot see my way clear to agree to your request.

Yours very truly,

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D. G. McKENZIE, Secretary U. F. M.
J. ADDISON, President Trades & Labor Council

February 5, 1926.

Hon. Arthur Meighen, M.P.,
House of Commons,
Ottawa, Ont.

Dear Mr. Meighen,

The second Annual Convention of our Association is being held in Winnipeg on Wednesday the 10th and I have been instructed to ask you to do us the honour of allowing your name to go forward as a patron of the Association for the coming year. As you know our Association is absolutely non-partisan and we have only one object, and that is the opening up of the resources of the north country, so that should you see fit to grant our request you will do us an honour and not compromise yourself in any way.

Trusting to hear from you before Wednesday's meeting,

Yours faithfully,

President.

RWP/W

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PUBLIC ARCHIVES
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CANADA

16 Feb 1926 Vernon B.C.

075330

Arthur Meighen Esq M.P.
Ottawa

Dear Sir

I enclose copy of a letter I wrote to Vernon News. I trust you will see the point of view that a population of 9000000 cannot stand any increase in the public debt, & will do all in your power to prevent such.

If the existing railway belts were settled up it would be a help, that is get more men into the country, instead of wasting public money on absolutely useless new railways & duplicating old ones. Apologising for troubling

Yours faithfully
H. Leckie Ewing

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PUBLIC ARCHIVES
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075331

CORRESPONDENCE

Letters must be brief, of general interest, and will only be published over the name of the writer. The Vernon News does not necessarily endorse the views expressed in any letter. Publication in all cases is subject to the judgments of the Editor.

Editor Vernon News, Sir:—

In the Vancouver Province of Feb. 5th, I read a great outcry by Mr. Stevens and others over $30,000,000 which, through smuggling, had been stolen from the exchequer. If this can be proved it is bad enough, but that money is gone, so apart from punishing the thieves it is not of much further interest. But what of the future? For one thing the Government is proposing to complete that railway to the frozen regions, the Hudson's Bay Railway, at an estimated cost of $3,000,000 for the railway alone that is.

Now, as pointed out clearly, this railway without docks, is absolutely useless. The docks are estimated to cost $20,000,000. Our past experience has been that actual costs have been three times or more the Government estimates. That is, probable cost would be $9,000,000 for the railway, and $60,000,000 for the necessary docking accommodation to complete the railway to the Arctic circle. The harbor, from all accounts, is never very safe, and only navigable at all as far as wheat carrying is concerned, by specially constructed boats which generally require the assistance of icebreakers, and only for about three months in the year at that. The Vancouver Province estimates that at most, 10,000,000 bushels of wheat could be shipped in the limited time, (not to mention other disadvantages), at a saving (doubtful) of 10 cents a bushel in freight. For that the Government contemplate spending about $70,000,000 of the people's money. With the experience of their previous errors to use a mild word, in bridge, railway and other buildings of public works, Can you beat that? It seems that the Progressives and many of the Manitoba people are bent on having this railway built, whether through an utter lack of horse sense, or perhaps for the furtherance of private schemes, is immaterial. There it is, and to secure votes in the House, the Government is prepared to spend the above enormous sum. I would like an asswer to the following. Would those gentlemen in Parliament and out of it, who advocate the completion of the Hudson's Bay Railway, be prepared to put their last dollar, or even any money at all, into it, were it a private concern depending on its own resources and ability to earn money? I say no sane man would do it, yet our politicians are prepared to invest our money in this ridiculous concern.

With our small population and enormous public debts, instead of economizing in every possible way, look at what they are letting us in for. To mention a very few instances: this Hudson's Bay Railway and dock for the very doubtful benefit of Manitoba alone; the duplication of railways such as the Kamloops-Kelowna line, and in this connection I observe that the duplication is not to cease at Kelowna, but that this year there is an extra duplication in a boat from Kelowna to Penticton to endeavor to split the traffic that does not pay the more than adequate transportation already existing. I have also heard rumors (which I can not credit, unless there is no limit to folly) of a special C.N.R. duplicate track between Vernon and Armstrong, the idea being to make the C.N.R. quite unindebted to the C.P.R.

I merely mention these few instances to show what we may expect from our Government. I fear that through much discussion and many arguments on these questions, the public has become indifferent and aphethetic towards them. They have their humorous side, no doubt. None the less, our political management of national affairs is a tragedy and a menace. The sooner our problems are taken out of the power of fantastic dreamers and are placed in the hands of men with even a small amount of common sense and business ability, the better it will be for Canada.

Yours faithfully,
H. LECKIE-EWING.

Vernon, Feb. 8th.

Rollicking Rondeaus

By Egerton C. Sheppard

"Russian Panacea"

—Note Before administering this potent war-time remedy it is advisable to have an experienced medical man make a thorough examination in case of high blood pressure.

Malcontents would find it hotsky
In the land of Leon Trotzsky
Those who break, when when under fire;
Rouse the Bolshevistic ire
Comrades who their bond did plight
To be loyal in the fight
Shudder at the morrow morn
Sentenced to be shot at dawn
Merciless the mailed fist
To the rash secessionist
Swift and sure the debt is paid
To the men they have betrayed
Firing party mark ten paces
Prisoners halted, hood-winked faces
Will they sell from door to door?
Quoth the Vulture— Nevermore!

STUDENTS AT "HIGH" DEBATE ANNEXATION

Oyama, Feb. 9.—Miss Winnie Lowe, who has recently been ill with pneumonia, is able to be about again.

A very lively discussion took place in the High School on Friday when the students debated the resolution that it is to Canada's benefit to be annexed by the U.S.A. All contestants acquitted themselves admirably and brought forward very well prepared arguments. The negative side was judged to be the winner, supported by Norma Jenkins and Chris Dobson. For the affirmative, Eunice Rayburn and Frank Thomson.

The Scout concert to which everyone is looking forward with keen interest, will be held on March 5th in the Agricultural Hall. The proceeds will be given to the Scout funds. The Scouts wish to correct the report which is being circulated, to the effect that the proceeds of the concert will be used for the purchase of badminton equipment. This is quite untrue. The elder Scouts, who are forming a badminton club, are paying for their own equipment, with the exception of the net, which has been kindly given them by Mr. Pearn.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

19 Montreal Feb. 20/26.

075332

Rt. Hon. Arthur Meighen

Dear Sir,

Enclosed find article from Montreal paper re the Hudson Bay Railroad. I don't know whether you know of this or not. It might be of some use to you, and let the Progressives know

Given me to file w/th.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

075533

what they are up
against, shipping wheat
from Port Nelson, Hudson
Bay to England and Europe.
Besides all that is men-
tioned in this article, when
there is a bad storm in the
Straits of H.B, or Hudson Bay
the Hudson boats have to
go back out of the Straits
and wait till the storm
abides, and the same thing
going out. ~~They~~ The Hudson
(over)

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CANADA

Bay has a tide of thirty-five feet high.

Yours Sincerely.
Martial Conservatoire

075334

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075335

19

Ottawa, February 22, 1936.

Dear Mr. Ewing:

I have your letter of the 16th and have also read with very much interest the contribution you made to the Vernon News. I thank you for sending this to me.

Yours very truly,

H. Leckie Ewing, Esq.,
Vernon, B.C.

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CANADA

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13

Conservatives in House Make Second Attack Within Few Days on Bay Line

(Special Despatch to the Free Press from Staff Correspondent.)

Ottawa, Feb. 22.—For the second time within a few days, members of the Conservative party have ridiculed the Hudson Bay railway and have scored the government for promising, in the speech from the throne, to complete it.

In the debate today, A. J. Anderson, Conservative M.P. for High Park, Toronto, declared that Ontario was solidly opposed to the completion of the road. In Mr. Anderson's opinion there could be no doubt about it—the Hudson Bay line was doomed to failure. The shortness of the navigation season alone was sufficient to damn it. What is significant is that Mr. Anderson was warmly supported by the rank and file of his party in his anti-Hudson Bay railway utterances.

Furthermore, Mr. Anderson thought that a rural credits measure was unnecessary. He adopted a paternal attitude to the west, which the western Liberals and Progressives found most annoying. He assured them that the west was still in a pioneer state and advised the western farmers not to run the federal government for loans.

Says Closure Will Not Be Applied

(Canadian Press Despatch.)

Ottawa, Feb. 22.—Debate on the address dragged in, the house again today through practically the whole afternoon and evening sittings. For the greater part of the day, Conservatives held the floor. The only Liberal speaker of the day, W. K. Baldwin, of Stanstead, declared: "I don't wish to give away secrets, but they (the government) have no idea of putting on closure."

Stewart McClenaghan, Conservative, of Ottawa, made a plea for Canadian-made clothes.

A. J. Anderson, Conservative, High Park, Toronto, charged that the government had treated Hon. G. P. Graham as a "back number" and with ingratitude.

Free Press Feb 23/26.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

075337

Free Press Bulletin day 23/2/26

WAR ON BAY LINE PLANNED

Back Bench Conservatives and Senate Prepare to Kill Money Vote

(Special Despatch to the Free Press from Staff Correspondent.)

Ottawa, Feb. 23.—Back benchers of the Conservative party are planning to prevent the passage of a vote for the completion of the Hudson Bay line at this session. The movement is double-barrelled, being stronger in the senate than in the house of commons.

Members of the opposition this morning said that it would not matter how the vote was brought down—it would be blocked. If it is in the main supply bill, they will first move to strike it out, and when that fails they will move to reduce it dollar by dollar. As for the senate Senator Ross, Conservative leader, is understood to be at the head of the movement. While they cannot throw out the entire bill, they can obstruct it indefinitely and perhaps, bring down the government.

In the debate Monday, A. J. Anderson, Conservative M.P. for High Park, Toronto, declared that Ontario was solidly opposed to the completion of the road. In Mr. Anderson's opinion there could be no doubt about it—the Hudson Bay line was doomed to failure. The shortness of the navigation season alone was sufficient to damn it. What is significant is that Mr. Anderson was warmly supported by the rank and file of his party in his anti-Hudson Bay railway utterances.

Furthermore, Mr. Anderson thought that a rural credits measure was unnecessary. He adopted a paternal attitude to the west, which the western Liberals and Progressives found most annoying. He assured them that the west was still in a pioneer state and advised the western farmers not to run the federal government for loans.

Says Closure Will Not Be Applied

(Canadian Press Despatch.)

Ottawa, Feb. 23.—Desbate on the address dragged in the house again

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CANADA

Moose Jaw Times-Herald Feb. 23/26.

075338

CONSERVATIVE PARTY OPPOSED TO BUILDING HUDSON BAY RAILWAY

References by Conservative speakers in Parliament to the Hudson Bay Railway project have not been of a character to induce confidence that the completion of the road would be regarded as of pressing importance by a Conservative Government were one to come into power. Just as an illustration we quote from Hansard of February 11. The speaker is J. E. Armstrong, of West Lambton, a former member of the Commons, who "came back" in the last election. Complaining about what he called the Progressive "hold-up" of the Government, Mr. Armstrong said:

"At this time we find these gentlemen demanding expenditures to the extent of at least $50,000,000. Because what is the good of completing the Hudson Bay Railway unless you also build terminals and put dredges there to dredge the harbor every year; unless you build special boats to take the Western grain out through the straits to the markets of the world; and unless you build enormous elevators to store the grain for one year?

Mr. McLean (Melfort): May I ask the hon. gentleman if he approves the expenditures on the Hudson Bay Railway made by the Government which he supported; and if he approves of the policy of his leader for the completion of the Hudson Bay Railway under certain conditions?

Mr. Armstrong (Lambton): The hon. gentleman knows quite well that the Government went forward with that railway at a time when money was pouring into the treasury of the country.

Some hon. Members: It was during the war.

Mr. Armstrong (Lambton): They did all they possibly could in the construction of the railway at that time and my leader says he is prepared to proceed with it, but we do not say that we would go on under present conditions and build terminals, docks and wharves, and that we would provide boats and put up elevators and do all the other things necessary to carry the grain immediately. Hon. gentlemen would not support a proposition of that kind under the present financial conditions of the country."

This is the language of a person who seeks an excuse for delaying, or perhaps abandoning, the work; and it represents, pretty accurately, the actual sentiment of the Conservative party of which Mr. Meighen would have to take account were he to come into office. But, as the Manitoba Free Press has repeatedly urged, Mr. Meighen himself is no ardent advocate of the completion of the road; there are qualifications to his so-called pledges that would enable him to continue indefinitely the policy of doing nothing which was instituted by a Government of which he was a member in 1918, and was continued until the present Government announced, in the Speech from the Throne, its intention of completing the road.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

Dundre, Alta.,
Feb. 23rd 1926.

0.75339

The Hon. Arthur Meighen,
Ottawa.

Dear Sir,- In a recent discussion of the feasibility of the Hudson's Bay route, at a local United Farmers of Alberta meeting, I took the view that the completion of the building of this railway was wrong for the reason that Government data on the Hudson's Bay & Davis Straits indicated that the route was very likely to be impracticable owing to ice &c.

Will you please let me know your opinion on this subject.

Sincerely,

Leonard R. Boucher.
Teacher.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

from Jos Myers copy

075340

EDITORIAL PAGE

Free Press Evening Bulletin

Printed and published daily—except Sunday—by the Manitoba Free Press Company, Limited, a joint stock company incorporated under the laws of Manitoba, at its head office and place of business, 300 Carlton Street, in the City of Winnipeg, Manitoba.

E. H. MACKLIN,
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WEDNESDAY, FEBRUARY 24, 1926.

Not Greatly Concerned About the West

Just how much confidence the West could have in the Conservative party completing the Hudson Bay Railway, if it were to come into office, is indicated by the attitude of Conservative members of parliament and by the hostility to the road shown by the Eastern Conservative newspapers.

During the last election campaign some industrious angling for the Western vote was done by Conservative candidates by holding out the hope of the completion of the Hudson Bay Railway. It was declared that the Conservatives began the building of the line and that they would finish it. Some candidates of the party said that they stood for the completion of the line without further delay. Mr. Meighen always qualified his statements by saying that it should be done as soon as the finances of the country would permit, but before ending his western trip he said that he would be very much surprised if, the Conservatives coming back into office, the Hudson Bay Railway were not completed by the usual time of another general election.

The view was expressed in these columns at the time that any such promises or hopes that were being held out must be taken subject to the knowledge that the main strength of the Conservative party was in the East, and that it was really Eastern opinion that the West would have to reckon with. Since the session opened at Ottawa it has been shown that this is the case.

The latest evidence is the attack on the Hudson Bay Railway made by A. J. Anderson, Conservative member for High Park, Toronto, on Monday. He declared that Ontario was solidly opposed to the completion of the line, and his remarks were warmly approved by many other Conservative members about him. Opposition to the line had previously been voiced from the same side of the House, and Mr. Meighen's reference to it was so qualified by consideration of the expenditure involved as to constitute no definite undertaking to do anything. It is now reported from Ottawa that Conservative members in the House of Commons and in the Senate will make a determined effort to block the vote for the completion of the line which the Government is understood to be placing in the estimates.

There has been a striking contrast between Conservative representations in the West in the last elections regarding the Hudson Bay Railway and the attitude of the party at Ottawa, and for this the influence of the Eastern section of the party is responsible.

Mr. Anderson, above quoted, also saw no reason for the adoption of a system of rural credits. He thought it was unnecessary. Of course, he is not far behind the leader of his party, for, less than six months ago, Mr. Meighen did not regard rural credits as one of the serious needs of the country.

Such things as these, and the well-known opposition of the Conservative party to the statutory rates on grain and flour, seem to indicate a constant difficulty in understanding western problems or a reluctance to deal with them in the way that the welfare of this part of the country demands. Hon. Dr. Tolmie, former Minister of Agriculture, told Parliament a few days ago of the necessity for bringing in a large number of land settlers as the principal means of solving the railway problem. He emphasized that such an immigration policy could not be successful unless the newcomers and the present farmers would remain on the land, and he spoke of the small increase in agricultural population in Canada in recent years.

The whole trouble, however, is that the party to which Dr. Tolmie belongs has been generally opposed to those policies which would encourage the farmers to remain on the land. It has never been enthusiastic about relieving them of their various handicaps and giving them a better chance to secure a satisfactory return for their labor.

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CANADA

075341

19

Ottawa, Feb. 25, 1926.

W.E. Saunders, Esq.,
London, Ont.

Dear Mr. Saunders:

Your letter of the 24th inst., with regard to the Churchill Terminal for the Hudson Bay Railway reached me this morning. I shall, of course, bear in mind your representations if the question of the completion of the Hudson Bay Railway should come before the House.

Yours very truly,

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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ARCHIVES PUBLIQUES
CANADA

075342

W. E. SAUNDERS & CO. LIMITED
WHOLESALE
· PHYSICIANS SUPPLIES ·
LONDON, ONT.

February 24th., 1926.

Hon. Arthur Meighen,
Parliament Bldgs.,
Ottawa, Can.

Dear Mr. Meighen:-

I hope you have looked into the matter of the Hudson Bay Railway, and have information about the enormous cost of the Nelson Terminal. From all I can learn the Churchill Terminal is so much better that it will probably be an economy even upon completion, as the amount of money that would need to be sunk in harbor operations, would, I think, more than build the Railway to Churchill. The south coast of Hudson Bay seems to be entirely unsuitable for navagation and deep natural harbors are very scarce on the Bay, the general rule being a wide tide flat, which means, of course, deposits in any approaching channel, and consequently unending expense. I hope you will be able to side track that project.

Yours truly,

W E Saunders

WES/IB.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

Gazette.

075343

MONTREAL, FRIDAY, FEBRUARY 26.

GETTING DOWN TO THE ROOTS.

Professor D. A. MacGibbon played a courageous part when he told a convention of agricultural societies, at Saskatoon, a few weeks ago, that the Hudson Bay Railway was doomed to failure because of its inherent unsoundness as a proposition in transportation. It was a courageous thing to do, because he was addressing men who believed in the project—believed in it so genuinely that they look for it to reduce the freight tolls on export wheat ten cents per bushel. Here, then, was a clash of judgment. But it was nevertheless an inevitable clash. It was natural for the grain-growers of Saskatchewan to believe in the Hudson Bay Railway, because their belief rests wholly on what the map tells them. Professor MacGibbon, on the other hand, went back of the map and looked at the matter on its economic merits. That difference in point of view makes a tremendous difference in the ultimate conclusion; for there is one thing the Hudson Bay Railway cannot stand, and that is to be submitted to the test of dispassionate analysis. That cuts out the map, with its alluring suggestion of a shorter route, and throws the examiner back on those fundamental considerations which a railway man, or a business man, would be compelled to bring into the reckoning.

Professor MacGibbon made an appeal to the sober common sense of the farmers in his audience when he said:

"Now, there are two aspects of a project "that must not be confused. One is the tech-"nical possibility that a certain engineering "project or transportation project can be "achieved. The second is the probability that "when this has taken place the commercial "conditions are favorable to the venture being "profitable. All over Canada we have engineer-"ing constructions, dry docks, piers, elevators, "etc., built by the national government which "can only be looked upon as works of art, "since the issue shows they are of no economic "significance. Due weight was not given to the "economic side of these ventures. In this in-"stance it is to this second aspect of the project "I wish to address myself."

"This second aspect" goes to the core of the entire matter. There is really no other that is worth considering. If the economic obstacles in the way can be shown to be insurmountable, and to be so serious that the railway could not possibly be of any service to those who believe in it, the proposition should be withdrawn from Parliament and allowed to die. No one can read Professor MacGibbon's observations without being convinced that he at least looks upon the Hudson Bay Railway as a nightmare. He points, in the first place, to the shortness of the season, which competent authorities assure us ends between 20th October and 1st November. He might have pointed out that the resident engineer, after living for four years at Port Nelson, had fixed the season of navigation from 20th August to 20th October. If export wheat had to be on the Atlantic by 20th October, very clearly it would have to leave, say Regina, not later than the 5th. Professor MacGibbon told his Saskatoon audience that barely 12 per cent. of the season's crop would be available in a normal year by 1st November. If he had figured on 5th October, as would be necessary, he could have given the assurance that not more than five per cent. would be ready for movement at that relatively early date. And a basic fact of that nature cannot be ignored. The railway may be built and put in operation; but it cannot afford any real service to the West if, by the time Hudson Straits are closed, only five or six per cent. of the season's harvest would be ready for export. A professor of political economy, having a trained mind, would be bound to think of that aspect of the matter, even though the map-gazing farmer did not.

The importance of this fact of a short season could scarcely be over-emphasized. The very mention of the doubt as to whether the Straits are closed on 20th October or 1st November suggests uncertainty, and that is the very thing a grain shipper could not afford to disregard. He is the owner of the wheat he is shipping, and he has sold it for delivery abroad by a certain date. His entire profit on the transaction might turn on his ability to live up to his contract. He therefore could not take any chances, and would be compelled by self-interest to fight shy of the Hudson Bay route after 1st October. That being so, who could possibly be served?

Professor MacGibbon then went on to another aspect of the matter—an aspect of which the farmer would not think, but which a business man could not overlook, namely, overhead charges on capital investment. The road would have to earn them. "If the grain handling "equipment at the port will only be actively "doing business two or three months of the "year," he points out, "then the overhead "charges upon capital investment will be very "high." Beyond any doubt they would; and they would be equally high on the investment in the railway and its collateral plant. They would be on an annual footing, yet would have to be earned in two or three months. They could only be earned within that short period by charging exceedingly high tolls.

After discussing ice conditions in Hudson Straits, which Professor MacGibbon says would compel the use of specially constructed ships, and the improbability of traffic being diverted from channels now in use, and which are safe and expeditious, he concludes as follows: "For "these reasons I see no large immediate gains "coming to the grain growers from the com-"pletion of this project, but, in fact, evidence "that the Dominion Government will have a "bill to foot as a result of its construction that "will fall upon the taxpayers of Canada." Professor MacGibbon is right. That is all that can result from an attempt to carry out this unsound project—a huge annual loss, and no real help given to the people it is proposed to serve. Why, then, throw away another dollar on it?

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075344

19

Ottawa, Ont., 27th February, 1926.

Dear Mr. Myers,

Yours of the 23rd instant, together with clippings from the Manitoba Free Press reached me this morning. You will realise, of course, that the Free Press carries this sort of propaganda regularly against the Conservative Party. I am sending you copy of a speech I made in the House of Commons this session in which I set forth the attitude of the Party on the Hudsons Bay question. There is far less opposition in the Conservative Party toward the Hudson's Bay Railway than in the Liberal Party. I am also sending you copy of Hansard containing the speech delivered by Mr. Anderson, from which you will see his attitude toward the Hudson's Bay is not the hostile one set out in the ~~Free Press~~.

Given Mrs H file

Yours very truly,

Jos. Myers, Esquire,
Royal Alexandra Hotel,
Winnipeg, Man.,

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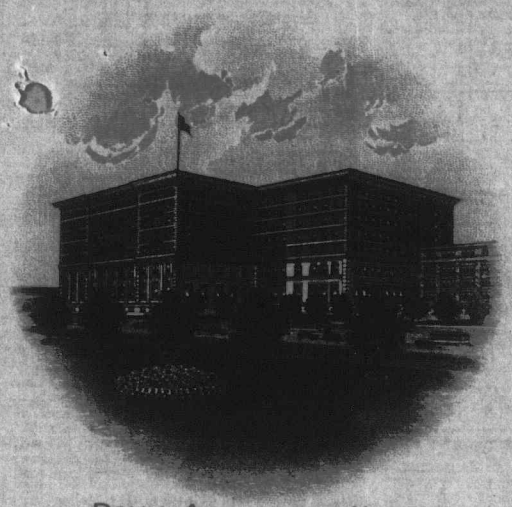
Canadian Pacific Hotels



ROYAL ALEXANDRA HOTEL
WINNIPEG, MAN.

February 23rd, 1926.

The Rt. Hon. Arthur Meighen,
Ottawa,
Ontario.

Dear Mr Meighen,

I enclose you two newspaper clippings from the Manitoba Free Press and the Free Press Evening Bulletin of the 22nd and 23rd inst. # 24 Ins.

I, of course, understand that these articles are more or less propaganda, but it is propaganda of this kind that might do considerable harm, and that is, no doubt, the purpose of those who are responsible for these articles.

I have, since my return to Winnipeg a few days ago, received numerous enquiries and protests from people in the North as to what they believe to be the attitude of the Conservative Party towards the Hudson's Bay Railway. They base their opinions, of course, on such articles as I enclose. While the views expressed in these articles may be the views of individual members of the Party, I am sure they are not the views of any representative portion of the Party, and I was wondering whether you could not take some means to counteract these harmful statements as they are doing a great deal of harm in the West where the people are almost unanimous in regard to the Hudson's Bay Railway, and, in my opinion, no candidate could be elected from the Prairie Provinces who was opposed to it, and if the electors once get it into their heads that the Conservative Party is opposed to the Hudson's Bay Railway it will be very difficult to eradicate that false impression.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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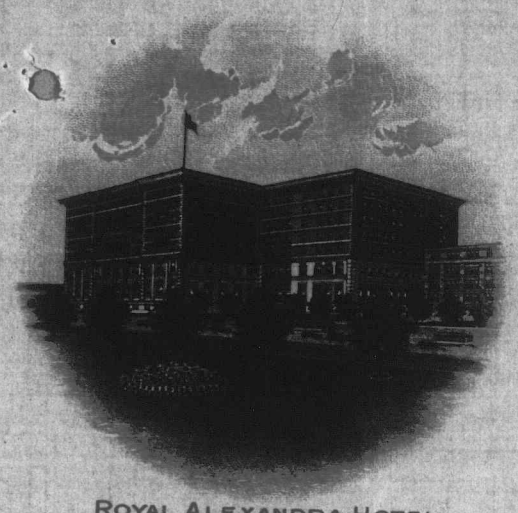
075346



ROYAL ALEXANDRA HOTEL
WINNIPEG, MAN.

Canadian Pacific Hotels

I will be very pleased to have an expression of opinion from you so that I can better answer the large number of enquiries and protests that I am daily receiving.

With kindest personal regards.

Believe me,

Sincerely yours,

Jas. Myers

NF/JM.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

PUBLIC ARCHIVES
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CANADA

075347

19

Ottawa, March 1, 1926.

Dear Sir:

Your letter of the 23rd instant reached me to-day. I could hardly give you a personal opinion on the question as I have never been over the ground. There is a very great difference of opinion among those who have gone thoroughly into the building of this railway. I am sending you herewith copy of the McLaughlin report on the Hudson's Bay Railway, which may be of some use to you.

Yours very truly,

Leonard E. Boucher, Esq.,
Teacher,
Sundre, Alta.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

075348

19

Ottawa, March 2, 1926.

Dear Mr. Henderson:

Answering your letter of the 25th February, I quite agree that it is folly merely to go on spending money on the Hudson's Bay Railway unless in pursuance of a definite and well understood sbheme to make the railway feasible for use, which scheme, of course, involves the question of terminals. We have been endeavouring to get the Government to say what its policy was in this respect but all to no effect. There should be information obtained at once as to just what is essential to give a thorough test of the Hudson's Bay route and on that information Parliament should act. If the sum is within reason there should not be further delay. As yet we have no information as to what sum is involved or what the Government's definite proposals are.

Yours very truly,

Roy Henderson, Esq.,
Minitonas, Man.

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The Farmers' Union of Canada

5349

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~~SASKATOON~~ Minitonas Man
Feb 25th 1926

Hon Arthur Meighen
Ottawa

Sir:

Whereas it has been announced by this Federal Govt. that it is thier intention to build the Hudson's Bay Railway to Port Nelson this year, but that they will do no work on terminal facilities and whereas the road without terminal facilities is of no use to the country and whereas we have lost heavily already by construction which has not been brought into use.

Therefor be it resolved that we the members of Lodge 78 F.U.of C. demand of the Govt., that facilities be provided as provision be made so that shipments of grain can be made from Port Nelson in 1926.

As a western representative we hope you will assist the Govt. in this matter.

My personal opinion is that considerable less obstruction would be in the better interest of the country & economy

Yours truly
Roy Henderson

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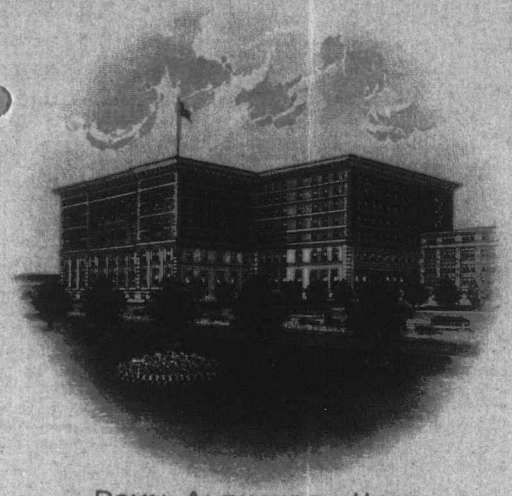
075350



ROYAL ALEXANDRA HOTEL
WINNIPEG, MAN.

Canadian Pacific Hotels

19

March 5th, 1926.

The Rt. Hon. Arthur Meighen,
House of Commons,
Ottawa. O N T.

Dear Mr Meighen,

Thanks for your letter of February 27th with enclosures which I have read with much interest.

I quite appreciate your remarks regarding the Free Press.

I am also glad to have a copy of your speech made in the House of Commons defining the attitude of the Party on the Hudson's Bay Railway question, and I will now be in a better position to take this matter up with the parties who are constantly bombarding me with protests. I will make it my business to see that the attitude of the Party on this important matter is placed before them in the right light.

With kindest regards.

Sincerely yours,

JM/F.

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PUBLIC ARCHIVES
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CANADA

Mail & Empire Toronto March 9/26.

075351

HUDSON'S BAY ROAD PROVINGS' CLEAVAGE

COMMONS P.O.
Box 188 Hon. Arthur Meighen
Ilnoyab

Liberals and Progressives Disagree as to Legislative Methods.

COMPROMISE LIKELY

Agrarians Object to Mr. Robb's Proposed Income Tax Reductions.

Special to The Mail and Empire from Staff Reporter.

Ottawa, Ont., March 8.—In connection with the Hudson Bay Railway there is a wide cleavage between the Progressives and Liberals, the former wanting the sum for completion placed in the estimates, beyond the power of the Senate, while the Liberals would have a separate bill which could be amended by the Second Chamber. After the fate of the Home Bank bill the Progressives cannot justify their support of the Government if they permit the Hudson Bay grant to be a separate bill.

There is also a report that the attitude of the Canadian National Railways towards the Hudson Bay Railway is proving embarrassing. It is understood the Canadian National executive refuse to have the Hudson Bay Railway made a part of the Government system, on the ground it cannot pay operating expenses, let alone fixed charges. The National Railways will operate the Hudson Bay system for the Government, the Government paying fixed charges and deficits directly from the treasury, but will not agree to absorb this new Government road into the Government system. Canada is now threatened with two Government railway systems, the Canadian National and the Hudson Bay, operated by the Canadian National for the Government.

Clash Over Income Tax.

Another clash in Government policy is over the income tax. In the early negotiations with the Progressives, Premier King informed them the Government proposed to reduce the income tax. The Progressives, their electors not paying this tax, objected, and the Premier in his dilemma agreed to keep the tax at the present rate. Hon. J. A. Robb is equally determined to make substantial reductions to lessen the gap between the United States and Canadian tax rates, and if possible prevent the removal of Canadian capital to the United States. It is possible the Progressives may compromise and permit about half the reduction Mr. Robb desires.

At present there is little prospect of much legislation this session. Many bills will be introduced, but the majority of them are not intended to become law. Some will be withdrawn, some defeated by the Senate and others referred to the deadly special committee. Introducing the bills will be the Government's "gesture" toward redeeming promises to Mr. Forke. Nor will there be many tariff changes, the Government taking refuge behind the advisory tariff board, which will not function in time to permit of a general revision. There might be a slight reduction in duties on low-priced automobiles, as a sop to the Progressives, but even this may not be forthcoming if the Government can induce their allies to "wait and see."

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Moose Jaw Times March 11/26.

075352

PREMIER GARDINER AND THE HUDSON'S BAY RAILWAY

The full, frank, fearless declaration of Premier Gardiner on the Hudson's Bay Railway project, made at Portage La Prairie at the banquet tendered in his honor the other night, will be received in both Manitoba and Saskatchewan with the greatest enthusiasm, because it indicates the mind of our new Premier and the policy of his Government in regard to this most important matter. We have no inside information on the subject, but we think we will not be disappointed in reaching the conclusion that new life will be put into the "On-to-the-Bay" movement.

Premier Gardiner tore the mask of pretence off the face of the opposition to the completion of this undertaking, showing the sectional selfishness of Montreal, and other Eastern centres, in all its ugliness. He also showed how this spirit of sectionalism and gross selfishness stands in the way of any real effort being made to use the National Trans-continental for the transportation of Western wheat to the port of Quebec in summer and Halifax in winter. This concentrated selfishness of Montreal seems to have enough financial, political and economic power to prevent the development not only of the Hudson's Bay Route, but also to hinder Quebec from becoming an important summer port. Premier Gardiner emphasized the great injury to Canada resulting from this narrow sectionalism when he said:

Back in 1904 we were inspired with new hope when the second trans-Canada railway was projected. At that time we were told of the clay belt in Northern Ontario and Quebec, together with the mineral wealth which were to create local freight to make the great National Railway between Winnipeg and Quebec self-supporting, leaving it free to compete with the water rates on the lakes for the handling of our wheat. Not only were we given new hope, but the road was to be truly National, in the sense that Quebec was to be famed throughout the world, not only as the only walled city on the North American Continent, but as the great summer grain port of the Eastern coast, while Halifax would serve as the winter terminus of the all-the-year-round outlet for our grain.

A wonderful national project, keeping the best paying tonnage our railways have to haul on Canadian lines and passing it through Canadian ports, giving employment to Canadian labor. Why has our hope not been realized? We are not yet convinced that the thing cannot be done, it has never been tried. Because it has not been tried there is rankling in our minds a feeling that the selfishness of those living along the great waterway from the city of Fort William to the city of Montreal has been placed upon a pedestal while the national good has been sacrificed to the god of personal greed.

It is not the ice in Hudson's Bay, it is not the fogs or the icebergs in Hudson's Straits, nor the bogs between the prairies and Port Nelson—(the railway grade is completed)—that constitute the insurmountable difficulties to the opening up of the northern route. But it is this god of personal greed that stands in the way—a god that would divert 85 per cent. of our wheat traffic through United States ports so long as he could levy a toll on it in passing. This god is the "tremendous influence" referred to by Premier Gardiner, as having power enough to stop construction of the Hudson Bay Railway ninety miles from its terminus, in 1918, when the war was over and in face of the weight of evidence which two Governments, representing both political parties, deemed sufficient to justify the undertaking and the enormous expenditures that were made.

The last refuge of this god of personal greed, namely, that the Hudson Bay's Railway project must wait until our industrial problems are solved, was most effectively disposed of by Premier Gardiner. "This proposition will not stand investigation. The Hudson's Bay Railway has been demonstrated to us as one of those projects which cannot wait the solution of our industrial problems. It is one of those projects which we hope will help to solve our industrial problems in the West, namely, the getting of our wheat by the least costly route to its natural market," Premier Gardiner declared.

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Citizen

Ottawa, Canada.
Friday, March 12, 1926.

EDITORIAL.

Hudson Bay Millions.

Mr. J. L. Payne has it figured out that "before the Hudson Bay Railway could be put in a position to handle export wheat on an adequate scale, the draft on the public treasury would exceed $95,000,000." He said so in a letter to The Citizen yesterday, building up the millions into a sort of House-that-Jack-Built.

But no such railway is contemplated in the estimates of the present government. All that is proposed is to lay the steel on the last ninety miles of roadbed, from the big steel bridge at Kettle Rapids to Port Nelson, and to save as much as possible of the costly work which the Conservative administration started in 1914 and abandoned in 1919.

In that five year period, the government which included Messrs. Meighen and Rogers spent over $20,000,000 on the Hudson Bay Railway. After reading Mr. Payne's indictment of that project, the Canadian taxpayer might fairly inquire whether any of the responsible statesmen are hailed as prospective saviors of the nation for wasting so much.

The Hudson Bay Railway project which Mr. Payne, and some Conservative papers, are opposing now, is the project that The Citizen opposed in 1914—when the first Conservative estimates were brought down. At that time, when a few independent Conservative critics might have prevented the letting of contracts which amounted to over $4,498,000 in the first year, Conservative ministers waxed exceedingly wrathful because The Citizen dared to question the expenditure. Like some other political transactions, including the $100,000,000 Welland canal and the Halifax terminals, the Hudson Bay Railway started draining the national treasury without any dissenting word from the Conservative party inside the House or outside.

It is rather amusing to have Mr. Payne undertaking to warn Citizen readers against being misled concerning the Hudson Bay Railway. That "ghastly and costly failure" has never been advocated in The Citizen, but rather opposed year after year, from 1914 on, in the years that the millions were spent.

The present government is taking the reasonable course of trying to save what it can of the $20,000,000 investment, at the least possible cost to the country. The alternative is to let the whole thing go to ruin. It would be interesting to hear what Messrs. Rogers and Meighen would advise on that question. They are primarily responsible, among western statesmen, for the placing of railway contracts which consumed $20,000,000 between The Pas and Port Nelson.

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Saskatoon Daily Star Mch 12/26

075354

"Forthwith"

Dr. A. MacG. Young, the member for Saskatoon, asked in his address in the city on Wednesday evening that the west be not disappointed if 1926 estimates do not include an appropriation for completing the Hudson Bay Railway. Dr. Young said he felt sure the estimates would include a vote for carrying the steel some distance nearer its terminal.

Let it said forthwith, and with all possible emphasis, that anything short of completion of the road in the year 1926 A.D. will be highly unsatisfactory.

The prime minister of Canada, speaking in this city last October, said: "The government wants to complete the road and do it immediately." Later on he added: "We want to complete the Bay road as quick as possible but we cannot do it unless we have sufficient Liberal support from the prairies to do it with." His final reference was: "With this support we will complete the Hudson Bay Railway and take up the work as soon as parliament reassembles. What more can I say than that?"

What one notes in these quotations is the emphasis placed by Mr. Mackenzie King on the speed and dispatch with which the work would be done—under a certain condition. The condition was fulfilled. When Mr. King was speaking, or, rather, before the last federal parliament was dissolved, he had three Liberal supporters from Manitoba and Saskatchewan in the House of Commons. Now he has sixteen. Not only that, he has closer co-operation from western Progressives than he had before.

Mr. King's condition is fulfilled. His promise was to complete the Hudson Bay Railway "immediately," "as quickly as possible." The speech from the throne repeated the promise. It said: "My government propose to submit provisions for the completion forthwith of the Hudson Bay Railway." The dictionary meanings of the word forthwith are: "Immediately; without delay; directly."

There is no physical obstacle whatever to the completion of the Hudson Bay Railway in 1926. The necessary ties and steel can be obtained, in fact are on hand in considerable quantity. The necessary surveying has been completed. Grading has been done. Workers to build the line can be hired. There is nothing impossible or even unusual about the construction of 92 miles of railway in a single season.

There is no financial obstacle. The money required will be about one per cent. of the annual expenditures of the Dominion government. There is no political obstacle. Parliamentary support for a vote to complete the road could readily be obtained.

Finally, it may be observed that if the Hudson Bay Railway is justifiable at all, which is admitted on all hands, every year without it is a year of loss, waste and extravagance. That is why the west wants the line finished in 1926 and not later.

Saskatoon and other western constituencies will count on their members to make this perfectly clear when they return to Ottawa.

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Private

Ottawa, Nov 12. 26.

Dear Mr. Meighen:-

It would be a good stroke of politics if you can when when the N.B. Railway comes up as a separate Bill or in the estimates, get some one to suggest that the completion of the G.T.R. and the G.N.O. in Ontario and a road from some point in Quebec to the Bay be embodied and all to be completed by the Federal Govt.

I cannot believe that a western outlet that closes in September will ever be of any great service to the prairies. Even if it should be it is not a good investment as a competitor with roads we now own and are not paying. Indeed by employing the money there for a seventh outlet it would be better business to lower the rates on our present six outlets to enable the prairies to better compete.

At least the N.B. is as much a local road for the prairie as any other part of Canada

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as the O.G.R. and the N.W. are for Ontario and as another line from Quebec or from West to the Bay would be for Quebec, and these are as much entitled to Federal Construction as the province itself is. Any person suggesting the construction of all these by the Federal Govt. through an unknown lake or ground would be an absolutely consistent fool. If you can get some one, and especially a Quebec Member to put these matters that way, it should serve Mons Prime Quebec support and in this way create a certain dog battle that would drive some Govt support away from the matter as a whole and discourage or break up the Govt alliance with the Govt. As the Letter Boys plant they will experience with the Govt. as it would be like smile shown entering the ocean — they would lose their

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identity. While as standing as they are they have the Govt at their mercy.

Unless some such item as those suggested above accompanies a break with the Dec party, or that bye-election becomes numerous, I see no hope for a dislodgement of the Govt — they will simply drift along on a do-nothing road, pass uncontroversial estimates and marginal bills, draw their allowances and disappear till called together a year hence. They will voluntarily open only those seals they are aware of carrying, and in this way give the country all the "Liberalism" it is prepared to swallow and doubtless more. Let me know what you think of this rough suggestion. It will at least be like pouring fuel into the tails of the foes. It may weaken some of the philosophers.

Yours faithfully
The Rt Hon A. Meighen, P.C. K.C.
Ottawa.

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Ottawa, March 13, 1926.

Dear Mr. Cliffe:

I just received your letter of the 12th. The suggestion you make will probably be carried out by some speaker with the debate is on. Am not sure, though, that it will have the effect that you have in mind. The Hudson's Bay Railway question is one involving real difficulty. Were we at the inception of the enterprise I don't think any of us would be in favour of going on with it. We are, however, at the point where Western Canada thinks it was stopped just for fear the East would lose some of the profit out of Western business. I have always taken the stand that, having gone so far, if we can test the thing out at not too great an outlay, we ought to do it. I have likewise taken the stand that if the outlay runs into the figures forecasted by the Government we simply cannot afford now go to on. We have seven members elected from Manitoba and our party strength in the West is improving. These things a leader must always keep in mind.

Yours very truly,

C. Cliffe, Esq.,
Sault Ste. Marie,
Ont.

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THE OTTAWA JOURNAL
Journal Publishing Company of Ottawa, Limited.
MONDAY, MARCH 15, 1926.

075359

HUDSON BAY RAILWAY FACTS.

In its desire to justify the KING Government purchasing office from the Progressives with the Hudson Bay Railway a local contemporary adopts elastic arguments that bound over all facts. On Friday, for example, it said:

> "All that is proposed is to lay the steel on the last ninety miles of roadbed, from the big steel bridge at Kettle Rapids to Port Nelson, and to save as much as possible of the costly work which the Conservative administration started in 1914 and abandoned in 1919.
>
> *"In that five year period the Government which included Messrs. Meighen and Rogers spent over $20,000,000 on the Hudson Bay Railway."*

If our neighbor were in a competition to crowd as many inaccuracies as possible into two short paragraphs it could not better the foregoing.

The simple facts are—we are quoting now from the Report of the Department of Railways and Canals—that the total expenditure to date on the Hudson Bay Railway and Port Nelson terminals is $20,731,941; that this expenditure covers a period, not of five years of Conservative rule, but of 17 years, 1909 to 1925; that five Governments—the LAURIER Government, the BORDEN Government, the Union Government, the MEIGHEN Government, and the KING Government—have been parties to it; and that the railway was begun not by the Conservatives in 1914, but by the Liberals in 1909.

So that there may be no doubt about this, here is the official record of expenditure, taken from the official report;

Year Ending	Hudson Bay Railway	Port Nelson Terminals	Total
1909 . .	$ 92,427.83	.....	$ 92,427.83
1910 . .	53,042.63	.....	53,042.63
1911 . .	184,149.81	.....	184,149.81
1912 . .	159,632.00	.....	159,632.00
1913 . .	1,009,024.52	90,038.63	1,099,063.15
1914 . .	3,071,631.22	1,427,086.03	4,498,717.25
1915 . .	3,256,074.39	1,517,669.60	4,773,743.99
1916 . .	2,981,425.47	1,905,706.30	4,887,131,77
1917 . .	1,792,190.39	812,089.55	2,604,279.94
1918 . .	1,288,789.61	590,909.39	1,879,699.00
1919 . .	641,318.69	78,760.89	562,557.80
1920 . .	247,153.67	11,545.19	235,608.48
1921 . .	.....	121,063.71	121,063.71
1922 . .	61,563.43	34,769.87	96,333.30
1923 . .	13,824.94	27,802.56	41,627.50
1924 . .	183,250.35	24,621.93	207,872.28
1925 . .	53,848.38	2,184.04	51,664.34
	$14,487,343.23	$6,244,598.49	$20,731,941.72

THE JOURNAL is not concerned with defending what the Conservatives expended on the Hudson Bay Railway. Their record, we agree, is, in respect of this question, hardly much better (up to the present) than the record of the Liberals. But it is only fair to keep the facts straight. And the facts are that the Hudson Bay Railway was begun by the Liberal party. In 1909 the LAURIER Government launched the bad work by building the swing bridge to The Pas, over the Saskatchewan River, and in August, 1911, in the midst of the election, when, as now, it was pandering for western votes, let to J. D. MCARTHUR the contract for the first section of the Hudson Bay Railway, 185 miles. It was largely to pay for this work that the BORDEN Government was called upon to vote over $3,000,000 in 1914.

However, we don't think the country cares a tinker's curse who started the Hudson Bay Railway. What it is concerned about—and properly so— is that no Government shall be foolish enough to finish the Hudson Bay Railway. The logic of arguments like those of our contemporary is that because this country was mad between 1909 and 1925 it must keep on being mad, or get madder, in 1926. We mustn't dare to learn.

The Canadian people are sick of controversy like that. They are convinced that this railway is folly, and they are against throwing some 30 millions of good money after 20 millions of bad money to have that folly indulged. If this Government flouts that belief then it is but adding one more reason to a multitude of others revealing its unfitness for office.

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BRIBING ON THE COUNTRY'S CREDIT.

In the main estimates tabled in the House of Commons on Monday provision is made for an expenditure of $3,000,000 on the Hudson Bay Railway in the next fiscal year. That amount will not go very far, but it will go far enough to save the faces of the Government's Progressive allies and to satisfy the electors of Prince Albert that they are to get something for their vote. Moreover, it is as far as the Government has license from its Quebec supporters to go. These have no use for the Hudson Bay Railway, and they would have still less use for it if they believed it could be made a serious competitor of the St. Lawrence route for the outward movement of the grain from the prairie country. As do most other people in Canada, the Quebec members consider that the spending of money on the Hudson Bay Railway on the prospect of its becoming a great highway of grain export traffic is mere waste. No one expected that the Government would undertake fully to implement its promise in the Speech from the Throne to complete the railway. An outlay of three million dollars this year, of possibly some more millions in another year, should the present ruling combination still afflict the country, can be winked at by Quebec but the scores of millions required to finish and equip the road are never likely to be voted by the representatives of that Province. Do the Progressives now in the House have any hope of seeing the road completed? Not likely. What, indeed, is the Hudson Bay Railway project for? Is it not for wholesale bribery purposes?

It is condemned by the Government's own engineer. If the rails were laid, and the rolling stock and power were provided, would grain be offered? Why should it be as long as the other routes to the sea are open? Why is grain not going now in large shipments to the ports of the Maritime Province? One reason is that vessels do not congregate there to compete for the business of carrying the grain oversea. What would there be to tempt vessels to make their laborious way through the Hudson Straits to Port Nelson? Only very high rates would pay them for plowing their way through the drifts of ice into the Bay and finding their approach to the railway terminal blocked by drifts of ice, as, according to explorers, is commonly the case at the time of year when new grain is ready to ship. Very short is the season after harvest when vessels can navigate the Hudson Bay route to the open Atlantic. Besides the ice, there is the mud at Port Nelson which, according to some observers, keeps vessels as far away as 15 miles from land. Then again a special type of vessel has to be constructed for that route. Would any shipping company provide a fleet of such vessels? The Government would have to build them, and not long would they be in existence until the Government would be selling them at a tremendous sacrifice, such as it has made of vessels of the Government Merchant Marine in the last three years. According to answers given to a question asked in the House, the Government sold since 1922 eleven vessels of the Merchant Marine, receiving for them a total sum of $680,000. The cost of these vessels was $8,473,000. Of these eleven only three severally cost less than the total sum received for the eleven. The country got eight per cent. of the value of its property.

The present Government has found many ways of throwing the public money away. Its compact with the Progressives made it necessary to put this $3,000,000 in the estimates, for there may be another election soon, and the Progressives will look very chop-fallen before their constituents if they have not something to show for their sacrifice of principle. If Quebec had had its way a bill to aid in the construction of the Hudson Bay Railway would have been brought in and the Senate would have been expected to throw it out or to revise it into impotence. But the Progressives had to be allowed to get something, especially after keeping out of the Premier's way in the Prince Albert by-election.

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March 14/26

The Yorkton Enterprise

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S. N. WYNN, Editor.

075361

A Great Victory for the West

After decades of agitation, argument and persuasion it begins to appear as if the West is at last to be given what it has so long demanded, the Hudson Bay railway. If the Progressive movement had nothing more to its credit than this,—and it has a great deal—it would have justified its existence. With all due credit to the government of Mackenzie King for bringing in the measure, the weight of evidence pretty clearly proves that the strategic position of the Progressives in the House,—holding the balance of power and the future of the government in their power,—was the determining factor in the government's decision to include the promise of the road's completion in the Speech from the Throne, which, with other promises of legislation of great value to the West, resulted in the Progressives throwing in their lot with the Liberals and thus enabling them to carry on the government of this country.

The important thing, however, is the completion of the road, not the means by which this end is to be accomplished and the West as a whole heaved a sigh of satisfaction this week when the estimates disclosed the fact that sufficient funds were to be provided to complete the line to tidewater. As the Manitoba Free Press remarks, let us hope this vote marks the end of the conspiracy to do this national enterprise to death. The work is resumed where it was left off nine years ago; and it will now go forward—again we express a hope rather than a settled conviction—to completion, free from the efforts to knife the project which have been repeatedly made in the past in furtherance of the Montreal plot to block the opening up of the northern route in the interest of eastern ports. The inclusion of the grant in the estimates is a clear and decided political victory for the prairie west over much more powerful political forces which were lined up against it; and it sets a precedent which will be of value to the Dominion. It shows that, under our political system, it is not possible for one section of the Dominion, however powerful it may be, to prevent the development of other sections of the country in the interest of its own supremacy. It is well that this has been demonstrated so emphatically; because the contrary demonstration, that one section of the country could, given the necessary political power, hold up the development of other areas, would have encouraged the disruptive tendencies which are somewhat in evidence in parts of Canada.

In the discussion about the Hudson Bay route which has been going on during the last four or five years, the Free Press—though it has occasionally answered some of the absurd misstatements of the Montreal propagandists—has never admitted that the matter of the navigability of Hudson straits, the suitability of Nelson harbor and the advisability of developing the northern route were matters into which it was necesessary to enter. These controversies were settled when the government of Canada decided to go ahead with the work. Behind this decision there lay forty years of inquiry, of investigation, of controversy, ending eighteen years ago in the decision of the government that, upon the mass of facts within its knowledge, there was justification for the Dominion entering upon this work of national development. That decision, reached by the Liberal government of Sir Wilfrid Laurier, was confirmed by the Conservative government of Sir Robert Borden three years later. Pursuant to this decision construction was begun; and by 1917 this had proceeded to the point where the road was graded for the whole distance, with the rails laid to within ninety miles of the Bay, while about half the work necessary to convert Port Nelson into a suitable port had been done. The whole represented an expenditure of 20 million dollars, of which 14 millions were invested in the road.

In 1918 work on the road was suspended on the ground that the demands of the war made further expenditures at the time inexpedient. This implied, of course, that after the war, when Canada resumed her programme of national development, the Hudson Bay route would get its fair share of attention and assistance. Instead of this, Eastern interests organized and applied pressure to prevent the resumption of construction. Their programme was to abandon the work, letting the wilderness overrun the road and the elements reduce the harbor works to ruin; the twenty millions invested to be regarded as lost. Both the Conservative government and its Liberal successor fell in with this plan, without admitting that this was its policy. While profuse in professions that they were committed to the completion of the road they co-operated in its destruction; and the conspiracy would have been completely successful had not Manitoba, Saskatchewan and Alberta (with exceptions) massed their political power against this programme of evasion and treachery. After some years of doubtful struggle these provinces have been successful in putting the Hudson Bay route back on the list of national developmental undertakings; and the three million vote which will carry the rails to the Bay, or pretty near there, is the tangible evidence of their victory.

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Mtl. Gazette Mch 18/26

075362

THE HUDSON BAY VOTE.

The three-million dollar appropriation which the Government have put into the estimates for the Hudson Bay Railway is for "construction and betterments." If the entire sum were to be used in new construction it would not suffice to complete the road from the present end of steel to the terminus at Port Nelson. If necessary betterments are to be paid for out of this vote the sum available for construction will be reduced by at least one-third, and probably one-half. In other words, the gap between the railway, as presently constructed, and the terminus, will not be filled by this appropriation. The Government adopted the three-million figure, apparently, because someone else had suggested it—unless the Prime Minister has worked out the value of his western support in terms of Hudson Bay Railway mileage. There was some talk of that, it will be remembered, during Mr. King's campaign in Saskatchewan just prior to the 29th of October. Saskatchewan wanted the Hudson Bail Railway and Mr. King wanted Saskatchewan, so he made a business proposal. The province, thinking rather well of the offer, returned fifteen Liberal members, each of whom is now shown to be worth $200,000 of eastern money to be spent on the railway. The half-dozen Saskatchewan Progressives are not included in this calculation, their support having been acquired by the Government through a different and more comprehensive transaction. The three-million dollar item in the estimates will not complete the Hudson Bay line, but it will be received with favor in Saskatchewan and parts of Manitoba as evidence of Mr. King's good faith; the goods are to be delivered as per contract, and when more is wanted, there will be no necessity for a hard and fast agreement. The member for Prince Albert may be trusted to complete what the Prime Minister has begun.

It is a somewhat remarkable thing—and would have been regarded as important among other men, with other manners—that the Government which now propose to spend another $3,000,000 on this transportation folly, do not attempt to justify their position upon any ground other than that of party expediency. It is not recalled that Mr. King, in his memorable refererence to this question during the campaign, even pretended that the Hudson Bay Railway would ever be worth the money put into it. The late Minister of Railways, during a debate on the Hudson Bay Railway last year, was deliberately non-committal on the subject of the road's possible economic value, though he expressed a willingness to spend some more money on it as a colonization enterprise, and it was during this debate that the Hon. Mr. Motherwell roused the H. B. Railway apostles to anger by saying that the terminus ought to be at Fort Churchill instead of Port Nelson. The attitude of the Government has been, and is now, that the completion of the railway is a matter of votes and not of transportation feasibility. The same bluebook which contains the three-million dollar appropriation contains also a vote for the payment of a royal commission which is to inquire into the question of Maritime rights. One of the Maritime complaints is that the Canadian wheat traffic is diverted from Canadian Atlantic ports. The King Government are now spending public money on a project which, if its advocates are right, will leave the Maritimes without any hope of ever getting this trade. Fortunately for the Maritimes, the Hudson Bay Railway will not affect their case in the slightest degree, but the member for Prince Albert and his associates are acting upon the assumption that it will, and are spending millions of eastern money to that end.

The Government have been careful to keep the Hudson Bay Railway estimate separate from the estimates of the Canadian National Railways, this change being made for the obvious purpose of protecting the Canadian National system against the imposition of a new financial burden. Clearly it was not supposed by the Government that the completion of the Hudson Bay Railway would be an advantage to the C.N.R. The late Minister of Railways, in speaking to the House last year, drew attention to the fact that money spent on the Hudson Bay Railway was being charged to the Canadian National. "We must therefore," he said, "go no more rapidly in these things than "can be defended from the point of view of "the Canadian National Railways as well as "from the standpoint of the people of Canada." Mr. Graham is not there now, so the Government "compromises" by safeguarding the C.N.R. and placing the burden directly upon the taxpayer.

The appropriation could have been submitted to Parliament as a bill instead of as an item of supply, and, had the Government been willing to face a thorough discussion of the issue upon its merits, a bill would have been preferred. But this Administration has no love for full discussion of its policies, and particularly in an instance like the present, when the policy is one of expediency and is a subject of acute controversy. Mr. King, and the other Saskatchewan members, have got the vote into the estimates, believing that the hands of Parliament are tied by such a course; but the responsibility of Parliament remains unaltered, and its authority is equal to its responsibility.

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Winnipeg Tribune March 19/26.

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HON. C. A. DUNNING READY TO BUILD RAILWAY TO BAY

Minister of Railways at Liberal Banquet Says Railway Problems Can Be Solved

Declaring that the railway problems of Canada were greatly exaggerated and that in any event they were problems capable of adjustment, Hon. Chas. A. Dunning, newly appointed minister of railways and canals, made his first appearance Thursday night before a Winnipeg audience since his entry into the federal field, and made a plea for mutual fairness and compromise in the task of smoothing out the admitted transportation difficulties of the country.

In contrast to the mistake of minimizing a problem, he said, was the mistake of exaggerating it, and the latter course had unfortunately become prevalent in Canada in reference to the railway situation.

Mr. Dunning was the guest of honor at a banquet at the Fort Garry Hotel arranged by the Young Liberal Club, and was accorded a flattering reception. The audience contained a number of prominent Progressives, among them T. A. Crerar.

The new minister of railways and canals, in what statements he made relevant to the public issues of the moment, confined his remarks for the most part to the department of which he has recently become the head.

Hudson Bay Railway

On the Hudson Bay Railway question he gave the definite assurance that the road was now to be completed. "My job is to finish the Hudson Bay line, and I am going to do it," he declared. "In making the declaration, however, he threw equal responsibilities on the city of Winnipeg as one of the centres to provide and solicit traffic for the road once it was constructed.

"It is easy for us to build the road," he said. "Once it is built we can operate trains, but it rests with you to provide traffic. The country through which the line traverses needs something else in addition to the railway line itself. It needs the application of business genius and patience, something to increase its industrial development, the development of its mines and forests, and the responsibility is yours to provide traffic for the road which you have demanded the government to build."

The function was presided over by A. E. Rosevear, president of the Young Liberal Club, who instanced Mr. Dunning as a member of the cabinet most competent to represent the western viewpoint. His formal introduction to the audience was left to Hon. T. C. Norris, provincial Liberal leader. Mr. Norris said that people of the West might rest satisfied that they had in Mr. Dunning a representative with the courage of his convictions who had the interests of the West at heart and who had had sufficient experience in the political field to consider the best interests of Canada as a whole.

Railways Well Managed

Mr. Dunning at the outset said he assumed he had at his back the united sentiment of the West in the task of equitably solving the problems of the country and on that assumption he purposed applying himself to his new job. Two outstanding circumstances were apparent when viewing the Canadian railway situation. The first was that the railway mileage of the country was divided between two great systems, each of them among the best managed railway systems in the world. The second was the fact that Canada possessed the lowest general freight rate structure of any nation in the world.

It did not follow, however, that the country had no freight rate problems. "But the problems," he said, "are problems capable of general adjustment. So far as the railways themselves are concerned they cannot very will get along on a lower general return than they are obtaining at present. I knew that such statements would not be popular in Winnipeg. But I still say that our freight rate problems are problems of adjustment which can be solved if we are fair to each other."

Opposed Amalgamation

On the question of amalgamation Mr. Dunning said the people of Canada did not desire one huge railway monopoly. There was the old complaint that the railways were wasting a lot of money in competing with one another. Mr. Dunning said that so far as his authority would extend he would discourage wasteful competitive expenditures, but on the other hand he would encourage such competition and rivalry which would tend to give improved service to the public.

Before he had remarked on the railway situation Mr. Dunning expressed his conviction that the general progress and development of Canada was now rapidly improving. "The man who is a bear on Canada," he said, "will go broke." He instanced a number of indications from the day's news items, larger railway earnings, increase in steel earnings, larger pig iron output, a 20 per cent increase in building permits, and larger favorable trade balance. In 11 months of the present fiscal year the people of Canada, he said, had sold $376,000,000 more goods than they had bought, a situation which showed an improvement of $115,000,000 over the corresponding 11 months of a year ago.

Profit From Past Lessons

The lessons of past years, he said, should not be wasted in the development which was on the way. As Canada was growing to greater responsibilities among nations of the world, so the West was gaining a greater measure of importance among provinces of the Dominion. Problems had arisen between East and West, but people of the eastern provinces had never had in mind to treat the West unjustly. There had, of course, been a lack of understanding, a lack of appreciation of mutual problems, which could not be solved by meeting one injustice with another.

At the conclusion of his address Premier Bracken paid an additional compliment to Mr. Dunning and said that until Manitoba had a representative in the federal cabinet that the province would expect him to keep a watchful eye on its interests. Mr. Bracken expressed the hope that Mr. Dunning would be enabled to help the Canadian government to carry on at a time when courage and moderation were particular requisites in handling affairs of the country.

A vote of thanks proposed to the speaker of the evening by W. G. Rumball was accorded a unanimous response by the large audience.

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Yorkton Enterprise Mch 19/26

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My Work to Build H. B. R. Says Dunning

NEW MINISTER OF RAILWAYS DECLARES THERE WILL BE NO MOVE TO FORM RAILWAY MONOPOLY.

"It my job from now on to build the Hudson's Bay Railway," Hon. Chas. A. Dunning, Minister of Railways and Canals, told the huge audience that gathered in the City Hall auditorium last night, following his election by acclamation as member for the Federal constituency of Regina.

The answer to any questions about the Government's attitude towards the Hudson's Bay Railway, he said, was to be found in the $3,000,000 in the estimates now before Parliament.

For the first time in public, the new minister of railways gave a few hints regarding his attitude to his new task. He assured the hundreds of Regina voters who gave him a warm-hearted send-off there would be no move to form one great railway monopoly in Canada, as far as he was concerned, until the people gave a clear indication that they desired a monopoly.

Thanks Opponents

Mr. Dunning also expressed his thanks to the official representatives of other political parties in not opposing him. "I express my thanks to them for the courtesy extended to me."

Speaking of the Progressive party of the constituency, Mr. Dunning said that right from the start he was assured by prominent Progressives of their support. "Adversity, I said a few years ago in this hall, was the one thing that would bring the two wings of Liberalism together," he said.

"We Liberals are rather argumentative; we differ at times. If it was not for this freedom of opinion there would not be the tendency to look forward. While I envy the solidarity which the Tory policy of divide and rule creates, I would not exchange it for the freedom of opinion and speech I enjoy as a Liberal. I am content to allow the Tory party to divide and rule if it can. When the danger and crisis is real the forces of Liberalism, men of Progressive and Liberal thought, get together.

"I am proud to have been associated with Saskatchewan in its period of development. For years Saskatchewan had only one Minister in the Federal Government: today it has three through the kindness of the people. I was just thinking today that this is my fifth election in 16 years. In three of them I had an acclamation and in the other two my opponents lost their deposits, so I have much to be thankful for."

Tory Quack Remedies

Referring to the remedies proposed by Arthur Meighen as outlined by him during the last federal contest, Mr. Dunning said that at that time he had stated that he did not believe the remedies proposed were any good. "His remedies were to tax the people by means of the highest tariff possible," he said. "I said then these remedies were quack. We did not take his medicine. It can never be said that we have got where we are today and will be tomorrow by taking that medicine."

Regarding railway questions, Mr. Dunning said he had a great deal to learn about them. "As provincial minister of railways I was largely an advocate and not charged with responsibilty," said Mr. Dunning. "I am rather proud of some things we did, and I am going to blow about them right now. Since the war we have had built in Saskatchewan a greater mileage of branch railways than all the rest of Canada put together."

The national system of railways said Mr. Dunning, had gradually improved since the government put a real railwayman in charge. "There is the bright spot in the matter" he added. "We have the lowest freight rates in the world. Of course they are high; they are like taxes—never low enough. We have always fought the freight rate question, but just the same no country in the world is operating today on as generally as low a freight rate as is Canada."

"It is sometimes said that there is too much tendency to spend millions in competing service. That may be so. We are always calling for economy—somewhere else. I shall regard it as my duty insofar as I have power, to see there is no wasteful expenditure in wasteful services.

Mr. Dunning paid a high tribute to both Sir Henry Thornton and President Beatty of the C.P.R. "I believe they are two men who can be got to sit around a table and thresh matters out and stop wasteful expenditure in competition of service if there is any," he added.

"My duty is to remember that there are two great railway systems that each should get a square deal from the government of the country should be encouraged to compete with each other along all lines of necessary and useful service to the people. So far as I am concerned there will be no movement toward one big monopoly until the people of Canada have given a very clear

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indication of their desire that this should happen.

His Responsibilities

Speaking of his new duties, Mr. Dunning said he was learning every day of some of his new responsibilities. "For instance, I have learned that I am responsible for a fleet of ships," he said. "I don't know what I'll do with them yet. Also I find I have got a number of canals to look after. I find that I can right off my own bat appoint a lock-keeper, but if I want to appoint a stenographer I have to go to the Civil Service Commissioners.

"Also, it is part of my duty to examine into the whole question of the St. Lawrence water way. I will not at this time undertake to say whether I would recommend to the government that this scheme be proceeded with. It is a gigantic undertaking. It will be my duty to study the question and come to my own conclusion and report my views to the government.

"I also find that I am responsible for any federal highways there are."

Speaking of the Hudson's Bay Railway, Mr. Dunning said that "Bob" Rogers had been flapping his wings and was somewhat concerned as to what his (Mr. Dunning's) attitude was. Mr. Rogers had said that the opposition in the Saskatchewan Legislature had moved an amendment to the Hudson's Bay resolution and lost out and "that man Dunning would bear watching." Mr. Dunning then told the story of the attempts of the Opposition in Saskatchewan a few months ago in connection with this resolution. "My attitude on the Hudson's Bay railway is very simple," he said. "It is my job from now on to build it and I'm going to do it. The job has got to be done."

Will Justify Itself

"Any people who having got seven-eighths of a job finished and want to quit before finishing the other eighth are not much of a people. The faith of our forefathers that built up this western country, is the faith of our people of today. The answer to any questions about the Hudson's Bay and the Government of Canada is to be found in the $3,000,000 in the estimates now before Parliament. Whether or not the Hudson's Bay road ever becomes a great wheat route or great cattle route, it will justify itself in the development of the resources of the northland and as an Arctic base. The only reason why great mineral discoveries have not been made in our province, in my view, has been lack of transportation facilities. As men penetrate further through Northern Saskatchewan we shall discover one of the greatest opportunities of our youthful adventurers.

Mr. Dunning referred to the experience of Archangel which before the war was a city of 30,000 people. It was a great base for Arctic trade. It became a shipbuilding centre. "If that can be done there, with greater disadvantages than we have in the north, why can't it be done at Port Nelson."

To the business men of Regina, Mr. Dunning said that the government could build the Bay route and fix up the port but it would be the genius of the pioneer and the business and industrial men that would develop the great enterprise.

In concluding, Mr. Dunning said: "I am not leaving Saskatchewan. I object to that view being held." Saskatchewan had always had strong virile men as leaders and he had been asked whether the new Premier of Saskatchewan would live up to that virility. "You have had your answer tonight," he said amid applause.

"The hardest thing I will have to do in Ottawa will be to sit still and smile in the House. I will make this bargain with you people of Regina: I will come back after the session and from this or some other platform give you an account of my stewardship. Be the road rough or smooth, whether it leads up or down, it is my duty to follow it. You have given me an opportunity that no boy could get in any other part of the world and I shall give to you the very best service that is in my blood."

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Mail & Empire

075366

TORONTO, SATURDAY, MARCH 20, 1926.

A BLIND LINE.

Hon. C. A. Dunning, the new Minister of Railways, says that his job is to build the Hudson Bay Railway. That job he promises to finish. Not surely if the people of Canada forbid. It is sometimes possible to catch them napping and to carry out projects that will keep them paying for years to come, but the Hudson Bay Railway undertaking cannot be rushed to completion in a single Summer, and before many millions are spent upon it the people of Canada will be wide-awake as to the relation of its cost to its probable value. As long as the Hudson Bay line was a dream the people might be more or less fascinated by it, but once launched into practical politics, and made conspicuous as the sink hole of millions of dollars every year, the scheme will become provocative of adverse public opinion. Against adverse public opinion not even the machine methods of Mr. Dunning can prevail.

If the railway were completed, what are the chances of it ever becoming a great grain carrier? Some days ago we spoke of the limitations upon the navigation of Hudson Bay and Strait by ocean vessels engaged in the grain trade. How much grain could be got to the Bay in the short time between harvest and the close of navigation? As a rule not much new wheat is ready for shipment by the first of September. Suppose that the Bay route keeps open for two months later, and suppose that as many as 400 carloads a day are handled—which is about the full capacity of a single track railway—each car containing 1200 bushels. The total quantity of new wheat delivered at the port before the close of navigation would be a little less than 30,000,000 bushels. That would be only about 10 per cent. of the wheat to be marketed. In the most favorable conditions this is the best that a single track line could do in the longest period between the beginning of the new-crop movement and the close of navigation. It is extremely doubtful that any such quantity would be cleared by ocean carriers. Of course elevators, at large cost, could be built at the railway terminal point on the coast, and into these elevators the railway could continue to deliver wheat after the last ships of the season had departed, but the more wheat stored there over the Winter and up to the first of July the more would be off the market throughout that long period. In the meantime prices might rise very sharply. The greater the quantity of wheat thus isolated the more would the price tend to go up. The effect would be very much the same as the effect of speculative "cornering" usually is—that is, to help the bulls to lift prices. Would men and corporations engaged in the commercial business of handling grain want to have their holdings in such a limbo as the Hudson Bay port in mid-Winter? Would banks favor this way of marooning many millions of bushels of such an article of commerce as wheat? Who would want to pay the heavy storage charges on such de-merchandised grain? It is plain that the building of the Hudson Bay Railway for the purpose of carrying grain would be unlikely to prove of much use to the prairie farmers and would impose a heavy annual burden upon the people of Canada as a whole.

Advocates of the scheme speak confidently of the natural resources of the territory the road would traverse. They say that traffic would be developed along the line sufficient to make the railway pay. If the hinterland of the Prairie Provinces is rich in mineral and other resources, cannot the Prairie Provinces show their confidence by undertaking on their own account to push a line into that region of such great speculative possibilities? Ontario had to build a line at its own cost, with the assistance of a Dominion subsidy of $6.400 a mile, to open up the country to the North of it, a country, at that time very largely outside its own bounds. Cannot similar Provincial enterprise be trusted to develop a traffic line north of the present zone of settlement in the Prairie Provinces?

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Citizen

Ottawa, Canada.
Saturday, March 20, 1926.

075367

EDITORIAL.

Hudson Bay Railway Expenditure

The Citizen recently stated that the government which included Messrs. Meighen and Rogers spent over $20,000,000 on the Hudson Bay Railway, but erroneously said that expenditure took place between 1914 and 1919. It should have included the vote of $1,099,000 in 1913.

Mr. Rogers went out, of course, in 1917, and Mr. Guthrie and other disinterested statesmen came in, to form the Union government. Whether Mr. Meighen's influence caused the leak to dry up, after he parted company with the other Manitoba statesman, or what influences were brought to bear to prevent the last ninety miles of steel being laid, is one of the unpublished stories of national statesmanship.

It is quite possible that the Liberals would have enjoyed the pleasure of letting the contracts, instead of the Conservatives, but for the change of government in 1911. But the fact remains that the big sums, running into millions every session, were extracted from the public treasury during the Conservative administration—during the war, too, of all times!

What is more, during that period when protest would have been most effective from Conservative sources, the very partisans who are making so much to do now were silent. They are denouncing this government for wasting money over the Hudson Bay Railway, when the government is doing no more than trying to salvage as much as possible of the Conservative administration's wasteful work.

Opposition critics try to convey the impression that the Liberals are wholly responsible for reviving the Hudson Bay Railway expenditure. Last September, at the Conservative convention which nominated Mr. Rogers in Winnipeg South, the master mind of Tory statecraft announced that the Conservatives were out to save the country from ruin. The Canadian Press reported the Conservative measures for saving the country as follows:

> Increased immigration and completion of the Hudson Bay Railway were two of the needs of Western Canada that Mr. Rogers said the Conservative party would remedy.

Whatever Mr. Meighen's position may be concerning the completion of the Hudson Bay Railway, there is no doubt about where Mr. Rogers stands.

It may be replied that Mr. Rogers is only one member, but he is surely one member to be reckoned with. He must be taken as speaking for the Conservative party, at least as much as Mr. Meighen speaks for the party on the policy of holding a general election on the question of co-operation with Great Britain at the hour of national peril, whenever such an occasion may again arise.

The Conservatives would be in the same position, if they were in office, as the Liberals are this session, on the estimates for completion of the Hudson Bay Railway. Both parties might as well recognize that they are confronted with the task of finishing off one of the relics of party politics. They had better accept the joint responsibility of completing the road without any more hope of campaign funds from railway contracts.

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19

Ottawa, March 24, 1926.

Dear Mr. Cliffe:

Thanks for your letter of the 30th instant. You may rest assured I shall not fail to bear in mind the suggestions you have made. We are carrying on here day by day and keeping as closely in touch with the situation as is possible.

Yours very truly,

C. Cliffe, Esq.,
Sault Ste. Marie,
Ont.

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PUBLIC ARCHIVES
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CANADA

Private

Sault Ste Marie, Nov 20. 26.

Dear Mr. Meighen.

0.75369

Yours of recent date. I had two reasons for suggesting that you get some Quebec member if possible to take up the N.B. railway matter and endeavor that if the Govt. is going to build local roads for some part of the country it should build them for all parts. I thought if you could get a Quebec man to plead that argument before the House, it might be the means of dividing the Quebec vote. I also desired that you, as leader of our party that has some supporters from the prairies and are looking for more should keep out of the mess as far as possible.

I cannot see how a transportation service that cannot be depended on for more than two months in the year and that can never handle more than 5% of the crop they never did produce can ever pay its own way with a full staff of hands on employment but two or three months while year & year rolling stock & vessels eating up capital for 9 or 10 months. Even though some $26,000,000 has been spent on it so far, there is no defence for spending more unless there is an assurance the Dominion will pay

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Operating Cost or Cost

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In my mind the stand you phone take is that the present outfit never intends to finish the road and that they are only trifling with the Prov to keep their votes. At least a large sum will have to be spent on the road already built repairing washouts, putting in new ties and ballasting before a cord of Grain Carriers over it. Six Million more will be finally spent a new road from the Pass to the Bay: then there will be at least 25,000, or more for terminals at the Pass and the Bay, and finally one or two special built vessels for the Carriage. Would he not be much better business to put all this money into enlarging present connections for lower Carriage Costs east west.

As I have said your strongest card is to contend the govt never intends to finish the road; if they did they would have spent any where from $10,000,000 upon the terminals so that the work might be done in some reasonable time.

At rate of $3,000,000 a year, it will

take more than a lifetime 075871 4
complete the system as one hey
of this sort will have to be
keeping up the structure as far
as completed.

I think too of this point he stressed
to a much more weight with the
Prov — it seemed also there they
are only tripped with to keep the repub-
ated heat in power.

I can only see a hope for our
success in opened constituencies
or a general election & the govt
will bring in no reforms or improve-
ments that are not anticipated in ad-
vance by the Prov.

You stand at a great disadvantage
a Minister will come up for re-
election; that has been discussed
wherever tried. You cannot go for
to place the principle but you
may be able to insist on conditions
that will give the people of all Canada
better security. I am pending you my hopes
generally. Not that it can be of much inter-
est to you, but you may accommodate
some fair suggestions. Yours faithfully
Rt Hon. Arthur Meighen, Ottawa

Chipman

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075372

19

Ottawa, March 27, 1926.

Dear Mr. Bender:

I have your letter of the 22nd March, and have read both the letter and the enclosure with very great interest. As respects the possibility of financing the Hudson's Bay Railway on the basis of prior contracts for the shipment of fish, ore, and the like, it would be impossible for me to express an expert opinion. This is something which, while it looks to me optimistic, should at least receive at the hands of any who endorse the scheme the most thorough, practical inquiry and investigation. I am sorry I cannot feel justified to go farther in this letter in the way of meeting your request.

Yours very truly,

E.P. Bender, Esq.,
Suite 327, Transportation Bldg.,
120 St. James St.,
Montreal.

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Suite 327 Transportation Building,
120 St. James Street,
Montreal, P.Q.
Phone: MAIN 4286.

075373

MONTREAL, P.Q., March 22nd., 1926.

The Right Honourable Arthur Meighen, P.C., M.P., K.C.,
Leader of the Opposition,
HOUSE OF COMMONS,
O T T A W A, Ontario.

Right Honourable Sir:-

May I be permitted to enclose a memorandum? Please read it. It is in the interest of Canada to know how the question of the HUDSON BAY ROUTE can be solved without costing the Country anything.

I am asked to send full data re certain mining prospects and Mines in Ontario, Quebec, Nova Scotia and Newfoundland to one of the most brilliant lawyers at the American Bar, who at the same time is about the richest one in the world, an old friend and associate of the late J. P. Morgan and other great Bankers in the United States.

It is my intention to open up and develop certain mining properties in Nova Scotia immediately and that will give employment the year round to very many.

Messrs Fried Krupp's Agent-Gemeral in Canada has offered and guarantees to secure for us several valuable contracts for ore presently badly needed for their immense works and would pay us by supplying the necessary plant for our mines as well as trawlers and unsinkable ships required for the opening up of the Hudson Bay Route and fishing enterprises.

Should we but operate ten per cent of our contemplated plant as referred to in my memorandum, we could be ready even this coming autumn to build the Hudson Bay Railways without costing Canada one cent, provided we are not forced to go to Port Nelson.

If this interests you I wish you would drop me a few lines saying so. It will greatly help me in my mission to, New York, which I hope will bring immediate good results to Canada's greater development by utilizing the natural resources of the Country where development is wanted, without taxing the People as a whole.

Hoping to be useful to my Country, I remain,

Sincerely yours,

E. P. Bender

EPB.
MJG.
Enclo.1.

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Montreal, March 22nd., 1926.

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THE HUDSON BAY ROUTE.

And it's possibilities for the greater development of the Canadian North West, that will reduce rapidly, the debts of Canada.

The Hudson Bay was not created simply as an interesting place at which one might gaze on the Map of the World or for the sole maintainence of the Hudson Bay Company and it's Fur Trade, but for the development of a greater trade of Canada, to feed Europe.

Great sums of money will be required for the carrying out of the proposition and it would not be fair to tax the whole of Canada for it, presumedly it will be for the sole benefit of the North West then let us utilize the natural resources to be found in the waters of the Bay with which to accomplish this -the fisheries, and develop the adjacent mines as well.

Let us use the mines and the fisheries there and elsewhere in our Country untouched so far. The immense deposits of Iron, Manganese, Gypsum, Silver, Lead there as well as in Cape Breton and Newfoundland.

Contracts are assured to purchase these valuable products; locally employment will be given that will produce sufficient profit to secure and operate a large Fishing Plant to exploit the Hudson Bay fisheries this coming summer.

It will require 100 Trawlers at least with a daily capacity of 100 tons each per day. These should operate say nine months in the year but were they to only operate for five months, from June to November, 150 days, then 10,000 tons daily on the average, would be 1,500,000 tons for that short season, and a ton is 2,000 lbs., which would give 3,000,000,000. lbs. of the finest fish in the world, much better than that of British Columbia because the water is colder, the fishes are firmer. The market for that quantity is Hamburg, where they would absorbe three times that quantity could it be furnished. Fish there is being sold at from 25¢ to $1.00 per lb., and even we sold it at 6 d. (about 12¢) per lb. we could easily dispose of all we could supply to the wholesale trade which is loudly calling for Salmon, Sea Trout, Halibut, Turbot, Cod, etc.,

1¢ per lb. will pay the men employed fishing with trawlers and the trawlers running expenses and 2¢ per lb. will pay for the fleet of Unsinkable Ships to carry 10,000 tons of fish daily; (they will operate the year round without any possible delay except maybe a few hours from

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Icefields coming down four or five times during the year) it will also pay running expenses, which would leave a net profit of 9¢ per lb. on the operation mentioned which shows $270,000,000.00 with which to build the Railway line 2 370 miles long , from Le Pas to Eskimo Point, and from there to the Coal fields in North Alberta, passing over the Oil Region. This will mean the building of 1100 miles of Railway line but it will supply our ships with the very best coal at $3.50 per ton instead of $7.50 at Liverpool, England. It would also put us in a position to cary coal to Halifax, Quebec, Montreal, Toronto, and elsewhere along the route and deliver it at $7.50 to $10. per ton instead of from $17.00 to $20.00 as at present costing consumers.

This Route then would enable the Farmers of the West and North West to deliver their produce in the European Markets at the same cost as it now does for shipments to Chicago or Montreal while the Route to Europe that way is 1,500 miles shorter. Grain could be transported direct for 25¢ instead of 54¢ from Fort William or Duluth.

The money required to start this enterprise is not formidable. $250,000.00 will be all. We could blast out and ship 20,000 tons of mineral ore daily. The daily returns will establish our credit. Trawlers and Unsinkable ships will be secured, paid for out of the ore. The Fishing Fleet will be started and will also bring in daily returns. Then as funds accumulate were we granted the free right-of-way for the railways, necessary land for the harbour, such water-powers along the route as are not already employed, so that we could develop them for cheaper power and the more rapid transport of the Farmers' produce, etc., all the mines within 10 miles of our railway lines, all free from taxes, as well as the fishing rights in the Hudson Bay, in return for the benefits we would confer on the Country at large and the Farmers of the West in particular.

This cheaper transportation will not only bring prosperity to the Westerners but through it will greatly aid in paying off the National debt of Canada.

E. P. Bender

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CANADA

Gazette

075376

MONTREAL, TUESDAY, MARCH 30.

ONCE MORE THE CONSPIRACY.

An article entitled, "In Full Cry Against the Hudson Bay Vote," which appeared in a recent issue of the Manitoba Free Press, is reproduced elsewhere in this issue in order that Montreal people may be informed as to the character of the campaign that is being carried on by supporters of the Hudson Bay Railway project in the western provinces. It will be noted that the familiar Montreal conspiracy, which is so often pressed into service when argument fails, does duty in this instance; it will be remembered that this same conspiracy, or, rather, another conspiracy hatched by the same conspirators, provided Mr. Mackenzie King with a platform in his Prince Albert by-election, and that Mr. King, having made his appeal to sectional prejudice, had the stupendous cheek to pose as an apostle of national unity. But Mr. King, knowing what sort of appeal to make in Saskatchewan, and being qualified to make it, succeeded in getting himself elected, and it may be concluded that he has found the political environment for which he is best suited. The Manitoba Free Press is not too proud to take its cue from Mr. King, but uses it a little differently. Montreal opposition to the Hudson Bay Railway is, we are told, a conspiracy on behalf of the selfish interests of the port of Montreal, and it is "a treacherous and disloyal attack upon the "cause of Canadian unity." Here, surely, is fair and convincing argument, as distinct from the "caterwauling" and "incessant uproar" in which critics of the Hudson Bay project have indulged. It is nothing, of course, that a Government engineer has condemned the Hudson Bay route as a grain outlet, that other engineers have done the same and that public opinion, even in the West, is by no means united in its favor.

Even if the people of the West were unanimous in their demand for a further expenditure of eastern money on this foolish enterprise—which they are not—there would still be no excuse, not even a poor excuse, for the use of abusive epithets, much less for hysterical nonsense about treachery and disloyalty and "the cause of Canadian unity." If Canadian unity is to be purchased by periodical surrenders to every sectional campaign, and cannot be preserved except at the cost of such surrenders, then must Canadian unity be a very poor and anaemic thing. But it is noteworthy that the principle, if it be a principle, works only one way. Eastern provinces have quite as good a right to use this plea, if they are so minded, as have the western provinces, but they have not done so. They did not do it, for example, when the West demanded, and received, preferential rates on commodities in which they are chiefly interested. That question, and others in the same category, have been treated on their merits, and their merits have been measured according to economic standards, which is the only way in which such issues ought to be discussed and treated. Those standards have been applied in the consideration which has been given to the question of completing the Hudson Bay Railway, and it has been shown that the Hudson Bay route cannot give the West the benefits promised by its proponents. The Free Press itself admits that there exists "an element of doubt as to whether the route can "be established as a complete commercial "success," but it adds that there were doubts of the same character sixty years ago regarding the Montreal route. This is said by way of carrying the war into Africa. "Nature," we are informed, "never intended Montreal to be "an ocean port at all." That is, or was, a secret which nature seems to have imparted exclusively to the Manitoba Free Press.

If there were doubts sixty years ago regarding the ultimate successful development of the St. Lawrence route and the port of Montreal, they were not based upon conditions comparable with those which spell for the Hudson Bay route certain and inevitable failure. The money spent in the river channel below Montreal—the harbor itself is self-supporting—has come back to the people of Canada because the seaway is open for nearly eight months in the year; the Hudson Bay route is navigable for two months, and those two months do not correspond with the crop-moving period. To contend that the country is "bound in honor to get behind the project" (the Hudson Bay route) because for a dozen years or more politicians have played with it, and because twenty millions or more of public money have already gone into it, is to offer the feeblest justification of an unsound enterprise. It will not do to beg the question in this way. The drain which completion of the Hudson Bay undertaking would impose upon the already overtaxed financial resources of the Dominion can be stopped, and it will be stopped if Parliament faces the issue honestly. So far as the precious Montreal conspiracy is concerned there is just this to be said, namely, that Montreal views the matter as some very prominent and outspoken authorities in Western Canada view it, from an economic standpoint, and from that standpoint only. It is a question of throwing millions away or of saving millions, and that is all. Montreal would regard in no different spirit any great public undertaking, whether near at home or far away, and if it were proposed, for example, to revive the old Georgian Bay Canal project, whether as a power or navigation project, or both, the taxpayers of this city and this province would require convincing evidence of the scheme's economic feasibility. Neither the editor of the Free Press nor its presumed owner would be expected to advocate any other course respecting the Georgian Bay Canal, whether interests concerned be private or public, so long as the money at stake is the money of the Canadian taxpayer.

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MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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Prince Albert Daily Herald

Circulates Through Richest Agricultural Area of the Province

VOL. XV. EIGHT PAGES PRINCE ALBERT, SASKATCHEWAN, WEDNESDAY, MARCH 31, 1926. No. 231.

Dangers of Kissing are Proved by Experiment Botany Students Ark.

Two Slices of Potato and a Dish of Gelatine Reveal Such Horrors That Kisses, Powder Puffs and Habit of Sucking Lead Pencils are Strictly Taboo

Fayetteville, Ark., March 31.—Kisses, powder puffs and the tips of lead pencils are taboo with students of botany at the University of Arkansas.

Two slices of an ordinary Irish potato and a dish of gelatin are responsible.

As a laboratory experiment one of the students—a boy—was asked to kiss a slice of potato. This potato was then interned under an airtight glass dish. Several days later the students examined it. Four different kinds of molds were found. They were described as the kinds of mold found on jellies and old shoes, and there were several colonies of red, yellow, white and purple bacteria.

The instructor explained that the "penicillum" spore in the kiss had played havoc with the potato.

Then a powder puff was borrowed from one of the coeds. It was dusted on another slice of potato. Six kinds of mold as well as numerous bacteria appeared on the potato a few days later.

A pencil point was touched to a piece of gelatin. Two kinds of mold developed.

FACTORY IN FLAMES

Limoges, France, March 31.—A fire which started in the Haviland porcelain factory here last night was still raging this morning.

The damage will reach several million francs and about 800 workers will probably be made idle.

The crashing of crockery, together with the brilliant illumination from the burning factory kept part of the city awake all night.

ONE MAN IS DEAD, TWO INJURED IN FIRE AT BRANDON

Explosion of Oil Tank Followed by Spectacular Blaze

CITY IS ROCKED

Firemen Obtain Control After Strenuous Efforts

Brandon, Man., March 31.—One dead two persons injured, and heavy property damage is the toll of the explosion and fire which wrecked the plant of the Independent Oils Ltd., here last night.

Fire, which followed the explosion of an oil tank, was brought under control early this morning after a valiant fight to confine it to the Independent's premises.

The fire was one of the most spectacular in the history of the city.

A series of the small explosions occurred in small casks in the oil warehouse which was blown up.

Residents living a distance of fifteen miles from Brandon heard the explosion, which rocked houses and buildings in the city, and shattered windows in the vicinity of the plant.

The dead man is Bert Smith, 15 Sixth Street. His body was found in the office of the warehouse, where it was apparently blown by the force of the explosion.

Jack McArthur, an employe of the company, was blown a considerable distance by the explosion and badly injured. He is unconscious in a hospital.

FATE OF BRITISH COAL INDUSTRY IS IN BALANCE

Cook Pessimistic Over Result of Present Conference

London, March 31.—"I hope it will not be necessary to shoulder guns, but I am afraid it will be," declared A. J. Cook, secretary of the Miners Federation discussing the differences between workers and coal mine owners, last night. "There is a limit to human endurance, and that limit has been reached," he declared.

Today the executives of owners and men are in conference discussing the report of the coal commission, which the government will adopt if the findings are acceptable to both parties. A favorable decision will aver an open war in the coal industry.

HIS NECK BROKEN, WORKS TWO WEEKS

Garner, Ia., March 31.—Emil Beier, farmer, living near here, has gone about his work for two weeks with a broken neck, an X-ray photograph, taken yesterday revealed. The injury was received when a heavy timber fell on him, while he was helping move an old building.

Except for "crooks" in his neck, he suffered no ill effects from the mishap until a day or two ago, when a paralytic condition began to appear in his throat and tongue. His neck was put in a cast today, and doctors believe he will live.

LABOR WINS PLACE IN ITALIAN SENATE

Labor Leader Also Appointed Secretary of the Fascist Party

Rome, March 31.—After an all-night session the grand council of the Fascist party this morning took another important step toward the realization of Premier Mussolini's dream of a perfect state, with capital and labor working in co-operation for the common welfare.

A decision was reached for direct labor union representation in the senate while the appointment of Roberto Farinacci, as the general secretary of the Fascist party was regarded as a significant move. He is a well-known organizer of labor unions.

REFUSE TO VOTE

Socialist Group in Chamber Decide Not to Embarrass Government on Confidence Notes

Paris, March 31.—The Socialist group of the chamber of deputies, in caucus today, voted to abstain from balloting every time the government puts the question of confidence in the course of the passage of finance bills in order not to provoke a cabinet crisis.

Parliamentary experts predict that this decision, coupled with M. Herriot's rallying of the radicals, will save the Briand government.

FALSE PEARL SALE ANGERS DEALERS

Chinese Swoop Into Milan; Sell $50,000 Worth in Ten Days

Rome, March 30.—Two hundred Chinese suddenly appeared in Milan last week and have sold in ten days $50,000 worth of false pearls.

This astonishing sale of false pearls to crowds—especially women—has aroused the envy of local merchants and a sharp fight is now developing between the municipal police, who are trying hard to end the Chinese business, and the latter, who so far have escaped arrest.

First the police forbade the Chinese to stay on the streets because they blocked traffic; then they seized the beautiful collars and bracelets because the vendors were not provided with a license. But the Chinese smilingly paid the penalties and continue happily to sell their own merchandise to numerous Milanese women.

HUMAN SACRIFICE THOUGHT PART OF MYSTIC RITUAL OF SATANIC ORDER, IS PROBED

Oakland, Calif., March 31.—Humanitarian sacrifices are believed to have formed part of the mystic ritual of "the Satanic Order of Lucifer" which is being investigated here.

The theory was first advocated by J. P. Galliana, an attorney, and has been strengthened by circumstances surrounding the death of Macario Timon, a leader in the strange organization.

Timon's body was found in his home, his throat cut from ear to ear. At the time it was believed he had been killed because of mining secrets which he was thought to possess, but queerly marked papers found in his room have been linked now with the "Satanic Order."

The cult is of Mexican origin, Galliana, deciphering "El Libro Infernal" found among Timon's effects, told Tuesday how members of the order inscribed their names on its records, using "their own blood for the signatures."

Other fantastic customs were described in the book. Some of them have to do with blood sacrifices and although the killing of human beings was not mentioned specifically, Galliana said he believed the order had adopted that barbarian custom.

ARMORY IS FOUND IN DUBLIN

Two Tons of High Explosives Discovered in Stable

Dublin, March 31.—Two tons of high explosives consisting of 285 live bombs and hand grenades, 5,000 spare parts of bombs, 5,000 pounds of rifle ammunition and 10,000 detonators, in addition to bomb making machinery, have been found in a stable in North King street.

It is said the stable is owned by Maurice Fenlon, who escaped from Mount Joy prison some time ago. No arrests have been made.

AGNES WILL MOVE PRISON REFORMS

Wants Productive Work Found and To Be Put on Markets

Ottawa, March 31.—Miss Agnes McPhail will move in the house today that the administration of penitentiaries be amended to provide, first, sufficient productive work to keep the inmates employed, and second, that a share of the proceeds go to dependents, and in case of no dependents, such share to be held in trust for the prisoner until released.

A similar resolution was moved by Miss McPhail last session but it was talked out.

GUARDS SEND OUT PRISONERS TO ROB

Plunder Is Used to Banquet Officials of the Prison

Moscow, U.S.S.R., March 31.—The officials of the Zaporozie, formerly the Alexandrofsk model prison in the Ukraine, christened the "House of Compulsory Labor," have been arrested on the charge of permitting bandits sentenced to solitary confinement for long terms to go out at night, commit robberies for the officials.

SIX DEATHS IN DUBLIN TRAGEDY

Bodies Found in Ruins of Mansion Burned in Suburbs

BATTERED SKULLS

Bloodstained Poker Tells of Fight Before Place Was Fired

Dublin, March 31.—A tragedy involving six deaths of which at least two, the police believe were cases of murder occurred today in the Dublin suburb of Collock in the burning of a mansion known as La Mucha.

In the ruins of the mansion were found six bodies those of Joseph and Peter McDonnell, brothers, their two sisters, a working man named Clark, and a maid servant.

The police believe that at least two were killed before the fire broke out as they found a bloodstained poker while the skulls of one of the brothers and of Clark were broken.

When the flames broke out early today would-be rescuers found the mansion locked.

WHO IS TO BLAME?

U. S. Committee Declares Someone Ought to be Jailed for Present Condition of Agriculture

Washington March 30.—The Caraway bill to prohibit transactions in grain or cotton futures except by those who make oath that they actually have or will have grain or cotton for delivery when required was favorably reported today by the senate agriculture committee.

The report declared that some one should be imprisoned for the present condition of agriculture.

London, March 31.—Anxiety still continues today regarding the condition of Princess Victoria, sister of King George. A bulletin issued by Lord Dawson, royal physician, stated the Princess is suffering from a troublesome cough and her temperature remains high.

TWO KILLED IN STORM

Dowson, Ga., March 31.—Two negroes were killed and property damage, estimated at $200,000, was caused by a storm that swept through Terrel and Lee counties late last night. Houses were demolished and trees uprooted.

EPIDEMIC FLU RAGES IN QUEBEC

Worst Outbreak Since the Deadly One Eight Years Ago

Quebec, March 31.—The worst epidemic of grippe since the scourge of the 'flu in 1918 is general here.

All classes have been affected including staffs of wholesale houses, banks, postoffices, railway shops and nearly all of the schools in the city. Two of the schools have been closed.

In the large department stores and wholesale houses extra help has been hired in some cases to replace the defeted staffs.

WHALE SUICIDES

Monterey, Cal., March 31.—Fish psychologists today were trying to analyze the motives which might drive a whale to suicide. A 30-ton whale which had been in water near here several days, was found strangled to death in piling beneath East Pier. It took a 40-horse power launch half an hour to extricate the leviathan.

WEARSIDERS BEATEN

London, March 31.—Cardiff defeated Sunderland, 3 to 1, today in the English football league first division.

DELEGATES OF TRADE AND LABOR SEEK MODIFICATION IN AGE CLAUSE OF OLD AGE PENSIONS SCHEME

Deputation From Congress Places Views Before Premier King and His Cabinet — Suggest Cutting Qualifying Age From 70 to 65 and an Increase in the Maximum Pension — Is Strenuous in Opposition to Any General Reduction in Income Tax

Ottawa, March 31.—Changes in the Old Age Pension scheme before parliament, criminal code amendments and unemployment insurance, are among a series of recommendations presented to Premier King and members of the government today by a delegation from Trades and Labor congress.

On old age pensions the labor men urge that the qualifying age be reduced from 70 to 65 years, and that the pension be available for those who have continual residence, except for a short absence, for twenty years or longer.

The delegation also recorded its "strenuous opposition" to any general reduction in the income tax which it claimed would transfer the payment of taxes to those less able to bear them.

Take Over Health Department

Announcement that the department of health would be placed under the direction of the Minister of Labor was made today by Premier Mackenzie King. The prime minister told a delegation representing the Trades and Labor Congress of Canada that contrary to rumors of absorption of the labor department by another government department it was proposed to extend this department.

NO HERALD MONDAY

The Prince Albert Daily Herald will publish as usual on Good Friday but will observe Easter Monday as a holiday.

Advertisers in Tuesday's edition are asked to have copy delivered to The Herald by noon on Saturday next.

FALLS 3 STOREYS ON TO WALKERS

Man Dead and Two Girls in Serious Condition in New York

New York, March 31.—When the streets were teeming with downtown office workers at noon today a window cleaner fell from a third storey ledge and landed on two girl pedestrians.

The three were taken to hospital in a serious condition, the man later dying.

CROWDED MEETING DISPLAYS KEEN INTEREST IN HUDSON BAY RAILWAY; FINE ADDRESS BY CAPTAIN NORQUAY

Presents Forcible Arguments for Continued Agitation for Its Early Completion — Illustrates His Address with Most Recent views of the Line—Governments Have Had Sufficient Money From Country for the Purpose to Construct Three Lines—Should Prove Cheapest Railway in Canada as Far as Freight Rates Go

As a possible solution to Canada's entire railway problem; as a project with widespread influence drawing patronage and support from eight of the western states of America; as a feasible and paying proposition; and as the means of saving many millions of dollars to people in western Canada every year, was how Captain A. J. Norquay, son of former Premier Norquay, of Manitoba, described and pictured the Hudson Bay railroad when completed, in a fine address in the Orpheum theatre last night. The building was taxed to its capacity and many were obliged to stand.

Captain Norquay spoke on behalf of the On-To-The-Bay association which he represents, an organization untiring in its efforts to bring about the completion of the Hudson Bay railroad. He illustrated this lecture with a number of splendid slides showing views of the route of the steel, taken from airplanes of the Roy-

(Continued on page two)

WEATHER

The weather in the West has been mostly fair and cold. A severe storm accompanied by snow, sleet and rain, covered western Ontario.

Forecasts—Manitoba and Saskatchewan: Mostly fair today and Thursday; not much change in temperature. Alberta: Local snow flurries, but mostly fair today and Thursday; not much change in temperature. Lake Superior: Northeast gales with snow, chiefly in east; Thursday, strong northerly winds and somewhat colder.

Local readings: High, 32; low, 6.

HEALTH BOOSTER IS UNLIKE BEER BUT BETTER THAN ONT.

Varying Opinions Expressed by Those Who Have Sampled New Malt Tonic To Be Brewed and Sold in States — Prohibitionists Also Differ as to Wisdom of New Departure

Washington, March 31—Whether the new malt tonic, with its 3.75 percent of alcohol and its resemblance to outlawed beer, will be saleable through the United States, remains to be seen. Many are waiting to be shown just how pleasant it is to take in beverage quantities. Views of prohibition advocates differ, but most of them appear to be against the order.

Many druggists are against the sale of the health booster, and some states may oppose its sale.

Chicago, March 31.—A reporter of a Chicago morning paper, sent to a Milwaukee brewery to sample the 3.75 percent "health booster" returned with the verdict that it is better than Ontario's four point four.

Another newspaper man declared the product lacked semblance of beer in color, texture and taste.

WORLD'S COURT

United States Invited to Send Representatives to Meet Signatories On September First

Geneva, March 31.—The United States has been formally invited to appoint a delegation to meet with representatives of the World Court signatories here on September 1 to frame an agreement which may be necessitated by the United States reservations in adhering to the court.

FIGHTING TO SAVE GERALD CHAPMAN

Attorneys Differ in Opinion Over Standing of Alibi Witness

New York, March 31.—Frederick J. Groehl, chief counsel for Gerald Chapman, mail robber, and bootlegger, sentenced to be hanged on April 6, for the murder of a New Britain, Conn., policeman, today expressed doubt as to accuracy of statements by the state's attorney, Hugh Alcorn, of Hartford, Conn., that Charles William Gregory, an alibi witness for Chapman, is himself a Canadian ex-convict and friend of the prisoner.

I have every reason to believe that Gregory is an honest, hard-working mechanic that he represented himself to be, Groehl said. I still have faith in Gregory's affidavits and I hope to have the man's testimony if I need it.

NEW YORK EXCHANGE

New York, March 31.—Sterling exchange firm. Demand rates, in cents: Great Britain, 4.85 15-16; France, 3.48; Italy, 4.02; Germany, 23.80; Canadian dollar at 3-16 of one percent discount.

VEZINA IS BURIED

Chicoutimi, Que., March 31.—The body of Georges Vezina, great veteran goalie of the Canadiens Hockey Club of Montreal, was interred Tuesday in the Chicoutimi cemetery. The entire town was in mourning for the player and thousands turned out to pay their last respects.

SPIRIT IS NAMED IN DIVORCE SUIT

No Infidelity in Flirting with Departed Husband, Says Court

Milwaukee, Wis., March 31.—Dead for fifteen years the first husband of Mrs. Mary Czarchorowski was named as a co-respondent in a divorce action brought by her second spouse here today.

The second husband complained that his wife is a devotee of spiritualism and neglected her home to attend seances, where she hugged and kissed the materialized spirit of her first husband who died in 1911.

The wife on the stand related a story of scenes where she believed she had seen and talked with the spirit of her first husband.

The court declined to accept the case as one of infidelity but granted the divorce on the woman's counter claim of cruelty.

SAYS HE'LL MIND MOTHER IN FUTURE

Boy of 3 Who Disobeyed Warning Is Grabbed by "Monster"

Kansas City, March 31.—When a 3-year old boy suddenly finds that some mysterious creature has seized his leg and is holding him fast, because he disobeyed his mother, the natural thing for him to do is yell.

Perry is the son of Mr. and Mrs. William Hahn. Last night Perry decided to see what it was that his mother had told him would "get" him if he went onto the street. He ventured out onto the parking in front of his home and just walked back and forth. He said he walked backwards so that he could see the "thing" that would get him.

Suddenly his foot slipped into a hole. The more he tried to get his foot out, the farther it went down. The monster his mother had warned him was in that hole. So he called for mother, real loud.

His mother found that his foot was caught in an open water shutoff pipe. The fire department was called and Capt. John Fee of No. 8 station and four assistants hurried to the scene.

They dug out the pipe and broke it with fire axes. Perry, just as soon as released, headed for his home and fled to the kitchen. He told his mother he never would venture out again without her consent.

So Perry found that his mother was right, that there is a monster that gets little boys who stray out into the street and other places not approved by careful mothers.

HEAVY FILING ON OIL LANDS IS STILL CONTINUING HERE

Dominion Lands Office Dealt with 6,000 Acres Yesterday

LLOYDMINSTER AREA

Optimism Growing Among Stakers and Area Nears Exhaustion

The rush to secure oil rights in the Lloydminster area is continuing and is gaining impetus daily. According to the local Dominion Lands Office, claims totalling over six thousand acres were filed yesterday. Although, according to the geographical survey conducted over the area some years ago by the Dominion government, indications of the presence of coal formations, with the probability of the existence of natural gas, were revealed, no mention was made of the presence of the shale in which the oil is usually found.

Oil was discovered by accident when stock refused to drink the water from a well near Lloydminster. The owner of the well pumped it dry and, to his surprise it filled again with crude oil. This discovery led to a belief that the main basin of the Wainwright oil fields had been

(Continued on page six)

CENTRAL CANADA IN GRIP OF TORNADO

Seventy-mile Gale with Snow Working Destruction

Ottawa, March 31.—Wire communication between Ottawa and Toronto, both telephone and telegraph, were completely severed early today.

The companies report that a heavy storm, evidently a continuation of that which has been sweeping the middle Western States, has passed over Toronto, bringing heavy damage to the network of wire services out of that city.

Tornado Like

Montreal, March 31.—A veritable tornado, the like of which Central Canada has not experienced in many years—if ever before—is at present sweeping over the district around Toronto and eastward. All telegraphic and telephonic communication has broken down in Toronto, and a message received from Scarboro, a Toronto suburb, just before the wires broke, said:

"Believe storm is headed your way. No possible estimate of damage done yet. A seventy-mile gale raging."

Snow started to fall here shortly after 2 o'clock, and snow flurries were reported at Ottawa at noon.

Attempts to communicate with Toronto by wireless have failed, and telegraph companies report as many as fifty wires down.

RED MOVEMENT IN STATES COLLAPSING

Moscow, U.S.S.R., March 31.—Unless the discords and disputes within the American communist party are soon composed, Gregory Zinoviev believes it will be in danger of disappearing altogether from the political stage.

Addressing a plenary session of the executive committee of the communist international, of which he is chairman, Zinoviev admitted frankly that the prospects in the United States were not bright. The precarious position of the American communist party demanded that all the energies of the parent body should be concentrated upon it.

MUSSOLINI ACCLIMATIZING ITALIANS FOR CANADIAN WORK, DANDURAND SAYS

London, March 31—Premier Mussolini of Italy proposes transferring Southern Italians to Northern Italy where they can be acclimatized preparatory to emigrating to Canada and establishing what he calls "emigration centres."

This purpose was revealed by Senator Dandurand of Montreal. Senator Dandurand said he recently saw a letter from Mussolini to Miss Garibaldi, who recently went to Canada to see if it would be possible to establish an Italian township. She found, he said, that Canadians everywhere said, don't send Southern Italians, send Northerners. For this reason Mussolini has planned this way out of the difficulty and is seriously working out his scheme for preparing his countrymen for life in Canada.

Senator Dandurand said: "Something audacious like this is needed to overcome the unemployment crisis in England. Agricultural training centers should be created in England for preparing emigrants for their life in Canada."

Senator Dandurand is speaking at the Canadian Club and is also attending a luncheon at which Sir Austen Chamberlain, the British Foreign Secretary, will be given the freedom of the city at the Guildhall.

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THE DAILY HERALD, PRINCE ALBERT, SASKATCHEWAN.
The Herald Printing Co., Ltd., Herald Building, Eleventh Street West, Prince Albert, Saskatchewan ..... Proprietors
John Eagle ..... Managing Director
Letters addressed to the Editor of The Herald for publication must bear the signature of the writer, it being explicitly understood that the name of the writer is to appear on any letter published by The Herald.

WEDNESDAY, MARCH 31, 1926.

WHY ARE THE FAT, FAT?

The fat person who is active in habits and frugal in his diet is the one who furnishes the real problem in obesity, authorities say. Does the fat one carry out his fundamental exchange of energy more economically, with a large surplus of energy producing heat in the form of fat left over? Dr. Solomon Strouse, of Chicago, and his collaborators in a study of basal metabolism say that fat people acquire a surplus while the thin use up their food fat instead of storing it.

Since it has been established that the rate of metabolism, or exchange of food into energy, of the obese is normal, some physiologists have tried to account for the surplus fat on the grounds of heredity. Dr. C. B. Davenport divides the population into three elementary species, called biotypes, characterized by their build, slender, medium and fleshy. In some families only one type is involved, in others two or more. In some cases the variation may be due to the idiosyncrasies of the endocrine glands or to constitutional and cultural factors in the manner of living.

As one authority has remarked, the large amount of public interest in obesity is in marked contrast to the small amount of scientific information. We do not yet really know why the fat are fat.

FIGHTING COLD WEATHER DISEASES

At the present time a considerable percentage of the people of Western Canada are ill. Some of them have serious maladies. Pneumonia is fairly prevalent and has been responsible for many deaths. There have been plenty of cases of measles, chickenpox, scarlet fever, mumps and even some smallpox. The people have had a bad winter. Those who have not been ill have had the burden of caring for those of the family who have been stricken. Competent help for such work is difficult to secure. Altogether, it has been a rather unpleasant period and the population will heartily welcome the coming of warm weather and the opportunity to get out into the fresh air.

But this whole matter of illness during the winter seems distressingly unnatural. It is most unfortunate if the human race is destined to be so handicapped by disease. There ought to be some wide general propaganda that would help human beings to avoid the pitfalls of bad health.

Practically everyone who has given the subject sufficient study will admit that indoor living is mostly blameable. When people are actively outdoors during the summer months and houses are thrown open to the influences of fresh air and sunshine, most of the maladies that harrass people during the winter disappear. Just as soon as the household heating plants are started up in September or October, the trouble begins and it becomes progressively worse till the end of March. During that time the death lists take on serious proportions.

It may be argued that the answer is easy: just go on living in the open. But how can that be done with a climate such as prevails in Canada from November to the end of March? It cannot be done and the only hope for passable results is to encourage people to pay more attention to the ventilation of their homes and to force themselves out into the fresh air as much as possible, even if that entails a certain amount of physical discomfort.

Old people and very young children are at a decided handicap during the winter. They are the victims of climatic handicaps that cannot be easily overcome. It is good practice for them to get as much of the sunshine and outdoors as possible during the summer season to fortify them against the inevitable confinement of winter.

Methods of fighting diseases are making appreciable progress. The theory that a few days in bed in complete rest is imperative, even when a common cold comes on, is robbing influenza and pneumonia of plenty of victims. When everyone is impressed with the benefits that will come from outdoor exercise in the cold weather and a reasonable amount of ventilation for the home, the casualties from winter maladies will not be so numerous.

Bible Text and Prayer For Day

March 31, 1926

THE OMNIPRESENT ONE—"And the Lord said unto Moses, Go unto the people and sanctify them, * * * and be ready * * * for the third day the Lord will come down in the sight of all the people upon Mount Sinai." Ex. 19: 10-11.

PRAYER—We thank Thee, Lord that Thou hast spoken unto us in the person of Thy Son, Jesus Our Lord.

BOBBED HAIR HER DEFENSE

Woman Accused of Pulling Neighbor's Locks Says It Couldn't Be Done

Denver, March 31—Bobbed hair came into the Colorado supreme court today.

Mrs. Walter True, of Craig, Col., entered an appeal from a $25 fine imposed in lower courts, where she was found guilty of pulling a neighbor woman's locks.

Citing the neighbor's bobbed hair, Mrs. True avers it could not have been done.

Tokio.—Foreign dances will be restricted in all public places owing to their "demoralizing" effect.

BY REQUEST
the St. Paul's Dramatic Club will repeat the Comedy-Drama
Deacon Dubbs
in the school room of the Presbyterian Church
TONIGHT
This is pronounced to be one of the best amateur plays ever staged here.
8 O'CLOCK
Adults, 50c Children under 12, 25c

Crowded Meeting Displays Keen Interest in The Hudson Bay Railway

(Continued from page one)

al Air Force. These were unique in that they showed to much better advantage the general layout of the line. The speaker dealt with his subject from several angles, of which a number were off the beaten path, presenting the project in a new light.

He was introduced by Dr. D. P. Miller, president of the Prince Albert On-To-The-Bay association who spoke briefly in opening the meeting. All agreed, he said, that the Hudson Bay line should be completed right away and he was pleased to see that the government had provided three million dollars in the estimate this year to go ahead with the work. It would cost more than that however to bring the task to completion and he urged all to keep pressing for this until they had accomplished what they had set out to do. The Hudson Bay railroad would mean much to the future development of Northern Saskatchewan.

Eastern Opposition

In beginning his address Captain Norquay declared that important as were those events which led up to the discovery of the Hudson Bay over 400 years ago they could not be regarded as of equal importance or as relevant to the present discussion as the initial opposition by eastern interests to the settlement and population of this western country.

It was in 1805, a hundred and twenty years ago that Lord Selkirk, who had already proved his title to the name of empire builder by establishing a British colony on Prince Edward Island, learned of a fertile tract of land along the Red and the Assiniboine rivers. He immediately conceived the idea that here was a splendid location for the establishment of another colony and he proceeded to lay plans accordingly but not without opposition from the Montreal interests who were engaged in trading throughout the western country. In 1811 he was successful in securing the governing control of the Hudson's Bay Company and established a colony on the Red river. The eastern interests placed every obstacle in the way of these settlers. These, however, were successfully overcome and in 1825, it was found just a hundred years ago, the settlers had established the first grist mill in western Canada.

The gradual development of agricultural production brought about the problem of an outside market. In 1859 the first steamer, "The Anson Northup," steamed down the Red River to Fort Garry from Moorhead, Minnesota, enterprising Americans being after Canadian trade. This means of transportation was followed by the Hudson's Bay Company which built a steamer on the banks of the Red river and engaged in trade in the United States. This gave means of transportation for a number of people from eastern Canada and in consequence of the influx of immigration and larger areas coming under cultivation, the need for a railway became a pressing necessity.

It was natural that those who had come from the old land by way of Hudson Bay should turn their eyes to that route as a means of a solution of their problems and the idea took hold of building a railway to Hudson Bay. However, it was not until 1877, when the first carload of grain was shipped from the Red river to Glasgow, that the fame of the Red river settlement as a wheat growing district became known to the world. It was rather a strange coincidence that the first newspaper mention of a railroad to Hudson Bay should appear in the Halifax Herald, November 19, 1877.

Two Charters

Agitation for a railway continued until 1880, when on May 7, of that year two charters were procured from the Canadian government authorizing the construction of two railways to Hudson Bay. One line was projected from a point on the northeast shore of Lake Winnipeg, it being proposed to utilize the waters of the Red river and Lake Winnipeg to transport grain to the terminus of the road. The other company secured its charter to build a railway from Winnipeg to Hudson Bay. The intended route was from Winnipeg along the east shore of Lake Manitoba, crossing the Saskatchewan river at Grand Rapids and thence in the northeasterly direction to Port Nelson. These companies however, failing to secure the necessary financial backing, amalgamated, and again failing to succeed separated. They came together again and in 1884 applied to the Canadian government for a land grant to assist them in financing the enterprise.

In 1884 Sir John A. Macdonald introduced a measure in parliament including in the dominion lands act a grant of land of 6,400 acres a mile for construction within the province of Manitoba, and 12,800 acres a mile for construction in the Northwest Territories.

By this land grant it was intended that the grant of land in Manitoba should be taken from the available government lands lying between Lake Winnipeg and Lake Manitoba and that as soon as the road had been constructed beyond the northern boundary of the province the company should then be entitled to receive the 12,000 acres a mile. Fortified with this assistance the company approached the Manitoba government and succeeded in getting financial aid to the extent of $1,500,000 as a guarantee of bonds on the understanding that for any advances made by the government the company would transfer title of portions of its land grant at the rate of a dollar an acre. In the course of time this assistance was supplemented by a direct cash grant of $5,000 a mile and later on raised to $8,000 a mile. Construction was begun in 1877 and the company succeeded in building forty miles of the Hudson Bay railway northwest from the city of Winnipeg with the Manitoba government advancing the amount as agreed upon.

Difficulty arose however in the transfer of lands to the government and the government was obliged to take action to secure the recovery of $256,000 advanced to the railway. This naturally prevented the continuation of the work and it was not until McKenzie and Mann had undertaken to build a railway from Gladstone to Dauphin that the interest in the Hudson Bay railway was revived. They secured the charter of the other company and with the advantages contained in the charter proceeded to extend their lines throughout the province of Manitoba and into the Northwest Territories by way of Swan River and Grandview. The rapid construction of railway lines in the provinces of Saskatchewan and Alberta by this enterprising firm and the depletion of available homestead lands caused the government of Sir Wilfrid Laurier to consider that inasmuch as these lines were built on the strength of the charter of the former company, and furthermore, the fact that the western people were demanding an outlet on the Hudson Bay, it had become necessary to enter into an agreement with McKenzie and Mann in regard to their rights in respect to the dominion land grant.

In order, however, to fulfill the wishes of the western people it was proposed that the government of Canada should sell sufficient homesteads and pre-emption lands for the purpose of creating funds to build a railway through to the Hudson Bay. McKenzie and Mann agreed to build from a point on the Prince Albert line of the Canadian Northern Railway to the Saskatchewan river, and the government on its part undertook to construct a line from the Saskatchewan river to the Hudson Bay. The government began to sell land, and on inquiry in the house of commons it was learned that approximately $50,000,000 worth had been sold for the purpose of building the line to the Bay. It was estimated at the time that the cost of this railway would not exceed $15,000,000. Up to the present time this estimate had not been reached, as on inquiry from the minister of railways and canals in 1922 it had cost little more than $14,000,000.

At this point in the lecture the slides were thrown on the screen. They were taken mostly from the air by members of the Royal Air Force and gave to those present a much better idea of the line and the country through which it was laid than would ordinary views, taken from the ground. The forests, potential water power on the Nelson river, the vegetation, splendid bridges, fine and substantial grade, the material lying idle along the route and the vast quantity of equipment useless at present at Port Nelson the port itself and the artificial island with the magnificent bridge leading out to it from the main land were all shown. A map throwing into relief the various water currents in Hudson Straits, Ungava Bay, and Fox Channel was also shown.

Some Comparisons

Comparing dredging costs, the speaker gave statistics showing that the cost of deepening the channel in the St. Lawrence river from Quebec to Montreal, a distance of some 200 miles had been nine or ten million dollars. The average cost for dredging throughout Canada in a given year had been 69 cents a cubic yard. The class of material to be dredged at Port Nelson was practically the same as that in the St. Lawrence river and while the channel would be wider, would be only two miles long. If it cost nine or ten million dollars to dredge 200 miles, how could it be figured that two miles would cost more than six million? He believed that $3,800,000 would be more like it, taking the cost at 70 cents a cubic yard. This would be forty per cent less than the estimated cost. Basing the cost on the cost at Montreal, the dredging at Port Nelson would cost $780,000. The item of $1,875,000 for engineering services he believed could well be cut down materially. He figured the road could be fully completed for a sum between ten or fifteen million dollars, a great saving from the estimated amount.

Where's the Money Gone?

The showing of the slides over, Captain Norquay went on to the economic side of the railway. He had looked up the public accounts and found in them that since 1918 it was shown that a million dollars had been charged up to the Hudson Bay railway account. He wondered if and how it had been spent. It was something for the people of Canada to find out. More than $880,000 had been charged against the account for work at Port Nelson. He would like to know how that amount too had been spent and if it had been spent.

In 1924 the federal member for Nelson had asked Hon. George P. Graham, then minister of railways, what it would cost to finish and try out the Hudson Bay railway. The minister had replied $20,000,000, made up of the following items of expenditure: Dredging, $6,255,000; building dock at Artificial island $7,000,000; terminals $400,000; terminal elevators $4,600,000; lighthouses and equipment $300,000 and to pad the amount to the twenty million somehow, $1,875,000 in fees for engineering services had been added.

Its Feasibility

Captain Norquay then came to the question of the feasibility of the road. Icebergs sometimes penetrated Hudson Strait for a distance of 140 miles. The strait was 500 miles long and rarely did the icebergs pass right through the strait into the bay. Recorded observations showed that there were ten times as many icebergs present in the St. Lawrence, and the Straits of Belle Isle than in Hudson Strait. At that rate, the Hudson Bay route was ten times safer than the St. Lawrence route. Ice from Fox Channel was always regarded as a serious menace to navigation. Nature, however, had seemed to provide a way to take care of that. The currents acted in such a manner that the ice drifted around the bay close to the shores and passed into Ungava Bay and into the ocean while leaving the center channel clear.

When first discovered, the Hudson Bay had not been considered a dangerous place for navigation and the first explorers to enter had done so in ten and twenty-ton boats. Sealers deliberately drove their vessels into heavy ice floes to carry on their trade, showing that boats could stand this treatment.

The main obstruction by ice was in July and in November, but there was no danger from this source at all from the end of November until the following May. Ships had passed through around Christmas time. Mayor Webb of Winnipeg had sailed through in February and there had been no ice in the channel either time. The ice froze along the shores but there was always clear water beyond it. The entrance to Port Nelson was never blocked by ice according to recorded observations. In old books written about the Hudson Bay, there was no mention of danger to navigation from ice. "If the present enemies of the road had one atom of the courage those old navigators possessed, they would not be trying to prevent the completion of the project now," said Captain Norquay. The Hudson's Bay company had used the route in its business for 300 years and in all that time had lost but three ships. One sank last year but was nowhere near an iceberg when it did so, the vessel had "grown tired" and "given up."

Business View

The business or economic end of the railway was then referred to. Taking the figures which he said were furnished by the bureau of statistics at Ottawa and giving an estimate of the crop in the three western provinces at 825,000,000 bushels, the speaker estimated that were all this crop shipped by way of Montreal it would cost the people of the west approximately $187,000,000. If shipped by way of Port Nelson, he stated, it should cost approximately $89,000,000, representing a saving of more than $90,000,000.

Mr. Norquay, however, pointed out that such figures could not be properly accepted owing to the factor of home consumption and he proceeded to assume an estimate of one quarter for home consumption, and that inasmuch as fifty percent of the Canadian crop was diverted through American channels, it left only fifty percent of the available surplus to be shipped through Canadian ports. This was because the port of Montreal was frozen up during the winter. An equal division of this going through the ports of Vancouver, Montreal and Nelson, according to existing rates and estimated rates on the Hudson Bay railway he stated would give a traffic by way of Montreal of approximately $30,000,000, whereas the traffic by way of Port Nelson would amount to around $15,000,000. Taking into consideration that the cost so far had not exceeded the original estimate of fifteen millions and allowing for reasonable operating costs, the traffic from western Canada would in a season or two furnish enough tonnage to pay the original construction costs. Mr. Norquay drew attention to a conference held recently in St. Paul, Minn., composed of delegates from eighteen central states who met for the purpose of considering ways and means of overcoming conditions set up by the construction and operation of the Panama canal, and the similar conditions which prevailed in the provinces of western

(Continued on page five)

Under the Hat

Good Evening!

TODAY'S THOUGHT

Washing dirty linen in public was once called vulgar; now it is literature.

* * *

Dad says: "There's no fool like an old fool trying to look like a young fool.

* * *

STAYING PUT

Alice—Are you married?

Virginia—Am I? Three judges have refused me a divorce.

* * *

QUITE OTHERWISE

Mrs. A.—Your husband is very clever looking. I suppose he knows practically everything?

Mrs. B.—Sh-h-h-h! He doesn't even suspect anything.

* * *

KEEP THE BALL ROLLING

Briggs—It seems as though women have a mania for spending money.

Griggs—I know it. Why, whenever my wife is too sick to go shopping she sends for the doctor.

* * *

MOST UNFORTUNATE

Wife (announcing husband's decision to give up his profession)—Yes, my husband's burnt his bridges behind him.

Visitor—How very unfortunate! Ah I hope they weren't his best pair.

* * *

OVER THE WAVES

He—Why do you suppose they call them "permanent waves?"

"Why, once you've started with one you've got to go right on waving it."

* * *

A FEW WORDS TOO MANY

Lady—Are you sure this material won't fade, and is it the latest style?

Clerk—The very latest style, and it won't fade. Why, we've had it in our window for three months.

Daily Lessons In English

(By W. L. Gordon)

WORDS OFTEN MISUSED: Don't say "I loaned him five dollars." Say lent."

OFTEN MISPRONOUNCED: diphtheria. Pronounce dif-the-ri-a. Note the "diff."

OFTEN MISSPELLED: precocious.

SYNONYMS — cost, value, expense, worth, charge, expenditure.

WORD STUDY: "Use a word three times and it is yours." Let us increase our vocabulary by mastering one word each day. To-day's word: LUCIDITY; the state of being clear or readily understood. "The strongest appeal of his lecture was its lucidity."

Today in History

Wednesday, March 31

St. Acacius' Day; St. Benjamin's Day; St. Guy's Day

Born

Prince Arthur of Brittany, 1187; Henry the Second of France, 1518; Rene Descartes, French philosopher, 1596; Frederick the Fifth of Denmark, 1732; Francis Joseph Haydn, musical composer, 1732; Dr. Joseph Towers, 1737; General Richard D. Guyoh, 1813; H.R.H. Prince Henry, 1900.

Died

Francis the First of France, 1547; Philip the Third of Spain, 1621; Dr. J. Donne, poet, 1631; Peter Burman, Leyden professor, 1741; Earl of McCartney, ambassador, 1806; Ludwig Beethoven, musician, 1827; John Constable, artist, 1837; J. C. Calhoun, American statesman, 1850; Edward Riddle, mathematician, 1854; Charlotte Bronte, novelist, 1855; Lady Charlotte Bury, novelist, 1861.

Events

1713—Peace treaty of Utrecht was signed.

1890—The Manitoba school act abolishes separate schools.

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"SALADA"
GREEN TEA
Its luscious freshness & rich strength make it finer than any Gunpowder, Japan or Young Hyson. Sold everywhere. Ask for SALADA to-day.

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is an exceptionally high interest rate, but it is the lowest ever paid by The Great-West Life on Profits and Policy Proceeds left on deposit with the Company.
A policyholder arranged to have his contract payable in 20 annual instalments of $250 each. His beneficiary is now receiving $307.15 annually—an increase of more than 22%.
The effect of the high interest rate paid by the Company may be seen in every Great-West Life contract.
Great-West Life Assurance Company
C. J. BROSTROM—District Representative
Mitchell Block. Phone 2582.

LET US HELP YOU SAVE BY SHOPPING THURSDAY AT
Dry Goods Phone 3041 — McLean's — Groceries Phone 3040
Shop Thursday. We offer better prices to encourage you—even better than Saturday prices. Why? Because it helps us to eliminate extra help and deliveries this saving is passed on to you. If you are thrifty, don't miss McLean's Classified advertisement ON PAGE THREE.

New Spring Coats
$14.95 to $65.00

We have just received another shipment of beautiful chic Coats for Easter. In all the finer materials as well as the smart, snappy Tweeds; featuring the new cape, flare and straight tailored effects. Come in and let us show you them. They are really smart.
Lovely Afternoon Dresses
$16.95 to $35.00
You will find our stock of Afternoon Dresses very smart and up-to-the-minute with a big variety of styles and colors to please the most particular. Come in and see them. You will be amazed at their loveliness. Sizes 16 to 44.
GROCERY DEPARTMENT
Apple and Strawberry Jam, Home brand .. 50c
10 lbs. Sugar, cotton sack 77c
Corn Flakes, Quaker ..... 3 for 35c
Corn Starch Canada ..... 3 for 35c
Chicken Haddie, 2 for 55c
All meat ..... 2 for 55c
White Beans, Ontario hand picked 7 lbs. 50c
Canned Soups, Aylmer brand .. 3 tins 35c
Corn, Peas or Tomatoes ..... 3 tins 50c
Brooms, 5-string polished handle. Each 58c
Salmon, 1-lb. tin Sunflower brand 2 for 35c
Blue Ribbon Matches, 1 package 30c
Plain Olives, 8 ounce bottle 25c
Marmalade, 4's, McIntosh's 71c
Raspberry Jam, Stuart's, 4-lb. tin 69c

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TEACH CROOKED ELECTION PRACTICE

Deputy Shown How to Spoil Ballots in Athabasca Contest

Edmonton, March 30.—The trial of P. A. Robb, who is charged with three offences under the Dominion Election Act while acting as deputy returning officer at Brule in the Peace River riding during the last federal election, continued this afternoon, sensational evidence being given by Mike Werbecky, who testified that he had been shown by a man named Elliott in a hotel at Edson, how to spoil ballots by making a mark on them with a small piece of lead concealed under his finger nail.

Werbeck, a former employe of Robb, swore that Robb had appointed him as D.R.O. for Reflection Lake, a settlement a few miles from Edson. When witness told Robb he knew nothing about the duties required of a D.R.O. he was instructed by Robb to go to a man named Elliott, who would show him what would be required.

During the course of the trial, Mr. Justice Walsh commented on the fact that all of the polls which had failed to return their unused ballots were in the neighborhood of Edson, and the returning officer further testified that no other polls had failed to turn in their full complement of unused ballots.

Following the examination of the 124th witness for the Crown, the court adjourned until Wednesday.

ANXIOUS OVER PRINCESS

London, March 30.—While the public mind was relieved today by discontinuance of official bulletins on the condition of the Prince of Wales, who is suffering from an aural disorder, a bulletin this evening describing the condition of Princess Victoria, ill of pneumonic influenza, as unchanged, caused some anxiety. The bulletin said:

"The Princess had some sleep today. There is no extension of the pneumonic process, but the heart shows signs of strain."

MOOSOMIN, SASK., SUFFERS BY FIRE

Adams Business and Residential Block Is the Victim

Moosomin, Sask., March 30.—Several business firms and apartment tenants of the Adams Block, in the centre of the business district, suffered heavy loss when fire swept through the structure early on Tuesday morning. The building was partially destroyed and the loss will amount to several thousand dollars.

The howling of a pup awakened an occupant of an apartment, who discovered the fire and gave the alarm. All the residents escaped without injury but lost their personal belongings.

STAR AND GARTER MAY CLOSE

One of the most famous inns in the world, the Star and Garter hotel at Portsmouth, is in danger of being closed. If this happens, Portsmouth will lose one of its landmarks, and the country as a whole a link with Nelson.

Nelson stayed at the Star and Garter, and his name scratched on one of the windows of the house with a diamond, may still be seen. Below it is another signature, said to be Lady Hamilton's.

Another famous name associated with the Star and Garter is that of Lord Charles Beresford. It was there that, as a young officer, he hung up the door knocker which he had wrenched from a vicarage door.

DO YOU SUFFER FROM NERVES?

How distressing to be a victim of "nerves" — and how wonderful to get relief, to feel your real healthy self again. To be self-confident, good natured, undisturbed by trifles, clear-eyed; to sleep soundly, to be happy day in and day out; mentally and physically vigorous.

Since 1880, Dr. Miles' Nervine — prescription extraordinary of a well-known physician has been relieving and restoring thousands upon thousands of sufferers in all parts of the continent. Guaranteed to benefit you, or your money refunded by the druggist. For free sample, write—Dr. Miles' Medical Company, Dept. P-13, Toronto, Ont.

DR. MILES' NERVINE

WILL TEST PLANE AS DEAFNESS REMEDY

Kenneth R. Kerr, well-known Canadian aviator, who proposes to see if the aeroplane can be of aid to medicine in treating certain types of deafness and nerve conditions.

New Brunswick Newspaper Deals With Bay Railway

Editorial in the Telegraph Journal, of St. John, Indicates Better Mutual Understanding of Western and Maritime Problems

Dealing editorially with the Hudson Bay Railway, the Telegraph Journal of St. John, New Brunswick says:

"Winnipeg hears that the government proposes to appropriate $300,000 for the completion of the Hudson Bay Railway. Brigadier-General Paterson, chairman of the On-to-the-Bay Association, says it is enough. He says further that this is the amount the government promised, and that was expected. The association itself, he says, had the estimates made by competent engineers.

Of course this amount does not include terminal facilities nor the dredging of a channel to deep water. One of the advocates of the Hudson Bay route who had been over the ground and who showed photographs and address at a luncheon the Maritime delegates to the Winnipeg Conference, said it would require several millions more to do this work to an extent that would make possible a thorough test of the route for the grain and other traffic. This speaker was one of the delegates from Saskatoon, for Saskatchewan is lined up with Manitoba in support of this national enterprise. The Maritime delegates were asked if it would not be possible for them to get into the Prairie market by way of Hudson Bay during the season of navigation, with goods they have to sell.

The advocates of the route contend that since prevailing winds move the ice-pack in a body there is plenty of clear water on one side or the other, and that with proper aids to navigation and an intelligent service the risk to vessels would not be great during the open season. Of course this is vigorously denied by those opposed to the completion of the Hudson Bay Railway, who assert that the season of navigation is far too short and dangerous. Apparently, however, the government has decided to complete the line, for which a large amount of material had been gathered at the present rail-end, and some of which is presumably of little value now. Following the work on the road must come the expenditure for dredging and terminals, on a scale necessary to test the ocean route. Whether there is to be a controversy over Port Nelson or Fort Churchill as the terminus remains to be seen. Hon. Mr. Dunning declares the road must be completed. If so, the matter of dredging and terminals must come up later and the funds be provided.

There has been a good deal of talk regarding the attitude of the senate on this question, and this is a factor in the situation which must also be taken into account. In the meantime the western men appear to be well satisfied with the development to date.

* * *

As a matter of fact both Liberals and Conservatives are committed to complete the railway and provide the necessary terminal facilities. The Prairie West is going to have this done, and its determination is by no means so unreasonable as some Eastern critics have asserted.

The country has already spent more than $20,000,000 on this project, $14,487,000 on the railway itself and $6,244,000 on the Port Nelson terminals. The expenditures were begun in 1909, but no large amounts were spent until 1913, when the Conservatives were in power. In that year $1,009,04 was spent on the road, and from that time until the end of 1919, some $10,000,000 more was expended on the railway, and about $4,000,000 more at Port Nelson. Steel has been laid to within ninety miles of Port Nelson, and the roadbed has been completed for the whole distance. But as the completed work has been lying idle for some years it will be necessary to make extensive repairs and replacements, in addition to putting down the rails for the additional ninety miles.

The Prairie West argues that as the country has already locked up more than $20,000,000 in this project, and is losing both its principal and interest under present conditions, and that as $5,000,000 or $6,000,000 more will complete the job and permit of a thorough test of the value of the road—in which most of the people of Manitoba and Saskatchewan appear to have the utmost faith—it is only fair and reasonable to get it done.

It is easy to understand why people living in that part of Canada should argue precisely in that way, and the facts and figures they present undoubtedly carry much weight, however doubtful Eastern Canada may still be regarding the ultimate success of the road. It is only fair to attempt to understand the Prairie viewpoint on this matter, and to realize that if we are to have national co-operation and increased unity in this country, we must look at these things nationally and not merely sectionally.

The Western people today have a much better understanding than formerly of Maritime problems, and they regard the case of the Atlantic Provinces with manifest sympathy and favor. We should not be behind them in viewing Western projects with the utmost fairness. This country will be much better for a generous spirit of give-and-take as between the various provinces."

Crowded

(Continued from page two.)

Canada. He stated that eight states contiguous to the western provinces and tributary to the operation of the Hudson Bay railroad would furnish an ally to western Canada, as well as to the twelve to fifteen million people with an estimated wealth of $46,000,000,000.

Captain Norquay's final remarks dealt with the financial end of the road. Canada had been generous to its railroads. It had, with the people's money, guaranteed $440,000,000 worth of bonds for the railway companies which had, on their part, taken up $60,000,000. The federal and the provincial government had given them together, $229,000,000 in cash or its equivalent, and 46,000,000 acres of land, of which a portion had been sold for $185,000,000.

The government had sold land to the value of $50,000,000 to build the Hudson Bay railroad and out of that had spent less than $15,000,000 on the railway itself. The cost of docks and harbor had come out of a different account. Three Hudson Bay railroads could have been built for the amount realized from the sale of these lands.

It was here that the speaker pictured the completed Hudson Bay railroad solving the solution of the entire railway question in Canada. It would be a line 424 miles long, capitalized at $15,000,000. It would be necessary to charge rates sufficient to make the road pay for everything, including maintenance. It was his belief that it would receive sufficient traffic to pay off its original cost in two seasons of operation and thereafter would be an asset. It was pleasant to vizualize the prospect of this line cleaning up Canada's vexed railroad problems. Truly it was a great heritage to the people of the west.

The west should remain firm in its determination to see the road finished. It should be operated as a separate entity with its accounting done separately and should not be turned over into the general Canadian National railways system until the other lines of that system were in a better position. Comparative rates on freight by way of Montreal via Fort William as at present and rates which would be made possible by the Hudson Bay railroad showed that those on the latter line were less than half, and in some cases just about a third of the charges on the former route.

He concluded by strongly urging the citizens of Prince Albert and Northern Saskatchewan to continue to stand firmly behind the fight to have the road completed and give it their moral and financial support. A collection was taken up at the end of the meeting, after Captain Norquay had appealed for financial help to assist the association in its work.

SPEND NIGHT IN STORE ELEVATOR

Fifteen Stuck Midway in Shaft and Held Concert

London, March 31.—Fifteen men, whose weight was too much, were forced to spend a night in the lift of a west end drapery store.

The lift holds 15 persons and 15 men of the night maintenance staff got into it. With a rush the lift descended until between the first and second floors the safety apparatus came into play and the lift stuck.

It was about 1 a.m. and despite the efforts of the police and an electrician who was summoned the lift would not move. One of the imprisoned men was the firm's electrician.

The men settled themselves as best they could in their cramped quarters and passed the night with an impromptu concert. At 8 in the morning, when the day staff arrived, they were released.

PUSSY TIES UP A TOWN'S INDUSTRY

Feline After Bird Gets Bad Shock; Sparrow Goes Free

Fall River, Mass., March 31.—A stray cat was responsible today for suspension of the activities of Fall River's 111 mills, all its stores, factories and business places. The cat had had no breakfast, and when it saw a fine, fat sparrow light on a transformer it made a flying leap for the bird. In so doing the animal caused a short circuit in the huge transformer, suspending electric service in the entire city for nearly half an hour.

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ARCHIVES PUBLIQUES CANADA

MAROONS HAND GOOSE EGG TO COUGARS IN FIRST TILT, WINNING TO TUNE OF 3-0

Anderson Suffers Fractured Leg and Dislocated Hip Which Might Put Him Out of Game for Good — Montreal Scores Two in First and One in Third—10,500 See Game

Montreal, March 30.—The Montreal Maroons, champions of the National Hockey League, drew first blood in the battle for the Stanley cup, emblematic of the world's professional hockey championship here tonight, when they defeated the Victoria Cougars by a score of 3-0 in the first game of the five-game series.

The game this evening was played under eastern rules, and this, to some extent, handicapped the Cougars. Western rules will prevail in the next encounter on Thursday night. A serious injury to Anderson, which may put him out of the game for good, was suffered in the second frame when he collided with Siebert and fractured his leg and dislocated his hip.

Montreal acquired two of their goals in the first frame and the third in the final session.

10,500 Fans There

The tilt was witnessed by 10,500 fans who were treated to as fine an exposition of Canada's own national game as they could ever wish to see.

For the locals, Nelson Stewart was the outstanding man. He towered over the other players on the ice and swept the cup defenders off their feet. He baffled the Victoria dfensive and his craft was something that presented for them an insoluble problem. There was nothing ordinary about either of his two goals.

The odds were against Victoria. They had just finished a long trans-continental trip; climatic conditions handicapped them; players' injuries were a disadvantage and the code was unfamiliar. They had an uphill fight, but fight they did. They battled grimly on in an heroic effort to turn the tide that was flowing against them. Their morale had received a severe jolt within seven minutes from the opening of the game, but they were neither disheartened nor subdued. They eventually hit up their real stride, but their rally came too late.

Victoria was conceded the edge on speed. Their skating was a marvel and brought applause from all quarters of the house. The westerners were like lightning, but they failed at the Maroon's defense. Unable to work out their criss-cross forward passes, their combination was wrecked.

Goalie Impregnable

Victoria took the ice with Frederickson in reserve and his place at center taken by Foyston. The visitors initiated an attack which, however, was soon warded off and Montreal's turn came. The locals were not slow to display their wares and in three minutes Nelson Stewart had penetrated the Victoria defense, and flat on his face, shoved the disc past Holmes. It was evident at the outset that the Maroons were all out to pile up goals. They skated Victoria off their feet as the initial period progressed and held the Cougars down to the defensive. Lester Patrick put on Halderson and Frederickson after Fraser was chased for high sticking Babe Siebert. Victoria, reduced to a quintette, were sorely pressed by repeated Maroon attacks. A second score was due and this was obtained when Broadbent secured from a missed shot by Phillips and drove a hard one home. Punch's counter came when the game was less than seven minutes old.

Patrick sent on relays of subs who tried every combination known to hockey to break down the barrier that Noble and Stewart reared in front of them, but it was all to no purpose. Frederickson played desperately and once or twice tested Benedict, but the Maroon goalie was as solid as a rock. Lightning-like speed developed towards the end of the first frame, with Victoria coming more into the picture. The puck see-sawed up and down the ice, but the efforts of the visitors were turned aside.

Reg. Noble Injured

Two accidents, one suffered on each side, marred the middle period. Anderson collided with Siebert and dropped on the ice with a serious hip injury and fractured leg, while some time later Reg. Noble retired, following a jar with the Cougars' forwards, his recently-injured head again sustaining some hurt.

Both teams battled through a scoreless second period, with the Maroons continuously on the offensive. Their game centered on Stewart, who led many attacks on Holmes, with Siebert doing manful work. Victoria was unable to pierce the Montreal defense and the shots they did get on Benedict were all driven from far out. In the Cougars' net Holmes played a sturdy game and turned aside sizzlers from Broadbent, Siebert and Phillips, while for the Victorians, Foyston, Outman and Meeking strove hard to solve Benedict's system.

The Cougars showed up better in this session with a finer display of combination, but the Maroons fought on the principle that the best method of defense is offense, and, despite all the labors of the Westerners, the Cougar goal was unceasingly the objective of hot shots. Holmes played the game of his life in the middle frame.

Montreal completed their trio of counters in the last period when Stewart and Siebert stayed a pretty piece of combination play. The game was nearing its close and less than four minutes remained when Stewart went off on a rush, passed to Siebert and received the Babe's return. Holmes had no chance to save.

SUMMARY

First Period

1—Montreal, Stewart, 3.05.
2—Montreal, Broadbent, 3.05.

Second Period

No score.

Third Period

3—Montreal, Stewart, 16.10.

PENALTIES

First period—Fraser, Stewart and Noble.
Second period—Oatman.
Third period—Siebert, Munro and Loughlin.

LINEUP

Montreal		Victoria
Benedict	goal	Holmes
Stewart	defense	Fraser
Noble	defense	Loughlin
Broadbent	forwards	Walker
Siebert	forwards	Meeking
Munro	subs	Anderson
Dinsmore	subs	Hart
Gibson	subs	Oatman
Rothschild	subs	Halderson
Holway	subs	Foyston

Referees—Cooper Smeaton and Billy Bell, Montreal.

PACKED HOUSE TO SEE SENIOR TILT

Toronto Arena Sold Right Out for Port Arthur-U. of T. Final

Toronto, March 31.—Hockey enthusiasts throughout Toronto and the surrounding country are in the grip of a hockey furore, caused by the sensational come-back of the Port Arthur team in the third game of the Allan Cup series played here Monday night, when they overcame Varsity's two-goal lead, secured in the initial stanza, to deadlock the game at 3-3. The outcome of Monday night's game necessitated a fourth game which will be played here tonight, and fans who witnessed that game lost little time in trying to secure tickets for the next game. As early as three o'clock Tuesday morning fans were forming a queue at the arena box offices and by the time the ticket wickets were opened at one o'clock Tuesday afternoon they had multiplied until the number reached well into the thousands, all clamoring feverishly for the necessary pasteboards to witness the hockey classic of the year. Every available seat at Arena Gardens was sold early, and Wednesday evening, just before game time, some 1500 rush seats will go on sale.

Latest inquiries at the Port Arthur headquarters here elicited the information that the players all came out of Monday night's battle in good shape and although they are pretty tired, the Port Arthur management fe els confident that after a day's rest the boys from the head of the lakes will uphold the reputation of the west in gallant fashion.

"All is well" was the announcement that comes forth from the Varsity camp, and with the exception of Richards, stellar sub who was sorely missed during the first game, the players are all in fine fettle.

SHEIKS SEE GAME

Montreal March 31.—"Newsy" Lalonde and the Saskatoon Sheiks of the Western Hockey League, were among the spectators at last night's Stanley Cup game between the Maroons and Victoria. They leave Thursday afternoon for Ottawa where they will oppose the Ottawa Senators that night in the first of a two-game series. The teams will meet again Saturday.

Constantinople, Turkey. — Turkish women, who are enjoying their new freedom with excessive zest, are being reminded after all that their real place is in the home.

Los Angeles, Cal.—The grand jury has approved recommendations of County Jailer Wewar that all incoming prisoners be garbed in trousers with one leg blue and the other gray.

BERLENBACH CAN'T HAVE SECOND BOUT

Boxing Commission Won't Let Him Meet Johnny Risko Again

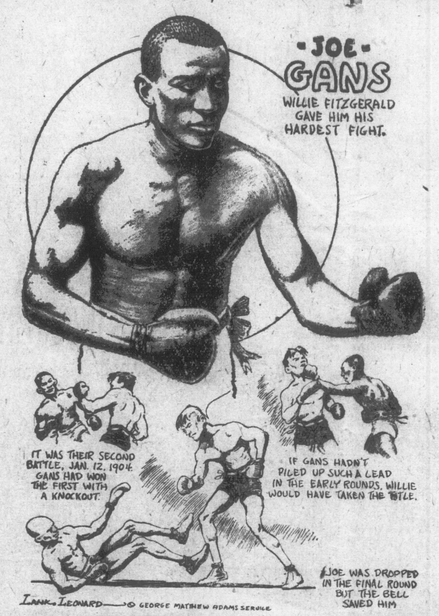
New York, March 30.—The State Athletic Commission, Tuesday, refused permission to Paul Berlenbach, world light heavyweight champion, to fight Johnny Risko, Cleveland heavyweight, in a return match, in defending its edict, the commission said it would follow its policy to force champions to fight in their own class, and pointed to Jack Delaney, the Canadian, as a logical opponent. "If Berlenbach is looking for action,"

Risko recently scored a decisive point victory over Berlenbach.

Placing added barriers in the way of Tex Rickard's recured 1926 heavyweight championship the commission reiterated its unqualified disapproval of a title match between Jack Dempsey and Gene Tunney and insisted that Harry Wills must receive first consideration for any title match here.

Girardville, Pa.—Salvator Vérera is living with a bullet in his heart. The X-ray shows that the bullet is being constantly whirled about.

GANS ALMOST LOST TITLE TO BROOKLYN BOY



RECOUNTS HIS GREATEST BATTLE

Second Bout With Joe Gans Most Thrilling of His Career Says Willie Fitzgerald

(By Willie Fitzgerald)
(The Fighting Harp)

I understand that when the late Joe Gans was asked who gave him his hardest fight, he replied, without the slightest hesitation, "Willie Fitzgerald." And when I am asked to name my toughest opponent in my 20-some-odd years in the ring, I must say just as quickly, "Joe Gans."

The great Negro was undoubtedly referring to our second meeting, staged in Detroit in 1904, and which he took on points after ten of the most gruelling and thrilling rounds either of us had ever gone through.

Gans and I had met the first time in San Francisco in 1903, and I had taken the count at his hands in the tenth round. None of my readers will think I am trying to alibi my knockout when I say that I entered that fight suffering from a bad attack of lumbago. I wore a big plaster on my back when I crawled into the ring for my go with the Baltimore wonder. That's where I made a big mistake. I tipped Gans off to what was wrong with me.

When we stepped to the center at the ring for the start of the fight, Joe looked at my back. The gong sounded, and Whang! off flew the plaster. From then on it was only a question of how much punishment my lame back could stand without breaking. I think I did pretty well staying with Gans until the tenth. I recall aiming a kick of disgust at the innocent piece of plaster on the canvas when Joe knocked it off.

Joe Gans was, in my estimation, the greatest fighter the game has ever seen. That's why I consider my greatest feat that ten-round contest with him in Detroit the following year. I was in perfect physical condition for our return engagement, and entered the ring confident that the worst I would do would be to go the limit with Gans. There wasn't any sore back for Joe to shoot at this time.

A Great Battle

And what a battle we put up! Early in the fight, Gans broke one of my ribs with a murderous body punch, and I stayed in one of Joe's in the last few seconds of the tenth round. The champion dropped to the canvas from that blow, and the fatal ten seconds began ticking away over the kingpin.

I could already see the New York papers with screaming headlines reading, "Fighting Harp Takes Crown from Joe Gans," and the great reception I would receive in my Brooklyn ward when I got back. I could see my picture in a blaze of light on the front pages of every newspaper.

All this flashed through my mind as the referee counted over the still figure of Gans. It seemed like ages to me. I failed to realize that I had dropped the champion with but a few seconds to go in the final round. When the gong sounded for the end of the bout, the lights, so to speak, went out. The champion was still on the floor, but that was the nearest I had come to taking the title from him. He was revived and awarded the decision because of the lead he had piled up in the first part of the fight.

Gans, I must repeat, was the perfect fighter. He had everything — physique, stamina, punching ability, speed and cleverness. In each of these particulars he was a marvel.

Take his physique, for instance. From the waist up he was built like a heavyweight. He saved weight from the hips down. Where he got his strength from was always a mystery to me. I trained with him a few times, and he invariably outlasted his sparring partners on the road. He was never known to tire and seemed able to run all day. Yet I never saw him eat a full meal! After a strenuous day's work Gans would nibble at a piece of ham or one lamb chop, more like a chorus girl trying to keep slim than a boxer in training. His camp-followers would display ravenous appetites, yet they never awakened an echo of hunger in the champion. Perhaps it was this inexplicable trait that led to his death from tuberculosis in 1910.

I had the good fortune to meet Joe when I was a kid of 22. I won't hesitate a minute in admitting that I learned almost everything I know of boxing from the Master. He was one of the very few fighters with the knack of blocking a punch and countering with the same hand (a trick never seen in the ring today), and I picked it up from Gans.

(Tomorrow Fitzgerald, one of the best fighters ever developed in Brooklyn, will tell of his greatest battle).

ROVERS FOOTBALL DANCE AND WHIST DRIVE IS TONIGHT

Junior Organization Provides Attractive Program for Entertainment

The whist drive and dance to be given this evening under the auspices of the West End Rovers Football club in the Memorial hall promises to be one of the most enjoyable functions of the season.

This junior organization, which promises to be an adequate feeder to the ranks of senior football, will make its debut tonight as entertainers and has provided a bill of fare which will be sure to please its patrons. An excellent assortment of prizes for cards has been secured and the refreshments promise to touch the high water mark as far as catering is concerned.

Cards will begin at 8 p.m. and dancing to a specially prepared program by the Sheiks' orchestra at 10.30 p.m.

RICKARD SIGNS TUNNEY

New York, March 30.— Promoter Tex Rickard has announced the signing of Gene Tunney to a blanket contract, under which the former American light-heavyweight champion agrees to fight any opponent Rickard may select for him during the 1926 outdoor season.

Capetown, South Africa—Native diggers in the diamond fields are now being X-rayed to prevent them from concealing diamonds by swallowing them.

WOMAN ACTED AS STRIKER TO SMITH THIRTEEN YEARS

Weighs 285 Pounds and Stands 6 Feet 1 1-4 Inches

Morning's Work Was to Put Twenty Tires on Wheels

Kansas City, March 31.—Thirteen years as a blacksmith was one of the qualifications given by Mrs. Clara Nowden, for admission into the naturalization class of the Kansas City, Kas., night school.

Unabashed, she listed her weight as 285 pounds and her height as 6 feet 1 1-4 inches. She is 48 years old.

"Of course, I am larger than most women," Mrs. Nowden explained, "and I am proud of it. My mother weighed 408 pounds when she was 71 years old. And she was the picture of health."

Mrs. Nowden came to the United States from Hull, Yorkshire, England fourteen years ago. It was two years after the death of her first husband, William Holtby. She arrived in Kansas City in May and the following month married W. H. Nowden, a family acquaintance from England. They have two children, James Henry Nowden, 13 years old, and Ciara Edna Nowden, 10 years old.

Mrs. Nowden's career as a blacksmith was in England.

"For thirteen years I was as good a blacksmith as any man I have ever seen" she said. "Every morning I used to put about twenty steel tires on wagon wheels. That gave me a good appetite.

"I made one mistake in my life. That was when I told my first husband, who was a blacksmith, that I could do that work about as well as he did. I tried it. He was so well pleased that I soon had a steady job. I was a painter, too. I could paint wagons and wagon wheels with the best of them.

When asked why she and her husband had enrolled in the night school, Mrs. Nowden said that they had just realized that they were without a country. They denied their allegiance to the king when their first naturalization papers were granted in the United States. That severed their connection with England. Yet without final papers, they are not citizens of this country.

Mrs. Nowden loves England, but says that it cannot compare to the United States for progress, and expresses a desire that she and her husband soon will be able to qualify for citizenship here. She declared that she would continue in night school until she could obtain her second papers.

"My education was cut short when I was a child," she recalled. "When only 10 years old I was required to leave school and go to work in the flax mills."

CHARLESTON GETS IN METROPOLITAN RANKS VIA BORI

Dances It Because It Is So Fascinating, Says Opera Star

New York, March 31.—The Charleston has invaded the ranks of Metropolitan Opera stars, bringing happiness to its first devotee in the circle.

Not only that, but it has been there many weeks, despite the fact that Carpenter's ballet, "Skyscrapers," was credited generally with having brought jazz within the sphere of the artists.

"The Charleston?" Lucrezia Bori repeated in surprise but with a smile, when asked if she had not been taking lessons. "Oh yes, I do the Charleston. Why? Because it is so fascinating. It makes me happy when I get up in the mornings.

"The quick little movements can't help but bring happiness—and laughter. Then, too, the dance is wonderful exercise and helps keep me in good physical condition for my work."

Never before has the soprano danced and she ascribed the Charleston's conquest to fate.

"One afternoon I dropped in to see a friend," she explained. "She was going out to take a lesson in the Charleston and I went along. I became interested and though I thought I never could dance, I tried a few steps. Before I knew what was happening I was taking a lesson."

Heavy

(Continued from page one)

tapped and in the resultant rush to secure claims thousands of acres have been filed upon.

No wells have been sunk in the area as yet and several months will probably elapse until the development work discloses the real value of the claims.

In the meantime those who have filed on the rights are optimistic over the prospects and at the present rate of filing, it will only be a matter of a short time until the area is staked up, it was stated today.

Omaha, Neb.—Because she could not get a job unless she got a divorce, District Judge L. B. Day granted a decree to Mrs. Edith Perrine, a mother of three small children.

KIWANIS CLUB WILL STAGE BASEBALL TOURNAMENT HERE AROUND THE FIRST OF JULY

Also Plans to Get Behind School Field Day Again This Year—Other Activities are Arranged at Business Meeting, Including Work on Park Across River

Prince Albert Kiwanis club, among other activities in the line of sport, made preliminary arrangements yesterday to stage a monster three-day baseball tournament in the city on or about July 1. A report will definitely be made at the meeting next Tuesday.

Yesterday's luncheon and meeting was strictly a business one, plans being made for various undertakings.

Hold Field Day

In the first place it was decided to continue work on the Kiwanis park, situated across the river near the swimming pool. Further improvements will be made this season including the planting of trees and caraganas on Arbor day. Benches and other accommodation will be provided once the park is fit.

The boys' work committee was enthusiastic in its plans to sponsor another schools field day in co-operation with the teachers association.

Talk To Children

During the coming fire prevention week in April, the club will conduct a campaign among the school children, having speakers deliver addresses in the various schools on this subject. At the same time the children will be shown why wanton destruction of lawn, shrubbery and trees destroys the beauty of their surroundings, and will be asked to assist in stamping out vandalism in this regard. A bird house building competition will be put on for the children.

CUBS LEAD THE WAY TO ORGANIZE BALL

To baseball fans—"The Cubs will be under the direction and management of Nels Newbatt, well known in city baseball circles." The Cubs are the result of a meeting held in the Empress hotel last evening, where about fifteen young fellows gathered to talk over baseball. It was decided to organize and enter a team in the senior city league this summer. With the exception of three who have played in the city league in the city before the club is an unknown quantity, but the members certainly are a likely looking crowd. On an average the members rank about twenty-one years old and some of the boys may graduate into regular "bears" before the end of the season.

As a number of the boys in the club are practically strangers, the boys have decided to get out at the first opportunity and have a little workout. The Cubs are now sitting pretty waiting for the other clubs in the city to get going and are picking up any likely-looking individuals that happen their way.

The officers elected are as follows: President and manager, N. Newbatt; vice-president, C. LaPorte; secretary-treasurer, H. G. Portman; honorary president, "Wally" Byron; patrons, T. H. McIntosh, J. Lifshitz, Dr. S. B. MacMillan, Dr. R. L. King, Alderman M. Musk, J. W. Sanderson, J. H. Wilson and E. Shackell.

CALGARY JUNIORS RECEIVE WELCOME

Ten Thousand Fans Meet Hockey Champions on Their Return

Calgary, March 30.—When the Calgary Canadians, junior hockey champions of Canada, returned home Tuesday night they were greeted by an enthusiastic crowd of over ten thousand admirers. Headed by the Elk's brass and bugle bands, the champions were paraded to the Great War Veteran's Hall where they were tendered a civic reception, the like of which was never before experienced in this city. The players, manager and trainer were presented with gold watches.

The Canadians will be feted for another week, as the Elks, Rotarians, Kiwanians and Gyros have planned big doings on their behalf.

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Moose Jaw Times April 6/26.

075381

MR. MEIGHEN, THE TORY PRESS, AND THE H. B. RAILWAY

Once again the Tory press of Eastern Canada is lashing itself into a fury over the Hudson Bay Railway. Turn to the editorial page of any of the papers espousing the Conservative cause and almost any issue will contain a tirade against the Government and all those who favor the completion of the project. The Montreal Gazette, The Ottawa Journal, Toronto Saturday Night, and the Financial Post, all papers which are staunch advocates of Rt. Hon. Arthur Meighen's policies, have within the last few weeks launched broadsides against the project.

It must be embarrassing to the Tory Leader, because when he was in the West, in the last General Election campaign, he expressed views very strongly favoring the completion of the project. Perhaps in view of the way his "left-hands" attacked the Government's proposal to complete the line, in the West Middlesex by-election, the West showed considerable wisdom in its treatment of Mr. Meighen on October 29. The carefully-hedged promises about finishing the railway which he gave prior to October 29 would hardly stand up against the general condemnation of the project from his henchmen and the Tory press of the East.

The Conservatives have frequently in recent years reiterated charges that the Liberals have one policy for the West and another for the East, but Mr. Meighen has one policy and his prominent supporters and the Tory press have another.

When he was out in the West bidding for votes, before October 29, Mr. Meighen, speaking at Saskatoon, Oct. 3, stated the first thing he would do would be to ascertain the least that the road could be completed for and then finish it in the earliest possible time. If he could be convinced that it could be completed for three million dollars he would undertake to do it before coming back at another election. Then to clinch his promise Mr. Meighen said: "The party that built the railway to where it is will complete it. It will be done by the party that never makes promises and then comes back saying that their promises were only a chart."

At this same meeting Mr. Meighen was asked: "What position would you take if the Western provinces should propose to take it over, would you support it?"

Mr. Meighen: "Yes, I would give assistance from the Dominion Treasury."

"What position would you take if a private corporation offered to take it over?" he was asked.

Mr. Meighen replied that he would favor seeing it completed as a national project. If there is to be a national system, then it would be wise not to have too many private companies. If the Western provinces undertook to complete the road, he would favor giving Dominion assistance.

Then at Regina on October 13, Mr. Meighen said:

"Canada is too vigorous, too virile, and too proud to see the Hudson Bay Railway carried within 70 or 80 miles of completion and leave it there a spectacle to the world."

That is Mr. Meighen's position as he set it before the people of the West. But what of the Tory press of the East? The Financial Post, under date of April 2, says: "No person in sound mind could examine the logs of the vessels operated by the Hudson's Bay Company and then favor spending another, five-cent piece on the project."

But Hon. Robt. Rogers, one of Mr. Meighen's Western supporters in the Commons, was hardly less emphatic than Mr. Meighen when he said at his nominating convention in Winnipeg: "Increased immigration and completion of the Hudson Bay Railway were two of the needs of Western Canada that the Conservative Party would remedy."

Under date of March 30, replying to an editorial of the Manitoba Free Press, the Montreal Gazette, also a strong protectionist and anti-Hudson Bay Tory paper, says: "The drain which completion of the Hudson Bay undertaking would impose upon the already overtaxed financial resources of the Dominion, can be stopped and will be stopped if Parliament faces the issue honestly." Further on it says: "It is a question of throwing millions away or of saving millions, and that is all."

On the one hand we have Mr. Meighen, prior to an election, when he was seeking supporters in Western Canada, either making direct promises to the West or "spoofing" the West that he had honest intentions of completing the road; and on the other hand a Tory press which says that anyone who would consider completing it is of unsound mind, and that it would be throwing millions away. Was there ever a better illustration of a political party trying to get itself elected with a story governed according to the locality in which it is being told?

Mr. Meighen's attitude on the Hudson Bay Railway question in the House of Commons will be interesting to watch.

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SAULT STE. MARIE, Apl 7 1926
ONTARIO

Dear Mr Meighen –

I told Mr. Simpson I thought the strangest card we comes play when the estimates are being debated is that the Grits never intend to complete the N.B. Railway & the Globe as you notice and some of the Grit points of Quebec are auf fest against it. Of course you must vote for the $3000,000, even though your promise was conditional that it ~~would~~ complete the road as some of the prairie people can tender. You can say they use the argument that the Good Engineer who lined some years ago the Bay probe reversion and infrastructure purposes that it will take from 50 to $60000000 to repair the section built leaves the remaining 90 miles, complete the terminies, and provide the rolling stock and this being the case it would at $3000,000 a year take nearly a lifetime to put it in operation. The $3000,000 is only a drop to keep the Bogs in voting line nothing more, and your friends Dunning and the rest of the cabinet are only playing, or rather trifling with the Bogs for party purposes. It appears to me that when the magnificent of the rate, the opposition of the Globe and

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SAULT STE. MARIE, ONTARIO 192

Dear Sir & Friend

Your letter of the 10th Liberals are well pleased on the attitude of the Prog. press & them at Westville are King & Co are only wasting time & much money & help them the time.

I believe a statute can be "dug up" that will enable the Conservatives to out Kennedy. the Court that has made it so evident that if Collins' votes had not been cheated out of their votes Collins would have had a nice majority over Kennedy.

It appears to me the tide is so great from many angles that notwithstanding this dirty fraud & trickery the people will not return those to work ing sessions simply keep a discourteous faction in office.

Yours faithfully

C Cliffe

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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075384

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Ottawa, April 8, 1926.

Dear Mr. Cliffe:

I have your letter of the 7th and have noted carefully your suggestions ad to dealing with the Hudson's Bay Railway vote. As I see it now the vote this year is just waste, and it will be indeed hard to justify ~~it~~ unless the Government advise us what the completion of the undertaking involves in the way of new construction on land and terminals and the cost thereof.

Sincerely yours,

C. Cliffe, Esq.,
Box 652,
Sault Ste. Marie,
Ont.

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SAULT STE. MARIE, ONTARIO Ap 12 1926

Dear Mr. Meighen, I am afraid you will consider my numerous letters a nuisance, in the face of the extensive correspondence now on your hands. Interest in your views & how the Borgo King & Co. in failing to get some full information on the cost for operation of the H.B.R. proves they never intend to complete the road - their to 300, as a year is only baiting the Borgo for their votes, but at a serious loss to all Canada.

As I see things the entire business is only a waste of public money, but I won't do to say so, till the Borgo get different light. For natural & economic reasons - distances, waterways cheap labour, S America, Russia and Australia must become the wheat suppliers of Europe & Asia eventually and much of all our present expenditures will go on the perishers. Under proper treatment Canada & the U.S. must become the markets for our province wheat, and the policy of the Borgo is only putting off the

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SAULT STE. MARIE, ONTARIO

day of their own salvation. In
10 or 15 years U.S. consumption of
wheat will have exceeded its produc-
tion. Then there comes a Pulp market.
We are now most criminally exporting
$14,000,000 worth of pulpwood yearly
and at those same time re-importing at
a heavy cost and all to employ
Canadian labor in American Mills
instead of employing it at home and
making fortunes thereby out of the
products. We are depleting our
minerals at the rate of nearly $50,000,000
a year also to give employment to
our artisans in a foreign country, with
our chemists employing their talents
with the access material of Birmingham
on our area. It be possible let us
force our profits to see they must
eventually lose all distant markets
for their wheat, and that under a
protective policy we should be coping
with that class by encouraging industries
and encouraging markets for their wheat
at home. There is no reason why we
should not by building up industries to
handle our pulpwoods, minerals & other

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SAULT STE. MARIE, ONTARIO _____ 192

new goods, he adding Mulhaus a year to our own population every million people means the consumption of seven million bushels of Canadian wheat. It is a surprise to me that the people of Canada are astonishing the Yankees in every way possible, that while they might be paying a tariff more for their manufacture supplies (and the goods can easily shut out excessive charges) they are tendering home markets for their wheat at great gains. With Canada a country of farmers, are people as can be done as there is a home market for wheat the amt. of Prairie wheat now grown. By utilizing their water powers they can convert their wheat for all Canada into flour and use the by-products for producing meat for all Canada also. If the people ever get good horse sense, they will turn every effort to these ends, and we will then hear no more of a need for the N.B. Railway. If we can only elect friends in the room of Kennedy and N.B. then we will shake the scales off the eyes of King & Co. Yours faithfully O Cliffe

The Rt. Hon. Arthur Meighen

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19

Ottawa, April 14, 1926.

O. Cliffe, Esq.,
551 Queen St. E.,
Sault Ste. Marie,
Ont.

Dear Mr. Cliffe:

Your letter of the 12th instant reached me to-day. You may rest assured we shall bear in mind the suggestions you have made with regard to the Progressives and the Hudson Bay Railway.

Our men are determined to put up a battle in North Bruce if an election is called in that constituency. A victory there would seal the doom of this Government.

Yours very truly,

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Moose Jaw Times April 19/26.

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TORONTO SUPPORT FOR THE HUDSON BAY

With the Montreal and Toronto daily newspapers, Liberal and Conservative, knocking the Hudson Bay Railway project, and with the Toronto Globe a "doubting Thomas" on the issue, pressing for a policy of procrastination, it is encouraging to have at least one prominent daily newspaper in the province of Ontario supporting the enterprise and advocating an all-Canadian policy. We refer to the Toronto Daily Star, a staunch supporter of the Mackenzie King Government. The Star has vision enough to see that by giving to the West this natural outlet to the sea, and by lowering transportation costs of export grain, the Western farmer will have greater earning power, more profit and more to spend to encourage increased industrial production, thus benefiting the whole country.

"In considering the question of reduced freight rates there should be kept in mind the intimate relationship between farm profits and increases in production," the Star says. "The prairie west is far from having reached its maximum crop area. But wheat production can only be increased if the crop yields a profit over and above cost of production. On the other hand, conditions as they are, increased production follows increased crop profit as surely as day follows night.

"The phase of the wheat question that claims most earnest consideration, having special regard to the financial and therefore the general welfare of the whole country, is that of profit or loss to the farmer by the increase or decrease of his costs of production or transportation. In this regard the railway to Hudson Bay claims first consideration as a national enterprise."

The writer then shows that the heads of all financial institutions, in their annual reviews a few months ago, stressed the favorable position of agriculture. He says:

"They establish beyond argument that the volume of, and profit on, the wheat crop of the West is the predominant factor in the economic welfare of Canada as a whole in the East as much as in the West. They make clear that there must be profit as well as volume if there is to be prosperity in either West or East. That being the case, the objective of lower transportation costs and improved transportation facilities for approximately a third of the Western crop which is involved in the establishment of the Hudson Bay route, can only be considered as being entitled to national support."

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Edmonton Bulletin april 21/26

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START WORK AT ONCE ON HUDSON BAY RAILWAY

Exclusive to Bulletin

OTTAWA, April 21. — After lying in a state of abandonment for ten years, the Hudson Bay Railway is again showing life. From official information received this morning, work on completion of this road will commence at once, the construction to be done by the Canadian National Railways.

Instead of awaiting the passage of the specific item of $3,000,000 in the railways estimates for this work the government will proceed on the strength of the one-twelfth of the estimates passed by the house some days ago, the amount thus made available for the Hudson Bay work being $250,000.

To Start Immediately

In a few days another twelfth will be voted, which in the case of this railway will add another $250,000 to enable the work to proceed without delay. As the work will be done by the Canadian National, no contracts for constructions will be let.

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The Saskatoon Daily Star

Published at 226-230 Twentieth Street East, Saskatoon, by The Star Publishing Company, Limited.

SATURDAY, APRIL 24, 1926

On To Port Nelson

There have been disquieting reports from Ottawa about the government's intentions in regard to the Hudson Bay Railway. It is said, although apparently without official authority, that the question of the terminal is to be re-opened. The rumor is that the only work done on the line this year will be repair of the built portion as far as Kettle Rapids. Construction will then be delayed again, it is said, pending an inquiry into the relative merits of Port Nelson and Fort Churchill, the two ports on the west side of Hudson Bay. The report is not official but it seems to have enough foundation to be worth considering.

On the face of it, the proposition seems uproariously absurd. After building more than three-quarters of a railway, are we to stop and consider where it is going? Surely that is a preposterous idea. The proper time to fix the destination of a line of steel is before starting to build it and certainly not later.

The terminal of the Hudson Bay Railway was chosen at the right time, when construction of the Hudson Bay Railway started. Hon. George P. Graham, minister of railways in the Laurier government and now chairman of the tariff advisory board, tentatively selected Port Nelson in 1911. In that year the Conservatives came into power. Hon. Frank Cochrane was minister of railways in the new cabinet. He visited the Bay ports in 1912 and confirmed Mr. Graham's choice. In the House of Commons the year following he gave his reasons. The selection of Churchill, he said, would involve building 85 miles more of railway and mostly over barren ground which could not be utilized. Neither Nelson nor Churchill was by nature an ideal harbor but Nelson could be made an excellent port.

This was Mr. Cochrane's explanation and he was followed by Mr. Graham who said: "I have always favored Nelson from the information I had in the department and that view seems to be confirmed."

Nelson, then, was chosen and with the concurrence of both political parties. Construction of the railway began with Nelson as the terminal in view. The grade was built all the way to Nelson and the steel carried to within 92 miles of it. In the meantime some $6,000,000 were spent at the terminal in providing port equipment and improving upon nature.

Further inquiry showed that the choice of terminal had been wise. Testifying before the Senate committee in 1920, the chief engineer of the railways department said he had always considered Nelson the better terminus. "The actual construction," he said, "was not further than fifty or sixty miles out of The Pas when the contract was let for Nelson. Churchill was not rejected as impossible for railroad construction. Churchill was rejected on purely commercial grounds such as mileage, which apart from operating cost in the future means a definite increase in the cost of the railway. And for large harbor development Nelson would outstrip Churchill anyway. You would be passing up a good port to go to an inferior port. By an inferior port I mean requiring a larger expenditure of money because for a large development Churchill would actually cost more than Nelson. For a small development Churchill would be cheaper than Nelson. But the extra cost would destroy that advantage and the extra haul of the grain remains in perpetuity."

In the face of the facts and testimony here cited, the government cannot reasonably re-open the terminal question. By western people instigation of an inquiry into this matter will be regarded as a pretext for delaying "completion of the Hudson Bay Railway forthwith," specifically promised in the pre-election addresses of the prime minister and in the speech from the throne which opened the present parliamentary session.

It is very probable that in time there will be railway lines connecting the central west with both Churchill and Nelson. In the meantime speedy construction of the road to the nearer port is what is wanted. Nelson was chosen by two railway ministers on the advice of engineering and navigation experts. The line to it is almost complete and much money has been spent on harbor works. An unnecessary inquiry must not be made the excuse for further delay in construction.

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Saskatoon, Sask.,
April 26th 1926

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Dear Mr. Meighen:-

I thought it well to bring to your attention a matter about which you, no doubt, likely know more than I do, ie:- that the Government behind the scenes is acting in a suspicious manner in reference to the vote of three million dollars which is placed in estimates now before the House for the purpose of completing the Hudson Bay Railway to Port Nelson this year.

It has been reported to us here by a Progressive M.P. that advances have been made by Motherwell and Dunning to the Western Mambers sounding them out as to what stand they would take providing the Government took the position that before any further track-laying on the Hudson Bay Railway was proceeded with that there should be further investigation as to the merits of Nelson and Churchill being the most suitable Port; and in the meantime they would proceed to expend a certain amount in rehabilitating the present laid track. Such tactics can only be for the purpose of stalling the project in order to gain some Political advantage at possibly an early election the coming fall. No doubt they are finding some opposition in their own following from Quebec, and if they are permitted to do what they propose they may be able to hoodwink both East and West. They would come out West and say we are going ahead rehabilitating the present line, and before any new track is laid we thought it best to investigate the merits of the twon Ports on the Hudson Bay; and to the Quebec people they would say we are only doing a little repair work on the line, and we are investigating the practicability of the Route, which we believe will be found impracticable and no further work will be done on it.

I was talking with the President of the Farmers Union a few days ago, and he said that his Organization had a pledge from all the Progressive and Liberal members from the Prairies to stand together on the Hudson Bay project for its completion at the earliest possible date to Port Nelson. He has wired the

Sgd. J. Mullin
Rgts J. Mullin
Wadsworth
Kennedy

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Premier, Minister of Railways and Western mambers that the matter of Port at Hudson Bay was settled years ago and should not now be re-opened. What the West wants is the road completed at once to Nelson.

I would suggest that when the vote for the Hudson Bay Railway is before the House that our party make the Government declare themselves. If the money is voted, let it be understood that it is for the purpose of completing the present line to Port Nelson without any delay or time for further investigation as to the merits of the Ports. I think the bulk of the Western members will support such a stand if given an opportunity; and if they do not they will not have much chance of re-election in Saskatchewan. You taking the lead in making the Government declare their intentions will help us a lot in the West, and if they are set in their determination for further investigation of the Ports, if our party would hold together and get it to a division in the House, I should think you would have a good chance of defeating the Government on it. Support by the conservative party of further investigation into the relative merits of Nelson and Churchill would be an indictment of Sir Robert Borden's Government - an admission that the decision in favor of Port Nelson had been made without due consideration, a decision, assuming that Churchill should have been the selection, involving a loss to the people of Canada, providing a decision be made in favor of Churchill, of not only the expenditure at Port Nelson and the cost of grading from Kettle Rapids to Port Nelson but in addition, the additional mileage necessitated as a result of deflection from Kettle Rapids.

I enclose for your information an Editorial clipped from the Saskatoon Star dealing with the matter.

Yours sincerely,

Jas R. Wilson

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Ottawa, May 1, 1926.

Honourable J.R. Wilson,
Saskatoon, Sask.

Dear Mr. Wilson:

I thank you for your letter of the 26th April and the hint you have given me of the probable treatment by the Government of the Hudson Bay Railway vote. The whole scheme seems to me very like what they would try to put over, and you may rest assured it will be carefully watched. I have from the beginning demanded from the Government just what was involved in their decision to complete the road, that is to say what they meant by completion, what commitment and within what time it was to be carried through.

Yours very truly,

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Ottawa, May 3, 1926.

W.W. Kennedy, Esq., M.P.,
House of Commons,
Ottawa.

Dear Mr. Kennedy:

Mr. Meighen asked me to send you the attached copy of letter from Hon. J.R. Wilson of Saskatoon.

Yours faithfully,

Private Secretary.

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075396

Ottawa, May 3, 1926.

Colonel H.A. Mullins, M.P.,
House of Commons,
Ottawa.

Dear Colonel Mullins:

Mr. Meighen asked me to send you the enclosed copy of letter from Hon. J.R. Wilson of Saskatoon.

Yours faithfully,

Private Secretary.

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075397

Ottawa, May 3, 1926.

Colonel H.H. Hannesson, M.P.,
House of Commons,
Ottawa.

Dear Colonel Hannesson:

Mr. Meighen asked me to send you the enclosed copy of letter from Hon. J.R. Wilson of Saskatoon.

Yours faithfully,

Private Secretary.

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Ottawa, May 3, 1926.

Hon. Robert Rogers, M.P.,
House of Commons,
Ottawa.

Dear Mr. Rogers:

Mr. Meighen asked me to send you the attached copy of letter from Hon. J.R. Wilson of Saskatoon.

Yours faithfully,

Private Secretary.

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19

Ottawa, May 3, 1926.

Sir Henry Drayton, M.P.,
House of Commons,
Ottawa.

Dear Sir Henry:

Mr. Meighen asked me to send you the attached copy of letter from Hon. J.R. Wilson.

Yours faithfully,

Private Secretary.

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Pers

House of Commons
Canada

Ottawa May 5th 26

Rt Hon Arthur Meighen

Dear Sir

I understand the vote of one tenth of the Estimates has been held up in the Senate until the further discussion of the Hudson Bay Road and information with respect to same is forthcoming. If this vote is held up by Conservative Senators it will be the death blow for Manitoba Conservatives. I feel something should be done to avert this. What would you advise in the matter. Have been in social touch and Manitoba members are all anxious on matter.

Yours sincerely
Thos Vien

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19

Ottawa, Ont., 6th May, 1926.

Dear Mr. Hay,

Your letter of the 5th reached me last evening. I immediately tried to get you by phone but was unsuccessful. I have already seen Senator Ross twice on this matter, but would suggest that if our Manitoba Members can exert any influence by all means do so.

Yours very truly,

Thomas Hay, Esquire, M.P.
House of Commons,
Ottawa, Ont.,

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STAR WEEKLY, MAY 8th, 1926

HUDSON'S BAY ROUTE

C. B. Watts of Dominion Millers' Association Says It

LACKS ESSENTIALS

Hudson's Bay lacks the essentials of a grain route for the outlet of the crop of the Canadian west, according to the viewpoint of Mr. C. B. Watts, the secretary-treasurer of the Canadian Millers' Association.

Mr. Watts summed up his views on the Hudson Bay route in the following statement to The Star:

What are the essentials necessary to move grain in large volume over any route.

1. Low freight and low insurance rates.
2. Large volume of shipping available.
3. Frequent sailings to various distinations.
4. That boats sail on schedule time.

The great importance of these essentials to the successful handling of grain will be better appreciated by a layman after careful perusal of the facts given below.

As the handling of the Western grain crop is the primary object in the minds of all those dealing with the feasibility of the Hudson Bay route, it is only fair to the Western farmer that the full facts from a grain shipping standpoint should be put before the Western producers and their representatives in parliament to avoid the great disappointment which will surely follow unless the full facts are known.

As the completion of the railroad to Hudson Bay has been pledged by both parties, its completion would probably do more than anything else at the moment to remove the feeling held by many of the Western farmers, that certain interests in the east are blocking the completion of the road for their own selfish purposes. It is essential for the closer unity of the east and west, which is so desirable, that the road should be completed at the earliest date possible, and as soon as can be definitely settled by deep sea navigators and railway terminal builders which is the best terminus, Nelson or Churchill.

A Word of Caution

A word of caution is certainly required here. It is reported that a firm of elevator builders has offered to build a terminal elevator at Churchill on certain terms, but this indicates nothing excepting that the elevator builders expect to make a big profit on the contract. If the government arranged with the elevator builders to erect the elevator at their own expense and operate it for a term of say ten years, at even higher storage rates than are charged at Fort William, you would not find any elevator builders keen for the contract, for the reasons which will be plainly evident to the reader of this article.

The Star has published a number of very interesting and instructive articles on Our Northern Sea Port, and interviews with Mr. Dobie on this important subject, but unfortunately, Mr. Dobie's views are extremely optimistic without being practical, as he argues because the mining industry has made such a wonderful development unexpectedly in Northern Ontario, that our northern sea port may do likewise.

Also in the last part of the ninth article in The Star, April 3rd, under the heading "What a Railway Can Haul," after saying "There is no limit to the size, character or number of vessels that could be used as far as the Strait or Bay is concerned, for two months between August 15th and October 15th," goes on to say "A well built single track railroad could deliver 1,000,000 bushels a day at Churchill from Saskatoon at a less cost of haul than the same wheat could be delivered Fort William."

What Cochrane Said

Just as in the chain the weakest link governs its haulage capacity, so in the Hudson Bay route it is not what the railroad can handle, but the two controlling factors are first, the amount of wheat available that can be delivered at Churchill or Nelson in time to load the vessels and be sure they get through Hudson Bay Straits before encountering ice difficulties.

The second controlling factor in routing grain from our northwest will be the number of ships available during period of maximum movement and the freight and insurance per bushel from Churchill as compared with New York and Montreal.

The late Honorable Frank Cochrane, then minister of railways at Ottawa, had no illusions on this question although he was from the north. During the session of 1913-14, when the present honorable provincial secretary, Lincoln Goldie, and the writer, representing the Dominion Millers' Association, were pressing the government to establish a government-owned line of steamships to get fair ocean rates to and from Canada, the Honorable Frank Cochrane supported our request because, he said, "no steamship company would send its vessels into Hudson Bay until the government had demonstrated that the route was feasible by running vessels there on a commercial basis."

Actual Conditions

Let us examine conditions as they are, not as we would like them to be.

The board of royal grain commissioners, during their enquiry in the fall of 1923 at Montreal, had before them two sea captains of the Hudson Bay Company, Captain Mack, who made fifteen trips from 1890 to 1913, and Captain Freakley, who made about twenty trips in Hudson Bay. Both, in their sworn evidence, said that navigation was safe for ordinary 6,000 ton tramp steamers from the first week in August to the end of September or early October, two months, but would have to use specially constructed ships, which would cost $100,000 more, to be able to buck the ice for earlier or later navigation.

The heavy construction also would materially reduce the carrying capacity of the boats.

Both these captains filed with the board photographs of ice conditions on the 24th, 25th, 29th and 30th of July, 1923, from which it was evident very heavy ice might be encountered and as Captain Mack said, "You might enter Hudson Straits in the middle of July and might not get through the other end of the straits till early in August."

Captain Mack, who spent three winters at Archangel with an icebreaker during the war, said: "You have to use forty or fifty tons of coal a day to get through heavy ice."

Carrying extra fuel would reduce the cargo capacity of the boats going into Hudson Bay, but they could get Alberta coal at Churchill.

The first question and one of paramount importance is where would vessels sailing from Hudson Bay in August and September get their cargoes. Live cattle, grass fed, would be in good condition then, and would undoubtedly be available, but a cargo of cattle alone will not pay, and heavy cargo is required to steady the ship.

With the development of dairying a certain amount of butter should be available, and possibly some cheese in the course of a few years.

The Wheat Movement

During the past three years the first movement of the new crop, the number of cars arriving at Fort William each ten days, has been as follows

	Cars 1925	Cars 1924	Cars 1923
Aug. 31 ...	92	25	89
Sept. 10 ...	1,074	230	743
Sept. 21 ...	2,012	1,084	2,248

It must be borne in mind that the earliest shipments are from southern Manitoba and would not be naturally tributary to La Pas and Hudson Bay route, so the amount of wheat available to load ships before the end of what might be termed the safe shipping period from Hudson Bay would be only small.

No grain exporter would ship old crop wheat to Hudson Bay, because it could not be shipped out before August at the earliest, when it would meet competition from the new crop wheat from the United States.

As both Captain Mack and Captain Freakley made the dates of safe navigation for ordinary steamers the end of September or early October, you can plainly see from above the volume of traffic to be handled from northern Manitoba and Saskatchewan before the regular closing of safe navigation is very small.

Essential Conditions

1. Low freight rates and low insurance rates. Here again the United States Atlantic ports have a great advantage over Canadian ports, as the great number of regular lines running to all parts of the world and the large number of tramp steamers arriving with cargoes to supply the needs of 110,000,000 of people, provides the competition necessary to insure low rates by getting cargoes both ways. Also marine insurance is lower than from Canadian ports.

2. Large volume of shipping available both regular lines and tramp steamers. This insures low competitive ocean freight rates. That's why so much of our wheat goes via Buffalo and United States ports, although the freight from Buffalo to New York is 1-2c per bushel higher than from our lake ports to Montreal.

Shippers from Montreal frequently find it necessary to charter tramp steamers from New York or Boston to load at Montreal and they have to make the voyage from New York or Boston in ballast, so naturally they would quote a lower rate if they could sail direct from Montreal to destination instead of taking the long extra trip.

Limit Number of Ports

3. Frequent sailings to various destinations. The importance of this is shown that in the short month of February, Canadian grain was shipped to 23 different foreign ports. This is something we can never hope for via Hudson Bay, as the only boats that will be available will be those chartered with inward cargoes months ahead.

It is the frequent sailings from New York that draws our flour trade with the West Indies that route instead of via Halifax or St. John, and compels our large mills to keep stocks of their flour in New York for our West Indian trade to give quick shipment in small lots.

4. That boats sail on schedule time. Grain is generally sold for shipment the first half of the month or the last half of the month, and if for any reason the grain is shipped on the 16th which was sold for shipment the first half of, the exporter would be heavily penalized. The same thing is true if it was shipped on the 15th on a sale for the last half of the month. It is shipped out of date, and the shipper must pay the penalty.

We have at the present time a striking example of the effect of ice conditions on Lakes Huron and Superior. Navigation usually opens about the middle of April, but advices to-day indicate about 5th to 7th of May, and exporters who sold wheat for shipment from seaboard first half of May are in some instances moving their wheat forward all rail, paying much higher freight rates, in order to protect their contracts.

Question of Guarantee

I remember when Mr. James Richardson was given evidence before the Royal Grain Commission, he was asked regarding shipping via Hudson Bay, as at that time his firm was the largest grain exporter in the prairie provinces.

Mr. Richardson said this would largely depend on the freight rates and insurance rates that would have to be paid. Also a most important factor would be the certainty of the grain clearing ports. He illustrated it by two cars of wheat he had in Duluth when navigation closed the fall of 1923 that he could not get vessel space for, so he had to hold it till the following spring under heavy storage charges or ship it out all rail on a much higher freight rate.

If it was at Hudson Bay it would have to stay there till the following August, as it could not be railed to the seaboard.

Then, the all important question arises—who is going to contract with the vessel owners months ahead to send their ships into Hudson Bay and guarantee them cargoes and what rates of freight are they going to charge?

This, of course, would largely depend on the earnings of their inward cargo. What kind of a cargo would a European exporter be able to ship to Western Canada to advantage to arrive there about the first of September so as to be ready for a return cargo of grain.

Erection of Terminal Elevators

While the road should be completed to Hudson Bay, the erection of terminal elevators, till it has been satisfactorily demonstrated that grain can be profitably shipped by that road, is quite another matter. We have an example of the folly of this in the expenditure of a large sum of money in the erection of the government elevator at Halifax, where practically no grain has been put through it, and even at Quebec, I believe the elevator has never paid running expenses let alone anything else.

These questions should be carefully investigated by practical men before another dollar is spent beyond what is necessary to carry the railroad to Hudson Bay and erect such moderate structures as are absolutely necessary to take care of the traffic which will follow that route.

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075403

19

Ottawa, May 8, 1926.

My dear Senator Ross:

Having in mind the conversation which we had last Thursday, with respect to the interim supply Bill now before the Senate, and the attitude of the Conservative members of the Senate, led by yourself, with regard to the item in such supply Bill relating to the Hudson's Bay Railway, I feel that I should put in writing without delay my views as to the course which should be taken. This is done not in any pedagogic or dictatorial spirit because I quite recognize the independence of the Senate in this as in all matters, but in order that there may be no possible misunderstanding as to the position I shall take in the future with respect to any action of the Senate by way of interference with the estimates commonly known as supply.

It is my opinion that it would be most unwise from every standpoing for the Senate to interfere with estimates voted by the House of Commons. Whatever may be the strictly legal right of the Senate in this regard I think such conduct would be resented, and rightly resented, by the people of Canada, and would tend to weaken the high respect which is now....

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now paid the Upper House in this country.

There might be conditions conceivable where, by reason of facts coming to light, which could not have been in the mind of the Government or of the House of Commons, upon the passing of the estimates by that body, a check or delay would be justified, but from the general principle of the exercise of any asserted right upon whatever technical legal basis on the part of the Senate to interfere with what is distinctly a supply Bill embodying the estimates, I must, should the subject ever come before me in such form as to make it my duty to state my opinion, take immediately definite and emphatic objection.

Yours faithfully,

Hon. W.B. Ross,
The Senate,
Ottawa.

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Gazette Montreal May 11/26.

075405

THE TRUTH COMES OUT.

It might be suspected, for ample cause, that the statement by Government to the Senate a few days ago in relation to the Hudson Bay Railway was not willingly given. The assumption has for a long time gone uncorrected that the road, the greater part of which was built between 1911 and the end of 1912, was in excellent condition and required only the ties and rails for the unfinished section of 92 miles to be ready for efficient operation. The agrarians of the West have in large degree predicated their estimates of what would be the cost of completion upon that understanding. It would have been extraordinary if that had been the truth. The circumstances under which the road was abandoned in 1917, while construction was still in progress, and with 92 miles having little more than the right of way laid out, were against anything like finished work. It now transpires that the ties have practically disappeared, owing to the fact that their normal life is from seven to nine years. There never was any more than incidental and superficial ballasting done, and engine terminals, water stations, passenger facilities and a great many other essentials are utterly lacking.

It would have been a travesty to assert that at any stage 332 miles of the line were completed; and now, after decay and corrosion have done their deadly work, it is the simple truth that the Hudson Bay Railway is little more than a right of way. It must be rebuilt from end to end; and that was the plain meaning, although probably not the intention, of the statement which Senator Dandurand presented to the Senate on behalf of the Government. It is going to cost $10,000 per mile to renew the ties, lay down the necessary ballast, and in other respects do what the Senator describes as "the re-conditioning." The estimate is probably too low for even work of that nature. "To mile 214," he said, "the road is in shape "for trains to run over, provided great care is "taken." Competent judges have no hesitation in saying that a road on which such a high proportion of purely temporary work was done from thirteen to fifteen years ago, and has since been lying unused in a muskeg country, could not be put in shape for full operation without a much larger expenditure of money. That much will be obvious to even a layman who pauses to think. As for 118 miles of the line, the Government spokesman frankly admitted that it "is now in such shape that it is im-"possible to safely operate trains over it, owing "to the condition of the rails and roadbed." Yet that was the most recently built section.

The appropriation of $3,000,000 now before Parliament is merely intended to convince the advocates of the road that something definite will be done this year. If they imagine that it is going to give them a railway that can be used for any considerable volume of traffic, and used economically, they are merely deceiving themselves. Beyond question it will take many more millions to provide a sound road—probably not less than $15,000,000. There then remains the terminal at Port Nelson, which the resident engineer estimates will require $22,500,000; and, back of everything, the problem of whether or not Hudson Straits are navigable at all remains unsolved.

13

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THE OTTAWA JOURNAL
Journal Publishing Company of Ottawa, Limited.
TUESDAY, MAY 11, 1926.

SENATOR DANDURAND BURSTS A BUBBLE.

One of the favorite arguments adduced to buttress the Hudson Bay Railway folly is that its cost thus far has not been borne by the taxpayers of the country, but has come out of the proceeds of the sale of lands in the Hudson Bay area to settlers who were induced to go there upon the understanding that the Hudson Bay Railway would be built. The Manitoba *Free Press*, which has recently announced that it is a nautical, as well as a constitutional and political, authority, has impressed this times without number upon the ignorant and effete east.

Unfortunately for the *Free Press*—and for Canadian taxpayers—the contention isn't true.

The basis of the claim is simply that in 1908, the LAURIER Government offered for sale certain lands in Manitoba and Saskatchewan, and that when the bill providing for this was brought to Parliament, Mr. OLIVER, the then Minister of the Interior, said that the proceeds could be used to finance the construction of the Hudson Bay Railway.

Nothing, however, was said about this in the statute itself: the lands offered for sale were far outside as well as within the Hudson Bay Railway area; and the money realized from sales was never ear-marked for, nor kept for, nor expended upon the Hudson Bay project.

This was admitted—with malice aforethought, we suspect—in the Senate on Friday last by Hon. RAOUL DANDURAND, the Government leader. We take the following illuminating extracts from the Senate *Hansard*:

> Hon. Mr. GORDON: If the building of the Hudson Bay Railway had not been started, would these lands in question have been sold?
>
> Hon. Mr. DANDURAND: That is a hypothetical question, which I can hardly answer . . . .
>
> Hon. Mr. GORDON: Did the building of the road facilitate the selling of these lands?
>
> Hon. Mr. DANDURAND: That I am unable to say. . . . I cannot say because I do not know to what extent the land which would come under the pre-emption clause was situated in Manitoba or near that railway.
>
> Hon. Mr. GRIESBACH: *But none of that pre-empted land was sold in the Hudson Bay area.*
>
> Hon. Mr. DANDURAND: *That is why I cannot answer that question.*
>
> Hon. Mr. GRIESBACH: The Statute itself outlines the area. The reason why the policy was adopted. . . . *was to give people who occupied areas in Western Canada that were not very productive an opportunity of clearing more land to add to their present holdings.*

Thus is made abundantly clear:

Fact No. One: That lands sold in the West under the legislation of 1908 had no relation whatever to the construction of the Hudson Bay Railway.

Fact No. Two: That these lands would have been sold had the Hudson Bay Railway never been mentioned.

Fact No. Three: That none of the land sold was in the Hudson Bay area.

Fact No. Four: That, consequently, the whole of the $21,000,000 thus far spent upon the Hudson Bay Railway has come out of ordinary national revenue, i. e., the taxpayer of the country.

Thus is burst another Hudson Bay Railway bubble. But it will do no good. Your bucolic Progressive, who wouldn't know a salt sea wave from a prairie puddle, nor a tramp ship from a spring tooth harrow, thinks he can ship wheat through ice-fields; and certain other more wise and also more sinister gentlemen are willing to let him indulge this ignorance if that will help them promote power and canal schemes down here in the east. The cabin boys of the Manitoba *Free Press* simply take orders from the latter.

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384 West 20th Street
Prince Albert Sask
May IIth/26

Hon.Sir-;

Your kindly appreciative replies to mine soliciting fu -rther suggestions tempt me to s et before you a few items for consideration.

I might mention that I had left w ith the Hon. Robt. Rodgers a l typed list of suggestions coverin g needed safeguards in electio -ns Act.

Through contact with a Progressiv e I gleaned ,that the (Single Transferable Vote) would be brou ght in as a Progressive measur -e ,;this looks as though Govt. h ad decided not to chance a def -eat ,by fathering this amendment ,which was brought down ,in h the Speech from the Throne as an a suggested amendment to the e elections Act. Dunning is opposed to this & fought it in last Provincial Elections in this Prov ince ,for he realizes fully th -at ,with such narrow margin divi ding the Liberals & Progressiv -es the adoption will react more effectively against Liberalism in as much as it will afford a li fe assurance policy for the Pr -ogressive party .Granting that s traight party lines are prefer able but with the obstinacy of Qu ebec in the matter of politics the continuence of Progressive Pa rty in the West (where the spl -t is among liberals ,)will no do ubt bring Quebec more quickly t -o her senses . Liberals I gather are trusting to Tories to def -eat this measure coupled with a few unpaired absentees from t -hier own ranks ,thus elliminatin g their present allies from ne -xt contest .Abstinance from disc ussion on this amendment by To -ries in the House coupled with o pportune absense of unpaired opponents to the measure would be a bombshell unexpected by our

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frèends of the Treasury benches.

In the matter of the expenditure of the $3000.000.on the Bay Rl -wy .I have it from a member of t he On to Bay Association ,that an engineer engaged in its contru ction (Armstrong by name) cont -tends that one Million dollars w ill refit the present line & complete the steel to Nelson.It m ight therefore be well to ascer tain from a report obtained from this particular engineer as to this assurance ,in order to produ ce from hustings at next elect -ions . The impression I gained f rom one in toudh with the matt -er ,outside the Govt. proper ,th at the $3000000 was to be used up in refitting & a survey to Chu rchill ,without extending the line passed its present terminus .

Another point being watched by We stern interests in this Scheme is the treatment of this line by the Govt. its trustees .

Impressions gathered from Govt. p ress & Liberal circles ,lead m me to beleive that (although this H B Road) is one apart ,in point of its financing etc. that it has no place in the Nationa -l overcapitalized System except possibly for administration .

The rates over same should be det ermined upon its own capitaliz -ation and not drafted from the hi gh cost of the National system this is necessary if a fair trial is to be given this Route .

The gobbling up of this purely west ern road by incorporation with the National Syatem is injudicious ,better that it should be used by both C P & Nationals on a rental charge with rates based upon its own capitalization to cover the upkeep ,depreciation & other station charges ect. for the outlay is in reality a cash venture with monèes from the western source (ie) western lands .

I have all but completed a chain of events & coincidents which go to show that Liberals have been hav ing prepared & distibuted ,art -icles dealing detrimentally with t his scheme & the further expend

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-itures of the $3000000.should be w atched carefully as in this I look for a campaign fund of well ov er $I,000000.,so precautionary steps as to cost should be obtained from sources favorable to the Party . Armstrong the engineer migh t place himself on record in this connection.

Wheat Pool - and its request for re peal of that portion of Grain Act restricting consignment of cust omers shipments ,-;should be upheld in the light of ggod politic s ,while not a member I see in their request the justification the refore & also realize that the -re will be opposition from the Man itoba members possibly includin -ng our friend Forke & his Grain Gr owers with the possible addit -ion of Dunning ,whose love for the pool got him his walking tick -et from Sask. from information tha t reached me .

Organization-;I am of the opinion t hat there should be but one cons -ervative organization in each Prov ince & that one a PROVINCIAL ONE equipped for provincial ridings in order that closest possible co-op eration can be obtained with a Prov incial headquarters .In this matt -er (I am advised in Montreal)that you were not in accord with those of the Party there ,I regret this , for I beleive that with the Prov -incial conservatives in Quebec man aging their own constituencies the elected conservatives will supp ort the Party in the House even as does Mr. Cahan .

This is a Josephs epistle ,with its divers subjects . but please excuse the same .

In conclusion I wish to state that I endeavoured to impress the Montreal gentlemen with the fact th at Canada would not ,because of the whim of a mutinous crew ,censure the patriotic act of conscriptio -n in /I7 .& to persist in demandin g such by Quebec would place that Province again in isolation while c ontinuence in support of Forke controled administration may bring about ,cheaper boots ,& other

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items of necessity of more far rea ching effect than that of Autos. I was asked to look him up again be fore I took my departure ,but on arrival of Boat I proceeded at o nce for home .

He informed my that he was a Deep Dyed in the wool Tory from inheri -tance ,to which pronouncement I co uld not forbear the retort. That such was a poor admission ,for I therefore was the better Tory because I was one through convictio n. He took it in good part & I really beleive ,if he would take th e time to travel west & meet the Tories out here & let evidence weig h against his obstinacy it could be overbalanced .

By the way it may be of interest to know that the Returning Officer in King,s election has gotten a cen sus job ,this in view of the mess he & I say it advisedly ,~~xx~~ deliber ately made in that election tends to the presumption that he is being rewarded . He was let out of the Provincial Govt. employ after yrs. in Land Titles Office in P A as deputy Registrar ,given a chance to resign in fact. Mr. Dunning possibly could supply reason for su ch resignation if he were of a min -d ,otherwise a timely enquiry in R egina during session would produc -e the answer .

Chas. Mc. Donald ,who gave up his s eat for King is (according to news item appearing in Vancouver Su n .) being supported for the Harbour Commission ,by Vancouver Li berals . This may be his reward. Trusting that an early election may be brought about in order to rid Canada of the present indignity which has been imposed upon her.

Beleive me

P S .Best to stamp letters to me.

Yours Truly

Hon. A. Meighem
Ottawa.

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19

Ottawa, May 14, 1926.

T.D. Agnew, Esq.,

384 West 20th St.,

Prince Albert, Sask.

Dear Mr. Agnew:

Your unsigned letter reached me this morning but as it is addressed from your Prince Albert home I knew the writer.

I have no doubt your information as to the Hudson Bay is quite correct and that the Liberals intend to play with it as they have in the past. This has been my reason for demanding from the start a definite statement from them as to their intentions as to what constituted completion, etc. I have not the slightest doubt that they will as well endeavour to secure campaign funds from this feature.

Your suggestion that the Transferable Vote should be introduced by the Progressives is also interesting. I think the Government themselves are becoming strongly opposed to this. We as a party have taken a decided stand in opposition to it from the beginning.

I have not yet seen the list of suggestions left with Mr. Rogers covering needed safeguards in the Election Act, but I have

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been confined to my house for the last week with a rather heavy cold. I expect to be out in a day or so now and Mr. Rogers will no doubt mention the matter to me.

Yours very truly,

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Ottawa Journal May 15/26

075413

18 CARS OF TIES FOR HUDSON LINE

Understood Order Is "Full Speed Ahead."

WINNIPEG, Man., May 14.—The Winnipeg Tribune today carries the following special from The Pas:

"A train consisting of 18 cars of ties has gone north for the Hudson Bay Railway. There are now about 100 men working on the line, and it is expected that an additional 200 laborers will be at work within the next two weeks.

"The operations at present consist entirely of repair work on the older portion of the line. About 100,000 ties are spread along the line and another 300,000 are on order.

"Duncan Campbell, an old Mackenzie & Mann employe, has been placed in charge of the work. It is understood that the order is 'full speed ahead,' and that no time will be lost in getting down to real work."

13

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075414

Form 6125, replacing

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

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SASKATOON SASK MAY 21 1926

HON ARTHUR MEIGHEN 778

OTTAWA ONT

THERE ARE TIMES WHEN FRANK RECOGNITION OF AN EXISTING CONDITION IS IN THE PUBLIC INTEREST AT THE PRESENT MOMENT THE PEOPLE OF THE WEST ARE FAR FROM BEING CONVINCED THAT THE GOVERNMENT OF THE HON MACKENZIE KING IS RESOLVED ON THE COMPLETION OF THE HUDSON BAY RAILWAY TO PORTNELSON AT THE EARLIEST POSSIBLE DATE FOR THE PURPOSE OF SUCH COMPLETION THE STEEL MUST BE LAID TO LIMESTONERIVER THIS YEAR TO INSURE THE BUILDING OF THE BRIDGE OVER THAT RIVER NEXT WINTER AS ESSENTIAL TO THE RAILWAY REACHING PORTNELSON IN 1927 IN OUR JUDGMENT WERE THE GOVERNMENT RESOLVED ON REACHING PORTNELSON IN 1927 THERE WOULD HAVE BEEN FORTHCOMING ERE THIS IF ONLY TO DISPEL THE BAD IMPRESSION CREATED IN THE WEST BY THE STATEMENT OF SENATOR DANDURAND MEMBER OF THE GOVERNMENT AND LIBERAL LEADER IN THE SENATE AN OFFICIAL ANNOUNCEMENT THAT IN PURSUANCE OF THE GOVERNMENTS POLICY TO REACH TIDEWATER IN 1927 STEEL WILL BE LAID TO LIMESTONERIVER THIS SEASON AND LIMESTONE BRIDGE BUILT NEXT WINTER AS BORDEN GOVERNMENT WHICH YOU JOINED SELECTED PORTNELSON AS TERMINUS HUDSON BAY RAILWAY AND IN PURSUANCE OF THAT SELECTION CROSSED NELSONRIVER AT MANITOURAPIDS THUS NECESSITATING A SECOND CROSSING AT KETTLERAPIDS TO REGAIN NORTH SIDE NELSONRIVER AND FURTHER HAVING LAID STEEL TOO AND BRIDGED THAT CROSSING COMPLETED GRADE TO PORTNELSON WE THEREFORE CONFIDENTLY CONCLUDE YOU SUPPORT PORTNELSON AS TERMINUS STOP OUR EXECUTIVE NOW IN SESSION HERE WILL BOTH WELCOME AND STRONGLY APPRECIATE SUCH COURSE BY YOU AS WILL INSURE THE FULFILLMENT OF THE WESTS DESIRE NAMELY THE

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

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075415

Form 6125, replacing Form 1-TW long.

CLASS OF SERVICE	SYMBOL
Day Message	
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Night Message	Nite
Night Letter	N L

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25R DW 2ND SHEET 287 NL 3 EXTRA ARTHUR MEIGHEN FM SASKATOON MAY 21 1926

COMPLETION OF HUDSON BAY RAILWAY TO PORTNELSON EARLY NEXT YEAR STOP A PROMPT WIRE INFORMING US THIS COMMUNICATION HAS REACHED YOU WILL BE APPRECIATED

EXECUTIVE BOARD

FARMERS UNION SASKATOON

135AM

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

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075416

Ottawa, May 22, 1926.

Dear Sirs:

Your night lettergram of the 21st, dealing with the completion of the Hudson Bay Railway, reached me this morning. I am still confined to my house with a severe bronchial cold, but you may rest assured I shall give to your representations my best attention. Information has come to me from many sources as to a doubt of the sincerity of the present Government in this matter, and I have endeavoured many times to get from the Government definite information as to what their proposals were and as to when the road would be completed, but so far without success.

As regards my own stand on this subject I enclose herewith speech made on the address this year which clearly defines my position. This is precisely the same position as I took throughout the campaing, not only in Saskatchewan, Manitoba, and Alberta, but in every province of Canada. By this stand I abide and had it been the will of Parliament, following the judgment of the Canadian people, that the present Government be dismissed from office, the undertaking given in the pre-election speeches and repeated in the House of Commons would have been carried out regardless of the source from ~~which~~ which our

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support in Parliament was obtained.

Under the circumstances of to-day it still seems to me the sensible and proper position.

When the completion of a road is made by a leader of a party not a subject to be dealt with on its own merits, but to be decided wholly upon the degree of partisan support obtained from the section to be benefited, then the principle of bribery is brazenly pronounced, and those who condone such conduct will probably in no great length of time be called upon to be disillusioned.

Yours very truly,

Executive Board,
Farmers Union of Saskatchewan,
Saskatoon, Sask.

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075418

Form 6102, replacing Form 2A-T.W.

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Day Letter	
Night Message	
Night Letter	

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Send the following message, subject to the terms on back hereof, which are hereby agreed to

19

Night Letter. Ottawa, May 23, 1926.

Executive Board,
Farmers Union of Saskatchewan,
Saskatchewan, Sask.

Telegram received. Letter mailed to-night.

Arthur Meighen.

Charge Rt. Hon. Arthur Meighen.

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CANADA

075419

19

Ottawa, May 25, 1926.

Dear Mr. Chambre:

Your letter of the 13th reached me this morning upon my return after a two weeks absence. Have suffered from a very severe bronchial cold but am improving steadily though still far from fit for work.

With reference to the subject matter of your letter, I feel I cannot do better than send you copy, in confidence, of a letter I sent to the Leader of Opposition in the Senate. This explains my position. The Liberal press out in the west will, of course, try to lay the blame on the Conservative party if anything blocks the Hudson's Bay Railway, but I know if there is anything the Government can do so see that the road is blocked in the Senate it will do it. I took the ground that the amount being included in the estimates it is for the Commons to decide the subject and for the Commons alone.

Yours very truly,

H.W.A. Chambre, Esq.,
707 Merchants Bank Bldg.,
Winnipeg, Man.

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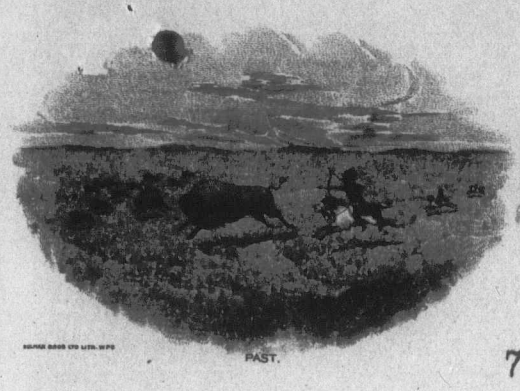
ESTABLISHED 1881.

"ACQUAINTANCE AND EXPERIENCE HAVE VALUE."

075420



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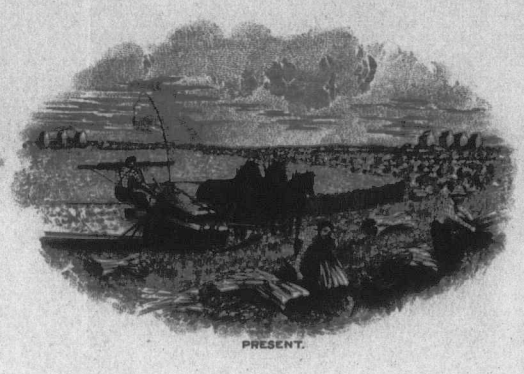

707 ~~507~~ MERCHANTS BANK BUILDING.

Winnipeg, Man. May 12, 1926

Right Hon. Arthur Meighen, M.P.,
Ottawa.

Dear Mr. Meighen:-

I saw an item in one of the papers a few days ago in which it was stated that the senate would probably kill the appropriation for the completion of the Hudson Bay Railway, I sincerely hope this is not the case.

You know that I am not a politician, and I think you possibly know also that I have nearly always supported the party which you are now leading, although I of course place what I believe to be the interest of the country before the interest of any party, and I am glad to be able to say that the number of those who are doing this is, I believe, steadily increasing.

If the Conservative Party, through the senate or any other way, succeed in blocking the construction of the Hudson Bay Railway, how can they possibly come before the people at the next election? as a number of those, particularly in the west, are fully convinced that the building of this railway and the opening up of the Hudson Bay route is not only in the interests of the west but of the whole Dominion.

I have for many years endeavoured to ascertain all that I could regarding the feasibility of this route, and have for a considerable time been fully convinced that it is thoroughly practicable and I believe that it could be kept open for a considerably longer period that is usually mentioned in connection with it. Surely there can be no doubt regarding the practicability of this route in the minds of those who have <u>really</u> tried to ascertain the facts.

Yours sincerely,

H W Chambre

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CANADA

Gazette

075421

MONTREAL, WEDNESDAY, MAY 26.

FOOTING THE BILL.

Champions of the Hudson Bay Railway have made the pleasing discovery that the cost of the road falls upon the western provinces, the point being that other parts of the Dominion have no reason to complain if these western provinces choose to squander their own money. The evidence, such as it is, dates back to 1908, when Hon. Frank Oliver, as Minister of the Interior, proposed that homesteaders in certain sections should have the privilege of purchasing adjoining quarter-sections at a fixed price, thereby providing "a new source of revenue for "the Dominion treasury that would be adequate "to meet the responsibilities which would have "to be assumed by the construction of a rail-"way to the Bay." This arrangement would take the place of an old land grant provision which Mr. Oliver described as "a mortgage "standing against the lands of the northwest "in respect to aid to a railway to Hudson Bay." Hon. Mr. Dandurand, in his recent statement to the Senate, recalled this old proposal and said that the receipts had been a little short of $20,000,000, or nearly the amount spent upon the railway to date. Unfortunately for his case he was unable to show that there had been, in fact, anything but a declaration of policy by the former Minister, a declaration which was not made effective in the provisions of the Dominion Lands Act and which, therefore, could not have been translated into action by the then Government or its officials, even if they had desired to do so. The proceeds went into the consolidated revenue fund, where they belonged, and when expenditures were to be made upon the construction of the Hudson Bay Railway they were voted by Parliament from time to time in the usual way. There never was a special land fund, whatever Mr. Oliver's intentions may have been, and the twenty millions and more that went into the building of the Hudson Bay Railway were not provided by the western provinces. Nor would they have been so provided had the Oliver plan been carried out and the money realized under it had actually gone into the building of the line. The lands were not then and are not now the property of the provinces, were not and are not administered by the provinces, and were not colonized by the provinces. They belonged to the Dominion as a whole, and the revenues derived from their disposal were the property of the people as a whole and were employed as such. The Prairie Provinces, therefore, did not provide the money either one way or the other, more's the pity. Had they done so, the situation would have been very much better than it is, and the present insistent clamor for completion of the undertaking with other people's money would come with better grace.

There is something very like an acknowledgment of weakness in the attempt now being made to justify new expenditures on the Hudson Bay Railway on the ground that past Parliaments, including politicians of both parties, were committed to the undertaking. Nothing that was done by past Parliaments can be regarded as having transformed a foolish project into a wise one. If the Hudson Bay route is economically useless, as competent engineers say it is, and as navigation conditions in the Bay prove it to be, nothing that vote-hunting politicians have done in the past can alter that fact, and nothing that they have done ought to be accepted as binding upon the judgment of the present Parliament. Was the construction of the National Transcontinental Railway a wise and prudent thing, or was it an egregious and costly blunder? Every taxpayer knows the answer to that melancholy question and knows, by the same token, what was the standard of wisdom manifested by these legislators of another day. Very fortunately for the taxpayer, the Hudson Bay Railway folly may still be stopped, and before the worst of the expenditure is authorized. The present Government are proposing an outlay of three millions to complete a road that cannot be completed, and perhaps not even reconditioned, for any such sum. Only a fraction of this vote has been approved by the Senate, and only upon the definite understanding that none of the money so approved is to go into new construction. The question of completing the line remains to be considered, and those who are asking for completion cannot complain if they are required to justify their demand with more weighty and convincing material than has been presented hitherto. Perhaps it would be well, in the first place, to determine whether or not, after all, Port Nelson can be developed into a terminal, because two members of the Government have hinted — and hinted is a mild word — that Fort Churchill looks better. Fort Churchill could hardly look worse, but if there is a doubt of this kind it ought to be settled. It would be bad enough to complete the road to Port Nelson without having to complete it later on to Fort Churchill. And just in this connection we are reminded of a remarkable interview given a few days ago in Winnipeg by Hon. James G. Gardiner, the new Premier of Saskatchewan. Mr. Gardiner is quite sure that the Hudson Bay route will be a success as a grain outlet, and when its success has been demonstrated, he foresees the building of another line which will serve an extensive agricultural area in Northern Saskatchewan and will run along the height of land between the Saskatchewan and Churchill rivers, having its terminal at Fort Churchill. Is this second line to be built also out of Mr. Oliver's mythical millions?

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Gazette Montreal May 26/26.

075422

HUDSON BAY OFFER MADE WITH THREAT

St. Boniface Promoters Wished to Take Over Line and Operate It Privately

(By Canadian Press.)

Ottawa, May 25.—"I can assure you that if you do not see your way to accept our proposition, your chances for success in the West at the coming election are very unfavorable."

This warning was telegraphed to Premier Mackenzie King on September 14 last by Thos. Boyes, of St. Boniface, Man., referring to the proposal made by himself and R. J. Swain, then mayor of St. Boniface, for the taking over of the Hudson Bay Railway.

Messrs. Boyes and Swain, associated with H. S. Patterson, N. M. Patterson and J. D. McArthur, had proposed to take over the unfinished railway as it stands and complete it as a private enterprise. Their proposal took concrete form in a memorandum dated October 16. They suggested "that the railway as it now stands, along with harbor works at Port Nelson, and the material and equipment now on hand pertaining to the railway and harbor works, be turned over to the company, which would guarantee to complete same within two years and thereafter to maintain and operate the road for ever."

The company asked no cash or land subsidy and wanted no exemption from taxation or other special privileges. They wanted the right to sell or lease the road on completion and would give the Government first refusal of any offer received, or provide that the road would revert to the Government after twenty years of operation at a price fixed by arbitration.

Messrs. Swain and Boyes came to Ottawa. Rt. Hon. George P. Graham, Minister of Railways, and Premier Mackenzie King, as well as other members of the Cabinet, were away from the Capital most of the time, campaigning. No definite answer was given to the offer of the St. Boniface delegation. Mr. Graham wrote reminding them that it was not a question which could be settled by two or three ministers. "It requires the careful consideration of the whole Dominion," he wrote.

The promoters of the scheme were unable to get a satisfactory audience with the Government. Finally, Mr. Boyes wired again to Premier King that if the matter was not decided in their favor "I will go on the platform and oppose you in favor of the western provinces just as strongly as I worked for the Liberal party in 1917."

The replies of the Government did not conform, said another letter at this time, with previous understandings received by the promoters.

Premier King replied on October 18 that he was not aware of any understanding such as that referred to. He promised that the proposals as they stood should receive "the earnest consideration of the Government."

The file of papers, tabled in the House of Commons today, ends with this communication.

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Meighen's own constituency, to Mr. Meighen's electorate, that he "Cannot vote at the present time for it." Mr. Meighen, at Ottawa last Saturday, while declaring that he was not responsible for the speech of George Wright, made at the Lennox picnic in North York, stated that he was responsible for the declaration of his ministers.

Mr. Bennett is minister of finance, Mr. Meighen has stated that he will proceed with the completion of the Hudson Bay Railway. Mr. Bennett who has control of the revenue of the dominion, declares flatly that he will not loosen the public purse strings for that purpose, and states that the Hudson Bay Railway, dear to the west, must remain hung up in the Muskegs until "We pay our debts."

Which, it may be asked, is going to resign, Mr. Meighen or Mr. Bennett?

Fear Effect on West

This is not the first time that Mr. Bennett has differed openly with Mr. Meighen on railway questions. But it is the first time he has openly done so in his capacity as minister under Mr. Meighen's leadership. That he should select Mr. Meighen's own county in which to voice his difference of opinion is regarded by Conservatives here as the "most unkindest cut of all."

It will be recalled that when, in 1913-14, Mr. Meighen was valiantly sponsoring the $45,000,000 handout to Mackenzie and Mann, Mr. Bennett violently opposed the measure and referred to his present leader, Mr. Meighen, as the "gramophone of Mackenzie and Mann." Mr. Bennett has, of course, always shared the St. James street view that there can be too many railways in Canada, particularly if they are in competition with the C.P.R.

There are those who believe that Mr. Bennett, who has well-known ambitions for leadership, was not entirely guileless when he contradicted his leader in his leader's own county of Portage la Prairie. As has been stated, Conservatives have been dubious as to Mr. Meighen being elected in Portage, but they have claimed that throughout the dominion a Conservative victory is certain.

Mr. Bennett's declaration, they now believe, utterly ruins any chance which Mr. Meighen may have had of being personally returned. But worse than that, they fear that it will endanger the chances of every Conservative candidate in the west, and insure the election of Liberals or Progressives. As a matter of fact Conservative candidates have been kept busy during the campaign representing that Mr. Bennett is not hostile to the Hudson Bay Railway, now they know that he is. So that claim of gains in Manitoba and the west have gone a-fleeting.

It is estimated that Mr. Bennett's declaration may effectually dash all Conservative hopes in the west.

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075424

THE SENATE
CANADA

19

Ottawa, 28th May,1926.

My dear Mr. Meighen:-

I received your valued letter of May 8th on the day it was written. As your Secretary told me you had gone home on account of a cold I did not answer then, intending to write you after you returned to the House of Commons.

I do not think that we are likely to agree as to the powers and duties of the Senate in financial matters, My views on the subject are embodied in the Report made to the Senate of the date May 9th,1918, by a Committee of that House and I need not dwell on the subject now at any length.

I will just refer to a clause in a Return to an Address, relating to the Constitution of Second Chambers:-

> "In a Return to an Address relating to the Constitution of Second Chambers, of the Honourable The House of Commons (Imperial), dated March 3,1910, page 3, paragraph 2, the following appears:-
>
> '2.It is provided by section 53 of the British North America Act that'Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons.' There is no other provision limiting the powers of the Senate with regard either to finance or to general legislation."

I have no doubt of the practical finality of the view embodied in this Return of the powers of the

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Rt. Honourable Arthur Meighen.

Senate in such matters as the estimates. Senators entrusted with powers are bound to use them to the best of their judgment and to pass them on unimpaired to their successors.

That the Senate should pass without alteration the ordinary annual supply would, I think, be a fair and wise use of their powers in almost any circumstances and for reasons that are set out in the Report I have referred to above.

That the Senate should, as a matter of course, vote for any expenditure because it is in the estimates is a doctrine I cannot agree to. With me it will always be a question if a proposed expenditure is ordinary annual supply or not. In the latter case I think it in the power and the bounden duty of the Senate to exercise its independent judgment in the matter. This is my view and I know it is that of a large number of my fellow Senators.

Yours very sincerely,

W. B. Ross

The Rt. Honourable Arthur Meighen, P.C., M.P.,
House of Commons,
Ottawa, Ontario.

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075426

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Replacing Form 1-TW

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19

075427

CHURCHILL vs NELSON. HUDSON'S BAY ROUTE. Letter No.II

Western M.P's and Editors;-

You now have come within measureable distance of the completion of the Hudson's Bay Railway to tidewater. You took the matter into your own hands as I recommended, and made the government come to terms. That is successful politics. Premier King has far less use for the H.B.R., than has ex-premier Meighen, who is a Western man; but he and his government had to vote the money for reconditioning the roadway already ironed. I do not blame farmers for combining to secure justice or consideration, but any class comb--ination should be carefully controlled by those inside, and as care--fully watched by those outside, or it may become a menace to society.

But while you have secured the money to finish the line nearly to Nelson, I repeat as before, your troubles are only beginning, if you wish to make the route a success. Hon. Mr Dunning is right in asking the money for the portion almost completed, for money would be wasted on the Nelson end of the line. This will allow of an enquiry into the relative merits of Churchill and Nelson, as the terminal; and this should be made by Western engineers, who are competent to decide.

Nelson is no harbor, and can hardly be made one, except at an im--mense cost, which naturally vitiates the value of the route. Compared to Churchill, it is the most idiotic selection made, and the engineers who profess to have made it, should be censured. So far as I know there is no parallel of it in Canada. I think the Hon. Frank Coch--rane, who probably knew nothing about harbors, selected it because that would suit Ontario interests better, as Ontario was demanding a right of way for the Tem.& N.Ont.Ry through Manitoba's new territ--ory, to the terminus of the H.B.R. - AND GOT IT!! Strange that Ont--ario should be so interested in the terminal of a route, which her representatives and press denounce so vigorously.!!

No Western man picked on Nelson. An exposed roadstead on a bleak, shallow shore, with no protection from land or sea from gales. a swift current river carrying silt; the yearly danger from river ice which landed a big dredge on top of a crib, a changing channel to be followed 20 miles out into the bay, the harbor invisible from deep water, a harbor dug or built on an island out in the mud flats - Ven--ice - but no decent site for a town even. The site of Venice was a necessity for its pirate founders, Nelson's was not.

Compare that to Churchill, a safe, deep commodious harbor, easily enlarged if necessary, but big enough to test the value of the route at the least cost. Sheltering hills on each side, a fine site for a city, with plenty of good building material at hand, fine railway yard. An easy deep entrance from the bay past a $5,000,000. fortress; in short, with the inner and outer harbors, an ideal terminus for the pre--sent. There is so little to be done at Churchill in order to begin trial shipments, that if the selection of Nelson had not been acutatd by stupidity, or malice, or politics, the Churchill route would likely have been shipping grain and cattle before this.

In my former series of letters I have pointed out that if the line, say 100 miles West of Nelson, was deflected, and built into Churc--ill, there would be a saving of many millions of dollars now and each year, and the Churchill route would be ready before the other one. This is no brainstorm, but a sober calculation of relative costs.

Say 150 miles into Churchill at $50,000. per mile - -	$7,500,000.
Deduct saving on 92 miles into Nelson to complete - - -	2,500,000.
At first this shows a balance in favor of Nelson of - -	$5,000,000.

But five millions more will put Churchill into condition for the test (in all $10,000,000.) and it will take at least $20,000,000. to put Nelson into condition for any decent test, and under handicaps at that. MacKenzie & Mann built many lines and branches through the West at less than $50,000. per mile, and ran passenger and freight trains over them, until better ballasted. In the latter seventies, I helped, as a telegraph operator, to build the C.P.R. from Port Arthur to Winnipeg, through the worst muskeg country in Canada. And what with rock tunnels, everlasting rocky ridges running across the line between the muskeg, and with mud lakes, and bottomless straits (Cross Lake-3 years) I do not think that line cost much over $25,000. per mile - and built by governments, which means 50% more cost. If I were opposed to the H.B.R- I would back Nelson to wreck the project, but being an unchanging supporter of the route for over 40 years (1883) I do not what to see it discredited by overwhelming cost. The Toronto Star has been pub--lishing a series of letters championing Churchill, wishing the best for the country from the expenditure. The Tyrrells, and the best Arctic navigators support Churchill in their evidence.

OTTAWA, June 1926 Henry J. Woodside

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THE OTTAWA JOURNAL
Journal Publishing Company of Ottawa, Limited.
THURSDAY, JUNE 10, 1926.

075428

CHUCKING AWAY $26,000,000.

A Parliamentary majority, Liberals and Progressives, supported by a few Western Conservatives, have put through a $3,000,000 vote for the Hudson Bay Railway. This is to condition the part of the road already built. Then we are to spend $3,000,000 more in completing 92 miles to Port Nelson on the Hudson Bay. Then it is to take $20,000,000 additional to put Port Nelson into shape to accommodate a limited number of ships.

It seems to us there have been few propositions more indefensible in Parliament.

We venture to say that privately a majority of the Government itself is opposed to this project, also that nine-tenths of the members of the House of Commons admit that the scheme is unjustifiable, yet they will fling millions into the madness because Mr. MACKENZIE KING and his Government are determined to keep office at any cost, and because they must undertake this expenditure to please the Progressives who keep them in power.

Mr. DUNNING, the Minister of Railways, pays homage to intelligence by pretending that the Government is not committing itself to spend the full 26 millions—now. All that is proposed, he says, is to spend enough to give the Hudson Bay route a "fair test." It is an absurd pretension. If Mr. DUNNING, or this Government, is really sincerely anxious to test the Hudson Bay route, there is but one way to do it. That way is not with railways, but with ships. Nobody has ever argued that a railway cannot be built to Port Nelson. Nobody has ever argued that you cannot haul wheat to Port Nelson. But what has been argued—what most sensible people who know anything about ships believe—is that it is not a commercially feasible thing, the navigable conditions of the Hudson Bay straits being what they are, to ship grain to Europe from Port Nelson.

Port Nelson, according to the best authorities, is accessible for about three months of the year. Engineer MCLACHLAN, who spent four years there, and who is an engineering expert of national reputation, declares that on August 29, 1920, Nelson was piled high with ice. Does any sane person seriously believe that from such a port, open two or three months, and capable of accommodating but ten ships of 7,000 tons (this is less tonnage than most of the ships of the Canadian Merchant Marine) there could be shipped a quantity of grain making the slightest difference to the Canadian crop?

Advocates of the route—and there are actually some people who sincerely believe in it—keep insisting that the Hudson Bay straits are navigable. Of course they are navigable. But that is not the point. The point—and it is the only one—is: are they commerciably navigable? In other words, could a sufficient number of ships make a sufficient number of safe trips there, within two or three months, to take sufficient of the West's crop to England to justify an expenditure of $50,000,000 and save money for Western farmers? That is all.

If the Government wants information on that point, why not a real practical test? Why not charter an ordinary 7,000 ton ship and see how many trips it can make between Port Nelson and Liverpool between the 15th of June and the 15th of September, making due allowance for the taking and the unloading of cargo? That, surely, would be a better test—and a cheaper one—than spending millions upon a railway, such as is now proposed.

But the truth is that this Government is not concerned with such matters. What it is concerned with is keeping in office. It will buy office from the Progressives with three millions of our money this session, buy a further extension with three millions more of our money next session, and by that time it will be able to go back to the West and try to bribe it again with an offer of $20,000,000 for Nelson harbor.

And the pathetic part of the sorry spectacle is that the public, despite all that has gone before, sits back in a sort of apathetic stupor.

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075429

Citizen

Ottawa, Canada.
Tuesday, June 15, 1926.

EDITORIAL.

Hudson Bay Railway Politics.

The Hudson Bay railway and terminals should never have been started without reliable information about the navigation of Hudson Straits, which any private firm would have required. It is one of numerous examples of the cost of party politics in Canada.

As one Conservative supporter of the project said in the House, the other day, the road has been dangled before the eyes of the West for thirty years. He urged the government to push it to a rapid completion. The vote of $3,000,000 in the estimates this session is simply to put the existing line into shape.

When the Union government stopped work on the railway and terminals—after money had been poured into it all through the war years—steel had been laid, and costly bridges built, from The Pas to Kettle Rapids, about 332 miles. The remaining 92 miles to Port Nelson had been graded. It is the government's intention to complete the railway to the port, but to undertake no heavy expenditure at the terminals.

Mr. Rogers, of the Conservative board of strategy, criticized the government last week for making no provision to proceed with the construction of the unfinished part of the line this year, between Kettle Rapids and Port Nelson. Another $3,153,000 will be needed for the unfinished link. But while Mr. Rogers is denouncing the Liberals for delaying this next expenditure, eastern Conservative critics are belaboring the government for doing even as much as the minister of railways, Mr. Dunning, has undertaken for the present year.

* * *

Fulminations in Conservative party organs, against the Hudson Bay railway, would have carried more weight if they had been uttered when the Conservatives were in office. They might still impress the public more, if they impartially placed the responsibility for the present position of the railway on Conservative leaders, as well as on Liberals.

Certainly, if the $20,000,000 or more which has been spent on the railway and terminals so far is sheer waste, as Conservative critics declare, the responsibility for it must rest heavily on the shoulders of Messrs. Rogers and Meighen. They were the most influential western leaders in the government during the war—when the country would have applauded the suspension of wasteful work.

The heaviest expenditure took place as follows:

1914	$4,498,000
1915	4,773,000
1916	4,889,000
1917	2,604,000
1918	1,823,000

The most vociferous critics of the King administration's policy, which is to save the line from being lost in the wilderness, were silent when opposition would have been most influential—and when there were patriotic reasons for urging the suspension of Hudson Bay railway expenditure.

* * *

Shortly after the Conservatives took office, in plenty of time to stop the subsequent expenditure, they did hold up the contracts which had been placed just before the 1911 election by the Liberals. But after coming to satisfactory terms with the railway contractor—whatever that involved—the new government proceeded to vote money as recorded above.

The Citizen urged in 1914, before the war, that more information should be given to parliament to justify the money vote for Hudson Bay railway contracts. In subsequent years, economy of national effort for war purposes made it more than ever urgent to suspend the work. But the estimates passed, session after session, without pricking the conscience of the Conservative party. Some, indeed, advanced the brilliant argument that the new route would be opened up to defeat the German submarine blockade!

* * *

With Conservatives from Manitoba committed to the completion of the project—and Mayor Webb of Winnipeg calling upon the British navy to protect the route—the board of strategy must look to the Senate to do the dirty work again. That house of backstair politics can feel assured of the commendation of reactionary party organs, which were silent so long as a Conservative administration had its arms into the Dominion treasury up to the elbows.

It might be a good thing for Canada, however, to have the whole history of Hudson Bay railway politics brought forcibly to public attention by the action of the Senate. The House of Lords has never forgotten the lesson it learned in 1910, when it undertook to interfere with the Lloyd George budget. But the Senate of Canada is so much more courageous than any House of Lords. See how bravely it rebuffed the old people who wanted old age pensions last week. It should require far less courage to hold up the estimates, even though one monument to the last Conservative administration, and particularly to the statesmen from Manitoba, were to disappear in the muskeg.

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Replacing Form 1-TW

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N THRASHER

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Yes - confidentially

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PRIME MINISTER'S OFFICE

075131

H B Ry

Subject.....

Date... August 10/26 Publication ... Saskatoon Star

Mr. King's Pledge

On Saturday last The Star editorially asked a question of Mr. Mackenzie King. The question was whether, if he becomes prime minister as a result of the general election, parliament at its first session will be asked to vote money for Hudson Bay Railway construction and to pass once more the bills introduced and passed last session but ineffective for lack of royal assent. The measures to which particular reference was made were the rural credits bill, the grain act amendment and the bill providing for revaluation of soldier settlers' land. If the Liberal party is in power after the election, Mr. King was asked, will this legislation be reintroduced at once?

The question was brought to Mr. King's attention and he answered emphatically in the affirmative. The program presented to the last parliament by his government, Mr. King made clear, will be presented to the new parliament if he is the Crown's first minister after September 14.

It seemed to The Star that, from the western point of view, the question put to Mr. King in these columns touched matters of even greater importance than the customs inquiry or the constitutional position of the present government. Mr. King's reply is entirely satisfactory. It is unequivocal. Perhaps one might have taken for granted the intention of Mr. King and his party to introduce again legislation which was favorably received by parliament and the country and which went by the board only because of the irregular dissolution. Possibly this might have been taken for granted, but it is well that Mr. King has removed any doubt.

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C C COOK

SECRETARY

341P

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SECRETARY ON-TO-THE-BAY ASSOCIATION
REGINA SASK.

WE SHALL FIRST ASCERTAIN AS QUICKLY AS POSSIBLE COST OF COMPLETING ROAD TO MAKE TEST OF ROUTE AND WILL PROCEED TO COMPLETE AS RAPIDLY AS FINANCES OF COUNTRY WILL PERMIT (STOP) THE EXPERIENCE OF THE PAST YEAR HAS SHOWN THAT COMMITTMENTS BEYOND THE ABOVE HAVE NOT BEEN REALIZED IN PERFORMANCE AND WILL NOT BE IN THE FUTURE.

ARTHUR MEIGHEN

Charge
Prime Minister's Office
Ottawa

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 126)

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CANADA

N. B. Ry

PRIME MINISTER'S OFFICE

075434

Subject.....

Date Aug 31/26 Publication Regina Morning Leader

Tory Organ Would Scuttle Bay Road

The Montreal Star, Lord Atholstan's paper, and which is the journal which backs the political career of Hon. E. L. Patenaude, now a member of the Meighen Cabinet, comes out with a new attack on the Hudson's Bay Railway. It demands that the Conservatives have nothing to do with this road and says it is a pity that there is no party in this country strong enough to say "No" to the sectional and selfish Hudson's Bay "boosters' who hold up every leader that comes into their territory "with the loaded pistol of a downright demand that he pledge himself to complete the road."

"In this ruinous 'Dutch auction'," says the Montreal Star, "the Conservatives cannot possibly outbid the Liberals. The Liberals are sold on this proposal body and bones. They will promise anything. . . . No Conservative 'bidder' can touch these terms. He always lags far behind. He feels it necessary to put in restrictive clauses and damning 'ifs' and to insist that the whole project shall not cost more than a definite sum.

"The Conservative party," the Star says further on in its editorial, "is, historically, a national party. It is the creator of the national policy. It prides itself on taking broad, national and even imperial views of things. It is the logical party to stamp out sternly all these sectional issues, these local raids on the treasury, these displays of parish politics. . . . The Conservative party gave Canada protection. The Conservative party gave Canada the Canadian Pacific Railway. The Conservative party has always thrived on national issues, and has only failed when it tried to outbid sectional groups on their selfish projects."

The Montreal Star has dedicated itself to the task of thwarting the Hudson's Bay Railway project and of wrecking the whole Canadian National system. There is no doubt about this two-fold plan. And to that end it doubtless rejoices that Hon. E. L. Patenaude and Hon. W. A. Black are in the Meighen Cabinet. Mr. Patenaude is an avowed opponent of public ownership, and his chief campaign cry in the last election was that the National Railways should be sold. Mr. Black has been described as an opponent of public ownership and in favor of detaching the Intercolonial Railway from the National system. Mr. Black is the new Minister of Railways, and the Montreal Star is doubtless pleased that he has been awarded that portfolio.

Mr. Meighen has declared that if entrusted with power on September 14 he will undertake to complete the Hudson's Bay Road. It is gratifying that Mr. Meighen personally is in favor of the road, and it is also gratifying that other Conservatives have also supported it and continue to declare for it. But the question is, can the Conservative party complete the road? Virtually every interest in Canada opposed to the road is giving support to the Conservative party. All the big Conservative newspapers of the East are fighting the road. These include the Toronto Mail and Empire, the Ottawa Journal, which described the $3,000,000 Hudson's Bay Railway vote of last session as a "concession to icebergs, seals and wolves," and the Montreal Gazette and the Montreal Star, from which we have quoted.

Hon. E. L. Patenaude and Hon. W. A. Black are the two members of the Cabinet to whom the "Montreal group" chiefly look to kill the Hudson's Bay Railway enterprise. And they are also hopeful that Hon. R. B. Bennett, the millionaire Minister of Finance, and Hon. E. B. Ryckman, the millionaire Minister of Public Works, will not hinder them in their plans.

So, while Mr. Meighen may be sincere in his declaration that he would complete the Hudson's Bay Railway, he must be considered powerless to do so himself. The "Montreal group" is the financial group within the Conservative party. That group chiefly supplies and controls the Conservative party's funds. It is the group that pulls the strings.

The Hudson's Bay Railway is about seven-eights completed. The Liberal party which, by the way, is not promising anything more in regard to the road than it is able to carry out, is committed to finishing up the line at an early date. Hon. Charles Dunning, as Minister of Railways, outlined his plans very clearly to the House last session. It was estimated that some $26,000,000 would finish up everything, including docks and elevator. Three million dollars was voted as a start last session, and it passed the House. The Conservative advent to power has again held up the scheme.

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PRIME MINISTER'S OFFICE

075435

Subject.....

Date.....*Publication*.....

Hon. Charles Dunning is the man Western Canada wants to see as Minister of Railways and Canals for Canada. Dunning is the man above all others to complete the road to the Bay. If the Liberals receive a mandate on September 14 they will immediately re-apply themselves to the task of completing the road, and Hon. Charles Dunning will again be the Minister of Railways and in charge of the work. He will not be a man to lend himself to conspiracies against the enterprise from any quarter, and he will give to the Bay Railway project that initiative and courage which will push the road through to its completion as speedily as possible.

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075436

On Train,
Sept 3rd., 1926.

Dear Sir,

I have your letter of the 25th of August. The statement described to me is part of the speech I have made and very frequently.

The Conservative Party has stood for the construction of the Hudson Bay Railway for at least 20 years. I have clearly stated in every one of my speeches that the time for completion of the road depended upon the amount of money necessary for the purpose and when we have ascertained this ammount we will cut our coat according to our cloth.

We propose to complete the railway as the finances of the country will permit and no party in Canada could hold together on any other basis.

Yours truly

Edouard Masson, Esq
Advocate
92, Notre Dame East
Montreal, P.Q.

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TEL. MAIN 7896

EDOUARD MASSON
AVOCAT

CHAMBRE 94, IMMEUBLE "LA SAUVEGARDE"
92 EST, RUE NOTRE-DAME

MONTREAL,

RESIDENCE: 230, AVE DELORIMIER
TEL. EST 9154 W

075437

Montréal, 25 aout 1926.

Right Honorable Arthur Meighen,
Parliament Buildings,
Ottawa,

Dear Sir,

At a contradictory meeting held at Disraelie, Province of Quebec, M.E. Jobin Ex.M.P. for the county of Richmond Wolfe and the Liberal candidate in the present election said that you made the following statement in your campaign in the West, viz:

" C'est mon gouvernement qui a commencé la construction du chemin de fer de la baie d'Hudson et si je reste au pouvoir je vais le terminer"

Speaking on behalf of Doctor Hays, Conservative candidate I denied that you ever made that statement and I would be very much obliged if you would inform me at your earliest convenience whether or not you ever made such a statement.

Yours very truly.

E. Masson

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FORM T.D. 1 M.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075438

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

REC'D AT 34 SANDWICH W. PHS. SEN. 581-582

137RNSU 68

DSY TORONTO ONT SEPT 11 1926 141PM

RT HON ARTHUR MEIGHEN

CR DR R D MORAND CONSERVATIVE CANDIDATE WINDSOR ONT

HAVE A WIRE FROM JNO T HAIG WINNIPEG WHICH READS
AS FOLLOWS QUOTE BENNETT WIRED WINNIPEG FREE PRESS TODAY QUOTE
THE REPORT IS INACCURATE A READ MR MEIGHEN REPLY TO THE
INQUIRY OF THE ON TO BAY ASSOCIATION AND STATED THAT
WAS THE POLICY OF THE GOVERNMENT AND BY IT I STOOD
QUITE ALL NIGHT WORK BY TELEGRAPH AND TELEPHONE WITH THE
WEST GOT THIS MATTER ADJUSTED SATISFACTORILY

W H PRICE

2P

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MEIGHEN PAPERS

Series 3

(M.G. 26, I, Volume 127)

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075439

On his return from Montreal our representative interviewed Sir Henry Drayton and asked him whether the railway to Rouyn had been financed and could be built.

Sir Henry said that he found in Montreal a general conviction that the line would be constructed and that he was of the opinion that this conviction was well founded. The railway there was not considered as a local enterprize but as a branch of the C.N.R. and much credit was locally given the system for the enterprise. That the project was so regarded owing to the fact that not only was the line to be operated by the C.N.R. but so far as current information in Montreal was concerned it was understood that the National system had advanced or agreed to advance to the local company $2,000,000 with which to construct the line thus obviating the financing of the local company, a matter very difficult if not impossible.

Sir Henry further stated that this understanding was the further confirmed by the fact that Mr. Gzowski an engineer of the National was the acting engineer of the local company and that the advertisement for tenders for construction was issued in his name.

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075440

On his return from Montreal one representative interviewed Sir Henry Drayton and asked him whether the railway to Rouyn had been financed and could be built.

Sir Henry said that he found in Montreal a general conviction that the line would be constructed and that he was of the opinion that this conviction was well founded. The railway there was not considered as a local enterprise but as a branch of the C.N.R. Much credit was locally given the system for the enterprise. That the project was so regarded owing to the fact that not only was the line to be operated by the C.N.R. but so far as current information in Montreal was concerned it was understood that the National System had advanced or agreed to advance the local company $2,000,000 with which to construct the line thus obviating the financing of the local company a matter very difficult if not impossible.

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075441

Saturday morning

Canadian Pacific Railway
EN ROUTE

Dear Mr Meighen

I am here on the Blondin matter & we would like to have an uninterrupted hour with you on it. as preferably today.

Please send word to me at Fort Garry

Yours Dan. McDougall

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CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 2J

NIGHT LETTERGRAM

J. McMILLAN, General Manager of Telegraphs, Montreal

Sent No.	Sent By	Rec'd By	Time Sent	Time Filed	Check

Send the following night lettergram, without repeating, subject to the terms and conditions printed on the back hereof, which are hereby agreed to.

Sam McDougall

Ottawa

Have consulted friends carefully and still feel action on my part without direct approval dangerous stop No sufficient reason for refusing direct approval stop Also ~~strongly for~~ strongly of opinion ~~no~~ party ~~does not~~ should use matter himself as his is province affected

Meighen

075442

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CANADA

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

TELEGRAM

FORM T. D. 28

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

Sent No.	Sent By	Rec'd By	Time Sent	Time Filed	Check

Send the following Message, subject to the terms printed on the back hereof which are hereby agreed to:

Hon. P.E. Blondin -
St Francois du Lac, Yamaska County. Que.

Your message fifteenth to Winnipeg received but no telegrams other than your own received by Chief Get these repeated immediately to Chief not later than Monday noon to Sudbury. Ont

075443.

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075444

Hon. P.E. Blondin,
St. Francois du Lac, Yamaska County,
P.Q.

and also to

Hon. P.E. Blondin,
Power Bldg., Craig St. W.,
Montreal.

Chief has received no message other than yours. As matter arises in Quebec province he desires explicit approval of leader there before making attack on transaction himself. He fully shares your view enormity of transaction and entirely ready have same fully disclosed, insisting only on approval as above. He seems to feel also that attack probably more effective if started by P. himself, but will be governed largely by latters advice. Have P. wire Chief direct Sudbury or on train immediately. He spends Monday evening there. Am on Board with Chief now for Sudbury.

Joe.

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CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 2

TELEGRAM

075445

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

Sent No.	Sent By	Rec'd By	Time Sent	Time Filed	Check
4	OB	R			25 Pd

Send the following Message, subject to the terms printed on the back hereof which are hereby agreed to:

Ottawa Ont. Oct 22.

Hon. Arthur Meighen
Dunnville Ont.

Journal published the Rouyn story this afternoon two columns exposed condring the full memoranda in your possession with the exception of references to Montreal Baron

P. D. Ross.

155 pm

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075446

F

Montreal, Canada.

_____, 1925.

American Exchange Securities Corporation,
128 Broadway,
New York City, N.Y.

Dear Sirs:-

You are about to grant a credit to Rouyn Mines Railway Company, a corporation incorporated by an act of the Legislative Assembly of the Province of Quebec, for the term of one year from date hereof, in the sum of Two Million Dollars ($2,000,000); the terms and conditions whereof are set forth in the attached letter, dated ,1925, from you to said Railway Company.

This Company is to operate said line of railway of said Railway Company under an order in Council entrusting to this Company the management and operation of said line of railway. This Company also expects to acquire at least a controlling interest in the capital stock of said Railway Company.

In consideration of the benefits to accrue to this Company from the granting of said credit, which will enable said Railway Company to construct said line of railway, and in order to induce you to grant said credit, this Company hereby unconditionally guarantees to you the prompt and full repayment of all advances made under said credit, both principal and interest, in accordance with the terms of said credit.

Very truly yours,

CANADIAN NATIONAL RAILWAY COMPANY

By

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075447

New York, ,1925.

Rouyn Mines Railway Company,
Montreal,
Canada.

Dear Sirs:

We are willing to grant you a credit, for the term of one year from date hereof, in the sum of Two Million Dollars ($2,000,000) for the purpose of enabling you to construct a line of railway from a point on the National Transcontinental Railway near O'Brien, in the Province of Quebec, to a point in the Township of Rouyn, in said Province, about 45 miles distant, on the following terms and conditions: Said credit to be availed of in amounts of $500,000 from time to time, and the first $500,000 thereof to be availed of within 60 days from date hereof; the amount of said credit availed of to be placed to your credit on the books of The American Exchange-Pacific National Bank, not subject to payment of drawing interest, and to be withdrawn from time to time by you only as construction requirements in respect of the said line of railway necessitate; as soon as the first $500,000 advance upon the credit is exhausted a new advance of $500,000 to be taken and similarly credited to your account on our books, and this procedure repeated until the full $2,000,000 has been advanced or all advances under the credit have been repaid in full; the advances made to you under the credit to bear interest at the rate of 4½% per annum; payable quarterly, and no interest to be otherwise payable; each advance to be secured by your

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promissory note for the amount of the advance, with interest at the rate of 4½% per annum, repayable on or before the expiration of one year from the date of the granting of the credit, and, as collateral security, by a principal amount of your First Mortgage Thirty-Year 4½% Bonds equal to 150% of the amount of the advances made under the credit; said bonds to be part of an issue limited to $5,000,000. and the mortgage securing the same to constitute, in the opinion of our counsel, a first lien on the said line of railway and on the lessor interest of your Company in lease of said line of railway to the Crown for a term extending at least to the maturity of the bonds, at a rental at least sufficient to meet the full interest and sinking fund requirements on all bonds outstanding under the mortgage; the Canadian National Railway Company to unconditionally guarantee to us the prompt and full repayment of all advances made under said credit, both principal and interest, in accordance with the terms of said credit.

The above is subject, of course, to the approval of our counsel as to all legal matters connected herewith.

Very truly yours,

AMERICAN EXCHANGE SECURITIES CORPORATION

By _____
Vice-President.

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075449

EXTRACT FROM

MINUTES OF MEETING

of the BOARD OF DIRECTORS of the

CANADIAN NATIONAL RAILWAY COMPANY

Held in the Company's Offices in the City of Montreal on Monday the 9th day of June, 1925.

With regard to the proposed Rouyn Branch Mr. Rayside reported to the Meeting that the matter had been gone into further with representatives of the Quebec Government who had promised that free right-of-way over (Quebec) Crown Lands would be given, together with any timber on such lands, and that other interested parties may increase their contribution to $20,000. per year for five years.

IT WAS UNANIMOUSLY RESOLVED

THAT if the said line be constructed by another Company (with free right-of-way on Quebec Government lands) as above referred to and if there be contributed annually for five years $50,000. by the Quebec Government and $20,000. by other interested parties such payments aggregating $350,000. in all, and if said line were leased for a long term of years to the Dominion Government and by it entrusted to the Canadian National Railways for operation and if said payments are made direct to the Canadian National Railways as representing the said lessee and if the rental under the lease would represent not more than 6% on the cost of construction the Directors would approve of such construction and leasing and entrusting.

CERTIFIED to be a true EXTRACT.

R P Quinsy

Secretary.

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TELEPHONE MAIN 0623 075450 CABLE ADDRESS "LAWFINCO"

ST. LAWRENCE FINANCE CORPORATION

14 HOSPITAL STREET

MEMBERS
MONTREAL MINING EXCHANGE

MONTREAL

July 27th, 1925.

15 13

TO OUR FRIENDS AND CLIENTS.

Few opportunities present themselves under such favorable conditions as surround the DON ROUYN GOLD MINES,LIMITED,which has recently been called for trading on the Montreal Mining Exchange, and, in conformity with our policy of supplying reliable information and offering opportune advice, we recommend to your attention this promising issue which is now an active feature in the market.

The Company's property -- extending through the townships of Rouyn, Dufresnoy, Destor, Varsan and Malartic -- comprises approximately 3,000 acres in what is conceded to be potentially the richest Gold Area in Canada.

Considerable weight is lent to the importance of this vast acreage by the fact that the various groups are located adjacent to the ground being developed by the most influential mining interests, such as the Hollinger, Noranda, Huronian Belt,etc.,on which properties the most important discoveries have been made.

The No. 2 group lies South of and contiguous to the BAGSHAW-McCUAIG property, on which a highly mineralized zone carrying free gold has recently been discovered. This ore-body runs approximately East and West and dips towards the DON ROUYN No. 2 group at an angle of 30 degrees South.

The many recent Copper-Gold discoveries made in the Northwestern section of Rouyn, and in the surrounding townships of Dufresnoy, Duprat and Boischatel, have stimulated considerable interest which has resulted in extensive exploration work and caused this area to become a very important one.

Under the direction of Mr. Charles Spearman, the well-known engineer, DON ROUYN'S operations are now being concentrated on No.1 group, which adjoins the Amulet on the East and is to the West of the Noranda. An important Porphyry intrusion has been encountered at the North End of this group,and a 20 ft. ore-body has been opened up in another section of the property.

The Directors are men of the highest integrity and reputation, and the opinion in mining and financial circles is that this enterprise is bound to play an important part in the development of Northern Quebec.

The current price of the stock is around 33½¢,and we strongly advise its immediate purchase "at best market." Orders may be wired or telephoned at our expense.

Faithfully yours,

ST. LAWRENCE FINANCE CORPORATION.

Harry E. Simons
Sec'y-Treas.

HES.D

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075451

C

Dated September 1st, 1925.

NORANDA MINES, LIMITED
(No Personal Liability)

- and -

HIS MAJESTY THE KING.

GUARANTEE AGREEMENT

TO

ROUYN MINES RAILWAY COMPANY.

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075452

THIS AGREEMENT made this 1st day of September, 1925.

B E T W E E N:

NORANDA MINES, LIMITED,

(No Personal Liability),
hereinafter called the "Guarantor",

Of the First Part,

- a n d -

HIS MAJESTY THE KING in the right of the Dominion of Canada, herein represented by the Minister of Railways and Canals, acting by virtue of an Order-in-Council, dated the day of 1925, hereinafter called "His Majesty",

Of the Second Part.

WHEREAS His Majesty has arranged for the construction by a Railway Company (hereinafter called the "Railway Company") of a line of railway (hereinafter called "the said line of Railway") from a point on the National Transcontinental Railway at or near O'Brien to a point in the Township of Rouyn connecting with the plant of the Guarantor to be there erected which said line of railway His Majesty proposes to lease (which lease is hereinafter called "the said lease") and to cause it to be operated as a part of the Canadian National Railways;

AND WHEREAS it is anticipated that during the first few years after the said line of railway has been completed and opened for traffic deficits will arise in connection with the operation thereof;

AND WHEREAS the Province of Quebec is willing to guarantee the payment against such deficits (if any) of Fifty Thousand Dollars ($50,000.) a year for five (5)

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years from the date the said line of railway is opened for traffic, hereinafter called the "initial date", but a further guarantee is required of Twenty Thousand Dollars ($20,000.) a year for the same period from the Guarantor who is interested in mining locations to be reached by the said line of railway;

WITNESSETH that in consideration of the premises the parties hereto have agreed each with the other as follows:

HIS MAJESTY AGREES:

1. To cause the Railway Company to construct and complete the said line of railway with all reasonable expedition and to lease it from the Railway Company by lease approximately in the form attached.

2. To cause the operation of the said line of railway when leased to be entrusted to the Canadian National Railway Company for operation under the terms of Section 11 of Chapter 13 of the Statutes of Canada, 1919.

3. To cause accounts to be kept of all freight traffic moving over the said line of railway and/or freight traffic originating upon or destined to points upon the said line of railway moving from, through or to points upon the Canadian National Railways in Canada, all of such traffic being hereinafter called "such traffic."

4. To allocate thirty per cent (30%) of the gross earnings received by the Canadian National Railways from such traffic, hereinafter called "the said operating net earnings", to the said line of railway as earnings attributable to the said line of railway for the purposes of this agreement.

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THE GUARANTOR AGREES:

5. That should the said operating net earnings of any one year of the first five (5) years from the initial date be insufficient to cover the rental including sinking fund payable under the said lease, after crediting the Fifty Thousand Dollars ($50,000.) per annum agreed to be paid as aforesaid by the Province of Quebec, to pay to the Canadian National Railway Company as operators of the Railway within thirty (30) days after the receipt of a summarized statement of account showing a deficit, the amount following:-

(a) When said deficit equals or exceeds Twenty Thousand Dollars ($20,000.) the sum of Twenty Thousand Dollars ($20,000.) in cash.

(b) When such deficit is less than Twenty Thousand Dollars ($20,000.) the amount of such deficit in cash.

AND MUTUALLY AGREED:

6. That the certificate of the Vice-President of Finance of the Canadian National Railways, or such officer as may at the time be performing the duties of said Vice-President, shall be conclusive as to the existence and amount of such deficit, but the Guarantor may, if it so desires, take steps at its own expense to verify such statements and for such purpose shall have access to all the records and accounts upon which the certificate is founded, and any inaccuracies discovered shall be rectified in subsequent years, but no payments due, or accruing due, shall be deferred pending such verification.

7. That the liability of the Guarantor under this agreement is limited to the amount of the deficit

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(if any) in any one of the five years after the initial date, ascertained as provided in paragraph 5 hereof, but not exceeding the sum of $20,000. in any one year of such period of five (5) years, or One Hundred Thousand Dollars ($100,000.) in all.

8. That the accounts specified in Clause 3 of this agreement shall be continued for ten years from the initial date and if at that time it appears and is so certified by the Vice-President, or other officer as aforesaid, that the said operating net earnings have been sufficient to pay all the rentals including sinking fund payable under the said lease, after crediting the Fifty Thousand Dollars ($50,000.) per annum agreed to be paid by the Province of Quebec, leaving a balance arising from such operation, then and in that case His Majesty will cause to be repaid to the Guarantor, without interest:

(a) When such balance equals or exceeds One Hundred Thousand Dollars ($100,000.) the sum of One Hundred Thousand Dollars ($100,000.)

(b) When the balance is less than One Hundred Thousand Dollars ($100,000.) the amount of such balance.

9. If pursuant to the taking of accounts provided for in Clause 8 there results -

(a) No repayment to the Guarantor

(b) A partial repayment only to the Guarantor

Then the same accounts shall be continued for one further period of five years, or until fifteen years from the initial date, and if then a balance is found to arise and is so certified from such operation His Majesty will cause to be repaid to the Guarantor, without interest -

(c) When such balance equals or exceeds One Hundred Thousand Dollars ($100,000.)(less any

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amount repaid previously under the provisions of Clause 8) the sum of One Hundred Thousand Dollars ($100,000.) less such repayment.

(d) When such balance is less than One Hundred Thousand Dollars ($100,000.) (as reduced by any such partial repayment) the amount of such balance or profit.

The underlying principle in both Clauses 8 and 9 of this agreement being no repayment except from operating net earnings, as specified.

10. Clauses 8 and 9 have been drawn upon the assumption that the Guarantor was called upon to pay and duly paid the whole One Hundred Thousand Dollars ($100,000.) covered by their guarantee. It is, of course, understood that in the event of the Guarantor not being called upon to pay and not paying the whole One Hundred Thousand Dollars ($100,000.) the obligation of His Majesty to refund shall in no case exceed the actual contribution without interest, by the Guarantor to His Majesty under the terms of this agreement.

11. That after fifteen years from the initial date the taking or continuing of accounts, as provided for in Clauses 3, 8 and 9 of this agreement shall cease absolutely, and all claims for repayment remaining unsatisfied after the application of the provisions of Clauses 8 and 9 shall be waived.

12. That should the operation of the said line of railway prior to fifteen years from the initial date be permanently abandoned or service be withdrawn continuously for a period of six (6) months (other than on account of the closing down of all mines served by such line of railway or the withholding of traffic by the mining

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interests) then His Majesty will repay to the Guarantor, without interest, any amounts paid to His Majesty by the Guarantor under this agreement.

13. This agreement shall enure to the benefit of and be binding upon the successors and assigns of the respective parties.

IN WITNESS WHEREOF the parties hereto have executed this agreement.

SIGNED, SEALED AND DELIVERED in the presence of	NORANDA MINES, LIMITED (No Personal Liability)
	JAMES Y. MURDOCH President.
	F. W. ROSS ? Assistant Secretary.
	(SEAL)

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Mr. Meighen

15th

Just received this letter - It clinches Sir Henry's statement -

Tyrrell

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ROUYN MINES RAILWAY COMPANY 075459

CANADIAN NATIONAL RAILWAYS

New Form 13

INTER-DEPARTMENT CORRESPONDENCE

MONTREAL, QUE. Sept. 4th, 1925.

YOUR FILE	SUBJECT	OUR FILE
		176-1

Messrs. Bourassa, Clifford Corporation Ltd.,

Three Rivers, Que.

Gentlemen:

In reference to your inquiry as to the legal status of the Rouyn Mines Railway.

I attach a copy of a letter of the 27th instant, written to me by Mr. Gerard Ruel, Vice-President and General Counsel of Canadian National Railways, which, I think, fully answers your question in regard to this matter.

Yours truly,

J. J. Bowie

Chief Engineer.

JJH-R.

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CANADIAN NATIONAL RAILWAYS

INTER-DEPARTMENT CORRESPONDENCE

New Form 13

MONTREAL, QUE. August 27th, 1925.

YOUR FILE	SUBJECT	OUR FILE
	Re: Rouyn Mines Railway.	31446

C. S. Gzowski, Esq.,
Chief Engineer.

Dear Sir:

As arrangements have been completed for the necessary indemnity against deficits, it will be in order for you now to call for tenders. The proposition is that the Rouyn Mines Railway Company, which has merely been organized so far, will immediately give a lease, either to the Crown or to the Canadian National Railway Company, of the line to be constructed, and you might advise the tenderers, if they make enquiries from you as to the status of the Rouyn Mines Railway, that no tender will be accepted or the tenderers considered bound under his tender until such a lease has been duly approved and authorized for execution. At present, the Directors of the Rouyn Mines Railway Company are members of the staff of the Canadian National, and it is intended, before the lease is executed, that the organization shall be completed on a permanent basis satisfactory to the Crown. The Company will issue its securities against the lease to the Crown and all accounts are to be paid from the proceeds of the securities in the hands of the Trustees.

Yours truly,

(Sgd) Gerard Ruel,
V.P. and General Counsel.

DBS-A

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Police Magistrate's Office
Brantford.

S. ALFRED JONES, K. C.
POLICE MAGISTRATE

BRANTFORD, ONT. October 3rd. 1925.

Hon. Arthur Meighen,
Ottawa, Ontario.

Dear Mr. Meighen:-

I am greatly interested in the proposed new Rouyn Railway from O'Brien to the Noranda Mines. I observe that a contract has been accepted for the construction of the line, subject to Order-in-Council to be passed by the Dominion Government. It looks as though this matter might be delayed until after the election. There are a great number of our friends in Ontario interested in this district who are anxious that this much needed developement should proceed. The line is, of course, of tremendous interest to our friends in Quebec. I sincerely trust that you will do all in your power to facilitate the building of the road. There was some gossip about the Ontario Government blocking the way because of Quebec's attitude to the extension of the Ontario road. The matter appears to me as a large national one, and I think that every effort should be used to get railway transportation to this important camp as soon as possible.

As you observe from my office I am now out of politics, but I am glad to say I can still exercise my franchise. With best wishes, I remain.

Yours very truly,
S. Alfred Jones

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Ottawa, Oct. 8, 1925.

S. Alfred Jones, Esq., K.C.,
Brantford,
Ont.

Dear Sir:

Your letter of the 3rd inst., with regard to the proposed new Rouyn railway from O'Brien, reached Ottawa in the absence of Mr. Meighen. He is not to return to the city until the evening of the 28th, but I shall then draw your communication to his attention.

Yours faithfully,

Private Secretary.

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House of Commons
Canada

Oct 10th

Dear Mr Meighen

I have the enclosed from a reliable source and think this is where the Quebec money is coming from.

Atholstan won't publish because he knows that you may win without Quebec

Yours

Separate copy of same per Nat Boyd

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THE MATTER OF THE ROUYN RAILWAY.

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Attached hereto are copies of dispatches published from Quebec and Ottawa covering this transaction.

The following, in brief, is the history of the operation:-

Important mineral finds were made on the Quebec side of the northern mineral belt at Rouyn notably the Noranda and Amulet. These are located in the township of Rouyn, and these properties are controlled by a New York group, headed by a Mr. Chadbourne. Percy a Rockefeller and other have lately joined the directorate of the Corporation controlling these properties.

For more than a year strong agitations have been launched upon the Government of the province of Quebec to provide adequate rail service into the mining field in order to facilitate development, - and in fact, great pressure from the more important mining men has been applied to this end.

The Themiscamingue & Northern Ontario Railway, which has a branch line extended to the Provincial Boundary, - which is about twenty-five miles from Rouyn, offered to construct and extend its railway facilities into the field, - free of cost or subsidy to the province of Quebec or the Dominion Government, - but the Province of Quebec refused permission to the T. & N.O. Commission to enter upon the Crown Lands of Quebec on the theory that traffic and tonnage developed in Northwestern Quebec would be deflected out of the Province and to the disadvantage of the commercial centers of Quebec in favor of Toronto and other outside points. The technical refusal was based on the proposition that a Federal Chartered railway company could not exercise the rights of expropriation by railway upon the property of the Crown or the Province of Quebec. This question was to be referred for decision to the Supreme Court - but it is understood that nothing has been done about it so far for the reason that the Province of Ontario has not decided to press the point.

In the interval, active negotiations were proceeding between Premier Taschereau, Sir Henry Thornton and the American mining interests, to bring about the building of some kind of a line of railway to meet the requirements. These negotiations culminated in the erection of the Rouyn Mines Railway Company, chartered last session at Quebec, with right to construct a line from O'Brien on the Canadian National Railway to Rouyn, a distance of 44 miles or so, with the usual powers of extending branch lines, &c.

During the last summer, - about the month of July, Mr. Taschereau stated that the Province of Quebec has agreed to assist the work by a cash subsidy of $50,000. per annum for five years, - the mining interests undertaking to provide $10,000. per annum over the same period. This money was intended to meet the anticipated losses in operation of the branch for the five years, on the assumption that the line would carry itself out of earnings from then onward.

It was then arranged that the Canadian National Railway, by agreement, would lease the property from the Rouyn Mines Railway for an indefinite period for a sum sufficient to meet the annual fixed charges set up by the securities issued by the Company. In this way, it was quite clear that a bond issue covering the cost of the work could be financed against the annual least income from the Canadian Nationa, - plus the cash contribution of the Quebec Government.

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Apart from the irregularities of the proceedings in devising a means of creating branches of the Canadian National Railway, without the sanction of Parliament and concurrence of the Senate, the whole transaction would appear to be in line with the usual methods of financing railway projects of the kind. At all events, the securities of the Company would be amply assured of sale by reason of the guaranteed income yielded by the leasing of the road.

These arrangements having been determined upon, tenders for the construction of the mileage were called, to be opened on the 16th of last September. The call for tenders was made in the name of the Rouyn Mines Railway Company, and signed by Mr. Czowski, as Chief Engineer for the Company, (that is, Acting Chief Engineer). Mr. Czowski, it will be remembered is an officer of the Canadian National Railway, - in an engineering capacity. As far as can be ascertained the surveys of the line were made and prepared by Canadian National Railway employees, under the direction of Mr. Czowski. In any case, - he was the dual Chief Engineer in the matter. The contract was awarded for a total sum of approximately $1,250,000. exclusive of rails and the cost of these would mean about $300,000 additional, - bringing the total cost of the 44 miles to roughly about $1,750,000. Let is be assumed that the whole cost of the job would not exceed $2,000,000.

Follows now the dispatches from Quebec. The news came from Quebec first. Premier Taschereau was in Montreal on that day.

The dispatch states that $5,000,000. of bonds are authorized under the Orders-in-Council, and that long documents between the parties set forth the manner of the deal.

These contracts, however, are not in evidence to establish information as to how the Dominion Government is made liable. It is apparent, however, that the Order-in-Council becomes good collateral security in the hands of the Rouyn Mines Company, up to the total amount of $5,000,000. These contracts and undertakings by both Governments and the Canadian National Railway, - become excellent security for advances in Cash by the Canadian National Railway to the Rouyn Mines Railway Company, - or advance by any other interest in the transaction.

Having regard to the fact that, in the ordinary way, the bonds of the Rouyn Mines Railway Company, - (up to the amount of money required to build the 44 miles, - say $2,000,000.) become barketable upon pledging the lease money accruing to the Company, - the question immediately arises as to the need of the Dominion Government guaranteeing the bonds, - and for an amount two and a half times more than the immediate needs.

The explanation is given that the $5,000,000. is now being arranged for anticipated future needs by way of branches and extensions. This is the obvious answer but not a convincing one.

Immediately upon the publication of the dispatches, - Senator P.E. Blondin put the picture before Lord Atholstan, and his editorial chiefs. All hands immediately appreciated the significance and importance of the transaction at this time. It was planned to use the story on Wednesday the 7th of Sept. but was held up for that day pending further investigation of the matter. Mr. Carman, editor-in-chief advised Senator Blondon on Thursday that their investigations would indicate that the thing was quite regular, inasmuch as it was explained that the $5,000,000. was intended to provide for extensions, branches, &c. &c., - Under the circumstances, therefore, the story had no point.

To minds familiar with the mechanisms of these projects the story bristled with points, - at this juncture.

Of course, there is nothing whatever in the record to warrant charges of any kind, - either against the Government or the Executives of

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the Canadian National Railway, - beyond the fact that someone has discovered a formula for beating the requirement that Canadian branch line construction of the Canadian National Railway require the sanction of Parliament and the Senate.

There is, however, room for a series of pertinent and varied questions, in order that the public mind might be enlightened, at this time, as to why the $5,000,000.

Assuming the transaction to be so important as to warrant the emergency measures taken, surely the public might properly be taken into confidence and told all about it. Mr. Carman, so far, as a newspaper man, has evidently been impressed with the explanation given.

It is the conviction of those responsible for this memorandum that this transaction has been the means of releasing a large sum of public or private funds, or both for the purpose of this present election. No proof is available, - nor sought. It is clearly evident, however, to them that the $5,000,000 feature of the transaction was an eleventh hour decision, born of depserate need, and carried through with magnificent and disarming boldness.

A half-dozen questions by Mr. Meighen would immediately produce an interesting series of explanations as to why the Dominion Government and the Provincial Government of Quebec are making such sacrifices, in such a haste at thistime, to assure the construction of 44 miles of railway into the mining fields, to assist the mining industry, when the Province of Ontario has been clamoring and urging to provide the required transportation facilities, free of expense to either the Dominion or the Provincial Government of Quebec.

There is nothing to add to this memorandum. Other contributory matter in support of the theory that the transaction is bad may follow the contemplation of what is now submitted.

If this is the way branch lines can be had in Quebec the Peace River people and the Hudsons Bay folks will be glad to know it, - to say nothing of the Guysboro folks.

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Ex - Ottawa Journal, Monday Oct. 5th, 1925.

ANNOUNCE TERMS OF ROUYN MINE RAILWAY LINE.

5 o'clock C.P. Despatch.

Quebec, Que. Oct. 5. - The terms under which the construction of the new Rouyn Mines Railway from O'Brien to the Township of Rouyn, was made possible, were disclosed here for the first time to-day. Lengthy contracts provide that contributions towards the realization of the project will be made by the Quebec and Ottawa Governments. The contracts also stipulate the conditions under which the work of construction shall be proceeded with.

The contract has been signed by the four interested parties, namely the Federal and Provincial Governments, the Canadian National Railways and the Rouyn Mines Railway, which latter will build the road. The line will be leased to the National system, which in turn will hand it over to the Federal Government, and the latter will guarantee an issue of $5,000,000 of thirty-year gold bonds. The Quebec Government will make an annual grant of $50,000 to the road for the next five years, dating from the first of February, 1928.

Construction of the road must start on the first of November, 1925, and be completed before December 1, 1926. The contracts were affirmed by orders-in-council signed simultaneously to-day in Ottawa and Quebec.

The above was run by the Ottawa Journal evening edition, Monday the 5th, and was followed by another, of the same general purport, but altered on Tuesday morning. The altered dispatch was published in other papers also. The Ottawa Citizen did not publish either of the dispatches.

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HOUSE OF COMMONS
CANADA

Leader of the Opposition

Oct 10. 25

Dear Mr Meighen

I have the enclosed from a reliable source.

Ashbestos won't print it because if people believe the grits have stole three millions you might be elected outside of Quebec altogether.

I am sending an extra copy through Mr Mullen

Yours sincerely

Leonard Daly

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This Indenture made this day of October, one thousand nine hundred and twenty-five,

BETWEEN:

ROUYN MINES RAILWAY COMPANY, a Company having its head office at the City of Montreal, in the Province of Quebec, (hereinafter called the Lessor)

Of the First Part,

— AND —

HIS MAJESTY THE KING, in the right of the Dominion of Canada, herein represented by the Minister of Railways and Canals, acting by virtue of Chapter 16 of the Statutes of Canada, 1915, and under the authority of an Order of the Governor General of Canada in Council, dated the day of September 1925 (hereinafter called the Lessee) of the Second Part.

Recitals:—Incorporation.

WHEREAS the Lessor was incorporated by an Act of the Legislative Assembly of the Province of Quebec, being Chapter 110 of the Acts passed in the year 1925, with power to construct and operate the line of railway hereinafter mentioned, and to make the issue of bonds hereinafter referred to, and with power also to enter into arrangements with the Crown for the purpose of leasing the whole of its road or the whole of its interest in such road, or in any part thereof, on such conditions as to the Directors may seem advisable.

The line of railway.

AND WHEREAS the Lessor by virtue of such powers is about to construct a line of railway from a point on the National Transcontinental Railway near O'Brien in the Township of Privat, in the Province of Quebec, thence southerly through the Townships of Privat, Aiguebelle, Destor, Clericy and Dufresnoy to a point in the Township of Rouyn, a distance of approximately forty-five (45) miles, such line of railway and all the works, facilities and appurtenances hereinafter demised being herein called the said line of railway.

Part of Government System.

AND WHEREAS the Minister of Railways and Canals (hereinafter called the Minister) is of the opinion that the said line of railway is a line of railway which can more conveniently and usefully

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be operated as a part of the Government Railways System and one which may be deemed necessary or desirable for the more efficient operation of the said system, and the Lessor has agreed to give and the Governor General in Council has authorized the Minister to accept a lease of the said line of railway upon the terms and conditions hereinafter specified.

Issue of bonds.

AND WHEREAS the Lessor pursuant to Section 8 of the Act incorporating the Lessor proposes to create an issue of not exceeding $5,000,000 of Thirty Year 4½ Per Cent. First Mortgage Bonds (hereinafter called the said bonds) of which it is expected that approximately $3,500,000 will be required to provide for the cost of construction of the said line of railway; the said issue of bonds to be secured upon the said line of railway and other properties of the Company as hereinafter referred to.

Resolutions of Board of Directors.

AND WHEREAS all necessary resolutions of the Board of Directors of the Lessor have been duly passed and all other necessary steps have been taken to make the execution of these presents legal and valid in accordance with all the statutes relating to the Lessor and to all other statutes and laws in that behalf.

Leasing clause.

NOW THEREFORE THIS INDENTURE WITNESSETH:

In consideration of the rents and other yearly sums hereinafter reserved and the covenants and agreements on the part of the Lessee hereinafter contained, the Lessor in pursuance of all powers it thereunto enabling doth hereby demise and lease unto the Lessee:

The said line of railway, extending from a point on the National Transcontinental Railway near O'Brien, in the Township of Privat, in the Province of Quebec, to a point in the Township of Rouyn, a distance of approximately forty-five (45) miles, and all stations, yards, tracks, sidings, buildings, rights of way, power houses, lines of railway, transmission lines, lines of telegraph or telephone, and all structures, improvements, fixtures, plant, equipment, rolling stock, machinery, tools, implements, fuel, supplies and materials of whatsoever nature, kind or description, and all lands, interests in lands, properties, easements, servitudes and premises, and all other properties, real and personal, moveable or immoveable, from time to time acquired for the purposes of the said line of railway, or constructed or used in connection therewith, or in connection with the maintenance and operation thereof, and also all rents, revenues, tariffs, tolls or other income arising or to arise from the said line of railway hereby demised, or from any part thereof, and also all cor-

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porate and other franchises, rights, privileges, authorities, powers and immunities now owned, held or enjoyed by, or that may hereafter during the existence of these presents be acquired by or conferred upon the Lessor, and the full benefit of all contracts, agreements, by-laws, engagements or concessions, of whatsoever description, relating to the construction, operation, maintenance or otherwise of the said line of railway or of any part thereof, now made, held or enjoyed by, or which may during the existence of these presents be made or acquired by or conferred upon the Lessor, subject, however, to all obligations and liabilities of the Lessor under any statutes relating to the Lessor, or the said line of railway, the whole being hereinafter called, or referred to as, the demised premises;

Term 30 years from 1925.

TO HAVE AND TO HOLD the demised premises unto the Lessee for the term of thirty years from the date on which the said line is opened for traffic; fully to be complete and ended; yielding and paying therefor unto the Lessor yearly during the said term the several rents or other sums following, namely:

Rentals.

(a) During the first and every subsequent year of the said term such sum as shall be sufficient (in accordance with the terms and provisions of the deed of trust or mortgage securing the said bonds) to pay the interest and sinking funds upon the said bonds for the time being issued and outstanding, and all other monies lawfully payable under such deed of trust or mortgage, including accrued interest on bonds purchased or drawn for redemption under the sinking fund provisions thereof. The whole of such rental shall be paid free of all lawful Canadian taxes or deductions of whatsoever nature, and shall at the option of the Lessor be payable in the City of New York in gold coin of the United States of America of the standard of weight and fineness existing October 1, 1925, or in the City of Montreal, Canada, in lawful money of the Dominion of Canada, by equal half-yearly payments made ten days prior to the respective dates for payment of interest and sinking fund moneys under such deed of trust or mortgage. It is hereby declared and agreed that the Lessor intends to assign and may and will assign to the Trustee or Trustees under the deed of trust or mortgage securing the said bonds, the rental payments to be made for and in connection with said interest and sinking fund payments as in this

Place of payment.

Dates of semi-annual payments.

Assignment by Lessor

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paragraph (a) provided for; and the Lessor hereby requests and authorizes the Lessee to make such payments direct to the said Trustee or Trustees, to be received, held and used by said Trustee or Trustees as and for payment of interest and sinking fund monies under said deed of trust or mortgage; and the Lessee hereby covenants to make such rental payments to said Trustee or Trustees accordingly.

Interest on temporary construction loans.

(b) Such sums as may from time to time be paid or payable by the Lessor by way of interest or discount on loans or advances made to the Lessor by any bank or other corporation provided that interest on construction items may be charged to construction cost and that bonds forming part of the said issue may be issued in respect thereof.

Organization expenses.

(c) Such further annual sum or rent as shall be equal to the actual annual expenses for administering the affairs and maintaining the organization of the Lessor, limited however to an amount not exceeding one thousand dollars per annum, and also any remuneration for the time being payable by the Lessor to the Trustees of the said bonds, the sums payable under this paragraph (c) to be paid without deduction on the same dates and times, and with the same option in the Lessor as to the place and mode of payment, as the rent reserved by paragraph (a),

Trustees' costs and expenses.

THE LESSOR COVENANTS WITH THE LESSEE:

Completion of railway.

1. That it will use its best endeavours to complete the said line of railway now about to be constructed and to deliver the same to the Lessee, ready for operation, not later than the first day of January, 1927, ~~but the non-compliance by the Lessor with this~~ obligation shall not in any way prejudice ~~or affect~~ this Lease or the obligations of the ~~Lessee hereunder~~ with respect to payment of the ~~rents and other yearly sums herein reserved~~.

Preserve organization and franchises.

2. That it will during the continuance of this Indenture keep up its corporate organization, and will from time to time at the expense of the Lessee perform all acts which the Lessor is or may be by law in that behalf required to perform, and will neither do nor suffer to be done any act by which its corporate existence, rights or franchises shall become subject to forfeiture or impairment, and will make all necessary applications required by the Lessee, but at the expense of the Lessee, for extensions or enlargements of franchises

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and powers now existing as may be required by the Lessee from time to time; provided always that the amalgamation of the Lessor, with the approval of the Lessee, with any other Company with which it may at any time be authorized by law to amalgamate, and the proceedings relative to or consequent upon such amalgamation, shall not be treated as a breach of this covenant, nor in any way prejudice or affect this lease, nor the right, title and interest nor the privilege and powers of the Lessee hereunder.

3. That the demised premises and each and every part thereof are free and clear of all liens, hypothecs and encumbrances. **Covenant against encumbrances.**

4. That it will not under any of its powers as hereinbefore recited issue additional bonds ranking prior to or *pari passu* with the said bonds except with the consent of the Lessee pursuant to Clause 20 hereof. **Not to impair security of bonds.**

5. That during the term of this Lease the Lessee shall have the right to exercise and enjoy all the franchises and powers of the Lessor now or hereafter authorized by Statute in respect of the demised premises and the construction, operation and maintenance thereof, or for any purpose incidental to the undertaking and works of the Lessor, or the extension, enlargement or improvement thereof in any authorized manner; and the Lessee is hereby authorized by the Lessor to take all legal and other proceedings whatsoever that may be necessary or expedient in the exercise of the said franchises and powers, and for that purpose, at the Lessee's option, to use the Lessee's name, or the name of the Lessor, and the names of the officers of the Lessor, which officers are hereby authorized, upon the demand of the Lessee, to append their signatures, and to affix the seal of the Lessor to any documents or instruments, plans, applications, or writings of any sort that may be necessary or useful, in, or in respect of, the full exercise, use and enjoyment of every such franchise and power. **Exercise by Lessee of powers and franchises.**

6. That the Lessee may make such extensions, enlargements and improvements upon, alterations and changes in, and additions to the demised premises as the Lessee may deem proper, within the limits of the corporate powers and authorities of the Lessor as from time to time existing; and may entrust the management and operation of the demised premises to the Canadian National Railway Company or to any other Company with which such Company may be amalgamated, or any other Company approved by the Governor **Extensions, etc., of demised premises.**

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Traffic agreements.

General in Council; and may also make with any corporation or person the usual terminal, traffic, operating, running and leasing agreements (subject to the provisions of all applicable statutes or laws), providing, among other things, for the interchange of cars and traffic and the running of engines and cars upon, in, over or through the demised premises or any part thereof, or the exercise of privileges, or the furnishing of facilities or conveniences for the public, or in connection with the traffic handled thereon; the intention being that the Lessee shall, during the said term, with respect to the use to be made of the demised premises, have and may exercise all the powers, rights, privileges and franchises of the Lessor.

On demand of the Lessee at any time while this Lease is in effect and so long as no default thereunder has been made by the Lessee, the Lessor shall consent to the amalgamation of the Lessor with any Railway Company named by the Lessee and shall take all necessary corporate action required to complete such amalgamation on such terms and conditions as the Lessee may desire.

Further assurances.

7. That the Lessor will to the extent of its corporate powers from time to time make all or any further assurances and contracts and will do and perform all such acts and things as may be required to protect the Lessee in the possession of the demised premises and for fully carrying into effect the objects and intentions of this Indenture; and that the Lessee may make, enact and enforce, either in the name of the Lessor or of the Lessee, all lawful rules, regulations and by-laws concerning the operation and maintenance of the demised premises and for the preservation of order therein and thereon from time to time necessary or required as fully and effectually as the Lessor may from time to time make, enact or enforce the same under the statutes and laws applicable to the Lessor or its undertaking and works; and the Lessee may, but at the Lessee's cost and expense, use the Lessor's name in any action, suit or other proceeding whatsoever in connection with the demised premises.

Operation regulations.

Release of parts of demised premises.

8. The Lessee may with the consent of the Lessor and of the Trustee or Trustees of the mortgage or deed of trust securing the said bonds, or of any other mortgages or deeds of trust for the time being lawfully executed by the Lessor in respect of outstanding bonds issued by the Lessor, in accordance with the provisions hereof, convey by way of release or otherwise to parties designated by the Lessee any part of the demised premises which in the judgment of the Lessee it has become inexpedient to hold or use for the purpose of the said

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line of railway; provided, however, that in each case other property which may consist of cash and/or lands, buildings, machinery, rails, equipment or plant of a value equal in the opinion of such Trustees to the value of the property released shall be substituted for the released property and subjected to the terms of this Lease, and that such release herefrom shall not in the opinion of such Trustees impair the security under the said mortgages or deeds of trust or any of them; and the Lessee may further without any consent by such Trustees and free from the liens of any such deed or deeds of trust, sell, exchange or otherwise dispose of any equipment, plant, machinery, materials or other moveable property forming part of the demised premises which may have become worn out, disused or undesirable for use by the Lessee, provided, however, that the Lessee shall obtain or substitute therefor cash and/or other property which is of equal or greater value, and that all renewals or substituted materials and property shall be covered by and subjected to the terms of this Lease.

Substitution of other property.

Disposal of worn out plant, etc.

9. That the Lessee paying the respective rents or other yearly sums hereinbefore reserved or made payable, and performing and observing the several covenants, conditions and agreements herein contained and on the part of the Lessee to be performed and observed shall and may peacefully and quietly hold and enjoy (subject and according to the respective natures and tenures of the various portions thereof) the premises hereby demised during the term hereby granted without any interruption or disturbance by the Lessor or by any person deriving title to such demised premises through the Lessor.

Quiet enjoyment.

THE LESSEE COVENANTS WITH THE LESSOR:

10. That the Lessee will during the continuance of this Indenture, or so long as the Lessee shall remain in possession or control of the demised premises under this Indenture, pay to the Lessor, or to whomsoever shall lawfully be entitled to receive the same:

Covenant for payment.

(a) the yearly rents or sums hereinbefore reserved or made payable at the times and in the manner at and in which the same are respectively hereinbefore reserved and made payable, free of all taxes and without deductions of any description.

Of rents.

(b) All lawful taxes, assessments and outgoings whatsoever to the extent only that the Lessor is liable therefor that

Of taxes.

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may after the Lessee receives possession of the demised premises be payable in respect thereof or be lawfully levied or become chargeable thereon, or on any part thereof, or upon the Lessor in pursuance of any lawful authority, whether municipal, provincial, or otherwise, and will assume and pay every payment which during the continuance of this Indenture may be required to be made by the Lessor and not herein otherwise specifically provided for, as if the Lessee were primarily liable for the same, but only to the extent aforesaid. Nothing in this clause shall give to any assessing authority any power to tax the Crown nor be taken to extend any powers which such assessing authority would otherwise have.

Assume contracts, etc.

11. That the Lessee will assume, perform and comply with the terms and provisions of all contracts, agreements, by-laws, engagements or concessions of whatsoever description made, held or enjoyed by the Lessor and existing at the time when the Lessee enters into possession under the terms hereof, and will indemnify and save harmless the Lessor against all actions, suits or other proceedings and against all damage and loss which may in any manner arise or be occasioned to the Lessor in respect thereof.

Indemnity clause.

Preservation of corporate rights.

12. That the Lessee will cause to be operated and maintained the undertakings and works of the Lessor included in the demised premises in such manner as to comply in all respects with the provisions of all statutes and laws relating thereto, and so as to protect the rights of all parties to this Lease, and will do and perform or cause to be done or performed, at its own expense, all such lawful acts, duties, obligations, matters and things as may be necessary to preserve the corporate rights and franchises of the Lessor from impairment or forfeiture, whether the same are required to be done or performed by the Lessor, or with respect to the said undertaking and works or any part thereof by virtue of the laws of the Dominion of Canada, or of any Province or Municipality.

Join in mortgages.

13. That if required the Lessee will join in any mortgage or deeds of trust, hypothecs or other documents, which it may from time to time be necessary to execute, to provide for the issue or the payment or retirement of the said bonds for the purpose, but for the purpose only, of providing that the payments to be made by the Lessee under this Indenture shall be payable or available in such manner as may be specified in such mortgages or deeds of trust or hypothecs, not inconsistent, however, with the provisions hereof.

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It is understood that the Lessee shall not in any event be called upon or pay any sum or sums on account of principal due or to become due under any mortgages or deeds of trust, or hypothecs, executed by the Lessor to secure any of the securities aforementioned except in so far as the rent payable under this Lease may provide for such payment. Not liable for principal.

14. That the Lessee will at all times during the said term maintain all the demised premises in good and substantial repair and working condition and will, subject to the provisions of clause 8 hereof, renew and replace the same from time to time as the same or any part thereof respectively becomes out of repair, worn out, unusable, lost or destroyed, notwithstanding that this may involve substitution of new for old, and so that all such renewed and replaced premises shall be vested in the Lessor and made subject to the terms of this Lease. To repair.

15. That the Lessee will at all times during the said term afford the Lessor, its officers and agents, all such facilities as it or they shall reasonably require for ascertaining whether the covenants and provisions of this Lease have been or are being duly performed and observed, and will make good any breach or non-observance thereof on demand in writing specifying such breach or non-observance, and that in default of the Lessee so doing it shall be lawful for the Lessor, but without prejudice to the rights of re-entry under the provisions hereinafter contained, to make good any such breach or non-observance at the expense of the Lessee, and the amount of any expense so incurred by the Lessor shall be repaid by the Lessee to the Lessor on demand, and shall from the date of payment by the Lessor be treated as rental due by the Lessee under the provisions hereof. Inspection by Lessor.

16. That the Lessee will at all times during the said term insure and keep insured against loss or damage by fire and other risk usually insured against in the case of similar properties, such of the demised premises for the time being as are of a reasonably insurable nature, to such an amount as is usual in similar properties, by means of an insurance fund maintained or to be maintained by the Canadian National Railways, and that in case of damage to or destruction of the demised premises or any part thereof by fire or other risk insured against the moneys received in respect of such insurance shall be laid out in restoring, reinstating or replacing the same and in case To insure.

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such moneys shall be insufficient for the purpose the deficiency shall be made good by the Lessee; provided, however, that insurance effected under the terms of any mortgages or deeds of trust or hypothecs securing any bonds issued by the Lessor, and outstanding, shall be deemed *pro tanto* compliance with this clause.

delete

Not to assign, etc.

Amalgamation permitted.

Operating agreements.

17. That except as provided for in clause 8 hereof the Lessee will not assign, transfer, or part with the possession or beneficial ownership of, or permit to be taken in execution, the properties for the time being comprised in the demised premises, or any part thereof, but so that this present covenant and provision shall not prevent the Lessee from making or requiring the Lessor to make the various agreements or arrangements provided for in clause 6 of this Indenture.

Assume all debts.

18. That the Lessee will at all times during the said term assume and pay, discharge and perform, all debts, obligations, and liabilities whatsoever, whensoever and howsoever arising, of the Lessor in respect of the said line of railway (other than and except the current expenses incurred for administering the affairs and maintaining the organization of the Lessor for meeting which certain rentals are hereinbefore reserved, and except also the liabilities of the Lessor in respect of the said bonds issued or to be issued by it, or other borrowed moneys) to the intent that the rent mentioned in paragraph (a) of the clause next preceding clause 1 hereof may at all times during the said term be available free from all deductions and claims whatsoever, for meeting the annual charge for interest and sinking funds in respect of the said bonds issued by the Lessor pursuant to the provisions of this Lease.

Surrender upon termination of term.

19. That the Lessee will, subject to the provisions of clause 25 of this Lease, at the expiration or sooner determination of the said term surrender and deliver up to the Lessor the demised premises, and all property, rights and assets of every kind and description comprised or which ought to be comprised in the demise hereby made, and all additions and improvements made thereto, so repaired, maintained and renewed as aforesaid, in good working order and condition; and also will at such expiration or sooner determination of the said term assign to the Lessor, if so required by it, all or any of the contracts, agreements, engagements, or undertakings then existing which may have been entered into by the Lessee in connection with the maintenance, use, operation, renewal or repair of the demised premises or any part thereof.

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AND MUTUALLY AGREED:

20. That in the event of any extensions, enlargements or improvements of whatsoever nature of, upon or in connection with the demised premises or any part thereof, or in connection with the undertakings and works of the Lessor, within its powers as now or hereafter authorized by Statute being at any time required by the Lessee after the Lessee shall have entered into possession of the demised premises the same shall be made, provided, constructed, erected or furnished by the Lessee in such manner and in accordance with such plans and specifications as may be mutually agreed upon between the Lessor and Lessee, or failing agreement as may be settled by arbitration under the provisions of this Lease. The cost of providing, constructing or erecting any such extensions, enlargements or improvements shall in the first place be paid by the Lessee, but the same shall be vested in and become the property of the Lessor, subject to the provisions of this Lease, upon the issue to the Lessee of bonds or other securities of the Lessor, at the option of the Lessee carrying interest at such rate and to be issued on such terms and at such prices as may be mutually agreed upon, or failing agreement to be settled by arbitration as aforesaid, to an amount sufficient at the price aforesaid to meet the cost of any such extensions, enlargements or improvements, including in such cost interest during construction and all engineers' fees and other costs, charges and expenses.

Extensions, etc. to demised premises.

Cost.

Issue of securities to cover.

21. Before the Lessee shall be entitled to require the Lessor to issue to the Lessee any such bonds or other securities as provided in the next preceding clause hereof, the Lessee shall if required by the Lessor execute all such assurances, leases, covenants and documents as may be necessary to vest in the Lessor, subject to the terms of this Lease, the property and works provided for or executed in connection with the said extensions, enlargements and improvements (as the case may be).

Vesting extensions, etc. in Lessor.

22. Provided always and these presents are upon the express condition following, namely:—

Default clause.

(a) If any instalment of any rent or other yearly sum hereinbefore reserved or made payable, or any part thereof, shall at any time be in arrear and unpaid for thirty days after the due date for payment thereof, or

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(b) If the Lessee shall at any time fail to perform or observe any covenant, provision, condition or agreement herein contained and on its part to be performed or observed.

then and in any such case the Lessor may give six months' notice of default in writing to the Lessee, specifying (in the event of default being claimed in respect of the provisions of sub-clause (b) of this clause) the nature of such default and the covenant, provision, condition or agreement so broken; and unless (in the event of default being claimed in respect of the provisions of sub-clause (a) of this clause) the Lessee shall within such notice period pay the rentals or other sums so in arrear, and all costs, charges and expenses which the Lessor may have been put to by reason of such default, or unless (in the event of default being claimed in respect of the provisions of sub-clause (b) of this clause) the Lessee shall within such notice period fully and effectually remedy and make good such default to the satisfaction of the Lessor, the Lessor may without further notice, treat this Lease as void and may forthwith re-enter upon and take possession of the demised premises or any part thereof in the name of the whole and the said premises peacefully hold and enjoy thenceforth as if these presents had not been executed without prejudice to any right of action or remedy of the Lessor in respect of any covenant, condition or provision herein contained; and no acceptance of rent subsequent to any breach or default other than non-payment of rent, nor any condoning, excusing, or overlooking by the Lessor on previous occasions of breaches or defaults similar to that for which re-entry is made shall be taken to operate as a waiver of this condition, nor in any way to defeat or affect the rights of the Lessor hereunder. And that upon the said Lease being so treated as void and re-entry made the Lessee shall forthwith comply with the provisions of clause 19 hereof, and that all and whatsoever is or ought to be surrendered, delivered and assigned to the Lessor, shall be surrendered, delivered and assigned free of all claims by the Lessee and without prejudice to any such right of action or remedy of the Lessor as aforesaid.

Remedying default.

Re-entry.

Waiver negatived.

Provided also that if any part of the rent payable under the provisions of paragraph (a) of the granting clause on page 3 hereof be not paid on the due payment date and shall not be paid within ninety (90) days from such date, the Lessee shall and will immediately pay to the Trustee or Trustees for the time being under the deed of trust or mortgage securing the said bonds, in trust to dis-

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tribute the same ratably among the holders thereof, in full settlement of all past, present and future claims for rent due or to become due under said paragraph (a), a sum equal to the aggregate of

(1) The principal amount of all of the bonds issued and outstanding under said deed of trust or mortgage on the date on which the instalment of interest or sinking fund constituting said rent became payable, plus

(2) The face amount of all unpaid coupons on said issued and outstanding bonds maturing on or before the date on which the instalment of interest or sinking fund constituting said rent became payable, plus

(3) Interest on both of said amounts, at the rate of five per cent. (5%) per annum, from the date on which the instalment of interest or sinking fund constituting said rent became payable to the date of payment of said amounts to the said Trustee or Trustees,

and also shall and will pay to the said Trustee or Trustees all other sums payable or to become payable to it or them under said deed of trust or mortgage by way of its or their remuneration and expenses in the discharge of the trust created thereby.

Arbitration clause.

23. Every disagreement which may arise between the Lessor and the Lessee as to the construction of this Lease or any part thereof, or as to the rights or liabilities of the parties or any of them under this Lease, shall be decided by arbitration, the Lessor to appoint one arbitrator and the Lessee to appoint another, and the two so appointed to appoint a third, but if the Lessor or the Lessee fail for two weeks after appointment and notice thereof by the other party to appoint an arbitrator, or if the two when appointed fail for two weeks to appoint a third, then any Judge of the Supreme Court of Canada may appoint an arbitrator instead of appointment thereof by the Lessor or the Lessee or by the two arbitrators as the case may be, and the award in writing of the majority of the three arbitrators shall be conclusive and binding upon the parties hereto.

Notice to Lessee.

24. Any notice to be given to the Lessee may be given by being delivered or sent by registered mail to the Minister of Railways and

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And Lessor.

Canals or his lawful deputy at Ottawa, Canada, and any notice to be given to the Lessor by the Lessee may be left at or sent by registered mail to the office for the time being known to the Lessee of the Lessor. Should the Lessee be unaware of the location of any such office it may leave or send by registered mail any such notice addressed to the Lessor at the place where the then last preceding payment of rental hereunder was made.

Option to purchase.

25. The Lessee may at any time during the term hereby created on sixty days' notice in writing to the Lessor acquire the whole of the demised premises from the Lessor upon assuming the bonds then outstanding and all interest thereon, provided that all bonds retired by means of sinking fund payments or by means of the application of rental payments under this Lease, or portions of such rental payments, shall be deemed to have been purchased and retired by the Lessee and shall not be considered as outstanding under this clause.

In such case all sinking funds in the hands of the Trustees of the said bonds shall enure to the benefit of the Lessee in reduction of its liability on the bonds so assumed.

In respect of the payment of interest or sinking fund monies on or in respect of outstanding bonds, it is assumed that all payments of rental made by the Lessee hereunder will up to the date of the delivery of the deeds be duly and properly applied to the payments of such interest and sinking fund monies in accordance with the terms of this Lease, otherwise the Lessee may deduct any amounts not so paid out of the monies payable under this clause.

Should the Lessor for any reason neglect or refuse to deliver proper deeds or transfers of the demised premises pursuant to the notice given under this clause, the Lessee may expropriate the whole of the demised premises, in which case the compensation payable to the Lessor in respect of such expropriation shall be fixed at one dollar ($1.00). The Lessor shall also upon exercise of such option if and when required by the Lessee call in and assign to the Lessee or its nominees all of the capital stock issued by the Lessor.

26. This Lease shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

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IN WITNESS WHEREOF the parties hereto have executed this Lease.

Signed, Sealed and Delivered in the presence of } ROUYN MINES RAILWAY COMPANY. }

.....

Secretary President.

.....

Minister of Railways and Canals.

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CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T.D. 1

TELEGRAM

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

344

MUP.267 21 PD.5 EX

OTTAWA ONT OCT 13/25

VIA PORTAGE LA PRAIRIE MAN OCT 13/25 848 P

RT HON ARTHUR MEIGHEN

CARE SENATOR LAIRD REGINA SASK

RE BLONDIN TELEGRAM TOM AND I AGREE YOU SHOULD NOT TOUCH THIS UNTIL RECEIVE FURTHER INFORMATION

HAROLD DALY

2012 K.

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AIMS TO GIVE EUROPE VALUE FOR ITS MONE

Superintendent of Develop ment for C.N.R. Boasts Riches of Ontario

NORTHERN MINING WEALTH

(Canadian Press Cable.)

Paris, France, Oct. 13.—The Do minion of Canada has a $65,000 000 market in Northern Ontario, a amount greater than its total e ports to thirty-seven foreign cou tries, because of its mining and pu and paper industries, without e tailing any representation abroa the necessity of linguistic exper meeting tariff problems, paying t cost of ocean transportation, a the upkeep of a foreign depa ment, according to Cyril T. Your Superintendent of Development f the Canadian National Railwa who is endeavoring to interest Eur pean capital in the development the Northern section of the Provin of Ontario, and a section of t Province of Quebec.

"Premier Ferguson of Ontario an Premier Taschereau of Quebec," sai Mr. Young today, "realize the neces sity of concentrating on developmen along the noted Missanabie River otherwise, as Noel Timmins says there will be dissipation of energie and money in prospecting along it slopes."

In the past, said Mr. Young, the traffic problem was transcontinental but in the future the greatest results would accrue from southbound min ing and pulp products and north bound merchandise from Ontario an Quebec cities.

"Quebec has yet to develop he ridge the same as Ontario," h added, "but the immediate futur will find the work well under way with the result that Quebec City wil become a rival of Montreal, redound ing to the credit of the Province.

"My mission here is to interes capital in development along the ridge, thereby increasing reciprocal southbound and northbound bu ness."

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GRAHAM DEFENDS POLICY ON RAILWAYS

Government Did Not Interfere, He Tells Woodstock Audience

(Special Despatch to The Globe.)

Woodstock, Oct. 13.—Addressing an audience of more than one thc sand peopl in the Griffin Theatre here this evening, Right Hon. George P. Graham made a vigorous defense of the Government's administration of the Canadian National Railways system. Claiming that the Government was not responsible for the building of golf courses at Jasper Park, for the purchas of the Scribe Hotel in Paris, nor the erection of a C.N.R. skyscraper in Toronto, Mr. Graham said that the Canadian National Railways board had done these things absolutely without Government interference by authority of an act which had been placed on statute books by the Meighen Government in 1921.

"Had the Government tried to step in and interfere with the actions of the Canadian National Railways Board," said Mr. Graham, "Mr. Meighen would have been the first to raise the shout of political interference."

Appealing to the farmers who had formerly voted for the Progressive candidates, Mr. Graham said that the question was not whether they would vote for the Liberal candidate or the Conservative, but whether they would vote to pay more for their agricultural implements and the other things they had to buy, or whether they would vote to pay less. That was the issue for the farmers, he said, and the man would be foolish who would cast a vote in favor of increasing the price of the implements he used or the clothes he bought.

He concluded his address by saying that any man who would go around disparaging his own country at a time when it was at the dawn of a new era of prosperity was not deserving of the support of a single elector in Canada.

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Montreal Herald

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EDNESDAY, OCTOBER 14, 1925

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Sectional Politics

BY calling himself a follower of Cartier, Mr. Patenaude has invited comparisons between his policy and that of the old-time leader referred to. The great achievement of Cartier was that he won Quebec over to Confederation. Mr. Patenaude's platform invites Quebec to follow an opposite road. He preaches Quebec against the West, and apparently wishes the West to have no say whatever in federal administration.

And not only is he identifying himself with a bitter antagonism towards western representations, but he is also identified with a split in the very party of which he proclaims himself a leader. By publicly repudiating the federal leader of the Conservative party he is identifying himself with sectional strife in the very party which he claims is the best qualified to govern this country. If Mr. Meighen is not fit to be acknowledged as the party leader in Quebec, then he is not fit for the responsible position of Premier. Imagine a government the leader of which must keep away from Quebec for fear of upsetting the apple cart of his own party!

The Iron Heel

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Rouyn Ply

HOUSE OF COMMONS
CANADA

Leader of the Opposition

Ottawa, Oct. 13, 1925.

Rt. Hon. Arthur Meighen,
c/o J.C. Miller,
Portage la Prairie,
Man.

Dear Mr. Meighen:

Re: Rouyn Railway

I enclose extracts from the Gazette of to-day together with comments of those who sent you the memorandum on this subject.

Yours faithfully,

Harold Daly

(Harold Daly.)

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The Gazette

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blaze.

ROUYN RAILWAY TO BE BUILT AT ONCE

Contract Has Been Awarded —Premier Taschereau Pleased at Result

Premier Taschereau, who was at the local provincial government offices yesterday, expressed pleasure at the fact that the contract for the construction of the Rouyn railway had been granted by the subsidiary company of the Canadian National Railways which was incorporated last session of the Legislature for the purpose of building the line. The C.N.R. will operate the line.

Mr. Taschereau felt that the construction of this line will prove of great benefit to Montreal and Quebec, as well as aid in the general welfare of the province. The work will be started immediately, according to his information.

The matter of tapping the mineral area of New Quebec has engrossed the attention of the provincial government for some time. With the discovery of the possibilities of the region becoming more apparent the Quebec government was appealed to for means of entry. The colonization department opened up the area to a large extent by the building of a colonization road, which enables supplies to be taken in, but it was felt that the region could be developed only if it were tapped by a railway line. To that end the government decided to grant aid by means of cash grants, and this has been fixed at $250,000, which will be paid in annual amounts of $50,000 for a period of five years, by which time it is hoped by Mr. Taschereau and the company that the road will be on a paying basis. The mileage is 43, running down into the mineral area from O'Brien, a point on the Transcontinental railway line.

Mr. Taschereau expressed the opinion now that the entry into the region has been assured, that the firm attitude that had been taken by the province of Quebec had been amply justified. The province of Ontario was anxious to build the line as an extension of its present system, the Temiskaming and Ontario, and that company's subsidiary, the Nipissing Central, but Premier Taschereau and his colleagues took the attitude that the wealth of this province should not be diverted to Toronto over the line of the Ontario government, but that the district should be tapped for the primary benefit of this province, and notably Montreal and Quebec.

The Quebec government took the attitude that the opening of the big mineral region will mean a good deal for those cities from which supplies must be secured, even as the city of Toronto was largely built up by the developing of the Cobalt region and the gold mines still further north in Ontario, and tapped by the T. and N.O., and to that end Permier Taschereau entered strong objection to the Ontario government coming into the province, since that would have meant that Toronto would have been the main base of supplies for the region. For a time legal complications threatened, the Ontario authorities claiming that as the Nipissing Central had a federal charter it had the right to extend into Quebec, even through Crown lands of the province of Quebec, an attitude vigorously denied by Quebec. With the building of the Rouyn railway, for which the contract has now been given out, it is not expected that Ontario will entertain any idea of coming into this province.

Contrary to statements from the city of Quebec, the federal Government is not making any grant to aid in the building of this line. Mine owners interested are contributing to the cost, it is learned.

SMELTER AT ROUYN

Interested Parties to Confer at Quebec Soon

(Special to The Gazette.)

Quebec, October 12.—A final conference between Premier Taschereau, Hon. J. E. Perrault, Minister of Mines, and J. Y. Murdock, K.C., president of Noranda Mines, Limited, regarding the construction of a smelting plant in Rouyn township in the northwestern goldfields of Quebec, will be held at the end of the week, most likely Saturday. While general plans have been agreed upon between the Government and the mining interests referred to (for instance as to the respective annual contribution of $50,000 and $20,000 for a period of five years toward the Rouyn Mines Railway), there still remain certain privileges, which are expected to be granted to the mining company to allow it to carry on its project without obstacles.

A rough estimate of the cost of the smelting plant, places it at $6,000,000, and over fifteen hundred men will be employed the whole year round. It is still expected that efforts will be made to persuade the Noranda Mines to build a refining plant near this city or in the Saguenay district, which would be supplied with power either from the Shawinigan or the Duke-Price Company.

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COMMENT.

In the normal way, this ~~xxxx~~ statement should properly have been given out on Monday or Tuesday of last week,- that is, immediately following the completion of the transaction at Quebec.

The insertion of the last paragraph contains what is intended to be a denial of the dispatches printed a week ago last Monday.

It is not a denial, however,- but merely a statement that the Dominion Government has not aided the work by any grants. The Quebec Government has made grants.

This statement does not deny that the Dominion Government has assumed contractual liabilities in respect of the leasing of the road, which ~~undertaking~~ by order-in-council attach the credit of the Dominion,- thereby creating through such instruments good collateral securities upon which loans and advances may readily be made.

October 13th. 1925.

Note:-

In the further explanation which will likely be offered, it will most likely be claimed that any measure by way of bond guarantees in the matter, does not constitute a direct charge upon the Dominion,- but is merely an indirect or contingent liability which will never be exercised against the guarantor for the reason that the road is certain to carry the fixed charges itself out of earnings after the first five years,- which deficit is being provided for by the cash contribution of the Quebec Government.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 1 X.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075494

TELEGRAM

CABLE CONNECTIONS TO ALL THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

RA69 15

D MONTREAL Q OCT 14-25 1230

170

MAJOR J H LYONS

CHATEAU LAURIER OTTAWA ONT

MATTER UNDER CONSIDERATION OF ALL

CONCERNED TODAY DECISION SOON IMPRESSION

GROWS THAT WEST SHOULD ACT

P E BLOUNDIN

1255 P

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES

ARCHIVES PUBLIQUES

CANADA

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

TELEGRAM

FORM T. D. 1

075495

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

R N...121 PAID 10 EXTRA

OTTAWA ONT OCT 13-25 VIA PORTAGE LA PRAIRIE MAN OCT 13
VIA REGINA SASK OCT 14-25

RT HON ARTHUR MEIGHEN

WOLSELEY SASK

FROM BLONDIN RE DOCUMENT SENT YOU BE DALY STOP I FULLY SHARE WORSE SUSPICIONS IT AROUSES STOP UNDER PRESENT CONDITIONS YOU CAN DEVINE THE REASON FOR THE ATHANASIAN PARALLELOGRAM UMBRAGE SWEET STOP REFUSAL SLAUGHTER INUMERABLE MURDERER FREEHOLDS ADMIRED NO DOUBT ADVISEABLE STOP IT IS THE METHOD AND MEANS EMPLOYED TO HANG THIS THING ON RAGINGS OPENS STOP VIEWING THE TRANSACTION AT ITS MILDEST IT IS ANOTHER DANGEROUS AND FLAGRANT PROCEEDING WHICH MUST NOT BE ALLOWED TO PASS UNCHALLENGEDSTOP IT IS GOVERNMENT BY ORDER IN COUNCIL IN ITS MOST PERNICIOUS FORM STOP DO NOT WAIT FOR ANY NEWSPAPER TO POINT THE WAY NOW STOP THIS SHOULD BE DONE BY YOURSELF ALONE.

A W MERRIAM

9.41K

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075496

On train,
October 14, 1925.

Dear Harold:

Have received a wire from Blondin per Merriam and also received your wire giving me the opinion of yourself and Tom. My trouble is I do not know what it is all about yet. Have had no document from you such as is referred to in Blondin's wire. I suppose I had better wait a day or so and see if this document comes.

Yours very truly,

Harold Daly, Esq.,
Leader of the Opposition Office,
House of Commons,
Ottawa, Ont.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE DESIRED	
TELEGRAM	
DAY LETTER	
NIGHT MESSAGE	
NIGHT LETTER	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Form 1207 Canada

NO.	CASH OR CHG
CHECK 0 25497	
TIME FILED	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

On Train, October 15, 1925. 19

To Harold Daly - House of Commons, Ottawa.

Street and No. (or Telephone Number) Meighen's Office.

Place

Have received no document from Blondin only telegram consequently in dark as to what matter consists of. Send information.

Arthur Meighen.

Night Rate.

SENDER'S ADDRESS FOR ANSWER SENDER'S TELEPHONE NUMBER

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

Form 6123, replacing Form 1-TW

075498

CANADIAN NATIONAL TELEGRAM

HEAD OFFICE, TORONTO, ONT. W. G. BARBER, GENERAL MANAGER

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

17WGDA 13-5 EXTRA

Phone 84 for Messenger 44

MONTREAL QUE OCT 15 1925 VIA PORTAGE MAN OCT 15 1925

HON ARTHUR MEIGHEN

DAUPHIN MAN.

TWO RELIABLE FRIENDS TO MEET YOU RE COMMUNITION.

P E BLONDIN.

606PM

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

TELEGRAPH CANADIAN NATIONAL AND CABLE

HEAD OFFICE, TORONTO, ONT. W. G. BARBER, GENERAL MANAGER

Form 6123, replacing Fo

875499

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

16WGDA 22-5 EXTRA

Phone 84 for Messenger 44

MONTREAL QUE OCT 15 1925 VIA PORTAGE MAN OCT 15 1925

HON ARTHUR MEIGHEN

DAUPHIN MAN.

RE COMMUNICATION BLONDIN MATTER SHOULD NOT BE USED BEFORE TUESDAY THE TWENTIETH OTTAWA JOURNAL BEST PUBLICITY CHANNEL.

RAINVILLE.

604PM

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075500

On Train,
October 15, 1935.

Dear Mr. Rainville:

I have just received your wire of the 15th, re communication Blondin. I have received no communication to my knowledge from Senator Blondin, all I have received is one or two wires advising me of it, and consequently I do not know what the matter is. I have wired, however, for it and may get it before this letter reaches you.

Yours very truly,

J.H. Rainville, Esq.,
President and General Manager,
Argonaut Gold Ltd.,
307 Dominion Express Bldg.,
Montreal, P.Q.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T.D. 1

TELEGRAM

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

075501

1925 OCT 15 PM 3 36

RAA311 13

D MONTREAL QUE 15 418P

1869

MAJOR J H LYONS

FORT GARRY HOTEL WINNIPEG

MESSAGES FROM LEADER HERE ALREADY SENT APPROVING. OPINION IS JOURNAL SHOULD PUBLISH FIRST

P E BLONDIN

I

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

GREAT NORTH WESTERN TELEGRAPH AND CABLE

DAY LETTER

Z. A. LASH, PRESIDENT — HEAD OFFICE, TORONTO, ONT. — GEO. D. PERRY, GENERAL MANAGER

FORM D.L. 2 T W

0755 02

RECEIVER'S No.	TIME FILED	CHECK
WGC I3k		32 paid 5x

SEND the following Day Letter, subject to the terms on the back hereof, which are hereby agreed to

Ottawa Ont Via Portage Man Oct I6-25

Rt Hon A Meighn
Eriksdale Man.

Mr Miller or Mr Boyd will hand you document everthing looks first rate I made a bet yesterday that we would carry 30 seats in Quebec.

Harold Daly.

SENDER'S ADDRESS FOR ANSWER

SENDER'S TELEPHONE NUMBER

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 1207 Canada

CLASS OF SERVICE DESIRED	
TELEGRAM	
DAY LETTER	
NIGHT MESSAGE	
NIGHT LETTER	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

NO.	CASH OR CHG
5503	
CHECK	
TIME FILED	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

On Train, October 16, 1925. 19

To Harold Daly, care of Leader of Opposition Office,
House of Commons,

Street and No. (or Telephone Number)

Ottawa, Ont.

Place

Document received O.K.

Arthur Meighen.

Night rate.

SENDER'S ADDRESS FOR ANSWER SENDER'S TELEPHONE NUMBER

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 2 X.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

TIME FILED 07 55 04

CHECK

TELEGRAM

CABLE CONNECTIONS TO ALL THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

Send the following Message, subject to the terms printed on the back hereof which are hereby agreed to.

RUSH RUSH.

On Train, October 18, 1935.

Hon. P.E. Blondin,
St. Francois du Lac,
Yamaska County, Que.

and also to

Hon. P.E. Blondin,
Power Bldg., Craig St. W.,
Montreal, P.Q.

Sent from Eagle River (CPR) at 3.30 pm Oct 18/35 WTS.

Chief has received no message other than yours. As matter arises in Quebec province he desires explicit approval of leader there before making attack on transaction himself. He fully shares your view enormity of transaction and entirely ready have same fully

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC R'Y. CO.'S TELEGRAPH

FORM T. D. 2

TELEGRAM

075505

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

Sent No.	Sent By	Rec'd By	Time Sent	Time Filed	Check

Send the following Message, subject to the terms printed on the back hereof which are hereby agreed to:

disclosed, insisting only on approval as above. He seems to feel also that attack probably more effective if started by "P." himself, but will be governed largely by latters advice. Have "P". wire Chief direct Sudbury or on train immediately. He spends Monday evening there. Am on board with Chief now for Sudbury.

Joe.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075506

CANADIAN PACIFIC TELEGRAPHS.

On Train, October 19, 1925.

Hon. Senator P.E. Blondin,
Montreal, P.Q.

Referring wire Joe sent yesterday, waiting anxiously for approval from friend. Time presses.

Arthur Meighen.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075507

Form 6122
Replacing Form 1-TW

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

HEAD OFFICE, TORONTO, ONT. W. G. BARBER, General Manager

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

Ottawa Ont Oct 20 70

Hon Arthur Meighen Tillsonburg Ont..

Have just spoken Blondin at Quebec City advises that repeat messages sent yesterday nineteenth to Sudbury. Also wants me to give you assurance of fullest co-operation by P and urges that no time be lost now in introducing subject. Will remain Chateau here please advise where and when you will act. Think also you should wire P D Ross here in same sense regards.

Joe.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075508

~~CANADIAN PACIFIC RAILWAYS.~~
CNR

night letter.

Oct 20/25.

Sam. MacDougall,
Chateau Laurier,

Ottawa, Ont.

Referring Joe wire also Rosses wire, have no doubt whatever whole scheme is devised to evade Parliament, especially Senate and to secure immediate campaign necessities. The whole is utterly unprecedented. At same time P. evidently refuses to protect me by direct approval. Under circumstances consider proper exposure is through press, preferably Montreal but if not Ottawa. Please discuss Ross fully showing this telegram.

Arthur Meighen.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

FORM T.D. 1 M.

075509

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

40rnsa 180 (72)

Ottawa Ont Oct 20-1925

"CANADIAN PACIFIC TELEGRAPH" For Prompt Service PHONE 162 Woodstock

Honorable Arthur Meighen
Woodstock, Ont.

Major Graham Bell deputy minister of railways states to Journal that order in council contains the following stop Quote under the order in council and agreements attached permission is given for the issue of five million dollars in bonds to cover the cost of construction and any enlargements and extensions found necessary thereto of a road to be known as the Rouyn Railway into the Rouyn mining area of Northern Quebec stop

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 1 M.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075510

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

2nd sheet(70)

"CANADIAN PACIFIC TELEGRAPH"
For Prompt Service
PHONE 162
Woodstock

the Rouyn Railway a private company will lease the Road to the National Railways who will operate it stop the amount of the lease which will be paid by the government to the company will equal the yearly interest on the actual cost of the road plus a sinking fund which will be set aside to retire the bonds which mature in thirty years end quote Mr Bell says contracts

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 1 M.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075511

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

3rd sheet (38)

"CANADIAN PACIFIC TELEGRAPH"
For Prompt Service
PHONE 162
Woodstock

will be let by tender and that all payments must be authorized by the board of trustees of the National Railways under the provisions of the branch lines act stop Journal is not publishing any thing as yet.

P D Ross

345PM

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075512

Blondin matter

On Train,
October 20, 1925.

Dear Sir:

Mr. Meighen, who has just this minute left for the meeting in Woodstock, just received your wire and before leaving requested me to write you and thank you very much for it. He has asked Sam. MacDougall, who knows the circumstances fully, to discuss the matter with you, giving further details than those contained in the memorandum. He also asked me to say that Mr. Merriam should write a letter demanding copy of Orders-in-Council affecting this railway, asking for them immediately. This, he thinks, will probably procure them.

Yours faithfully,

Secretary.

P. D. Ross, Esq.,
The Ottawa Journal,
Ottawa, Ont.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 1 M.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075513

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

No 11 Rn K Ck 51 12.15Pm.

D Montrael Que Oct 21/25. 11.43Am.

Right Hon A Meighen,
St Marys Ont.

file

Friend here anxious matter be dealt with at once by you as you see fit new situation developing in Quebec district as explained by my letter Harold Daly please wire Webester see immediately Lucien Morand in Quebec and do all that is ~~xxxxxxx~~ necessary. Hope you will speak on railway matter to day.

P E Blondin.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

FORM T.D. 1 M.

075514

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

35 RN AN 113-8.Extra Count "s

W-Montreal,Que, 7.35pm Oct 21st 1925

Hon Arthur Meighen

STRATFORD ONT

USE C. P. R.
FOR PROMPT SERVICE,
—PHONE 128—

Both of us here and saw Rainville who positively assures "P" Co-operation moment you open the question stop we are quote satisfied this is genuine and reliable stop LaPresse here ran first flash extra six o'clock tonight and whole story appears front page Coincident with Journal and Your speech tomorrow Thursday stop large and influential local groups now assembling to strongly urge you to appear here before polling preferably Sunday stop will wire from Ottawa tomorrow what has been developed in this way stop first flash greated great sensation and should be followed by most vigorous speech which is now being impatirntly looked for.

SAM MCDOUGALL — 855p

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 1 M.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075515

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

NO 13 RN S 144 5 EX 120 PM Count ".
Ottawa Ont Oct 21/25. 1215 PM

Hon Arthur Meighen, St Marys Ont.
OR Fwd to Stratford.

Your wire stop saw ross who runs story tomorrow thursday evenig edition repeating friday morning stop . This essential to reach rural sections before sunday especially quebec stop spoke Blondin again this morning montreal stop insist rainville messages direct from " P " stop we still of opinion that " P " is under temporary restraint of personal communication which might indicate teamplay with yourself at this time stop also taschereaus friends want to avoid taking initative in ligh ting fuse to his door yet none of them can afford to defend or suppress matter once launched vigorously by yourself in which joe and myself are convinced you should take unmistakeabl e personal lead in doing stop ross prefers to refrain from recommending your personal course stop joe leaves today noon joining blodin montreal there with others to direct program through press there.

Sam McDougall.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 1 M.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075516

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

40 RN C 153, 8 EX RUSH OTTAWA ONT OCT. 22/25- 340PM

RT.HON. ARTHUR MEIGHEN,

NIA FALLS ONT. , OR FORWARD DUNVILLE ONT.AND REPORT DELY QUICK .

MATTER NOW FULLY EXPOSED IN EXTENSO BOTH HERE AND MONTREAL TODAY STOP WE HAVE GIVEN YOU BEST OF OUR ADVICE ON THIS MATTER WHICH WE HOLD TO BE SUPERIOR TO ANY YOU CAN RECEIVE FROM FRIENDS THERE INASMUCH AS WE ARE BETTER INFORMED AND BETTER ABLE TO JUDGE AND ADVISE STOP MATTER THEREFORE MUST TAKE ITS OWN COURSE STOP IN ANY CASE YOUR SPEECH IS LOOKED FOR TONIGHT WHICH

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T.D. 1 M.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

075517

TELEGRAM

All Messages are received by this Company for transmission, subject to the terms and conditions printed on their Blank Form No. 2, which terms and conditions have been agreed to by the sender of the following message. This is an unrepeated message, and is delivered by request of the sender under these conditions.

J. McMILLAN, General Manager of Telegraphs, Montreal.

WE TRUST WILL NOT LACK VIGOR STOP PS FRIENDS MONTREAL
CONFIDENT OF SWEEP IN PROVINCE ON STORY ALL HANDS BEING
FULLY CONVINCED OF INIQUITY AS YOU ARE STOP SINCERELY HOPE
YOU WILL NOT BE CAUGHT NAPPING IN THIS OPPORTUNITY TO
ASSERT YOUR PERSONAL LEADERSHIP WHICH ALL OF YOUR REAL FRIENDS
ARE FIGHTING FOR STOP A BETTER OPPORTUNITY CANNOT BE AFFORDED
TO YOU STOP IF YOU STILL DOUBT THERE IS NOTHING
TO PREVENT YOUR WIRING P DIRECT.

SAM MCDOUGALL.

407P

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075518

Blondin Mulca

On Train,
October 22, 1925.

My dear Senator:

Referring to the matter underdiscussion, I have consulted friends carefully and still feel that action on my part without direct approval would be dangerous. No sufficient reason for refusing direct approval. I am also strongly of the opinion that Mr. P. should use matter himself as his province is the one affected.

Yours sincerely,

Lieut.-Col. the Honourable,
P.E. Blondin,
Montreal, P.Q.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075519

On Train,
October 23, 1925.

Dear Dr. Ross:

I received last night your letter of the 22nd. Am glad this matter has been given publicity. Personally I felt it was unwise for me, without at least express approval, to make myself the leader in an attack on this Quebec railway proposition. Great pressure was brought to bear upon me but was resisted. You will have no difficulty in understanding my reasons, and I can in any event discuss the matter more fully with you when we meet.

The campaign seems to be running splendidly with improved prospects as days go by.

I am extremely sorry to hear from Grattan O'Leary that he is not being supported in Gaspe, as he had a right to expect. Have sent repeated wires in an endeavour to help him but am of opinion that there is hostility at Montreal headquarters because of his well known friendship for myself. Without a question John McConnell would help him unless restrained, and I have not succeeded in getting any explanation of the situation yet.

Very truly yours,

Dr. P.D. Ross,
Ottawa

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075520

CONFIDENTIAL.

Ottawa, November 5th. 1925

My dear Mr. Meighen,-

Realizing how deluged you would be with communications after the 29th. of October, I have waited until now, when the smoke has blown away, to contribute to you my point of view, which may or may not be useful.

I must tell you that it is a source of personal satisfaction that the results definitely silence any question as to your leadership of the Party,- from any source.

The results of your personal canvass of the country on the protection programme are a mandate to you to proceed,- and you should not misinterpret the Province of Quebec on the returns.

Everything that could be said about yourself and the manner of your conduct in the late war and any new war has been said, with the fullest possible emphasis. The answer to all of this you will find in the greatly reduced Liberal majorities in the constituencies where the candidates specialized on this argument. I mention this in passing so that you will know what my own appreciation is of the recent vote in Quebec.

We are, nevertheless, at an 'impasse' insofar as positive government is concerned. I do not regard this as an unhappy circumstance for the reason that it is a problem which is entirely Mr. King's and must be solved by him in his own way.

When it may be necessary to test strength, I am quite confident that you will not permit the main issue,- the protection issue,- to be submitted to a House division. This has been settled at the polls,- an authority greater than the House.

In the event of your having to meet Mr. King in the House as leader of the Opposition, you have , no doubt, given consideration to the proposition that the Government may be successfully challenged on the matter of the Rouyn Railway Order-in-Council.

Upon a division on a question of this kind, involving as it does the rights and authority of Parliament and the Senate being usurped by the Cabinet, the entire Progressive representation together with some Liberal representation would be forced to support a motion of want of confidence.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075521

Under the circumstances, it would seem appropriate that a Royal Commission be erected to sift the financial operations which arise in and flow from this same order-in-council, to the end that the principals to the transaction,- notably the executives of the Canadian National Railway, may be exonerated from the suspicions of conspiracy to defeat the will of Parliament in the matter of creating branch lines,- and that the Canadian National Railway has been exploited for political and election money needs. Such a charge has been openly made by the Ottawa "Journal" and, as far as I know, has not even been challenged by any member of the Government.

As I understand it, there was a pact and understanding that the Canadian National Railway should be given absolute divorce from political exploitation. The evidences are that this pact has been broken and a stigma attaches to the executives of the Canadian National Railways in consequence of this extraordinary order-in-council. I have already stated to you my belief that we have yet to know the worst of this transaction.

There is something in this Rouyn transaction that will shock the people of Quebec to a greater degree than you may credit.

The fundamental badness of this transaction has not yet been brought home to them in understandable terms.

Quebec cherishes belief in the invoilability of Parliament and reposes in Parliament it's fullest confidence and trust.

If you demonstrate to Quebec in clear terms how a set of men in power have made Parliament and the Senate a mere adjunct to their designs, you will see how pitilessly Quebec will resent it. And as the champion of Parliament and the prosecutor of those who would mislead and misguide Quebec, you will find in her a grateful and appreciative client.

I would have you assured that the people of Quebec respond quickly to expressed courage and conviction,- and they really do not think that you are a horned and hoofed devil as some of the circus politicians have painted you.

What has been achieved up to date is that you have carried success with you wherever you have come into personal contact with the people of the country and now that all the heat of elections has cooled down,- and a new election impending,- I think you should plan to be in Montreal, under proper auspices and carry the gospel yourself.

I don't think you should have any misgivings in ruthlessly destroying the Rouyn Railway project. McDougall and Lyons can provide you at once with a better plan for all concerned. They are skillful and able operators and know their business as practical and successful railway men, and have ample financial backing to carry out their undertakings.

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The foregoing is offered to you for whatever value you may find in it, and assuring you of my constant willingness to be helpful as the need arises, believe me,

With best wishes,

Faithfully yours,

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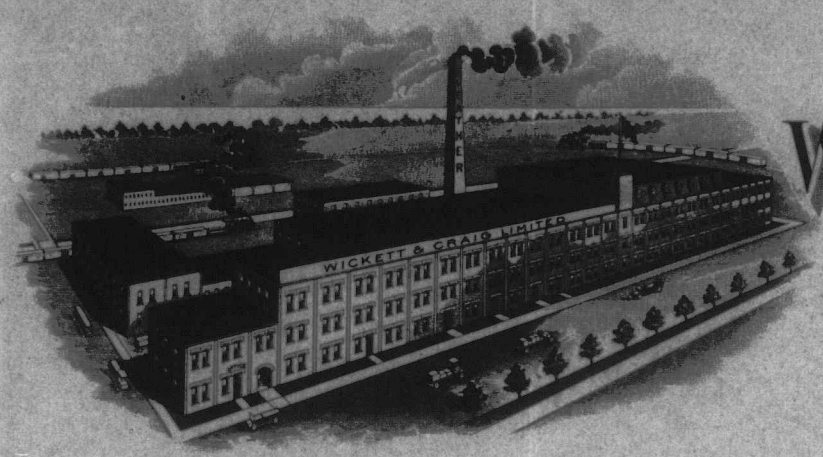

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Cable Address "WICKRAIG TORONTO."
CODES: WIDEBROOK & WESTERN UNION.

Toronto, Canada, November 5th 1925

Rt. Hon. Arthur Meighen,

Ottawa.

Dear Sir,-

I am enclosing a clipping from the "Northern Miner", which I thought might be interesting to you. I think a great many people feel that Quebec acted in an unfair manner in regard to the railroad connection with Rouyn. It is understood that the Nipissing Central would have put on the 21 miles completed this year had they had free hand, as against the 40 miles that Quebec has to go, which would make a great difference to the development in this particular mining camp as compared to the Quebec delay and double the distance.

We all know that the intelligent tax paying public of the Dominion have thoroughly endorsed your policy. We are enthusiastic and awaiting the time when you will be placed in power and have the command of things once again.

Wishing you every success, I am,

Yours very truly,

S. R. Wickett.

S R Wickett

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Northern Miner Oct 31/25

Rouyn Railway In Political Fight

Grave charges against the Mackenzie King administration have been made by The Ottawa Journal in regard to the Rouyn Mines Railway. The Journal declared that the "Prime Minister of this country and his government had deliberately acted to dishonor the public law of his country" and talked of "the dishonorable political nature of the secret order-in-council authorizing the issue of the bonds" for the construction of the line. The creation of a slush fund was suggested.

If the Conservatives should come into power it is probable that the whole question will be reopened, and construction halted.

The Liberal Conservative Association of South Temiskaming also hurled into the campaign the serious charge that Premier Taschereau and Premier King worked in collusion to block the Nipissing Central.

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November 9th, 1925.

S. R. Wickett Esq.,
C/o Wickett & Craig Ltd.,
Don Esplanade,
Toronto,
Canada.

Dear Mr. Wickett,-

I wish to thank you for your letter of November 5th and particularly for your reference to the endorsation of the Conservative Policy by the Canadian People generally.

I note what you say regarding the enclosed clipping and will keep that matter in mind should occasion arise to deal with it.

Yours sincerely,

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HON. P. E. BLONDIN, C.P., SENATEUR
BENOIT BISSONNETTE

075526

TELEPHONE
MAIN 4018

BLONDIN & BISSONNETTE
NOTAIRES - NOTARIES
POWER BUILDING—EDIFICE POWER
83 CRAIG ST. WEST - 83 OUEST, RUE CRAIG

MONTREAL, November the 9th, 1925.-

Right Hon.Arthur Meighen,
House of Commons,
O t t a w a,
ONT.-

Dear Mr.Meighen,-

As I told you, I am enclosing the letter which was intended for you over a week ago, leaving it as it was then.

The idea my friends and I had was that the Rouyn Affair would be used right at the start.

We were leaving to you to judge if it is possible to bring such a question at the opening of the House.

Since then, Mr.King has decided to call Parliament on the 10th of December next. We are wandering if it would not be advisible to start the publication of the Affair in the Newspapers,and inquire from Mr.King if he is afraid to give explanation on the matter.

As for the gentleman I was to see,I have obtained indirect communication with him,and was informed that his desire was that for the present he should keep quiet and wait.

As for the man down Quebec, Senator L'Espérance is attending to his case, and I think that he should be given the necessary time to bring result.

Yours truly,

P.E.Blondin

PEB:LP.

P.S. Should not you secure at once a copy of that Order-in-Council concerning Rouyn, as I think you are entitled to have it?-

P.E.B.

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Rouyn

Ottawa, November 11, 1925.

My dear Senator:

I have your letter of the 9th. Have already discussed with you the Quebec situation so now need only refer to the Rouyon matter. Am taking steps to secure this Order-in-Council. There is no reason in the world now why the matter should not be immediately brought up in Parliament. It looks to me like a clear a case of high-handed, brazen autocracy as a Government could be guilty of. When you find party leaders preaching democracy and responsible government with evangelistic fervour always look out for them in action. I expect Senator L'Esperance down tomorrow to see me with regard to Bagot. I know he will keep in touch with you.

Yours very truly,

Hon. P.E. Blondin,
83 Craig St. West,
Montreal, P.Q.

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HOUSE OF COMMONS
CANADA

Leader of the Opposition

Ottawa, Nov. 12, 1925.

E.J. Lemaire, Esq.,

Clerk of the Privy Council,

Ottawa.

Dear Mr. Lemaire:

Will you kindly supply me with a copy of the Order in Council ~~guaranteeing~~ respecting the ~~$5,000,000.~~ bond issue ~~in connection with~~ of the Rouyn railway, and oblige,

Yours very truly,

Arthur Meighen

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Ottawa, Nov. 12, 1925.

E.J. Lemaire, Esq.,
Clerk of the Privy Council,
Ottawa.

Dear Mr. Lemaire:

Will you kindly supply me with a copy of the Order-in-Council respecting the bond issue of the Rouyn railway, and oblige,

Yours very truly,

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Ottawa, Nov. 12, 1925.

E.J. Lemaire, Esq.,

Clerk of the Privy Council,

Ottawa.

Dear Mr. Lemaire:

Will you kindly supply me with a copy of the Order in Council guaranteeing the $5,000,000. bond issue in connection with the Rouyn railway, and oblige,

Yours very truly,

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CANADA

OFFICE OF THE CLERK OF THE PRIVY COUNCIL

Ottawa, 18th November, 1925.

The Right Honourable
Arthur Meighen, P.C., M.P.,
House of Commons,
O t t a w a.

Dear Mr. Meighen,

With further reference to your communication of the 12th instant and to my reply of the 13th, sending you a certified copy of the Order in Council (P.C. 1758) of the 26th September, 1925, concerning the Rouyn Railway, I beg to enclose, herewith, the annexes to the Order above-mentioned. These annexes were omitted at the time I sent you the Order in Council as I did not then have any copies of the printed agreement.

Yours very sincerely,

E. J. Lemaire

E. J. Lemaire,
Clerk of the Privy Council.

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File of draft has copy

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CANADA

OFFICE OF THE CLERK OF THE PRIVY COUNCIL

Ottawa, 13th November, 1925.

The Right Honourable
Arthur Meighen, P.C.,
House of Commons,
O t t a w a.

Dear Mr. Meighen,

In answer to yours of yesterday, I am directed to forward to you, herewith, a certified copy of P.C. 1758 of the 26th September, 1925, concerning the Rouyn Railway.

Yours sincerely.

E. J. Lemaire

E.J.Lemaire,
Clerk of the Privy Council.

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PRIVY COUNCIL CANADA

Certified copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the The Deputy of 26th September, 1925.

******:0:******

The Committee of the Privy Council have had before them a report, dated 25th September, 1925, from the Right Honourable the Prime Minister, for the Minister of Railways & Canals, representing as follows:

1 - That the Rouyn Mines Railway Company, hereinafter referred to as the "Mines Railway" or "the Company", is a body corporate, duly incorporated under the Statutes of the Province of Quebec, 1925, Chapter 110 thereof, with authority to construct and operate "a line or lines of railway from a point on the National Transcontinental Railway near O'Brien, in the township of Privat, in the Province of Quebec, thence southerly through the townships of Privat, Poularies, Dostor and Dufresnoy, or other adjacent township, to a point in the township of Rouyn; with power to build branch lines from a point in said township of Rouyn westerly to a point on the provincial boundary between the Provinces of Quebec and Ontario, and easterly to a point at or near Grand Lake Victoria, and a point on the National Transcontinental Railway west of Parent.

2. - That the Mines Railway under its Act of Incorporation is authorized to borrow in Canada or elsewhere the sums of money needed for the construction, maintenance and operation of the railway, the purchase of the land and the construction or acquisition of other properties or works, other than the railway which the said Company is authorized to acquire, construct or operate and to issue bonds, debentures and other securities for any sums so borrowed.

3. - That the Mines Railway under its Act of Incorporation is authorized to lease, sell or transfer the whole of its railway or the whole or any part of its interests in the whole railway or any part thereof to any railway company or to the Crown.

4. - That, pursuant to its statutory authority, the Mines Railway is constructing a line of railway from a point on the National Transcontinental Railway, near O'Brien, in the township of Privat, in the Province of Quebec, thence southerly through the townships of Privat, Aiguebelle, Dostor, Clerley and Dufresnoy to a point in the township of Rouyn, a distance of approximately forty-five (45) miles, which line of railway is hereinafter referred to as "the railway".

5. - That under the authority of the Statutes of Canada, 1915, Chapter 16, Section 1, Subsection (1) thereof, the Minister of Railways & Canals is authorized and empowered as follows:-

"1. - The Minister of Railways & Canals is author-
"ized and empowered, subject to the authority of the Gov-
"ernor in Council, to construct, purchase, lease either
with

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"with or without an agreement to purchase, or otherwise "acquire in whole or in part, any line or lines of rail-"way, branch line, railway bridge, railway station, rail-"way terminal, railway ferry or other railway work in the "provinces of Quebec, New Brunswick, Nova Scotia & Prince "Edward Island, or in any of the said provinces, which in "his opinion can more conveniently and usefully be oper-"ated as part of the Government Railways system, or which "may be deemed necessary or desirable for the more effi-cient operation of the said system; Provided, however, "that a copy of every such lease or contract of purchase "shall be laid before Parliament within one month after "the execution thereof, if Parliament is then sitting, or, "if Parliament is not then sitting within ten days after "the opening of the next session thereafter: Provided, "further, that no such line of railway so leased, pur-"chased or otherwise acquired, shall exceed two hundred "miles in length in any single instance: Provided, fur-"ther, that no contract for the construction of a line of "railway exceeding twenty-five miles in length shall be "entered into or the purchase price of any such railway "or other work be paid until after a sum of money for the "purpose has been appropriated by Parliament: Provided, "further, that any such railway, or other work, when so "constructed,leased,purchased or otherwise acquired,shall form part of the Government Railways system and shall be "subject to the provisions of the Government Railways Act: "Provided, further, that no such railway shall be so con-"structed, leased, purchased or otherwise acquired unless "it directly connects with some part of the then existing "Government Railways system".

6. - That the Mines Railway by a resolution of the Board of Directors passed at a meeting of the said Board held in the City of Montreal on the 14th day of September, A.D. 1925, unanimously resolved in effect that a lease of the railway may be made to His Majesty the King in the right of the Dominion of Canada in general form of a printed draft lease submitted, subject to such changes therein as may be approved or aotherized by the Governor in Council and agreed to by the President of the Company, a certified extract from the Minutes of the Meeting of the said Board of Directors passing the said resolution and covering the same hereto attached marked "A", and a copy of the general form of the said printed draft lease hereto attached marked "B".

7. - That the draft lease marked "B", amongst other things, provides in effect as follows:

(A) That the Mines Railway proposes to create an issue not exceeding $5,000,000. of Thirty Year 4½ Per Cent First Mortgage Bonds, of which issue it is estimated that approximataly $3,500,000. will be required to provide cost of construction of the railway; the said issue of bonds to be secured upon the railway and other properties of the Mines Railway;

(B) That the Mines Railway lease to His Majesty the railway, together with all moveable and immoveable properties of the Mines Railway acquired for the purposes of the railway, or constructed or used in connection therewith,or in connection with maintenance and operation thereof, and also rents, revenues, etc., including corporate and other franchise rights, etc., of the Company, for a term of thirty years;

(C) That the rentals to be paid by His Majesty to the Mines Railway under the lease during the terms to be as follows:-

(a)

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(a) During the first and every subsequent year of the said term such sum as shall be sufficient (in accordance with the terms and provisions of the deed of trust or mortgage securing the said bonds) to pay the interest and sinking funds upon the said bonds for the time being issued and outstanding, and all other monies lawfullly payable under such deed of trust or mortgage, including accrued interest on bonds purchased or drawn for redemption under the sinking fund provisions thereof. The whole of such rental shall be paid free of all lawful Canadian taxes or deductions of whatsoever nature, and shall at the option of the Lessor be payable in the City of New York in gold coin of the United States of America of the standard of weight and fineness existing October 1, 1925, or in the City of Montreal, Canada, in lawful money of the Dominion of Canada, by equal half-yearly payments made five days prior to the respective dates for payment of interest and sinking fund moneys under such deed of trust or mortgage. It is hereby declared and agreed that the Lessor intends to assign and may and will assign to the Trustee or Trustees under the deed of trust or mortgage securing the said bonds, the rental payments to be made for and in connection with said interest and sinking fund payments as in this paragraph (a) provided for; and the Lessor hereby requests and authorizes the Lessee to make such payments direct to the said Trustee or Trustees, to be received, held and used by said Trustee or Trustees as and for payment of interest and sinking fund monies under said deed of trust or mortgage; and the Lessee hereby covenants to make such rental payments to said Trustee or Trustees accordingly.

(b) Such sums as may from time to time be paid or payable by the Lessor, by way of interest or discount on loans or advances made to the Lessor by any bank or other corporation provided that interest on construction items may be charged to construction cost and that bonds forming part of the said issue may be issued in respect thereof.

(c) Such further annual sum or rent as shall be equal to the actual annual expenses for administering the affairs and maintaining the organization of the Lessor, limited however to an amount not exceeding one thousand dollars per annum, and also any remuneration for the time being payable by the Lessor to the Trustees of the said bonds, the sums payable under this paragraph (b) to be paid without deduction on the same dates and times, and with the same option in the Lessor as to the place and mode of payment, as the rent reserved by paragraph (a)."

(D) That the Mines Railway shall not, without consent of His Majesty, issue any additional bonds ranking prior to or pari passu with the bond issue first above referred to, except bonds to reimburse His Majesty for work of extensions, enlargements, improvements, etc., to be made at cost of His Majesty and subject to the approval of the Mines Railway.

(E) That His Majesty shall not assign, transfer or part with the lawful ownership of the railway, but may entrust the management and operation of the railway to the Canadian National Railway Company, or any company amalgamated with the last named Company, or to any other company approved by the Governor in Council, and may make traffic agreements respecting the operation of the railway.

(F) That His Majesty shall pay all taxes, assessments and outgoings respecting the railway that the Mines Railway is liable therefor after His Majesty has taken possession of the railway under the lease, and His Majesty shall assume the contracts and obligations of the Mines Railway.

(G)

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(G) That His Majesty will join in any mortgages or deeds of trust, hypothecs or other documents necessary to be executed to provide for the issue or the payment or retirement of the said bonds for the purpose only of providing that the payments of rental to be made under the lease be payable and available in such manner as may be specified in such mortgages, deeds of trusts, hypothecs, not inconsistent with the provisions of the lease, His Majesty to assume no liability to pay any sum or sums on account of principal due or to become due under any such instruments, except in so far as the rent payable under the lease may provide for such payment.

(H) That His Majesty shall assume and pay, discharge and perform, all debts, obligations and liabilities of the Mines Railway (except the expense of administering the affairs of the Company in excess of the one thousa nd dollars per annum under rental provided, and except the liabilities of the Company in respect of bond issues) to the extent of the rental provided.

(I) That any extensions, enlargements or improvements,etc., made by and at the cost of His Majesty as above set out, may be taken over by the Mines Railway, if they be paid for by bonds or other securities of the Company.

(J) That re-entry may be made by the Mines Railway upon six months' notice after thirty days' default in payment of any rental instalment when due; if rent be not then paid, or upon like notice after thirty days of any breach of performance of observance, if the default be not then remedied and made good to the satisfaction of the Mines Railway; and in case of default in payment of any rental instalment in respect of interest or sinking fund in connection with the said bonds within all the remaining rental instalments for the full term of the lease immediately become due and payable.

(K) That His Majesty may, at any time upon sixty days' notice to that end, during the term of the lease, acquire the railway upon assuming the bonds then outstanding with interest thereon, the bonds retired by means of the sinking fund payments or by means of the rental payments under the lease to be purchased and retired bonds by the lease and not outstanding bonds.

(L) That every disagreement which may arise between the parties under the lease shall be the subject of settlement by arbitration.

8. -That the Premier of the Government of the Province of Quebec has advised in effect that his Government agrees to pay the Canadian National Railway Company as operators of the railway Fifty Thousand Dollars annually for the period of five years to meet deficits incurred in the operation of the railway, payments to commence upon the completion of the first year's operation, and that the necessary authority of the Lieutenant-Governor in Council and of the Legislature of the Province of Quebec will be sought accordingly.

9. - That the Noranda Mines, Limited, a body corporate, interested in certain mining locations to be served by the railway, has agreed, in case the railway be leased to His Majesty as above set out, to supplement the guarantee to His Majesty of the Province of Quebec of deficits in the operating net earnings of the railway for the period of the first five years of the term of the lease, in effect as follows:-

"That should the said operating net earnings in "any one year of the first five (5) years from the "initial date be insufficient to cover the rental in-"cluding sinking fund payable under the said lease, after

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"after crediting the Fifty Thousand Dollars ($50,000.) "per annum agreed to be paid as aforesaid by the Prov- "ince of Quebec, to pay to the Canadian National Rail - "way Company as operators of the railway, within thirty "(30) days after the receipt of a summarized statemmnt "of account showing a deficit, the amount following -

"(a) When said deficit equals or exceeds Twenty Thousand Dollars ($20,000.) the sum of Twenty Thousand Dollars ($20,000.) in cash.

"(b) When such deficit is less than Twenty Thousand Dollars ($20,000.) the amount of such deficit in cash."

And the Noranda Mines, Limited, in connection with guarantee aforesaid, has agreed to enter into an agreement with His Majesty in terms as in draft agreement hereto attached marked (C) the draft agreement marked "C" hereinafter referred to as the "guarantee agreement".

10. - That the guarantee agreement provides, amongst other things, in effect as follows -

That His Majesty agrees:-

(A) To cause the Mines Railway to complete the railway and lease to His Majesty by lease in form generally as set out in draft lease marked "B";

(B) To entrust the operation of the leased railway to the Canadian National Railway Company;

(C) To cause accounts to be kept for all freight traffic moving over the railway and of all freight traffic originating on or destined to points on the railway;

(D) To allocate thirty per cent (30%) of the gross earnings received by the Canadian National Railways from such traffic as operating net earnings to the railway.

11. - That the guarantee agreement further provides:

(A) That the Noranda Mines, Limited, agrees:-

"5. That should the said operating net earnings "in any one year of the first five (5) years from the initial date be insufficient to cover the rental in- "cluding sinking fund payable under the said lease, "after crediting the Fifty Thousand Dollars ($50,000.) "per annum agreed to be paid as aforesaid by the Prov- "ince of Quebec, to pay to His Majesty, within thirty "(30) days after the receipt of a summarized statement "of account showing a deficit, the amount following -

"(a) When said deficit equals or exceeds Twenty "Thousand Dollars ($20,000.) the sum of Twenty Thousand "Dollars ($20,000.) in cash.

"(b) When such deficit is less than Twenty Thous- "and Dollars ($20,000.) the amount of such deficit in "cash."

(B) That the liability of the Noranda Mines, Limited, is limited to the amount of the deficit, if any, in any one of the first five years of the terms of the lease, not exceeding $20,000. in any one year, or $100,000. in all.

(C) That the accounts of freight traffic shall be

continued

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continued for ten years of the term of the lease, and if then the operating net earnings have been sufficient to pay all rentals, including the sinking fund payable under the lease, after crediting the $50,000. per annum payable by the Province of Quebec, leaving balance arising from the operation, His Majesty will repay to the Noranda Mines, Limited, without interest:-

(a) When such balance equals or exceeds One Hundred Thousand Dollars ($100,000.) the sum of One Hundred Thousand Dollars ($100,000.);

(b) When the balance is less than One Hundred Thousand Dollars ($100,000.) the amount of such balance.

(D) That if after taking accounts as above provided, there results:-

(a) No payment to the Guarantor;
(b) A partial repayment only to the Guarantor;
(E) That after fifteen years from beginning of term of lease the taking of accounts of freight traffic shall cease and all claims for repayments remaining unsatisfied waived.

(F) That should the operating of the railway at any time prior to fifteen years be permanently abandoned or service withdrawn continuously for a period of six months other than on account of the closing down of the mines served by the railway or the withholding of traffic by the mining interests, His Majesty shall refund, without interest, any amounts paid by the Noranda Mines, Limited.

12. - That the Canadian National Railway Company, through its Board of Directors at a meeting of the said Board held on the 9th day of June, 1925, unanimously passed a resolution as follows-

"That if the said line be constructed by another company (with free right of way on Quebec Government lands) "as above referred to and if there be contributed annually "for five years Fifty Thousand Dollars by the Quebec Government and $20,000. by other interested parties such "payments aggregating $350,000 in all, and if said line "were leased for a long term of years to the Dominion Government and by it entrusted to the Canadian National Railways for operation and if said payments are made direct to "the Canadian National Railways as representing the said lessee and if the rental under the lease would represent "not more than 6% on the cost of construction the Directors would approve of such construction and leasing and "entrusting"; a certified extract from the minutes of meeting of the Board covering the resolution referred to hereto "attached marked "D".

13. - That the Statutes of Canada, 1919, Chapter 13, "An Act to incorporate Canadian National Railways Company and respecting Canadian National Railways", Section 29 thereof provides as follows:-

"29. The Company may, with the approval of the Governor in Council, acquire, hold, guarantee, pledge and dispose of shares in the capital stocks, bonds, notes, securities or other contractual obligations whatsoever of any railway company, or of any transportation, navigation, terminal, telegraph, express, hotel, electric, power or of any other company authorized to carry on any business incidental to the working of a railway, or any business which in the opinion of the Board of Directors may be carried on in the interests of the Company."

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14. - That the Canadian National Railway Company through its Board of Directors at a meeting of the said Board held on the 21st day of September, 1925, unanimously passed a resolution in effect, subject to the authority of the Governor in Council, that the said Company may guarantee payment of a loan to the Mines Railway of up to $2,000,000. to be secured to the lender by the pledge of, not exceeding $3,000,000. of 30 Year 4½% First Mortgage Bonds of the Mines Railway, the interest to be paid on the loan to be at the rate of 4½%; and that one of the conditions under which said loan is to be made is that payment thereof within one year would have to be guaranteed by the Canadian National Railway Company; a certified extract of the minutes of said meeting of the Board covering the resolution referred to, hereto attached marked "E".

15. - That the guarantee by the Canadian National Railway Company of the loan to the Mines Railway has been agreed upon in the general form hereto attached marked "F".

16. - That in the opinion of the Minister of Railways and Canals it is necessary and desirable for the more efficient operation of the Government Railways system, that the railway be leased by His Majesty upon terms and under conditions as generally in draft lease hereto attached marked "B" set out and contained, and that it is considered in the interests of both the Government Railways system and that of the Canadian National Railways that the Canadian National Railway Company guarantee payment of the loan to the Mines Railway to extent as approved by the Directors of the said Canadian National Railway Company under resolution as covered by copy of extract of minutes of meeting of the Directors of the said Company hereto attached marked "D" and that His Majesty avail himself of the guarantee of the Noranda Mines, Limited, in terms and under conditions as generally set out and contained in the guarantee agreement, draft hereto attached marked "C".

17. - That the Statutes of Canada, 1919, Chapter 13, "An Act to incorporate Canadian National Railway Company and respecting Canadian National Railways", Section 11, thereof provides as follows:-

> "11. - The Governor in Council may from time to time "by Order in Council entrust to the Company the management "and operation of any lines of railway or parts thereof, and "any property or works of whatsoever description, or inter-"ests therein, and any powers, rights or privileges over or "with respect to any railways, properties or works, or in-"terests therein, which may be from time to time vested in "or owned, controlled or occupied by His Majesty, or such "part or parts thereof, or rights or interests therein, as "may be designated in any Order in Council, upon such terms "and subject to such regulations and conditions as the Gov-"ernor in Council may from time to time decide; such manage-"ment and operation to continue during the pleasure of the "Governor in Council and to be subject to termination or "variation from time to time in whole or in part by the Gov-"ernor in Council. Any such Order in Council shall be laid "before Parliament within ten days after the opening of the "next ensuing session, or if Parliament be sitting at the "time such Order in Council is passed, then within ten days "from the date of said Order in Council.

In view of the facts as above represented and the considered advantage and benefit to the Government Railways system and the Canadian National Railways system, as each in the

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the respective matters may be affected, and upon the advice of the Deputy Minister of Railways and Canals for Canada, to this end, the Minister recommends:

(1) That the Minister of Railways and Canals be authorized and empowered to lease the railway from the Mines Railway for a term of thirty years, subject to and generally in accordance with the terms and conditions as set out and contained in draft lease hereto attached marked "B", and to enter into such lease accordingly with option of purchase of the railway as in said draft lease provided.

(2) That the Minister be authorized and empowered to execute the guarantee agreement in general form as hereto attached marked "C".

(3) That approval be given to the Canadian National Railway Company to guarantee the contractual obligations of the Rouyn Mines Railway Company to repay a twelve months' loan or credit not exceeding $2,000,000. bearing 4½% interest per annum, to be made or granted to the Rouyn Mines Railway Company by the American Exchange Securities Corporation or other corporation or institution to be approved of by the Minister of Railways and Canals, such guarantee, subject to such detailed changes or amendments as the Minister of Railways and Canals may approve, to be in the general form hereto attached marked "F".

(4) That upon the railway being acquired by His Majesty by and under a lease the management and operation of the railway be entrusted to the Canadian National Railway Company during the pleasure of the Governor in Council and subject to termination or variation from time to time in whole or in part by Your Excellency in Council.

The Committee concur in the foregoing recommendations and submit the same for approval.

E. J. Lemaire

Clerk of the Privy Council.

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P.C. 1758 (a)

EXTRACT FROM
MINUTES OF MEETING
of the BOARD OF DIRECTORS of
ROUYN MINES RAILWAY COMPANY

Duly held in the City of Montreal on Monday, the 14th day of September, 1925.

The Meeting was informed that arrangements can, it is expected, be made for the lease to His Majesty the King in the right of the Dominion of Canada, herein called the Government, of the line of railway intended to be constructed by the Company from a point on the National Transcontinental Railway near O'Brien, in the Province of Quebec, thence southerly to a point in the Township of Rouyn, a distance of about forty-five miles, together with certain works and facilities in connection therewith; the rental to be paid by the Government to include an amount equal, in the aggregate, to the interest on certain Bonds to be issued by the Company and the sinking fund payments to be made under the Trust Deed or Mortgage securing said Bonds.

A printed draft of lease between the Company and the Government was submitted to the Meeting and considered and

IT WAS UNANIMOUSLY RESOLVED

THAT a lease of the said line may be made to the Government in the general form of the said printed

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draft subject to such changes therein as may be approved or authorized by Order in Council and agreed to by the President and Secretary of the Company.

CERTIFIED TO BE A TRUE EXTRACT.

(Sgd.) W.H. Nicholas.
Secretary.

SEAL.

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THE MATTER OF THE ROUYN RAILWAY.

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Attached hereto are copies of dispatches published from Quebec and Ottawa covering this transaction.

The following, in brief, is the history of the operations:-

Important mineral finds were made on the Quebec side of the northern mineral belt at Rouyn notably the Horsonda and Amulet. These are located in the township of Rouyn, and these properties are controlled by a New York group, headed by a Mr. Chadbourne. Percy a Rockefeller and other have lately joined the directorate of the Corporation controlling these properties.

For more than a year strong agitations have been launched upon the Government of the province of Quebec to provide adequate rail service into the mining field in order to facilitate development, - and in fact, great pressure from the more important mining men has been applied to this end.

The Themiscamingue & Northern Ontario Railway, which has a branch line extended to the Provincial Boundary, - which is about twenty-five miles from Rouyn, offered to construct and extend its railway facilities into the field, - free of cost or subsidy to the province of Quebec or the Dominion Government, - but the Province of Quebec refused permission to the T. & N.O. Commission to enter upon the Crown Lands of Quebec on the theory that traffic and tonnage developed in Northwestern Quebec would be deflected out of the Province and to the disadvantage of the commercial centers of Quebec in favor of Toronto and other outside points. The technical refusal was based on the proposition that a Federal Chartered railway company could not exercise the rights of expropriation by railway upon the property of the Crown or the Province of Quebec. This question was to be referred for decision to the Supreme Court - but it is understood that nothing has been done about it so far for the reason that the Province of Ontario has not decided to press the point.

In the interval, active negotiations were proceeding between Premier Taschereau, Sir Henry Thornton and the American mining interests, to bring about the building of some kind of a line of railway to meet the requirements. These negotiations culminated in the erection of the Rouyn Mines Railway Company, chartered last session at Quebec, with right to construct a line from O'Brien on the Canadian National Railway to Rouyn, a distance of 44 miles or so, with the usual powers of extending branch lines, &c.

During the last summer, - about the month of July, Mr. Taschereau stated that the Province of Quebec has agreed to assist the work by a cash subsidy of $50,000. per annum for five years, - the mining interests undertaking to provide $10,000. per annum over the same period. This money was intended to meet the anticipated losses in operation of the branch for the five years, on the assumption that the line would carry itself out of earnings from then onward.

It was then arranged that the Canadian National Railway, by agreement, would lease the property from the Rouyn Mines Railway for an indefinite period for a sum sufficient to meet the annual fixed charges set up by the securities issued by the Company. In this way, it was quite clear that a bond issue covering the cost of the work could be financed against the annual least income from the Canadian Nationa, - plus the cash contribution of the Quebec Government.

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Apart from the irregularities of the proceedings in devising a means of creating branches of the Canadian National Railway, without the sanction of Parliament and concurrence of the Senate, the whole transaction would appear to be in line with the usual methods of financing railway projects of the kind. At all events, the securities of the Company would be amply assured of sale by reason of the guaranteed income yielded by the leasing of the road.

These arrangements having been determined upon, tenders for the construction of the mileage were called, to be opened on the 16th of last September. The call for tenders was made in the name of the Rouyn Mines Railway Company, and signed by Mr. Gzowski, as Chief Engineer for the Company, (that is, Acting Chief Engineer). Mr. Gzowski, it will be remembered is an officer of the Canadian National Railway, - in some an engineering capacity. As far as can be ascertained the surveys of the line were made and prepared by Canadian National Railway employees, under the direction of Mr. Gzowski. In any case, - he was the dual Chief Engineer in the matter. The contract was awarded for a total sum of approximately $1,250,000. exclusive of rails and the cost of these would mean about $500,000 additional, - bringing the total cost of the 44 miles to roughly about $1,750,000. Let is be assumed that the whole cost of the job would not exceed $2,000,000.

Follows now the dispatches from Quebec. The news came from Quebec first. Premier Taschereau was in Montreal on that day.

The dispatch states that $5,000,000. of bonds are authorized under the Orders-in-Council, and that long documents between the parties set forth the manner of the deal.

These contracts, however, are not in evidence to establish information as to how the Dominion Government is made liable. It is apparent, however, that the Order-in-Council becomes good collateral security in the hands of the Rouyn Mines Company, up to the total amount of $5,000,000. These contracts and undertakings by both Governments and the Canadian National Railway, - become excellent security for advances in Cash by the Canadian National Railway to the Rouyn Mines Railway Company, - or advance by any other interest in the transaction.

Having regard to the fact that, in the ordinary way, the bonds of the Rouyn Mines Railway Company, - (up to the amount of money required to build the 44 miles, - say $2,000,000.) become bartetable upon pledging the lease money accruing to the Company, - the question immediately arises as to the need of the Dominion Government guaranteeing the bonds, - and for an amount two and a half times more than the immediate needs.

The explanation is given that the $5,000,000. is now being arranged for anticipated future needs by way of branches and extensions. This is the obvious answer but not a convincing one.

Immediately upon the publication of the dispatches, - Senator P.E. Blondin put the picture before Lord Atholstan, and his editorial chiefs. All hands immediately appreciated the significance and importance of the transaction at this time. It was planned to use the story on Wednesday the 7th of Sept. but was held up for that day pending further investigation of the matter. Mr. Gamman, editor-in-chief advised Senator Blondin on Thursday that their investigations would indicate that the thing was quite regular, inasmuch as it was explained that the $5,000,000. was intended to provide for extensions, branches, &c. &c., - Under the circumstances, therefore, the story had no point.

To minds familiar with the mechanisms of these projects the story bristled with points, - at this juncture.

Of course, there is nothing whatever in the record to warrant charges of any kind, - either against the Government or the Executives of

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the Canadian National Railway, - beyond the fact that someone has discovered a formula for beating the requirement that Canadian branch line construction of the Canadian National Railway require the sanction of Parliament and the Senate.

There is, however, room for a series of pertinent and varied questions, in order that the public mind might be enlightened, at this time, as to why the $5,000,000.

Assuming the transaction to be so important as to warrant the emergency measures taken, surely the public might properly be taken into confidence and told all about it. Mr. Carman, so far, as a newspaper man, has evidently been impressed with the meagre explanation given.

It is the conviction of those responsible for this memorandum that this transaction has been the means of releasing a large sum of public or private funds, or both for the purpose of this present election. No proof is available, - nor sought. It is clearly evident, however, to them that the $5,000,000 feature of the transaction was an eleventh hour decision, born of desperate need, and carried through with magnificent and disarming boldness.

A half-dozen questions by Mr. Meighen would immediately produce an interesting series of explanations as to why the Dominion Government and the Provincial Government of Quebec are making such sacrifices, in such a haste at thistime, to assure the construction of 44 miles of railway into the mining fields, to assist the mining industry, when the Province of Ontario has been clamoring and urging to provide the required transportation facilities, free of expense to either the Dominion or the Provincial Government of Quebec.

There is nothing to add to this memorandum. Other contributory matter in support of the theory that the transaction is bad may follow the contemplation of what is now submitted.

If this is the way branch lines can be had in Quebec the Peace River people and the Hudsons Bay folks will be glad to know it, - to say nothing of the Guysboro folks.

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Ex - Ottawa Journal, Monday Oct. 5th, 1925.

ANNOUNCE TERMS OF ROUYN MINE RAILWAY LINE.

5 o'clock C.P. Despatch.

Quebec, Que. Oct. 5. - The terms under which the construction of the new Rouyn Mines Railway from O'Brien to the Township of Rouyn, was made possible, were disclosed here for the first time to-day. Lengthy contracts provide that contributions towards the realization of the project will be made by the Quebec and Ottawa Governments. The contracts also stipulate the conditions under which the work of construction shall be proceeded with.

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Construction of the road must start on the first of November, 1925, and be completed before December 1, 1926. The contracts were affirmed by orders-in-council signed simultaneously to-day in Ottawa and Quebec.

The above was run by the Ottawa Journal evening edition, Monday the 5th, and was followed by another, of the same general purport, but altered on Tuesday morning. The altered dispatch was published in other papers also. The Ottawa Citizen did not publish either of the dispatches.

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CONFIDENTIAL MEMORANDUM FOR HAROLD M. DALY, Esq ,

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THE MATTER OF THE ROUYN RAILWAY.

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During the last summer,- about the month of July, Mr. Taschereau stated that the Province of Quebec has agreed to assist the work by a cash subsidy of $50.000. per annum for five years,- the mining interests undertaking to provide $10.000. per annum over the same period. This money was intended to meet the anticipated losses in operation of the branch for the five years, on the assumption that the line would carry itself out of earnings from then onward.

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Apart from the irregularities of the proceedings in devising a means of creating branches of the Canadian National Railway, without the sanction of Parliament and concurrence of the Senate,- the whole transaction would appear to be in line with the usual methods of financing railway projects of the kind. At all events,- the securities of the Company would be amply assured of sale by reason of the guaranteed income yielded by the leasing of the road.

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ANNOUNCE TERMS OF ROUYN MINE RAILWAY LINE

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... a new president.

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Famous Trains —

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The National

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Mineral Belt

Farming Scene, Prince Edward Island, showing pure bred Ayrshires, of which the Province has many fine herds. The Maritime Provinces offer excellent opportunities for new settlers who wish to establish farm homes.

Write for particulars to
COLONIZATION DEPARTMENT, CANADIAN NATIONAL RAILWAYS
MONTREAL, QUE.

FORWARD YOUR EXPRESS SHIPMENTS VIA CANADIAN NATIONAL EXPRESS

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Canadian National Railways

Grand Trunk Railway System
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House of Commons
Canada

Ottawa, 12th April, 1926.

not attached

My dear Mr. Meighen,-

I enclose you herewith copy of letter received from Mr. Hunt, of Winnipeg, regarding railway to Red Lake District.

Yours sincerely,

R. Boyes

Right Hon. Arthur Meighen, M. P.,
Leader of the Opposition,
Ottawa, Ontario.

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Dear Mr. Meighen,

The Editor of Mail Empire said this article should be given circulation throughout the West and that he would send clippings of it to several of the Western papers.

Sincerely,

J. W. Edwards

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Free trade, Reciprocity 395

Ottawa, March 3, 1925.

Given Mrs Helmer for filing

Dear Dr. Edwards:

Thanks for sending me the Mail and Empire clipping. I had already read your article and thought it was one of the best you had written. Possibly we can add to its circulation from this end, but the best way is to get it in the Western papers and if the Mail and Empire succeed I certainly will be pleased.

Yours very truly,

Hon. Dr. J.W. Edwards,
Kingston, Ont.

"fallacies of free trade"

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House of Commons
Canada

OTTAWA, March 17th, 1925.

Rt. Hon. Arthur Meighen,
House of Commons,
OTTAWA.

Dear Mr. Meighen,-

I wonder if you have seen a copy of a letter which was sent out by the Vancouver Sun on January 28th, to several hundred Canadians. It is worth reading. Enclosed is a copy of it, also the reply of Robert McKee, one of our stalwarts in Vancouver. You may not have time to read the answer, but I would suggest that you read Mr. Cromie's letter to Mr. McKee.

Yours sincerely,

J. A. Clare

JAC/J.
encl.

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Ottawa, March 18, 1925.

Dear General Clark:

Thanks for yours of the 17th instant. I agree very generally with Mr. McKee's letter. For my part, though, I would not give any Government power to negotiate reciprocity with the United States. The history of that country, especially its later history, shows very clearly that any arrangement would be so temporary and precarious that the dislocation of trade suffered by the change would be more injurious than anything we could hope for from the treaty.

All enclosures returned WLMK

Yours very truly,

General J.A. Clark, M.P.,
House of Commons,
Ottawa, Ont.

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Ottawa, Ont., 23rd March, 1925.

Dear Sir,

Many thanks for the articles which reached me this morning. I am glad to have this at hand, and have read it with a great deal of interest.

Yours very truly,

John Turnbull, Esquire,
Perry's Siding, B.C.

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With the compliments of

John Turnbull

Perry's Siding, B. C.

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LETTER FROM M. SHEARMAN, U. S. A.

Says the Old Country
Needs "Protection"

To Cure Unemployment
and Give Big Wages.

(To the Editor of The Hawick News.)

Sioux City, Iowa, Oct. 15, 1924.

Sir,--I'm getting to be quite a correspondent to your paper. Two letters in less than a month! The reason for this letter is that I notice there's going to be a General Election, and I was wondering how long it would be before the woollen workers in Hawick and in all the woollen towns would vote for "Protection?"

I wish some of the fellows who speak against "Protection" were out here, just to see how it works in America.

For instance, the American market is closed as far as British manufactured goods are concerned. It is true that some stuff gets in, but at what cost!--50 per cent. tax ad valorem, and 45 cents tax per lb. of wool. Tack that on to your wholesale price and see what you get. I know, for I have been importing sweaters, golf hose, woollen wraps, etc., for the past two years, and the price you have to get for these articles is appalling. For instance, a pair of good golf hose cost you, delivered in Sioux City, tax included, about 38s, or, at the present rate of exchange, $9.50. So if you want to make what they call a legitimate profit, 33 1/3 per cent., you have to get $12 or £2 10s. You can see that it knocks this market "Coo-coo" as far as British goods are concerned, and keeps the market for their own production.

The same holds good in all the commodities of life, and yet you in Great Britain are paying as much for foodstuffs (or were two years ago when I was home) as we are paying here, so that the argument about the people paying

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here, so that the argument about the people paying more for the necessaries of life if "Protection" is adopted is the "Bunk" You are paying as high for stuff just now as you ever will in our days.

Which would you rather be--a workman in a country where Free Trade is rampant, and so is unemployment and hunger; or in a country which protects their markets for the produce of their own workers, and where they at least work for enough to eat and live decently. Rents, etc., are much higher here, but to offset that you have wages that will meet the things that life demands. Suppose you don't save much money, at least you don't need to go hungry.

I was always a Free Trader, but my last visit to Scotland, and my little insight into the woollen industry here, has completely changed me over to "Protection." Keep your markets clear of all the foreign goods that you can, and so create more employment for your own people. It's mighty fine to have a little money in your pocket, even though you have to spend it out for grub. It's better to do that than to have an empty stomach and be depending on the "dole," and to suffer the anguish of seeing your children hungry.

Mind you, I'm not saying that the employers of labour don't make more money under Protection. They do; and what about it if they do? Lots of them put that money in improvements in their factories, and so give more employment to labour. You have given the Labour party a turn at running the country, and, from what I can learn, Hawick is in as bad a shape, if not worse, than it was two years ago. So give "Protection" a chance. Give it a thought. Why make your markets the "dumping grounds" of the world? It isn't helping the working people to let it be so.

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Change things. If America taxes your goods, tax America's; tax every country that wants to use your markets, and give your own manufacturers a chance. I know lots of people will tear this little letter of mine to pieces, and they are welcome to do it. Every man to his own opinions. I'm only giving mine, and giving an impartial view of the woollen industry as I see it. I'm not earning my bread and butter from that industry. I only know that Protection would help solve the unemployment problem in all factory towns. Hoping that things are shaping better, and wishing everyone good health and good luck, I am, sincerely yours,

M. SHEARMAN.

P. S.--I have just listened over the Radio to President Coolidge's address to the members of the Chambers of Commerce in Washington, D. C., U. S. A. His speech "came in" fine, and part of it was given over to the Protective tariff. He said that "Protection was necessary to keep high wages, and good living, in a country." That their markets must be kept clear of foreign products, as far as it was possible to do so, and he gave the wages of the working men in different countries. American working men are paid over 50 per cent. more than any other nations. He also gave the quantities of meat, milk, butter, and other necessaries of life, consumed by the various nations, and this country had most of all of these things. This isn't written in a spirit of bravado, but written to my hosiery chums, and others, in hopes that it may help them to give a vote for "Protection" and more employment, and happier days.--I am, &c.,

M. SHEARMAN.

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CREATING A HOME MARKET.

THE Dennis Resolution barring a state income tax or state inheritance tax for a period of years is a protective tariff applied to Oregon. It is a plain bid for new industries and new capital. It is a recognition of the obvious fact that Oregon has lagged far behind her sister states in industrial development.

Is it good business for the state? It is not difficult to demonstrate that manufacturers are the quick road to larger populations. No nation has made any considerable agricultural growth in the past century apart from manufactures. The manufacturing nations have gone ahead by leaps and bounds. Not so the agricultural nations. If population is what we want, then we want manufacturing.

It is likewise demonstrable that population is the only route to reduced per capita taxes. The vast overhead of this state due in large part to wide expanse of territory cries out for more industries and settlers to come in and share the burdens as well as the privileges of location. But this is not all.

A recent bulletin of the National Rivers and Harbors Congress of 1925 makes the following pertinent statement:

> "Filling the West with factories and cities would benefit the farmer not only by increasing the number of consumers of farm products, but also by allowing him to raise crops which are of much greater value per acre, but which cannot be shipped to distant points. There are truck farmers near Paris whose average return is $2500 per acre per year."

It seems to be a common plea that a scheme like the Dennis bill would help the cities, but hurt the farmers. We should like to advocate it because we believe it points the way to the only real hope of relief for the farmers. What is a farm colonization scheme without a market? What avails co-operative marketing machinery without a market? Farms suffer from over-production and the farm nearest the market suffers least. Is it any wonder agri-

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cultural and stock raising stagnate so long as the market is two or three thousand miles away?

About one hundred and thirty-five years ago Alexander Hamilton discovered that 90 per cent of the American people were farmers or persons immediately connected with farms. There were no manufactures. The American market was Europe and Europe in Hamilton's day presented a more disorganized market than the Europe of today. There was one obvious solution. America must create a market at home. She did so, and employed the protective tariff policy as a means to this end. Today there are more than 50,000,000 people in America who live in cities and are supported by manufacture. The proceeds of manufacture sustain today in this country a vast farm population. We trade manufactured articles for money abroad and the money finds its way into the pockets of farmers at home. The farmer has brought his market 3000 miles nearer home and it is a steady market as against a former unreliable market.

Is it necessary for Oregon indefinitely to pay freight on her own farm products delivered to a market three thousand miles away? Is it not time to build up a home market? Is there any surer way to this end than to place a premium on capital and industry in Oregon by some such method as the Dennis plan? This proposal similar to Alexander Hamilton's policy, is designed to build up manufactures in this state. The same policy applied to the Nation has met with remarkable success.

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for a complete memorandum
see pages 75772 – 75775

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We the undersigned, being a minority of the special Committee of the House of Commons, to whom was referred Bill No. 2, being a Bill to readjust the representation in the House of Commons, beg to submit the following:-

(1) At the early meetings of the Committee we endeavoured, without success, to have a general principle applicable to all the provinces, adopted, with respect to the unit of representation for cities, and as between urban and rural constituencies.

(2) On the second reading of this Bill the Right Hon. the Prime Minister laid down the lines upon which the Committee should proceed. The first and most important of these was the following of county-municipal organizations as a basis in whatever might be done in arranging the constituencies.

(3) This sound principle has been violated in many instances in the proposed redistribution set out in the report of the majority of the sub-committee for Ontario. By way merely of examples we mention the following counties; Kent, Peterborough , Lennox and Addington and Ontario. A striking example of this violation of principle is afforded in the County of Kent. The villages of Wheatley and Tilbury form part of this county for municipal purposes, although situated partly in Kent and partly in Essex. Both of these villages are taken from Kent, the former being added to Essex South and the latter to Essex East. In this county also, a portion of a township, namely, the Gore of Chatham, in which is situated the Town of Wallaceburg, is torn from the remainder of the Township of Chatham and added to West Lambton in the County of Lambton. To complete the iniquity of this divorce, the balance of the township of Chatham is taken from the County of Kent and added to

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another portion of the County of Lambton to create a constituency with the hyphenated title of Kent-Lambton.

(4) In previous redistributions a larger unit of population has been adopted for urban constituencies than that adopted for rural constituencies. It is now questionable, as was suggested by the Rt. Honourable the Prime Minister, in moving the second reading of this Bill, whether this should longer prevail to the same extent as in former redistributions.

(5) We deem it our duty to point out the disparity in the average unit of representation provided for urban and rural constituencies as set out in the report of the majority of our sub-Committee, and present the following:-

Ontario	82 constituencies	- population	2,527,292
. . . . .	. . . . .	. . . . .	. . . . .
Toronto	9	" "	521,893
Hamilton	2	" "	114,151
Ottawa	2	" Less 14,103 in Carleton	93,740
London	1	" Less 7,121 in E. Middlesex "	53,829
4 cities with	14 constituencies	- population	783,613

Average unit of representation for four cities with 14 constituencies	55,972
Leaving 68 constituencies in balance of Ontario with a population of	1,743,679
Average unit of representation for balance of Ontario	25,642

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6 The disparity in the Province of Quebec is illustrated below.

			Population
Quebec	65 constituencies		2361199.
Montreal	13	"	724205
Quebec	3	"	104029
	16	"	828234 ✓

average unit of representation 51800 ✓

Leaving 49 constituencies for the balance of the Province with a population of 1532965 ✓

average unit for the balance of Quebec is 31285 ✓

49) 1532965 (31285
147
62
49
138
49
135
49
55.708

13) 724205
65
74
69
21
05

312 85

Montreal

This is not as favorable as the other showing

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(6) The disparity in the province of Quebec is illustrated as below:

		Population
Quebec	65 Constituencies	2,361,199
Montreal Island	13 "	724,205
average unit of representation for urban district		55708
Leaving 52 Constituencies for the balance of the province with a population of		1636994
average unit for balance of Quebec 7.		31288.

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Shortly after the sub-Committee was organized it was decided that three additional ridings should be created in the city of Toronto, two additional ridings in North Ontario, one in Essex and one in the Niagara Peninsula. In order to provide the additional constituency for the Niagara Peninsula at one of our early meetings during this session the Chairman submitted to the committee a proposition for the rearrangement of the four constituencies of North Bruce, South Bruce, North Huron and South Huron with a population of 91,373 in such a manner as to create therefrom three constituencies. The Committee proceeded on the assumption that this was to be carried out. At one of the recent meetings of our Committee it was decided notwithstanding our vigorous protests to abandon the proposition for the rearrangement of the four constituencies we have mentioned, and also to abandon the provision of an additional riding in the Niagara Peninsula, although the population in the two constituencies of Lincoln and Welland is greater than the population of North Essex and South Essex where an additional constituency had been provided.

We submit the following figures:

North Essex	71,150
South Essex	31,425
Total	102,575 from which three

ridings have been created.

Lincoln	48,625
Welland	66,668
Total of	115,293 which although more

distinctly rural than the Essex's remain as only two ridings.

(7) We are unable to concur in the report of the majority of the Committee for the following reasons:-

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file under

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Proportional Representation
and
Municipal Government

by

Charles A. Mullen

Reprinted from The Municipal World
May, 1920

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NOTE—The author of this article on Proportional Representation and Municipal Government is a consulting engineer specializing in street and road paving work, who is the Director of the Paving Department of the Milton Hersey Company, Limited, consulting engineers and chemists, whose main testing laboratories are located at Montreal and Winnipeg. He is a member of the Engineering Institute of Canada and an associate member of the American Society of Civil Engineers, and a member of the International Federation of Technical Enngieers', Architects' and Draftsmen's Unions of the American Federation of Labor. He has been associated with municipal government as a contractor, as a city commissioner of public works, and as a consulting engineer, all his life, and speaks from a broad knowledge of the defects of present day political organization.

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075572

Proportional Representation and Municipal Government

1. **American Municipalities:** Ever since James Bryce wrote his "American Commonwealth," we, this side of the Atlantic, both in the United States and Canada, have been painfully conscious of the fact that all is not well with our municipal governments. Many sincere men have faithfully employed their talents in an attempt to seek out and apply the remedy for the state of affairs pointed out to us, in a friendly way, by our very distinguished critic from across the water. Considerable headway has already been made; but most students of municipal affairs recognize that the longest stretch of road is still ahead.

2. **Autocracy Versus Democracy:** Speaking generally, we may say that there are but two major ideas of government abroad in the world to-day; government from the top down—Autocracy; and government from the bottom up—Democracy. On our side of the globe, where tradition is but a comparatively small factor in our public affairs, we are not even interested in the autocratic theory of government; so we may as well confine our attention to the further possibilities of the democratic plan.

3. **Theory Versus Practice:** Now, saying that a government is democratic does not make it so; nor does believing it is democratic make it so. Neither does the fact that a government is democratic necessarily mean that it is a good government. Democracies are not always good; autocracies are not always bad. Also, there may be more real democracy under a form of autocracy; more real autocracy under a form of democracy. Words prove nothing. It is facts we want to-day; facts in international and national, provincial or state, county and municipal affairs alike. It is the fact of good government we now seek.

4. **Two Essentials are Involved:** There are those who will tell you that a good form of government will not necessarily produce good results; and that good men may secure good results even with a form of government which is not good. That is true; but to what conclusion does it lead except that there are two factors involved—the machinery and the operatives? Such remarks frequently emanate from those who have good financial reasons for preferring "things as they are"; and they are usually mere quibbles intended to befog the real issues.

5. **Good Machinery is Necessary:** Bad operatives with bad machinery are quite certain to come to grief, and bad operatives may spoil good machinery; while good operatives

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may even succeed with bad machinery, and are quite certain to succeed with good machinery. Therefore, if you or I were starting to do a job in our own lines of industry, should we not first secure the very best machinery available, and then the very best operatives to handle it? Should we voluntarily neglect either essential? I think not. Then why apply to our community enterprises other than the same principles of good business which we follow in our private undertakings?

6. **Good Men Always Available:** Many of our best men can not be prevailed upon to accept public office in Canada and the States to-day, especially in the municipal field. Has it ever occurred to you to inquire into the underlying cause? If not, and you manage labor, may I suggest that upon arrival at your place of business to-morrow morning you offer some of your best operatives poor machinery with which to do piece work. No further inquiry will be necessary. Good men will not waste their valuable time with poor machinery if they can help it, especially if it looks like a hopeless task even to get the job done at all with the equipment provided. Get good governmental machinery, and good men will always be available for its working.

7. **Two Theories of Democracy:** By many thinkers, Democracy is divided into two classes—that is, the machinery for securing it is so divided. "Pure Democracy," as represented by the old New England town meeting, is one kind; "Representative Democracy," as most of us know it, is the other. Now no machinery of government has yet been constructed which will produce one hundred per cent true democracy, and most of us are lucky if we are even enjoying fifty per cent democracy.

8. **"Pure" Versus "Representative":** While, theoretically, "Pure Democracy" may seem to promise the best results, and many "parlor" reformers go into ecstasy talking about it, when the matter is considered from a distinctly practical viewpoint, I think there is little doubt that, except where very small groups are involved, "Representative Democracy" has actually come nearer securing for the people what they want. It is with this kind of democracy, and with its bearing upon municipal government, that we will now concern ourselves.

9. **Representative Democracy:** Representative Democracy should be exactly what those two words indicate; that is, government from the bottom up through a body of men who truly represent the underlying electorate. Otherwise, while we may have something which, by a stretch of the imagination, may be called a "Democracy," the use of the adjective "representative" is certainly misinforming. To paraphrase the illustrious Edmund Burke, I will say that the virtue, the spirit, and the essence of a representative body, be it called parliament, congress, commission, city council, or committees thereof, consists in such representative body be-

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ing the express image, in miniature as to numbers, of the people which it represents.

10. **An Old Political Problem:** There have been many occasions in the past when the party polling the least number of votes has elected a majority of the representatives. A noteworthy instance occurred when Gladstone was hurled from power in 1886—by a minority; for though he had a popular majority of fifty-five thousand votes throughout the country, yet the election machinery seated a majority of one hundred and four members of the opposition in the House. Can such a government, by any form of sophistry, be said to represent and to have a mandate from the people?

11. **Canada Needs the Solution:** In the general election of 1896, the Conservative party in Canada polled eleven thousand more votes than did the Liberal party; but nevertheless the Liberals obtained a majority of thirty seats in the Canadian House of Commons. Such fluke results of the present method of conducting elections, and the political conditions growing out of it, caused Earl Grey, writing to the London "Times" on April 3rd, 1917, to say: "In Canada, the necessity of the two contending political parties to obtain an electoral majority in every district is a corrupting influence which poisons the life of the people from the Atlantic to the Pacific.

12. **Canada Seeks the Solution:** The recent Royal Commission on Industrial Relations perceived this corrupting and disintegrating political influence observed earlier by Earl Grey, and made to the Government suitable recommendations with respect to Proportional Representation. On July 5th, 1919, Sir Robert Borden, from his place in Parliament, referring to Proportional Representation, said: "I recognize its importance, and I will be prepared to have a Speaker's Conference appointed at the next session of Parliament."

13. **Parliamentary or Direct Action:** The Ottawa "Citizen" of June 14th, 1919, does not beg the question when it quotes Mr. Ronald Hooper as saying: If, for any reason, Parliament is not truly representative, the popular mind becomes disconnected from constitutional government, and the tendency is for sections of the people to seek a solution of their difficulties by extra-parliamentary means, or, in other words, by Direct Action." When any section of the underlying electorate is unrepresented in a governing body, that body has lost its moral authority to that extent; and the unrepresented electors are apt to feel not morally bound by the laws is makes, even though force may compel them to obey.

14. **A World Safe for Democracy:** The sooner we learn that the way to "make the world safe for democracy" is to make democracy "safe" for the people, the better it will be. Otherwise, as is already happening in other lands, the uncomfortable minorities, and even majorities, who are suppressed by our present system of elections, may make it very unpleasant for some of us. My keen interest in this subject at the

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present time may possibly be due to the fact that I fully recognize these possibilities, and that I do not want it to be made uncomfortable for me.

15. **Proportional Representation:** Representation in any governing body, to be proportional, must give to each group of voters in the electorate who think together, a number of representatives in that governing body in direct proportion to their relative numbers in the total electorate. That is, a group consisting of twenty per cent of the underlying electorate should have twenty per cent of the representatives. If there are to be one hundred men in the governing body, that group should have twenty of these. It seldom does.

16. **Unproportional Representation:** To show how very unproportional the representation can be, and often is, under the present system of conducting elections, we may take as an example a city with five wards of one hundred votes each and each electing two aldermen. One ward may be about one hundred per cent Conservative, and elect two Conservative aldermen. The other four wards may each be divided about forty per cent Conservative and sixty per cent Liberal, in which case they will elect eight Liberal aldermen.

17. **Minority Elects Majority:** In other words, a minority of forty-eight per cent of the electors have eighty per cent of the representatives; which is a large majority and out of all proportion to their voting strength, going to make up a governing body that is thoroughly unrepresentative. With two parties in the field, it is mathematically possible for fifty-one per cent of the voters to elect all the representatives; with three parties in the field, thirty-four per cent might secure all the representation.

18. **Reaction Always a Unit:** The old trick of splitting the opposition party's vote is too well known to need explanation. The reactionaries seldom suffer from this; for, having no principles, there is nothing for them to differ about except the destination of the "swag," and they will always come to terms for the division of this in their own camp rather than risk losing it altogether. It is the liberal, progressive, or radical vote which is usually split where there is no arrangement for proportional representation. Under other systems, the more tickets that are in the field, the smaller is the minority of reactionaries required to control the election and lord it over the more progressive majority.

19. **No Representation At All:** Then enters the question as to what representation on the governing body previously described have the thirty-two per cent of Conservative voters who were losing minorities in the four wards that returned Liberal aldermen. Certainly the two Conservative aldermen returned from the first ward cannot represent them, for they did not vote for these men at all, and may have strong objections to them personally; and the Liberal aldermen elected from their own wards certainly do not represent them, for, while they may think very highly of these men personally, they have voted against them on principle.

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16. **Unproportional Representation:** To show how very unproportional the representation can be, and often is, under the present system of conducting elections, we may take as an example a city with five wards of one hundred votes each and each electing two aldermen. One ward may be about one hundred per cent Conservative, and elect two Conservative aldermen. The other four wards may each be divided about forty per cent Conservative and sixty per cent Liberal, in which case they will elect eight Liberal aldermen.

17. **Minority Elects Majority:** In other words, a minority of forty-eight per cent of the electors have eighty per cent of the representatives; which is a large majority and out of all proportion to their voting strength, going to make up a governing body that is thoroughly unrepresentative. With two parties in the field, it is mathematically possible for fifty-one per cent of the voters to elect all the representatives; with three parties in the field, thirty-four per cent might secure all the representation.

18. **Reaction Always a Unit:** The old trick of splitting the opposition party's vote is too well known to need explanation. The reactionaries seldom suffer from this; for, having no principles, there is nothing for them to differ about except the destination of the "swag," and they will always come to terms for the division of this in their own camp rather than risk losing it altogether. It is the liberal, progressive, or radical vote which is usually split where there is no arrangement for proportional representation. Under other systems, the more tickets that are in the field, the smaller is the minority of reactionaries required to control the election and lord it over the more progressive majority.

19. **No Representation At All:** Then enters the question as to what representation on the governing body previously described have the thirty-two per cent of Conservative voters who were losing minorities in the four wards that returned Liberal aldermen. Certainly the two Conservative aldermen returned from the first ward cannot represent them, for they did not vote for these men at all, and may have strong objections to them personally; and the Liberal aldermen elected from their own wards certainly do not represent them, for, while they may think very highly of these men personally, they have voted against them on principle.

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20. **Experience is Best Teacher:** My own experience is that, though I have been voting industriously ever since I was twenty-one years old, sometimes travelling a distance to do so, never yet have I had a representative on any governing body. I have always been misrepresented by men against whom I purposely voted, and this sort of "representation" I most emphatically repudiate. At times, almost forty-nine per cent of the electorate have voted for the same candidate as I, and yet we have had to be misrepresented by the other man.

21. **The Consent of the Governed:** Despite all the bitterness of our political contests, in this country we are fortunate in possessing a general agreement, at least in form, as to the basis of government. With us, the consent of the governed is accepted as the one possible foundation on which a government can be based; and the criticisms which men of different parties pass on the present state of affairs all take this as their starting point. That popular consent is necessary, all agree.

22. **Machinery Has Been Neglected:** Now, under these conditions, isn't it a remarkable thing that so little heed is given to the all-important machinery by which the consent of the governed is to be expressed. Certainly machinery which produces governing bodies that misrepresent or totally fail to represent the electorate does not meet the need of the hour. Its weaknesses being pointed out, and a suitable remedy suggested, should we not proceed to avail ourselves of that remedy?

23. **Gerrymandering Impossible:** To the politically uninitiated, the word gerrymander does not seem very dangerous; but anyone who has ever been interested in the mechanics of elections knows otherwise. A politician named Gerry found that, by dividing a geographical area so his expected majorities would all be slight and his opponents' majorities heavy, he could gain a very considerable unfair advantage that would give to him offices to which the total popular vote did not entitle him. In other words, he found that, by cleverly juggling the boundary lines of his single member districts, he could frequently defeat the will of the people when they were against him. This is practically impossible under proportional representation.

24. **The Multi-Member District:** When a constituency returns only one member, the representation can not be apportioned; but necessarily falls to a single party, sometimes, in fact often, by a plurality which is not a majority. When constituencies return several members, it is possible to give representation within each electoral area to more than one party, so gerrymandering does not work. To-day, the possibility of rigging the election machinery to produce certain results which certain private interests may wish, against the popular will, are so great that shrewd, unscrupulous men spend a lifetime at its study and grow rich as professional politicians. Under proportional representation this particular

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type of politician,—and a most dangerous type he is, always working under cover,—will be permanently disabled.

25. **No Primaries are Required:** With proportional representation, no primaries are required. Under the Hare system, the method of marking and counting the ballots brings together the votes of like-minded electors,—far more effectively than a primary election can do it,—so as not only to elect the right number of candidates, but also the strongest candidates of each party, group, or sufficient number of voters, whether organized or not. Candidates are nominated by petition, the number of names required on a petition being usually between one-half of one to two per cent of the voters in the constituency.

26. **Method of Voting is Simple:** The form of ballot used and the method of voting it are both very simple; more simple in practice than may be described in words. When proportional representationists are lecturing, it is frequently their custom to hold a mock election with the audience as a constituency, to demonstrate just how simple the system really is. Therefore, I will leave the reader's final conversion for one of these meetings, where he can learn by experience.

27. **Fear Splitting Party Vote:** Another serious objection to the single-member constituency is the fear of splitting the party vote, which limits each party to running one candidate only, so that the elector, in nine cases out of ten, has only two machine-nominated candidates from which to make a selection. This limited choice affords the voter no satisfactory opportunity for giving expression to his views. He must swallow the entire menu of one party or the other, or stay away from the polls; which largely accounts for the lack of interest in present day elections.

28. **Vote For, Not Against Something:** To-day, we usually vote against something; not for something. In the old South of the United States they have regularly voted the Democratic ticket against the Republican North, even, as one old southern colonel was heard to say, if the party ran a dead yellow dog on it. The ballot applied after this fashion can have but little constructive force.

29. **Cleaner Election Campaigns:** Much evidence can be produced to show that proportional representation invariably results in cleaner elections. Professor Dupriez, of Louvain University, when speaking at a dinner given in his honor by the Proportionalists of New York City in 1915, at which the writer had the honor to be present, said that, since its introduction in Belgium, electoral campaigns have gained in dignity, that corruption is almost entirely eliminated, and that now one scarcely ever sees the rioting and violence with which elections too often used to end in the larger Belgian cities.

30. **Man Not Pitted Against Man:** The reason for this is fairly obvious. In the multi-member constituency, one candidate is not pitted against another in such a manner that to win he must necessarily defeat an opponent, for the simple

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reason that every candidate who has a following in his district equal to the necessary quota is certain of election. This would obviate most of the causes of the "mud-slinging" which so disgraces political campaigns under the present system.

31. **Gives Freedom to Electors:** No one can seriously contend that, under our present system of elections, the electors really choose the candidates they want. The men for whom they are asked to vote are largely chosen for them by a party caucus; and both party platforms may contain some planks of which they approve and others of which they disapprove. It is not always possible, under the present system, to vote for a Liberal who is in favor of both free trade and prohibition.

32. **Voting at Cross Purposes:** Frequently, in order to vote for prohibition, for instance, the elector is now compelled to vote for a protective tariff, even though he is only less bitterly opposed to it than to the demon rum. He must, therefore, either stultify himself on one or the other important issue, or stay away from the polls. Such is not the case where proportional representation is in use. He may have the choice between a Liberal who does and a Liberal who does not believe in prohibition.

33. **Brings Political Harmony:** Wherever proportional representation has been introduced, it has brought a measure of political harmony not otherwise attainable. In Belgium, before its adoption, the non-representation of racial and religious minorities was seriously threatening the peace of the country. Said Count Goblet d'Alviella, then vice-president of the Belgian Senate, in 1899: "Belgium was on the eve of a revolution,—a revolution which was only avoided by the immediate and complete introduction of proportional representation into parliamentary elections." The result has been the political consolidation of Belgium.

34. **Canada's Ontario Versus Quebec:** The same conditions which formerly existed in the "cockpit of Europe" to-day exist, in a less aggravated form, in Canada, where we have our "solid" Quebec and our "solid" Ontario duplicating Belgium's "solid" Flanders and "solid" Wallony. But neither Quebec nor Ontario is really solid, and proportional representation would reveal the real state of affairs. There would be minority representatives from each province to work with the majority representatives from the other. Sectional antagonism would be lessened, because divisions would no longer be taken on sectional lines. These conditions also exist as between the French and English speaking inhabitants of many of the Quebec cities. Proportional representation is a remedy which should satisfy both elements in the population, as it did in Belgium.

35. **A Belgian Statesman Testifies:** Mr. Georges Lorand, the Radical leader in the Belgian Chamber of Representatives, has said: "We have used proportional representation for thirteen years, and we have had six general elections with the new system, and the result is that not a single party nor

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fraction of a party is opposed to the reform; its extension is inscribed in the programme of all the parties. It has been said, by opponents of proportional representation, that it would lead to the splitting of parties, but it has had the opposite effect; parties, far from splitting into fragments, have brought their ranks closer together, but within these ranks they have found room for such diversity of opinion as may exist, nay, as is essential within any living and active political force."

36. **It Works Even in Ireland:** Would you say that a system of elections which had brought a measure of political harmony in Ireland was a good system and worth your consideration? Then listen to this editorial from the Dublin "Times," referring to the municipal elections held under proportional representation, January, 1919, in the town of Sligo: "Before the extension of the franchise under the Local Government Acts, the Sligo corporation was almost exclusively Unionist, with results not wholly satisfactory. That extension gave the Nationalists a complete monopoly, with results utterly disastrous.

37. **After a Rake's Progress:** "After a rake's progress, which was unprecedented even in Ireland, the town went bankrupt. The election has established, beyond dispute, two big things in favor of proportional representation. The first is that it is a thoroughly workable system. The other big thing—and it is really big—is the proof that in proportional representation we have the Magna Charta of political and municipal minorities." Sligo's experience was contagious. Proportional representation has now been extended to all municipalities and counties in Ireland, with results that have been acclaimed by spokesmen of all parties.

38. **Geography Versus Opinions:** From the above, we see that the present method of conducting elections by the majority system does not give us a truly representative governing body; in fact, the members rather represent the geography of the country than the thought and desires of its people. Therefore, is it not incumbent upon us, as good citizens, so to amend our governing machinery that it will represent the people properly by letting those who think together elect a representative who thinks as they do? Proportional representation does this, and does it remarkably well as a matter of practical politics. It is a proven theory, not an experiment.

39. **Commission Form of Government:** Strange to say, some of the first attempts to improve North American municipal governments had a trend away from and not towards representative democracy. The early charters granted to cities for what is called the commission form of government, nearly always provided that the commissioners—which is but another name for aldermen that does not necessarily make them smell the sweeter—should be elected at large and by plurality or majority vote. This abolished the ward sys-

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tem; but, as we shall see, made no improvement upon it in the direction of democracy.

40. **Minority Control Possible:** The commissioners need not even be elected by a majority in most cases, and frequently are not where more than two parties are in the field. This form of governing body always means a large unrepresented minority at least; and, not infrequently, entirely unrepresented large majorities are ruled over by a body composed of the candidates of a minority party which chanced to get more votes than either one of two or more other parties.

41. **Unrepresentative Commissions:** This led to some unrepresentative commissions which were not very successful, in spite of the cities having adopted the commission form of government; and it caused a loss of interest on the part of the electorate when they found that their machinery would not operate properly to carry out their will as expressed in the voting. Such elections have retarded the progress of the commission form of government movement very greatly.

42. **Accidental Representation:** In many respects, the old ward system was superior to this new system which abolished the wards and instituted election at large, from a multi-member district, without providing for proportional representation; for the old ward system did, in a way, give a kind of accidental representation, unsatisfactory and unreliable though it was. Working class wards usually returned candidates at least acceptable to a majority of the working class, and the more prosperous wards did likewise; while, under the system of electing at large by majority or plurality, frequently no commissioners acceptable to the working class were returned at all, and this has proved the serious weakness of this type of commission government for cities.

43. **Representing Sleeping Groups:** But why vote as we sleep? Under the ward system, the alderman is supposed to represent all the citizens who sleep in his ward, but who may differ as widely as the poles in their views on municipal policies. These citizens are usually agreed on nothing save the interests of their section of the city, and that is why the alderman so often considers and votes upon municipal problems in the light of the interests of his ward only. Under this system, the public-spirited may find their votes completely nullified by the votes of those who have accepted favors from the ward "boss"; the citizen possesses the right to vote, but not the right, which the franchise was intended to confer, to choose a representative.

44. **Adjoining Streets or Thoughts:** Where there have been seven wards each selecting one alderman, and the system is changed to proportional representation, with one district or ward selecting seven aldermen, one-seventh of the citizens would equally be entitled to one-seventh of the representation; but the character of the constituency is changed; it is no longer a seventh who live in adjoining

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streets and think differently; it is a seventh who may live in different parts of the city but are agreed in their views on municipal questions. The greatest good to the greatest number is more apt to be the aim of a representative body selected according to the thought of the community than of one chosen by its inhabitants according to the streets upon which they live.

45. **Democracy not Sacrificed:** Proportional representation makes it possible to adopt the commission manager form of government for cities without sacrificing democracy. A body elected by this method is sure to be representative of the minds of the voters. It is, therefore, fit to be entrusted—subject to recall of course—with the great powers necessary to combine excellence and efficiency, including, if it is thought best, the power to select the chief administrator.

46. **The Cure is More Democracy:** Verily, the cure for the ills of democracy is more democracy; and no other remedy offered seems so certain to produce immediate and satisfactory results as the adoption of a method of election which will secure true proportional representation in the body of legislators entrusted with the democratic representation of the public. This reform does not in any way interfere with the introduction of any other reforms such as the initiative, referendum, and recall, or direct legislation. It can not but add to their chances of success where they are tried.

47. **A Single Transferable Vote:** If I were asked for the one thing, possible to-day, which would do more than any other to block the "expert" work of the professional vote-getting politician who makes a party and sometimes a private business of the public's affairs, I should, without hesitation, say that it was the adoption of the single transferable vote which is used to secure proportional representation. One marks his ballot for the man whom he prefers to have represent him in the governing body; and then proceeds to mark his second, third, and as many other choices as he may care to name. His vote counts for some one of these men whom he prefers.

48. **This Vote is Never Wasted:** If an elector's first preference has already secured a seat by having received a full quota at the time his ballot is reached by the enumerators, or if he has too little support to deserve election, then the ballot is not wasted, but is made to operate in favor of one of the elector's other preferences, the one highest in his list of preferences who can be helped to election by his vote. The single transferable vote is not wasted, as are all the unsuccessful votes under either the plurality or the majority systems based on geographical divisions.

49. **Each Vote Elects Someone:** Unless the minority opinion which it represents is so small that it does not succeed in getting even the quota necessary to elect one representative, each vote elects someone under the voter's orders. Even then, if the elector has named as his second choice a

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candidate of one of the larger parties nearest in principle to his own ideas, his vote will count to that extent.

50. **How it Works Out in Cities:** In most municipalities, the corporate limits are not so extensive but that the election may be handled as one district, and the representatives elected at large therefrom, proportionately. Even with proportional representation, however, necessity dictates geographical divisions in some cases, and very large cities may be divided into two or more electoral sections; but these multi-member districts are always made very much larger than is practical under the plurality and majority systems, and must each elect at least three representatives. The larger the district, and therefore, the more representatives elected from that district, the more satisfactorily proportional representation can be worked out.

51. **Small Minorities Important:** For instance, where three members are elected, a minority of at least one-third will have one of them; and where ten members are elected, a minority of at least one-tenth will be able to make itself heard in the governing body through its one member. There is a saying that the farthest advanced thinker is always a minority of one; and, while it is not practical to give this one man proportional representation, even though he be the world's greatest genius and destined to be written down in the pages of history, it is practical to give representation to all considerable minorities which are real factors in present day affairs.

52. **Accident Versus Science:** While the ward system, as I have already shown, frequently gives a sort of accidental and disproportionate representation to the minorities in the community, sometimes more and sometimes less than that to which they are proportionately entitled, does it not seem that we have left such matters to accidents long enough? The results of this accidental misrepresentation system have been pointed out in numerous cases; and the scientific remedy is available, developed theoretically for us by unselfish men who had the public good at heart, and now tried in practice and proven satisfactory. Is there any good reason why we should longer delay the adoption of proportional representation?

53. **Partisan or Non-Partisan:** Some will say that they believe in the party system and want to know if it is possible under a proportional representation election. It is. The principle of the party system will always be with us. I never knew such staunch partisans as took part in the several "non-partisan" election campaigns that I have witnessed. I believe in the partisan system of government—for it is said that one cannot be both fish and fowl—but I believe that partisan government will be best accomplished, and most of the present day evils of partisan politics eliminated, when we elect our representatives by the system of proportional representation. We may then have partisan politics without

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having tricky partisan politicians in the sense we now too frequently know them.

54. **Stabilizing our Politics:** One of the best features about proportional representation is the effect it has in stabilizing governments. At present, a small shift in votes may throw one party out and another party into the full control without even a healthy opposition. With proportional representation, the same shift may change a majority party to a minority party, but their strengths after the election will have been changed only in proportion to the actual shifts in public opinion as indicated by the voting.

55. **Keeping Good Men in Office:** Also, a good man, who has behind him a large number of the citizens constituting more than the necessary quota to elect, will be assured of continued public service if he so desires; for a slight change in the strength of his following will not throw him out of the governing body. If there are ten men to be elected, as long as he has behind him at least ten per cent of the votes, he will retain his seat. To-day, he usually requires over fifty per cent of the votes in his own small district, and can not go out of the district for support without abandoning it completely for another.

56. **Lack of Representation Dangerous:** Some thoughtless people will say that we do not want certain elements in our population represented in the governing bodies; but every thoughtful man knows that, as a matter of political safety alone, such a condition of affairs is dangerous. Do you think Russia would have had her sudden and unpleasant turnover except for the suppression of both minorities and majorities that has existed there for generations?

57. **The "Red" and "White" Terrors:** The "red terror" is always preceded by a "white terror"; and, if the "red terror" temporarily fails, as in Poland, Siberia, Hungary, Germany, and elsewhere, it is invariably followed by a reign of "white terror" which makes the "red terror" look just light pink by comparison. The "red" Russians under Lenine and Trotzky were so far outdistanced by the "white" Poles under Mannerheim that it makes the former look like a pair of Sunday school teachers.

58. **We Want Neither Terrorism:** If we do not want the "red," then the voice of wisdom dictates, even if conscience does not, that we avoid introducing the "white." The "reds" are already pointing out that in their opinion the "white terror" is already quite far advanced in the United States and Canada, specially the former; and, sad to relate, they have some facts with which to support their contention. The persecution of the "reds" has already gone so far that such reputable organs of Conservatism as the New York Times, Tribune and World, and others, are crying out in alarm.

59. **In Parliament, Not in Jail:** If, instead of persecuting these "reds," we gave them a chance to expound their ideas

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in public, from the seats in representative bodies to which they are justly entitled, instead of compelling them to expound them, with three-fold force, from our jails, would it not be safer for us? In parliaments, the representatives of such minority elements will be isolated, subject to the majority; and there is nothing like isolation in full view of the public to eliminate the impractical from proposed reforms.

60. **Why the Many Censorships:** Many are to-day asking, for instance: "Why, if the Russian Soviet government is so bad, are we prevented from getting a good look at it?" Cannot the public be depended upon to agree with the censor about what is good and what is bad? What harm, in a free country, if someone advocates violence? Are the majority of us so insane that we are apt to employ violence if there is nothing in the facts to justify it? Are we a free people, or are we not?

61. **Sitting on the Safety Valve:** Do we wish to go on sitting upon our own safety valve after such political blow-outs as the Winnipeg strike, in Canada, and the coal and steel strikes, in the United States, have given us notice that the pressure is getting too high and that something is wrong? There is no use attributing these unhappy affairs to foreign agitators; for neither foreign nor domestic agitators can for long thrive in a soil where conditions are as they should be. Besides, of the ten "foreign agitators" now being tried at Winnipeg, six are English, two Scotch, and two of Canadian birth.

62. **Repression not a Remedy:** When we deport or imprison one man, ten younger and more effective men step forward to take his place. The dreaded I. W. W., whose principles are more dangerous by far to the established order in industry than those of any other labor organization the world over, is thriving in the United States on a form of persecution of which the late Russian Czar might have been proud; and where is the Russian Czar and his government now?

63. **Something Else is Needed:** Something else than repression is necessary; and our legislative bodies must be made so workable that they will find and apply the proper remedy before it is too late. How are legislators to really know conditions unless these high pressure minority forces are represented amongst them? Making "martyrs" was proven a useless remedy long ago; for the blood of martyrs is now, as it was in the days of the early Christians, but the seed of the faith, whatever that faith may be.

64. **The Majority Should Rule:** While it is true that in most cases the majority should rule, that majority should be a majority of the people, or of the representatives of those people. If a governing body represents only the majority, and the majority of that body controls, we may have the worst kind of minority rule, which, in fact, we frequently have to-day. Sixty per cent of sixty per cent, a majority

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of a majority, is not a majority of the whole, but a majority of that part of the whole which is the first sixty per cent. It is, in fact, a minority or thirty-six per cent; thirty-six men out of one hundred. It is by such minorities, and many far worse, that we are frequently ruled to-day.

65. **Minority Rule Worst Sort:** Add to this difficulty the work of political tricksters, and of our minority elections, which prevail so generally, and one sees why democracy, as practiced to-day, so often does not "democ," but falls by the wayside. President Wilson, when first elected, only represented a minority of the voters in the United States, having been elected by the plurality system through the splitting of the Republican vote and the total loss of the small parties' votes. When he was next elected it was still by a minority, though this minority was so large as to almost amount to a majority of all the voters, there being no division of the Republican party at that time, the Progressive party having practically disappeared.

66. **The Rights of Minorities:** Someone may object to my statement that the majority should rule "in most cases"; but I wish to stand by that statement. Under some conditions, if you or I were in the minority, and the majority should wish to impose certain legislation and enforce it, the only way they could ever succeed would be over our prostrate bodies. For the purpose of better illustration, we may take an exaggerated case. Suppose, for instance, a majority of sixty per cent should decide that a minority of forty per cent must remain in a condition of abject slavery. Would we, in case we were a part of that forty per cent minority, submit willingly to the will of the majority? **I think not.**

67. **Majority Should be Tempered:** A lack of consideration by the majority for the rights of the minority is much less likely when that minority is represented and can be heard in the governing body. Great Britain is to-day suffering severely because the Laborites got only one representative for every two they should have had under a truly proportional system of voting; and, to-day, "direct action" in England is an unpleasant possibility, despite the success which the English people, for generations back, have had in securing their demands to at least a considerable extent through parliamentary channels. Where the minorities have their correct representation on the governing body, the action of the majority is much more likely to be tempered by reason.

68. **Opinion of Mr. Asquith:** The Right Honorable H. H. Asquith once said: "It is infinitely to the advantage of the House of Commons that there should be no strain of opinion honestly entertained by any substantial body of the King's subjects which should not find there representation and speech." We might add that not only should all such opinions be found in every body which professes to be representative, but it should be present in as near the exact proportion it represents as may be practically possible.

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69. **The Commission Manager Form:** Where cities are concerned, as I said before, the first move for improved governments was not in the direction of more democracy, but less; and many of these governments failed for that reason. The city manager has been added as an improvement to the commission form; but even that did not help if the commission was not right. To-day, all practical municipal reformers are urging the commission manager form of government, with the commissioners, or aldermen, or councilmen, whichever you may care to call them, elected by proportional representation.

70. **The National Municipal League:** The National Municipal League, of which Mr. Clinton Rogers Woodruff, who recently spoke before the Canadian Club in Monteal, is the secretary, has prepared a model charter along these lines, and is advocating it for adoption, with local amendments, for all cities. Some cities are already operating under this form of charter.

71. **Ashtabula and Kalamazoo:** Two cities in the States who have adopted this most modern machinery of municipal government are Ashtabula, Ohio, and Kalamazoo, Michigan; and each is pleased with its new form of government. At Ashtabula, which was the first American city to adopt it, after the first election was over, even those papers which had opposed the new machinery as being too complicated, admitted that it had been the best election the city had ever held and had produced the best results. It seems that in this case the representation worked out remarkably well, and every interest of any considerable group of voters in the city found itself quite satisfactorily represented. Even the "wets" and the "drys" admitted that they had all the representation to which they were entitled, and called it a square deal.

72. **Boards of Trade and Clubs:** It is of interest to note that many private clubs employ the proportional representation principle for electing their directors and committees; and many Boards of Trade and Chambers of Commerce do likewise. They find it works out more satisfactorily than any other method. Possibly some of the like organizations in your city already use this method of electing. If not, wouldn't it be possible for you to introduce this reform into your own club affairs and thereby set the citizens a good example by handling your own small representative democracy scientifically.

73. **The Sources of Information:** If you need help in starting the new system, it may readily be had from either the American Proportional Representation League, Mr. Clarence G. Hoag, secretary-treasurer, 1417 Locust Street, Philadelphia, or the Proportional Representation Society of Canada, Mr. Ronald Hooper, honorary secretary, 13 Second Street, Ottawa, of both of which I am a member. In Montreal, Mr. Howard S. Ross, K.C., Coristine Building, is an able exponent of the single transferrable vote. By all

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means, do not try to frame a law to introduce proportional representation without consulting those who know it best.

74. **Democracy is Now on Trial:** The world is in a turmoil to-day. Some say that we fought for democracy, but haven't got it; others say—and not without some apparent facts to back them up—that democracy, as we have worked it, is a failure. At any rate, democracy is, as never before, on trial for its life. Shall we, who believe in democracy, go into the final battle with antiquated machinery which furnishes a product that can not, for instance, stand the light of free speech, a free press, and free assembly?

75. **Denial of Rights Dangerous:** Our present governments are compelled to deny these rights for the very reason that they have not functioned properly and have not truly represented the people's interests, but have more frequently represented "the" people, which "the" is usually spelled with capital letters. It is idle to talk of what we will do to the submerged minorities when, driven to desperation, they apply "direct action" and rebellion stalks abroad in the land. Our own British ancestors have accomplished too many non-pacifist revolutions,—and revolutions are but successful rebellions,—for us to be confident that in this generation we can, if we tarry too long, prevent a change in government from coming that way.

76. **The Way Changes are Made:** There are only two ways in which changes in government are accomplished. Either they are evolved through constitutional means, by the government responding to the needs of the people—which is the intelligent way; or, if the government is not sufficiently representative and pliable to change with the needs of the people, and retards the necessary progress, then the change comes about by violent means—revolution—the unintelligent way that always exacts its full penalty of human misery.

77. **Real Patriots Must Act:** We hear much talk these days of "patriots" and "traitors." Whenever I hear a man use these words, I always ask myself, "Patriotic to what?" "A traitor to what?" For myself, I am unwilling to be a "patriot" to the profiteers, and I am perfectly willing to be a "traitor" to them. Real patriotism consists in earnestly desiring and being willing to fight for the attainment of better conditions for all, even to the extent, as has been the case many times in past history, of being willing to overthrow, violently if necessary, a "traitorous" government which no longer seeks the public good, but private gain instead.

78. **Lincoln on Governments:** In this connection it might be well for some of our self-styled "patriots" who, to my mind, are the worst enemies of good government in the country, to remember that the great and genuine American patriot, Abraham Lincoln, in his first inaugural address, said: "This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the

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existing government, they can exercise their constitutional right of amending it or their revolutionary right to dismember or overthrow it."

79. **Dissatisfaction a Healthy Sign:** It should be noted, I think, that Lincoln spoke of the people who "inhabit" the country; not merely the people who "own" it politically and otherwise. I do not believe this great man was ever heard to say: "Well, if they don't like our institutions, let them get out." He himself did not like the institution of chattel slavery, but, instead of getting out of the country, he remained to sign the Emancipation Proclamation. Dissatisfaction, while not a sign of health, is yet a healthy sign. It shows that the country is at least not dying of its maladies, but is fighting for a recovery.

80. **Prepare for Troublous Times:** There are dangerous times ahead of us. Something is happening in the world which very few people understand, and great changes seem to lie directly in our path. What these are to be and where they will lead, probably no one of us can even guess; but all of us who are really democrats want these changes, whatever they may be, to be accomplished peaceably, by force of argument and not by force of arms. We have had enough of bloodshed; besides, there is never a way of telling whose blood will flow.

81. **A Seditious Document?:** However, we should always bear in mind some statements found in the American Declaration of Independence; though many of our American friends now seem to think that their revolutionary forefathers were really "seditious" traitors and not the grand and glorious "patriots" represented in their school histories —at least, we must come to the conclusion that they now so think if we judge them by some of their recent activities in the line of suppression of the minorities who believe the time has arrived for a reassertion of the following words.

82. **Declaration of Independence:** "We hold these truths to be self-evident: That all men are created equal: That they are endowed by their Creator with certain inalienable rights, and among these are life, liberty, and pursuit of happiness.

"That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed, that, whenever any form of government becomes destructive to these ends, it is the right of the people to alter or abolish it, and to institute a new government, laying its foundations on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness. But when a long train of abuses and usurpations pursuing invariably the same object evinces a design to reduce them under absolute depotism, it is their right, it is their duty to throw off such government and to provide new guards for their future security."

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83. **City Government Important:** City government, though to some it seems not so important, is really a large factor in influencing our daily lives. What affects us more than housing, water supply, sewage, and so forth? The lives and happiness of our families depend largely upon these municipal activities. What more important than marketing conditions and the food supply? In time of stress, "the staff of life" must be handled largely by the municipalities acting in conjunction with the Provincial and Dominion Governments. Besides, where do revolutions start but in the cities; and are not city folk usually the greatest sufferers when things happen this way?

84. **Progress for Municipalities:** These are the days for every municipality to be getting its political house in the best possible order. Progress is the watchword of the times, for the world is in a state of flux, and those who will not go forward are likely to be pushed back. As one who has long been interested in municipal governments, and who has had the pleasure of serving in many of them, I would like to see our municipalities forge ahead—not wait until it becomes absolutely necessary before adopting proportional representation as a means of electing their municipal governing bodies. This reform should be adopted by the present majority; which, if it does not, will not deserve of the minority grown to majority that justice which it formerly denied.

85. **Directors Appoint Managers:** If a governing body elected by proportional representation, or board of directors for the city we might call it—will then follow the corporate practice of appointing one responsible manager with authority to act under the general direction of the board, I think there will be occasion for much less concern on the part of citizens about what their municipal government is going to do next. This manager is "hired" and "fired" by the board. Who else but the public would have a manager whom they could not "hire" and "fire" at will; certainly no business house has such.

THE END

NOTE—This article was written, by request, from notes used by the author in an after-dinner talk with the Rotary Club of Sherbrooke, P. Q., and the reprints have been published by private subscription. Those desiring a few additional copies may secure them by addressing Charles A. Mullen, 84 Saint Antoine Street, Montreal, Canada; or, as the type is held, larger quantities may be secured at the cost of production. Technical inquiries concerning Proportional Representation, however, should be addressed to one of the three parties whose names and addresses are given in paragraph 73, "Sources of Information." Further subscriptions for the free distribution of this reprint will be acceptable, and may be sent to the author. This article is not copyrighted, and may be freely reproduced, in whole or in part.

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DEPARTMENT OF TRADE AND COMMERCE

CANADA

ADDRESS ALL COMMUNICATIONS TO
THE DOMINION STATISTICIAN,
OTTAWA.

075592

BUY WAR-SAVINGS STAMPS

C/M.

DOMINION BUREAU OF STATISTICS

File

Ottawa, 31 August, 1921.

Dear Mr. Meighen,

In reply to your inquiry, we could not undertake to have the Census results in the form required by Parliament for Redistribution prior to December 1st. There are still a number of districts in which unforeseeable circumstances of one kind or another have prevented the forwarding of returns. It is also difficult to estimate exactly how long the process of thorough revision now under way may consume, so that in naming December 1st as the date on which the final and definitive returns by subdistricts will be available, an element of uncertainty is still involved, though I think it is so small as to be negligible.

I would add that the above represents a date from two to three months earlier than that on which the similar results for any previous Census in Canada have been available.

We will of course use every effort to bring out the results at the earliest possible moment.

Yours faithfully,

R. H. Coats.
Dominion Statistician.

The Right Honourable Arthur Meighen, P.C., M.P.,
Premier of Canada,
Ottawa, Canada.

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Ottawa, Ont. March 3rd. 1923.

Dear Miss Stone:

Mrs. Meighen has shown me your letter to her of the 24th. February, and I have read with great interest your comments on the wisdom of wiping out the County of Hants. I am glad to have this analysis of the position, and will transmit what you say to the Conservative representative from the Maritime Provinces on the Redistribution Committee. Permit me to thank you for this assistance.

Mrs. Meighen will doubtless be answering your letter.

Yours very truly,

Mrs. Stone,
University of King's College,
Windsor, N.S.

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Ottawa, Ont. October 2nd. 1923.

Dear Sir:

Your letter of September 24th. with reference to the redistribution situation in Prince Albert constituency arrived during Mr. Meighen's absence in the West. Immediately upon his return it shall be placed before him.

Yours faithfully,

Private Secretary.

Colin Baker, Esq.,
Prince Albert Conservative Association,
Prince Albert,
Sask.

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J. A. STEWART, President Telephone 2706 075595 ~~S. A. MILLIGAN, Secretary~~

Prince Albert ~~National Liberal~~ Conservative Association

PRINCE ALBERT, Sask., Sept. 24th, 1923

Rt. Hon. Arthur Meighen,
Leader of the Opposition,
Ottawa, Canada.

Dear Sir:

Prince Albert Constituency

As I suggested when you were here yesterday, I am putting in the form of a letter the situation here as we see it and as discussed with you with regard to altering the boundaries of this constituency.

Our understanding is that the constituency is bound to be divided north and south in any event and I understand that the division line which the Government will urge is about Range 20 or 21, West 2nd Meridian.

Without going into too much detail, we believe that the more territory we get towards the east of the present constituency the better for us. It is not likely that there will be any chances of our getting Melfort but we want to be as close to Melfort with our eastern boundary as possible. An adjustment on the west of the constituency would also help us if we could go as far as taking in Shellbrook, Rg. 3, West 3d Meridian.

With regard to the north, there is small chance I suppose of our losing any of that part of the constituency directly north of us. It is costly to organize and administer but it is possibly to our advantage.

On the south, we are hampered by Rosthern and Wakaw which were a gift to us by the Saskatoon Conservatives a long time ago. If we could drop either of these sections of the country it would also be to our advantage.

I must express again my personal appreciation of your visit here and conversations with you and also to say that in our opinion your visit has been of incalculable good to the party here.

Yours sincerely,

John Baker

Secretary.

CB/M

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L. G. BELLEY, C. R.
AVOCAT
QUÉBEC

075596

Telephones: {Bureau, - 6102
Résidence, 1442

DOMINION BUILDING
126, RUE ST-PIERRE

QUEBEC, 7 March 1924

The Right Honorable Arthur Meighen
Leader of the Opposition
Oattawa.Ont.

Dear Mr.Meighen:-

Please mail me copy of the redistribution Bill.

Truly yours,

L G Belley

L G Belley KC

LGB/AB

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This memorandum refers to the principal matters that came before Parliament during the Session of 1923.

REDISTRIBUTION:

The British North America Act provides that in each decennial census,- which heretofore have taken place in the years:- 1871, 1881, 1891, 1901 and 1911, - there shall be a redistribution of the electoral constituents of the Dominion. The census of 1921 was taken by the late Government. It was the desire and intention of the Meighen Government to put in effect a redistribution based on the returns of such census before a federal election took place in order that every part of Canada might have in the new Parliament its adequate representation. Towards the fall of 1921 it became evident that the returns could not be sufficiently completed for this purpose before late in the winter, and that consequently another full session would have to transpire before an appeal to the people if redistribution were first insisted upon. As it was felt undesirable from the national standpoint to delay an appeal to the people for another year, immediate redistribution had to be abandoned and the contest took place on the basis of the 1911 census. Although compelled, as above set out, to defer redistribution until 1922, the Meighen Government was severely criticized for so doing.

The Session, of 1922 followed with the King Government in power. No redistribution Bill was brought down and no move whatever was made towards effecting redistribution during that Session.

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The Session of 1923 followed and opened on January 31st. of this year. On the 13th February not until. 14 days after the Session had opened, the Government introduced a skeleton bill upon which it was intended that the redistribution of the cities should be written. This Bill was referred to a Committee of the House, and Mr. E. M. McDonald, Liberal M.P. of Pictou, now Honourable E.M.McDonald, Minister without port-folio, was selected by the Government as its Chairman.

From the beginning it appeared that the Government supporters on the Committee had no serious intention of making progress with the work committed to their charge. The Committee met at brief periods with long intervals in between, and the Government members who were in a majority over all the other members on the Committee, were in no hurry to advance the work. Committees were appointed for the various provinces, but notwithstanding every effort made by Conservatives to get the Government to agree to a principle of general application as to what should be the unit for each county in the case of large cities and city districts, and what should be the unit in the case of rural districts, it was impossible to get them to take responsibility or to make any progress at all toward a decision on this vital point. Week after week rolled by, and it became evident that it was the intention of the Government to let the matter be shunted over to another Session. In some of the provinces where there really was no difficulty to amount to anything, pregress was made, but in the provinces where there were difficulties, particularly in Ontario, nothing whatever of substance was done. Finally it was proposed in Committee that the members report to the House that they had been unable to accomplish the work entrusted to them and recommended that the Bill be laid over for another Session. By this time the usual period for the close of Parliament had

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been reached or past and the date for the closing of this Parliament had been settled. The idea of having the redistribution work overtaken and accomplished between the time of this meeting and the end of Parliament, was utterly ridiculous, and there was nothing whatever to do but leave the subject over for the consideration of Parliament next Session. Certain members of the Committee objected but the objection was plainly futile, and could only be made for political effect because every one knew that there was no possibility at that time of dealing with the question this Session. Consequently the present Parliament will run into its third Session with redistribution still in the air.

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Redistribution, 2nd

Ottawa, March 11, 1924.

Dear Mr. Belley:

I am directed by Mr. Meighen to forward you a copy of Bill 2, An Act to readjust the Representation in the House of Commons, as requested in your letter of the 7th inst.

Yours truly,

Private Secretary.

Hon. L.G. Belley,
Dominion Building,
126 Rue St. Pierre,
Quebec City.

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Personal

075601

Prescott, July 22nd. 1924

214

Right Hon. Arthur Meighen

Ottawa

Dear Mr. Meighen:-

I had not time in Ottawa to look over the Redistribution Act. To-day I have glanced over it and find the following.

In Quebec they have or had ten seats under 20000. They put Brome and Missisquoi together, making one seat - other nine left unchanged with seats under 20000 (8).

In Ontario we had ten seats under 20000. They have wiped out altogether the following:

Grenville
Prince Edward
Lennox and Addington
N. Ontario
Dufferin
E. Elgin
E. Peterboro

all Conservative Seats, and left two seats under 20000, viz.: South Perth and North Wellington. Two seats almost impossible to carry.

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Then when it comes to the 20000 to 25000. In Quebec they never touched one seat, but in Ontario they interferred with Dundas, Frontenac, E. Hastings, S. Simcoe. What I am sorry for is that Seats like North and South Brant, and North and South Bruce, and North and South Huron, did not come in for some of the Seats to be changed. We should have had some of them, (say 3 to our 3) to balance. As it stands the 6 Seats we have lost are all or should be at next Election, Conservative, while the 6 New Seats will likely be to the advantage of Liberals.

Altogether I think the Committee gave us a raw deal and it may result in Ontario not coming up to the standard we expected when the Election comes on.

Yours sincerely,

J D Reid

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Send to J.B. Fraser,

30 Cooper St., City.

Copy of redistribution Bill as passed last session and send a note with it.

Sent Aug 30/24 WG.

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075604

~~House of Commons~~
Canada

Chilliwack
Nov. 10/94

Dear Mr. Meighen,

Will you kindly have forwarded to me copies of changes made during last session in the boundaries of the Fraser Valley Constituency and oblige

Yours truly

J. B. Stacey,

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075605

214

Ottawa, Nov. 20, 1924.

F.B. Stacey, Esq.,
Chilliwack,
B.C.

Dear Mr. Stacey:

Your letter of the 10th inst., arrived during the absence of Mr. Meighen in Hastings. Herewith I am sending you copy of the Redistribution Bill as passed by the House of Commons as it struck me you might be interested in some of the other B.C. constituencies.

Yours faithfully,

Private Secretary.

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Proportional Representation League 075606

1417 Locust Street, Philadelphia.

Copy:

May 20, 1925.

Mr. J.R. MacNicol,
3 Glanholme Ave.,
Toronto, Ont. Can.

Dear Mr. MacNicol.

I am very glad to hear that you are planning to be in Philadelphia next month and am looking forward to the pleasure of meeting you and discussing the problems in which we are both interested. If it is convenient for you to do so will you kindly let us know a few days in advance when to expect you, so that Mr. Hoag and I can both be sure to be here to receive you.

You are correct in your understanding that I regard proportional representation as vastly superior to the alternative vote. My statement in regard to the alternative vote and majority rule is well illustrated by the election of members of the Australian House of Representatives from Queensland held in December 1922. Queensland was divided into ten districts, seven of which returned Nationalist members although the Nationalists polled a minority of the votes in the province as a whole. The figures, taken from the Sydney Standard of March 15, 1923, were as follows:

Party	First Count	Final Count	Elected	Percentage of Votes	Percentage of Members.
National	136,709	149,241	7	46.67	70.00
Labour	143,091	145,700	2	45.57	20.00
Country	39,967	24,826	1	7.76	10.00
Totals	319,767	319,767	10	100.00	100.00

Some of the other inequitable results of that election are mentioned on pages 90 and 91 of the P.R. Review for October 1923, a copy of which I am sending you under separate cover. I do not at once recall an example where the alternative vote in single-member districts entirely excluded a large minority for representation, but it is evident that if one party polled over 50% of the votes in each of the districts all other parties under the alternative vote would be deprived of representation even if their total vote were nearly as large as that of the majority.

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Some of the advantages of P.R. with the single transferable vote over the alternative vote, starting with the two already mentioned are the following:

(1) P.R. Practically assures a majority of the seats to a majority of the voters. The alternative vote is no more certain to do so than the ordinary plurality system.

(2) P.R. guarantees representation to substantial minorities. The alternative vote gives representation only to such minorities as happen to poll a majority in some particular district.

(3) P.R. gives each member a constituency he can really represent, a constituency who are agreed in wanting him as their representative. The alternative vote, like the ordinary plurality vote, asks each member to represent a divided constituency, part of it composed of persons who voted against him. Since it is impossible to represent persons of opposite views at the same time, the best a representative under the alternative vote can do is to represent as best he can a majority of his constituents, giving heed to the minority only in matters where there is no serious conflict.

(4) P.R., when properly applied in districts electing several members each, does away with gerrymandering. All important points of view are represented in each district however the district lines may be drawn. The alternative vote on the other hand lends itself to gerrymandering like the ordinary plurality vote.

(5) P.R. removes incentives to direct action by giving all elements in the community a chance to effect legislation through legally chosen representatives. The alternative vote, like the ordinary plurality vote, by leaving important minorities without representation election after election, tends to make them lose faith in political activity and turn to other means of furthering their interests.

(6) P.R. encourages each important element in the community to bring forward its candidates, so that the voters are likely to have a good selection to choose from. The alternative vote, on the other hand, tends to make important minorities feel that it is hardly worth while to nominate candidates since their candidates could have no chance of election. In this respect the alternative vote is superior to the ordinary plurality vote, however, since a minority can nominate and vote for candidates without danger of wasting its votes.

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(7) P.R. gives the voters of a party control over the party's organization more effectively than does the alternative vote, because it gives those voters who are dissatisfied with the organization a chance to elect independent members of the same party even before they become a majority.

(8) P.R. makes the representatives of a large party representative of all important elements within the party's membership. The alternative vote, like the usual plurality vote, may restrict the representation of a party largely or entirely to one faction within it.

(9) P.R. gives the representative an independence which is frequently denied him under either the alternative vote or the usual plurality system. As long as he keeps the confidence of the quota of voters who elected him he can be sure of being returned no matter what other voters may think of the position he takes. He does not have to angle for all sorts of votes to keep a majority as a member frequently does under the alternative vote or the usual plurality vote.

(10) P.R. is more conducive than the alternative vote or the plurality vote to the development of leadership. It keeps the most popular leaders of all parties in office year in and year out whether their parties happen to be in a majority or not. The alternative vote like the plurality vote is likely at any time to unseat an able leader because he loses his majority in the particular district he has chosen to contest.

(11) P.R. makes it possible for the electorate to express itself clearly and effectively on the most important issues at each election. Nearly every voter can vote for and help elect a candidate with whose viewpoint on such issues he in general agrees. Under the alternative vote the issue is confused. Some members may represent conservative-liberal majorities against progressives, other members progressive-liberal majorities against conservatives. When a question comes to vote on which the conservative and liberal parties disagree, the conservative-liberal members are placed in an awkward position. When a question comes to vote on which the liberals and progressives disagree, the progressive-liberal members are placed in an awkward position. Under P.R. there is no such difficulty for each party and important group within a party is represented by members of its own in approximately its correct proportions so that on any issue the different elements can

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easily align themselves in the representative body as they would among the voters themselves. It may seem at first glance that in this respect even the plurality system is better than the alternative, but the difference between the two is more a matter of appearance than of reality. Under the plurality plan a person whose party has no chance of winning in a district will often vote for the party which he considers second best in order to defeat the party he wants least of all. Under the alternative vote he can record a first choice for his own party without danger of throwing his vote away. In my judgment the clear expression of the voter's real will is much to be preferred.

(12) P.R. tends to increase interest in government and elections because it gives nearly every voter a chance to vote effectively. The alternative vote on the other hand, like the plurality vote, makes it impossible for large groups of people to express themselves politically with any effect.

(13) P.R. has a tendency to good feeling in elections because it gives representation to all minorities. The alternative vote and the plurality vote, by giving some of the voters all of the representations and others none, may lead to unnecessary bitterness.

(14) P.R. tends to reduce fraud by making it impossible for votes fradulently changed to have an effect out of proportion to their numbers. Under the alternative vote and the plurality vote the fraudulent change of comparatively few votes in a number of close districts may make a great change in the complexion of the representative body.

(15) Because it gives representation to all elements including the more intelligent and high-minded minorities, because it gives a place to the leaders of all political groups, because it tends to increase public interest in political affairs, and because it tends to reduce fraud, mud-slinging and colorless inoffensiveness as means of securing election, P.R. tends to produce representative bodies of higher character and ability than the alternative vote or the plurality vote.

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Although for these reasons I consider proportional representation with the single transferable vote vastly superior to the alternative vote, I would not have you think that I am against the alternative vote where the only possible alternative is the usual plurality system. You will notice that in the summary I have just given I have not condeded an advantage to the plurality vote over the alternative vote in any respect. It is true, of course, as I believe J. Fischer Williams has pointed out in his book to which you refer, that the alternative vote may in a particular case give representation which is a worse distortion of the electorate as a whole than would have been given by the plurality vote. But that is by no means a general rule. When a number of districts are considered together both the alternative vote and the plurality vote give haphazard results, and either one may happen to be better than the other. In any particular district, however, the alternative vote has undoubted advantages which are of great importance. It enables every political element in the district to nominate and vote for its real favorites without the least danger of throwing its vote away and as between the two leading candidates is sure to select the one which the majority prefer. For these reasons if I were a member of the Canadian Parliament I should unhesitatingly vote for a measure which substituted the alternative vote for the present plurality vote in single-member districts, making itclear, however, that I did so in the hope that the country would soon be ready to take a step which I would consider far more important, the adoption of proportional representation with the single transferable vote.

In reply to your question, the alternative vote is now used for the legislatures of Manitoba and Alberta except for the multi-member districts of Winnipeg, Calgary and Edmonton, which use P.R., and the House of Representative of the Australian Commonwealth. In these cases it is used in single-member districts. The same principle is also used in multi-member districts, in the form which I explained in my last letter, for the Senate of the Australian Commonwealth. The alternative vote is also used for the election of

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mayor - an office which of course does not correspond to that of a legislator and should not be judged by the same standards - in Winnipeg, Calgary, Edmonton, Regina, Saskatoon, Moose Jaw, South Vancouver, West Vancouver and North Battleford. This list is possible not complete.

As I have an agreement with Mr. Good, the member for Brant in your House of Representatives, to send him from time to time material which he might find useful in his work for electoral reform, I am taking the liberty of sending him a copy of this letter.

Cordially yours,

"George H. Hallett" Jr.

Assistant Secretary.

P.S. I have not sent Mr. Good any of our previous correspondence. In accordance with your request I have treated your letters to me as confidential, except in so far as, in the letter above, I have indicated that you had asked me for certain information. To that I did not think you would object. Mr. Good does not receive a copy of this P.S.

G.H.H., Jr.

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82 VICTORIA STREET (Flat 24),
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25th June, 1925

Dear Sir,

I beg to enclose for favour of your consideration
*** a copy of the Annual Report of the Proportional Representation Society for the year 1924-25.

The Report shortly describes the progress that has been made in the adoption of proportional representation since 1905, when the Society renewed its active work. It also discusses (pages 11 to 14) one of the most important problems of the present day - the formation and maintenance of government when no party is in a majority.

I should be glad to send upon application information on any question touching the reform of electoral methods.

Yours faithfully,

JOHN H. HUMPHREYS

Secretary,
THE PROPORTIONAL REPRESENTATION SOCIETY.

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P.R. Pamphlet No. 60. June, 1925.

The Proportional Representation Society.

Offices: 82 VICTORIA STREET, WESTMINSTER, S.W. 1.

REPORT JUNE, 1924—MAY, 1925.

P.R. in Practice.

A Survey of the Present Position.

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Copies of this Report and of the other publications of the Society, and particulars as to Membership, may be obtained from
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THE

Proportional Representation Society.

REPORT for the YEAR—JUNE, 1924, to MAY, 1925.

P.R. IN PRACTICE.
A SURVEY OF THE PRESENT POSITION.

It is now twenty years since the movement for P.R. was revived in this country, and the time is opportune to make a survey of its present position. In 1905, the year of revival, there was no example of the system in use for elections of a public character, either in the British Empire or in the United States. A partial application of P.R. had been made previously in Tasmania, but this partial application had been repealed, though only as a preliminary to the introduction, in 1907, of a complete system. To-day there are important applications of P.R., not only in Great Britain and Ireland, but also in every one of the Dominions and in the United States.

Within the twelve-month period covered by this Report, P.R. elections, national in extent, have taken place in England, Scotland and Ireland. P.R. was used throughout Scotland in March, 1925, in the election of Education Authorities. It was used in April, 1925, in the election of the Parliament of Northern Ireland. It was used in December, 1924, in the election of the Lower Houses of Convocation, forming the House of Clergy in the National Assembly of the Church of England; and, more recently (May, 1925), the members of the House of Laity for this Assembly have been similarly elected in every diocese in England. Elections are pending in June for local authorities in Southern Ireland, and also for one-half of the Senate of Northern Ireland.

THE OVERSEA DOMINIONS.

In the oversea parts of the British Empire each year brings round examples of elections held under the P.R. system. Malta held its second P.R. election in 1924. In May, 1925, New South Wales will elect its third, and in June Tasmania its seventh, P.R.

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Parliament. Other States of the Australian Commonwealth are discussing the adoption of the system. P.R. was defeated in South Australia last year only by the narrowest margin. The Lower House passed a P.R. Bill, which was rejected by the Upper House by a majority of a single vote.

In New Zealand the Government has introduced a Bill applying P.R. in the election of the parliamentary representatives of the four chief cities, Auckland, Wellington, Christchurch and Dunedin, with the alternative vote for the country areas.

In South Africa the Senate is elected (indirectly) by P.R., and proposals to adopt P.R. for the House of Assembly have been laid before Parliament in different sessions. The municipal laws for the Cape Province provide for the optional use of P.R. in municipal elections, and the town of East London has taken advantage of this provision, carrying P.R. by a large majority on a referendum last year.

In Canada P.R. is permissive in municipal elections in most of the Western Provinces, and has been adopted by plebiscite for the election of the city council in Winnipeg, Edmonton, Calgary, Saskatoon, Regina and other towns. In addition, parliamentary representatives are elected by P.R. from Winnipeg to the provincial legislature of Manitoba, and from Calgary and Edmonton to the provincial legislature of Alberta.

OTHER COUNTRIES.

In the United States the advocates of P.R. have concentrated upon municipal elections. P.R., having proved a success in several small towns, is now spreading to larger corporations. The city of Cleveland (as large as Manchester) elected its council by P.R. for the first time in 1923. Within the last year another great city in the same State, Cincinnati, has decided by a plebiscite to follow this example. "The sentiment for P.R.," writes Professor Hatton, of Cleveland (April, 1925), "is undoubtedly growing in the United States; practically no city frames a new charter without the question being discussed."

Concurrently with the advance of P.R. among English-speaking nations, great progress has been taking place upon the Continent of Europe. In 1905 Belgium and some Swiss cantons furnished the only examples of P.R. in use. To-day it has spread throughout Switzerland, whilst Germany, Holland, Denmark, Sweden, Norway, Finland and most of the new post-war countries

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have to be added. The systems of P.R. adopted in the continental countries differ in important respects from the transferable vote system adopted by the English-speaking peoples. They are more rigid in form, but they ensure the proportional representation of parties within parliament and on other public bodies. In several of these countries P.R., after trial, has been made part of the constitution. Italy is the only country in which the decision to use P.R. was reversed, but the electoral law which replaced it lasted less than a year. In all countries, even those outside Europe, where representative institutions prevail, this or that electoral device, falling short of complete representation, may be tried, but almost inevitably these plans lead in the end to the adoption of the proportional principle as being the only one which yields a fully and fairly representative parliament.

PRIVATE ORGANIZATIONS.

In addition to public elections, the principle of P.R. has been applied in Great Britain, and in other countries, to the governing bodies of many important organizations. In Great Britain these organizations include the British Medical Association, the Royal Arsenal Co-operative Society, the Independent Labour Party, the National Council of Women, the National Union of Teachers, the National Union of Women Teachers, the National Union of Clerks, etc; while the applications of the system in the election of the Works Councils at Port Sunlight and at Bournville, and for part of a similar advisory body in Messrs. Rowntree's works at York, introduce the principle to a new sphere in which it may prove of service to the community. The National Health Insurance Committees in counties and county boroughs in England, 127 in all, are also in main part elected by P.R.

The P.R. method of voting as used among the English speaking peoples, namely the transferable vote, has also been found acceptable in the election of single officers. For this purpose it has been adopted by the Miners' Federation, the National Union of Railwaymen, and many other bodies. In increasing measure men and women are being accustomed to voting under the new system.

In one or two cases, organizations which have used P.R. have replaced it by some other method, but there has been on the whole a steady and gratifying recognition and application of the principle of just and equal representation, to which P.R. alone of electoral systems gives effect.

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PROBLEMS OF THE FUTURE.

No supporter of P.R. will read without encouragement this summary of the progress made since the Society resumed its public activity. There is ample evidence that the reform for which the Society stands meets a need in the organization of democratic government which is almost universally felt. But every reform creates new conditions and new problems, and it may be well not only to review, but to look beyond, the experience which has been gained in these twenty years. What are the lessons to be learnt; what remains to be done; what new points of view, what new problems have to be faced? In pursuing such an enquiry it is necessary to have a wide outlook. The same problems of representative government occur and recur in every country; their solution can be reached only through a comparative study of all the experience available.

The questions facing the P.R. movement to-day are fundamentally different from those which had to be met in the first great contest for the P.R. principle at the time of the Reform Bill of 1884. At that time the opposition to P.R. centred in its alleged impracticabilities. The system was said to be too difficult for the voters, impossible for candidates, beyond the power of returning officers; it would fill parliament with insignificant parties, with one-idea'd persons and faddists.

OLD OBJECTIONS DISAPPEAR.

These early grounds of opposition have been removed. Voters have shown that, given a fair opportunity of learning what is required of them in recording a transferable vote, they can adequately discharge this duty, and not only so, but they find a new satisfaction in exercising the discrimination called for by this system. Proportional representation, if it asks a little more of citizens, increases their consciousness of active citizenship. Mr. Stephen Gwynn, having voted in the election of the Irish Provisional Parliament (Southern Ireland) in 1922, expressed a deep truth when he wrote:

> "The less you ask of the voter's intelligence the less sense of responsible citizenship you will get out of him, and to presume him, as was the usage, only capable of 'putting his cross' was to treat him like one of a herd. Give him a list and tell him to indicate the order of his preferences, and you invite him to be an individual, not an atom."

The P.R. movement has owed much to officials, especially the returning officers, for the admirable and efficient manner in which they have performed their part in carrying out the operations of

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counting votes. The number of returning officers and staffs who have now had experience of counting votes under P.R. in Great Britain and Ireland is perhaps not fully realised. When P.R. was introduced in Irish municipal elections in 1920, some 120 returning officers were counting votes in different towns on one day. For the parliamentary elections in the whole of Ireland some forty returning officers are required. In Scotland there are thirty-seven separate County Education Authorities, each with its own returning officer and staff. In every diocese in England one returning officer at least, if not two, has had experience of the P.R. system. In no election has there been any practical difficulty arising from the counting of votes.

Testimony as to practicability has come also from political organisations and from statesmen. In some cases where P.R. was first applied in the face of considerable opposition, its opponents, when given the power and opportunity of abolishing it, have maintained it in force. In New South Wales the National party condemned very vigorously the introduction of P.R., but at their last annual conference, in August, 1924, they passed a resolution that the system was just and should be retained. Evidently after trial its merits outweighed any temporary inconveniences. So in Northern Ireland, the Unionists have time and again expressed their intention of abolishing P.R. for parliamentary elections, as they have already done for municipal elections. Yet P.R. was used last April for a second parliamentary election in Northern Ireland. The Premier, Sir James Craig, explained that "very grave considerations" had governed the decision to retain the system. Although these considerations were political in character, the decision implied at least that the system is perfectly practicable.

The testimony from New South Wales and from Northern Ireland is especially valuable, since P.R. was applied in each both in towns and in large country constituencies. Whilst it is recognised that improvements may still be possible, the P.R. movement is to be congratulated that from the several points of view of the voter, the returning officer and political organizations, the practicability of P.R. has been fully demonstrated.

THE FAIRNESS OF THE REPRESENTATION.

These numerous applications of P.R. enable us to examine the character of the representation which the reform yields. How far has it justified the hopes of its advocates? how far the fears of its opponents? Supporters of P.R. in this country have never insisted

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upon a too scrupulous mathematical accuracy in representation. Their aim has been rather to ensure that the main movements of public opinion shall find a reasonably close representation in parliament. This aim has been achieved wherever P.R. has been used under the conditions recommended for Great Britain. Insignificant minorities do not secure representation, for a minority must have obtained the support of a very substantial body of voters before it can gain a seat in any constituency. The fears expressed that P.R. would fill parliament with insignificant parties, with one-idea'd persons and faddists, have no foundation.

Although the system, operating as is proposed in constituencies of moderate size, tends on the whole to give a slightly added weight to the largest bodies of opinion—an effect which many, especially the supporters of the existing system, would regard as an advantage —majority parties are never favoured to a great or oppressive extent, whilst all considerable minorities are fully and adequately represented. Let us test the working of the system by an examination of the two most recent P.R. elections. Take first the election of the House of Commons of Northern Ireland. The result is summarised in the table below:

NORTHERN IRELAND.

(House of Commons Election, 1925).

Party.	Votes.	Seats won.	Seats in proportion to Votes.
Official Unionist	211,662	**22**	**22·0**
Nationalist	91,452	**9**	**9·5**
Independent Unionist	42,902	**5**	**4·5**
Republican	20,615	**1**	**2·1**
Labour	18,114	**3**	**1·9**
Totals	384,745	**40**	**40·0**

The official Unionists secured a number of seats exactly proportionate to the votes polled. Had they presented another candidate in County Armagh they would have gained another seat at the expense of the Republicans, a result which would have been in accordance with the above-explained tendency of the system to operate in a small degree to the advantage of the largest parties. The Republicans polled only comparatively few votes in the constituencies which they contested, and failed everywhere save in Armagh. The Labour party gained its seats in Belfast. It

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obtained one seat more than it could claim on its own voting strength. This seat it owed to the assistance of the Nationalists in West Belfast, who would in all probability have gained another seat if they had run a second candidate in this area.

The elections recently held in Scotland likewise illustrate the remarkable fairness of the system. Considerations of space limit us to the single example of Glasgow.

GLASGOW EDUCATION AUTHORITY, 1925.

Party.	Votes.	Seats won.	Seats in proportion to Votes.
Moderates	130,115	**28**	**27·8**
Roman Catholics	53,929	**12**	**11·5**
Labour	26,587	**5**	**5·7**
Independent	90	—	—
Totals	210,721	**45**	**45·0**

THE COMPLETENESS OF REPRESENTATION.

There is another aspect of these results to which attention should be directed, the completeness of the representation secured. In Northern Ireland, 384,745 voters took part in the election. All the main divisions of opinion got some share of the representation in each of the constituencies. Two of the smaller parties, the Republicans and the Town Tenants (a section of the Unionist party), failed to get a representative in certain constituencies which they contested. The total number of voters for these two parties in these constituencies was only 18,147. The remaining 366,000 voters have each some spokesman in the Northern Parliament.

In Glasgow, the Moderates and Catholics secured representation in every one of the seven constituencies, Labour in five out of the seven. In the two divisions where Labour failed, they polled in all 6,451 votes. There were altogether 210,721 voters, and of these 204,000 have secured representation on the Education Authority. Thus in Northern Ireland 366,000 voters out of 385,000, in Glasgow 204,000 out of 211,000, have been brought into association with the elected body, through some representative with whose views they are in sympathy.

In the third recent wide application of P.R.—the House of Laity—the comprehensive character of the representation secured is again manifest. No one school of thought can or does monopolise representation. The Church Assembly is representative of all.

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RESULTS OF OTHER ELECTORAL SYSTEMS.

The fairness and completeness of representation exemplified above are the direct consequence of the proportional system. An examination of elections held in Great Britain under older methods reveals results of a very different character. On 6th April, 1925, Boards of Guardians were elected throughout England. The method used was the block or ticket vote, in which each elector exercises as many votes as there are members to be elected, and may give only one vote to any one candidate. This system enables a majority of the voters to take all the representation. The following was the result in Gateshead :—

GATESHEAD, Election of Guardians, 1925.

Party.	Votes.	Seats won.
Labour	72,634	**16**
Moderate	61,465	**0**

In this election a large minority did not obtain even one seat out of sixteen. The same system of election will be applied next November in the election of the London Borough Councils. In many divisions, possibly throughout whole boroughs, similar results will obtain.

The general election of the House of Commons in November, 1924, gave a result of another type. The figures were :—

GREAT BRITAIN—General Election, 1924.
(Contested Borough and County Seats).

Party.	Votes.	Seats won.	Seats in proportion to Votes.	Votes per Seat.
Unionist	7,450,990	**382**	**261**	19,505
Labour	5,483,088	**142**	**192**	38,613
Liberal	3,008,097	**34**	**105**	88,473
Independent	123,539	**4**	**4**	30,884
Totals	16,065,714	**562**	**562**	—

In this election the single member system gave to a minority of voters a very large majority in parliament. This does not

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necessarily always happen; the result of an election under this system is in no small measure accidental. Looking forward to the next general election, no one can foresee how the existing balance of forces in the country is to be represented in Parliament. He would be rash indeed who would predict a result fair alike to majority and minorities. The uncertainty which attaches to the older systems of election, the grave injustices which diminish or destroy, for many electors, rights inherent in the possession of the franchise, are in great contrast with the sure working of P.R.

THE PROBLEM OF GOVERNMENT.

The practicability of P.R., and the completeness and fairness of the representation which it yields, have been fully established. P.R. places beyond challenge the authority of Parliament to speak for the nation. The chief criticism now brought against P.R. concerns its effect upon the formation and carrying on of government. In examining this criticism, the first step is to clear the ground of inaccurate statements (to which publicity is constantly being given) as to the part which P.R. has played in respect of the many difficulties in government which have confronted post-war Europe.

These difficulties in government have arisen from the serious political and economic problems which have followed the war. In no circumstances could their solution have been easy. The difficulties are very commonly ascribed to P.R., where P.R. happens to be the electoral system in use, as in certain cases mentioned below. They are even attributed to P.R. where P.R. is not in force. For example, the statement is often made that the many groups in the French Chamber and the frequent changes of ministry in France are due to P.R. Yet, as a matter of fact, P.R. has never been applied in France either for parliamentary or for municipal purposes. Within the last fifty years the French system of election has oscillated several times between the block vote and the single-member system. The system in force at the moment, adopted in 1919 in the face of strong opposition from supporters of P.R., is a kind of block vote, to which has been added a slight provision—which works very uncertainly and sometimes not at all—for the representation of minorities. Before the war, as now, whatever the form of election, there was a large number of parties in France, shading into each other, and there were frequent changes in the personnel of the government.

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CONTINENTAL EXPERIENCE.

What of the countries that have used P.R. since the war—Germany, Holland and Italy? Although each of these countries adopted very large constituencies, favouring the rise of small parties, there has been no increase in the number of parties in Parliament. In Germany, before the war, there were under the single-member system fourteen parties in the Reichstag; to-day there are eleven. If Germany had retained the single-member constituency, the same difficult problems in government would have confronted her, most probably in an accentuated form. There seems little hope of a two-party system. In Belgium, there are now, as formerly, three main parties. The recent difficulties in forming a government in Belgium are not attributed to P.R. by Belgian statesmen. M. Vandervelde publicly expressed this view in *Le Peuple* of 6th June.

MINORITY GOVERNMENTS IN BRITISH DOMINIONS.

Great Britain, the home of representative government, cannot be wholly indifferent to the political problems in any country which has adopted representative institutions, but she is more directly interested in the conditions within the British Empire. The Irish Free State, Northern Ireland, New South Wales and Tasmania, elect their parliaments by P.R. Government has been carried on. Indeed constitutional government in the Irish Free State was made possible by P.R. It released the electors from the deadlock which would have followed from the electoral pact arranged by Messrs. Collins and de Valera, and enabled the majority to give effective expression to their desire to accept the Treaty. The other parliaments of the Dominions, including those of the Australian Commonwealth, Canada, New Zealand and South Africa, are all elected from single-member constituencies. Yet in each of the Dominions there are three or more parties, of which none possesses an absolute majority, either among the voters, or in Parliament. The same problem in government has arisen in the Dominions, as in the Continent of Europe. How has the situation been met? In Canada and New Zealand minority governments have been retained in office by the support of members of other parties. In South Africa there was a pre-election pact between two parties, and a coalition government is in power. In Australia, a coalition was formed after the general election, but the necessary understandings were not reached until some six weeks after the final results were

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known. The same political conditions prevailed in New South Wales, but here under P.R. no great difficulty was experienced in the formation of a government of Nationalists and Progressives.

The modern problems of government, whatever country we examine, have not arisen from P.R. Nor is there any evidence that, if the countries now using P.R. were to abandon it, these problems would disappear. There is no certain way by which parties can be reduced to two either on the Continent of Europe, or in any of the British Dominions, or even among ourselves. The new political conditions spring from deeper causes, among which we may include universal suffrage, and the consciousness of new demands awakened by universal and higher education.

THE TWO ALTERNATIVES.

The problems call for careful consideration, whether P.R. is adopted or not. Two solutions have been attempted. In Italy an electoral law was passed to ensure that the largest party (provided it polled 25 per cent. of the votes) should have a majority of the seats. Signor Mussolini quickly abandoned this law; it encouraged the combination of all opponents. Such a law provides no way out. The other solution attempted has been that of co-operation between parties. It has taken many forms, but no clear broad principles governing such co-operation have been laid down. During the war, most belligerent countries formed national governments containing representatives of many parties. It was a form of co-operation the purpose of which was well understood; for the co-operating parties had one main common policy—the prosecution of the war. Co-operation if necessary in peace time must have a similar governing principle; its object must be to further the policies and proposals common to the programmes of the co-operating parties. Such co-operation should be facilitated by the present-day practice of each party issuing before an election a programme setting forth its main policies. Co-operation for clearly defined purposes—the carrying of proposals that have received the endorsement of a majority of the voters—would, if publicly announced, be understood. It would give effect to, and would maintain, representative government in the political conditions which now almost universally obtain. In any one of the Dominions, or even among ourselves, the problem may arise after any general election, and some form of co-operation may be required in order to maintain and carry on the King's Government.

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THE INFLUENCE OF P.R.

The problem of government has been considered so far without reference to the influence of P.R.; it is desirable to examine the influence which this electoral system has exerted and may exert upon the problem. In the first place P.R. renders unnecessary the worst form of party co-operation, a pre-election coalition. "Coupons" create a great distrust of representative institutions, for they so often involve secret arrangements made without the knowledge of the electors. The present single-member system tends, and must tend, to beget "pacts." The most recent example in the Dominions is the pact between the Labour and Nationalist parties in South Africa; it involved careful arrangements for the contesting of seats. In France, under the block vote, a pact was formed at the last election between the Socialists and the greater part of the other groups or parties of the French Left. P.R. frees parties from the necessity of entering into pacts; in the Irish Free State it destroyed the de Valera-Collins pact.

In the second place P.R., whilst responding to new needs and new grievances, reflects in full measure the stability inherent in the community. P.R. elections are distinguished by the steadiness of the representation which they yield. Post-war government in Germany would have been rendered much more difficult, especially in her relations with other Powers, if there had been at every election a violent fluctuation in the representation of parties.

In the third place, P.R. removes a danger which confronts modern democracies in an acute form—the insecurity attaching to the position of leaders of opinion.

P.R. has not created the modern problem of government. It has given freedom to parties at election time; it has given fair results and representation characterised by a reasonable steadiness; it has enabled political parties to return their most competent spokesmen to parliament. In the situation created by modern political conditions these are contributions of no mean value. They make for an assured, steady progress in accord with the expressed wishes of the nation.

PROPAGANDA AND PUBLICATIONS.

The numerous important applications of P.R. in elections both of a public and of a private kind place a great responsibility upon the Society. To our movement falls in large measure the tasks of teaching the electors the full meaning and purpose of the new

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method of voting, and of advising and assisting in the preparation and revision of regulations for the counting of votes. In addition the Society must maintain year by year a comparative study of what is taking place in Great Britain, in Ireland, in the Dominions and in other countries, in respect of elections, electoral laws, and the formation of governments. The task is unceasing, and in the interests of representative institutions it should not cease. It should, if possible, be placed on a more permanent basis; it is a contribution of high value towards working out the problem of the government of man by man.

Because these questions of representation and of government are of enduring and world-wide importance, the Society has endeavoured to stimulate their study within schools and universities, and we note with great satisfaction that the advocates of P.R. in the United States are working along the same lines. The University of Jena in Germany has made P.R.—its working, its possible improvement, its influence on government—the subject of a prize essay. It would be of great value if similar action could be taken within Great Britain.

The teaching work of the Society has been hindered somewhat severely during the year owing to the fall in income referred to later in this Report. Publications have been restricted, and publicity mainly sought through letters and articles in the press. In this matter the Society acknowledges the great assistance rendered by newspapers, especially their readiness to supply information to their readers whenever a P.R. election is being held.

The publications of the Society have for the most part taken the form of leaflets. The following have been added to the leaflet series:—No. 23, *P.R.: How to Vote—Useful Hints for Electors*: particularly useful for voters using P.R. for the first time, or after a lapse of time; No. 24, *Some Figures of the General Election*, 1924; No. 25, *P.R.: Our Aims*; No. 26, *Scottish Education Authorities*, 1925. Two other leaflets were issued: *Should P.R. be limited to Boroughs?*—a summary of the result of the general election, 1924, in the county constituencies of England; and *P.R. and Walsall*—prepared for use at the Walsall by-election. In addition there have been several reprints of leaflet No 8., *An Illustrative P.R. Election*, for which there is a constant demand.

One new pamphlet, No. 59, entitled *Real Representation*, has been printed. It is a brief general introduction to P.R., especially suitable for enlisting the interest of possible new adherents. Two articles, which first appeared in the Press, *The Pros and Cons of*

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P.R., by H. N. Brailsford, and *The P.R. Parliament*, by H. G. Wells, were re-published in pamphlet form. *Representation*, the Society's journal, was limited to a single issue.

In view of proposals for the reform of the House of Lords, Sir Clive Morrison-Bell re-published his pamphlet, *Proportional Representation and House of Lords Reform*, showing how P.R. might be used were the House of Lords placed upon an elective basis. A suitable re-distribution of Great Britain for this purpose is illustrated in the pamphlet by a map. Every proposal for the reform of the House of Lords now involves in some form or other a consideration of the proportional principle.

Official P.R. regulations* have been published during the year in connection with the election of the Education Authorities in Scotland, and of the House of Laity of the Church of England. The two are almost verbally identical in the provisions dealing with the counting of votes, and one or other should be in the hands of all who desire or require to know the duty of a returning officer in a P.R. election.

THE PHILOSOPHY OF LORD COURTNEY.

There is one other publication to which the Committee desire to make a special reference. This is a volume of collected extracts from the writings and speeches of Lord Courtney of Penwith upon World Policy, Government, Economics and Religion, published under the title *Cornish Granite* (Leonard Parsons. Price 6s. net).

This is an admirable and fitting memorial to the beloved inspirer of the modern movement for P.R. in this country. The collection has been prepared and produced by Miss E. C. M. Stewart and Miss E. Satterthwaite. An introduction is contributed by Sir Arthur Quiller-Couch.

LECTURES.

But however valuable the publicity secured through the Press and through publications, there remains a need of personal teaching in the form of lectures and discussions. The number of

* NOTE: (1) *Education Authorities Election Order (Scotland) 1925.* Statutory Rules and Orders, 1924, No. 1349/S.76. Published by H.M.S.O., 28 Abingdon St., London, S.W.1. Price 7d. net.
(2) *Election of the House of Laity, 1925.—Regulations applying the Principle of Proportional Representation by the Method of the Single Transferable Vote.* Published by the Church Assembly, Church House, Westminster, London, S.W.1. Price 1/- net.
Both are obtainable from the office of the P.R. Society.

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such meetings directly organised by the Society has been considerably fewer during the year under review. The services of Miss Morton, who in previous years had organised our lecture campaigns, have been greatly missed. Press reports, however, indicate an increased number of lectures arranged spontaneously in different parts of the country, and a larger number of persons speaking and talking about proportional representation.

There is a need of getting into closer contact with the people than even lectures afford. A beginning has been made with this work. Our Liverpool Branch has undertaken the task of making a concentrated effort in one constituency in spreading a knowledge of P.R. among all the electors there. In Portsmouth at the general election, and in Walsall, at a by-election, two members of the Society, Miss Amy Brooks and Miss Phyllis Gibson, toured the constituency displaying flags, distributing leaflets and talking with the electors. Their report upon their experiences shows that much effective teaching can be done at election time. The Committee would welcome the similar assistance of any other members.

FINANCE.

As already stated, financial conditions limited the activities of the Society. Its income fell from £3,933 11s. 7d. in 1923 to £2,920 1s. 5d. in the year 1924, a fall of twenty-five per cent. This fall was due almost solely to the loss of some large subscriptions. There has been hardly any reduction in the total number of contributors. The Committee are aware of the desirability of drawing the income of the Society from as wide a basis as possible, and efforts have been continually made during the last year to extend the subscribing membership. These efforts will be continued, and in this endeavour the Committee would earnestly invite the personal assistance of every member of the Society. Is it too much to ask that each member shall pledge himself, or herself, to secure during the year the adhesion of at least one new member? The very effort to do so would be the means of introducing P.R. to many who had not so far seriously thought about the problems of representative government, and that in itself would be a great gain.

A full statement of the income and expenditure is set forth on a later page. The expenditure exceeded the income for the year by £15 1s. 8d., and the Society began the new year with a deficit of £166 2s. 9d. The accounts were audited by Messrs. Craig, Gardner & Co., Chartered Accountants, to whom the Committee tender their warm thanks.

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OBITUARY.

The Committee record, with deep regret, the loss by death of the following members of the Society:—Viscount Milner, one of our Vice-Presidents, a convinced and staunch supporter of P.R.; Lord Leverhulme; Sir W. Ryland Adkins; Professor George Unwin, for many years private secretary to Lord Courtney; Mr. James Easton, of Glasgow, who ever since the Society's revival had done so much to sustain our work in Scotland; Mrs. John Hedley, the sister of the late Mr. Aneurin Williams; Mr. Joseph Rowntree, of York; Mr. Harry Nuttall; and Mr. Gordon Somervell.

A SPEAKER'S CONFERENCE.

Not only does the intrinsic value and the abiding importance of our cause—its influence on the future of representative institutions, its influence in the shaping of history—call for sustained effort from its adherents, but the coming year provides an opportunity demanding special sacrifice. A new Speaker's Conference has been foreshadowed. In the debate on the Equal Franchise Bill on 20th February, 1925, Mr. Arthur Henderson (Home Secretary in the Labour Government) said:

> "The Bill should be given a Second Reading, on the understanding that all parties agree to invite you, Sir, to follow the example of your predecessor in presiding over another Conference This Conference should consider the effect of the measure upon such questions as redistribution, cost of election, corrupt practices, and, if you like, methods of voting."

In the course of his reply, Sir W. Joynson-Hicks, the present Home Secretary, said:

> "We [the Government] can set up the Conference in 1926 . . . and bring in a Bill in the following year."

This is a most important pronouncement. The deliberations of this new Electoral Reform Conference may mark a new step forward in the history of P.R.

The survey of our activities contained in this Report shows what great advances have been made since the Society's revival. It would sometimes seem that the adoption of P.R. was inevitable, because the principle it embodies meets one of the greatest political needs of our day. But no movement ever succeeded save through the sustained endeavours of its adherents. The Committee, in view of the new opportunity afforded by the proposed Speaker's Conference, invites all members of the Society to fresh efforts. With their help, P.R., before this Parliament closes, should find a new and enlarged recognition in the electoral laws of our land.

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THE PROPORTIONAL REPRESENTATION SOCIETY.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1924.

Income.	£	s.	d.	£	s.	d.
To Income for the Year 1924:—						
Subscriptions and Donations ..	2692	4	10			
Sales of Literature	48	0	2			
Fees for Services rendered by staff in respect of elections conducted on the single transferable vote system	78	0	0			
Contributions to expenses of Meetings	101	16	5			
				2920	1	5
To Excess of Expenditure over Income to 31st December, 1924, to next Account				*166	2	9
	£	s.	d.			
*Liabilities at 31st December, 1924	177	7	3			
Deduct—						
Subscriptions for 1924 paid in 1925 .. £0 10 0						
Cash in hand on 31st Dec., 1924 .. 10 14 6	11	4	6			
Debit balance to be carried to next Account	£166	2	9			
				£3,086	4	2

Expenditure.	£	s.	d.	£	s.	d.
By Excess of Expenditure over Income to 31st December, 1923, from last Account				151	1	1
By Expenditure for the Year 1924:—						
Journal	67	17	6			
Pamphlets and Leaflets	126	3	3			
General Printing, Stationery and Literature	190	1	10			
Rent, Lighting, Telephone and General Office Expenses ..	347	6	1			
Salaries and Clerical Assistance ..	1696	7	6			
Meetings, Lectures, and Incidental Expenses	310	12	7			
Postages	194	16	2			
Interest on Bank Overdraft.. ..	1	18	2			
				2935	3	1
				£3,086	4	2

We have examined the foregoing Income and Expenditure Account and, having compared it with the Society's Books, Accounts and Vouchers, we hereby certify that it is correct in accordance therewith.

(*Signed*) CRAIG, GARDNER & Co.,
Chartered Accountants,
Auditors.

40, Dame Street,
Dublin.

25th March, 1925.

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" Proportional Representation rests " upon the fundamental principles of " Liberty and Self-government."

Lord Courtney of Penwith.

All who are in sympathy with the aims of proportional representation are heartily invited to

JOIN THE P.R. SOCIETY.

For further information write to the Secretary—
82 Victoria Street, London, S.W. 1.

Gaylard & Son, Printers, London, S.E. 14.

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Statutes of Canada - 1924 - Vols. 1 & 2.

file of 1901 c 6

Copy:

Chap. 63.

An act to readjust the Representation in the House of Commons.

13. ST. BONIFACE consisting of the City of St. Boniface; all that part of the city of Winnipeg lying east of the Red River; such and so much of the river lots on both banks of the Red River as lie north of the north line of the seventh township and south of the electoral district of Winnipeg South as hereafter described; such and so much of the river lots on the east bank of the Red River as lie north of the City of St. Boniface and east and south of the Birds' Hill Road (the two-mile road) and the Springfiled Road; those portions of township eleven (11) in range four)4) east of the first principal meridian as lie south of the said roads, and such portions of townships eight (8) to ten (10) inclusive in ranges three (3) to eight (8) inclusive east of the said meridian as lie east of the Red River.

14. WINNIPEG NORTH, consisting of those portions of sections fourteen(14) twenty-three (23), and twenty-four (24) in township eleven (11) in range two (2) east of the first principal meridian, and of the village of Brooklands as lie north of the main line of the Canadian Pacific Railway and all that part of the city of Winnipeg west of the Red River lying north of the said main line.

15. WINNIPEG NORTH CENTRE consisting of all that part of the city of Winnipeg west of the Red River bounded on the north by the main line of the Canadian Pacific Railway and on the south by a line described as commencing at the intersection of Sargent Avenue, with the west boundary of the city and following Sargent Avenue, Balmoral Street, Notre Dame Avenue, Portage Avenue, Main Street and Notre Dame Avenue to the left bank of the Red River, together with those portions of sections eleven (11), fourteen (14) and twenty-three (23) in township eleven (11) in range two (2) east of the first principal meridian and

of ...

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of the village of Brooklands lying south of the said main line of the Canadian Pacific Railway, and such and so much of the river lots on the north bank of the Assiniboine River as lie east of the West boundary of lot one (1) in the parish of St. James, west of the city of Winnipeg and north of the line of the southwestern branch of the said railway.

16. WINNIPEG SOUTH consisting of all that part of the city of Winnipeg on the west side of the Red River lying south of the Assiniboine River together with that part of the town of Tuxedo lying north of the Canadian National Railway, the river lots fronting on the west bank of the Red River south of the city of Winnipeg and north of the south boundary of lot one hundred and twenty-three (123) in the Parish of St. Nobert; and such and so much of the river lots on the east bank of the Red River as lie north of the south boundary of river lot one hundred and twenty-five (125) in the said parish, west of the Seine River and south of the city of St. Boniface.

17. WINNIPEG SOUTH CENTRE consisting of all that part of the city of Winnipeg west of the Red River lying between the north boundary of the electoral district of Winnipeg South and the south boundary of the electoral district of Winnipeg North Centre as above described, together with such and so much of the river lots on the north bank of the Assiniboine River as lie east of Sturgeon Creek and the west boundary of lot one (1) in the Parish of St. James west of the city of Winnipeg, and south of the line of the southwestern branch of the Canadian Pacific Railway.

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Redistribution

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Ottawa, Ont. February 12th. 1923.

Dear Mr. Bancroft:

I have your letter of the 8th. February, and must day that I am indeed pleased that you and our friends in The Pas have gone to the trouble of advising us on the question of Redistribution. Your suggestion will be of very considerable assistance to us. Whether or not our representatives on the Committee will be able to effect what you want is exceedingly doubtful, but the information you give will be of the greatest use to us.

I am glad as well to have the recommendation of the Livestock Association and of the Board of Trade and the Independent Labour Organization which you were good enough to enclose.

Yours very truly,

G. R. Bancroft, Esq.,
The Pas,
Man.

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The Pas Manitoba, Feb.,8th,1923.

Hon. Arthur Meighen,
House of Commons,
Ottawa, Ont.,

Dear Mr. Meighen;

No doubt you may remember some corrospondence between us on the eve of the last Fereral election. In this corrospondence it was pointed out that The Pas part of the Nelson constituency was traditionally Conservative, but being linked up with the Swan River Valley agricultural part,whose population outvoted the Pas part neatly three to one,it would be almont impossible to elect a Conservative. In the subsequent election The Pas part gave the Conservative candadate a majority.

Now that the re-distribution of seats will take place at the present session, we are making an sffort to have the Nelson constituency divided and that The Pas district be given one of the new seats alloted to Manitoba. We know that Winnipeg is trying to get both seats, and in case they should then such adjustments of boundries of constituencys should be effected as to divide The Pas and Swan River Valley, making Swan River part of the Dauphin or some other constituency and extending the boundries of the Nelson constituency so as to take in the mining areas East of lake Winnipeg.

If this should be effected it is probable we would have no trouble in election a Conservative and making Nelson a safe Conservative seat in Manitoba.

I am enclosing copies of a resolutioh passed recently by various local organizations, which sets forth the situation.

The old Conservative voters of The Pas desire your help and consideration in this connection, and trust that you will be able to make such recommendations to the committee in chagge , as you may deem necessary.

Thanking you for your help and consideration in the past.

Very truly yours,

D. R. Vancroft

GRB/B.
Encl.

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RECOMMENDATION

WHEREAS all that territory North of the parallelof latitude known as 53, being within the Provience of Manitoba and comprising approximately 178,000 square miles of territory (this being equel to 2½ times the area of the remeining Provience of Manitoba), is at present an annex to the Swan River Valley agricultural district, known as the Nelson constituency;

AND WHEREAS, this immence area is rich in minerals(gold, silver,lead, zinkand copper) and it is anticipeted in the near future that a large smelter will be developed and constructed which will necessitate negotiations on many Fereral problems;

AND WHEREAS, this vast area also abounds in vast quantities of timber and pulp wood , and in its lakes and rivers abound unlimited quantities of fish of inestimable value, and uncalculated water power is going to waste annually. These problems together with many others cannot receive the attention and consideration for their proper development by a representive chosen from a purely agricultural district whos interests are not in the least common with this Northern part of Manitoba.

We, the members of the Northern Manitoba Agricultural and Livestock Association, affiliated with the United Farmers of Manitoba, members of The Pas Board of Trade, and the Independent Labor Organization, in session assembled do hereby request the Dominion Government to grant this part of the Provience of Manitoba representation in the Federal Parliament of Canada based on its territorial area similar to that of the Yukon and in the re-distribution of seats for Manitoba, this area be constituted a new Fereral constituency.

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GARLANDS' LIMITED

PORTAGE LA PRAIRIE, MAN.

"ONE PRICE CLOTHIERS"

HIGH-CLASS FURS A SPECIALTY.

April 9.23.

Dear Mr. Meighen,-

Pearl Charleton, daughter of Toms wants to get on the Overseas staff of Nurses, something that their are doing in connection with immigration, she was an Overseas Nurse, sister, Perhaps you could help a little.

Yours Truly

P.S. What about redistribution, can you get rid of that part supposed to be owned by Senator Bernard, and get west to Carberry or somewhere else. get some one to persuade Leader that he should get rid of the French as they will all vote Grit next time and beat him, then he may try to get rid of them for you.

Yours Truly
John J Garland

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Ottawa, Ont. April 12th. 1923.

Dear Jack:

I have yours of the 9th. instant.

I had a letter from Joe Miller about Miss Charlton, and have already taken the matter up on her behalf.

I do not think we will likely get anything in our way in connection with redistribution in Portage. Leader is a good bucket-carrier to the government and does anything they ask. However, we are watching.

Yours very truly,

J. J. Garland, Esq.,
Portage la Prairie,
Man.

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LEGISLATIVE ASSEMBLY
WINNIPEG

19th April,1924.

Rt.Honourable Arthur Meighen,
House of Commons,
Ottawa.

My dear Arthur,-

Next week I am going to speak to Senator Sharpe about dividing Winnipeg into electoral divisions. Winnipeg should be divided into four divisions roughly as follows:

1. South Winnipeg. All south of Broadway as far west as Sherbrooke St.Out on Sherbrooke to Portage Avenue and west on Portage.

2. North of this line as far north as William Avenue,straight out.

3. North of this line to Selkirk Avenue, straight out.

4. North of Selkirk Avenue.

The complexion of the divisions as I have suggested would be: South of Broadway.....Conservative.
Broadway to William.... Conservative.
William to Selkirk..... Labor.
Selkirk North..... Liberal. This may not be absolutely accurate,but would be my guess as to the way they would go.

Kind personal regards.

Yours truly,

John Bracken

J. A. Hoig

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Ottawa, April 25, 1924.

Dear Jack:

Thanks indeed for your letter of the 19th inst and the suggestions it contains. I am passing it on to our members on the Redistribution Committee.

Yours very truly,

J.T. Haig, Esq., M.L.A.,
Legislative Assembly,
Winnipeg, Man.

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Ottawa, April 25, 1934.

Dear Mr. McQuarrie:

I attach hereto copy of letter I have received from Mr. J.T. Haig, M.L.A., Winnipeg, and a copy of my reply thereto.

Yours very truly,

W.G. McQuarrie, Esq., M.P.,
House of Commons,
Ottawa.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

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CANADA

075643

SOLICITOR GENERAL
CANADA

Ottawa, June 4th, 1924.

My dear Mr. Meighen,-

There appears to be no certainty as to when Senator Sharpe will return. In the meantime the framing out of the new constituencies in Manitoba are being delayed pending a decision from our friends as to what we think of it, and in particular pending a decision from you as to Portage la Prairie.

I was surprised when you told me that the two lines of townships would not be helpful to you, and really cannot yet understand it. You will observe that the Somerset District was not taken into this, although there is a corner including St.Cleod which was not good. To show you that the Liberals agree with my view of it, I am going to enclose you a letter placed in my hands written by Alex. McLeod. I call your attention particularly to the paragraph on the front page marked as paragraph (1).

Please treat this letter in confidence and return it to me as soon as possible with any comments you have to make. I may say that I have permission from Mr. McMurray to hand you this letter on the terms above stated.

I think we should not delay them any longer than is absolutely necessary in giving an expression of our views on the redistribution.

Very sincerely yours,

Hillyard Leech

Rt. Hon. Arthur Meighen, M.P.,
House of Commons,
Ottawa.

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075644

Copy:

McLeod, Black & Co.
Barristers, Etc.

450 Somerset Block,
Winnipeg, Man.

J.H. Black A. McLeod, K.C.

April 14, 1924.

Hon. E.J. McMurray,
House of Commons,
Ottawa, Ontario.

Dear McMurray:

Re Redistribution.

I have read your letter of April 5th in regard to redistribution.

My own personal opinion agrees with your own that the hope of the liberal party for the future lies in the open country. The fellows here all seem to agree with us in that but in the teeth of that they have proposed to wipe out a rural constituency. Frankly, I cannot see the logic of that, but I find that they are mostly in favor of wiping it out. I am not and I frankly wish that the Grain Growers would take hold of the situation and insist on keeping Macdonald Constituency intact.

Now if that cannot be done I want to set out to you my view of the situation as follows:

(1) I think Portage la Prairie should have added to it the northern strip of Macdonald and the 12000 of a population in St. James. That will make a constituency that will be conservative outside of this 12000, but with this 12000 it will be a case of a fight between the conservatives, the farmers and the labour men, with a chance for the liberals to win on the transferrable vote. Nobody wants the north part of Macdonald, which is tory, in any other constituency - nobody wants the 12000 in St James in any other constituency, and I would be in favor of insisting that the whole thing be lumped together in Portage la Prairie.

(2) I think Selkirk and Stonewall should be divided on the line between ranges 1 and 2 E. as proposed.

(3) I do not think much of the proposed constituency of St. Boniface. I think it would be better to form a constituency of Beausejour. To put St Boniface in with East Kildonan and this bunch of reds is rather throwing our friends to the wolves, but if nothing else can be done with it I suppose we can stand it.

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(4) Now with regard to the Winnipeg constituencies, I think they should be divided as we long since decided, namely, south Winnipeg, south of Broadway - West Winnipeg, between Broadway and Notre Dame - Centre Winnipeg, between Notre Dame and the C.P.R. - and North Winnipeg, north of the C.P.R. That is a natural division, I don't see what can be said against it, and it will give us every opportunity there is for carrying as many seats as we are entitled to carry.

(5) With regard to Proportional Representation, I am wholly in favour of trying it out in Winnipeg. As a matter of fact I have been supporting it for forty years and my reading of history is that it gives (1) a more accurate representation, and (2) it gives the liberals all that is coming to them all the time. There is a persistent suggestion that P.R. tends to form groups &c., but the fact is that experience is against that, it doesn't do anything of the kind. As a matter of fact I think the liberals would get their own out of it because they are middle-of-the -road men and if P.R. hits anyone it hits the extremists.

There are just three points in P.R. (1) proportional representation is a result or effect of multiple voting, it is a description, not a name, and it is applied to all sorts of schemes other than majority voting. The fact is that there are just two points in connection with multiple voting that should be considered, these are (2) the transferrable vote, which, as I understand it, you are going to put through, and (3) the union of separate, distinct constituencies for voting purposes only. Given those two things, that is, the transferrable vote and the union of nor more than five constituencies, the history of multiple voting has been admirable. There are all kinds of faddy things under the name of proportional representation, for example, Winnipeg constituency with ten representatives. That is a fool thing. A big constituency without any localization of members is simply ridiculous. It is bad in theory - it is worse in practice. We have now in the local House ten, or in fact nine members, and you can't go to any of them about anything as members for Winnipeg. Winnipeg should be divided into ten constituencies and five in South Winnipeg and five in North Winnipeg should be united for voting purposes, then each constituency would nominate its own men, there would be no nominations at large. If we had had that system during the last election neither Downs nor Craig would have been nominated and they wouldn't have been in the House at all as they shouldn't be. No single individual constituency could be got to nominate them. They got in by reason of the freak constituency of Winnipeg with ten members at large. I am, as I say, in favour

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of multiple voting but I am not worrying about rushing it and I don't care whether you do it or not in connection with Winnipeg but I will be pleased if you make four constituencies in Winnipeg or even five if you should make the St. Boniface constituency and unite the five for voting purposes only with multiple voting. Mark my word if you do that it will work out satisfactorily to everybody and not by any means least satisfactorily to the Liberals.

I am just writing you this to give you my view of the situation at the request of Donovan and Hamilton, and also because I am pleased that you should have my views summarized for your own use there.

Yours faithfully,

Sgd. "A. McLeod"

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075647

296

Ottawa, June 5, 1924.

Dear Mr. Leech:

This is merely to acknowledge yours of the 4th instant. You know already, of course, that I have had the matter up and have had our view point laid before you.

As requested I am returning the letter you enclosed.

Yours very truly,

J. Hillyard Leech, Esq., K.C.,
306 McArthur Bldg.,
Winnipeg, Man.

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075648

Ottawa, June 23, 1924.

Honourable W.H. Sharpe,
The Senate,
Ottawa.

Dear Senator Sharpe:

Mr. Meighen has asked me to send you the attached letter from N.K. Boyd.

Yours faithfully,

Private Secretary.

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075649

296

Ottawa, June 23, 1924.

W.K. Boyd, Esq.,
510 Somerset Block,
Winnipeg, Man.

Dear Mr. Boyd:

Yours of the 17th inst., with regard to Redistribution in Manitoba has reached me. I am placing it before Senator Sharpe.

Yours very truly,

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075650

296

Ottawa, June 30, 1934.

Dear Mr. Leech:

I return herewith letters of the 3rd,
3_____ 5th and 10th of March, which you have been good
enough to permit me to read.

Yours very truly,

J. Hillyard Leech, Esq., K.C.,
306 McArthur Bldg.,
Winnipeg, Man.

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075651

MILLER & MILLER
BARRISTERS, ETC.
JOS. C. MILLER CAL. C. MILLER
PHONE 1100

ROOMS 5-6-7
T. & W. MILLAR BLOCK
PORTAGE LA PRAIRIE, MAN.

March 16th, 1925.

The Rt. Hon. Arthur Meighen,
House of Commons,
Ottawa, Ont.

Dear Mr. Meighen:

Would you kindly get me a map showing the Federal Electoral Districts for this Province as the said Districts now stand?

They have been considerably altered and my old map is of no use. I think in Ottawa they have nice folder maps done up in a card board cover. I had one of them on the old Districts.

I would like to have this as soon as convenient for you as I have had some inquiries.

Yours truly,

J. C. Miller

JCM/H

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075652

296

Ottawa, March 19, 1925.

Dear Joe:

Your letter of the 16th instant reached me this morning. The small maps showing the different constituencies have not been printed in book form. I have, however, been able to secure a map of the entire province of Manitoba showing its electoral districts. This I am forwarding to you as it is the best I could do.

Yours very truly,

J.C. Miller, Esq.,
Portage la Prairie,
Man.

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CANADA

075653

MILLER & MILLER
BARRISTERS, ETC.
JOS. C. MILLER CAL. C. MILLER
PHONE 1100

ROOMS 5-6-7
T. & W. MILLAR BLOCK
PORTAGE LA PRAIRIE, MAN.

296

March 23rd, 1925.

The Rt. Hon. Arthur Meighen,
House of Commons,
Ottawa, Ont.

Dear Mr. Meighen:

Yours of the 19th to hand and as soon as the new small maps showing the Constituencies have been printed would you kindly let me have one?

The map that you sent up, I believe, shows the Constituencies as they were in 1917.

Yours truly,

Jos. Miller

JCM/H

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075654

ESSEX EAST consisting of that part of the county of Essex included in the towns of Ford City and Walkerville and the villages of Riverside, Tecumseh and in the townships of Maidstone, Rochester and Tilbury (North and West) together with that part of the county of Kent included in the town of Tilbury.

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ESSEX SOUTH consisting of that part of the county of Essex included in the townships of Anderdon, Malden, Sandwich South, Colchester (North and South) Gosfield, (North and South), Mersea and Pelee Island, together with that part of the village of Wheatley lying in the county of Kent.

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ESSEX WEST consisting of the city of Windsor, the town of Sandwich and that part of the county of Essex included in the townships of Sandwich (East and West) but not including the towns of Ford City and Walkerville, or the villages of Riverside, Tecumseh and St. Clair Shores.

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075657

You will note from a comparison of census of 1911 and 1921, that the growth in the City of Hamilton has been as follows:

1911 ...	West Hamilton	37279
1921 ...	" "	39298
	Gain	2019

1911...	East Hamilton	39793
1921 ...	" "	49820
	Gain	10027

while in the county of Wentworth the census shows:

1911 ...	Wentworth	34634
1921 ...	"	64449
	Gain	29815

But according to the census of 1921 the county of Wentworth is credited with a population within the city of Hamilton. So that you will see the true fact is as follows:

1921 ... Wentworth	64449
Portions of Hamilton within Wentworth...	25033
Wentworth proper ...	39416

so that the proper population of Hamilton under the census of 1921 is as follows:-

East Hamilton	49820
West Hamilton	39416
Portion of Hamilton in Wentworth for Dominion purposes only)	25033
Total population of Hamilton	114269

At the last Dominion election the Conservative candidate in Wentworth was defeated by about 2400. But when the vote polled in the part of Wentworth within the city of Hamilton was added to, he had 129 majority. In Hamilton at the present time there are two Conservative members, and also one in Wentworth, but with Hamilton

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made Hamilton and Wentworth made Wentworth, the result would be even at

the worst two conservative members, for the City and a Liberal for Wentworth, which when balanced against the City would result in a net gain for the Liberals of Two, or a lead of One for the Conservatives of One instead of Three.

But a still better way if the unit of representation would allow, would be to add to the City proper the township of Barton - which is largely urban. This would increase the population by 10165, making a total as follows:

Hamilton East	49820
" West	39416
Hamilton in Wentworth	25033
Barton Township	10165
Total	124434

This is a matter that will have to be governed by the unit of constituency. But if this is possible, the riding of Wentworth will be solidly placed in the Liberal column at the next election.

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075659

You will note from a comparison of census of 1911 and 1921, that the growth in the City of Hamilton has been as follows:

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1921 ...	" "	39298
	Gain	2019

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1921 ...	" "	49820
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075660

made Hamilton and Wentworth made Eastworth, the result would be even at the worst two conservative members, for the City and a Liberal for Wentworth, which when balanced against the City would result in a net gain for the Liberals of Two, or a lead of One for the Conservatives of One instead of Three.

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CANADA

075661

ELECTORAL CONSTITUENCIES IN HAMILTON AND WENTWORTH.

You will note from a comparison of census of 1911 and 1921 that the growth in the City of Hamilton has been as follows:

1911...	West Hamilton	37279
1921...	" "	39298
	Gain	2019
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Total population for Hamilton ..	114269

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would allow, would be to add to the City proper the township of Barton - which is largely urban. This would increase the population by 10165, making a total as follows:

Hamilton East	49820
" West	39416
Hamilton in Wentworth .	25033
Barton Township	10165
Total	124434.

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075664

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075665

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Total population for Hamilton ..	114269

At the last Dominion election the conservative candidate in Wentworth was defeated by about 2400. But when the vote polled in the part of Wentworth within the City of Hamilton was added to, he had 129 majority. In Hamilton at the present time there are two conservative members, and also one in Wentworth, but with Hamilton made Hamilton and Wentworth made Wentworth, the result would be even at the worst two conservative members, for the City and a Liberal for Wentworth, which when balanced against the City would result in a net gain for the Liberals of Two, or a lead of One for the Conservatives of One instead of Three.

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Total	124434.

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075667

Stratford
Feby 12th 1923.

Rt Hon Arthur Meighen
Ottawa

My dear Sir.

South Perth is one of the Constituencies the existence of which may be attacked in the Redistribution. or the boundaries of which may be modified.
There will I presume be 7 or 8 new Constituencies formed in Ontario viz Essex (1). Hamilton & Wentworth (1) Nipissing & Temiskaming (1) & Toronto & York (4 or 5).
This will mean the wiping out of a similar number of the present Constituencies. S. Perth is 7th smallest of the individual Const's & from that view point will be in grave danger of extinction but if the Counties each having 2 Const's Perth stands 7th and therefore looking at it in this way should have a good chance to remain.
I am hoping that S. Perth will remain, but if there is to be any re-arrangement of the Municipalities in the County between the N. & S. & I see no hope of S. Perth being improved any politically. The two adjoining Townships that might be taken from the North are Ellice & N. Easthope both of which give large Liberal majorities & the addition of either one to the S. would make it hopelessly against us.
What should be done however is to put Tavistock village entirely into N. Oxford instead of dividing it as it now is

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between N. Oxford & S. Perth. That would reduce the Liberal majority in S. Perth by from 100 to 140. all of which is made up of German votes.
At the last Redistribution the Grits insisted on the village being divided as N. Oxford does not need it. They will probably do so again but I hope it will not be agreed to. Tavistock is of course in Oxford Co for municipal purposes & there is no logical reason for it being divided for Electoral purposes - It is all in N. Oxford for Provincial Election.
If there is any further information I can give you I will be glad to do so.
There is I think developing a better political feeling through the country, and I think the chances for winning the Province are fairly good. With some activity in each Riding, which is unfortunately difficult to get in the Townships, with good farmer Candidates we can win back many from Constituencies.
Farmer candidates are necessary in order to make it as easy as possible for our Tory farmer to return to the Party.
I speak now of the Provincial field.
I wish you a very successful Session - Give the Govt and the Progressives plenty of rope.

Yours very sincerely
M. Steele

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075669

Ottawa, Ont. February 14th. 1923.

My dear Doctor:

I am glad indeed to have a letter from you once again.

The Redistribution Bill was introduced yesterday. No doubt you get Hansard, but in case you do not, I am sending you yesterday's Hansard.

You will observe that Ontario is still entitled to 82 and no reduction. Of course, there will have to be a reduction in rural parts.

I have gathered all the date that I could as to each county, and the information you give as to the two Perths will be before our representatives on the Committee.

I sincerely hope you are enjoying practice in Stratford and that you have met with every encouragement. The next time I am within reach at all I will be sure to see you.

Yours very truly,

M. Steele, Esq., M.D.,
Stratford,
Ontario.

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075670

Redistribution

R.M.S. "EMPRESS OF SCOTLAND",
at SEA, 21st Feb. 1923.

My dear Mr. Meighen,

I had intended writing you before leaving on the Mediterranean trip, but press of other matters prevented me thinking of it. What I had in mind was the question of re-distribution, I am assuming that a bill will be brought before the House at this Session to re-distribute the ridings, and I am assuming that any bill that goes through, unless it is in a measure satisfactory to you will not get the consent of the Senate, so I have a suggestion to make in connection with our rapidly growing district.

That is, I would recommend that there be two Windsor ridings, taking the centre of Ouelette Avenue, and carrying it through to and following the line between Sandwich East and Sandwich West, and calling it North and South Windsor, taking then South Windsor riding which would include wards Nos. 1 and 2 in Windsor, the Towns of Sandwich and Ojibway and possibly Amherstburg, together with the townships of Sandwich West and Anderdon. Then taking as the North Windsor,riding, wards 3 and 4 of Windsor, the towns of Walkerville, Ford, Riverside, and Tecumseh, with the townships of Sandwich, South Sandwich, East Maidstone and possibly Rochester.

These two districts would have ample population to entitle them each to a member, leaving the balance of the county with a rural population of sufficient number to entitle them to a member.

I feel quite satisfied that if you can bring this about

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075671

that I can get our districts organised in such a way that it will send representatives to support a Protection Government.

I expect to be back in Windsor about the middle of May. Mrs. Fleming and I are having a very delightful holiday, and can recommend this trip to you, when you can find time to take it.

Sincerely yours,

R. C. Fleming

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CANADA

075672

Personal

House of Commons
Canada

Cataraqui, Feb. 23rd. 1923.

Rt. Hon. Arthur Meighen, M.P.
Ottawa, Ont.

Dear Mr Meighen: I see that the Redistribution Com. has been appointed and allow me to say that I think you have chosen well in selecting the Conservative members of it. I am very glad you selected Sutherland not only because he is very capable & shrewd & will fight for the Party but as well because he is a farmer. I wish you could have had 3 from Ontario & in that case Mr Boys would have been my choice but it would not have looked well to have had two lawyers on from Ontario and Mr Boys is the kind who will give the Com. members of the Committee a lot of good level headed advice & do it gladly. With 4 Conservatives pitted against 15 Grits (for they took care to appoint 5 Sit Progressives) it may be necessary for the Senate to intervene to get for our Party even a measure of "cold justice" with the emphasis on cold.

I have spent considerable time in going over the whole situation and am sending herewith a general survey which, while far from perfect, may be of some assistance so far as Ontario is concerned & which

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CANADA

075673

House of Commons
Canada

may be submitted to Mr Boys & Mr Stewart & Mr Sutherland if you think it advisable. I am sure that the first thing for Sutherland & Stewart to do is to cut out the Index Map from the Electoral Atlas of the Dominion after the redistribution of 1914 and write in on each constituency the population as per last census. Armed with this they will be prepared to press their objections to any unfair bit more because they will be able to see at a glance the population of each riding & the relation of one to the other.

Regarding the situation in this locality, I think I have suggested the only possible solution viz the joining of Frontenac and Lennox & the division of Addington between S. Renfrew & Hastings. I think perhaps Mr Low would be willing to have the three north Townships of Addington added to his riding as they are Grit and we have little chance in S. Renfrew anyway. The Townships which would be added to Hastings E. are small in population & could not affect the result in that riding which is strongly Tory. The Grits will undoubtedly add Wolfe

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House of Commons
Canada

& Howe Islands to Kingston & we cannot reasonably object as a glance at the map will show. This will adversely affect Ross in Kingston though I think he would poll a better vote in those R.C. Townships than the Grand Master of the Orange Order. But to offset that we should insist on adding Pittsburg Tp. which is Tory & where Ross would be strong on account of the R.M.C. & military vote. I will talk this over with Ross. I don't think anyone can accuse me of selfishly "playing the game" & I am willing to take a chance & give others the best fighting chance possible. I think Ross can poll as good a vote as I in Pittsburg Tp. & with the U.F.O. broken he can poll a better majority in that Tp. than I did at the last election. If Kingston Tp. (where I live) is also added to the city, I think he can carry it but I am sure neither he nor anyone else can do as well in that Township as I can. I would rather not see Kingston Tp. added to the city for in that case I would be a non.

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House of Commons
Canada

resident of the rural riding unless I changed my place residence & of course everyone would know why I changed. However I am willing to take even that chance though I honestly doubt if it would be much advantage to Ross. I have devoted the best years of my life to politics & more for others than myself, have sacrificed my medical practice beyond hope of ever taking it up again & I want a fighting chance to come back. I think that is due me & I believe the Tory members on the Com. will try to give me that chance. I will go to Ottawa & talk this over with Stewart & Sutherland if you & they think best. I remain yours truly,

J. W. Edwards

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CANADA

075676

Ottawa, Ont. February 28th. 1923.

My dear Doctor Edwards:

I duly received your letter together with memorandum prepared by you on the subject of Ontario redistribution.

Am sincerely glad you approve so emphatically of the men selected for this Committee. They have an enormous task before them and were none too willing to take on the responsibility.

I am forwarding them your memorandum as requested.

Yours very truly,

Doctor J. W. Edwards,
Cataraqui,
Ont.

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CANADA

075677

Ottawa, February 28th. 1923.

Dear Mr. Stewart:

Enclosed is a memorandum forwarded to me by Doctor J. W. Edwards, dealing with the subject of redistribution in Ontario. This I hope you will find of value.

Doctor Edwards is very emphatic in his approval of the selection of both yourself and Mr. Sutherland as our representatives on the Committee from Ontario.

Yours very truly,

H. A. Stewart, Esq., M.P.,
House of Commons,
Ottawa, Ont.

800

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

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CANADA

075678

Ottawa, Ont. March 6th. 1923.

Dear Mr. Sutherland:

The following is an extract from a letter received from H. J. Neal, our candidate in 1921 in North Essex and a strong organizer for Colonel Robinson in the late contest. No doubt at all his words are the views of our Party organization there.

> "Regarding Re-Distribution, - More than ever now the Liberals will strive to divide the Riding in two parts, having as the division line the middle of Ouellette Ave, Windsor. This was Mr. Kennedy's idea, and also Mr. Fleming's. I don't know whether the latter broached that to you, but he did to me, and I believe he spread the idea a bit in Ottawa. However, as you can see, and also the others who were down here, how manifestly unfair that would be to the Conservative Party. I presume this has to pass the Senate before it becomes law, and it is up to our Senate majority to fight this to the last dithh. What we would like, of course, is to have Windsor, Walkerville and Sandwich as one Electoral District, the same as in the Provincial. That, however, may not be possible. Windsor, alone, is entitled to one member based on the present population representation in Quebec. We have about 45,000 people in Windsor alone to-day, whereas I understand the unit of representation in Quebec is 35,000. The main thing to be considered, however, is not to allow them to cut Windsor in two parts. That would be disastrous to our Party."

Yours very truly,

Donald Sutherland, Esq., M.P.,
House of Commons,
Ottawa, Ont.

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CANADA

075679

Ottawa, March 21, 1923.

George B. Nicholson, Esq.,
Chapleau,
Ont.

My dear Nicholson:

I have your letter of March 16th and thank you for the information regarding Redistribution.

Yours very truly,

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S. C. ROBINSON
WALKERVILLE
ONTARIO

075680

May,
SEVENTH,
1 9 2 3.

My dear Mr. Meighen:-

I duly received your letter of April 25th and am sorry I was unable to get the information earlier.

I am creditsbly informed that three of the parties who were present in a certain room at the Prince Edward Hotel, Windsor were W. H. Furlong who, by the way, is Cooper's attorney and also is the one whose name is on the affidavit of the Deed from the G. T. R. to Cooper; Alex Simmers who was Mr. Healy's first lieutenant in the recent campaign and Ed Tellier Reeve of the Township of Rochester in the County of Essex. There is some talk of Mr. Tellier being the Liberal candidate for the rural riding of North Essex. There were also others present. Of course, I can get no affidavit as to the presence of the above mentioned parties.

I enclose herewith a clipping from the Border Cities Star with reference to the division of the County to make three seats in North Essex, and would say if the constituency is to be divided by splitting the City of Windsor in two, I think it would be an outrage. I know of no other constituency in Canada where such a thing exists. Referring to the recent by-election on March 1st, had there been two vacancies and the division was split with Ouellette Ave. it would have meant that the Liberals would have won both seats. The only fair way I see to have the division made is to have one of the ridings a rural riding and the other a City riding. The plan proposed by O. E. Fleming and which I understand was also the suggestion of the late W. C. Kennedy's, will be backed up by the Liberals of North Essex, and I trust the opposition will fight the proposal to the last ditch.

With my kind personal regards, I am,

Yours faithfully,

S. C. Robinson

ENCL.

Rt-Hon. Arthur Meighen,
House of Commons,
OTTAWA.

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S. C. ROBINSON
WALKERVILLE
ONTARIO

075681

ESSEX TO RECEIVE 3 SEATS IN COMMONS

DIVISION OF COUNTY IS IN QUESTION

Windsor To Be Split In Two Ouellette Avenue, Many Expect

1923

By Star Staff Correspondent

Ottawa, April 28.—In political circles here it is generally understood that completion of the work of redistribution will find Essex county with three representatives in the federal parliament. On a population basis, Essex is more than entitled to three seats. That will she get them may be set down as a certainty.

The only question then is the division of the territory, and this is by no means settled. Rumor persists, however, that for federal purposes, the city of Windsor will be divided at Ouellette Avenue, the eastern half going into a new urban riding that will include Walkerville and Ford, and the remainder into a partly city, partly rural riding. It is not expected that there will be much change so far as South Essex is concerned, though slight

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WALKERVILLE
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The redistribution committee is holding occasional sittings, but in private, and its members are keeping their own counsel. No one knows when the report of the committee will be ready for parliament, in fact there are rumors that the matter will go over until next session.

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CANADA

Redistribution

075682

Ottawa, Ont. May 8th. 1923.

My dear Colonel Robinson:

I have yours of the 7th. instant.

As regards the division of the North Essex seat, you may depend upon it we will resist to the uttermost the outrageous gerrymander which is said to be in contemplation. I may add that the Government have put before us a certain group proposal for Ontario which I may tell you is about as bad as the heart of man ever conceived. They will find us a lot less docile than they expect.

Yours very truly,

Lt. Colonel S. C. Robinson,
Walkerville, Ont.

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075683

A. McN. AUSTIN, 1st. Vice Pres.
J. W. AUSTIN, 2nd. Vice Pres.

GEO. B. NICHOLSON, President.

A. L. MORSE, Oper. Manager
REG. THRUSH, Secy.-Treas.

Thanks I'll take up with Mr. Smith on our return

AUSTIN & NICHOLSON LIMITED
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Mills at
NICHOLSON, DALTON and DEVON,
ONTARIO.

CHAPLEAU, ONT. June 4th., 1923.

ALL QUOTATIONS, AGREEMENTS AND CONTRACTS, ARE MADE CONTINGENT UPON STRIKES, ACCIDENTS, DELAYS OF CARRIERS, AND OTHER CAUSES BEYOND OUR CONTROL.
ALL QUOTATIONS SUBJECT TO PRIOR SALE, AND TO CHANGE WITHOUT NOTICE.

Rt. Hon. Arthur Meighen,

Ottawa, Ontario

Rt. Hon. & Dear Mr. Meighen;

I have just received from Simpson a memorandum setting forth the manner in which it is proposed to re-distribute the ridings of Fort William, Portarthur and East and West Algoma and I note that under the new plan suggested, Chapleau is taken out of East Algoma and put into the Sault. The object of this no doubt is to legislate me personally out of East Algoma and at the same time make the riding so that it would be impossible for anyone else to carry it as Chapleau and Nicholsons and the district immediately surrounding it has ~~almost~~ always been a conservative strong hold. The figures in population by which Fort William and Port Arthur with their large city populations ~~for~~ have 10,000 to 12,000 of a population less than either East or West Algoma ~~and~~ shows the jerrymandering proposed. I do not suppose that anything can be done or that anything we can say will have any effect but I do feel that a very definite protest should be lodged. I do not want you to feel that I am saying this because of any personal

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075684

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MILLS AT
NICHOLSON, DALTON AND DEVON,
ONTARIO.

Hon. Arthur Meighen. CHAPLEAU, ONT. June 4th. 1923.
-------2----------

ALL QUOTATIONS, AGREEMENTS AND CONTRACTS, ARE MADE CONTINGENT UPON STRIKES, ACCIDENTS, DELAYS OF CARRIERS, AND OTHER CAUSES BEYOND OUR CONTROL.
ALL QUOTATIONS SUBJECT TO PRIOR SALE, AND TO CHANGE WITHOUT NOTICE.

consideration, for as you know my being a candidate or not is of no importance but I believe the plan as mapped out will prhaps make the Sault and Fort William fairly safe ridings for us while they will make the other three, namely, Rainy River, Kenora, Port Arthur and East Algoma if not impossible, at least very difficult.

Yours faithfully,

G. B. Nicholson

G.B.N./N

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CANADA

075685

Ottawa, June 6, 1923.

Geo. B. Nicholson, Esq.,
President, Austin & Nicholson Ltd.,
Chapleau, Ont.

Dear Mr. Nicholson:

I have your letter of June 4th, and must thank you for your information regarding the ridings of Port William, Port Arthur and East and West Algoma. I will take this up with Messrs Sutherland and Stewart, our Ontario Members on the Committee.

Yours very truly,

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CANADA

075686

Ottawa, June 6, 1923.

Mr. Meighen asked me to let you have copies of Mr. Nicholson's letter of June 4th, and Mr. Meighen's answer, as attached.

Rex Crossdell.

Memo sent to Mr. Sutherland and Mr. H.A. Stewart.

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CANADA

075687

CANNINGTON FLOUR MILLS

N. D. Mackinnon.

Cannington, June 15th. 1923.

Rt. Hon. Arthur Meighen,
Ottawa.

Dear Mr. Meighen:

Referring to redistribution, was talking to Mr. Clifford M.P. South Ontario last Tuesday here, and informed me that the Committee on this measure had decided to do away with North Ontario, as follows: Uxbridge and Scott Twps going to South Ontario, Brock (including Cannington) and Thora, going to Victoria Riding, and Rama and Mara with Muskoka, he said he understood it was all settled now, and only required passing which would be done before the closing session; since then I understand it is not going to be dealt with this session.

I'm sure you understand this Redistribution scheme thoroughly, and it is far from any distatorial spirit in which I write to you. If you think it would have any weight I feel we could get the Liberals to petition Mr. King to save North Ontario from being wiped out. Remember if North Ontario is left it will be conservative next election. Mr. Halbert only defeated me by 145, and though I am not looking for our candidate Mr. Walls to win in this provincial contest against the U.F.O. candidate who had 650 maj. last time, still I look for a great reduction in his majority.

This riding is almost 80 miles long, and it is a great deal more difficult for the representative to attend to a population of 13 or 15 thousand people than it is for a representative in a congested area of say two or three miles square, with 50,000 population, I feel that if something could be done to impress this upon the Government, some action might be taken to allow for the difference in area as well as in population, but I am not posted along this line, and such a course or plan may be in existence at present, however, I do earnestly hope that North Ontario will still be in existence for many years to come.

With all best wishes.
I am respectfully,
Sgd. N. D. Mackinnon.

The feeling is quite general around this district that Mr. H. Ferguson will have a working majority over all groups in this present contest in this Province. In conversation with an old deep dyed Liberal on the Board of Trade in Toronto yesterday, who is a good and true friend of mine, said, in confidence Mac, our Liberal organization is all smashed to smitherenes by this confounded U.F.O and they almost wrecked your party, but it is generally conceded here that Mr.Ferguson (Scoundrel though he is) will be Premier of Ontario after the 25th. of this month. I hope so.

N.D.M.

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CANADA

CANNINGTON FLOUR MILLS

N. D. MACKINNON

075688

Cannington June 15/1923

Rt Hon Arthur Meighen
Ottawa

Dear Mr Meighen

Referring to redistribution, was talking to Mr Clifford M.P. South Ontario last Tuesday here, and informed me that the Committee on this measure had decided to do away with North Ontario, as follows, Uxbridge and Scott Twps going to South Ontario. Brock (including Cannington) and Thora, going to Victoria Riding, and Rama and Mara with Muskoka, he said he understood it was all settled now, and only required passing which would be done before the closing session; since then I understand it is not going to be dealt with this session.

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CANNINGTON FLOUR MILLS 075689

N. D. MACKINNON

II

Cannington 191

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I am Respectfully

N D Mackinnon

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N D M

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CANADA

075690

Ottawa, June 18, 1923.

N.D. MacKinnon, Esq.,
Cannington Flour Mills,
Cannington, Ont.

Dear Mr. MacKinnon:

I have your letter of the 15th June, and have read with a great deal of interest your remarks regarding Re-distribution. I have passed this to our Members onthe Committee, Mr. Sutherland and Mr. Stewart, for their consideration.

Yours very truly.

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CANADA

075691

FRANK W. WILSON M.P.P. ROBERT H. WILSON

WILSON & WILSON
BARRISTERS-AT-LAW
IMPERIAL BANK BLDG.
CORNER OUELLETTE & LONDON STS.
WINDSOR, ONTARIO

August 28,1923.

PRIVATE AND CONFIDENTIAL

Rt.Hon. Arthur Meighan,
Parliament Bldgs.,
~~Toronto~~ Ottawa, Ontario.

Dear Mr.Meighan:

It just occurs to me that perhaps you may not have been advised as to the local attitude toward redistribution. Inasmuch as this bill must go through the Senate I assume you will have some considerable control over its terms.

Have heard it suggested that the intention is to divide Windsor at Ouellette Avenue. My suggestion is that the division follow something along the lines of the provincial division. Every Conservative with whom I have talked agrees that the latter division is in the interest of the Conservative party and that the division at Ouellette Avenue would only serve the interest of the Liberal party. The Hon.Dr. J.O.Reaume was the one who carved out the present urban provincial riding from the northern portion of this county. My own opinion is - and this is the opinion of the others with whom I have talked - that he showed wisdom in the way he did it.

The Ouellette Avenue division places a heavy French vote in both the ridings and particularly in the country in the case of each, and it was this last mentioned vote that went so overwhelmingly against us in the By-Election.

The Ouellette Avenue division constitutes each riding partly urban and partly rural, whereas the provincial division would make one entirely urban riding and the other entirely rural, unless in the case of the latter you include therein Ford City, this town being almost altogether French and Liberal. Furthermore, dividing at Ouellette Avenue will have the effect of separating a community whose interest as a rule should be in common. Would it not be much more in the public interest to have a purely urban riding whose interest and action would more nearly always be united and an entirely almost altogether rural riding that would be in the same happier position.

The provincial urban riding consists of Windsor, Walkerville and Sandwich. The division at Ouellette Avenue is the best possible one from the Liberal point of view and best suited ~~thereof~~ to secure both ridings for them.

Yours sincerely,

F.W.Wilson

FWW:AS

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075692

PERSONAL.

Ottawa, Ont. September 2nd.1923.

Dear Mr. Wilson:

I have yours of the 28th. August. This matter had previously been drawn to my attention, and, indeed, had been under discussion. I feel quite certain our Ontario representatives on last Session's Redistribution Committee agree with your views. However, I will be glad to lay the subject matter of your letter before them, (Donald Sutherland, M.P., H. A. Stewart, M.P.). May I send them your letter? I observe it is marked "Private & Confidential".

Yours very truly,

F. W. Wilson, Esq.,
Corner Ouelette & London Sts.,
WINDSOR,
Ont.

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PUBLIC ARCHIVES
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CANADA

075693

J. M. SIMPSON
BARRISTER & SOLICITOR
NAPANEE, ONTARIO

Personal.

Sept. 5th, 1923.

Rt. Hon. Arthur Meighen, K. C.,
Parliament Buildings,
OTTAWA, Canada.

Dear Sir:-

I have been requested by certain members of the Liberal-Conservative party here to write to you to get information regarding the proposed re-distribution. This information is more or less urgently required here and if convenient to you I would appreciate an early reply to this letter.

Owing to the death of the late Dr. Vrooman, (Liberal) the newly elected member for the Local House of Assembly, there will have to be a by-election here soon to fill that vacancy. There seems to be some strife between a couple of factions in our own party, regarding the impending election and some of the party favour bringing out a man for this election who has been being considered throughout the County for the next Federal election.

The thing which causes great indecision in our minds is that a rumour has become current here regarding the re-distribution for the Federal House, which gives the

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impression that Lennox and Addington is to be divided and the north part given to Frontenac and the south part to Prince Edward. On the other hand there is a suggestion that Frontenac will be divided and sufficient of it given to Lennox and Addington to give this County a unit, the remaining part of Frontenac going to Kingston.

If the former rumour is correct politically, this County will be ruined as Prince Edward would completely swallow the remnant of this County and we would practically have to give up hope of ever placing a Lennox and Addington man in the House again. Prince Edward adjoins Northumberland and runs along the front of Hastings but at no place does it come in contact or close proximity with Lennox and Addington. It is the general opinion that there would be continual strife between the two Counties. The latter, of course, would be more reasonable and if it is likely to be the course adopted by the Government in the re-distribution, the plans of the organization in this County will not need to be altered.

As I have already said, a man is kept in view by a large number of the Conservatives, here, who is a very popular and very capable man whom we all feel would undoubtedly carry the election here for the Federal House and would prove a very capable member. It is thought that if he were brought out in the by-election that he would not only carry the election but would maintain unity and accord among the parties' supporters

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here. It is felt that to place him in the Local House, would be making somewhat of a sacrifice and the effect of the re-distribution seems to be a factor which will control the decision of this man's supporters for if this County is to be cut in two and given to two other counties we should give this man his chance now and put him in the Local House.

I have been asked to write directly to you for this information rather than making application through our local organization as there are certain reasons why this inquiry should be confidential. I trust that I am not breaching any regulations by writing to you rather than taking the course which would seem more regular.

I have the honour to be,

Sir,

Your obedient servant,

L M Simpson

LMS.

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CANADA

075696

file

Ottawa, Ont., 7th September, 1923.

Dear Sir,

Your letter of the 5th instant arrived during the absence of Mr. Meighen in Western Canada. As he will not return to Ottawa until early in October I am sending you this acknowledgement so that you will understand the delay.

Yours faithfully,

Private Secretary.

J. M. Simpson, Esquire,
Barrister,
Napanee, Ontario

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PUBLIC ARCHIVES
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CANADA

075697

Ottawa, Ont. September 10th.1923

Dear Sir:

Your letter of September 5th. arrived during the absence of Mr. Meighen who is in Western Canada. I am sending Mr. Sutherland and Mr. Stewart copies of your letter in the form you desire.

Yours faithfully,

Private Secretary.

F. W. Wilson, Esq.,
Imperial Bank Building,
Windsor, Ont.

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CANADA

075698

FRANK W. WILSON ROBERT H. WILSON

WILSON & WILSON
BARRISTERS-AT-LAW
IMPERIAL BANK BLDG.
CORNER OUELLETTE & LONDON STS.
WINDSOR, ONTARIO

September 5, 1923.

Private and Confidential

Rt. Hon. Arthur Meighen, M.P.,
Parliament Buildings,
OTTAWA, Ontario.

Dear Mr. Meighen:

I acknowledge receipt of your letter of the 2nd inst. I am enclosing herewith letter rewritten in the form in which I would be willing to have you send it rather than in the form in which I sent it to you before. I have only eliminated the reference to the French vote. In a letter of your own accompanying mine enclosed that you will be sending you could yourself make the observation about the French vote.

Yours sincerely,

F.W. Wilson

FWW/IMH

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075699

FRANK W. WILSON ROBERT H. WILSON

WILSON & WILSON
BARRISTERS-AT-LAW
IMPERIAL BANK BLDG.
CORNER OUELLETTE & LONDON STS.
WINDSOR, ONTARIO

August 28, 1923.

Rt. Hon. Arthur Meighen,
Parliament Buildings,
OTTAWA, Ontario.

Dear Mr. Meighen:

It just occurs to me that perhaps you may not have been advised as to the local attitude towards redistribution. Inasmuch as this bill must go through the Senate I assume you will have some considerable control over its terms.

I have heard it suggested that the intention is to divide Windsor at Ouellette Avenue. My suggestion is that the division follow something along the lines of the provincial division. Every Conservative with whom I have talked agrees that the latter division is in the interest of the Conservative party and that the division at Ouellette Avenue would only serve the interest of the Liberal party. The Hon. Dr. J.O. Reaume was the one who carved out the present urban provincial riding from the northern portion of this county. My own opinion is - and this is the opinion of the others with whom I have talked - that he showed wisdom in the way he did it.

The Ouellette Avenue division places a heavy Liberal vote in both the ridings and particularly in the country in the case of each, and it was this last mentioned vote that went so overwhelmingly against us in the By-election.

The Ouellette Avenue division constitutes each riding partly urban and partly rural, whereas the provincial division would make one entirely urban riding and the other entirely rural, unless in the case of the latter you include therein Ford City, this town being almost altogether Liberal. Furthermore, dividing at Ouellette Avenue will have the effect of separating a community whose interest as a rule would be in common. Would it not be much more in the public interest to have a purely urban riding whose interest and action would more nearly always be united and an entirely almost altogether rural riding that would be in the same happier position.

The provincial urban riding consists of Windsor, Walkerville and Sandwich. The division at Ouellette Avenue is the best possible one from the Liberal point of view and best suited thereof to secure both ridings for them.

Yours sincerely,

FWW/IMH

F.W. Wilson

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075700

Ottawa, Ont. Sept. 10th. 1923.

Dear Sir:

In the absence of Mr. Meighen, who, as you are aware, is in western Canada, I am sending you copy of a letter from Mr. F. W. Wilson of Windsor, Ont., with regard to the suggested division of Windsor at Ouelette Avenue for redistribution purposes.

Yours faithfully,

Private Secretary.

Donald Sutherland, Esq., M.P.,
Ingersoll P.O.,
Ontario.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075701

Ottawa, Ont. September 10th. 1923.

Dear Sir:

In the absence of Mr. Meighen, who, as you are no doubt aware, is in western Canada, I am sending you copy of a letter from Mr. F. W. Wilson of Windsor, Ont., with regard to the suggested division of Windsor at Ouelette Avenue for redistribution purposes.

Yours faithfully,

Private Secretary.

H. A. Stewart, Esq., M.P.,
Brockville,
Ont.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075702

830 N. Marguerita Ave
Alhambra, Calif
Dec 26/23

Rt Hon Arthur Meighen
Ottawa

Dear Mr Meighen:-

I have heard a couple of bitter from home advising me that there is a probability of Dundas being wiped out under the new Redistribution Bill, that the Townships of Matilda and Mountain are to be added to Grenville and the territory east of the new County of Grenville is to be divided by a line running east and west to the Nation boundary.

This plan would give the Conservatives in Grenville and make two hopelessly Liberal Counties east of it.

It looks as if Dundas, as it is now, will be a safe Conservative County at the next election, if the plan outlined above is carried out but the new Counties east of Grenville will be safe Liberal seats for this generation.

All my friends in Dundas hope you will oppose this machine work strongly, they would be bitterly disappointed otherwise.

Unless there is a prospect of a general election in the early summer I expect to remain here until April.

Wishing you the Compliments of the season, I am, yours truly

O D Casselman

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075703

830 N. Marguarita Ave.,
Alhambra, California.

Hon. Arthur Meighen,

Ottawa, Ontario.

Dear Mr. Meighen:

I have had a couple of letters from home advising me that there is a probability of Dundas being wiped ou t under the new Redistribtuion Bill, that the Townships of Matilda and Mountain are to be added to Grenville and the territory east of the new county of Grenville is to be divided by a line running east and west to the western boundary.

This plan would leave the Conservatives in Grenville and make two hopelessly liberal counties east of it.

It looks as if Dundas, as it is now, will be a safe Conservative country at the next election, if the plan outlined above is carried out both the new counties east of Grenville will be safe liberal seats for this generation.

All our friends in Grenville hope you will oppose this method most strongly. They would be vitally disappointed otherwise.

Unless there is a prospect of an election in the early summer I expect to remain here until April.

Yours truly,

(Signed) O.D. Casseleman.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075704

44

Ottawa, Jan. 7, 1924.

Donald Sutherland, Esq., M.P.,
Ingersoll, Ont.

Dear Mr. Sutherland:

In the absence of Mr. Meighen I am sending you copy of a letter from Mr. O.D. Casselman with regard to the redistribution of Dundas county.

Yours faithfully,

Private Secretary.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075705

Uxbridge , Ont.

Jan. 15th -1924

Right Hon, Arthur Meighen M P

Ottawa Can

Dear Sir,-, A large number of supporters of the Conservative Party in this vicinity have called on me lately and urged to to write to the party representatives on the redistribution committeee , and ask them to use their influence to have sufficent territory added to the present riding of North Ontario to have it retain its identity.

The suggestion mostly favoured is to have the Townships of Reach, Scugog, and the village of Port Perry added on the south and if necessary the Township of Georgina on the North, all of which should properly belong to the one rural riding.

Not knowing the members of the committee I am addressing this letter to you in the hope that you will hand it along to the proper officers.

The party in this riding has recently suffered a number of defeats by narrow majorities ,with the other two parties in each case combined against it , supporting the one candidate, but it is generally believed that the next election will see a change , with a possible elimination of the progressive party which has been weakened since the defeat of the loaal government last June.

Before the preparations are completed for the next general elections it is felt and expressed by a number of the party supporters that an organizer should visit the principae points in the riding in order to effect organization.

Reference as to the bona fides of the writer , refer to Hon, Senators Lougheed, and Griesbach or Hon R, B, Bennett, Calgary.

Trusting I have not trespassed too far on your valuable time . I am

Yours truly

William C, Pollard.

William C. Pollard

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075706

Ottawa, Jan. 16, 1924.

Dear Mr. Pollard:

Your letter of the 15th reached me this morning and I am immediately placing the representations you have made before our representatives on the redistribution committee.

Please do not hesitate to write me at any time as I shall always be glad to have suggestions or advice from our party friends.

Yours truly,

William C. Pollard, Esq.,
Uxbridge, Ontario.

5

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075707

Ottawa, Jan. 16, 1924.

Dear Mr. Sutherland:

I herewith enclose copy of letter just received from Mr. William C. Pollard of Uxbridge, Ontario, with regard to redistribution in the riding of North Ontario.

Yours truly,

Donald Sutherland, M.P.,
Ingersoll, Ontario.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075708

44

Ottawa, Ont., January 19, 1924.

Dear Mr. Casselman,

Your recent letter reached me in due course but as I have been absent from Ottawa almost continuously since the New Year I have not been able to acknowledge earlier. I have placed the representations you have made with regard to redistribution in Dundas County before the Conservative Members of the Parliamentary Committee on Redistribution.

Yours very truly,

O.D.Casselman, Esquire,
830 N. Marguerita Avenue,
Alhambra, California,

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075709

44

House of Commons
Canada

Ottawa Jan 19th 1924

A. W. Merriman Esq
Sent to Rt Hon A Meighen
Attawa

Dear Mr Merriman

I have your letter of the 7th inst with enclosure relating to the Redistribution of Dundas County

Former Mr C & Cornelius I am glad to have the views of our friends on the matter and assume you have also written Mr Stewart who is keeping in touch with the situation in Eastern Ontario

Yours Very Truly
Donald Sutherland

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CANADA

075710

44

House of Commons
Canada

Ingersoll Jan 18th 1928

Rt Hon. A. Meighen M.P
Ottawa

Dear Mr Meighen

I have your letter of the 16th inst. with enclosed copy of letter to you from Mr Wm C. Pollard of Woodstock regarding redistribution of North Ontario & am glad to have any suggestions regarding that particular district as it is one of the contentious points in the proposed submitted to the Committee by the Government. I also have your letter of Dec 22nd with enclosure

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CANADA

075711

House of Commons
Canada

With regard to the County of Essex and Windsor. I intend to visit Windsor in the near future and get the views of our friends there regarding what should be done. I have been in touch with them on the question and would like to see them more unanimous on some plan than they are at present.

Yours Very Truly

Donald Sutherland

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PUBLIC ARCHIVES
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CANADA

075712

44

Ottawa, January 25, 1924.

Dear Mr. Stewart:

On the suggestion of Mr. Sutherland, Ingersoll, Ontario, I am taking the liberty of enclosing you copy of letter Mr. Meighen received from Mr. O. D. Cassleman which refers to the redistribution situation in Eastern Ontario.

Yours very truly,

Private Secretary.

Mr. H. A. Stewart, M.P.,
Brockville, Ont.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075713

Ottawa, Ontario,
March 4, 1924.

Dear Mr. Middleton:

Yours of the 3rd inst. reached me this morning. I am glad to have your suggestions with regard to redistribution in Huron County and I am immediately placing them before the Conservative Members of the Redistribution Committee.

You may rest assured that they will give to this question their very best consideration.

Yours very truly,

C.G. Middleton, Esquire,
P.O. Box. 241,
Clinton, Ontario.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075714

Ontario

Ottawa, March 4, 1924.

Dear Mr. Sutherland,-

Herewith is a letter which has just been received from Mr. C.G. Middleton of Clinton, Ontario, President of the South Huron Liberal Conservative Association, with regard to redistribution in that County.

I have told Mr. Middleton that his representations were being placed before your Committee for consideration.

Yours very truly,

Donald Sutherland, Esquire, M.P.,
House of Commons,
Ottawa.

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1st Vice President
Mrs. H. A. WINNETT
75 William St., London, Ont.

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Belleville, Ont.

LIBERAL-CONSERVATIVE ASSOCIATION of Ontario

OFFICE OF SECRETARY
Room 301, FEDERAL BUILDING
85 RICHMOND ST. W.

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The Rt. Hon. ARTHUR MEIGHEN, K.C., M.P.
Ottawa, Ont.

Provincial Leader
HON. G. HOWARD FERGUSON, K.C., M.P.P.
Parliament Buildings
Toronto, Ont.

2nd Vice President
GEORGE SPOTTON
Wingham, Ont.

Treasurer
J. EARL LAWSON,
152 Bay St., Toronto, Ont.
Phone Adelaide 0484

Toronto, ONTARIO March 5th 1924.

Right Hon. A. Meighen M.P.
Ottawa.

My dear Mr. Meighen —

We have completed arrangements for the inaugural meetings for the organization of the Centre District Association and for the East Centre District Association. The former will be held in Victoria Hall, Toronto, at 2 P.M. Friday March 26th and the later will be held in Peterboro on April 4th. 2 to 5 P.M. The Centre District comprises the Counties of Grey, Simcoe, Peel, ~~Ontario~~ and York and the East Centre District comprises the Counties of Durham, Northumberland, Peterboro, Victoria, Haliburton, Muskoka and Ontario. Toronto is a separate District governed by its Central Association.

I am writing to Hon. Harry Stevens to invite him to speak in Peterboro on April 4th, on the question of Tariff. About 45 minutes will be the time at his disposal. The other M.P.s and M.P.P.s from that district will each have time for a short address. The organization work itself we lay out carefully and speed it thro in an hour to hour and a half.

We have not selected speaker yet for the Centre District meeting at Toronto.

I hope a mighty battle will be put up against the transferable vote feature in the proposed amendment to the Dominion Elections

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1st Vice President
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75 William St., London, Ont.

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Belleville, Ont.

LIBERAL-CONSERVATIVE ASSOCIATION of Ontario

OFFICE OF SECRETARY
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0357 | 18

Dominion Leader
The Rt.Hon. ARTHUR MEIGHEN, K.C., M.P.
Ottawa, Ont.

Provincial Leader
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Toronto, Ont.

2nd Vice President
GEORGE SPOTTON
Wingham, Ont.

Treasurer
J. EARL LAWSON,
152 Bay St., Toronto, Ont.
Phone Adelaide 0484

2.

Toronto,
ONTARIO

Oct. Last year when it was up before the Legislature, Hon Mr. Ferguson had your humble servant address a Caucus of our members on two occasions. "P.R." is a failure everywhere. "P.R." is always advocated as a great improvement on the Alternative or Transferable Vote. The greatest "P.R." advocate in his book on "P.R." can scarcely find strong enough language to fittingly denounce the Alternative or Transferable vote in Single-Member Ridings. If I can be of any assistance in the fight against this proposal — I am at your service.

Yours faithfully
John R. MacNicol

No 3 Glenholme ave.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075717

44
Redistribution, Ont.

Ottawa, March 7, 1924.

Dear Mr. MacNicol:

I have your letter of the 5th inst.

Would you be good enough to give me the title of the book on Proportional Representation in which the single transferable vote is denounced. I want to arm myself on this question.

Yours very truly,

J.R. MacNicol, Esquire,
3 Glenholm Avenue,
Toronto, Ontario.

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PUBLIC ARCHIVES
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CANADA

075718

N

44

Ottawa , March 31, 1934.

J.R. MacNichol, Esq.,
3 Glenholme Ave.,
Toronto.

Dear Mr. MacNichol:

Many thanks for yours of the 28th inst. I shall be very glad indeed to get the printed brief on Proportional Representation and the Alternative Vote. If you can send me three or four copies I shall be glad.

Yours very truly,

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

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CANADA

075719

ONTARIO

LEGISLATIVE ASSEMBLY

TORONTO, March 31st, 1924.

Dear Mr. Meighen:-

On Friday last Mr. Gordon H. Reid, our Organizer for the London district, showed me a proposed redistribution of the ridings of Bruce and Huron. It would seem on first sight that it is framed to give two liberal seats and one conservative in Bruce and Huron Counties. My own inclination is if at all possible, that the Hurons should be left just as they are. Do you think that this proposal of including Huron Township, Kinloss, Lucknow Village, Culross, Teeswater, Carrick and Mildmay will be to the benefit of our party? I would be glad to have your opinion, or that of the member who is handling this matter for us. Hoping that the Conservative Party in Dominion politics will continue to grow stronger, I am,

Yours very truly,

E.R. Wright

The Right Honourable Arthur Meighen, M.P.,
Parliament Buildings,
Ottawa, Ont.

ERW:DB

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075720

Ottawa, April 3, 1924.

Dear Mr. Wigle:

Yours of the 31st March reached me in due course. I am placing your representation before our members on the redistribution committee and you may be sure we shall give careful consideration to your suggestion with regard to Bruce and Huron.

Yours very truly,

E.R. Wigle, Esquire, M.L.A.,
Legislative Assembly,
Toronto, Ontario.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075721

Ottawa, April 3, 1924.

Dear Mr. Stewart:

Attached hereto is copy of a letter just received from E.R. Wigle, M.P.P., with regard to redistribution in Bruce and Huron. In his reply Mr. Meighen has stated that the matter would br brought to the attention of the Ontario Members of the Redistribution Committee.

Yours very truly,

H.A. Stewart, Esquire, M.P.,
House of Commons,
Ottawa.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075722

Ottawa, April 3, 1924.

Dear Mr. Sutherland:

Attached hereto is copy of a letter just received from E.R. Wigle, M.P.P., with regard to redistribution in Bruce and Huron. In his reply Mr. Meighen has stated that the matter would be brought to the attention of the Ontario Members of the Redistribution Committee.

Yours very truly,

Donald Sutherland, Esquire, M.P.,
House of Commons,
Ottawa.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075723

R V 44

Ottawa, April 8, 1934.

Dear Mr. Stinson:

Yours of the 2nd inst. reached me before I left for Windsor to attend a banquet there on Saturday but I did not have an opportunity of replying until this morning. I am bringing your letter to the attention of our members on the redistribution committee with the request that they let you know how it effects Victoria and Haliburton.

Kindest personal regards.

Yours very truly,

T.H. Stinson, Esquire, K.C.,
Barrister etc.,
Victoria Loan Bldg.,
Lindsay, Ont.

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075724

McLAUGHLIN, FULTON, STINSON & ANDERSON
BARRISTERS. SOLICITORS. NOTARIES

R. J. McLAUGHLIN, K.C.
T. H. STINSON, K.C.
R. V. MARK
A. M. FULTON, B.A.
J. E. ANDERSON, B.A.
CROWN ATTORNEY

CABLE ADDRESS "McLAUGHLIN LINDSAY"
TELEPHONE 63

VICTORIA LOAN BLDG.
LINDSAY, ONT. April 2nd 1924

Dear Mr. Meighen :- I notice that the Redistribution Bill has been introduced. and I am rather anxious to know how it affects Victoria and Haliburton. If you can get the information for me I would appreciate it very much. I understand that part of North Ontario is to be added to Victoria and Haliburton.

Sincerely
D R Ellis

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PUBLIC ARCHIVES
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CANADA

075725

Ottawa, April 8, 1924.

Dear Mr. Sutherland:

Herewith is a letter Mr. Meighen has received from Mr. T.H. Stinson of Lindsay Ontario dealing with redistribution in Victoria and Haliburton.

Yours very truly,

Donald Sutherland, Esquire, M.P.,
House of Commons,
Ottawa.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075726

44

House of Commons
Canada

Ottawa, April 12th, 1924.

A. W. Merriam, Esq.,
Private Secretary,
Hon. Arthur Meighen,
House of Commons.

Dear Sir:

I have your letter of April 8th containing Mr. Stinson's letter to Mr. Meighen, regarding the redistribution as it affects Victoria and Haliburton.

I have made a copy of Mr. Stinson's letter and return the original herewith.

Sincerely yours,

Donald Sutherland

DS/KL.
Enc.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

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CANADA

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J. W. AUSTIN, 2nd. Vice Pres.

GEO. B. NICHOLSON, President.

075727

A. L. MORSE, Oper. Manager
REG. THRUSH, Secy.-Treas.

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LUMBER
RAILWAY TIES, PULPWOOD

MILLS AT
NICHOLSON, DALTON AND DEVON,
ONTARIO.

CHAPLEAU, ONT. May 15th, 1924.

ALL QUOTATIONS, AGREEMENTS AND CONTRACTS, ARE MADE CONTINGENT UPON STRIKES, ACCIDENTS, DELAYS OF CARRIERS, AND OTHER CAUSES BEYOND OUR CONTROL.
ALL QUOTATIONS SUBJECT TO PRIOR SALE, AND TO CHANGE WITHOUT NOTICE.

Rt. Hon. Arthur Meighan,
House of Commons,
Ottawa, Ontario.

Rt. Hon. & Dear Mr. Meighen:-

In further connection with the matter of re-distribution of the Northern Ontario ridings.

I have had considerable correspondence with Simpson and he has a proposal for the distribution of these ridings that is an alternative to that set forth by the Government. I think it would be impossible to conceive of a more vicious gerrymander that is being suggested with regard to Nipissing, Timiskaming South, Timiskaming North and East Algoma. Simpson has maps of the country and a reference to them will show for instance that four specific localities, Chapleau, Nicholson, Bolkow and the Township of Lougheed are picked out of East Algoma and placed in West Algoma without any regard to geographical lines or convenience of communication.

If this re-distribution is allowed to go through then I am very much afraid that no Conservative can be elected in Northern Ontario under any conditions excepting in the

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GEO. B. NICHOLSON, PRESIDENT.

A. L. MORSE, OPER. MANAGER.
REG. THRUSH, SECY.-TREAS.

075728

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ONTARIO.

Rt. Hon. A. Meighen CHAPLEAU, ONT. May 15th, 1924.

----2----

ALL QUOTATIONS, AGREEMENTS AND CONTRACTS, ARE MADE CONTINGENT UPON STRIKES, ACCIDENTS, DELAYS OF CARRIERS, AND OTHER CAUSES BEYOND OUR CONTROL.
ALL QUOTATIONS SUBJECT TO PRIOR SALE, AND TO CHANGE WITHOUT NOTICE.

District of West Algoma. It would be very much better to leave East Algoma alone although the population is too great than to have the riding carved up in this way. The initial iniquity that is being made the excuse for this is the extension of the District of Port Arthur Eastward into the District of West Algoma, meaning that from the standpoint of covering the riding a man from Port Arthur has to travel East on the Canadian Pacific 300 miles, a part of which is in West Algoma, then down the Algoma Central 60 miles through West Algoma to get into a part of what will be the riding of Port Arthur, which part is just about 100 miles from the Soo, the Soo being the central city of West Algoma, and the same inconvenient condition being created for West Algoma by taking these areas out of East Algoma to compensate for the portion being transferred to Port Arthur.

I hope that something can be done to block these proposals.

Yours truly,

GBN/P.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075729

T. H. A. Stewart
D. Sutherland

44

Ottawa, May 17, 1924.

G.B. Nicholson, Esq.,
Chapleau,
Ont.

Dear Mr. Nicholson:

Yours of the 15th inst., with regard to the Redistribution of Northern Ontario, has just reached me. I am discussing the matter with our friends on the Committee and you may be sure we will make every effort to see that the redistribution of ridings is carried out in all fairness.

Yours very truly,

OK
Nicholson's letter not included

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075730

44

House of Commons
Canada

Ottawa, May 20th, 1924.

Rt. Hon. Arthur Meighen, M.P.,
House of Commons,
Ottawa,

Dear Mr. Meighen:

I have your letter from Mr. Nicholson regarding the proposed redistribution for Northern Ontario. Mr. Stewart and myself have taken this matter up with Mr. Simpson who is in close touch with Mr. Nicholson and the whole northern district. We shall do our best to see that their views on this matter are carried out, but it does not appear that the Government, assisted by the Progressives intend to show much consideration for our viewpoint.

I am returning Mr. Bicholson's letter as I have received a similar one from himself.

Yours sincerely,

Donald Sutherland

DS/KL.
Enc.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075731

COPY

Chapleau, Ont., May 15, 1924.

Rt. Hon. A. Meighen,
Ottawa.

Dear Mr. Meighen:

In further connection with the matter of Redistribution of the Northern Ontario ridings.

I have had considerable correspondence with Simpson and he has a proposal for the distribution of these ridings that is an alternative to that set forth by the Government. I think it would be impossible to conceive of a more vicious gerrymander than is being suggested with regard to Nipissing, Temiskaming South, Temiskaming North and E. Algoma. Simpson has maps of the country and a reference to them will show for instance that four specific localities, Chapleau, Nicholson, Bolkow and the township of Lougheed are picked out of East Algoma and placed in West Algoma without any regard to geographical lines or convenience of communication.

If this redistribution is allowed to go through then I am very much afraid that no Conservative can be elected in Northern Ontario under any conditions excepting in the district of W. Algoma. It would be very much better to leave E. Algoma alone although the population is too great than to have the riding carved up in this way. The initial iniquity that is being made the excuse for this is the extension of the district of Port Arthur eastward into the district of W. Algoma, meaning that from the standpoint of covering the riding a man from Port Arthur has to travel East on the Canadian Pacific 300 miles, a part of which is in West Algoma, then down the Algoma Central 60 miles through West Algoma to get into a part of what

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CANADA

075732

will be the riding of Port Arthur, which part is just about 100 miles from the Soo, the Soo being the central city of West Algoma, and the same inconvenient condition being created for West Algoma by taking these areas out of East Algoma to compensate for the portion being transferred to Port Arthur.

I hope that something can be done to block these proposals.

Yours truly,

(Signed) Geo. B. Nicholson.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

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CANADA

075733

44

Confidential. Ottawa, June 28, 1924.

Dear Mr. Wilson:

I have your letter of June 24th. I went over the contents of this letter today with our representatives on the Redistribution Committee. I am sending you herewith a memorandum presented by the Government to our representatives today, illustrative of their intentions in Essex. You will probably appreciate the gerrymander they had in mind. As you know, Mr. Donald Sutherland and Mr. H.A. Stewart, M.P. for Leeds are our representatives for Ontario and they are certainly doing the best anyone could do. Any further hints you can give pass them on to me or to Mr. Sutherland direct.

Yours very truly,

F.W. Wilson, Esq.,
Windsor,
Ontario.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075734

ONTARIO

LEGISLATIVE ASSEMBLY

Windsor, Ontario, June 24, 1924,

Private & Confidential

Rt. Hon. Arthur Meighen,
Parliament Bldgs.,
Ottawa, Canada,

Dear Mr. Meighen:

I understand that it is proposed to divide this riding at the dividing line between Windsor and Walkerville. The ideal division from the Conservative viewpoint would be to make an entirely urban riding. There is a lot of criticism about making the two ridings each partly urban and partly rural when the respective populations would amply warrant making one entirely urban riding and one wholly rural.

I have heard the suggestion that it is to the Conservative advantage to split the urban part with the intended effect of having the two urban parts carry the rural load. I think you will agree that the rural load in both cases would be so heavy that the carrying will be the other way and I have no doubt our local liberal friends see it that way. I note they are not dissatisfied with the proposed division. It seems to me a pity to sacrifice a pretty sure urban riding for what, at the best, would be a poor possibility of carrying both.

I send this letter confidentially but so that you will have these views.

It will be recalled that there were polls in both the rural parts that will be attached to the two new proposed ridings where the conservative candidate did not get a vote in the By-election. It does seem that it requires an unlimited amount of optimism to think the City can carry such a load as that.

I write frankly in the matter because it may

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CANADA

075735

ONTARIO

LEGISLATIVE ASSEMBLY

be that some [redacted] are advising the proposed extension. It is merely a case of "a bird in the hand being worth two in the bush."

Yours sincerely,

H. H. Wilson

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075736

44

Ottawa, June 30, 1924.

G.B. Nicholson, Esq.,
Austin & Nicholson,
Chapleau, Ont.

Dear Mr. Nicholson:

I have your letter of the 27th on the subject of Redistribution. This matter is being looked after by our Committee on Redistribution who are handling the question very well indeed, and will continue to do their utmost.

Yours very truly,

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

A. McN. AUSTIN, 1ST. VICE PRES.
J. W. AUSTIN, 2ND. VICE PRES.

GEO. B. NICHOLSON, PRESIDENT.

A. L. MORSE, OPER. MANAGER
REG. THRUSH, SECY.-TREAS.

075737

AUSTIN & NICHOLSON LIMITED
MANUFACTURING LUMBERMEN
[illegible] LUMBER
[illegible] TIES, PULPWOOD
MILLS AT
NICHOLSON, DALTON AND DEVON,
ONTARIO.

CHAPLEAU, ONT. June 27th., 1924.

ALL QUOTATIONS, AGREEMENTS AND CONTRACTS, ARE MADE CONTINGENT UPON STRIKES, ACCIDENTS, DELAYS OF CARRIERS, AND OTHER CAUSES BEYOND OUR CONTROL.
ALL QUOTATIONS SUBJECT TO PRIOR SALE, AND TO CHANGE WITHOUT NOTICE.

The Rt. Hon. Arthur Meighen,
House of Commons,
OTTAWA, Ontario.

Rt. Hon. and Dear Sir:

I was in Ottawa for a few moments on Tuesday evening but did not have an opportunity of seeing you.

I learned from Simpson that the Liberals had definitely decided to force through their plan to emasculate the ~~Conservatives~~ Constituencies in Northern Ontario in the way originally designed.

I do not suppose anything can be done as they are in control but their plan definitely fixes East Algoma as an impossible riding from our standpoint and my opinion is that it does the same with Port Arthur, Parry Sound and North Renfrew or at least it makes the last two named constituencies extremely difficult.

Yours truly,

GBN/G

G. B. Nicholson

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PUBLIC ARCHIVES
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CANADA

A. McN. AUSTIN, 1ST. VICE PRES.
J. W. AUSTIN, 2ND. VICE PRES.

GEO. B. NICHOLSON, PRESIDENT.

A. L. MORSE, OPER. MANAGER.
REG. THRUSH, SECY.-TREAS.

075738

AUSTIN & NICHOLSON LIMITED
MANUFACTURING LUMBERMEN

[illegible] LUMBER
[illegible] RAILWAY TIES, PULPWOOD

MILLS AT
NICHOLSON, DALTON AND DEVON,
ONTARIO.

CHAPLEAU, ONT. July 2nd, 1924.

ALL QUOTATIONS, AGREEMENTS AND CONTRACTS ARE MADE CONTINGENT UPON STRIKES, ACCIDENTS, DELAYS OF CARRIERS, AND OTHER CAUSES BEYOND OUR CONTROL.
ALL QUOTATIONS SUBJECT TO PRIOR SALE, AND TO CHANGE WITHOUT NOTICE.

The Rt. Hon. Sir Arthur Meighan,
Ottawa, Ontario.

Hon and Dear Mr. Meighan:-

I have your letter of June 30th, and regret indeed if I have said anything that would indicate a feeling of mine that the Conservative Members of the Redistribution Committee were not doing everything possible that could be done.

My purpose in taking the stand I have done has not been a selfish one because I am not sure whether circumstances will permit me to be a candidate again or not.

I have, however, felt that knowing this country as I do and having represented East Algoma, that I should keep yourself and the Committee as fully informed as I could as to the results of the proposed changes and I trust that I have not appeared too insistent.

Yours truly,

GBN/J.

G. B. Nicholson

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ARCHIVES PUBLIQUES
CANADA

075739

44

Ottawa, July 4, 1924.

Dear Mr. Nicholson:

Yours of the 2nd instant has just reached me. I had no intention of conveying any impression of evasion. Algoma is one of the constituencies we are making a fight on together with some ten others. To the best of my ability I shall have the fight continued.

Yours very truly,

Geo. B. Nicholson, Esq.,
President,
Austin and Nicholson Ltd.,
Chapleau, Ont.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075740

National Brick Company
HON. C. C. BALLANTYNE
PRESIDENT

July
Seventh
1924.

Personal _

Dear Mr. Meighen:-

There is nothing much of importance that I can report to you since my last letter.

There are no new developments regarding Mr. Bell's self imposed candidature in St. Antoine division. While I have not seen him I hear that he is realizing that his efforts will be futile and I expect that he will drop out shortly.

If plan "A" of the new redistribution goes through it will wipe out the present St. Antoine division. Mr. Hanson last week sent me the new proposals, and after consultation with Mr. Stewart and others we wired Mr. Hanson that we favored plan "B". In any event, whether it is plan "A" or "B" we are pretty well assured of four English speaking Conservative seats.

I am working quietly with Mr. Stewart and others to re-organize the Conservative Association (English speaking) and if we accomplish what we expect we will have very strong men on our executive. I refer to such men as Gen'l Dodds, W.M. Birks, George Henderson, Col. Stark and others. If we can bring this re-organization about, as I feel we can, we will eliminate a small band of agitators who brought about the St. Antoine situation, and if left in power would cause us similar trouble in the future.

I was sorry to learn from this morning's paper that Mr. Black's wife had passed away so suddenly. I have wired him my condolence.

The Guthrie's are going to spend the week end with us at Dorval when I hope to receive all the latest political news, and with kindest regards, remain,

Yours very faithfully,

C. C. Ballantyne

Right Hon. Arthur Meighen,
House of Commons,
Ottawa, Ont.

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CANADA

075741

Ottawa, July 12, 1924.

44

Dear Mr. Ballantyne:

Referring to your letter of the 7th July. You have by this time seen the redistribution as proposed in the report yesterday. Arriving at this report was certainly a matter of some difficulty and as it constitutes in the province of Ontario many instances of gross gerrymander and generally disfranchises about half the people of the cities. However it was the best we could secure and the conduct of our representatives on the committee Messrs. Donald Sutherland; R.B. Hanson; H.A. Stewart (Leeds) and W.G. McQuarrie cannot be too highly praised. They were assisted toward the last by our good friend Mr. Chaplin, who is pretty hard to equal as a negotiator. You might let me know what you think of the arrangement so far as Montreal and Quebec are concerned.

Yours very truly,

Hon. C.C. Ballantyne,
Montreal,
P.Q.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075742

Ottawa, July 13, 1924.

My dear Donald:

I must put in writing my appreciation of your remarkably efficient work as a member of the redistribution committee. Needless to say the task you had was the most difficult imposed upon any of our members on committee work in this Parliament and it is the universal opinion that better men could not have been secured to represent the Conservative Party. The ~~thoughts~~ thanks I express are the ~~thoughts~~ thanks of the entire party.

Yours very truly,

Donald Sutherland, Esq., M.P.,
House of Commons,
Ottawa.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075743

Ottawa, July 12, 1924.

My dear Hanson:

I must put in writing my appreciation of your remarkably efficient work as a member of the Redistribution Committee. Needless to say the task you had was the most difficult imposed upon any of our members on committee work in this Parliament, and it is the universal opinion that better men could not have been secured to represent the Conservative Party. The ~~thoughts~~ thanks I express are the ~~thoughts~~ thanks of the entire party.

Yours very truly,

R.B. Hanson, Esq., M.P.,
House of Commons,
Ottawa.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075744

Ottawa, July 13, 1924.

My dear Stewart:

I must put in writing my appreciation of your remarkably efficient work as a member of the Redistribution Committee. Needless to say the task you had was the most difficult imposed upon any of our members on committee work in this Parliament, and it is the universal opinion that better men could not have been secured to represent the Conservative Party. The ~~thoughts~~ thanks I express are the ~~thoughts~~ thanks of the entire party.

Yours very truly,

H.A. Stewart, Esq., M.P.,
House of Commons,
Ottawa.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075745

Ottawa, July 12, 1924.

My dear McQuarrie:

I must put in writing my appreciation of your remarkably efficient work as a member of the Redistribution Committee. Needless to say the task you had was the most difficult imposed upon any of our members on committee work in this Parliament, and it is the universal opinion that better men could not have been secured to represent the Conservative Party. The ~~thoughts~~ I express are the ~~thoughts~~ of the entire party.

Yours very truly,

did not send

W.G. McQuarrie, Esq., M.P.,
House of Commons,
Ottawa.

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ARCHIVES PUBLIQUES
CANADA

075746

N 44

Ottawa, July 13, 1924.

My dear Chaplin:

I must put in writing my appreciation of your remarkable efficient work as a member of the Redistribution Committee. Needless to say the task you had was the most difficult imposed upon any of our members on committee work in this Parliament and it is the universal opinion that better men could not have been secured to represent the Conservative Party. The ~~thoughts~~ thanks I express are those of the entire party.

Yours very truly,

Did not send

Hon. J.D. Chaplin, M.P.,
House of Commons,
Ottawa.

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CANADA

National Brick Company
HON. C. C. BALLANTYNE
PRESIDENT

075747

44

July
Fifteenth
1924.

Dear Mr. Meighen:-

In answer to your favor of the 12th instant regarding redistribution; I am satisfied with the proposals as they effect the City and island of Montreal. I am not sufficiently familiar with the constituencies aside from the Island of Montreal, but as far as I am able to judge it would appear satisfactory.

Yours very faithfully,

C. C. Ballantyne

Right Hon. Arthur Meighen,
House of Commons,
Ottawa, Ont.

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CANADA

075748

Prescott Ont July 15th 1924

Rt. Hon. Mr. Meighen K.C.
Ottawa Ont

Dear Mr. Meighen

I see by the papers that East Peterboro is to be joined to North Hastings. This is nothing less than an outrage - to make a rural Riding extending from Peterboro City almost to the Town of Renfrew. I do not know what the population of this new Riding will be but it must be more than the west Riding of Peterboro which is at least two thirds urban. I may say I was surprised to learn that it was agreable to the Conservative members of the Committee.

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075749

I do not think it should be allowed to pass the House in this way. I understand the Farmers Party are opposed but cannot do anything since the Conservatives & Liberals are agreed & can put it through. I cannot see any excuse for dividing Peterboro County other than to make a safe preserve for Mr. Gordon which the present arrangement does for far as it is possible

wishing you every success

I am sincerely yours

J. A. Ferguson

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CANADA

075750

House of Commons
Canada

44

Ottawa, July 18th, 1924.

Rt.-Hon. Arthur Meighen, M.P.,
House of Commons,
Ottawa, Ont.

Dear Mr. Meighen:

I have your letter of the 12th inst. in which you express your appreciation of my efforts on the Redistribution Committee to safeguard our interests in the Province of Ontario.

I greatly value your kind reference to our efforts in the matter and only regret that we were unable to have a more equitable redistribution made.

Mr. Stewart and myself have received much assistance and consideration from the members of our party in this province which served to make our work much easier than it would otherwise have been.

Yours faithfully,

DS/KL.

Donald Sutherland

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CANADA

075751

44

Ottawa, July 19, 1924.

My dear John:

I am glad indeed to get your letter. You have, however, not the full facts as respects the redistribution of the Peterboros. Our men on the committee took the stand from the begining that the two Peterboros should be together and that East and West Hastings should remain as before. They all voted for this but the Progressives on the vote went back of Mr. Brethen and voted against it. Then the Government members presented a plan for leaving West Peterboro as it is and joining all of East Peterboro to North Hastings. In the final negotiations our men, not being able to get what they had asked for before, finally managed to get a little of East Hastings put on to West Hastings and in the adjustment of several outstanding gerrymanders which the government members were attempting in Ontario the leaving of the Peterboros in Hastings and the Hastings in the shape they were had to be acquiesced in by our man. At this juncture it developed that Brethen persuaded the

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CANADA

075752

the Progressives to ask for a change back into the way we had wanted it from the begining. They did this notwithstanding the fact that they themselves had voted against it at the begining and finally agreed with the government and ourselves on the last arrangement. Our men in honour had to stand by their agreement, but, strange to say, the Progressives did not and came into the House and supported Brethen in the motion to change it back. This is the history of the matter.

We intend to go in and trim them in all three counties anyway if it is at all within our power.

Yours very truly,

John A. Sexsmith, Esq.,

Preneveau, Ontario.

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CANADA

075753

44

Chambre des Communes
Canada.

Brockville July 23/24

My Dear Meighen:-

Please accept my sincere thanks for your very kind and flattering letter in connection with the work of the Redistribution Committee. It is a matter of much satisfaction to me that I have been of even some little service to you and our party and I am determined to extend the limited sphere of my activities in this direction.

Hoping you are well and that you may be able to come to Brockville for even a day or two before the next session I remain

Yours Sincerely

A A Ewart

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075754

House of Commons
Canada

New Westminster, B. C.,
July 30th, 1924.

The Honourable,
Arthur Meighen,
Leader of the Opposition,
House of Commons,
Ottawa, Ont.

Dear Mr. Meighen:-

Your generous letter of appreciation to my husband was received after he had left New Westminster on his long trip to South Africa.

As he has asked me to attend to his personal correspondence I took the liberty of opening your letter and needless to say the contents were greatly appreciated by me and will be doubly so by Mr. McQuarrie when he receives it. It is very good of you to take the trouble to write such a kind letter and I only wish it could have arrived a few days sooner as a Godspeed to him upon his long journey.

With best regards to Mrs. Meighen and yourself,

I remain

Yours very sincerely,

Elsie O. McQuarrie

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CANADA

075755

44

Ottawa, August 5, 1924.

Dear Mrs. McQuarrie:

I am now more than glad I wrote Mr. McQuarrie as it brought your letter of July 30th. All I wish to add is that I believe my note of appreciation would have been even more pronounced had it been directed to yourself.

Yours sincerely,

Mrs. W.G. McQuarrie,
New Westminster,
B.C.

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CANADA

Peterboro Examiner Sept. 11/24

Redistrib out

075756

Saturday.

VOICE OF THE PEOPLE

Peterborough Re-Distribution

To Editor, The Examiner,

Dear Sir,—I noticed in yesterday's Press report that Mr. Roland Denne lays the responsibility upon my shoul ders, for the Re-distribution that took place in Peterborough.

Of course, Mr. Denne knew better than this, but this is a part of his policy, of "putting it over," as he describes his procedure in the chaste and scholarly language of a rising statesman.

Mr. Denne contended that he protested to the Right Honourable Arthur Meighen and the Honourable H. H. Stevens, his party leaders, against the proposed re-distribution.

The facts are, as the records of the House show, that Mr. Stevens moved that Otonabee, Douro and Lakefield be added to West Peterborough, and every Tory Member of the Re-distribution Committee voted in favor of it.

So the inference is that after Mr. Denne had represented to Mr. Meigh en and Mr. Stevens, what he though would be a splendid arrangement to help the Tory Party. Mr. Meighen and Mr. Stevens did exactly the opposite to what Mr. Denne wanted.

I might say that I do not blame Mr. Meighen or Mr. Stevens, because they have had considerable experience with Mr. Denne, who got them into a jam in a by-election in 1921, and I think that both of these gentlemen sized up Mr. Denne, in a way that led them to believe that whenever he made a recommendation, the proper course would be to kick it downstairs.

There is one thing in regard to Mr. Denne's speech at Norwood, and that is that he disclosed with unconscious frankness, how little influence he has, with Mr. Meighen and the Party Leaders at Ottawa, and just what Mr. Meighen thinks of Mr. Denne and his political future.

Yours truly,
G. N. GORDON.

REIGN OF TERROR.

MANILA, Sept. 11.—(Canadian

183

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CANADA

MARKET FEED STORE | TELEPHONE 160 | OPERA HOUSE BLOCK

ROLAND DENNE

WHOLESALE AND RETAIL

Flour and Feed Merchant

AGENT FOR "QUAKER OATS"

338 GEORGE STREET

075757

PETERBOROUGH, ONT. Sept 26th. 1924.

Hon. Arthur Meighen, K.C., M.P.,

Cttawa, Ont.

Dear Sir:

Please find enclosed letters re Gordon and myself, carving up Peterboro County, which you will note that he blames you, Hon. H.H.Stevens and the Conservative Party at Ottawa, would like to have your opinion on same and if you think it advisable to write a letter contradicting same, all well and good as the fight is still going on.

Yours very truly,

RD/W.

Roland Denne

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

VOICE OF THE PEOPLE

Editor Examiner:

Dear Sir: I suppose I should apologize to you and the public for wasting ammunition on small game but as Mr. Denne is unacquainted with the public issues the scope of the debate is necessarily much restricted.

You can also appreciate, it is necessary to explain to him in very plain English, why his dizzy theories do not hold. Neither does he understand much about King's Counsel, or the manner in which they are appointed; but one can readily understand that, as Mr. Denne does not associate very much with them.

In the last letter to which Mr. Denne placed his signature, he intimated that he wrote these letters. Let me tell him that I do not believe him.

Mr. Denne always tries to get away from the position which he rather stupidly allowed himself to fall into. He told the Norwood people about his efforts to induce Mr. Meighen and the Conservative party to adopt his (Mr. Denne's) plans of re-distribution, which Mr. Denne thought would be easy and pleasant for him.

However, Mr. Meighen had seen Mr. Denne perform at the time of his big rally in the 1921 by-election, and Mr. Meighen had come to the conclusion that the proper course for him and the Conservative party to take, was to do exactly the opposite to which Mr. Denne recommended, and in that respect I agree that Mr. Meighen was right.

Then Mr. Denne, peeved and sore because his Leader threw him down, went to Norwood and told the people there, that I was to blame for the re-distribution situation, when he knew that that was not true—that I was not to blame. He had in mind at that very time, that Mr. Meighen and the Conservative party had refused to accept the plan outlined by him, and yet he failed to disclose the most material part of the whole case.

aTke 3 Gordon C tiv,iu|sa izarthe

In the concluding part of the letter which Mr. Denne signed, but did not write, he has a supercilious sneer for a position, honest, if somewhat lowly and obscure. That has always been the position of those who are high-born. They always have a contempt for honest toil, and the toiler.

Let me say this, I would rather have commenced my life at the very bottom of the ladder, in an obscure honest position, and by earnest effort have succeeded in obtaining the confidence of the community, than be in Mr. Denne's position of having been made a merchant-prince by others money, and then wound up on the scrap-heap as a busted politician.

Your truly,

G. N. GORDON.

Sept. 22.

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CANADA

075759

THE EVENING EXAMINER, PETERBORO

WU PEI FU LOST FIRST ROUND IN A FINISH FIGHT

Declares War To the Death On Manchurian War Lord.

CAVALRY FAILED.

Chang's Aeroplanes Do Damage To Peking Government Forces.

(By Ray G. Marshall—United Press Staff Correspondent).

PEKING, Sept. 20.—"War to the finish."

With this edict Genera Wu Pei Fu started his campaign against Chang Tso Lin, the Manchurian war lord, to-day, announcing the [illegible] until Manchuria has

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Colleen Moore in "Slippy McGee"

AT THE ROYAL MONDAY.

iesen, Bruce Guerin and Ethel Wales The actors all seemed inspired, Viola Dana and Monte Blue, who carry the chief acting burden, doing by far the best work they have ever contributed to the screen.

The picture centers on a beautiful legend of an old French monastery A monk planted a rosebush, and when it did not bloom, he thought it was because of his sins. When he was praying one day the Virgin appeared to him, the bush bluossoming forth afterward as a sign of forgiveness.

The story proper concerns a young girl, Joline Hofer, who thrown from her home, takes her fatherless baby to a convent and goes to Paris to enjoy life as she can She falls in love with a poor American artist, Paul Granville, and brings success to him by posing in a series of history's notorious women.

A Modern Miracle

Then Granville decides to paint the legend of the monastery rosebush, with Joline posing as the Madonna. When they start work in the monastery garden, the rosebush is no longer in bloom, and one of the monks, Brother Augustin, believes that its barrenness is due to the fact that he, like the monk in olden times

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075760

DUGH SATURDAY, SEPTEMBER 20, 1924

VOICE OF THE PEOPLE

To the Editor of the Examiner:

Dear Sir: I am very pleased to note that Mr. G. N. Gordon, M.P., has at last taken a more humble attitude and is now becoming quite tame and subdued. His last letter shows a less aggressive tone and a willingness to toady to Mr. Meighen, even though it may be at the expense of this city and county, which it is his duty, for the time being, to faithfully represent.

I did not mean in the least degree to call forth from Mr. Gordon this declaration: "I really do think it does hurt Mr. Dennes' feelings to find that I was honored by a government of which I was not a supporter with the appointment as one of His Majesty's counsel; but I cannot help that because the recommendation was made by a committee of judges of the Supreme Court, who probably had a somewhat better idea of my qualifications than Mr. Denne." Now Mr. Gordon has stated over his own signature that his appointment as K.C. was made on the recommendation of a "committee of Judges."

I challenge Mr. Gordon to produce the proof. The Drury K.C.'s were created in two batches. The first batch was created on the recommendation of a committee of judges, and the last was created on the recommendation of political "heelers." Mr. Gordon's name is not to be found in the first batch; as a matter of fact it does not matter to which batch he rightfully belongs. But why should this wonderfully "self-made" man so boastingly worship his own maker? I quite agree with Mr. Gordon when he says "that this would hardly appeal to a pork barrel philosopher." But, joking aside, be humble Mr. Gordon, and frankly admit that you carved up Peterboro County to suit your own ends, and you are trying to blame it on Mr. Meighen; while everyone knows the chief person concerned is yourself—for your own good—and it does not concern the past Prime Minister.

Another matter I would like to call Mr. Gordon's attention to, and that is he says that no more money is to be spent on public works until the budget balances, if it can possibly be postponed, or words to that effect. He says Mr. Meighen agrees with this, but Mr. King claimed last session that the Government had a surplus of $30,000,000.

Mr. Gordon can now feel that he need no longer hesitate, but can make a fresh start to do something for the general advantage of this city and county; the electors do not want promises, but they do want performances. He promised election night that he would make the caretaker of the Custom House "walk the plank," which he was small enough to do. But he soon found out when he saw the Prime Minister, Mr. King, that he could not appoint his ward heeler. It was already done by the Civil Service Commission. He was going to bounce all hands on the dredge. He again fell down. Also the whistles of the factories were to blow when he said the word. Now is the time to make the whistles blow. Men and women are out of work, and surely now is the time to make your promise good.

I hope Mr. Gordon will kindly allow me credit of writing this letter. Practise makes perfect. I might remind Mr. Gordon that I was writing letters in the days when he was office boy for Judge O'Connell. Yours truly,

ROLAND DENNE.

September 20th, 1924.

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councils and locals of miners and railway carmen, chiefly from Edmonton and Glace Bay, urged very strongly autonomy for all Canadian unions to decide alone all strike questions and an increase in per capital levy assessment so that the Dominion Congress might be the real centre of trade union power in Canada.

VOICE OF THE PEOPLE

The Editor of The Examiner:

Sir,—It is quite unnecessary to notice the personal abuse contained in Mr. G. N. Gordon's letter which appeared in your issue of Tuesday. It is apparent that Mr. Gordon now realizes that the parcelling up of Peterborough County under the recent redistribution was done to serve his own selfish ends and the city especially, and the county generally has suffered, and will continue to suffer, a distinct loss. He knows full well that it was his duty to this riding to have properly represented the true situation to his fellow members and having failed in that duty, he now seeks to excuse his own neglect by abusing any and every one who exposes him. That shows on the face of it that he has a very weak case.

But when you make enquiries to find out what he has really done for the benefit of this riding, it is not to be wondered at, that he realizes that he has not really done anything at all. He has not one public work to his credit that shows the slightest effort to do anything for this riding. He is not entitled to the slightest credit for repairs, maintenance and replacements to public buildings and public works, because they have to be made and are made as a matter of course, and outside of these expenditures he is challenged to show that he has done anything during the last three years for the benefit of any part of this riding. He has jollied Ennismore over the Chemong bridge, but that township knows there has been no results. He has recommended the Government to buy a few yards of cloth, a few bags of bran, a few strips of carpet, some coal to heat the post offices and other trifling matters, but the ordinary member of parliaent would be ashamed to claim merit for such trifles. Not so Mr. Gordon. He has to have his name in the paper for every trifling thing he does, and not in any modest way either. It is always Mr. G. N. Gordon, K.C., M.P., Deputy Speaker of the House of Commons, has done so and so, and the smaller it is, the more blatant the boasting.

If Mr. Gordon is unable to do anything for the benefit of this riding, he should at all events not have been a party to doing it a distinct injury by separating the eastern portion of the county from the rest, to the great injury of the industrial and commercial interests of this city and county as a whole.

You will note that in none of his letters, does he seek to justify his selfish course. His conduct cannot be justified and hence it is he resorts to abuse in which he excels and which clearly shows that he hates to have his shallow scheme exposed.

Yours truly,
ROLAND DENNE.

Sept. 16th, 1924.

VOICE OF THE PEOPLE

September 16, 1924

Editor, Examiner,
Dear Sir:

In last night's Examiner was a letter over Mr. Roland Denne's name containing an anaemic and wondering series of lamentations, but it could be gathered from it that it was a complaint about Re-distribution as it affected Peterborough County.

Of course, he required to refer to the Peterborough Exhibition and himself. The inference being, I suppose, that he was a patriot, and others were very selfish, but now that he has raised the question, would he mind stating how many thousands of dollars have been paid him for food and fodder for horses and cattle required at Fair time, and by circuses using the Fair grounds while he has been President and why his competitors seem to have the opportunity of dealing with proprietors of the circuses coming to the Fair Grounds?

In the letter, to which Mr. Denne has signed his name, of course he misses the whole point in issue. I rather expected he would, because he has missed about everything he could miss.

What I said was that after the Rt. Hon. Arthur Meighen, and the Hon. H. H. Stevens, had learned what Mr. Denne's views were, regarding redistribution, that they and every Conservative member on the re-distribution committee voted exactly the opposite way to what Mr. Denne desired.

I drew from that course of conduct on the part of Mr. Denne's leaders, that knowing him as they did, they had little respect for his opinions, and I do not think he should complain, that, if for once, I voted the same way as Mr. Meighen and his Conservative followers did, and against Mr. Denne's views.

Then Mr. Denne asks why I did not seek the advice of certain persons. Well, I did seek advice and received it, and coupled with my own opinion, I acted upon it, the same as the Rt. Hon. Arthur Meighen and his followers did.

In addition to that, I might say, that certain Conservatives in this city, who were voting consistently Conservative, when Mr. Denne was a Stratton-Conservative only, have told me, that their views were that this Redistribution was an equitable and a fair one.

Mr. Denne having recently qualified to shade hands with the "Brethren" of the East Peterborough, is naturally disappointed, when he finds that this particular section of the County is not linked to West Peterborough, and his splendid opportunity for becoming more widely acquainted in this district, is not of very great value to hm.

I might add in conclusion. I have found it a very safe rule to do the very opposite to what Mr. Denne does, and so far I have found myself not only right but I have been in accord at least with the majority in Parliament, including the Conservatives, on the Redistribution matter.

Yours truly,
C. N. GORDON.

CABINET DECIDES FORM PLEBISCITE

System Will Do Away With Confusion and Hasten Counting of Vote

TORONTO, Sept. 16.—(Canadian Press). — The Provincial Cabinet this afternoon decided the form of the plebiscite to be submitted to the voters of Ontario.

There will be two questions, the first as to whether the voter favors the continuance of the O.T.A., and the second as to whether Government control of the sale of beer and spirituous liquor is desired, one under the other with a black line between and blank spaces to the right for the "X" to be marked by the voter under "Yes" or "No."

This manner of expressing the vote, it is believed, will obviate any confusion and expedite the counting of the votes.

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VOICE OF THE PEOPLE

September 18th., 1924.

To Editor, The Examiner,

Dear Sir,—In last night's Examiner appears the continuation of Mr. Denne's serial, to which each few evenings he appends his name.

I am willing to admit that this last letter was better written for Mr. Denne than some of the previous ones.

Respecting new public works, which Mr. Denne thinks should be constructed, I might say that this is quite contrary to the policy of his Leader, the Rt. Hon. Arthur Meighen, who has declared not only once, but many times, that only under most exceptional and pressing needs should new works be constructed, while necessary repairs and renewals for the purpose of preserving property, should be carried out until the Budget balances, and we are able to meet, annually the interest on our national debt, and the cost of administering the affairs of the country.

There seems to be considerable reason for Mr. Meighen's suggestion, but I quite appreciate that this would hardly appeal to a pork-barrel philosopher.

I really do think it does hurt Mr. Denne's feelings, to find that I was honoured by a Government, of which I was not a supporter, with an appointment as one of His Majesty's King's Counsel; but I cannot help that, because the recommendation was made by a Committee of Judges of the Supreme Court, who probably had a somewhat better idea of my qualifications than Mr. Denne.

Mr. Denne need not worry about my failing to explain my activities, when the proper time comes. That will be very thoroughly done.

I am sorry to ruffle Mr. Denne's feelings to the point that forces his friends to write peevish letters, to which he appends his name; but he has not contradicted what I said was the issue, and that is, that he deliberately and wilfully misrepresented, and mis-stated my position, to an audience in Norwood; and that the Rt. Hon. Arthur Meighen, had refused to sanction Mr. Denne's scheme of re-distribution, but had taken exactly the opposite position, and every Conservative member of the re-distribution Committee, had supported Mr. Meighen, and turned down Mr. Denne's proposition.

I further said that the Hon. H. H. Stevens, one of the Conservative leaders at Ottawa, moved in absolute opposition to Mr. Denne's plan, that Douro, Otonabee and Lakefield be added to West Peterborough; and I declared that the fair inference was that the Conservative leaders at Ottawa, knowing Mr. Denne, paid not attention to him, chiefly because of the fact that they did know him.

I would like to assure Mr. Denne, when he speaks of challenges, that when the time comes for my meetings to be held, I a going to tell the people who the real Mr. Denne is, so there will be no mistaken ideas in the minds of the public, as to how vulnerable Mr. Denne's position in the community is.

Yours truly,
G. N .GORDON.

September 25, 1924.

To Editor, The Examiner,

Dear Sir,—Mr. Denne's last display is that of violence and bad temper. That character of letter, answers itself.

Let me repeat. The Rt. Hon. Arthur Meighen and every member of the Conservative Party, then in the House, except one, voted to add Douro, Otonabee, and Lakefield to West Peterborough; and Mr. Denne knows it. I was in the chair when the vote was taken and I know what took place.

The reason that Mr. Meighen voted this way was that the unit of the population was 37,500 and West Peterborough, with the three Municipalities added, was practically that unit; and no amount, dodging the issue, can get rid of this fact.

Mr. Denne in his last letter, complains that I received the salary which was fixed by his leader, the Rt. Hon. Arthur Meighen, and the Conservative Party, for the Deputy Speaker of the House. Can you imagine Mr. Denne refusing the salary if he had been elected Deputy Speaker.

Mr. Denne is directing at me the same kind of a virulent attack that his election editors, parked in the old Oriental Hotel, at the time of the 1921 Bye-election let loose upon Mr. J. H. Burnham, who I think most people agree, does some independent thinking.

He tries to mislead the public again by suggesting that I started this newspaper fight. What happened was that Mr. Denne went to Norwood and addressed a meeting, at which he made an unprovoked attack upon me, and in which he misrepresented my position.

I just wish to add this, that there is not any question that Mr. Denne and his record will be dealt with at the proper time, and I have no intention of debating it through the Press, when I can get better results from the platform.

Respecting the King's Counsel appointments, the names on both lists were passed unanimously by the judges on the committee, and Sir William Meredith, President of the Supreme Court of Ontario, was Chairman.

Mr. Denne's letter attacking the King's Counsel appointments, slandered some well-known Conservative lawyers, of very high standing; but of course that is a small thing to Mr. Denne.

Yours truly,
G. N. GORDON.

VOICE OF THE PEOPLE

The Editor, the Examiner:

Sir: Mr. G. N. Gordon in referring to my replies to his untruthful attacks upon me, says he apologizes to the public for "wasting ammunition on small game." His overwhelming vanity and big "I AM," suggests to himself that he is "BIG GAME." It is quite true, you do not require "ammunition on small game," but anything at all will puncture a wind bag, and the bigger the wind bag, and the more puffed it is, the less it takes.

Now, permit me to draw your attention to a few punctures in Mr. Gordon's wind-bags:

First, he was challenged to produce one single line from Hansard, or other public record, to show that Mr. Meighen was an approving party to the carving up of East Peterboro. It cannot be done. If Mr. Gordon could have produced such proof he would have done so long ago.

Second: Mr. Gordon does not deny the charge that I made, that Peterboro county was carved up to suit his own selfish ends and at the expense of the industrial welfare of this city and county.

Third: The Liberals of East Peterboro regard Mr. Gordon as a poor sport. If you desire proof, I beg to refer you to the President, Secretary and other members of the East Peterboro Liberal Association, and find what is their view of carving up Peterboro County to suit Gordon.

Fourth: Mr. Gordon was challenged to show one substantial thing that he has done for this riding since he has been elected.

The fact is if he had done anything it would have been proclaimed from the house tops. He has in fact done nothing. He has drawn down in salaries for himself no less than $24,000 in less than three years, but what has he done or even attempted to do for the general benefit of this riding?

Fifth: Mr. Gordon knew that the industries in this city were, and are, struggling for their existence under the pressure of foreign competition brought about by cheap labour in Europe. He was in the House of Commons, when the tariff was still more unfavorable to the manufacturers and their employees in [illegible], last session. He did nothing at all to help them. Surely a woodenman would have done better. He would not have floated away like a big gas bag, but would have stopped by as a prop if nothing else. It is an old adage—the man who boasts does the least.

Sixth: Mr. Gordon made the solemn statement over his own signature that he was appointed as K. C., on the recommendation of the judges. I challenged him to produce the proof. He has not done so, and cannot do so.

I can back up my statements over my own signature. Mr. Gordon quibbles like a police court lawyer portrayed in real life, and is surprised that even your humble servant can write a simple letter that punctures a wind bag, which any school boy can do with a pencil or a pen.

Mr. Gordon started these letters by his abusive attacks, therefore I am forced to reply. Yours truly,

ROLAND DENNE,

September 24, 1924.

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075766

44

Ottawa, Ont., October 6, 1924.

Dear Mr. Denne,

Your letter together with newspaper clippings dealing with the redistribution of Peterboro County reached me upon my return from the West. I am having a memorandum prepared which you can use in reply to Mr. Gordon.

With kindest personal regards,

Yours very truly,

Roland Denne, Esquire,
338 George Street,
Peterboro, Ontario.

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075767

44

Ottawa, Ont., October 6, 1924.

Dear Mr. Stewart,

Re attached correspondence and clippings from Mr. Denne of Peterboro. Mr. Meighen would be very glad if you could send him a memorandum as to what took place. His intention is that Mr. Denne might use it in a reply to Mr. Gordon.

Yours faithfully,

Private Secretary

H. A. Stewart, Esquire, K.C., M.P.,
Brockville, Ontario.

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075768

House of Commons
Canada

Brockville, October 13, 1924.

Dear Sir;-

I return herewith the enclosures accompanying your letter of 6th inst. together with a brief memorandum of the facts in connection with this controversy.

It does not appear to me that much is to be gained by becoming involved in it, as it should be perfectly clear to all in the Constituency that the Redistribution was made in accordance with Mr. Gordon's wishes and that the Conservative minority on the Committee found it impossible to secure anything better.

Hoping to see you in the near future, I am

Yours truly,

HAS/EB
Enc.

A. W. Merriam, Esq.,
Private Secretary,
Rt.Hon. Arthur Meighen,
Ottawa, Ont.

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075769

M E M O

The Redistribution Committee was subdivided into Committees for each Province, and in the Province of Ontario two supporters of the Government, two Progressives and two Conservatives comprised the Committee. The Supporters of the Government and the Progressives were vastly in the majority on the main Committee as well as on the sub-committee. From the outset, the Conservative members of the Committee insisted that East and West Peterboro' should comprise one Constituency and that East and West Hastings should be left as arranged at the last redistribution. Motions embodying this arrangement were proposed, on different occasions, by the Conservatives and adopted by the combined vote of the Liberals and Progressives. The Conservative members of the Committee maintained their attitude until they found there was no hope, and, in the end, were forced to accept the constituencies as at present arranged. This arrangement must have been quite satisfactory to The Hon. Mr. Gordon, as no protest was made by him.

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075770

House of Commons
Canada

Brockville, Oct. 14, 1924.

Dear Sir;-

In looking over the Memorandum enclosed in my letter of yesterday I notice that an error was made. The Memorandum states that the Motions embodying the suggestion of the Conservatives was "adopted" by the combined vote of the Liberals and Progressives. This word should be "defeated". Please make the change.

HAS/EB

Yours truly,

H A Stewart

A. W. Merriam, Esq.,
Private Secretary,
Rt. Hon. Arthur Meighen,
Ottawa, Ont.

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HOUSE OF COMMONS
CANADA

Leader of the Opposition

44

Ottawa, Ont., 15 October 1924.

Dear Mr. Denne,

With further reference to your letter of the 26th September on the question of Redistribution in Peterboro. Attached hereto is a memorandum of the facts of the case from which you will see that the Conservative Members on the Committee only accepted the present redistribution of Peterboro when it was found absolutely impossible to do otherwise.

Yours very truly,

Roland Denne, Esquire,
338 George Street,
Peterboro, Ontario.

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44

We the undersigned, being a minority of the special Committee of the House of Commons, to whom was referred Bill No. 2, being a Bill to readjust the representation in the House of Commons, beg to submit the following:-

(1) At the early meetings of the Committee we endeavoured, without success, to have a general principle applicable to all the provinces, adopted, with respect to the unit of representation for cities, and as between urban and rural constituencies.

(2) On the second reading of this Bill the Right Hon. the Prime Minister laid down the lines upon which the Committee should proceed. The first and most important of these was the following of county-municipal organizations as a basis in whatever might be done in arranging the constituencies.

(3) This sound principle has been violated in many instances in the proposed redistribution set out in the report of the majority of the sub-committee for Ontario. By way merely of examples we mention the following counties; Kent, Peterborough , Lennox and Addington and Ontario. A striking example of this violation of principle is afforded in the County of Kent. The villages of Wheatley and Tilbury form part of this county for municipal purposes, although situated partly in Kent and partly in Essex. Both of these villages are taken from Kent, the former being added to Essex South and the latter to Essex East. In this county also, a portion of a township, namely, the Gore of Chatham, in which is situated the Town of Wallaceburg, is torn from the remainder of the Township of Chatham and added to West Lambton in the County of Lambton. To complete the iniquity of this divorce, the balance of the township of Chatham is taken from the County of Kent and added to

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another portion of the County of Lambton to create a constituency with the hyphenated title of Kent-Lambton.

(4) In previous redistributions a larger unit of population has been adopted for urban constituencies than that adopted for rural constituencies. It is now questionable, as was suggested by the Rt. Honourable the Prime Minister, in moving the second reading of this Bill, whether this should longer prevail to the same extent as in former redistributions.

(5) We deem it our duty to point out the disparity in the average unit of representation provided for urban and rural constituencies as set out in the report of the majority of our sub-Committee, and present the following:-

Ontario	82 constituencies	- population	2,527,292
Toronto	9	" "	521,893
Hamilton	2	" "	114,151
Ottawa	2	" Less 14,103 in Carleton	93,740
London	1	" Less 7,121 in E. Middlesex "	53,829
4 cities with	14 constituencies	- population	783,613
Average unit of representation for four cities with 14 constituencies			55,972
Leaving 68 constituencies in balance of Ontario with a population of			1,743,679
Average unit of representation for balance of Ontario			25,642

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6 The disparity in the Province of Quebec is illustrated below.

			Population
Quebec	65 constituencies		2361199.
Montreal	13	"	724205
Quebec	3	"	104029
	16	"	828234 ✓

average unit of representation 51800 ✓

Leaving 49 constituencies for the balance of the Province with a population of 1532965 ✓

average unit for the balance of Quebec of 31285 ✓

49) 1532965 (31285
147
62
49
139
98
1696
1470
2265
2205
60
55.708

Montreal

13) 724205
65
74
65
92
1.05

31285

Leas so not as favorable as the other colonies

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(6) The disparity in the province of Quebec is illustrated as below:

Quebec	65 Constituencies	Population 2,361,199
Montreal Island	13 "	724205
average unit of representation for urban district		55708
Leaving 52 constituencies for the balance of the Province with a population of		1636994
average unit for balance of Quebec		31288.

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(6) The disparity in the province of Quebec is illustrated as below:

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Shortly after the sub-Committee was organised it was decided that three additional ridings should be created in the city of Toronto, two additional ridings in North Ontario, one in Essex and one in the Niagara Peninsula. In order to provide the additional constituency for the Niagara Peninsula at one of our early meetings during this session the Chairman submitted to the committee a proposition for the re-arrangement of the four constituencies of North Bruce, South Bruce, North Huron and South Huron with a population of 91,875 in such a manner as to create therefrom three constituencies. The Committee proceeded on the assumption that this was to be carried out. At one of the recent meetings of our Committee it was decided notwithstanding our vigorous protests to abandon the proposition for the rearrangement of the four constituencies we have mentioned, and also to abandon the provision of an additional riding in the Niagara Peninsula, although the population in the two constituencies of Lincoln and Welland is greater than the population of North Essex and South Essex where an additional constituency had been provided.

We submit the following figures:

North Essex	71,150
South Essex	31,425
Total	102,575 from which three

ridings have been created.

Lincoln	48,625
Welland	66,668
Total of	115,293 which although more

distinctly rural than the Essex's remain as only two ridings.

(7) We are unable to concur in the report of the majority of the Committee for the following reasons:-

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(a) The essential principles which should govern a redistribution, as laid down by the Prime Minister have been ruthlessly violated.

(b) A reasonable balance as between urban and rural representation has not been secured.

(c) The proposed redistribution does not provide or disclose any effort to provide an equal and fair distribution of population or area as between the rural municipalities shown by the following examples:

	Population	Area in acres.
West Peterborough	29,318	354,437
Hastings - Peterborough	34,419	1,732,321
Hastings South	36,820	324,867
Lincoln	48,625	212,739
North Bruce	20,872	608,608
Welland	66,688	247,849
Perth South	18,382	282,281
Brant	20,085	213,905

(d) An additional constituency should be provided in the Niagara Peninsula.

(e) The principle of representation according to the population does not prevail.

(f) We are forced to the conclusion that all sound principles laid down as a basis for a fair and equitable redistribution had been violated and that the only guiding principle prevailing as a basis for the report presented by a majority of the committee has been political expediency.

All of which is respectfully submitted.

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075776

House of Commons
Canada

OTTAWA, May 17th 1924.

Rt. Hon. Arthur Meighen,
House of Commons,
O t t a w a, Ont.

Dear Mr. Meighen: Re Redistribution, P.E.I.

I enclose herewith a copy of the proposed redistribution for Prince Edward Island, which was handed to me yesterday afternoon by Mr. E. M. Macdonald.

As you will observe, they are making two seats out of Queens, but in order to do that they are taking a portion of Prince County, namely, all that portion lying east of the division line between lots seventeen and nineteen.

I have taken this matter up with Senator McLean and am also writing Hon. J. D. Stewart, with reference thereto. Possibly you could get an expression of opinion from some other quarter.

Yours sincerely,

R B Hanna

RBH:M.
Encl.

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PRINCE EDWARD ISLAND.

There shall be in the Province of Prince Edward Island - four electoral districts, defined as follows:-

1 - KINGS - Population.....20,445.

The county of Kings shall form and constitute the electoral district of Kings and shall return one member.

Votes cast - 1921.

Liberal..... 3,829

Conservative..... 3,008

Progressive..... 1,877

Voters on list.....11,189

2 - PRINCE - Population.....23,312

That portion of the county of Prince lying west of the division line between Lot 17 and Lot 19 shall form and constitute the electoral district of Prince and shall return one member.

Votes cast - 1921.

Liberal..... 4,354

Conservative..... 3,216

Progressive..... 2,079

Voters on list.....11,665

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075778

3 - EAST QUEENS - Population.....23,532.

That portion of Queens County lying south and east of the western line of Lot 33, including Charlottetown and Royalty shall form and constitute the electoral district of East Queens and shall return one member.

Votes cast - 1921.

Liberal..... 4,557

Conservative..... 3,471

Progressive..... 1,600

Voters on list.....12,167

4 - WEST QUEENS - Population.....21,245.

That portion of Queens County lying west of the west line of Lot 33 along with that portion of Prince County lying east of the division line between Lots 17 and 19 shall form and constitute the electoral district of West Queens and shall return one member.

Votes cast - 1921.

Liberal..... 4,132,

Conservative..... 3,831,

Progressive..... 1,269,

Voters on list.....11,660.

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075779

PRINCE EDWARD ISLAND

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1 - KINGS - Population.....20,445.

The county of Kings shall form and constitute the electoral district of Kings and shall return one member.

Votes cast - 1921.

Liberal.....3,829,

Conservative.....3,008,

Progressive.....1,877,

Voters on list.....11,189.

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That portion of the county of Prince lying west of the division line between Lot 17 and Lot 19 shall form and constitute the electoral district of Prince and shall return one member.

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Conservative..... 3,216

Progressive..... 2,079

Voters on list.....11,665

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075780

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That portion of Queens County lying south and east of the western line of Lot 33, including Charlottetown and Royalty shall form and constitute the electoral district of East Queens and shall return one member.

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Votes cast - 1921.

Liberal.....4,132,

Conservative.....3,831,

Progressive.....1,269,

Voters on list.....11,660.

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075781

Ottawa, May 20, 1924.

R.B. Hanson, Esq., M.P.,
House of Commons,
Ottawa.

Dear Mr. Hanson:

Mr. Meighen asked me to acknowledge your letter and memorandum with regard to Redistribution in Prince Edward Island. He thinks the gentlemen you have written to know more about that district than any others. He is of the opinion that we should closely follow country boundary lines, not only in Prince Edward Island, but throughout the country generally.

Yours very truly,

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305 P.E.I.

075782

Ottawa, June 19, 1924.

Dear Mr. Stewart:

I am sorry I did not see you before you had to leave for the Island. Would be glad indeed to have an account of what took place before the Committee of Council, when the opportunity came for you to present the case of the Prince Edward Island Government. Also if you feel you could send me either the original letters, to which you referred, or copies, I would be obliged and would appreciate, as well, such further comment as you can make.

Yours very truly,

Hon. J.D. Stewart, M.P.P.,
Premier of Prince Edward Island,
Charlottetown, P.E.I.

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Page 21.

Chapter 63.

An Act to readjust the Representation in the House of Commons.

There shall be in that part of the Province of Quebec included in the island of Montreal, thirtten electoral districts, named and described as follows, each of which shall return one member:-

CARTIER consisting of that part of the City of Montreal bounded by a line starting from the intersection of the centre of Craig Street and St. Lawrence Boulevard, thence following the centre of St. Lawrence Boulevard to the centre of Duluth Avenue, thence following the centre of Duluth Avenue to the centre of Esplanade Avenue, thence following the centre of Esplanade Avenue to the centre of Mount Royal Avenue, thence following the centre of Mount Royal Avenue to the centre of St. Denis Street, thence following the centre of St. Denis Street to the centre of Craig Street, thence following the centre of Craig Street to the point of departure.

HOCHELAGA consisting of that part of the City of Montreal bounded by a line starting from the intersection of the centre of Mount Royal Avenue and De La Roche Street, thence following the centre of Mount Royal Avenue to the centre of Papineau Avenue, thence following the rentre of Papineau Avenue to the centre of Rosemont Boulevard, thence following the centre of Rosemont Boulevard to the centre of Iberville Street, thence following the centre of Iberville Street to the centre of the Canadian Pacific Railway track, thence following the centre of the Canadian Pacific Railway track to the centre of Nolan Street, thence following the centre of Nolan Street to the centre of Bourbonniere Avenue, thence following the centre of Bourbonniere Avenue and its extension to the bank of the St. Lawrence River, thence following the said bank to the centre of the

the .....

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075784

the extension of Frontenac Street, thence following the centre of the extension of Frontenac Street and the centre of the said street to the centre of Rachel Street, thence following the centre of Rachel Street and the northern boundary of Lafontaine Park to the centre of De La Roche Street, thence following the centre of De La Roche Street to the point of departure.

JACQUES CARTIER consisting of that part of the city of Montreal lying west of Cremazie Boulevard and south of a line commencing on the bank of Riviere des Prairies opposite the centre of Ste Claire Avenue and following the centre of the said avenue and the southern boundary of the Seminary of St. Sulpice's domain to the intersection of Cremazie Boulevard; that part of the city of Montreal bounded by a line commencing at the intersection of Sherbrooke Street with the northern boundary of the town of Montreal West, thence following the centre of Sherbrooke Street to the centre of Grand Boulevard, thence following the centre of Grand Boulevard to the centre of Western Avenue, thence following the centre of Western Avenue to the centre of Clifton Avenue, thence following the centre of Clifton Avenue to the centre of St. James Street, thence following the centre of St. James Street to the Centre of St. Remi Street, thence following the centre of St. Remi Street to the centre of Cote St. Paul Road, thence following the centre of Cote St Paul Road and its extension to the centre of the Lachine Canal, thence following the centre of the Lachine Canal to the extension of Church Avenue, thence following the centre of the extension of Church Avenue and the centre of the said avenue to the western limit of the city of Verdun, thence following the said limit of the city of Verdun, to the southern limits of the city of Montreal, thence following the southern limits of the city of Montreal to the point of departure; that part of the city of Verdun lying south of Church Avenue and its extension to the St. Lawrence River and all that part of the Island of Montreal lying south of the city of Montreal together with Ile Dorval and Ile Bizard but excepting the towns of Mount Royal, Hampstead and Montreal West.

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LAURIER-OUTREMONT consisting of that part of the city of Montreal bounded by a line starting from the intersection of the centre of Mount Royal Avenue with the north-eastern boundary of the city of Outremont, thence following the centre of Mount Royal Avenue to the centre of Henri Julien Avenue, thence following the centre of Henri Julien Avenue to the centre of Mozart Street, thence following the centre of Mozart Street to the centre of Drolet Street, thence following the centre of Drolet Street to the centre of the extension of Isabeau Street, thence following the centre of the extension of Isabeau Street to the centre of St. Lawrence Boulevard, thence following the centre of St. Lawrence Boulevard to the centre of Baby Street, thence following the centre of Baby Street and the extension thereof to the centre of the Canadian Pacific Railway track, thence following the centre of the Canadian Pacific railway track to the centre of Atlantic Avenue, thence following the centre of Atlantic Avenue and its extension to the northern limit of the city of Outremont, thence following the northeastern limit of the said city of Outremont to the point of departure, together with the said city of Outremont.

MAISONNEUVE consisting of all that portion of the Island of Montreal lying north of a line starting at the intersection of Riviere des Prairies and the centre of the extension of Ste. Claire Avenue, thence following the centre of Ste Claire Avenue and the southern boundary of the Seminary of St. Suppice's domain to Cremazie Boulevard, thence following the centre of Cremazie Boulevard to the centre of St. Hubert Street, thence following the centre of St. Hubert Street to the centre of Cote St. Michel road, thence following the centre of Cote St. Michel Road to the northwestern limit of the city of Montreal, thence following the northeastern limit of the city of Montreal to the line forming the northwestern limit of the said city, thence following the extension of the said line in a southerly direction to the centre of Iberville Street, thence following the centre of Iberville Street to the centre of the Canadian Pacific Railway track, thence following the centre of the Canadian Pacific Railway ...

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Railway track to the centre of Nolan Street, thence following the centre of Nolan Street to the centre of Bourbonniere Avenue, thence following the centre of Bourbonniere Avenue and the extension of the centre of the said avenue to the St. Lawrence River.

MOUNT ROYAL consisting of that part of the City of Montreal lying east, south and west of a line starting at the intersection of Cremazie Boulevard and the northern limit of the town of Mount Royal, thence following the centre of Cremazie Boulevard to the centre of the Canadian Pacific Railway track, thence following the centre of the Canadian Pacific Railway track to the centre of Atlantic Avenue, thence following the centre of Atlantic Avenue and its extension to the northern limit of the City of Outremont, thence following the western, southern and eastern limits of the said city to their intersection with the limits of Mount Royal Part at Mount Royal Avenue, thence following the limits of Mount Royal Park to the intersection of Pine Avenue and Cedar Avenue, thence following the centre of Cedar Avenue to Elm Avenue and the centre of Elm Avenue to the limits of the City of Westmount, thence following the norhtern, western and southern limits of the city of Westmount and the extension of the southern limit of the said city to the centre of St James Street, thence following the centre of St. James Street to the centre of Clifton Avenue, thence following the centre of Clifton Avenue to the centre of Western Avenue, thence following the centre of Western Avenue to the centre of Grand Boulevard, thence following the centre of Grand Boulevard to the centre of Sherbrooke Street, thence following the centre of Sherbrooke Street to the norhtern boundary of Montreal West, together with the City of Westmount and the towns of Montreal West, Hampstead and Mount Royal.

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ST. ANN consisting of that part of the City of Montreal and that part of the City of Verdun bounded by a line starting from the intersection of Craig Street and St. Gabriel Street, thence following the centre of St. Gabriel Street and the extension of said street to the bank of the St. Lawrence River, thence following the bank of the St. Lawrence River to the extension of the centre of Church Avenue, thence following the centre of the extension of Church Avenue and the centre of the said avenue to the centre of the Lachine Canal, thence following the centre of the Lachine Canal to the centre of the extension of Fulford Street, thence following the centre of the extension of Fulford Street to the centre of Notre Dame Street, thence following the centre of Notre Dame Street to the centre of McGill Street, thence following the centre of McGill Street to the centre of Craig Street, thence following the centre of Craig Street to the point of departure.

ST ANTOINE consisting of that part of the City of Montreal bounded by a line starting from the intersection of Elm Avenue and the northeastern limit of the city of Westmount, thence following the said northeastern limit of the said city to the intersection of Atwater Avenue and St. Antoine Street, thence following the centre of St. Antoine Street to the centre of Dominion Street, thence following the centre of Dominion Street to the centre of Notre Dame Street, thence following the centre of Notre Dame Street to the centre of McGill Street, ~~thence following the centre of McGill Street to~~ the centre of Craig Street, thence following the centre of Craig Street to St. Antoine Street and following the centre of St. Antoine Street to the centre of Mountain Street, thence following the centre of Mountain Street and its extension to the limits of Mount Royal Park, thence following the limits of Mount Royal Part to the intersection of Pine Avenue and Cedar Avenue, thence following the centre of Cedar Agenue to Elm Avenue and the centre of Elm Avenue to the point of departure.

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ST DENIS consisting of that part of the city of Montreal bounded by a line starting from the intersection of Mount Royal avenue and Papineau Avenue, thence following the centre of Papineau Avenue to the centre of Rosemont Boulevard, thence following the centre of Rosemont Boulevard to the centre of Iberville Street, thence following the centre of Iberville Street to the extension of the line forming the northwestern limit of the city of Montreal, thence following the extension of the said line to its intersection with the northeastern limit of the said city, thence following the northeastern limit of the said city of Montreal to the centre of Cote St. Michel Road, thence following the centre if Cote St. Michel Road to the centre of St. Hubert Street, thence following the centre of St. Hubert Street to the centre of Cremazie Boulevard, thence following the centre of Cremazie Boulevard to the centre of the Canadian Pacific Railway tracks, ~~thence following~~ the centre of the Canadian Pacific Railway tracks to the centre of the extension of Baby Street, thence following the centre of the extension of Baby Street and the centre of the said street to the centre of St. Lawrence Boulevard, thence following the centre of St. Lawrence Boulevard to the centre of Isabeau Street, thence following the centre of Isabeau Street to the centre of Drolet Street thence following the centre of Drolet Street to the centre of Mozart Street, thence following the centre of Mozart Street to the centre of Henri-Julien Avenue, thence following the centre of Henri-Julien Avenue to the centre of Mount Royal Avenue, thence following the centre of Mount Royal Avenue to the point of departure.

ST. HENRI consisting of that part of the city of Montreal starting at the intersection of the southern boundary of the city of Westmount with the extension of St. Remi Street, thence following the extension of St. Remi Street and the centre of the said street to the centre of Cote St. Paul Road, thence following the centre of Cote St. Paul Road and its extension to the centre of the Lachine Canal, thence following the centre of the Lachine

Canal..

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Canal to the centre of the extension of Fulford Street, thence following the centre of the extension of Fulford Street to the centre of Notre Dame Street, thence following the centre of Notre Dame Street to the centre of Dominion Street, thence following the centre of Dominion Street to the centre of St. Antoine Street, thence following the centre of St. Antoine Street to Atwater Avenue, at its intersection with the northeastern limit of the city of Westmount, thence following the eastern limit of the city of Westmount to the point of departure.

ST JAMES consisting of that part of the city of Montreal bounded by a line starting at the intersection of Craig Street and St Gabriel Street, thence following the centre of St. Gabriel Street and the centre of the extensionof the said street to the bank of the St. Lawrence River, thence following the bank of the St. Lawrence River to the centre of the extension of Visitation Street, thence following the centre of the extension of Visitation Street and the centre of the said street to the centre of Sherbrooke Street, thence following Sherbrooke Street to Cherrier Street and the centre of Cherrier Street to the southern limit of Lafontaine Park, thence following the said limit of Lafontaine Park and the western limit of the said Park to its intersection with the centre of De La Roche Street, thence following the centre of De La Roche Street to the centre of Mount Royal Avenue, thence following the centre of Mount Royal Avenue to the centre of St. Denis Street, thence following the centre of St. Denis Street to the centre of Craig Street and thence following the centre of Craig Street to the point of departure, together with St. Helen's Island, Ile Ronde and Ile Verte.

ST. LAWRENCE-ST GEORGE consisting of that portion of the city of Montreal bounded by a line starting at the intersection of the centre of Craig Street and St. Lawrence Boulevard, thence following the centre of St. Lawrence Boulevard to the centre of ~~Duluth Avenue to the limits of Mount Royal~~ Duluth ...

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Duluth Avenue, thence following the centre of Duluth Avenue to the limits of Mount Royal Park, thence following the limits of Mount Royal Park to the centre of the extension of Mountain Street, thence following the centre of the extension of Mountain Street and the centre of the said street to the centre of St. Antoine Street, thence following the centre of St. Antoine Street, to Craig Street, and thence following the centre of Craig Street to the point of departure.

ST MARY consisting of that part of the city of Montreal bounded by a line starting at the intersection of Cherrier Street and the southern boundary of Lafontaine Park, thence following the said boundary of Lafontaine Park and the western boundary of the said park to its intersection with Papineau Avenue at Rachel Street, thence following the centre of Rachel Street to the centre of Frontenac Street, thence following the centre of Frontenac Street and its extension to the bank of the St. Lawrence River, thence following the bank of the St. Lawrence River to the centre of the extension of Visitation Street, thence following the centre of the extension of Visitation Street and the centre of the said street to the centre of Sherbrooke Street, thence following Sherbrooke Street to Cherrier Street and the centre of Cherrier Street to the point of departure.

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File

075791

LEGISLATIVE ASSEMBLY
QUEBEC

Montreal, March, 6, 1923.

Rt. Hon. Arthur Meighen,
House of Commons,
Ottawa.

Dear Mr. Meighen:

I duly received your letter of the 22nd. ult. and before writing you I had intended seeing Mr. Murphy, but so far have not had an opportunity. However, if Mr. Murphy has given you suggestions as to Westmount in connection with the proposed redistribution, you may be sure that his views and my own will not conflict. I am leaving for New York tonight, but will be here next week when I shall certainly have a talk with Mr. Murphy and either write you further or go to Ottawa and talk the situation over.

If we can get the constituency arranged the way we want it, it will be a safe seat for our party with a good candidate running.

I may say that on two occasions I discussed the matter with Mr. Paul Mercier M.P. for Westmount-St.Henry and he assured me that he would offer no objection to the arrangement I had in mind, but whether he will stick to that or not is another question.

With kindest regards, I am,

Yours sincerely

Chas. A. Smart

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075792

Redistribution

Ottawa, April 7, 1923.

Dr. S.J. McNally,
Campbell's Bay,
P.Q.

Dear Dr. McNally:

I have just had a very pleasant chat with Dr. Dowd, who has told me of your kind offer of service in connection with Redistribution in Pontiac.

I have gathered from Dr. Dowd a fairly clear outline of the local situation and will discuss the matter with Mr. R.B. Hanson, M.P., who is our representative on the Committee. It is very good of you to offer your services, but I am well aware that you have already given a great deal of your time and energies and I will not impose further upon your good nature unless I find it absolutely necessary.

With kindest personal regards,

Yours very truly,

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D. R. Barry, K.C.
Advocate, Barrister, etc.

075793

Campbell's Bay, Que., Feb. 22, 192

Rt.Hon. Arthur Meighen M.P.

Ottawa

Dear Sir,-

Dr Dewa, the President of the Conservative Association of this County of Pontiac, told me he had had an interview with you or with the Chairman of the distribution committee of the House of Commons. You are aware, no doubt, that the Abitibi District as well as the Temiscamingue have been annexed to us for parliamentary purposes, though the Abitibi, up to quite lately, formed part of the district of Quebec for judicial purposes, as it was alleged that the City of Quebec was nearer and more convenient to the law contestants than Pontiac. I may also tell you that Abitibi and Temiscamingue form a separate electoral division for provincial purposes from Pontiac. The distance from Pontiac to Abitibiis is nearly 800 miles. It is actually nearer to the city of Quebec than it is to this County. Therefore, it would be essential that for political purposes for the Federal, that it be entirely detached from this.

I am aware that the present member, Mr. Cahill, does not want this division, as in Pontiac proper his political days are counted. But, he expects that with the statut quo maintained, he may have a chance of re-election by appealing to racial prejudice as was done last election. Pontiac's great majority is English speaking and Abitibi is all French.

In looking at the map Abitibi should form part of Mont-

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D. R. Barry, K.C.
Advocate, Barrister, etc.

075794

Campbell's Bay, Que., _____ 192____

Montcalm or Joliette, Berthier & Maskinongé. But, as it would be too longto give the required explanations by letter I would feel obliged if you would kindly let me know who I could interview or correspond with on the subject.

Regretting to interrupt you in your numerous avocations,

I remain, with consideration,

Very faithfully yours,

D R Barry.

Vice-Pres. of the Cons. Ass.

of Pontiac.

Mr H. J. Smith, who has inhabited this part of the country for quite a number of years may be in a position to give you the details required on the subject

D.R.B.

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075795

Ottawa. February 28, 1924.

Dear Mr. Barry:

I thank you very much for your letter of the 22nd February. The delay in answering is due to the fact that, by mistake, the letter was placed amongst the mail of another Member of Parliament. The contents, in any event, did not give much comfort to that Member.

I am very glad to have the information which you give me. It happens that the Honourable Mr. Monty is in the office at the moment and he will give consideration to what you say. I shall also pass the letter on to Mr. Hanson, who has charge of our end of redistribution so far as the committee is concerned. If there is any further detail we desire, you will be written again.

Again thanking you, believe me,

Yours very truly,

D. R. Barry, Esquire, K. C.,
Advocate, Barrister, etc.,
Campbell's Bay, Que.

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075796

St Pédere, 24/4/24

Le Très Honorable
Arthur Meighen M.P.
Ottawa -

Cher Monsieur,
Je comprends que le bill de redistribution va donner lieu à une bataille épique que le sénat pourrait intervenir -
Un groupe Saguenéen étudie la question et me charge de vous soumettre le projet d'empêcher le transfert du district de Saguenay au comté de Charlevoix et de le laisser au comté de Chicoutimi -

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Pour diviser le comté de Chicoutimi + Laprairie nous il faut faire disparaître un comté ; alors faites disparaître Charlevoix + unissez-le à Montmorency et en faisant cela vous courez une grande chance de prendre Chicoutimi + Lapraire + Montmorency + Charlevoix — vous aurez roulé la clique qui nous dévore ici —

Charlevoix, par la faute de Tachereau subit une réaction sérieuse toute fédérale profitez —

Quant au Lac St Jean, je vous conseillerais

07 57 97

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075798

J'ajouter aux paroisses actuelles qui le forment au Provincial la à même le comté de chicoutimi celles de St Louis Nazaire, St Charles + Hénogenie.

Le tout vous est respectueusement soumis pour vous aider à défendre les droits des conservateurs contre la horde rouge socialiste qui vous mène —

Votre dévoué

Théo. Pelletier

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075799

Ottawa, 10 mai, 1924.

M. Joseph Girard,
St. Cédeon,
Qué.

Cher M. Girard:

J'ai dûment recue la votre du 24 avril. Je vais discuter avec les membres de notre comité de Redistribution votre suggestion par rapport à Saguenay et Charlevoix. Soyez sûr qu'ils prendront tous les moyens possible a fin de protegar nos intèrets.

Votre tout dévoué,

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075800

Dear Mr. Girard:

Yours of the 24th April reached me in due course. I am taking up with our members on the Redistribution Committe your suggestion with regard to Saguenay and Charlevois. You may be sure they will take all means to protect our interests.

Girard's letter not attached

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075801

Ottawa, May 10, 1924.

R.B. Hanson, Esq., M.P.,
House of Commons,
Ottawa.

Dear Mr. Hanson:

The Chief asked me to send you the attached from Jos. Girard of St. Gedeon, who was at one time member of the House for that riding.

Yours faithfully,

Private Secretary.

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075802

House of Commons
Canada

OTTAWA, May 13, 1924.

Rt. Hon. Arthur Meighen, M.P.,
House of Commons,
O t t a w a, Ont.

Dear Mr. Meighen:

I have a note from Mr. Merriam, under date the 10th instant, enclosing a letter from Mr. Jos. Girard of St. Gedeon, Que., at one time M.P. for the district of Saguenay, asking to prevent the district of Saguenay from going in to Charlevoix district, wishing it to be left in Chicoutimi.

The proposal, as I understand it, involves several considerations. The proposal of Dr. Beland is that the present constituency of Chicoutimi-Saguenay should be separated along the lines of the present Provincial ridings and make two Federal ridings, one to corresponded with the present Provincial riding of Lake St. John and another to correspond with the present Provincial riding of Chicoutimi and detach the Saguenay portion of the present riding and add same to the present riding of Montmorency-Charlevoix. The present riding contains 92,000 people and it is apparent that they will have to have two members. I have agreed to the principle of this proposal and reserve only the right to discuss

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further the position of the Saguenay portion of the present riding.

Mr. Girard seems to overlook the fact that Charlevoix is already united to Montmorency.

I shall take the matter up with Senator Blondin and then discuss it with you further. In the meantime, if you can get any further information from Mr. Girard as to the population of the Saguenay portion ~~district~~, I shall be glad if you will do so.

Yours sincerely,

R.B. Hanson

RBH:M.

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22

Ottawa, 15 mai, 1924.

M. Jos. Girard,
St. Gédeon,
Qué.

Cher M. Girard:

J'ai discuté avec les membres de notre comité de Redistribution la votre du 24 avril.

La question comporte plusieures considérations. L'arrondissement actuel de Chicoutimi-Saguenay à une population de 92,000 et il est évident qu'il doit avoir deux députes. Pouvez-vous me donner d'autres renseignements afin que je puis débattre cette question de nouveau avec le comité?

Votre tout dévoué,

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(Bench)

075805

Dear Mr. Girard

I have discussed your letter of the 24th April with regard to redistribution in your district ~~the~~ ~~[illegible]~~ with our members on the redistribution Committee.

The proposal involves several considerations. The present riding of Abitibi - Saguenay contains 92,000 people and it is apparent they will have to have two members. Can you let me have any further information? I shall then ~~have further~~ discuss the subject further with the Committee.

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CANADA

075806

House of Commons
Canada

OTTAWA, May 21st, 1924.

Rt. Hon. Arthur Meighen, M.P.,
House of Commons,
O t t a w a, Ont.

PRIVATE

Dear Mr. Meighen:

Re Redistribution, Province of Quebec.

As you are already aware, I have been contending for fifteen seats for the Island of Montreal, one of which would be an English speaking seat in the West of Montreal, composed of Westmount and a portion of Notre Dame de Grace and Montreal West.

So far Dr. Beland has not receded from the position taken last year, which was that Montreal Island should only have one new Member, making thirteen in all and that the new constituency should be located in the East end of Montreal and carved out of the present ridings of Hochelaga, St. Denis and Maisonneuve and so far there has been a deadlock.

In regard to this matter, on all other grounds we are in practical agreement. The only major change being in the Constituency of Chicoutimi-Saguenay, which it is proposed to divide and to make two ridings, one Lake St. John and the other Chicoutimi. This is reasonable as the census returns show 91,000 people in the present constituency.

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CANADA

075807

The Saguenay portion of this riding is along the north shore of the St. Lawrence River from Tabousac east and Dr. Beland's proposal is that this portion should be detached and added to Montmorency-Charlevoix and notwithstanding the protest of Mr. Gerard, from a geographical standpoint, I think this should be done, although I have not yet consented.

We had a lengthy meeting of the sub-committee last evening, composed of Dr. Beland, Messrs. Boivin, Kennedy of Glengarry and myself, at which Mr. Boivin tentatively offered the proposal that while he would only concede one new seat to the Island of Montreal he considered, in justice to the English minority, that such seat should be located in the West end and be an English speaking constituency, composed of Westmount, Notre Dame de Grace and adjoining English speaking municipalities. Without in any way agreeing, I undertook to submit this proposal to you. I may say, however, that it is made without prejudice or being assented to by Dr. Beland and was made with the distinct understanding that it should not be made public in any way, because Boivin asserted that it would be difficult for him to justify it before some of his French colleagues from the Province.

Dr. Beland did not veto the proposal, but is to consider it and let me know in a day or two and if he does veto

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CANADA

075808

it the matter is to go no further and the situation will be as we were. If Dr. Beland assents to the proposal it will be on the understanding that if accepted they will put it through and if not accepted it will be withdrawn.

Now what we have to consider is this, presuming that Dr. Beland gives his consent we can obtain, without question, one new English speaking seat in the Island of Montreal, but only thirteen seats in that district and if it is not accepted or is withdrawn the original proposal will stand and we shall have to bring in a minority report and trust to the Gods for its success.

I must say candidly that I have not yet made up my own mind as to what course I shall recommend, but I am strongly tempted to recommend the acceptance of Boivin's offer.

Having regard to my conversation with Mr. Boivin I am not at liberty, at the moment, to have this proposal communicated to your friends in Montreal, until after Dr. Beland gives his assent and I gave my word to him in this sense, but it was distinctly understood that I should be at liberty to communicate the proposal to you. I think therefore you should not forward the proposal to Montreal until we hear from Dr. Beland and as to this I will advise you immediately.

Yours sincerely,

R.B. Hanson

RBH:M.

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CANADA

075809

Dr. Beland
Re Redistribution
Province of Quebec

House of Commons
Canada

OTTAWA, June 2, 1924.

Rt. Hon. Arthur Meighen,
House of Commons,
O t t a w a, Ont.

Dear Mr. Meighen: Re Redistribution Province of Quebec.

Only to-day Dr. Beland has signified his assent to Boivin's proposal with respect to the District of Montreal, which was that they would be willing to agree to an increase of one seat in this district, that is, from twelve to thirteen seats, and that such seat should be an English speaking seat in the western part of Montreal to include Westmount and locality.

I have undertaken to transmit this to you for assent or dissent. The understanding being if not agreed to we are to return to our original proposal of fifteen seats for Montreal. Perhaps you can obtain the opinion or our friends there with regard to the proposal and let me know.

Senator Webster told me last week that no seat in the Island of Montreal was safe for the Government and it looks to me as though we should hold out for fifteen seats, which was our original well considered objective. However, we can obtain a sure English speaking seat by accepting this proposal

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075810

and that has many attractions.

Will you please let me hear from you as soon as possible.

Yours sincerely,

R.B. Hanson

RBH:NM.

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CANADA

075811

22

Ottawa, June 5, 19241

R.B. Hanson, Esq., M.P.,
House of Commons,
Ottawa.

Dear Mr. Hanson:

Yours of the 2nd inst., with regard to Redistribution in Quebec, duly reached me. I have gone into the matter and am of the opinion we should not accept the Boivin suggestion at all. We should insist upon the largest possible number of seats for Montreal.

Yours very truly,

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CANADA

075812

Ottawa, June 5, 1924.

Honourable Rufus Pope,
Cookshire, Que.

Dear Senator Pope:

A very important meeting dealing with Quebec redistribution will be held in Mr. Meighen's room on Wednesday next at 2 p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec redistribution matters in the House, will also attend.

Yours faithfully,

Private Secretary.

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CANADA

075813

Ottawa, June 6, 1934.

Dear Senator L'Esperance:

A very important meeting dealing with Quebec Redistribution will be held in Mr. Meighen's room on Wednesday next at 2 p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec Redistribution matters in the House, will also attend.

Yours faithfully,

Private Secretary.

Honourable D.O. L'Esperance,
48 Genevieve Ave.,
Quebec City.

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CANADA

075814

Ottawa, June 6, 1924.

Honourable C.P. Beaubien,
Montreal.

Dear Senator Beaubien:

A very important meeting dealing with Quebec Redistribution will be held in Mr. Meighen's room on Wednesday next at 2 p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec Redistribution matters in the House, will also attend.

Yours faithfully,

Private Secretary.

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075815

Ottawa, June 6, 1924.

Dear Senator Webster:

A very important meeting dealing with Quebec Redistribution will be held in Mr. Meighen's room on Wednesday next at 2 p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec Redistribution matters in the House, will also attend.

Yours faithfully,

Private Secretary.

Hon. L.C. Webster,
Montreal,
P.Q.

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CANADA

075816

Ottawa, June 6, 1924.

Dear Senator Foster:

A very important meeting dealing with Quebec Redistribution will be held in Mr. Meighen's room on Wednesday next at 2. p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec Redistribution matters in the House, will also attend.

Yours faithfully,

Private Secretary.

Honourable G.G. Foster,
8 Edgehill Ave.,
Montreal, Que.

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075817

Ottawa, June 6, 1924.

Dear Senator White:

A very important meeting dealing with Quebec Redistribution will be held in Mr. Meighen's room on Wednesday next at 2 p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec Redistribution matters in the House, will also attend.

Yours faithfully,

Private Secretary.

Honourable R.S. White,
Montreal,
P.Q.

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075818

Ottawa, June 6, 1924.

Dear Senator Blondin:

A very important meeting dealing with Quebec Redistribution will be held in Mr. Meighen's room on wednesday next at 3.p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec Redistribution matters in the House, will also attend.

Yours faithfully,

Honourable P.E. Blondin, P.C.,
Montreal,
P.Q.

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075819

Ottawa, June 6, 1924.

Dear Senator Chapais:

A very important meeting dealing with Quebec Redistribution will be held in Mr. Meighen's room on Wednesday next at 2 p.m. Mr. Meighen would be very glad if you would make it a point to be present. Mr. Hanson, who has charge of Quebec Redistribution matters in the House, will also attend.

Yours faithfully,

Honourable T. Chapais,
Quebec City.

Private Secretary.

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075820

House of Commons
Canada

June 6/24

Dear Mr Meighen:-

Mr Murphy has asked me & not you to call a meeting of the Quebec Senators friendly to us for as early a date as possible next week at which Mr Murphy and myself will be present. This will include Senators Webster, White & Blondin if possibly some others that I do not know.

The Senate is adjourning today until Tuesday I think, so that you will likely be able to get a meeting before Wednesday next.

Yours Truly
R. B. Hanson

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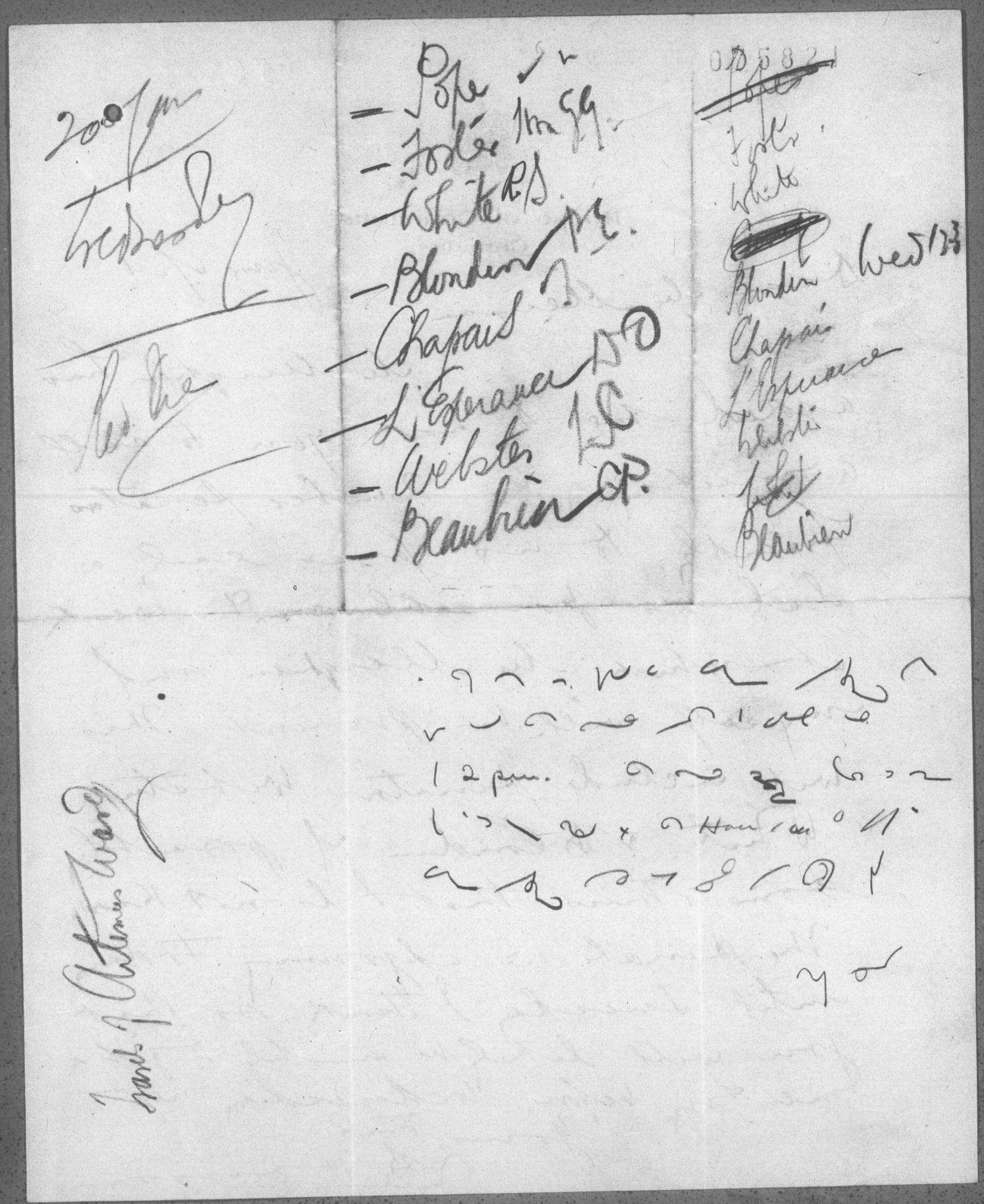

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CANADA

075822

House of Commons
Canada

Ottawa, June 10, 1924.

Rt. Hon. Arthur Meighen,
House of Commons,
O t t a w a, Ont.

Dear Mr. Meighen:

Enclosed herewith please find letter from D. R. Barry of Campbell's Bay, Quebec, together with copy of my reply thereto, regarding the situation in the County of Pontiac.

My advances in this connection have been refused and it is difficult for me to force the matter any further. Kindly note the enclose letter and copy of my reply, which, after perusal, kindly return to me.

Yours sincerely,

RBHanson

RBH:M.
Encls.

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CANADA

D. R. Barry, K.C.
Advocate, Barrister, etc.

075823

Campbell's Bay, Que. June 9th. 1924.

Mr. Hanson M.P.
Ottawa

June 10/24

Dear Sir,-

I had commissioned Mr. H. T. Smith, who is well acquainted with this district, to see you in regard to the division of the County of Pontiac. I understand that he has done so and at the same time has told you of a letter I had received from the Rt. Hon Arthur Meighen on the subject. I was greatly surprised to learn that you had nothing before you at all with regard to the division of the county. I write you now to strongly urge that if nothing better can be done that the Abitibi District be cut off as was suggested by you to be within the bounds of possibility. If this be not done, I donot believe we will be able to get an English speaking conservative candidate to face utter submersion, which would certainly be the lot if Pontiac be left as it is now. With the Abitibi out of the way, we have a fair fighting chance to overcome the enemy.

As you are aware, the Abitibi people, all grits, want separation and so it would please them equally with us if it were done. And this view, may I suggest, should be laid before the committee.

I remain, Dear Sir,

Yours very truly,

D R Barry

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CANADA

075824

OTTAWA, June 10th,1924.

D.R.Barry, Esq. K.C.
Campbell's Bay,
Que.

Dear Sir;-

Your letter of the 9th to hand and contents noted. Mr. Smith made the representation to me to which you refer, respecting the division of the County of Pontiac and I later had the benefit of an interview with Dr. McNally of your town. He explained the situation to me fully and I have taken up, with the members of the sub-committee for the Province of Quebec, the question as to what should be done with the Abitibi district and I find that they too have had representations, principally from the local Member, who is anxious that the district should be carved out into a new seat, but opposition has developed to this from the Old Counties in the Province of Quebec, which, owing to the fact that Quebec has a fixed number of sixty-five seats, must lose a seat in order to make room for a new seat when formed. This is what is happening in Saguenay district where there are now 91,000 people and to whom one additional seat is being given.

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075825

The difficulty with the Abitibi situation is that it has not enough population to provide a new seat but doubtless will have by the time of the next redistribution and the important problem at present is to know what to do with it. I have urged repeatedly in this connection that it be separated from Pontiac and attached to one of the Counties fronting on the North shore of the St. Lawrence say, Champlain or St. Maurice, with which Counties it is connected directly, with the Transcontinental Railway.

I beg to say that I will do the best I possibly can for you in this connection, but the difficulties are obvious and are not easily overcome. I am passing your letter along, together with a copy of my reply to Mr. Meighen, for his information and perusal.

Yours sincerely,

RBH/M.

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075826

22

Ottawa, June 20, 1924.

Dear Mr. Gauthier:

We seem to be getting on somewhat in the consideration of the Redistribution Bill. Mr. Hanson, M.P., who represents the Conservative Party on the Committee in so far as Quebec and the Maritimes are concerned, is anxious to discuss the situation farther with you. He has asked me to write you and ascertain if you will be in the city next week and where it would be convenient for him to see you. He deeply appreciated, as do we all, the assistance you have given and I am sure you will be only too glad to help him farther. Kindly let me hear from you.

May your difficulties be clearing and things looking brighter.

Yours very truly,

L.J. Gauthier, Esq.,
690 Sherbrooke St., W.,
Montreal, P.Q.

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GEO. D. PERRY, VICE-PRES'T AND GENERAL MANAGER

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075828

22

Ottawa, June 26, 1924.

L.J. Gauthier,
690 Sherbrooke St. W.,
Montreal, P.Q.

Will be greatly obliged if you will come to Ottawa tonight or tomorrow morning re: redistribution Montreal Island. Answer.

Arthur Meighen.

c.c. Mr. R.B. Hanson, M.P.,
House of Commons,
Ottawa.

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CANADA

075829

22

Ottawa, July 3, 1924.

Dear Mr. Gauthier:

Mr. Hanson having reported to me the fact that you insist on paying what are really our expenses for the help you are giving us I regret I cannot fulfill my promise to you when you were down. All I can do is to write and thank you most cordially for the very great help you have given. Mr. Hanson insists that your advice and information have been invaluable.

Yours very truly,

L.J. Gauthier, Esq.,
635 University St.,
Apt. No. 4,
Montreal, P.Q.

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CANADA

075830

22.

Ottawa, July 3, 1924.

Dear Mr. Hanson:

Attached is a letter from Mr. Joseph Girard of St. Gideon, Quebec with regard to redistribution of Chicoutimi-Saguenay.

It has been badly written and has taken some time to translate. I am sending it to you as to you as you have been handling Quebec Redistribution.

Yours very truly,

R.B. Hanson, Esq., M.P.,
House of Commons,
Ottawa.

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Bourassa
Webster

075831

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IN REPLY PLEASE
REFER TO Ross H. McMaster

MONTREAL,
CANADA.

July 7th., 1924.

Personal

Right Hon. Arthur Meighen,
House of Commons,
Ottawa, Canada.

Dear Mr. Meighen;-

You will remember your telephone message to me some time ago, which I tried to convey to the gentleman mentioned but have not been successful until today in getting in touch with him.

I had a satisfactory talk this afternoon and I think he is working along sound lines.

I understand there is some plan on foot, in connection with Redistribution, to change the boundaries of some of the Montreal Divisions. The plan as given me is that,-

Have stopped this no

Upper St. Antoine and Westmount will be made one, taking the English element out of the two divisions,-

The Lower part of St. Antoine, or St. Joseph's, is to be attached to St. Anne's. This will be mixing the French section with the Irish constituency, and

St. Henry-Westmount will be left without the Westmount end, in the belief that the French vote can be controlled.

This will not be a good move as, in the case of St. Henry and St. Antoine, the English vote, as the Divisions are at present, will help to overcome the vote in the lower quarters and, combined with certain strength in the lower quarters, might succeed in securing both constituencies, whereas detaching Westmount-St. Henry makes one sure seat and one doubtful.

There will also be some resentment in confusing the situation in St. Ann's.

You may have this information but I thought it well to pass it on to you.

RHM:MKS.

Yours very truly,
R. H. McMaster

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PUBLIC ARCHIVES
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CANADA

075832

22

Ottawa, July 8, 1924.

R.H. McMaster, Esq.,
The Steel Co. of Canada,
Montreal.

PERSONAL

Dear Mr. McMaster:

I have yours of the 7th. The matters as to which you have written me touching on Redistribution have been carefully watched by members of our Committee, and in respect of these counties anyway there will not be serious cause of complaint.

I may say, though, that as regards the general redistribution of the whole Dominion, especially the number allotted Montreal, and the whole treatment of Ontario, no description can apply except that it is a gross and shameless gerrymander. The report, I understand, is to be presented to-night.

Yours very truly,

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075833

22

Ottawa, July 8, 1924.

Honourable Rodolphe Monty,
Versailles Bldg.,
Montreal.

Dear Mr. Monty:

I hope you will not think I have neglected your request for a map of the Island of Montreal, but I have been absolutely unable to secure one. I approached Government members of the Committee on Redistribution, as well as our own members, and I find there is only one map. As a matter of fact Mr. Hanson, who is looking after our interests on the Committee, has to go to the Committee Room and use their map. He suggested to me, though, that if you were to secure a copy of Lovell's map in Montreal, together with the census returns, which you no doubt have, you would be able to follow it that way. I am sorry I have not been able to manage this for you.

Yours faithfully,

Private Secretary.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075834

22

Ottawa, July 9, 1924.

Dear Mr. Hanson:

Herewith is letter from Mr. Monty, which I am sending to you in the Chief's absence. Please return it as it has not yet been acknowledged.

Yours faithfully,

R.B. Hanson, Esq., M.P.,
House of Commons,
Ottawa.

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CANADA

075835

HOUSE OF COMMONS
CANADA

Leader of the Opposition

Ottawa, July 9, 1924.

Dear Mr. Hanson:

Herewith is letter from Mr. Monty, which I am sending to you in the Chief's absence. Please return it as it has not yet been acknowledged.

Yours faithfully,

A. W. Merriam

Private Secretary.

R.B. Hanson, Esq., M.P.,
House of Commons,
Ottawa.

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JEAN C. MARTINEAU, LL.M.

Montreal, July 7th/1924

CANADA.

To the Right Honourable Mr. Arthur Meighen,
House of Commons,
Ottawa, Ont.

Dear Mr. Meighen:-

re: Redistribution Bill

I believe that our friends forming part of the Committee should insist that we may have fourteen seats in Montreal instead of thirteen. If I was them I would not consent to any compromise unless the City of Montreal had these fourteen seats.

If the Liberal Party wishes strongly to divide the County of Chicoutimi, which is in the District of Quebec, it has only to reunite L'Islet and Montmorency which are in the District of Quebec.

I am given to understand that Berthier and Maskinongé are to be reunited, which would give a French-Canadian seat (St. Henri) and as Missisquoi and Brome are to be reunited this would give an English seat (Lasalle or Westmount).

Here are my suggestions concerning those fourteen seats:

No. I

ST. ANTOINE comprising:
St. Andrew's ward and
St. Joseph's ward.

We have better than this - part of St Joseph ward

No. II

WESTMOUNT comprising:
Westmount City
Notre-Dame de Grace
Town of Hampstead
Cote St. Luc Village
Mount-Royal City
Montreal West

O.K. Have about this

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075837

Monty & Duranleau

No.III

ST. HENRI comprising:
St. Henri ward,
Part of St. Joseph ward (west of Fulford street).

No.IV

ST. ANNE comprising:
St. Ann ward
Part of St. James Ward
Part of St. George ward
Part of St. Gabriel ward (east of Atwater Avenue)
Part of St. Joseph ward (east of Fulford Street)

No.V

LASALLE comprising:
Part of St. Gabriel ward (west of Atwater Avenue)
City of Verdun

No.VI

ST-LAWRENCE-ST. GEORGE comprising:
St. George ward
St. Lawrence ward

No.VII

LAURIER-OUTREMONT comprising
Laurier ward
Côte des Neiges
Outremont City

No.VIII

JACQUES-CARTIER comprising
Ile Bizard
La Présentation
Ste.Anne du Bout de l'Ile
Ste.Geneviève Parish
St. Joachim
St. Laurent
Lachine City
Baie d'Urfé
Beaconsfield
Dorval
Ile Dorval
Lasalle
Pointe-Claire
Roxborough

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PUBLIC ARCHIVES
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CANADA

075838

Monty & Duranleau

-3- To the Right Honourable Mr. Arthur Meighen

No.VIII (continued)

Ste. Anne de Bellevue
St. Laurent Town
St. Pierre aux Liens
[redacted]
Ste. Geneviève Village
Ste. Geneviève des Pierrefonds
Saraguay Village
Senneville
Part of Park Extension
Ahuntsic-Bordeaux ward (south of C.P.R. tracks and east of Chemin Liesse)
Part of Ahuntsic-Bordeaux ward (south of C.P.R. tracks and west of Chemin Liesse.

No.IX

GEORGES-ETIENNE CARTIER, comprising:
Part of St. Jean-Baptiste ward (west of St. Denis street)
St. Louis ward.

No.X

ST. JAMES, comprising:
St. James ward
Lafontaine ward
Part of St. Jean-Baptiste ward (east of St. Denis street and south of Rachel street)

No.XI

ST. DENIS comprising:
Part of Ahuntsic-Bordeaux ward (north of C.P.R. tracks)
Part of Delorimier ward
St. Denis ward

No.XII

ST. MARY, comprising:
Papineau ward
Part of St. Mary's ward.

No.XIII

HOCHELAGA comprising:
Part of Delorimier ward
Hochelaga ward
Part of St. Jean-Baptiste ward
Part of St. Mary's ward

No.XIV

MAISONNEUVE, comprising:
Pointe aux Trembles,

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CANADA

075839

Monty & Duranleau

-4-To the Right Honourable Mr. Arthur Meighen

No.XIV (continued)

St. Jean de Dieu
Rivières des Prairies
St. Léonard de Port Maurice
Laval
Part of Ahuntsic-Bordeaux ward
Part of Hochelaga ward
Maisonneuve ward
Montreal East
Montreal North
Pointe aux Trembles town
St. Michel de Laval

I regret not to have been consulted earlier concerning this redistribution. I am informed that it was found more advisable to consult Mr. L.J. Gauthier on this subject since several months. The only time Mr. Hanson spoke to me about it was during the last session and I never heard anything more about it since that time. It is only last weekm through Honourable Mr. Beaubien, that I was informed of the proposed plan which Mr. Hanson intended to submit to the Government and that I could take communication of the three proposed plans submitted by the Government's representative.

I remain,

Yours faithfully,

RM/ED

Rodolphe Monty

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075840

22

Ottawa, July 10, 1924.

Dear Mr. Monty:

I have your letter of the 7th instant. It arrived in my office and was sent to Mr. Hanson, who has since reported that they are now fairly well satisfied with the redistribution in Montreal, that is, of course, excepting the objection that there are not by any means a fair number of seats given that city.

Some two or three months ago Mr. Gauthier was in the city and was talking over the matter of redistribution, in which he was deeply interested. Mr. Hanson got a lot of very useful information from him and was anxious to get some further information and consequently he was sent for. There is surely nothing wrong in using in every way possible any friendly help. Before coming to any decision, of course, the matter should be submitted to you and I had specially asked that this be done but we did not want to be bothering you unnecessarily with too much detail.

Yours very truly,

Hon. Rodolphe Monty,
Versailles Bldg.,
90 St. James St., Montreal.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075841 Ottawa, July 16, 1924.

27

MR. STEVENS:

Will you please read and return the attached letter.

A. M.

Letter on Redistribution from Senator Griesbach.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
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CANADA

075842

Confidential copy
for Sen Webster

22

July 18th., 24

Senator Lorne C. Webster,
The Senate,
Ottawa,
Ont.

Dear Senator:-

When your interesting letter of July 7th., reached me I was in a state of disablement by reason of a sudden illness which overtook me a few days before.

I personally feel that the boundaries of the new constituency are satisfactory but as already stated I feel that it is not unreasonable to ask that the constituency be called - "Westmount-Mount Royal" for manifest reasons.

With respect to the matter of representation, we have given the subject considerable thought and in the order of personal preference I would make the following suggestions, viz.,

1st.,

That the Conservative nomination be offered to Mr. Meighen.

I feel that this would not only be a gracious act on our part but that it would be an expression of the appreciation and loyal regard which I believe prevails throughout the constituency to an overwhelming if not unanimous degree.

I am not sufficiently confident in my political astuteness to be able to assert dogmatically that from the Canadian standpoint as a whole this would be a good political move, but Mr. Meighen himself would know concerning this.
I personally think however that it would be a good political move from the national standpoint; it ought to please Quebec; it would

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CANADA

075843

July 18th., 24

(2)

certainly enthuse the people of the constituency, and I cannot seee where it would offend anyone, anywhere.

My next preference would be for Mr. R.S. White. This preference is based upon both a high personal regard and upon political judgment, but I would deem it necessary in this case to remove all doubt as to the attitude of Mr. White towards Mr. Meighen as leader. I feel confident that Mr. White's personal regard for Mr. Meighen is of the same nature as my own, and that is a very warm regard personally and a very high degree of appreciation politically.
The only reason that suggests to me the taking of this precautionary step is due to the occasional attitude of The Gazette which every once in a while expresses a criticism which is beyond my comprehension but which I ascribe to influences from a source other than that mentioned.

My third preference would be Mr. J. Alex Cameron - who has been loyal to the party right along. He is "off colour" on the question of Church Union but as that matter is now settled I think that we could very well overlook that kink in his system. I think that he is a little extreme on the Railway question but being of an absolutely honest mind I feel that an hour or so with Mr. Meighen would put him right as to the inevitability of the doing by the Meighen Government of what was done.

I have spoken to three or four friends in an informal way along the foregoing lines and so far have found each of them thoroughly sympathetic with the views expressed.

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CANADA

075844

July 18th., 22.

(3)

I would be glad indeed to confer with you further along these lines and in the meantime I thank you very appreciatively for your letter and for the information accompanying it.

Before closing let me congratulate you upon your speech before The Senate on Church Union. I am keeping a copy of it for its value as a historic statement.

With kindest regards,
Sincerely yours,

Arthur Meighen

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CANADA

075845

Wpg Feb 23 – 26

Friend McDonald

Here's hoping you fellows will pick a winner to defeat Dunning in Regina. I was talking to several of our most prominent progressives at McJaw on the way down and they said they would not nominate a progressive in Regina and that they would quietly promote the interests of the conservative candidate in every possible way. I expect to be here for a month but if I can be of material aid in the

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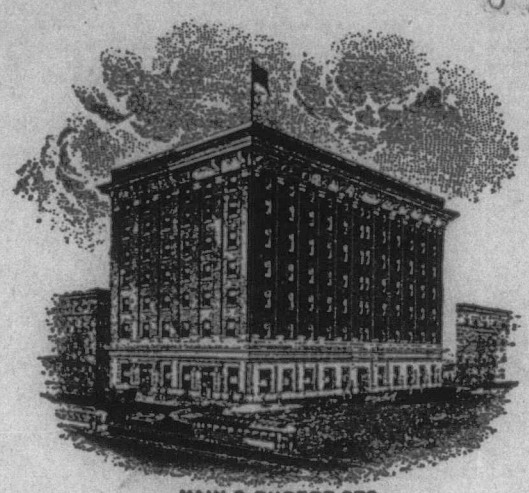
075846

The McLaren
ABSOLUTELY FIREPROOF



MAIN & RUPERT STS
WINNIPEG, CANADA

(2)

forthcoming fight & will go to Regina at any time. Sincerely

D A Lecki
McLaren Hotel
Wpg

D. H. McDONALD & CO
RECEIVED
FEB 24 1890
Ansd.....
Entd.....
FORT QU'APPELLE, SASK

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CANADA

075847

Regina
482

Ottawa, Ont., 24th February, 1926.

Dear Colonel Machin,

Many thanks for your note of the 23rd. I know the party you refer to. He was Mayor of Regina not very long ago. We are watching the matter carefully and I will see that consideration is given his name.

Yours very truly,

Lieutenant Colonel H. A. C. Machin,
Kenora, Ontario.

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CANADA

075848

23rd July/26.

Dear Mr. Meighen:

For what it is worth - I learn that if we can get the Regina nomination for James Grassick of Regina we can wind hands down. This is absolutely reliable. I have been under the Doctor's care here and am on my way home to-night to Kenora, but I felt you should know this.

With my warmest regards & respects

Yours faithfully
Harold Machin.

The Hon Arthur Meighen K.C.
Ottawa.

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PUBLIC ARCHIVES
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CANADA

482

Regina Bye-election running

075849

House of Commons
Canada

Ottawa, Feb.26, 1926.

Rt. Hon. Arthur Meighen,
Ottawa.

Dear Mr. Meighen,-

I received the attached message from MacPherson late this afternoon. I tried to get it to you after decoding it, but you had gone. After consulting with Mr. Chaplin, I replied as follows:

> "Leader and Party desire contest with suitable candidate stop Leaving for Regina tonight."

Yours sincerely.

D. W. Ross

V.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

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CANADA

075850

FORM T.D. 2 D.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

DAY LETTER

CABLE CONNECTIONS TO ALL THE WORLD

TIME FILED

CHECK

J. McMILLAN, General Manager of Telegraphs, Montreal.

Send the following Day Letter, subject to the terms printed on the back hereof which are hereby agreed to.

COPY. xMar Feb. 26, 1926.

Hon S.SF. Tolmie.

Delay has hurt chance stop strong candidate not now available stop Liberal majority to be increased stop Do you want contest win or lose stop Rush answer.

M.A.MacPherson.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075851

Regina Bye election
482

Ottawa, February 27, 1926.

My dear Mr. Bryant:

I was pleased to receive your letter of the 22nd. It was of considerable value to us in our discussions here. As you no doubt have knowledge of the correspondence which has passed between Dr. Tolmie and Major MacPherson you will be aware of what we feel should be done in Regina. The later telegrams received have seemed to throw doubt on the attitude toward a fight of the Regina Conservatives. Certainly, it should be fought with unprecedented vigour if undertaken at all and I do think it would be a great mistake if our friends are not disposed to throw themselves unreservedly into the contest. Dr. Tolmie left last night for Regina and will give you a brief detail.

Yours very truly,

Jas. F. Bryant, Esq., M.A., LL.B.,
Banner Bldg., 11th Ave.,
Regina, Sask.

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JAMES F. BRYANT, M.A., LL.B.

075852

C. H. J. BURROWS

BRYANT & BURROWS

Barristers, Solicitors, &c.

BANNER BUILDING, ELEVENTH AVENUE

REGINA, SASK.

CANADA

TELEPHONE 4831

February 22, 1926.

Hon. Arthur Meighen,

Ottawa, Ontario.

Dear Mr:- Meighen:-

We are endeavoring to get Mr. James Grassick, ex-mayor of Regina, to run as the Conservative candidate against Mr. Dunning. His chances of success are very good. Mr. Dunning's chief strength will lie in the support of the Catholic Church and their vote is in the East end of the city. Mr. Grassick, having been Mayor for three years, has a very strong hold on the people of the East end, many of whom have been employed on civic works, so that I feel that Mr. Dunning is not any too sure of winning Regina seat. Mr. Grassick is not a very good public speaker and we intend giving him all the assistance possible if we can persuade him to come out.

Please advise whether you would be in a position to come to the city and speak in the riding or not, and whether R. B. Bennett and Mr. Stevens would be able to do so.

In view of a probable general election in June, I feel that we should reorganize our Conservative Party, and have a general convention called in Regina during the by-election campaign and at a time perhaps when you and Mr. Bennett and Mr. Stevens could be in the province. I am suggesting to the members of the Provincial Executive that we should arrange for such a convention if at all possible.

Please advise whether you think it feasible and also whether you expect to be in the constituency. The Liberals have counted on the civil servants vote and there are a great many of them who are very sore on Mr. Dunning on account of his high handed manner in dealing with them, and I think a good many of them will secretly vote Conservative if Mr. Grassick is the candidate.

Yours truly,

Jas. F. Bryant

JFB/G

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CANADA

075853

482

Ottawa, Ont., 27th February, 1926.

Dear Mr. McDonald,

Thanks for your note of the 24th, and for the letter from Mr. Leckie. The judgment of all our friends here is that we should certainly wage a vigorous campaign against Mr. Dunning in Regina. Dr. Tolmie left last evening for Regina, and will keep closely in touch with the situation.

Yours very truly,

D. H. McDonald, Esquire,
Fort Qu'Appelle, Sask.,

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CANADA

075854

Confidential

Regina Sask.

FORT QU'APPELLE
SASKATCHEWAN
CANADA

This letter is from Dave Leslie a good prospective - from Meyronne Sask. same place as Mr. Donnelly M.P., the latter is no good - made money bootlegging, his wife left him - don't know if married living with him - he is half R.C. Either his father or mother was an R.C. - Donnelly formerly practised as a chemist Sask. I am going to Regina be there today & Saturday then on to Winnipeg to see Leslie - keep life in the Regina crowd.

D. McLeod

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PUBLIC ARCHIVES
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CANADA

075855

To Regina

482

Ottawa, February 27, 1926.

Dear Dr. Tolmie:

Mr. Meighen asked me to forward you the attached copy of a letter he has to-day written John T. Haig, of Winnipeg.

Yours faithfully,

Private Secretary.

Hon. Dr. S.F. Tolmie, M.P.,
c/o Major M.A. MacPherson, M.L.A.,
Regina, Sask.

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ARCHIVES PUBLIQUES
CANADA

075856

Ottawa, February 27, 1926.

Dear John:

Dr. Tolmie left for Regina last night. We have had several meetings here over the impending contest in that city. It is thought advisable to have only Western men take part and among the very few whom they will probably want one is yourself. This is a most difficult contest, we all admit, but a success or even a near success would be of immense advantage. Dr. Tolmie or some of our friends there may send for you and if so I earnestly hope you can take a hand.

Yours very truly,

John T. Haig, Esq., M.L.A.,
Bank of Hamilton Chambers,
Winnipeg, Man.

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CANADA

075857

482

filed 1/3/26

Major M.A.McPherson, M.L.A.

Personally I consider selection of very best candidate and unprecedented vigorous campaign against Dunning, highly desirable. Provision of speakers as requested already well under way. Bring utmost possible pressure upon proper man and infuse determination generally.

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PUBLIC ARCHIVES
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CANADA

075858

FORM T.D. 1 X.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

A copy of this telegram has been sent to our office at Windsor Buildings, for delivery.

TELEGRAM

CABLE CONNECTIONS TO ALL THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

RNH 57 90 PD RUSH (72)

REGINA SASK MAR 2 934

RT HON ARTHUR MEIGHEN

HOUSE OF COMMONS OTTAWA ONT.

ARRIVAL DELAYED SEVERAL HOURS TRAIN ACCIDENT STOP MISCREANT LIBRARY APOLOGUE EXTERMINATOR CONCENTRATION ORPHAN FUNERAL FOOTING GARNISHEE COAXING APOLOGUE CROFT STOP FLUTE LIBRARY SUPREME OVERHEAD COPYIST UNDUE CALLS OUTRAGEOUS EXPLANATORY

STOP WETTING SITUATION TRANSFER TRIPPED OUTLYING ALOOF COPYIST GERAND APOLOGUE SPONGE CROFT WETTING INDELIBLE FINDER

AMUSE UNITED ELEGY YOKE YOUNGER CANVASSER LEGISLATION MASTI-CATED STOP OBLIGING FOLIO COFFER CANTOGRAPHER INDEFATIGABLY SLASH STOP GYRATION SHADINESS CARROT OCCULTATION SATCHEL STOP MCKINNON UNDUE CALLS BRYANT PREFIGURED STOP

128

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PUBLIC ARCHIVES
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CANADA

075859

FORM T.D. 1 X.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

TELEGRAM

CABLE CONNECTIONS TO ALL THE WORLD

J. McMILLAN, General Manager of Telegraphs, Montreal.

SEC SHEET 57 (18)

RT HON ARTHUR MEIGHEN OTTAWA ONT

SHOOTER EARTHQUAKE ALCHEMY FRETFUL COPYIST UNSEEN COAGULATED CANNONADING CARROT GORGEOUS CARTOGRAPHER IMPLORER CONCENTRATION INTIMATE RUSH ANSWER MACPHERSON CODE.

S F TOLMIE

1220 P

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CANADA

075860

482

Arrival delayed several hours train accident. Met leader and executive in committee of forty five from city and country. stop. Find leader strongly overhead (opportunity - opposed (overheard) /contest. Turnbull only exception. stop. Vote showed (tasteful threshold) to one against contest (futurity gerand) and some country vote in favour. All unanimous Dun (ning) will win by large majority. stop. No first class candidate (impunity IN (indelible) indefatigably) sight. stop. (grass Gyration see shadiness) cannot run. stop. McKinnon Turnbull Bryant possibility. stop. Seriously doubt advisable force contest under circumstance but can get canidate if committee insist. Rush answer. McPherson code.

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CANADA

075861

482

LEGISLATIVE ASSEMBLY
WINNIPEG

March 2,1926.

Right Honourable Arthur Meighen,K.C.M.P.
Ottawa, Canada.

Personal.

My dear Arthur,-

Your letter of the 27th ult. to hand and contents noted.

I shall certainly go to Regina any time that Dr.Tolmie or any of the rest send for me. I do not think,however, I can do much good. I think they will expect men like yourself, Bell of Hamilton, Bury of East Edmonton, Kennedy of South Centre Winnipeg. In other words, men in the Dominion who have made good speeches and are well known. Of course,they will especially want to hear yourself. You can depend upon me,however,if you want me. I may tell you candidly,in my opinion,there is no chance of Dunning being defeated,and I am doubtful if you will do as well as you did last October. You have never gone up against this Saskatchewan machine,and so do not know anything about it. They stop at nothing but murder.

Yours very truly,

John Bracken

Address:
John T.Haig, M.L.A.
Bank of Hamilton Chambers,
Winnipeg.

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CANADA

075862

482

LEGISLATIVE ASSEMBLY
WINNIPEG

March 4th,1926.

Right Honourable Arthur Meighen,K.C.M.P.
House of Commons,
Ottawa.

(Personal)

My dear Arthur,-

N.K.Boyd and myself met Dr.Tolmie going East this morning and had a chat with him.

The general opinion here is that we did well not to fight Regina. The thing to do when the times comes is to beat them in the House of Commons. That,of course, may not be possible,but when we make a fight it should be under conditions where we have some chance to win and not as in the Regina case.

Yours very truly,

Address:
John T.Haig,M.L.A.
Bank of Hamilton Chambers,
Winnipeg.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

075863

482

Ottawa, March 6, 1926.

George Wright, Esq.,
Walker House,
Toronto.

PERSONAL

Dear Mr. Wright:

Someone has sent me in the mail this morning the attached Telegram editorial. It is rather unfortunate and sometimes results in very great injustice when the facts are not ascertained before attacks of this kind are made. The truth is that Senator Laird was the strongest of all the men I have come in contact with who favoured a contest in Regina. I personally also was in favour of a contest, as indeed were most of our friends here. Those who were opposed were Regina Conservatives alone. You can see the injustice done Senator Laird. No one could have been more strongly in favour of a contest than he was.

When you were down here I put your name and that of Mr. Church in my note-book as a reminder that I had to procure something for you. Today on going through my note-book I cannot remember what it was. Perhaps your memory will serve you better and if so please advise me as I want to comply with any undertaking given.

Yours very truly,

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PUBLIC ARCHIVES
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CANADA

075864

482

Ottawa, March 8, 1926.

J. Millyard Leech, Esq., K.C.,
306 Macarthur Bldg.,
Winnipeg, Man.

Dear Mr. Leech:

I have your letter of the 4th inst. I am indeed grateful to you for the analysis you gave of the situation in Regina. May I say to you personally I was most anxious to have that seat contested. It undoubtedly would have been but for the attitude of the party in Regina. They should, of course, know best being on the ground and probably they have decided rightly. Your letter lends considerable colour to this view.

I note what you say regarding rumours from Ottawa. Don't let them bother you in the least. A political party is never an unmixed tribe of idolators, and I never expect ours to be at least while I am leader. Certainly it is ~~though~~ true that there never was more complete unity than there is at the present time so far as our 116 members are concerned. I am glad to say Mr. Rogers has assisted in every way in his power this session. I could not ask for more cordial co-operation than he has given. As to Mr. Bennett, please note the attached copy of a despatch which he sent some days ago to the Calgary Herald.

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ARCHIVES PUBLIQUES
CANADA

075865

Mr. Bennett is a most valuable man and more so now than he has ever been. I am trying to arrange for him to speak in Winnipeg on his return to the session next week.

Yours very truly,

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 127)

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CANADA

Leech, Leech & Sutton
Barristers, Solicitors, Etc.
Leech, Leech, Sutton & Hamilton
Notaries, Conveyancers, Etc.
J. HILLYARD LEECH, M.A. LL.B. K.C.
F.J. SUTTON, LL.B.
ERNEST T. LEECH, B.A.
THOS. HAMILTON.

CABLE ADDRESS "LEECH"
WESTERN UNION CODE
TELEPHONES { A 7856 / A 7857

306 McARTHUR BLDG.
WINNIPEG, CAN.

075865

Confidential

March 4th. 1926.

Rt. Hon. Arthur Meighen,
Leader of the Opposition,
Parliament Bldgs.,
Ottawa - Ont.

My dear Mr. Meighen:

I was about to write you with reference to the by-election at Regina when I heard that Dr. Ptalmey was there today and no doubt the subject matter that I was going to write you concerning will be more ably sized up by your distinguished colleague.

However, I might mention a little that I know of the district up there. I am pretty closely in touch with certain members of the Grit machine and I have seen a good deal of the conditions there. I think it is a safe assumption that Dunning felt it was a good time to drop the position he has held so long in Regina; in fact, I may tell you that largely what I am repeating to you are the statements of Percy Anderson, President of the Grit machine in Regina, but please protect this letter and see that this information gets no farther than to your own ears.

There has been a very marked revulsion in the Grit Party against the domination of Dunning and Bell and a great deal of jealousy has arisen in the Party. Bell, as you know, and presumably through the help of bootleg receipts, controls not only the Leader and Post but the Saskatoon Phoenix and Saskatoon Star. He is supposed to have working arrangements, which practically amount to the control of the Prince Albert Herald and the Battleford Herald. He runs an insurance business as a separate source of revenue in which he gets all the Government patronage and from which it is estimated that he has a revenue of about $20,000. per annum. In addition to this he

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075867

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WESTERN UNION CODE
TELEPHONES { A 7856 / A 7857
306 McARTHUR BLDG.
WINNIPEG, CAN.

Rt. Hon. Arthur Meighen. March 4th. 1926.

gets all the Government printing amounting to very large sums. He is the handy man with the bootleggers and other sources of election revenue. He has become a dictator and has trampled so much on the corns of leading Liberals that the authority I quote stated it would be doubtful if Dunning, who works with him, could have held out through the present Parliament if he had not resigned. When it came to the choice of a successor to Dunning, a real fight was stated behind closed doors, Dunning and the Leader backing Hamilton and the Opposition bunch backing Gardner, with the result that the retiring Premier and the Leader gang were routed, much to their chagrin.

Now, the situation at Regina wants to be very carefully handled and if I were dictating a policy I would hesitate to raise opposition to Dunning at the present time. The feud that has started up there is liable to fanitself if the Leader keeps on insuting indiscriminately, which if left alone it is likely to do. If an election were sprung now, the effect, in my opinion, would be to unite these people behind Dunning. Their antipathies have not grown sufficiently bitter to keep them apart, but with the Leader grabbing all the Government patronage in sight and giving impudence to those who object, there is quite a possibility that before a ~~Government~~ election ~~up there~~, there will be a split. Percy Anderson and his friends are anything but friendly to Dunning and the Leader crowd.

I may say Saskatchewan is ripe for a change of political faith if given proper publicity and otherwise efficiently organized. If I would not appear boastful, I would remind you of the change I scented in Manitoba over three years ago. The same thing is coming in Saskatchewan, only more decisive and on a more sweeping scale.

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Rt. Hon. Arthur Meighen. March 4th. 1926.

By the way, we are getting some unpleasant rumors of dissention in our own Party at Owwata, which we earnestly hope is Grit propaganda and without foundation, but it is insistently reported here that there is a well established conspiracy to depose you from the leadership. There are two men down at Ottawa who could set these rumors at rest by the right kind of speeches, speeches not directed specifically to answer such rumors, but stated in such a way as would dispel them, and the two men would be R.B. Bennett and Bob Rogers. The part I do not like is that a great many prominent Conservatives believe there is something in the rumors and are apprehensive that it may be serious. If I can do anything for you, please command me.

Yours very truly,

H/MCS.

J. Hillyard Leech

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075866

March 8. 1926

Rosetown

to the Rgt Hon J Meighen

Dear sir

i request your confidence as regards Mr Kings election in Prince Albert constituancy i was through part of that constituancy at the time of the election now what strikes me is the large vote poled there never was the like of it before the liberals from Regina was there in scores and i think i am safe in saying there was a few thousand votes bought because those foreners will not go out to vote unless they

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are well paid they will do any
thing unless they are paid for it
not even help a neighbour now
there is Dokes Seeds horwegens
french Poles and chinks all very
~~ab~~ numerous now i give you this
in confidense at the general
election there was a great many
Poling Booths ~~&~~ only 2 and as
high as 4 votes was Poled
those forenors was never known
to vote before nor will not vote

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unless paid to do so now
i would like to see Mr King
disqualifyied now hoping you
can see your way clear to do
so it would Please a great meny
here now if you should have
the apportinity of comeing
west Please drop aline to
W. King President of the
Conservitive Assosiation
to day ahead so we can make
for i might be away preperations

yours truly
George Hawes

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F. W. MAHON

HAY DEALER

Car Lots Only

482

2026 ARTHUR ST.
REGINA, SASK. March 13th. 1926.

Rt. Hon. Arthur Meighan,
Leader, Liberal-Conservative Party,
Parliament Buildings,
Ottawa, Ont.

cannot locate our letter

Dear Sir:-

I received your very kind letter inquiring if I still took an interest in the good old Party. I may say yes. Ever since I heard you speak at Stittsville, Ont. about 25 years ago I have been a radical Tory and expect to remain one so long as the party is led by your strong and candid leadership. I think that, eventually, is going to mean our success here in the West. Although the wobblers appear to have made headway in the past, it is felt that their day is near the finish.

Now, I know you are quite interested in this by-election in Regina. The Executive have decided not to place a candidate in the field. This decision I believe, was in the best interests of the party as I feel sure it would be impossible to defeat Mr. Dunning and consequently he would make his entry into the Cabinet with added prestige. A large number of the electors felt that it was a pity not to allow Mr. Dunning to go to Ottawa and have him identified with the MacKenzie King group. In other words, they want him well smeared when it is being done. There was another factor, and that was the possibility of a general election in the very near future. Many felt we should conserve our energies as it would be difficult to get the same enthusiasm into the workers knowing their work would be done for a very short time only.

Our organization is not in the best of shape and I am endeavouring to introduce the Ontario system which is, I believe, the missing link in our organization.

Any information I receive at any time that I think would be of value to you, I shall be pleased to forward.

Wishing you every success, I am

Yours sincerely,

F. W. Mahon

L.M.

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RHODES ATTEMPTING TO OVERWHELM COUNCIL WITH TORY BLOCK

Provincial Government Is Planning To Appoint 22 New Members To The Upper House For The Purpose Of Outvoting Present Councillors—Membership Is Fixed At 21 By Constitutional Authority

It has already been announced in The Morning Chronicle that the Rhodes' Government had in contemplation the appointment of a sufficient number of new "members" to Legislative Council to unvote the existing members who were regularly and constitutionally appointed, for the purpose of carrying in the Upper House the Premier's Bill to abolish the Council. This is believed to be the reason why the Bill is being held in the House of Assembly for its Third Reading, pending the securing of the necessary authority to appoint new members by wholesale as the Government is secretly planning.

It is learned that Lieutenant Governor Tory has applied to the proper authorities at Ottawa for advice as to whether he has authority to sign an order-in-council to appoint twenty-two Councillors. The Ottawa legal authorities are reported to be giving consideration to what is regarded as a grave constitutional matter.

The Constitution of the Legislative Council of Nova Scotia is defined and fixed by the British North America Act, which in Section 88 States that the Constitution of the Legislature shall "continue as it exists at the Union until altered under the authority of this Act." By Section 92 of the B. N. A. Act, the Legislature in the Province may amend from time to time the Constitution of the Province, except as regards the office of Lieutenant Governor.

In 1891 New Brunswick, under this authority amended its Constitution to take effect at the end of the Legislative term, that is to say in 1894.

The right of the Legislature to amend or alter its constitution is thus clearly and expressly defined, but this does not give the Governor-in-Council power to enlarge the membership for a specific or any purpose, as the Rhodes' Government is now attempting to do.

21 MEMBERS BY B. N. A. ACT

The opinion given by Sir Adams Archibald, Lieutenant Governor of Nova Scotia in 1883, together with the Commission issued to Lord Monck in 1861, are cited as establshing that at Confederation and under the terms of the B. N. A. Act the Constitution of Nova Scotia called for a Legislative Council of 21 members holding office during pleasure which was equivalent to good behaviour, that is, "in fact and substance a tenure for life," as Sir Adams Archibald stated in his opinion in 1883.

For seventy four years since the Lord Monck despatch, all parties in Nova Scotia have been agreed that the number of members of the Legislative Council is fixed at 21.

Neither Hon S. H. Holmes, in 1879, Hon. W. T. Pipes, in 1883, nor Hon. W. S. Fielding in 1890 and 1894, questioned that this was so and it was not raised in the considered opinion which Messrs. R. L. Borden and Benjamin Russell gave in 1894, when the abolition of the Council was proposed.

It is also held to be a fair inference from the legislation of 1925 reforming the Council and in conformity with the English Parliament Act limiting its veto that the number of members of the Council is 21, and the tenure of the members appointed prior to that Act is for life.

This being the case and the constitutional authority, if the Rhodes Government holds a different opinion it should avail itself of the procedure outlined in the Revised Statutes of Nova Scotia, viz. Chapter 226, entitled, "The Decision of Constitutional and other Provincial Questions," and state a case to the Supreme Court of Nova Scotia for decision. It is a Nova Scotia right to have a Nova Scotia matter determined as provided for by a Nova Scotia statute in a Nova Scotia court.

The decision of the Rhodes Government to appoint 22 new members is obviously an attempt to overwhelm the members of the Council by main force regardless of constitutional usage and authority in Nova Scotia.

The present membership of the Legislative Council is 18, with three vacancies.

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PROVINCE OF NOVA SCOTIA
OFFICE OF THE PREMIER

PERSONAL

Halifax, 6th November, 1925.

Rt. Hon. Arthur Meighen,
Ottawa,
Ontario.

Dear Meighen:-

Many thanks for your letter of 31st October.

I am sorry indeed that you should have been bowled over at the end of the campaign, although it is small wonder in view of the strenuous weeks that you put in. Oddly enough I am a bit under the weather myself, and in fact have had to spend the last three mornings in bed where I am dictating at the moment. There is nothing organically wrong, but the strain of two campaigns, and the pull and haul of Cabinet formation, and especially the strike settlement negotiations, with repeated conferences subsequent thereto, in getting the miners of the Province in line, has left me below par. I came back from Echo Beach after a most delightful rest and holiday, and now my physician demands that I take a further rest of ten days or two weeks, but I do not see how it can possibly be arranged, and am going to do my best to carry on.

I thoroughly concur with your view of the Quebec situation. It is very seldom that the straight manly course does not pay; "honesty is the best policy". For my part I am particularly proud that the arguments we submitted during the campaign were the same from the Atlantic to the Pacific. Our policy was constructive and uniformly consistent.

In this Province I spoke in every constituency, averaging two big meetings a day, and I made the same type of appeal in the fishing constituencies of the South Shore as I did in the mining and manufacturing areas of Cape Breton.

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PROVINCE OF NOVA SCOTIA

OFFICE OF THE PREMIER

Two years ago one would have received in half the counties of Nova Scotia, a very poor hearing while presenting an argument for "Protection". While many voters are still attracted by the "clap trap" of wider markets and freer trade, many of these supported us, and I believe will remain with us until such time as we are enabled to demonstrate in operation the undoubted benefit of a consistent and stable tariff policy.

The situation at Ottawa is most interesting. If it were not for the Quebec situation I would say by all means let King attempt to carry on - we can look for no immediate gain there in the event of an Election. On the other hand, while we could probably gain two or three seats in the Maritime Provinces, on the whole we cannot look for much more support from here or Ontario or British Columbia, and any change in the Progressive position in the West would advantage the Liberals more than ourselves. Altogether I am inclined to think that it would have been better if you had been asked to form a Government, because the only point of cleavage would be on the Tariff, and upon a vote you could count upon the support of Euler, and certainly a number of the Montreal seats at least.

However this is neither here nor there, and the situation will have to take care of itself, as in this morning's despatches King announces that he will continue in office. Knowing him as I do this was no surprise to me. In fact I had written to different friends after the Election stating to them that there was no question in my mind, knowing King as I do, that he would stay in office until forceably ejected, feeling all the time that he was conferring a great favor on the people of Canada in doing so.

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PROVINCE OF NOVA SCOTIA

OFFICE OF THE PREMIER

I am glad to have your views with respect to Senator Lorne C. Webster. I had a long chat with him two days ago. Unfortunately hitherto he has had the impression that my frankly expressed views to him about the character and methods of R. M. Wolvin, President of the British Empire Steel Corporation were dictated by hostility towards that gentleman. As a matter of fact I have spent many hours in negotiations with the miners to save Mr. Wolvin and his officials from themselves. In the main Wolvin is so much out of touch with actual conditions in this Province that he is unable to do the right things except in the wrong way, and we would have had a second strike within two weeks of the last one through the stupid policy of the Company, had it not been for the hard work of Colonel Harrington, the Minister of Mines and myself. Notwithstanding this, I have assured Senator Webster that we are anxious to cordially co-operate with Mr. Wolvin, or whoever may be in charge of the Company, as the prosperity of Besco means in a large measure the prosperity of this Province.

I do not know where the report originated that I was to be in Ottawa shortly,- this is the first I have heard of it. I shall not be leaving here for some time unless I find it necessary to take a short rest to get myself back to normal.

Sincerely yours,

ENR/OB

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PROVINCE OF NOVA SCOTIA
OFFICE OF THE PREMIER

PERSONAL

Halifax, March 11th, 1926.

Right Honourable Arthur Meighen,
House of Commons,
Ottawa, Ont.

My Dear Meighen:

All the members of the Government who are of the legal persuasion have for some time been of the opinion that it is competent for the Governor-in-Council to appoint any number of members to the Legislative Council. Our opinion is supported by the considered opinion of the Deputy Attorney General, copy of which is enclosed herewith.

On the 6th of March I had an interview with Lieutenant Governor Tory who has a thorough appreciation of his duties. He was then, and I will be surprised if he is not now, thoroughly prepared to make the additional appointments to the Council. As an additional safeguard I suggested to the Governor that he communicate with the Secretary of State advising him that he proposed signing an Order-in-Council making these appointments on the 15th of March, unless in the meantime good reasons could be shown that he had not the constitutional authority so to do.

The amusing part of the matter began when in my conversation with the Governor I told him that there would be no object in coding the telegram to the Secretary of State, which I may advise you confidentially was prepared by myself although signed by the Governor, as I felt sure that the matter would be immediately referred to the Department of Justice and that thereupon Lapointe would inform his colleagues, particularly Ned McDonald who would immediately wire the information here to serve Party purposes. That is exactly what happened. The telegram went forward late Saturday night, the 6th, and it was back here for publication in the Morning Chronicle of the 10th. They mentioned the number of proposed new members was twenty-two (22) but of course that is only camouflage--the number I asked the Governor to appoint was twenty (20).

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PROVINCE OF NOVA SCOTIA

OFFICE OF THE PREMIER

Rt. Hon. Arthur Meighen.....2. 11/3/26/

Yesterday in the House in the Orders of the Day, Mr. Chisholm the Leader of the Opposition, read the article from the Chronicle which I enclose herewith and asked me if it were true. My reply, as reported in the Halifax Herald, was as follows:

"Premier Rhodes stated that as frequently occurred the statement in that paper (The Morning Chronicle) was made without authority of the Government. He went on to say that as this matter involved the constitutional relationship between the Government and His Honour the Lieutenant Governor which must of necessity be of a highly confidential character, it would be premature and unfitting to make any announcement at this time. If and when any action is taken by the Government along the line indicated, the House will be informed, Premier Rhodes stated".

Listing

Again at six o'clock when we were adjourning to meet during the evening, Mr. Chisholm came back quoting two telegrams which were as follows:

"Rt. Hon. W. L. McKenzie King,
Ottawa.
"Rumored here that Lieutenant-Governor requested by his Government to appoint additional legislative councillors exceeding twenty-one, and that he has asked for directions from Ottawa. Have you any information regarding matter"?
Wm. Chisholm,
Halifax, March 9th".

"Wm. Chisholm,
Halifax.
"Rumor referred to in your wire is correct. Law officers of Crown have been asked carefully to consider and furnish Government with expression of their opinion and Lieutenant-Governor has been so advised".
W. L. McKenzie King,
Ottawa, March 10th".

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PROVINCE OF NOVA SCOTIA
OFFICE OF THE PREMIER

Rt. Hon. Arthur Meighen.....3. 11/3/26.

I need not point out the asinine stupidity on the part of King in failing to understand his position in this matter. Knowing him as you and I do, we would rather expect it.

I relate these circumstances so that you may have some fun with King when your House re-convenes. It might be well for you to tell King that you had cabled Premier Baldwin asking him to keep you posted on all communications passing between the Canadian Government and the Colonial Office.

Faithfully yours,

Edgar N. Rhodes

ENR:N.

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COPY.

Halifax, 3rd March, 1926.

The Honourable E. N. Rhodes, P. C.,
Prime Minister of Nova Scotia.

Dear Sir:

As requested by your at our recent interview I am furnishing you with my views as to the tenure of office of Legislative Councillors, and whether there is any restriction regarding the number of Members that the Lieutenant Governor has authority to appoint.

I am of the opinion that with the possible exception of Members appointed for ten years, pursuant to Chapter 16 of the Acts of 1925, the tenure of office is during pleasure, but it is a debatable question whether it is during the pleasure of the Lieutenant Governor or of some other authority; as you are aware of my reasons in that connection I do not think it is necessary for me to repeat them here.

The other question requires, I think, a fuller discussion.

By virtue of the British North America Act the Constitution of the Province was to remain as it was at the time of Confederation, but it can from time to time be altered by the Legislature of Nova Scotia except as regards the office of Lieutenant Governor.

In these circumstances it is necessary to determine what was the Constitution of the Legislative Council at that time.

Prior to Confederation our Constitution was that which was given us in the Commission and Instructions issued by the Sovereign to the Captain-General and Governor-in-Chief of the Province for

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the time being holding that office.

In 1867 when The British North America Act came into effect Viscount Monck was the Captain-General and Governor-in-Chief of Nova Scotia; his Commission is dated 2nd November, 1861, and is set forth in the Journals of the Legislative Council for the year 1864, Appendix No. 19. Paragraphs IV, V, and VI of that Commission, and Paragraph VII of the Instructions are as follows:

> IV. And we do hereby declare our pleasure to be that the said Executive Council shall consist of such persons as you shall from time to time in our name and on our behalf nominate and appoint by instruments to be passed under the Public Seal of our said Province; all which persons shall hold their places in the said Council during our pleasure; Provided nevertheless and we do hereby declare our pleasure to be, that the total numbers of the members of our said Executive Council for the time being resident within our said Province, shall not at any time by any such appointment by you, be raised to a greater number in the whole than nine.
>
> V. And we do by these presents grant, provide and declare, that there shall be within our said Province a Council to be called "The Legislative Council" of our said Province, and that all and every the powers and authorities heretofore vested in or exercised by the Legislative Council of our said Province, shall continue to be exercised by our said Council hereby re-established.
>
> VI. And we do hereby declare our pleasure to be that the said Legislative Council shall consist of such and so many members as have been or shall hereafter be from time to time for that purpose nominated and appointed by us under our Sign-Manuel and Signet, or as shall be provisionally appointed by you until our will therein shall be known, all which members shall hold their places in the said Council during our pleasure; Provided, nevertheless, and we do hereby declare our pleasure to be that the total number of the members of the said Legislative Council for the time being resident within our said Province shall not at any time by any such provisional appointments be raised to a greater number in the whole than twenty-one.

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> VII. (Instructions). And we do especially require and enjoin that whenever you shall think fit in the exercise of the authority hereby vested in you, to appoint any person of persons provisionally as aforesaid to be a member or members of our said Legislative Council, you do in every such case forthwith transmit to us through one of our Principal Secretaries of State the names and the qualifications of the several members so provisionally appointed by you to be members of our said Council to the intent that the said appointments may be either confirmed or disallowed, as we shall see occasion.

It will be observed that there is nothing whatever in the Commission or Instructions fixing the maximum membership of the Legislative Council; on the contrary, there is an express provision that the Legislative Council shall consist of such and so many Members as had been or should thereafter be from time to time appointed by the Sovereign, or as should be provisionally appointed by the Governor; the only restriction as to numbers is that the total number of Members for the time being resident within the Province should not at any time by any such provisional appointment be raised to a greater number in the whole than twenty-one.

I fail to see how a restriction on the number of merely provisional appointments could have any effect in regard to the number of regular appointments. I do not think there can be any doubt that so far as the Sovereign himself was concerned the number of Members that under the terms of the Commission the Sovereign could appoint was unlimited. In the Commission to the Earl of Durham as Captain-General and Governor-in-Chief of the Province

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of Nova Scotia in the year 1838, although it was therein provided that the total number of the Members of the Legislative Council resident within the Province should not at any time by any such provisional appointment be raised to a greater number in the whole than fifteen, yet the Sovereign actually appointed twenty Members. See the Additional Instructions given to the Earl of Durham dated 9th March, 1838.

It is significant that by Paragraph IV of Lord Monck's Commission the appointment of Members of the Executive Council is vested in him, and that the maximum number of Members of the Executive Council is absolutely fixed at nine.

The Constitution of the Province in respect of the Legislative Council was amended by Chapter 13 of the Acts of the Legislature of Nova Scotia for the year 1872: that Chapter is as follows:

> " After the passing of this Act the appointment "of Members of the Legislative Council in the Province "of Nova Scotia shall be vested in the Lieutenant "Governor, who shall make such appointments in the "Queen's name by instrument under the Great Seal of "the Province".

That Chapter contains no restriction whatever as to the number of Members that may be appointed, but in the broadest terms vests in the Lieutenant Governor the appointment of the Members. I do not think that Chapter 13 refers to provisional appointments, because after it was passed there could be no such appointments: if it is not referring to provisional appointments it must be referring to regular appointments, namely of such and so many Members as could under the terms of the Commission have been appointed by the Sovereign himself. If by Chapter 13 it had been the intention

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of the Legislature to limit the number of Members it would have been very easy to have so provided.

I have referred to the Commission of the Earl of Durham because until his appointment the Council of Nova Scotia exercised both Legislative and Executive powers, but by the Commission two distinct and separate Councils were created, called respectively the Legislative Council and the Executive Council, and the Constitution of the Province as it was at the time of Confederation began then.

The Commissions and Instructions to Governors of Nova Scotia succeeding the Earl of Durham are, so far as concerns the question under discussion, practically the same as Viscount Monck's Commission and Instructions; since none of those Commissions and Instructions fixed a maximum mumber of Members that could be appointed by the Soverign I do not think it is necessary to consider any argument that might be made if any of those Commissions and Instructions had fixed a maximum number.

I am therefore of the opinion that power is vested in the Lieutenant Governor of Nova Scotia to appoint such and so many Members of the Legislative Council as he deems advisable.

Yours faithfully,

Fred F. Mathers,

Deputy Attorney General.

FFM.D

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Ottawa, March 15, 1926.

Honourable E.N. Rhodes,

Prime Minister of Nova Scotia,

Halifax, N.S.

My dear Rhodes:

I have your letter of the 11th. This is a most interesting story. Had seen in the press some days ago the account of your reply to Mr. Chisholm. It went all over Canada. I hope everybody enjoyed it as much as I did. Personally I hope you go right ahead with your policy in this matter and don't let anything stop you. I will avail myself of the first opportunity to use the material you have given me in the House.

Am hearing excellent reports of the handling of affairs down there. Your speech at the opening of the House must have been a great success.

Yours very truly,

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PREMIER
NOVA SCOTIA

March 18.

Dear Meighen.

You certainly landed me in a Devil's Cauldron it is even worse than I anticipated and that my hide is still as crisp as a cinder is due to rapid movement and a kind Providence. Hope to have a chat one of these days. although I want to get to England for a short holiday and to see

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my wife and daughter if at all possible. Meantime McCarty and his hirelings are sending poisoned darts sometimes through the hands of innocent but stupid friends.

So its fight with your back to the wall and sleep with one eye open.

Don't give Sanjum any confidence. He's dangerous and Frank Stanfield will bear watching.

Forgive brevity. am much rushed.

Sincerely yours
Edgar N. Rhodes

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PROVINCE OF NOVA SCOTIA
OFFICE OF THE PREMIER

PERSONAL

Halifax, 18th March, 1926.

Rt. Hon. Arthur Meighen,
House of Commons,
Ottawa, Ontario.

My dear Meighen:-

Thanks for yours of the 15th. It seems to me that by his action in this case Mackenzie King showed what a jackass he can be.

The procedure in connection with our policy to abolish the Legislative Council is most interesting. Perhaps you have seen the Order-in-Council passed at Ottawa,- we believe firmly that they are wrong. Many here are of the opinion, among others Senator Ross, that the Governor-in-Council has authority to dismiss, and we may or may not pass an Order-in-Council dismissing one to make a test case. In the meantime we are preparing a case to be submitted to the Supreme Court here on the two points of dismissal and appointment. The Nova Scotia Bench is weak, and to a certain extent partisan, and whatever the decision may be it will have to be passed on to the Privy Council. If we fail to get a satisfactory decision in that direction we will have to take a plebiscite. So far as I can gauge public opinion here, it is overwhelmingly against the Legislative Council, but whether we can get the people out to vote is another matter.

I have had a strenuous Session and feel a bit washed out, but expect prorogation tomorrow, which will make the third shortest Session in the history of Nova Scotia.

Sincerely yours,

ENR/OB

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075889

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Ottawa, March 22, 1926.

Dear Mr. Rhodes:

I have your two letters of the 18th instant. Do not be discouraged over Nova Scotia, you have handled the situation well. It is amazing what bull headed notions some men will take - even men of marked ability. I am exceedingly sorry the one party especially should act as he has been acting and I simply cannot comprehend it.

Mr. Black has been advising me that you purpose having a resolution put through the Legislature regarding disclosure of confidential information respecting your province by the Prime Minister here. We thought that best time for us to take action was upon information that this resolution had gone through. Mr. Black has been wiring you at my request.

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I am glad to see you are going to have a trip to England. Presume from your letter Mrs. Rhodes and your daughter are there. May you have an enjoyable time. With all good wishes.

Yours sincerely,

Hon. E.N. Rhodes, M.L.A.,
Premier of Nova Scotia,
Halifax, N.S.

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PROVINCE OF NOVA SCOTIA
OFFICE OF THE PREMIER

Halifax, 25th March, 1926.

Rt. Hon. Arthur Meighen,
House of Commons,
Ottawa, Ontario.

Dear Mr. Meighen:-

Acknowledging yours of the 22nd addressed to the Premier. After the strenuous work of the Session Mr. Rhodes was a bit washed out physically, and this morning he left for New York where he will receive medical treatment, returning to Halifax Friday, April 2nd. He has made reservations, and plans to sail from Halifax for England on the 4th. Mrs. Rhodes and his daughter will join him there.

Some of the Members here were very strongly of the opinion that a resolution should have been introduced in the House of Assembly regarding the disclosure of confidential information by Premier King. Mr. Rhodes, however, was inclined to the view that no useful purpose would be served, as the people at large would fail to realize the magnitude of the impropriety, and so no resolution was submitted.

Faithfully yours,

L W Fraser

SECRETARY

LWF/OB

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Photo

PRIME MINISTER'S OFFICE

075892

Subject

Date August 12/26 Publication Halifax Herald

UNWORTHY OF A PREMIER

IN the censored report of the Conservative Convention printed in the Government organ, Premier Rhodes is credited with the following:

> Mr. Rhodes stated, and stated deliberately, in describing ex-Premier King, that he was the most notorious "shifter" and "wriggler" and "squirmer" who had ever held high public office in Canada.

The Herald explains that "though his remarks were brief, it is doubtful if the Premier was very (ever) heard to better advantage." And this is the Mr. Rhodes who openly pledged his public honor to divorce Local from Federal politics and now repays the Liberals who voted to put him in office by ill-mannered abuse of the leader of the Liberal Party, who during the last five years has been Prime Minister or Canada. Nova Scotians heretofore have not had the humiliation of hearing any of the gentlemen who have held the office of Premier indulging in this sort of cheap partisan talk, and if Mr. Rhodes himself lacks the sense of the personal proprieties, he, at least, should have regard for the dignity and the reputation of the office he holds.

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Mr. Meighen:

On receipt of attached wire from Mr. Belley I 'phoned Mr. Foran who sent me attached memo, and I then wired Mr. Belley as per telegram also attached.

C. H.

Received

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MEMORANDUM.

See Sir James Lougheed's Secretary and get a memorandum from him re the attached wire.

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L'ÉVÉ

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58ième Année No 73 TEMPERATURE BEAU ET CHAUD. QUÉ

TAPAGE AUX ASSEMBLEES DE RIMOUSKI

Le général Fiset à trois réunions. — M. Sasseville prononce deux discours

INTERRUPTIONS

Qui a établi la conscription ? — Rouges et bleus, répond M. Laliberté.

A ST-FABIEN

(De l'envoyé spécial de l'Evénement dans le comté de Rimouski.)

Rimouski, 11.—Des assemblées ont eu lieu un peu partout dans le comté de Rimouski, hier. Le candidat libéral et le candidat conservateur ont alors croisé le fer, mais à distance. Pendant que le général Fiset parlait à St-Gabriel, M. Elzéar Sasseville, C. R., faisait ses débuts à St-Simon, vité quelques jours auparavant par Sir Eugène.

La pluie a gâté le succès des assemblées de l'après-midi et du soir. Celles de St-Gabriel et St-Fabien, qui ont eu lieu après la grand'messe, avaient attiré une assez belle affluence.

A St-Gabriel, le général Fiset a parlé avec le docteur L.-J. Moreault et M. Perreault Casgrain. Des trois orateurs, Sir Eugène est celui qui a été le mieux écouté. Le docteur Moreault a, en effet, été interrompu à quelques reprises et a eu un peu de difficultés à faire son discours.

Pendant le discours de M. le docteur Moreault, un électeur lui ayant rappelé qu'il avait promis un octroi à la commission scolaire, l'interruption fit un peu de potin pendant l'assemblée.

M. Casgrain parla ensuite et fut bien écouté.

Sir Eugène, lui, a été accueilli avec déférence, et il s'est défendu, comme à St-Narcisse, jeudi soir, des accusations portées contre lui par ses adversaires. Le candidat a été applaudi par ses partisans à la fin de l'assemblée.

Pendant que Sir Eugène Fiset parlait à St-Gabriel, M. Sasseville débuta à St-Fabien, un des châteaux-forts libéraux du comté.

Après M. Sasseville, M. Wilfrid Laliberté, C.R., avocat, de Victoriaville, apparut au bord de l'estrade et il y eut des mouvements dans la foule car des électeurs ne voulaient laisser parler que le candidat. Finalement, l'auditoire décida d'écouter M. Laliberté, qui est un excellent orateur, et fit appel à l'électorat en faveur de son confrère et ami, M. Sasseville.

L'assemblée fut plutôt paisible, mais il ne s'y manifesta pas un très grand enthousiasme. Le contraire eût été surprenant à St-Fabien bien que la candidature Fiset ait créé de la division chez les libéraux de cette paroisse. Le candidat conservateur ne fit qu'une allusion à son adversaire, disant que le général Fiset avait gagné ses plus brillantes épaulettes pendant la conscription.

Parlant du général Fiset, M. Laliberté aborda incidemment le sujet de la conscription.

—"Qui a établi la conscription ?" cria un auditeur.

—"Les rouges et les bleus", répondit M. Laliberté qui ajouta que le général Fiset avait joué un rôle trop prépondérant pendant la guerre pour faire croire tout à coup à sa neutralité sur cette question.

Cependant, l'orateur déclara qu'il ne fallait pas s'occuper de cela pour le présent, que d'autres questions beaucoup plus importantes s'imposaient à l'attention des électeurs. M. LaLiberté parla surtout du tarif et la démission des honorables MM. Gann et Mitchell.

M. Gérard Simard adressa aussi la parole.

M. Sasseville a ajourné à aujourd'hui, à cause de la pluie, l'assemblée qu'il s'était proposé de tenir à St-Simon, et il a rencontré ses amis à St-Mathieu. Les candidats repasseront dans toutes les paroisses qu'ils viennent de visiter après l'appel nominal.

Sir Eugène, le Dr Moreault et M. Perreault Casgrain ont parlé dans l'après-midi à St-François Xavier des Hauteurs et hier soir enfin à St-Donat.

Il y avait heure d'adoration hier soir à St-Donat et en sortant de l'église, les citoyens furent invités à se rendre à la salle paroissiale où le général Fiset et ses deux compagnons d'armes les attendaient.

Le candidat libéral et ses amis attendaient non sans anxiété le résultat de leur assemblée de St-Donat. Dans cette paroisse, les requêtes en faveur d'un candidat libéral qui n'a eu aucune attache avec le militarisme ont eu du succès. Elles se sont couvertes de signatures. C'est le Dr Moreault qui parla le premier:

"Je tiens tout d'abord", dit le député du comté à Québec, "à vous expliquer que le général Fiset a été choisi par une convention libre des électeurs libéraux de Rimouski et qu'il ne s'est pas imposé au comté". Et le docteur rappela les nombreuses démarches, toutes les instances qu'on a faites auprès de Sir Eugène pour le décider à prendre dans ses mains l'étendard du parti libéral pour le conduire à la victoire, le 2 septembre prochain.

Le général Fiset parla ensuite et répéta à peu près sa défense de St-Narcisse au sujet de sa participation à la guerre, de l'application de la loi de conscription et de sa pension comme sous-ministre en retraite.

"On ose comparer mon cas avec celui du juge Doherty qui touchait une pension de juge et un salaire de ministre", s'écria le général, "quand moi, j'ai versé tous les ans une somme d'argent au fond de retraite pour m'assurer la pension que je touche aujourd'hui.

"Dans cette élection", conclut Sir Eugène, "il ne s'agit pas de conscription, mais du cabinet de Meighen contre celui de MacKenzie King. Choisissez entre les deux".

M. Perrault Casgrain parla en dernier lieu et fit un appel aux électeurs du parti libéral, défendant Sir Eugène contre les accusations de militarisme qu'on lance contre lui gratuitement dans le comté.

UNE OEUVRE DE S. G. MGR LEONARD

La bénédiction du nouvel hôpital de Rimouski aura lieu mercredi prochain. Depuis le 25 novembre dernier qu'il a été ouvert, cette institution, dont le district avait grand besoin, 303 malades y ont été reçus pour un long traitement. Un grand nombre de ces malades ont été hospitalisés gratuitement. L'Hôtel-Dieu de Rimouski est l'oeuvre de Sa Grandeur Mgr J.-R. Léonard, évêque de Rimouski. Il est tenu par les Soeurs Grises. Tous les médecins de Rimouski y ont accès.

LA RECEPTION AUX MATELOTS

Le comité des finances de l'hôtel de ville cherche de l'argent.—Le programme est prêt.

ARRIVEE LE 18

Les autorités municipales n'ont plus que quelques jours pour décider quel octroi la ville va accorder au comité de réception des marins anglais. C'est lundi prochain, en effet, vers 5 heures de l'après-midi, que les croiseurs de la marine anglaise mouilleront devant Québec.

Le comité des Finances, qui doit prendre cette décision, ne se réunira pas avant mercredi, toutefois. Le président, M. le docteur P.-H. Bédard, est obligé de s'absenter de Québec pour une couple de jours. Le trésorier de la ville, M. P.-N. Verge ne sera à Québec que mercredi, lui aussi. 2 La ville de Québec se trouve dans une position assez difficile, comme l'"Evénement l'a déjà annoncé. Les fonds affectés aux dépenses contingentes sont presque complètement épuisées et la ville ne peut pas légalement prendre de l'argent affecté à d'autres fins et s'en servir pour aider à la réception des marins anglais. Le comité des Finances devra donc s'enquérir auprès du trésorier de la ville des moyens dont il pourrait se servir pour se tirer dans cette position. M. Verge a trouvé des moyens, a-t-on assuré à l'"Evénement", hier soir. Il paraît même que la ville a demandé de l'aide à Ottawa et qu'une réponse favorable est attendue de la capitale. L'octroi de la ville sera d'un millier de piastres.

Cette question de l'octroi au comité de réception des marins anglais sera donc résolue cette semaine. Le programme de cette réception est presque terminé et on en connaîtra la composition dans quelques jours. Il a été soumis au vice-amiral Field, commandant des navires qui nous visiteront.

LE METAGAMA EST SORTI

Le "Metagama" du C.P.R., est sorti samedi matin, à 11 h., de la cale-sèche de Lauzon, où il a subi d'importantes réparations. On se rappelle l'accident sérieux arrivé au navire, il y a maintenant près de deux mois. L'entaille profonde que lui avait faite au flanc le navire italien Cairo Camus, l'avait obligé d'arrêter à Saint-Jean de Terreneuve où il fut temporairement réparé avant de venir à Québec.

M. William Dow, représentant du British Board of Trade, est arrivé jeudi dernier à Québec, pour inspecter et accepter, au nom de son organisation les réparations faites au paquebot par la Davie Shipbuilding. On sait que la loi maritime anglaise force tous les navires battant pavillon britannique à subir cette inspection après toute réparation de plus de $25,000. Aucun navire ne peut reprendre la mer sans une autorisation signée et dûment approuvée par le British Board of Trade C'est le cas du Metagama.

M. Dow a déjà inspecté les travaux faits au Metagama. Dans une dizaine de jours, les travaux seront définitivement complétés, le vaisseau retournera en Angleterre pour reprendre son service régulier.

A L'ECOLE DE MEDECINE

M. le docteur J.-B. Lacroix, chargé par l'université Laval de l'organisation d'un laboratoire de physiologie expérimentale, dans la nouvelle Ecole de Médecine, est à la besogne depuis quelque temps. Les pièces et instruments du laboratoire sont arrivés à Québec. Avec M. le docteur Arthur Vallée, le Dr Lacroix s'occupe de l'examen de ces divers instruments avant que commence leur installation. Parmi les appareils reçus, il y en a de très perfectionnés pour les examens chimiques et la physicochimie.

Dans quelques jours, des ouvriers très compétents de la maison Jobin & Paquet commenceront l'installation des divers instruments. Certains de ces instruments nécessitent pour leur opération des courants électriques spéciaux.

Quant à l'Ecole de Médecine elle-même, elle sera terminée pour l'ouverture des cours en septembre. Les travaux à l'intérieur de l'édifice sont poussés très rapidement.

M. LAPOINTE RECOIT LES MECONTENTS

M. Pierre Danjou lui expose leurs craintes.—M. Paradis à l'entrevue.

SA REPONSE

Je ne trahirai pas la convention, dit le ministre de la Justice.

A RIMOUSKI

(De l'envoyé spécial de l'Evénement dans le comté de Rimouski.)

Rimouski, 11. — L'hon. M. Ernest Lapointe, ministre de la Justice, et l'hon. M. P.-J. Paradis, C.L., organisateur-en-chef du parti libéral dans la province de Québec, sont arrivés à Rimouski samedi. Au cours de la matinée, ils ont été en conférence avec le général Sir Eugène Fiset, candidat du gouvernement King, à l'élection partielle, le Dr L.-J. Moreault, député et maire de Rimouski, et d'autres amis politiques.

Dans l'après-midi, le ministre et l'organisateur-en-chef libéral furent informés qu'une délégation des libéraux mécontents de la candidature de Sir Eugène Fiset désirait avoir avec eux une entrevue. Les honorables MM. Lapointe et Paradis acceptèrent, et l'entrevue eut lieu au comité libéral, sur la rue St-Germain. Sir Eugène n'y assistait pas, mais son principal lieutenant, le Dr L.-J. Moreault, le représentait.

M. Pierre Danjou, le chef des libéraux dissidents, se fit le porte-parole des délégués et, invoquant toutes les raisons qui apparaissaient dans une requête qui a circulé depuis quelques jours dans le comté de Rimouski, il demanda qu'au nom des vieux principes libéraux le général Fiset retraitât pour faire place à M. Auguste Côté.

L'hon. M. Lapointe répondit aux délégués qu'il respectait les motifs qui les poussaient à agir, mais qu'il croyait sincèrement que Sir Eugène Fiset était un excellent candidat. "D'ailleurs", ajouta le ministre de la Justice, "c'est une convention libre qui a choisi M. Fiset, et c'est aussi un principe libéral que de respecter le choix des convention."

Les délégués, au nombre de 75 à 100, représentant plusieurs paroisses de Rimouski, continuèrent de protester: "Nous perdrons le comté s'il le faut", dirent quelques-uns d'entre-eux.

Alors le ministre exposa aux dissidents les dangers qu'il y avait à créer de la porturbation dans les rangs des libéraux de Rimouski: "Si nous perdons le comté, comme quelqu'un vient de le laisser entendre", dit M. Lapointe, "cela aura une répercussion dans tout le pays, et vous retournerez peut-être au régime que vous avez tant détesté."

L'hon. M. Paradis essaya, lui aussi, de rétablir la concorde. Il démontra aux libéraux présents tout le parti que le comté de Rimouski pourrait tirer d'un député de la trempe de Sir Eugène Fiset. A la fin du caucus, il y eut quelques cris de "Vive Fiset", cependant que d'autres délégués manifestaient en faveur de M. Côté ou même du candidat conservateur, M. Sasseville.

Les dissidents, après avoir rendu visite au ministre et à M. Paradis, eurent une entrevue avec M. Aug. Côté et il fut décidé que les requêtes invitant M. Côté à se porter candidat dans Rimouski lui seraient présentées dimanche (hier) après-midi. La présentation a eu lieu, privément, hier. M. Côté n'a pas voulu dire aux délégués s'il se présenterait ou non. Il a cependant laissé entendre à l'"Evénement" qu'il refuserait la candidature. De source fort autorisée, nous tenons aussi qu'il n'y aura pas de troisième candidat sur les rangs.

—"Dans trois ou quatre jours, vous allez assister à quelque chose de très piquant", nous a dit un chef libéral.

—"Le ralliement des libéraux mécontents à la candidature de Sir Eugène Fiset?

—"Non, la lutte par des libéraux au candidat ministériel. La convention sera respectée. Sir Eugène restera seul sur les rangs, et il sera obligé de se battre avec des rouges et des bleus. Reste à savoir quelle influence garderont jusqu'à la fin de la lutte les "irréductibles" du parti libéral. Il y a bien des gens qui ne veulent pas croire aux 4,000 signatures de M. Côté, parce qu'il n'a été donné à personne de les compter".

L'hon. M. Lapointe s'est rendu samedi soir à St-Fabien, où la population demande la construction d'un tunnel. On disait aussi qu'il pousserait une pointe à Mont-Joli, où un autre problème, beaucoup plus important, appelle une solution.

SUICIDE D'UN MALADE

Un jeune homme de Breakeyville, qui souffrait d'aliénation mentale depuis plus d'un an, a été trouvé pendu dans sa chambre au deuxième étage, vendredi dernier. La mère de la victime s'était absentée de la maison pour venir passer quelques jours chez ses parents à Lévis. Mais le jeune homme paraissait assez bien pour qu'on lui confiât la garde du logis. Vendredi soir, un citoyen de Lévis, reconduisait cette dame à Breakeyville, et l'on fut très surpris de trouver la porte fermée à clef. Un enfant pénétra à l'intérieur par une fenêtre et c'est après avoir visité toutes les pièces de la maison qu'on fit la triste découverte Le coroner Jolicoeur a tenu une enquête, samedi matin et rendu un verdict de "suicide", dans un moment d'aliénation mentale. Le défunt était âgé de 26 ans.

M. LE C VIS

Son Excelle de la province de auto la Pointe passage des Chât agréable surpris eur et madame M. et madame L ministre pendant reçut à l'heure d Pérodeau et mad che, où ils furen tion.

Dimanche assistaient à la à Cacouna, pour juge-en-chef de

Hier après- leur cottage de M. Pérodeau et tre et chez M. T lonie.

Les châtelai heure dans la nuit pour Montr

LES 500 SONT

Une intéres tion d'app die pendan des chefs

DEMAIN,

Une intéressant reils à incendie tiendra dans la sa litaires, Grande-A grès de l'Associa Pompiers du Cana di, mercredi, jeu ne comprendra pa bits, qui pourron au public des pr le système de pr cendie depuis de Les Québecois po emple, la premièr qui servit dans n les puissants boy soirs qui sont en contre les incend représentant d'u maisons de Mont part à cette expo ple, de la Imperi Co. Ltd, est arri hier soir. Dès c ra de la prépara cette importante

M. E.-N. O. H Industrial Fire bre, de ce fait, chefs de pompier rivé à Québec, hi ple, pour prendre terrogé, hier soir de l'Evénement clairé que le congr semaine serait tants que l'Associ sa formation.

Le chef A. D du feu de Verdu soir, de même qu de la brigade du groupe de chefs vinces de l'ouest ronto, sur un b Steamship, hier tendu à Québec tin. Ils seront

A L'ILE

La seconde pa entre les clubs T d'Orléans a été d'Orléans, où le un score de 30 à

L. H. LeVass C. Smith, Thetfo J. L. Aperaile Green, Thetford, R. Carrier, Or Penhale, Thetfo C. G. Dunn, chereau, Thetfo J. S. Chalmers Morrissette, The C. W. S. Dun Dick, Thetford, H. G. Perry, Dean, Thetford, P. Roussean, vis, Thetford, 0. Fred Roy, Or Thetford, 0.

C. M. Pike, O cet, Thetford, 1. Oscar Boulen E. Trignane, Th E. Idwin, Or Thetford, 0.

J. A. LaRue McCallum, Thet J. Weyman, Smith, Thetford Eugène Amyo Norris, Thetfor Orléans, 30; T

LE YACHT

Le "Sialia" Ford, le roi de l Unis, est arrivé bec, venant de passant par les réal. M. Ford compagnaient réal et se rend qu'à Sudbury, passeront quelq dant du navire, a aussi réal pour vent de fer.

Le "Sialia" ré au quai du bec dans le c Seal Harbou via Halifax

Gazette Montreal July 21/1896

RIMOUSKI BY-ELECTION

E. d'Anjou, M.P. Appointed District Registrar

Quebec, July 19.—Emmanuel d'Anjou, member for Rimouski county, in the House of Commons has been appointed registrar for the district of Rimouski by the provincial cabinet. This makes two seats where by-elections will be necessary, St. Antoine division is already without representation since the resignation of Hon. W. G. Mitchell.

The new registrar succeeds the late Edouard Letendre, who, appointed in 1894, died a few months ago.

Mr. d'Anjou has been member for Rimouski for a number of years and is recognized as a good debater. He is a former student of Laval University and was returned for the Federal house in 1917.

It is understood that the by-election in Rimouski will be postponed until the fall when Amedee Caron, advocate, son of Hon. J. E. Caron, Minister of Agriculture, is mentioned as a possible Liberal candidate. Conventions will be held in the course of August and much interest is manifested in the official choice.

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Gazette Montreal July 23/24

675897

POSSIBLE CANDIDATE

Maj.-Gen. Sir Eugene Fiset May Run in Rimouski

Ottawa, July 22.—An interesting rumor is in circulation in political circles today to the effect that Major-General Sir Eugene Fiset, D.S.O., and formerly deputy Minister of Militia and Defence, will be the Liberal candidate in Rimouski county where a vacancy exists due to the appointment of Mr. D'Anjou, M.P., to a position in the Quebec Government. General Fiset retired about a year and a half ago from the position of deputy minister owing to ill-health, and returned to Rimouski to live with his family. It is understood that he has now regained his health and would not be disinclined to resume activity along the lines of membership in the House of Commons. General Fiset's father, the late Senator Fiset, was a well-known political leader in Quebec, having represented Rimouski in the Commons for many years, and it would be but natural that his son would follow in his footsteps. The General is at present at Rimouski, and a candidate will be chosen shortly.

General Fiset has had a long and distinguished military record, having served with the Canadian contingent in South Africa where he won the Distinguished Service Order. He was appointed Deputy Minister of Militia and Defence by Sir Frederick Borden, and continued to serve in that capacity under the following ministers, Sir Sam Hughes, Sir Edward Kemp, Major-General Mewburn, the Hon. Hugh Guthrie, and the Hon. George P. Graham. In collaboration with Sir Sam Hughes, General Fiset rendered notable services in the formation of the First Canadian Contingent, which left Valcartier in 1914, and in the organization of the great army which eventually left Canadian shores.

The unceasing hard work which General Fiset undertook during the war undoubtedly led to a breakdown in his health and to his eventual retirement from the Militia Department. He was regarded in his department as a good soldier and a capable administrator. For his war services, he was knighted by King George at the end of the war.

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/

075898

Private

THE SENATE
CANADA

Perce July 27th 1924

Dear Mr Meighen.

I rec'd a note from Sen. Webster saying you desire a personal report from me on the Rimouski Situation

I have been in touch with Messrs Belley, Audet & Roger ever since the opening of the County. Mr Belly said he was going down immediately with Audet, but understand Audet went alone.

My first suggestion to them was to closely survey the field but not to commit themselves immediately with any proposed candidate-

Should Gen. Fiset be the Gov'l standard bearer, I would be of opinion not to oppose him. You might make a pronouncement that in recognition of his splendid work during the

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THE SENATE
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war, the official opposition is willing to allow him to be returned unopposed.

This should help us morally in the Country at large and, take my word, will do us a lot of good in Quebec in more ways than one.

I will be very much surprised if Sen Fiset proves himself to be a mere follower of Guy and Lafontaine and does not take a broad view of public questions irrespective of party lines.

If the Gov't chooses another Candidate, then pressure should be brought to bear upon General Fiset to run as an independent with our support.

Failing any of the above two

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possibilities, then I would suggest fighting the contest with the best available man, although I do not see the slightest chance of winning the contest. But, if a fight is made, it should be made seriously with a view of reducing considerably the majority against us at the last election.

I have not as yet received any conclusive report from Andet. I have asked Messrs Royer, Bechard and a few others to be prepared to help should a contest be decided upon.

Excuse the poor writing. I have no "typo" here

Yours Sincerely

D. O. Lefrancois

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Gazette Montreal July 28/24

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OFFER TO GEN. FISET

Ex-Deputy Minister Said He Had Opposed Conscription

(By Canadian Press.)

Quebec, July 26.—That he had never approved conscription and that he had taken all possible means of obtaining exemption from compulsory service for theological students was the feature of declarations made to a delegation which waited on him yesterday to offer him the candidacy at the coming by-election in Rimouski by General Sir Eugene Fiset.

Over one hundred leading residents of the town of Rimouski called on the former Deputy Minister of Militia at his summer home in the town and expressed their desire to see him accept the official candidature as Liberal standard-bearer in the contest rendered necessary through the resignation of Emmanuel d'Anjou.

However, they added that a declaration regarding his attitude on the enforcement of the Military Service Act might be of great moment, due to the fact that as Deputy Minister of Militia he had had much to do with the enforcement of that law.

The answer is alleged to have been given as above, the General stating that he had only carried out his instructions as a member of the Government.

The Liberal convention will be held in a few days and not until then will the official choice of a candidate be known.

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CLASS OF SERVICE	SYMBOL
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Night Message	Nite
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THE OTTAWA JOURNAL
Journal Publishing Company of Ottawa, Limited.
WEDNESDAY, JULY 30, 1924.

075993

THE CASE OF GENERAL SIR EUGENE FISET.

Major-General Sir EUGENE FISET, for some years Deputy Minister of Militia in Ottawa, is said to be considering the acceptance of the Liberal nomination for the Rimouski seat in the House of Commons made vacant through the resignation of EMMANUEL D'ANJOU.

That raises again in rather pronounced manner the question whether civil servants who have resigned and who are in receipt of superannuation allowance should be permitted to enjoy that allowance and at the same time receive a sessional indemnity of $4,000 as member of Parliament.

General FISET was born in Rimouski in March, 1874, so he is just fifty years of age. That certainly is not too old to prevent him entering Parliament and doing good work. By the same token, if not too old for active work in the House of Commons, is Gen. FISET too old for active work in the Militia Department?

If it be held that he is not too old for these positions, does it seem fair that he should receive a pension from the Militia Department, paid by the people of Canada, amounting all told to $6,000 per annum?

We can well believe that, at 50, General FISET who has led an active life and been a public figure finds it rather a bore to do nothing down in Rimouski, even with a never failing cheque every month from Ottawa of $500. If he can find some pleasant and not too arduous and exacting work in Ottawa, where he has many friends, and increase his annual income from the public exchequer to $10,000, and pickings such as railroad passes, who shall blame him? And there are precedents where gentlemen did rather well for themselves in a similar manner.

Several million people in Canada would, however, we are sure, express rather strong opinions against practices of this sort, and there are some, doubtless, who would denounce the proposal in regard to Gen. FISET as an outrage.

THE JOURNAL would take a rather more moderate view. General FISET is undoubtedly an able man—perhaps above the average of members of Parliament. It is possible that any other man Rimouski might send to Ottawa would be considerably below his standard of qualification. That being the case, perhaps it would pay better to give General FISET the $4,000 indemnity.

But we are brought back again to the $6,000 superannuation that presumably a grateful country pays Gen. FISET for having lived to be 49 years old in its service. We suppose, according to the generally accepted theory in these parts about individual transactions with the Government, it is all right if he can "get away with it." There will be those quite ready to condone with Gen. FISET, even to congratulate him on his business acumen. But for ourselves we have a suspicion that the thing is not right and that something should be done about it, that civil servants who resign to private life with large superannuation allowances should be made to stay put.

The despatch that announced General FISET's probable future career in Parliament said that over one hundred leading citizens of Rimouski in a delegation expressed their desire to see him as their candidate at the byelection.

> "However, they added that a declaration regarding his attitude on the enforcement of the Military Service Act might be of great moment, due to the fact that as Deputy Minister of Militia he had had much to do with the enforcement of that law."

The answer General FISET is reported to have given—we are relying on a newspaper despatch—was:—

> "That he had never approved conscription, that he had taken all possible means of obtaining exemption from compulsory service for theological students, and that he had only carried out his instructions as an officer of the Government."

We are not going to discuss that answer because believing that his listeners would be confined to the good citizens of Rimouski whose favor he desired to enlist, possibly General FISET said rather more than he would care to see in print. But we are free to confess that, coming from the gentleman who was vice-president of the Defence Council all through the war, General FISET's verbal bid for the votes of the people of Rimouski will be as distasteful to almost as many Canadians as the idea that he should continue to draw at one and the same time a superannuation allowance of $6,000 per annum and a sessional indemnity of $4,000.

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