START

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADA

MICROFILMED
BY
CENTRAL MICROFILM UNIT
PUBLIC ARCHIVES
OF
CANADA
OTTAWA, ONTARIO

MICROFILMÉ
PAR LE
SERVICE CENTRAL DU MICROFILM
ARCHIVES PUBLIQUES
DU
CANADA
OTTAWA, ONTARIO

7/11/1968 DATE

REDUCTION 15

J Quinn OPERATOR OPERATEUR

EXPOSURE EXPOSITION 76

ARC-178(1/66)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

R022
-94-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS

Series 5

(M.G. 26, I, Volume 189)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120558

APPENDIX I

THE DEVELOPMENT OF TRANSPORTATION IN CANADA

Transportation in Relation to Physical Features and Population

Transportation in Canada—whether by water, road, rail or air—is, and always has been, dominated by the physical geography of the country. The position of mountains, lakes and rivers; the distribution of mineral wealth; the location of good agricultural land; and the varying nature of the climate have dictated both the placing of settlements, and the lines of communication. With an area of 3,684,723 square miles Canada is a very large country; thirty times as large, for example, as the British Isles. While a large portion of this area has at present no need for established transportation services, the main lines of communication are required in the most heavily populated districts, which stretch in a broken and comparatively narrow fringe along the four thousand miles of the southern boundary.

Of necessity, then, the principal transportation routes are of relatively great length. In addition, they pass at intervals through country which by its character creates natural obstructions. In relation to roads such obstructions take the form of mountainous areas or water barriers; and, in relation to water routes, falls and rapids or complete breaks in the chain. The most significant obstacles, however, are those in the path of the transcontinental railways. The maritime provinces of the Atlantic Seaboard are separated from direct access to the central industrial areas of Quebec and Ontario both by the northern part of the State of Maine and by the sparsely settled upland forest that runs towards the St. Lawrence.

Near where the vast waterway formed by the St. Lawrence and the Great Lakes makes its contact with the edge of the western plain, two thousand miles inland from the Atlantic, occurs the second major obstruction to communication overland. Reaching north from lake Superior to Hudson's bay, a stretch of country broken by rock and lakes, nearly eight hundred miles in width, divides Eastern Canada from the prairie. That this sparsely inhabited region forms part of the great pre-Cambrian shield, which is now beginning to provide an important source of mineral wealth, makes it none the less a continuing hindrance to the economical operation of transportation overland.

These largely undeveloped and sparsely settled lands north of lake Superior form, in fact, not only the central, but the chief obstruction to the east and west channel of communication upon which depends the political no less than the economic vitality of Canadian Confederation. For while the third great barrier, the mountain range, or rather the four ranges, five hundred miles in width, of the Cordillera System which separate the western plain from the Pacific ocean, present, as an obstacle of nature, by far the most imposing appearance, they do not present, from an economic point of view, as serious an obstruction as does the vast area, wooded and mineralized, that cuts Canada in two. This region, largely barren from the transportation standpoint, constitutes an unproductive traffic bridge of exceptional length and ruggedness.

While the physical conditions in Canada thus create serious problems for the construction and operation of railways, the waterways offer a ready method of transportation. Disposed by nature for east and west communication, the rivers and lakes are, and always have been employed for this purpose; but

120559

their use is limited by a comparatively severe climate. Navigation, even in the most southerly districts, can be maintained for less than two-thirds of the year. As a further limitation there have already been mentioned the presence of rapids and falls, and the lack of natural communication between one waterway and another.

Thus the fundamental problem of transportation in Canada may be traced to two principal and related factors: the population is relatively small, and is spread over a long stretch of territory; and to connect the settled areas, railways must overcome great obstacles reared by nature.

Early Methods of Transportation

The water routes which led the French explorers, settlers and fur-traders into Canada, remained throughout the French regime the chief means of communication for men and goods. The birch-bark canoe, the river boat and the lake sail-boat were all suitable to a land of rivers and lakes, on the shores of which began the limitless forests. Roads, however, were also necessary to connect the settlements, and these were early begun. In 1734, the fist continuous road between Quebec and Montreal was opened, and the mails followed this route.

The loyalists of the American revolution, the first British immigrants to enter Canada in any large numbers, followed, too, the St. Lawrence route. Passing beyond the French settlements on the river, they gradually opened districts on or near the shores of lake Ontario. For half a century the building of roads was continuous, but the results were far from satisfactory. The rough "corduroy" road was, whenever possible, superseded by planked or macadam roads, but these, being expensive, remained rare. In all settled parts of Canada through roads were opened, though the surfaces were bad and the grades heavy. Many of the roads were little more than forest trails. The Kempt Road, connecting the Saint John, New Brunswick, with Quebec, traversed 455 miles, but as late as 1840 it was often impassible over long stretches. In 1817 a stage service was begun between Montreal and Toronto, but the discomfort was considerable, and the cost was high—from Toronto to Kingston alone the fare was $18. This high cost of transportation affected freight as well as passenger traffic, with the result that, though roads were built for military purposes and to connect inland districts in all the provinces, road travel long remained slow, uncomfortable and expensive. But, with all their weaknesses, the roads were constructed as a necessary means of communication between localities, between provinces, and with the ocean ports and the United States. By 1830 there were some 6,000 miles of post road. Up to 1841 the provinces of Upper and Lower Canada alone had spent two million dollars in aid of road construction, and had also guaranteed interest on the obligations of some of the many turnpike trusts.

In all parts of Canada in which it was feasible, transportation by water was used as an alternative to that by road. On the St. Lawrence and on the waterways used by the Hudson's Bay Company, *bateaux*, Durham boats and York boats were an ordinary method of travel. On the Great Lakes sailing boats of various types continued to increase from the days of French rule. In the maritime provinces, coastal schooners were, of course, common.

Inland Lake and River Steamers

Though sail-boats continued to flourish for many years the invention of the steamboat greatly added to the comfort of travelling. In the year 1809, the steamer *Accommodation*, with some assistance from horse towage at difficult

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

120560

points, made its first halting trip from Quebec to Montreal. In 1816 the first steamboat in the maritime provinces made its appearance on the St. John river. By 1837 the lower St. Lawrence boasted in the *Canada*, the largest and fastest steamer in North America; and lake Ontario enjoyed a service of steamers that, for speed and comfort, compared favourably with anything on the continent. Indeed, the twenty years that had succeeded Fulton's first demonstration on the Hudson had witnessed a development in inland steam navigation that not only brought to a country with such extensive waterways as Canada's an entirely new outlook in transportation, but actually an approximation to perfection in the instrument itself. Judged even by present-day standards these early lake and river steamers had already achieved speed, safety, and a high degree of comfort.

Development of the Waterways: Canals and Portage Railways

The wide use of the steamer, together with the increase of population and of industry, brought with it a demand for the construction of canals to permit the uninterrupted utilization of the inland waterways. Hitherto canalization had been confined to the provision of an occasional shallow work to facilitate the passage of the Upper St. Lawrence *bateaux* at points of special difficulty. The advent of the steamer now revealed the possibilities of enlarged operations; but the first important undertaking deliberately avoided the direct, main channel. Military considerations arising out of the War of 1912, inspired the selection of the more secluded, triangular, and restricted route of the Ottawa river and the Rideau lakes as a line of communication between Upper and Lower Canada, and the work, carried through at the expense of the Imperial Government, and completed in 1832, for a time diverted much of the through traffic from the St. Lawrence. The completion of the post-road from Montreal to Kingston, utilized in conjunction with the navigable reaches of the river as a composite route partly by land and partly by water, restored much of this traffic to the St. Lawrence even before the difficult work of canalization was completed; and when, in 1841, the union of the provinces made possible a complete canal system nine feet in depth on the direct route of the Upper St. Lawrence, the issue was placed beyond doubt. Henceforth the tortuous, small-scale route of the Rideau system continued steadily to decline in importance, while the St. Lawrence continued to expand.

Meanwhile, as settlement spread further west beyond lake Ontario across the Niagara peninsula to the Huron Tract, a demand had arisen for a canal that would provide a passage from lake Ontario to lake Erie around Niagara falls. This most formidable obstacle to the continuity of inland navigation, which had involved the transhipment of all supplies for the western settlements across a portage twenty-seven miles in length, had been surmounted in 1829 by the completion of the first Welland canal, which gave a depth of eight feet. Wood was used for the locks and sides. So that, prior to the advent of railway operation in Canada upon a commercial scale, the development of inland navigation had proceeded to a point where it provided an uninterrupted channel of communication from the tide-waters of the lower St. Lawrence to the most remote settlements on lake Huron.

As an alternative method of overcoming the obstacles of the great falls and rapids on the St. Lawrence System, portage railways were for some years employed to transport goods around the break in navigable water. The first experiment of this kind—actually the first steam railway in British North America—was the Champlain and St. Lawrence, opened in 1837, which ran from La Prairie on the St. Lawrence to St. John on the Richelieu river, thus facilitating the movement of passengers and freight from Montreal to New

120561

York. In accordance with its purpose the railway was only operated during the navigation season. Further lines of the same nature were later built, such as the Montreal and Lachine (1847), which ran the eight miles around the Lachine rapids, and the Erie and Ontario (1854) which ran from Chippewa to Niagara-on-the-Lake.

The First Railway Era: The 'Fifties

In 1850 the steam railway mileage of Canada amounted to only 66 miles of primitive and fragmentary line. For all its economy and natural advantage, a system of transport that depended primarily upon inland waterways presented serious shortcomings in a country exposed to a winter climate of sufficient severity to interrupt navigation for nearly half the year. As a substitute, particularly in the spring and fall, the rough unsurfaced highways of those days were totally inadequate to the growing colony; and it is said that, with the forming of the ice on the river, the prices of produce in Montreal used to double. During the 'forties the early "experiments" in Canada, together with the more ambitious performance in England and the United States, showed that steam railways were more than a mechanical novelty; and the new method of transportation offered nowhere greater possibilities of usefulness than in Canada with its long distances and scattered population. Together with the realization of the importance of railways came the willingness of the various governments to assist financially a means of transportation that was increasingly seen to be essential to the development of the country. The ten years from 1850 to 1860 saw a remarkable outburst of construction, and an even greater activity in promotion, chartering and stock-jobbing.

The support which the governments brought was more than financial; for the statesmen as well as the financiers and builders began to take an active part in the furtherance of railway projects. Government guarantees, in various forms, became the order of the day; and thus railways were almost from the first, like roads and canals, matters of national concern. In Nova Scotia and New Brunswick ambitious plans were drawn, but in spite of the energy of Joseph Howe sufficient financial assistance could not be obtained. Neither of the two rival plans—a line from Halifax to Quebec, and a line from Halifax to Portland—was actually constructed for more than a few miles. In the Province of Canada the results were more tangible. Francis Hincks was the chief driving-force in the government, while the willingness of the great English contracting firm of Peto, Brassey and Company to undertake construction and find part of the capital was a further factor making for success. Lines, variously financed, were struck out in several strategic directions: the Northern Railway joined Toronto and Collingwood (on Georgian Bay) by 1854 and so facilitated travel to the upper lakes and far west. After many delays the Great Western was pushed through, so that in 1860 it operated lines from Toronto and the Niagara river to Sarnia and Windsor, and from Windsor through American territory to lake Michigan.

Origin of the Grand Trunk

But the most important railway project of these years—both in its original plan and further development—was that of the Grand Trunk Railway. Various proposals for route, management and financing were made, but finally one was adopted and appeared in the glowing prospectus of the new company, issued in London early in 1853. This promotion called for the construction or operation of 1,212 miles of road, extending from Sarnia, through Toronto

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

5

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120562

and Montreal to Trois Pistoles in Canada East (province of Quebec) and to Portland, Maine, by lease of the Atlantic and St. Lawrence Railway. The project was backed by government guarantee.

One-half the shares and debentures were offered at once and heavily oversubscribed. Construction of new line was begun, and arrangement made for the acquisition or rental of certain existing lines. By 1860 the first program was more than carried out, giving the Grand Trunk a direct line from Sarnia through the length of southern Ontario to Montreal. There it divided: one line going southward to Portland, Maine, and the other along the St. Lawrence to Riviere du Loup.

End of the First Period of Construction

By 1860 the force behind early railway construction in Canada was exhausted and a pause ensued. In the decade 1850-1860 there had been added almost exactly 2,000 miles of road in operation to the humble total of 66 existing in 1850.

Constructed, in the case of the Grand Trunk particularly, to a standard intended to be high, with costly adjuncts such as the Victoria bridge at Montreal, and traversing to a great extent a settled community, the early railways of central Canada were not so much "development roads" as colonial counterparts of the first trunk lines of Great Britain and Europe. Long sections of their routes paralleled existing highways—then no disadvantage—but their main lines, to follow the belt of population, had to hold to the general course of the great waterway, then their principal competitor, which the Government continued periodically to deepen and improve. Nearly all of them suffered, too, from the defect of absentee direction; for, even in the case of the Grand Trunk, the initial arrangement for Canadian representation on the board of directors gave way, in time, to control from London. Confronted with these difficulties the wonder is, not that they failed to prosper, but that they succeeded generally in avoiding the receivership soon to become so prevalent in the United States. All things considered, the Grand Trunk especially constituted a noteworthy achievement; involved in a ceaseless contest with the railways of the then American West whose through traffic it sought to tap (though still dependent upon them for its connection with Chicago), handicapped at the outset by differences of gauge, and duplicating in part the line of its principal local rival, the Great Western, the Grand Trunk yet succeeded in supplying Central Canada before Confederation with an extensive and on the whole effective railway service.

Confederation and Transportation

For services of transportation, the provinces of Nova Scotia, New Brunswick and Canada (Quebec and Ontario), which were federated into the Dominion of Canada in 1867, brought roads, waterways and canals. The roads, which remained under the control of the provinces, had developed both in quantity and quality, but in neither were they adequate for through transport, for, though stage coaches plied over certain main highways, no motive power for quick road transportation had yet been discovered. The waterways had been to a large extent made available for through communication by means of canals, the total expenditure on canals before 1867 being $20,692,244. The mileage of the railways and the principal routes have already been mentioned. The total capital expended on Canadian railways in the period ending in 1867 was $147,817,217. Of this expenditure $11,054,000 was in Nova Scotia and New Brunswick and $136,763,217 in the Canadas. In these latter provinces the investments by municipalities in railway enterprises amounted to $5,867,000. As the direct contributions of the two Canadas amounted to $20,264,800 the sum of $116,498,417 will be seen to have been provided from other than government sources.

P 8 C/02-0563

The British North America Act of 1867 joined the older provinces in a political union; it remained, however, to make that union a reality both politically and economically. One of the principal means towards this national end was the development of transportation to a state in which all the provinces had easy communications with each other. As has been mentioned above, transporation in Canada was never wholly disassociated from government enterprise; but political union made possible for the first time a national policy towards transportation, which is best expressed in the original meaning of the phrase "political economy."

Jurisdiction and Administration

It was provided by the British North America Act that all transportation agencies, the operations of which extended beyond the confines of any province, should be subject to the jurisdiction of the Parliament of Canada, while those operating within any one province should remain subject to provincial jurisdiction.[1] Railways are chartered either by the Parliament of Canada or a provincial legislature. In the early years of the Dominion responsibility for the construction and operation of government railways and the general oversight of private railway enterprises lay with the Department of Public Works; but at the time of the completion of the Intercolonial Railway, and the consideration of a Pacific Railway, it became necessary to set up a separate Department of Railways. Because of the relation of the problems of railways and waterways, the construction of canals was also placed under the new department. Improvements in channels below Montreal were placed under the jurisdiction of the Department of Marine, and improvements in Canadian waters above Montreal under the Department of Public Works.

Canals, after Confederation

Though the most spectacular developments in transportation in the era after Confederation were in railway building, the improvement of the waterways system was pursued with similar object. Confederation, operating in a political sense, produced the strongest incentive to the development of the one natural channel of communication possessed by the new Dominion.

Agricultural expansion in the middle west, operating commercially and in a manner similar to its effect upon the strategic location of the Grand Trunk, prompted an expansion of the waterway that would attract to the Canadian route the export grain traffic of the mid-western States, and thus neutralize the diversion, not only of American, but of much Canadian traffic through the Erie canal to New York.

Under the influence of these factors a further enlargement of the connecting canals in the Great Lakes-St. Lawrence System was undertaken, the deepening of the Welland canal to twelve feet being commenced in 1871 and a further deepening to fourteen feet being decided upon in 1875. Work on the St. Lawrence canals lagged somewhat behind, but before the close of the century the whole connecting canal system had been enlarged to a minimum depth of fourteen feet, at a cost to the Dominion Government of approximately $100,000,000.

As a bid for the American grain trade the work of enlargement, however, proved largely ineffective. The draught of the upper lake freighters increased faster than the depth of the Welland canal; and these larger vessels, which the Welland canal could not accommodate, enjoyed an ascendancy in the matter of rates. Moreover, all grain vessels discharging at American ports enjoyed an additional advantage in the availability of return cargoes of coal. So the bulk of the grain trade, instead of following the Canadian route to Montreal,

[1] Imperial Statute, 30 and 31 Victoria, Cap. III, Section 92.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120564

either descended the Erie canal under the inducement of reduced tolls or moved by American rails to the port of New York, the attraction of whose diversified shipping, then as now, exercised a potent influence upon the flow of export grain.

No substantial change in this situation, either from the point of view of the flow of the grain trade or the capacity of the canals connecting the Great Lakes, occurred until after the turn of the century, when the expansion of the Canadian West was to result not only in an increased outflow of export grain through Canadian channels but was to involve the further enlargement of facilities for inland shipping.

Inland waterways in Canada have never failed to offer an effective competition to railways in the carriage of heavy freight. The presence of great rivers and lakes, forming almost an uninterrupted passage from the Atlantic to the western prairies, accounts for the continuance of water transportation. Whereas in some other countries—England, for example—the value of canals almost disappeared with the development of railways, in Canada there have been needed only short canals to make navigable those sections of the waterways that were obstructed in one way or another.

Intercolonial Railway

The promise of railway construction formed an integral part not only of the arrangement of 1867 but also of the terms on which Prince Edward Island and British Columbia later entered the Dominion.

In relation to Prince Edward Island no more need be said than that the adoption by the Dominion Government of the railway debt and the guarantee of a year-round ferry service were two of the reasons that brought the island into the federation in 1873.

The failure of the early attempts to secure a line from Halifax to Quebec has already been mentioned. One of the arguments which successfully carried the confederation project in the maritime provinces was that a railway joining them to Central Canada could and would be built. The promise was written into the Act of 1867,[1] and the long cherished hope soon became a reality.

For this formidable undertaking, there was selected, largely at the instance of the Imperial Government, which had agreed to guarantee a loan, the long circuitous route of the Royal Engineers' Survey of 1847. This route, its supposed military advantage emphasized by certain incidents of the American Civil War, represented the most distant practicable arc from the American border. In other respects, however, the so-called military survey suffered by comparison with the more direct routes—one approximating that of the National Transcontinental of nearly fifty years later, another projected to descend the fertile valley of the St. John. Thus excessive length and costly construction were added to the economic difficulties of bridging the unproductive gap between Central Canada and the Maritimes, and any real prospect of profitable operation was excluded from the start.

Completed in 1876, from Truro where it connected with Halifax, to Riviere du Loup where the Grand Trunk gave it access to Quebec and Montreal, the Intercolonial added some 700 miles of railway, and its cost brought the amount to which public credit was involved in railway construction at that time, to considerably over $100,000,000. Subsequent extensions, and operation by the Government upon a generally unprofitable basis have since added greatly to the investment represented by the Intercolonial. The line constituted in its inception, however, and remains to-day an essential national undertaking. Besides forming the original link in what has since become the extended and multiple chain of railway communication that connects from east to west the

[1] Section 145.

120565

geographically disjointed belt of Canadian Confederation, the Intercolonial continues to serve as the principal purely Canadian outlet, available throughout the year, to the Atlantic seaboard. So if to-day the Intercolonial, forming with the National Transcontinental Railway the eastern lines of the Canadian National System, seems to present many of the aspects of commercial failure, it should be remembered that its economic defects are to a great extent inseparable from an origin that had its roots, and remains rooted, in the broader considerations of public policy.

Initial Projects for Western Development

The Intercolonial formed the eastern arm of the railway link between the sections of Canada. In 1869, two years after the original Act of Confederation, the vast western territory that had formed the preserve of the Hudson's Bay Company was acquired. This addition had long been a dream of certain far-sighted Canadians, as had been its corollary, rail connection with Central Canada. The Red River rebellion which broke out on the initiation of government land surveys in the new territory drew attention to the difficulties of transportation. Unless use was made of American railways, the new west could only be reached by rail to Georgian bay, and thence by alternate boat and waggon transport.

The immediate pressure towards a Pacific railway came, however, from the terms on which British Columbia joined the Dominion, for one of these called for the commencement within two years, and the completion within ten, of a railway from the Pacific to join the existing railway system of Canada.[1] The Canadian Government decided that the road should be built by private enterprise, and towards that end made arrangements with a private syndicate, largely Canadian in its direction. Before these arrangements could be put into effect, however, the ministry resigned, partly because of its relations with the syndicate, which then voluntarily gave up its charter.

The succeeding administration of Alexander Mackenzie, hampered by the economic depression which began in 1873, made slow progress. Having failed to interest other capitalists to undertake the work, the government undertook the construction as a public enterprise of the Pacific railway, building first only those sections which could be integrated with the waterways to form a line of communication.[2] The plan implied modification of the agreement with British Columbia and protests were made. Finally Lord Carnarvon acted as arbitrator, and on November 17, 1874, he gave a decision, which was in part that the railway should be completed from the Pacific coast to the western end of Lake Superior by the end of 1890.

The Initiation of the Canadian Pacific

In 1878 Sir John Macdonald once more came back into power, and the Pacific railway became one of the primary interests of the new government. For two years construction by the Government was continued, attempts to interest either the British Government or the Grand Trunk having failed. In 1880, however, the Government was successful in signing a contract with a syndicate (later known as the Canadian Pacific Railway Company) for the construction of a Pacific railway. By the terms of the contract, which was signed on October 21 and laid before Parliament in December, the syndicate was given free the 710 miles of track constructed or under construction by the Government, and representing a cost of $37,791,435; a cash subsidy of $25,000,000; a land subsidy

[1] See the Imperial Order in Council of May 16, 1871.
[2] 37 Vic., Cap. 14.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120566

of 25,000,000 selected acres;[1] exemption from import duties on materials for construction, from taxes on land for twenty years after the patents were issued and on stock and other property for ever; exemption from regulation of rates until 10 per cent per annum was earned on the capital; and a monopoly clause by which the Canadian Pacific was practically freed from competition between its line and the American border.[2]

Although encountering financial difficulties of a serious nature, which necessitated further assistance from the Government in the shape of loans amounting to $35,000,000 the railway was completed (to the accompaniment of a further rising of Indians and half-breeds) in, roughly, half the stipulated time; and, in 1886, it began to operate as a complete link between Eastern Canada, the prairies and the Pacific coast.

Development of the Canadian Pacific in the East

To secure a through haul and the full benefit of its enterprise, the Canadian Pacific had now to expand in the East, or remain, in the words of its first president, a body without arms, dependent upon the charity of its principal eastern antagonist. The Grand Trunk had, in fact, now assumed, after its absorption of the Great Western in 1883 (following ineffectual efforts in pooling and co-operation) the dominating position in eastern transport; and it now opposed with every means at its disposal the development in the east of the new railway. A second burst of railway construction in Ontario in the "seventies" had created a considerable independent mileage, for the acquisition of which the Canadian Pacific and the Grand Trunk proceeded to compete; and by 1890, little remained that had not been absorbed by one or other of the two principal antagonists. Thus, by purchase, as well as by new construction, the Canadian Pacific expanded its eastern interests to include a continuous system through southern Ontario and Quebec, a link with the maritimes through Maine, a winter port at St. John, N.B., and control of the Dominion Atlantic Railway of Nova Scotia. The construction of hotels, and operations in inland, coastal, and ocean shipping, both on the Atlantic and the Pacific followed.

While providing facilities in eastern Canada, on the whole less extensive than those of the Grand Trunk, the Canadian Pacific enjoyed the advantages of a long haul, low initial cost, and an energetic management, which soon put it in a position of financial strength to which the older company, with its handicaps of heavy capitalization, absentee direction and restricted territory was never able to attain.

Projects of Further Construction in the West

While additional mileage continued to be added in the industrial districts of Central Canada, the next important stage in the development of Canadian railways—and indeed of Canadian transportation as a whole—came with the decision to construct further transcontinental lines.

There were several reasons which suggested such additional lines. Some dissatisfaction existed in the west over the lack of railway competition, the strong desire for which was shown when the Manitoba Government, following the virtual abrogation in 1888 of the monopoly clause in the Canadian Pacific's charter in consideration of a Dominion guarantee of interest on a bond issue of

[1] Of this 6,793,014 acres were later returned in exchange for a cash subsidy of $10,189,521. Later grants totalling 1,710,400 acres were made, and subsidiaries which later formed part of the C.P.R. received grants totalling 6,139,963 acres. The original grant was given in alternate sections of 640 acres, 24 miles deep on each side of the railway from Winnipeg to Jasper House. Sections unfit for settlement and deficiencies were made up between 49th and 57th parallels or along branch lines.

[2] 44 Vic., Cap. 1.

120567

$15,000,000 by that railway, hastened to arrange for an extension into Manitoba of the Northern Pacific. A further reason was the growth of immigration and business that came at the close of the century with the end of a long period of depression. The number of immigrants, which fell to 16,835 in 1896, gradually rose again, reaching 128,364 in 1903 and continuing to climb. This increase was, of course, in part a result as well as a cause of railway construction. Industry in general, however, got a new impetus; agricultural production, for example, increased by 36·8 per cent and manufactured products by 142·3 per cent in the first decade of the twentieth century. Coming as it did after a number of lean years, the improved situation led to general optimism.

There existed two railways which were anxious to take advantage of the business arising out of the growth of the west. The proposal came from the Grand Trunk that that company should reach out to the prairies by leasing lines from Chicago (its western terminus) to Winnipeg, and build thence a line to the Pacific. The proposal, however, was not acceptable to the Government as not providing a Canadian route and in fact the final move came on the part of a young rival, the Canadian Northern (to use the name adopted somewhat later). This line had its origin in the enterprise of a remarkable partnership in railway construction and operation—the firm of Mackenzie and Mann, who pieced together a series of lines in Manitoba, beginning in 1895 with a short line chartered as the Lake Manitoba Railway and Canal Company, and including a lease of the Manitoba extension of the Northern Pacific. Aided by the various governments the Canadian Northern was completed from Winnipeg to Port Arthur by 1902. In spite of the freedom with which governmental assistance was given, the original portions of the road were constructed, equipped, and operated with great economy.

Monopoly and Freight Rates

The objections raised against railway monopoly in the West had, as has been seen, been partly met by the abrogation of the Canadian Pacific's monopoly of territory and the beginnings of competitive lines. Another provision of the Canadian Pacific charter that aroused increasing apprehension was the one under which Parliament had agreed to abstain from regulating freight rates and tolls on the western main line in such a way as to reduce the net earnings of the company to an amount less than would be sufficient to permit the payment of an annual dividend of ten per cent upon its ordinary shares. In point of fact, at the time of the granting of the Canadian Pacific charter, there existed in Canada no adequate machinery for the regulation of rates. Not until 1888, did Parliament, following the example of Congress in relation to the Interstate Commerce Commission, see fit to grant certain restricted powers of rate regulation to the then existing Railway Committee of the Privy Council. From this supervision the terms of its charter exempted the Canadian Pacific; and it was not until 1897 that modification of the company's charter rights in respect of rates was secured by means of the famous Crow's Nest Pass Agreement.[1] Under this agreement the Canadian Pacific undertook, in return for a Government subsidy of $3,360,000 on the construction of a line from Lethbridge to Nelson over the Crow's Nest pass, to make, as of January 1, 1898, certain reductions in the rates on specified classes of freight and merchandise westbound from points east of the head of the Lakes to points west thereof on the main line; and, on eastbound shipments of grain and flour from points west of the head of the Lakes to points east thereof, to make a reduction of 3 cents per 100 pounds. Eventually these Crow's Nest pass rates, extended to all railways, were to form the basis of the western freight rate structure. Mean-

[1] 60-61 Victoria, Chap. 5.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120568

while on the Crow's Nest pass line itself the Canadian Pacific agreed that rates should be approved by the Government or by a Railway Commission.

Not until 1903 did the Railway Commission contemplated in the Crow's Nest Pass Agreement take shape in the form of a Board of Railway Commissioners of Canada a statutory body entrusted (except in the case of Government lines which were originally excluded from its jurisdiction) with the determination of questions relating not only to rates, but also to train services and safety appliances.[1] In the meantime, however, the introduction of railway competition in the West had begun to alleviate the apprehension of the western people regarding freight rates and monopoly.

The Turning Point in Railway Development

As the period of economic expansion continued into the early years of the twentieth century it became clear that the Canadian Northern would not be content with anything short of a complete line from the Pacific to Atlantic tidewater; while the Grand Trunk also was again intent upon extension westward. The problem arose as to whether it would be feasible to secure co-operation between the Canadian Northern and Grand Trunk leading to one, instead of two, additional transcontinentals. The former acting as the western and the latter as the eastern link in the chain. Negotiations to this end were conducted in 1902 and 1903, but it proved impossible to arrive at terms.

The die was cast in 1903, with the conclusion of an agreement between the Grand Trunk and the Government, and the passing of an act for the incorporation of the Grand Trunk Pacific Railway, a company owned by the Grand Trunk.[2] Directed primarily to the provision of an all-rail route that would make Canadian shippers independent in all circumstances and in all seasons of the railways of the United States and of its bonding privilege, the plan called not for an adaptation of existing resources, but for a completely new and costly transcontinental line constructed under the aegis of the Grand Trunk, the eastern section directly at the public expense, the western section at the expense of the Grand Trunk, assisted by Government guarantee. To add to its obligations, the Grand Trunk acquired, a year later, the Canada Atlantic Railway which provided it with a second connection between the Georgian Bay and the American seaboard. At the same time, the Canadian Northern was to be assisted to the attainment of its more economical ambitions. The spout of the western hopper, to the smallness of which Sir William Van Horne had drawn attention, was now to be enlarged almost to the size of the hopper itself.

The statutes and agreements embodying the new policy provided for a line from Winnipeg to the northerly Pacific port of Prince Rupert along the same general route as that followed by or projected for the Canadian Northern. A portion of the cost, which proved to be greatly in excess of the estimate, was guaranteed by the Dominion Government, the balance by the Grand Trunk. This line, the Grand Trunk Pacific proper, which was commenced in 1905 (almost coincidentally with the completion of the Canadian Northern between Port Arthur and Edmonton) was not designed to form a transcontinental link with the old Grand Trunk in southern Ontario and Quebec, but with the so-called National Transcontinental, which the Government itself undertook to construct, under the joint supervision of the Grand Trunk and a Government Commission, from Winnipeg across unopened country to Quebec, where by a work of great cost and engineering magnitude, which twice collapsed during construction, the St. Lawrence was to be bridged and a short route provided to the maritimes.

[1] Revised Statutes of Canada, 1927, Chap. 170. Its powers were increased in 1919 to include the determination of route-map applications.
[2] Statutes of Canada, 1903, Chap. 71.

120569

The eastern terminus would be Moncton, N.B. In addition a connection between the National Transcontinental and lake Superior was to be constructed by the Grand Trunk, which agreed also to equip the whole Government section and, upon completion, to assume its operation under lease on terms of no rent for the first seven years and 3 per cent of the cost of construction annually thereafter. In this case, as in the case of the Grand Trunk Pacific, the final cost of $168,000,000 greatly exceeded the estimates, while another twenty-two and a half millions was added by the Quebec Bridge.

The Situation Reviewed

These ambitious plans were formed during the opening years of the twentieth century, when the extension of western settlement appeared to be out-running the existing railway mileage. The Canadian Pacific line which had first precariously spanned the continent, largely with the help of direct subsidies, had achieved through skilful management and national growth a comprehensive system both east and west, and a position of financial strength and independence.

In Central Canada, the Grand Trunk, its earlier financial vicissitudes apparently dispelled by the vigorous management of Charles M. Hays, was acting with renewed force and reputation; while, in the maritime region, the Government line continued to serve its necessary and important purposes at a cost to the public which was not excessive.

The decision, however, to add to these lines, and to the western lines of the Canadian Northern, such additions as would create in the total three complete transcontinental railways, changed the whole aspect of the railway situation in Canada. The policy of expansion was determined upon, and construction begun, in the atmosphere of the early years of the century, when almost unlimited growth was predicted for Canada. Here and there voices were raised in protest, but without avail. Even the resignation of the Minister of Railways and Canals was unheeded. It was not long, however, before less favourable conditions made it apparent that railway construction had too far anticipated national growth.

Distress of Certain Railways

Even before the new lines had reached completion, a period of extreme depression intervened, land speculation collapsed, and in spite of the northerly extension of the wheat belt through the discovery of a seed-grain that could be brought to maturity in the shorter seasons of the more northerly latitudes, western agriculture and settlement experienced a severe restriction. As for the railways, increasing capital charges combined with inadequate revenue obliged both the Grand Trunk Pacific and the Canadian Northern to fall back repeatedly upon the public treasury, although, in the case of the original Grand Trunk lines, earnings were still sufficient to pay the usual dividends. The outbreak of war found both of the new transcontinental systems incomplete and in a state of serious financial embarrassment. The Canadian Northern, in spite of Government guarantee to nearly half the amount, was unable to secure the $100,000,000 which it estimated as necessary to complete its enterprise; and both systems, with restriction of traffic and heavy fixed charges threatened to collapse.

While, in the result, the Canadian Northern, with State aid, attained a scamped transcontinental service, the anticipated transcontinental service by the Grand Trunk never became effective, the company refusing, on the ground of excessive cost of construction, to take over the operation of the National Transcontinental upon its completion in 1915. In consequence, the Grand Trunk Pacific, inadequately furnished with branch lines, was left unconnected with the East; and the National Transcontinental built to an unnecessarily high standard was operated by the Government in a desultory way, and at a heavy

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120570

loss, as a development road. In a little more than ten years, the whole railway situation had passed from a position of manageable cost and moderate expansion to one of financial confusion and over-extension.

Effect of the War Upon the Railways

The war proved to be a severe strain upon most of the Canadian railways, while, of course, the other methods of transportation were not seriously affected. The rise in cost of labour and materials, virtual cessation of immigration, closing of international money markets, and technical problems of operation combined to create a very difficult situation.

With a well-equipped and co-ordinated service, and with ample resources to met any strain that had been thrown upon it by fresh construction in the northern prairies, the Canadian Pacific was able to sustain the increased physical burden of wartime transportation. But on the other two chief railways, already severely crippled financially, the war imposed even from the operating point of view, an insupportable strain. In the first place it threw upon their incomplete transcontinental services a burden of traffic which, in their disconnected, unco-ordinated condition, they were unable to handle with efficiency and despatch; and the resulting congestion created in its turn a necessity for immediate and heavy expenditure on connecting lines, terminals and equipment, for which neither of them was able in the midst of war to find the funds. In these circumstances, the two incomplete systems, so much of whose recent construction rested on Government guarantees, found themselves entirely dependent upon the Treasury, the Grand Trunk (whose cash advances to the Grand Trunk Pacific by the beginning of 1916 exceeded $25,000,000 with guarantees on bonds of nearly $100,000,000) declaring that it was at the end of its tether in the West, and that the only alternative to further assistance was a receivership. To such an extent had the Treasury become involved in the plight of the Grand Trunk, on behalf of whose subsidiary $54,000,000 had already been advanced from public funds apart from guarantees, and so close had become the connection between the Government and the Canadian Northern through acquisition of a portion of that company's stock in consideration of subsidies and guarantees, that the Cabinet, also apprehensive of a serious breakdown of transport in time of war and fearful of the effect upon public credit of allowing the railways to go into bankruptcy, appointed a Royal Commission to investigate and advise.

Drayton-Acworth Commission

The conclusions of this commission, which were not available until April, 1917, took the form of a majority report commonly known as the Drayton-Acworth report, and a minority report by the chairman, Mr. A. H. Smith, of the New York Central Railroad. Both reports found a condition of over-extension, unnecessary duplication, deficient equipment and complete financial impotence in the case of both the Canadian Northern Railway and the Grand Trunk group. Both reports recognized the urgent necessity of reorganization and co-ordination if continued congestion was to be avoided and the drain on the public finances in any degree controlled. Finally, both reports recognized the disastrous situation of the Grand Trunk in relation to the Grand Trunk Pacific. In their recommendation, however, the commissioners differed. Messrs. Drayton and Acworth, deprecating not only further advances to either railway, but also any further relief of the Grand Trunk from its western obligations, urged, though with great reluctance, the immediate assumption of control by the Government of both the Canadian Northern and the Grand Trunk group under a species of foreclosure, with practical consideration for holders of equity securities. The only alternative in their opinion was a receivership, a course which, in view of

120571

the Government's close association with both of the new transcontinental enterprises and the heavy loss that would result to the investing public, they dismissed. They proceeded to recommend the vesting of these properties, thus acquired, together with the Intercolonial and National Transcontinental, in a self-perpetuating Board of Trustees consisting of five members appointed initially by Parliament to operate the united Government lines on a non-political basis for the benefit of the people of Canada.

The dissenting report of Mr. A. H. Smth, on the other hand, expressed not only apprehension of a proposal that would have the effect of adding approximately $1,000,000,000 to the direct debt of Canada, but also doubt as to the adequacy of the machinery proposed by his colleagues to obviate what he considered the inherent defects of any scheme of public ownership and operation of railways. The solution proposed by him involved a further revision of the Government's agreement with the Grand Trunk that would free it from its western entanglements and permit a continued operation by it of its eastern lines, with which, he proposed, there should be consolidated the eastern lines of the Canadian Northern. A corresponding consolidation under the Canadian Northern of its western lines and those of the Grand Trunk Pacific was also recommended, with Government operation or control of the lines intervening between the east and the west. Mr. Smith's report, like that of the majority, recommended an extension of the jurisdiction of the Board of Railway Commissioners that would bring within the powers of that body not only the regulation of rates for all railways, Government lines included, but also "the issuance of securities, the building of new railways or the extension of lines, and other matters properly within the scope of Government supervision."[1]

Acquisition of Canadian Northern

The recommendations of the Drayton-Acworth report were adopted to the extent of the Government's assuming almost immediate control of the Canadian Northern Railway, the alternative being a continuance of Government assistance or an immediate receivership with consequent default and call in respect of the Government guaranteed securities and a heavy loss to the investing public in respect of unguaranteed seeurities. The Act of acquisition provided for payment of a sum not to exceed $10,000,000 for the bulk of the outstanding equity stock (apart from what already had been transferred to the Government) the value of which, upon reference to arbitration was set at $10,800,000.[2] This transaction, completed on November 16, 1917, added 9,559 miles of railway to the 4,393 miles of Government lines already included in the Intercolonial Railway and the National Transcontinental. The operation of the Canadian Northern by its own board, reconstituted by the Government was continued. Shortly after the Armistice, the operation of the Government lines, enlarged by accretions to the Intercolonial, was also entrusted to it; and the name "Canadian National Railways" as a descriptive term for the combined operating system was authorized by Order in Council.[3]

In 1919 an Act of Parliament incorporated the Canadian National Railway Company, a corporation designed to absorb all railways owned or controlled by the Government.[4] The act provided for operation by a Board of Directors, from five to fifteen in number, nominated by and replaceable at the pleasure of the Government, and subject, in the matter of financial policy involving capital expenditure, to the control of the Minister of Railways and of Parliament. While the Act purported to assign to the Board of Directors un-

[1] Drayton-Acworth Report, p. CII.
[2] 7-8 George V, Chap. 24.
[3] P.C. Order 3122 of December 20, 1918.
[4] 9-10 George V, Chap. 13; Revised Statutes of Canada, 1927, Chap. 172.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120572

restricted responsibility in the field of railway operation and management, it omitted the proposed safeguards against political interference recommended in the Drayton-Acworth Report. The Canadian National Railways, including the former Government lines, were, at the same time, brought within the jurisdiction of the Board of Railway Commissioners, whose powers were enlarged, however, only to the extent of supervision of the issue of free passes and the location of new lines, by means of approval of route-map applications. Decisions of the commissioners remained subject to review by the Government, and control of the issue of railway charters was retained by Parliament.

Acquisition of the Grand Trunk Group

Meanwhile, the Government having taken the stand that it would make no further advances to the Grand Trunk Group without securing the ownership of the entire system including the eastern lines, negotiations looking to a transfer had been commenced in 1917. These negotiations were still dragging on inconclusively when, early in 1919, the Grand Trunk Pacific, which had been showing heavy deficits on operations, was informed that the Government would not permit the use of the remaining proceeds of its last loan for interest charges falling due in March, whereupon, the Grand Trunk Board, having declined to make an advance for the same purpose, the president of both companies notified the Cabinet that the Grand Trunk must cease to operate the Grand Trunk Pacific as of March 10, 1919, at the latest. The Government responded with the appointment under the War Measures Act of the Minister of Railways as receiver for the western road.

In the resumed negotiations, the Cabinet maintained its refusal to release the Grand Trunk from its western obligations, except as part of an arrangement for the transfer to the Government of the whole Grand Trunk group, including the original eastern system. Such an arrangement was concluded towards the end of the year and ratified by Parliament,[1] the Government receiving the entire assets of the group, and assuming all obligations including the payment of dividends on the Grand Trunk 4 per cent Guaranteed Stock, which the company insisted should be included with the debentures as a fixed charge to be assumed by the Government. The company had, in fact, previously declined an offer by the Government to make available an annual sum rising to $3,600,000[2] for distribution by the company among the various classes of equity shareholders, provided the 4 per cent Guaranteed Stock was included among the equity issues and not among the fixed charges. The new arrangement comprised in the category of equity issues only the first, second, and third preference shares and the ordinary shares, upon which last issue no dividends had ever been paid. The determination of the value of these issues was now referred to an arbitration with an agreed limit to any valuation of approximately $64,000,000,[3] and with the proviso that, in reaching a valuation, the obligations of the company, to the Government, and as part guarantor of the Grand Trunk Pacific, were not to be regarded as extinguished. The agreement for acquisition having been ratified, a joint committee of management for the Grand Trunk, appointed partly by the Government and partly by the company, assumed control of operations on May 1st, 1920,[4] and as of that date financial responsibility was assumed by the Government. On July 12 of the same year operation of the Grand Trunk Pacific was entrusted to the Canadian Northern Board.[5]

[1] 9-10 George V. Chap. 17, assented to November 10, 1919.
[2] This sum was based on the average total dividends of the previous ten years as ascertained by the Drayton-Acworth Report.
[3] Acquisition Agreement, March 8th, 1920, ratified by 10-11 George V, Chap. 13.
[4] P.C. Order 1089 of May 15th, 1920.
[5] P.C. Order 1595 of July 12, 1920.

120573

The arbitration not having been completed by April 9, 1921, the date set by the Act, and the Government being dissatisfied with the results of joint management, the arbitration was allowed to lapse. Upon the company's agreeing two months later, however, to the establishment of a Canadian Board of Directors with a head office in Canada, the arbitration was revived; and, on September 7, 1921, a majority award by Sir Walter Cassels and Sir Thomas White—the Hon. W. H. Taft dissenting—declared the Grand Trunk equity shares to be without value. An appeal to the Privy Council against the award was dismissed.

The acquisition of the Grand Trunk group (including the Grand Trunk Pacific) gave the Government another 7,621 miles of track, and thus a total of approximately 22,000 miles at the end of 1922.

The New Management of the Canadian National

In October, 1922, the Government completed arrangements to secure the services of Sir Henry Thornton, formerly of the Pennsylvania Railroad and latterly of the Great Eastern Railway of England, as President and Chairman of the Board of the Canadian National Railways. Unified operation of the combined National System, including the former Grand Trunk eastern lines, began as of January 1, 1923. The lines now combined for operation by the Canadian National Railway Company comprised the lines formerly known as:—

The Canadian Northern Railway.
The Grand Trunk System
(Including the Grand Trunk Western Railroad, operating into Chicago and the Central Vermont Railway.)

The Grand Trunk Pacific Railway,
and the lines comprising the Canadian Government Railways, namely:—

The Intercolonial Railway.
The National Transcontinental Railway.
The Lake Superior Branch (leased from the G.T.P. Ry).
The Prince Edward Island Railway.
The Hudson Bay Railway.[1]

Under the new management the machinery of administration continued to be provided by the Canadian National Railways Act.[2] The temporary Canadian Board of the Grand Trunk passed out of existence, and the former Canadian Northern officials and others who had constituted the original Canadian National Board were replaced by fifteen directors, selected on a basis of regional representation—a method which necessarily gave weight to other considerations as well as those of business capacity or technical qualifications.[3]

The inauguration of the new management was not made the occasion for any broad administrative changes or of any readjustment in capital structure. Behind the simple legal facade set up by the Canadian National Railways Act, there continued to exist the confusion of predecessor companies with their multiplicity of corporate entities, directorates, and securities—in all one hundred and thirty-nine separate companies with two hundred and fifty-one different issues, requiring the preparation annually of forty-two income accounts

[1] P.C. Order 115 of January 20th, 1923.
[2] The Canadian National Railway Act, and amendments 1919, 9-10 George V, Chap. 13, 1924, 14-15 George V, Chap. 13.
Revised Statutes of Canada, 1927, Chapter 172, 1928, 18-19 George V, Chap. 13, 1929, 19-20 George V, Chap. 10, 1931, 21-22, George V, Chap. 6.
[3] P.C. Order 2094 of October 4th, 1922.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120574

and ninety balance sheets.[1] Only the Grand Trunk was actually absorbed in the Canadian National Railway Company,[2] the former Government Lines retaining their legal identity, and the corporate existence of the Grand Trunk Pacific and the Canadian Northern with all their subsidiaries being preserved for technical reasons connected with certain issues of securities. Thus the administration of the Canadian National Railways, while unified from a practical and an operating point of view, remaining encumbered with a mass of legal and accounting ramifications.

The Railway Act of Canada

The Railway Act of Canada applies to all railway companies and railways within the legislative authority of the Parliament of Canada. Until recent years its provisions did not completely apply to the original Canadian Government lines. Where Dominion railways connect with or cross provincial railways the Dominion Railway Act is paramount with respect to such works as are necessary to the connection or crossing.

The Railway Act constitutes and defines also the general jurisdiction and powers of the Board of Railway Commissioners, which, since 1904, has been the regulatory authority with respect to Canadian railways. The Act deals with the financing of railways; construction and location of new lines; regulations for safety; and rates of freight and passenger traffic.

DOMINION OUTLAY FOR RAILWAY DEVELOPMENT

The participation of the Government of Canada, and the application of its resources to railway development, may, for convenient reference, and also because of its historical interest, be broken into four distinct periods of railway activity.

The first period may be taken as extending from Confederation in 1867 down to about the year 1903. To this period belong the Intercolonial and Prince Edward Island Railways and the Canadian Pacific Railway.

The second period comprises the years extending from about 1903 to 1917-1920. During this period the Canadian Northern and the Grand Trunk Pacific received very substantial backing of the government in the form of guarantee of securities. The National Transcontinental Railway was also constructed entirely at government cost.

The third period begins about 1917-1920, with the collapse of the former privately-owned Canadian Northern, Grand Trunk Pacific and Grand Trunk Systems, due largely to financial difficulties incident to the Great War and to the general interference with established trends by reason of economic reaction to the great conflict. The third period ends with the creation of the present Canadian National system late in 1922, but which may, for historic convenience be established as of January 1, 1923.

The fourth period may be taken as extending from January 1, 1923, to the present time, during which the properties now comprising the Canadian National Railway system have been operated under one management.

From Confederation (1867) to December 31, 1931, the Dominion Government has expended on all railways, or pledged its credit therefor, an aggregate sum of $2,652,539,388. By periods this sum was apportioned as follows:—

[1] The Schedule of the Canadian National Railways Act. Revised Statutes of Canada, 1927, Chap. 172, enumerate the various lines comprised in the Canadian Northern Systems alone; see also—Proceedings p. 45, Vol. 1, (Sir H. Thornton).

[2] P.C. Order 181 of January 30, 1923.

120575

FIRST PERIOD (1867-1903)

Roads now comprising Canadian National System	$ 114,886,224	
Canadian Pacific Railway System	91,705,033	
All other roads	3,094,578	
		$ 209,685,835

SECOND PERIOD (1903-1917-20)

Roads now comprising Canadian National System	$ 508,646,798	
Hudson Bay Railway	18,352,188	
Canadian Pacific Railway System	12,022,915	
All other roads	5,809,855	
		$ 544,831,756

THIRD PERIOD (1917-20-1923)

Roads now comprising Canadian National System	$1,287,888,433	
Hudson Bay Railway	2,373,306	
Canadian Pacific Railway System	21,078	
All other roads	479,574	
		$1,290,762,391

FOURTH PERIOD (1923-1931)

Roads now comprising Canadian National Railways	$ 576,496,951	
Hudson Bay Railway	28,021,189	
Canadian Pacific Railway	728,469	
All other roads	2,012,797	
		607,259,406
Grand total, cash and credit		$2,652,539,388

The aggregate sum mentioned above was divided as follows:—

Cash outlay		$1,366,082,181
Liabilities for which the credit of the Dominion is fundamentally the security—		
Canadian National Railway securities guaranteed	$ 970,562,290	
Canadian National securities not definitely guaranteed by Government	305,894,917	
Liabilities of Northern Alberta Railways	10,000,000	
		1,286,457,207
Grand total		$2,652,539,388

Of this grand total, the railways comprising the Canadian National lines received:—

Cash	$1,201,461,199
Credit	1,286,457,207
Total	$2,487,918,406[1]

The cash expenditures by the Dominion Government as to railway corporations and systems from 1867 to 1931, showing what had been contributed prior to government ownership and the amount subsequently required, is indicated in the following statement:—

RAILWAYS NOW COMPRISING CANADIAN NATIONAL SYSTEM

Canadian Government Railways Group. (Direct Payments)—		
Intercolonial Railways and Additions	$ 294,445,172	
National Transcontinental Railway	169,318,185	
		$ 463,763,357
Canadian Northern Railway—		
Prior to Government ownership	61,650,261	
Since Government ownership Sept. 30, 1917, to March 31, 1923	292,554,561	
		354,204,822

(1) This sum represents the proportion of Dominion Government outlay which went into lines now comprising the Canadian National railways and should not be confused with the total of $2,669,926,371 given in paragraph 85 of the Commission's report. That paragraph has reference to Canadian National system accounts, and includes interest accrued on government loans, less certain adjustments. In it the Canadian National Capital structure is under consideration; in the above historical presentation government expenditure on railway construction and contributions of cash and credit only are taken into account.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

RAILWAYS NOW COMPRISING CANADIAN NATIONAL SYSTEM—*Concluded*

Grand Trunk Railway—		
Prior to Government ownership	30,315,957	
Since Government ownership May 1, 1920, to March 31, 1923	107,433,649	137,749,606
Grand Trunk Pacific Railway—		
Prior to Government ownership	79,854,134	
Since Government ownership March 9, 1919, to March 31, 1923	42,367,362	122,221,496
Canadian National Railway Company—		
Subsidies, etc. to companies now within this group, but made prior to Government ownership	4,112,314	
Cash advanced to this company since April 1, 1923, to December 31, 1931, for disbursement to all companies comprising the Canadian National System	119,409,604	123,521,918
Total Canadian National Railways Group		$1,201,461,199
Hudson Bay Railway and Terminals		48,746,683
Canadian Pacific System—		
Canadian Pacific Railway Company	$ 79,607,120	
Subsidiaries—subsequent to acquisition by Canadian Pacific Railway	10,486,793	
Subsidiaries—prior to acquisition by Canadian Pacific Railway	14,383,582	104,477,495
All other Roads		11,396,804
		$1,366,082,181

The security issues constituting the funded debt of the constituent companies of the Canadian National System (including liabilities of ten millions connected with Northern Alberta Railways) are distributed as follows:—

Canadian Northern Railway System—		
Guarantees prior to acquisition	$ 71,669,914	
Guarantees since acquisition	66,073,976	
Other securities outstanding	158,973,316	$ 296,717,206
Grand Trunk Railway System—		
Guarantees prior to acquisition		
Guarantees since acquisition	$ 265,433,142	
Other securities oustanding	51,830,775	317,263,917
Grand Trunk Pacific Railway—		
Guarantees prior to acquisition	$ 43,432,848	
Guarantees since acquisition		
Other securities outstanding	41,159,826	84,592,674
Canadian National Railway Company (Since Jan. 1, 1923)—		
Guarantees outstanding	$ 523,952,410	
Other securities outstanding	63,931,000	587,883,410
Total		$1,286,457,207

This sum represents the following division as between guaranteed and non-guaranteed issues, for both of which, however, the Government as owner carries ultimate responsibility:—

Guaranteed securities	$ 970,562,290
Unguaranteed securities	305,894,917
Northern Alberta Railways	10,000,000
Total	$1,286,457,207

LAND GRANTS AND PROVINCIAL AND MUNICIPAL AID

In addition to cash and guarantees of securities, immense grants of land were made to railway promoters by Dominion and provincial governments, as follows:—

	Acres
Dominion	31,781,847
Nova Scotia	160,000
New Brunswick	1,788,392
Quebec	2,085,710
Ontario	3,241,207
British Columbia	8,233,410
Total	47,290,566

As between the Dominion and the provinces, and also as between the several railways, this acreage was thus apportioned:—

—	Total	Government owned and controlled	Canadian Pacific	All other Roads
Dominion	31,781,847	5,727,002	24,953,133	1,101,712
Provincial	15,508,719	1,806,215	10,611,846	3,090,658
Total acreage	47,290,566	7,533,217	35,564,979	4,192,370

A word of explanation is necessary as to Dominion land grants to the Canadian Pacific. Under the original contract of that company 25,000,000 acres of Dominion lands were granted. Subsequently, 6,793,014 acres were returned for a cash consideration of $10,189,521. Afterwards further grants were made of 1,710,400, principally to the Souris branch. Subsidiaries now forming part of the Canadian Pacific received Dominion land aggregating 6,139,963 acres, but at the time such lands were acquired by the Canadian Pacific these subsidiaries owned only 2,235,145 of these original grants. The total of the grants which may, therefore, be said to have been received by the Canadian Pacific is 22,152,531 acres.

Dominion and provincial land grants do not, however, complete the story of public aid of investment in Canadian railways. The provinces and also many municipalities assisted the promotion of railway enterprises by cash subsidies and subscriptions to shares. These reached a quite substantial total:—

CASH SUBSIDIES

Provincial	$ 33,160,615	
Municipal	12,988,128	$ 46,148,743

SUBSCRIPTIONS TO SHARES

Provincial	300,000	
Municipal	2,425,500	2,725,500
Total		$ 48,874,243

The provinces also undertook in certain instances the guarantee of securities. In so far as these relate to railways now forming part of the National system, these guarantees have been met by the Dominion as the issues matured. At December 31, 1931, there remained, however, $72,184,488 of these guarantees which on a strict legal accounting would still rank as liabilities of provincial governments.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

J 20578

Omitting the guarantees last referred to (they already form part of the funded debt due the public as previously dealt with) it will be seen that the total investment in cash or credit of the Dominion, provincial and municipal governments of Canada amounts to $2,701,413,631. Setting a value of one dollar an acre on lands granted, this figure becomes $2,748,704,197. As there are 42,075 miles of first main track steam railroads in Canada to-day, it will be seen that the federal, provincial and municipal contribution to the provision and operation of Canadian railway facilities since Confederation has amounted, roughly, to $65,300 a mile.

TRANSPORTATION DEVELOPMENTS SINCE THE WAR

All the machinery of transportation within Canada showed a marked development in the years following the war. This expansion of facilities, so far as they had to do with the two principal railway systems, have been most fully dealt with in the report proper, with which this historical reference is designed to appear as an appendix. It remains, therefore, only to deal briefly in conclusion with the developments during the past decade in related fields of transport, such as waterways, airways and roadways.

(a) Waterways

As this is written, two announcements of great moment have been made as affecting the Great Lakes-St. Lawrence navigation system, one, the final completion and official opening of the Welland Ship canal, which has been under construction since 1913, with a period of shut-down during the war; and the other the negotiation of a treaty between Canada and the United States for a proposed deep-water development for navigation and power of the international rapids section of the St. Lawrence river which, between lake Ontario and lake St. Francis, forms the boundary between the two countries. Coincident with this latter work would be the development by the Dominion for navigation of the purely national section of the St. Lawrence river, between Montreal and the head of lake St. Francis, a work already in part provided for by an arrangement with the corporation having in hand the power development at Beauharnois, which project is being adapted to fit in with the general scheme for the improvement of through navigation.

The plans for the proposed deep-water development of the St. Lawrence between lake Ontario and Montreal provide the same standard of navigation facilities as the Welland, and for the development of almost two million horse power of hydro-electric energy in the international section, while there is available a further two and a half million horse power in the purely national section of the river, the development of which for power, as and when required, is under the jurisdiction of the province of Quebec and subject to provincial policy and direction.

Welland Ship Canal

The Welland Ship canal is the fourth canal to be constructed between lakes Erie and Ontario, during the hundred years that have elapsed since the work of circumventing the falls of Niagara was first undertaken. The project, which is twenty-five miles in length, provides for a depth of twenty-seven feet in the canal reaches, while future enlargement is provided for by a depth of thirty feet in all locks and permanent structures. The useable length of the locks is 820 feet; the useable width 80 feet; the lift of each lock is 46½ feet, and the total elevation 326½ feet. A unique feature is the provision of three twin locks (Nos. 4, 5, and 6) in flight at the Niagara escarpment, by means of which

08726579

vessels may be passed simultaneously in both directions. The locks themselves are similar to the Gatun locks of the Panama Canal which, though of somewhat larger dimensions, have an aggregate lift of but 85 feet. The perpendicular distance from the coping of Lock No. 5 to the bottom of Lock No. 4 is 130·8 feet. The Horseshoe Falls at Niagara are only 28 feet higher.

The new canal consists of eight locks, including the necessary guardlock. The superseded canal included 27 locks, the original canal, 40. The locks are electrically operated, and the time required to fill one is eight minutes. The entire canal may be traversed in less than 8 hours, compared with 15 to 18 hours on the recent canal. The total anticipated cost of the work will be about $130,000,000.

Canal Expenditures Generally

Upon the canals of the Dominion as a whole $314,404,229 had been expended at March 31, 1931. Of this sum $236,216,461 had been expended on capital account, and $78,187,768 on operation and maintenance. As against this outlay, $28,166,203 has been received in revenues, including tolls until 1904, when tolls were abolished. The principal revenue is now derived from hydraulic leases, rentals, elevator fees and wharfage charges. These now amount to a little over a million a year; operation and maintenance cost $3,329,616 during the federal fiscal year ended March 31, 1931.

(b) Airways

Under the pressure of war the newest method of transportation—that by air—developed rapidly; and immediately after the Armistice consideration was given as to the possible uses of airways in Canada. It soon became apparent that the aeroplane was of especial value in reaching districts which were not readily accessible by other means, such as the far north, or sections of Northern Ontario. Services were established under various auspices to mining districts: the first regular service being inaugurated in 1924 to the Rouyn area. Similar further routes were subsequently established, and aeroplanes were used also for investigating the mineral resources of northern areas.

Early carriage of mail by air into remote districts led the postal authorities to establish regular and official delivery in such areas. Of a somewhat different nature were the air mail services meeting incoming and outgoing steamers. These were intended merely to give greater speed over routes already covered by rail. For all relative air mail routes co-operation was secured with the American services.

In relation to other modes of transportation, airways are not seriously competitive at present. The main use of the aeroplane for transportation in Canada is either to reach districts with which there are no other regular communications, or to gain speed between well settled districts. The aircraft, alone of transport agencies, is not dependent on rail, road or waterways. Within wide limits, it can follow any course.

For administrative purposes, civil aviation in Canada is divided into two classes: (1) civil operations carried out for other Dominion Government departments under the Director of Civil Government Air Operations; (2) commercial aviation, under the regulation of the Controller of Civil Aviation. Both are under the Department of National Defence, which also controls military air operations through the Royal Canadian Air Force. The total expenditure on civil air-services for 1930-1931 amounted to just short of one and a half million dollars.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120580

(c) Roadways

It is only in recent years with the development of the motor car that roads have attained their full importance for the long-distance transportation of passengers and freight. The days of turnpikes and statute labour virtually came to an end towards the end of the nineteenth century, and, particularly in Ontario, the Good Roads Association made studies which led to reforms. The Highways Improvement Act (1901) in that province organized the financing and construction of new roads. By further legislation in 1915 provision was made for a provincial Highway Department, which, in 1917, was entrusted with the construction and maintenance of provincial highways.

The growing efficiency of mechanized road transport led to constant improvement of roads, as well as to the greater use of road transport, for both passengers and freight, over distances up to medium haul. The increased use of motor vehicles can be illustrated from the multiplication of the numbers of such vehicles in Canada from 2,130 in 1907, to 1,250,000 in 1930. Similarly the total mileage of roads in 1930 had increased to 400,000, of which 80,000 miles was gravel surface or better.

As already mentioned, control of roads was vested in the provinces by the Act of 1867; but in 1919, by the Canada Highways Act, and by subsequent renewals, the Dominion Government undertook to subsidize to the extent of twenty million dollars the construction and improvement of certain highways of national importance. The work itself was undertaken in all cases by the various provinces.

One noticeable effect of the improvement in roads and the great increase in the use of mechanized motor transport was the resulting competition with railway transport. This aspect of the development of transportation can only be described as one of the most significant of modern transportation problems. More extended and detailed reference to road transport will be found in Appendix II.

120581

APPENDIX II

MOTOR VEHICLES OPERATING ON HIGHWAYS

1. It is stated in the preamble to the Order in Council authorizing the appointment of the Royal Commission on Railways and Transportation that the diminished revenues of the two great railway systems have been brought about in part by the competition of other modes of transportation, particularly motor vehicles operating on highways, and the instruction to the Commission is to inquire into the whole problem of transportation in Canada *particularly in relation to railways.*

2. In the submissions filed before us and in the very able presentations which were made by representatives of the automobile industry and the related transport interests, questions of regulation and of taxation were dealt with very thoroughly and in great detail. Many matters so raised are primarily to be settled between the motor transport interests and the provincial authorities which build, maintain and control highways, and the adjustment and final solution thereof are not of direct concern to the railways. Whether motor car owners as a class are paying in licence fees and gasoline taxes a proper share of the costs of highway construction and maintenance and whether sufficient safeguards on motor vehicle operations on highways in the interest of the public and of the operators themselves exist in the various provinces, are essentially matters for consideration by the highway authorities of each province. Even if these matters were within the ambit of our instructions, the time at our disposal and the urgency of the immediate problem before us would prevent us from making the necessary inquiries and studies. We confine our remarks and recommendations closely to the one important consideration before us, viz., the effect present and future, so far as we can forecast it, of the competition of the motor bus and truck on railway revenues and the measures which should be taken by the railways themselves, and by the proper provincial authorities, where this competition has had, or is likely to have, the effect of curtailing railway operations to the injury of the public welfare.

I. THE PASSENGER AUTOMOBILE AND THE MOTOR COACH

3. In the nine-year period of railway history registrations of automobiles have shown very great increases. Registration is a provincial matter, and while there are some differences in the systems used in the various provinces, in general it may be said that all motor vehicles are registered by an official of a department of provincial government and that a permit or licence to operate is issued on payment of fees based on some characteristic of the vehicle such as weight, wheel base or horse-power. It is therefore possible to obtain accurate figures as to the number of vehicles in use in each province and so for Canada as a whole.

4. The following table shows registrations of all motor vehicles in Canada, and will indicate the rate of growth:—

Year	Canada
1923	585,050
1926	836,794
1929	1,195,594
1930	1,239,888
1931	1,206,836

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120582

Of these totals passenger automobiles in 1930 accounted for 1,047,494 and for 1,024,149 in 1931, the remainder consisting of motor trucks, buses, motor cycles and trailers. It will be at once apparent that there has been a remarkable growth in the use of the automobile in the period under review, and while the figures for 1931 show a small decline from the high point reached in 1930, due to the severe trade depression, the inference to be drawn from the figures as a whole is that the automobile has become a great and increasing factor in transportation in Canada.

5. During the same period, passenger revenues of the two railways have shown a decrease, as appears from the following table:—

Year	Passenger Revenues $
1923	77,335,433
1926	73,709,662
1929	73,009,353
1930	61,512,742
1931	43,759,468

Even if the figures for the years 1930 and 1931 are discarded and the comparison made between 1923 and 1929, it will be apparent that passenger traffic on the steam railways failed to hold its own in the face of a general increase of business and in a time of great prosperity. Passengers carried in 1923 were 44,836,337 and, in 1929, 39,070,893, a decrease of 13 per cent, the reduction in revenues being 5·6 per cent.

6. The seven-year period beginning in 1923 and ending with 1929, was one of great growth in national wealth and production. Since the population growth has averaged about 2 per cent annually in the last decade, one would expect to find a growth in passenger revenues of the railways. The result can only be explained by the loss of passenger travel to the private passenger automobile and motor coach. As the total registrations of motor coaches and buses for the whole of Canada was only 2,255 in 1929, and less than one-half of these operated on rural highways outside the limits of cities and so were directly in competition with the steam railways, by far the most important factor in the failure of the railways to increase passenger earnings consonant with the general increase in population and wealth production, must have been the privately-owned passenger automobile. Figures submitted by the railways in the report of a Joint Committee of the Railways to study motor traffic as it affected their revenues made a division of passenger miles travelled in Canada in 1929, as follows:—

Agency	Passenger miles	Percentage
Passenger autos	11,500,000,000	78·5
Steam railways	2,900,000,000	19·8
Buses	250,000,000	1·7
Total	14,650,000,000	100·0

7. On a revenue basis, an estimate is made that bus line earnings on interurban services do not exceed 5 per cent of the passenger traffic revenue of Canadian Steam Railways for the year 1929, and the amount of $3,650,000 to which that percentage attains cannot be looked upon as entirely lost to the railways. A considerable portion of the traffic carried by motor coaches is new business, which they have developed for themselves and which would not go to the railways if motor coach services on the highways were discontinued. Some areas

120583

are served that the railways do not touch and the motor coach is also used by those who in default of its services would use the private motor car rather than the steam railway.

8. By reason of congested driving and parking conditions in our larger cities there is a tendency to use the motor coaches for journeys to and from those centres and to relegate the private car to the purpose of recreation and pleasure. The motor coach is often able to give what is practically a cab or livery service to the dweller in the outlying town or village or to the farmer on its route. For this reason it has a traffic peculiar to itself and its gains have therefore not been entirely at the expense of the railways.

9. Though the interurban traffic carried by these vehicles is increasing, as appears by the figures of the Gray Line Coaches, of the Toronto Transportation Group, which are as follows:—

Year	Passengers carried	Passenger earnings
		$
1927	281,602	567,337
1928	567,193	815,285
1929	1,057,250	1,234,936

it has not yet in Canada assumed relatively large proportions. There will undoubtedly be further growth and further loss to the railways from this source, but as the field for the profitable operation of these motor coaches in Canada is in general limited to the more thickly settled areas of Ontario, Quebec and British Columbia where there has already been very considerable development of these services, it is likely that the steam railways have already experienced the major effects of the competition under this head, and the loss in this respect has not been so serious as is generally believed.

10. It was agreed both by the railways and by the representatives of the automotive industry and of the motor coach operators in their appearances before the commission, that the loss to the steam railways in passenger revenues is due to the private passenger automobile, and that this loss must be regarded as permanent. Thomas F. Woodlock, formerly of the Interstate Commerce Commission of the United States, in a paper on motor transport on highways published in 1931, estimates a loss by the steam railways in the decade 1920-30 of one-third of their entire passenger revenue of 1920 and all the increase that might have been expected in that period, to the passenger automobile, and he regards the loss as permanent. The loss in Canada has not been so great, mainly because of longer distances over which railway passengers are carried, and for climatic reasons which will always drive passenger traffic to the railways in certain seasons of the year.

11. The railways have estimated that if there had been no competition from the passenger automobile and motor coach in the year 1929, passenger earnings would have been $17,000,000 more than the actual receipts. Since the motor coach may be credited with not more than $3,650,000 of this loss, and for the reasons mentioned above probably less than this sum was actually taken from them by these conveyers, the loss to the private passenger automobile must be at least $13,350,000, and might even be estimated at $15,000,000. Sleeper, parlour and observation car receipts were approximately $2,000,000 greater in 1929 than in 1923, and the Joint Committee therefore concludes that long distance passenger traffic actually increased to some extent and this is borne out by the fact that the average distance a railway passenger was carried was 74·2 miles in 1929 as compared with 68·8 miles in 1923. In the same period

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

120584

commuter traffic to and from the larger cities also showed some increase, so that the inference is drawn that those who are using the motor vehicle as a means of transport to the detriment of the steam railways are the medium distance passengers, travelling not more than 75 miles.

12. Since it is likely that the provincial authorities in control of highways will continue to develop all-weather highways, especially to meet the demands of the private motor car owners, who now comprise the great majority of voters and taxpayers, medium and long haul passenger traffic will be subject to increasing losses from the operations of the passenger automobile. The completion of the Trans-Canada Highway, now under construction, and of trunk line highways in the various provinces cannot but have an adverse effect on railway passenger earnings. The economical range of operation of the motor coach in Canada, now estimated to be about 100 miles, is likely to be extended, and it would seem that there is a progressive and continuing loss of passenger traffic to be faced by the steam railways, if the present activities in provincial road building are continued.

13. Considerations of personal conveniences and not of economic costs of transportation are the governing factors in the use of the motor car and motor coach in passenger transport and as the trend seems to have set definitely in favour of the motor vehicle, the railways must adapt themselves to the situation and concentrate on service to the long haul passenger and to such commuter traffic as may remain in and about the larger centres of population.

14. The loss suffered by the entry of the motor coach into the suburban and interurban passenger traffic field could be met in part by the utilization of unit cars moving on the railways, but because of their limitations in usefulness by reason of fixed route and definite stopping places in contrast to the flexibility of the motor coach, it is doubtful if much traffic could be recovered in this way. The capital expenditure for these unit cars is out of all proportion to that of the motor coach and costs of operation are greater. The motor coach could be used on the highway by the railways as a substitute for steam trains and for the purpose of giving more frequent service where traffic is light. Provincial authorities in Saskatchewan, Manitoba and Ontario informed us that permits to operate motor coaches along highways parallel to existing railway lines had been offered to the railway companies, but in no case had advantage been taken of the opportunity. The railways have, it would seem, concluded that there is a very small field at present in Canada for the economical utilization of the motor coach as a substitute for or as auxiliary to the steam train for passengers.

II. FINANCIAL RESULTS OF OPERATIONS

15. We had little evidence before us as to the financial success of motor coach operations. In Ontario, where the services are now well established, figures were submitted by Gray Coach Line, Limited, showing that in some four or five years of operation of interurban coaches a profit had been made after all proper reserves had been set up. Counsel appearing for the Provincial Transport Company, a large operator of motor coaches in the province of Quebec with the city of Montreal as the centre of its activities, expressed the opinion that his company and other well managed companies in Quebec were on a satisfactory basis. In several cases provincial authorities consulted expressed the opinion that no profit was being made by the operators, if proper accounting standards were used. Commissioner Loree stated that his railroad, the Delaware and Hudson, had been operating a large fleet of motor buses and coaches for a period of about eight years, and that they had lost money and were now operating at a loss. Speaking broadly, it was Mr. Loree's opinion that

120585

motor coach and bus operations in the United States were not profitable and the same was true of Canada, though there were always exceptional cases where by reason of good management and favourable traffic conditions some profit was being made.

16. Until such time as experience has proved the economic advantages of motor coach operations and that there is some assurance of a fair return on the capital invested, the railway companies have hesitated to engage in conveying passengers by motor coach even where substituted and auxiliary services in connection with steam passenger trains might seem to be indicated. Doubtless their conclusions have been that they would merely add to the loss they are already experiencing in this phase of their transportation services.

III. REGULATION AND CONTROL OF THE MOTOR COACH

17. In all provinces where motor coach services have attained to any considerable magnitude there have been in recent years progressive, and in the opinion of the officials charged with the responsibility, fairly satisfactory, efforts to regulate the traffic in the public interest. Permits are granted which in effect are franchises to operate on the highways between fixed termini, and in general these permits are exclusive, but must be renewed annually. Schedules of rates or tolls to be charged are filed with the rgulating authority and time tables are required to be posted. The applicant must furnish insurance against injury to his passengers by negligence in operation and vehicles are subject to inspection from time to time.

18. The opinion was expressed by the Premier of Ontario that, so far as regulation of the motor coach on the highway is concerned, the situation is well in hand, and that a dependable service is given and one with which the public is well satisfied. The Minister of Highways in that province, remarking on the result of the introduction of regulations by his department, made this statement: "Immediately the law became effective a marked improvement not only in the vehicles but in the type of owner and operator was evident and to-day the service given on the various public vehicle routes licensed by the department is regular and dependable with few complaints of excessive speed or careless driving and with a minimum of accidents."

19. There was general agreement amongst those in charge of highways that progress had been made in handling the motor coach situation and that while changes might be necessary they were proceeding in the right way. The regulations that have been put into effect, combined with the system of granting exclusive permits, tended to put the traffic into hands of operators of financial strength, and the result was to give regularity and dependability of service with increasing satisfaction to the patrons and a greater opportunity to transact business at a fair profit. On the whole the operations of the motor coach in the various provinces are well conducted, and, so far as the public are concerned, on a satisfactory basis.

IV. TAXATION OF MOTOR COACHES

20. Taxes paid for registrations of vehicles, fees for licences or permits to operate, and the imposts on gasoline used, provide at least a fair contribution for highway use and maintenance. Figures given by Gray Coach Line Limited, in Ontario showed that a passenger coach with seating accommodation for 30 passengers, paid in 1931 $640, being at the rate of 1·94 cents per coach mile, or $143.38 per annum for each mile of highway used by their coaches as a whole. The average tax paid by a motor coach with capacity for 30 passengers

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120586

travelling 30,000 miles in a year was $840, as calculated by the Minister of Highways for Ontario. In Quebec the average tax per vehicle paid by the Provincial Transport Company was $573, being at the rate of 4·39 per coach mile. An average for all Canada was stated to be 8·5 per cent of total revenues paid in taxes to provincial authorities, being for Quebec 11·34 per cent and for Ontario 8·6. It was strenuously urged by representatives of the motor transport interests that taxation was excessive and that any further attempts to increase the burden would not be productive of increased revenue, but would only throttle an activity which had justified itself and which was meeting a public need in an efficient and satisfactory manner, and that the motor coach was now paying more than its proper share of the cost of highway construction and maintenance.

21. Though in the case of the motor truck next to be dealt with, it would appear that there is room for stricter regulation and for increased taxation; in the case of the motor coach there is little prospect that either by further taxation or increased regulation will the railroads benefit. It may be that as in the case of the common carrier truck, communities will eventully have to make a choice between steam railway services and highway services, for the reason that the traffic offering will not support both these types of transportation, but these instances in the case of motor coach services will be limited. If such do arise, and it is decided by the proper provincial authorities that the railway is entitled to give the service, this decision will be made effective, not by ncreasing taxation on the motor coach nor through increased restrictions and regulations, but by direct refusal to issue the necessary permit for highway operations in the particular area.

22. There does not seem therefore to be any necessity to recommend additional taxation and regulation of motor coach operations in the interest of the steam railways of Canada.

V. THE MOTOR TRUCK

23. The motor truck has become an important factor in the transport of goods and it is conceded that a great deal of traffic moving in less than carload lots, that is, package freight and express, has passed from the railway to these vehicles. There has been a rapid increase in registrations which has gone on, though at a slightly reduced rate in the years of business depression. These figures (given in round numbers) will indicate the rate of growth and the magnitude of this agency of transport.

1923	54,000
1929	155,000
1930	165,000
1931	165,800

24. It is only in recent years that there has been any attempt to classify these trucks according to the nature of their operations and even now, the provinces of Canada have not adopted any uniform scheme of classification. Some are content to register them according to weight, length of wheel base, or horse-power, and to disregard the purpose to which they are put. Where there is classification according to use, the scheme generally favoured is to divide them into classes as folows:—

1. The common carrier truck—engaged in hauling for hire for the public and plying over a definite route and generally between fixed termini.

2. Contract carrier trucks—engaged in hauling for hire the goods of one person or firm at any one time or on any one trip and not confined as a rule to a fixed route.

120587

3. General and commercial trucks—privately owned and engaged in conveying the owners' goods.

25. In 1931 the Ontario figures were:—

Common carrier trucks	2,554
Contract carrier trucks including farm products carriers	1,119
	3,673
All others (general and commercial)	59,873

26. There were also 9,673 trailers, many of them small and 80 per cent recorded as of less than one ton gross capacity, bringing the total of all trucks and trailers to 71,834 and showing a percentage of 94·48 as privately owned and operated as against 5·52 per cent operated as common carriers. The corresponding percentages in other provinces show an even higher proportion of privately owned and operated trucks. Manitoba had 169 operating as common carriers of goods and 39 as common carriers of milk and cream. In Saskatchewan there were only 110 common carriers and in British Columbia 226, the percentages of the total truck registrations being much less than in Ontario. A table follows showing truck registrations in all provinces in 1930 and 1931 and it is interesting to note that with certain exceptions there is an increase even under lowered business activity in the latter year.

Province	Public Freight Vehicles		All Motor Trucks	
	1930	1931	1930	1931
British Columbia	184	226	16,820	16,799
Alberta	.....	.....	15,068	15,034
Saskatchewan	29	110	18,077	15,568
Manitoba	140	210	9,730	9,520
Ontario	1,155	3,673	67,676	68,433
Quebec	4,680	5,218	27,820	28,384
New Brunswick	.....	.....	3,999	3,948
Prince Edward Island	.....	.....	739	802
Nova Scotia	.....	.....	6,489	6,761

NOTE.—In certain provinces, public freight vehicles are not registered or licensed except as motor trucks. In others, the marked increases in 1931 are due in part to revision of classification in the latter year.

VI. EFFECT OF TRUCK OPERATIONS ON RAILWAY REVENUES

27. Freight earnings by the steam railways show a general increase from 1923 to 1929, the figures being $288,992,220 in 1923 and $331,679,458 (Canadian lines only) in 1929, and during this period there was a great increase in truck registrations and in tonnage handled by trucks. The gains in railway freight revenues were due to great business activity resulting in an increase in long haul traffic with which trucks do not compete to any appreciable extent in Canada.

28. The Joint Committee of the Railways in their report estimate that if the increase in freight carried on steam railways had continued in the same ratio as in the ten-year period from 1915 to 1925 there would have been 95,000,000 tons of freight on the railways in 1929 more than were actually carried by them. The failure to gain this increase cannot however be entirely charged to trucks. The committee's estimate is that not more than 5,000,000 tons of freight were conveyed by trucks over rural highways in that year, and it is only truck operations beyond urban and suburban areas that can be regarded as competitive with railways.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120588

29. There was a general decline in the previous rate of increase which, beginning in the late years of the decade 1915-25 becomes marked after 1925. The cause of this decline must be sought elsewhere than in motor truck competition. The opening of the Panama canal and the improvement of inland waterways have had, and are having, an effect on freight tonnage on railways and the passing of the construction and settlement era in Western Canada also has a bearing on the situation. Even without competition from the motor truck, railway freight tonnage could not be expected to show the sustained increases that were general from 1875 to 1915.

30. In making the estimate of 5,000,000 tons of freight moved by trucks over rural highways, the Joint Committee of the Railways took into account tonnage which had been developed by the trucks themselves in serving areas not touched by railways and in conveying freight to and from railway stations. In trying to arrive at the tonnage actually lost to the railways, an exceedingly difficult matter, by reason of lack of statistics, they have had recourse to reports sent in by railway agents to the Bureau of Economics of the Canadian National Railways, and for a three-year period they have arrived at an estimate of tonnage lost by the railways to common carrier and contract carrier trucks as follows:—

1928	422,000 tons
1929	979,000 tons
1930	1,489,000 tons

31. Since experience of several trucking companies indicates the average revenue per ton handled is $8, the total loss to the railroads was rather less than $8,000,000 in 1929 and $12,000,000 in 1930. Losses due to the operations of privately-owned and operated trucks, which for all Canada are about 96 per cent of the total of all trucks and for Ontario, 94·5 per cent of the total for that province, is more difficult still to estimate.

32. The Joint Committee consider it fair to take the same amount as for the common carrier truck, as being directly lost to the railroads. The Ontario traffic census, conducted by the Department of Highways for the past few years indicates that 70 per cent of the freight tonnage moves on common carrier and contract carrier trucks over the King's highways and only 30 per cent on privately-operated trucks and the department deduces from these figures that the operations of privately-owned trucks are largely confined to the urban and suburban areas where they are not directly in competition with the railways.

33. If the railways are correct in their estimate of 1,500,000 tons for common carriers in 1930, it would seem from the Ontario figures that they are well within the mark in estimating their loss to the privately-operated truck in an equal amount. It may be that the percentages ascertained by the Ontario traffic surveys would not obtain in other provinces, for the proportion of common carrier trucks in that province is greater in relation to the total truck registrations than is the case elsewhere, and in Ontario, by reason of the proximity of towns and cities to one another and to the large centres of distribution, the field of operation for the common carrier truck has been more advantageous than in other parts of Canada. Even making allowance for the comparatively small operations of these common carriers in the other provinces as compared with the privately-operated trucks, it is unlikely that these latter vehicles did in all Canada convey as much freight directly competitive with the railways as the common carrier trucks. The estimate of $24,000,000 lost in freight revenues in 1930 being about 7 per cent of total freight revenues is probably too high, but even if this amount is reduced to say $20,000,000, the loss is very considerable and of tremendous import to the future of the railways of Canada.

120589

34. Common carrier trucks are increasing rapidly in all provinces and though experience of their operations is too short to form a final estimate as to their ultimate place as an agency in the transport of freight, it would appear that unless their operations are being conducted on an unsound basis of cost and will therefore decline, or unless some form of restriction and limitation of their activities is brought about by competent authorities, a progressively increasing loss will be experienced by the railways in the future which cannot fail to have a damaging effect on earnings.

VII. FINANCIAL RESULTS OF CARRIER TRUCK OPERATIONS

35. Information as to the results of common carrier truck operations from a financial point of view was meagre. A representative of the Rural Motor Distributors of Northern Alberta stated that no profits were being made in trucking by reason of competition amongst the truckers themselves. The Manitoba Bus and Truck Operators Association expressed the opinion that operations in that province were on a satisfactory basis as to costs, but the Public Utility Commissioner, to whom applications for permits are made by members of the association, stated that representations were continually being made to him that the operators were not making a fair profit. In Ontario figures for six unnamed freight transport companies were filed by the representative of The Canadian Automobile Chamber of Commerce and the Truck Owners Association which showed that over a three-year period profits, where made at all, were small and that three of the companies were operating at a loss in 1931.

36. These truck owners expressed a desire to have minimum rates for the carriage of goods fixed by a competent body, as they feared that there would be many failures amongst their number if unrestricted competition in rates continued. As a general rule the provincial authorities have not endeavoured to fix tolls for truck services. Manitoba has a tariff but admits it is evaded. Ontario made an attempt to fix rates but has abandoned it for the present until more experience is gained.

37. Until there is regulation and fixing of tolls, as in the case of the motor coach, operating conditions will be chaotic and there will be many failures amongst common carriers of freight, but it is not likely that there will be any considerable diminution in the competition that the railways are now experiencing from this service. The experience in all the provinces has been that when an operator drops out because of financial difficulties, another appears to take his place.

VIII. TAXATION OF MOTOR TRUCKS

38. From various quarters there have come to the commission suggestions that the operations of the motor truck on the highway should be regulated. Regulation in these suggestions generally meant restriction, and restriction was to be attained by higher taxation, particularly for the common carrier truck. At present there is very little in the way of regulation of trucks throughout Canada, and there is a lack of uniformity in the method of imposing taxation. In general a fee is charged for registration of the vehicle and in some instances a charge is made for a special permit to operate as a common carrier. In Ontario where the experience in dealing with the carrier truck is greatest, it is admitted by the provincial authorities that taxation has not been applied to carrier trucks as successfully as to motor coaches. An attempt was made to take a toll per ton mile, but there were so many ways of evading it, that the plan was in operation only about three months. Instead permit fees have been increased, and the registration fees on all trucks advanced in that province for 1932, on the principle that motor trucks have not been paying a proper share of the burden of highway maintenance and that these fees offered the only practicable method of taxation.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

39. Taxation of motor vehicles, as has been stated earlier in this discussion, is a matter of provincial concern. It is not likely that any province of Canada will seek to restrict the operations of these vehicles by imposing excessive fees for registration and for permits. The revenues obtained from licences and permits are not generally applied to road maintenance, nor is any attempt made to equate motor vehicle taxation to highway costs. Motor licence fees and gasoline taxes are a dependable source of revenue and the rate of taxation applied is likely to have relation to provincial revenue requirements rather than to direct highway costs. Under such circumstances uniformity in taxation throughout Canada is improbable, even if it is desirable. There may be a tendency in adjoining provinces to make charges approximately equal on similar vehicles, but the movement towards uniformity is not likely to go further.

40. It is not in the interests of the railways that taxes on these vehicles should be so high as to be prohibitive or even restrictive. The motor truck is a necessity in transport. Freight movement to and from railway stations must take place on the highway, and industrial and agricultural development would be retarded by taxation which might be designed solely to bring about restriction of the use of motor trucks on the highways.

41. At the same time the trucks should pay a fair charge for the use of the right of way which is provided for them by the State, and it would seem doubtful if the scale of fees for registration in the various provinces, even when the gasoline tax is taken into consideration, does provide for a satisfactory contribution from these conveyers. In comparison with charges in many of the states of the Union, Canadian registration fees for trucks are low. Public freight vehicles in Ontario paid on the average about $112 for permit and registration in 1931. In Manitoba about $64 in the same year. In Saskatchewan slightly less than in Manitoba. Fees charged for similar vehicles in the United States ran as high as $750 in the same year and were in general much higher than in Canada.

42. The fees mentioned as being paid in Canadian provinces are exclusive of gasoline taxes, which are considerably higher in Canada than in the United States, and therefore the disparity is not so great as might appear. Including gasoline taxes it was estimated that the average for common carrier trucks in Ontario in 1931, on a basis of 30,000 miles travelled in a year, was $215. Both permit fees and gasoline taxes have been increased in that province in 1932, and protests have been made on the ground that taxation has passed the limit of the operator's ability to pay and has become prohibitive.

43. It is beyond the scope of our inquiry to deal with questions of provincial taxation and the matter is one which must be settled between the motor transport interests and the provincial authorities. Relief to the railways from the inroads being made by trucks into freight earnings will come by restriction and regulation of truck traffic as distinct from taxation, and by some form of co-ordination with rail traffic.

IX. REGULATION OF MOTOR TRUCK TRAFFIC

44. Of regulation, as apart from taxation of the motor truck, there has been little attempted and less accomplished. Provincial highway authorities are all agreed on the importance of the problem. In the first place, it would appear that gravel surfaced roads would in large areas be perfectly satisfactory for the traffic of the passenger automobile, but the truck requires a hard surfaced road, and if it operates on the former the damage done is excessive unless speed and weight are regulated.

45. Secondly, from the point of view of safety of the private car-owners and the public generally, there will have to be regulation of the size and length of motor trucks and motor trains and of the speed at which they operate. Congestion of the highways is leading to a demand that those who use it for commercial purposes shall give way to the tourist and private automobile.

46. Thirdly, there is a growing realization that conditions of operation must be equalized as far as possible between the railway and the truck. The truck cannot replace the railway and it must not be allowed to completely strangle its competitor and leave the country without an essential transport service.

47. It is only in the last of these reasons for regulative and restrictive action that the railways have any direct interest. As provincial taxpayers the railways might well join with other property owners in pointing out that expenditures to provide permanent roadways for the commercial operation of carrying goods in direct competition with existing carriers, travelling on their own right of way, built and maintained at their own cost, is unjustifiable, and that a halt in the program of construction of hard surfaced roads is advisable.

48. They might also very well complain that while they are compelled to expend large sums for road-crossing signals and safety devices and to assist in the construction of subways and overhead crossings, that motor traffic may not be endangered by railway operations, the annual record of motor accidents from excessive speed and undue congestion on the highways is rising at an alarming rate and that little or nothing is being done to deal with the situation. In these matters, however, comment from the railways would be regarded as special pleading, and complaints and warnings from interested parties are of little use in arousing public opinion, from which source alone action will come.

49. In regulations designed to bring railway and motor truck to conditions of operating equality, there is a direct interest for the Canadian railways. We doubt, however, if regulations framed for such purposes will be satisfactory. Freight carriage by motor and by steam train should not of necessity be subject to the same conditions. If there are railway operating conditions that make freight carriage costly, then the solution is not to extend such conditions to carriage by motor truck in order that there may be equality of competition.

50. Carriage of goods on the highway should be regulated in accordance with characteristics of the motor vehicle itself and not by adopting regulations applicable to traffic carried on under different conditions. The purpose of regulation should not be to increase the expenses of motor carriers and so bring about equality of working conditions, but rather to regulate for the safety of the public, protection for cargo carried, to secure for those employed in the industry fair working conditions, and the preservation of the highways.

51. Regulations framed for these purposes are within the competence of highway authorities to devise and police administration to enforce. Already considerable has been accomplished in these matters in Ontario, Quebec and Manitoba. Alberta, Saskatchewan and British Columbia are moving in the same direction, and are profiting from the experience of their eastern neighbours. If trucks operating under proper regulation and paying a fair share of highway costs still continue to encroach upon railway earnings so as to imperil the financial position of these carriers, and it seems entirely probable that they will do so, then the problem must be approached from a different angle and a definite policy of restriction of truck traffic and its co-ordination with railway traffic must be adopted.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120592

X. RESTRICTION OF MOTOR TRUCK COMPETITION

52. In two different and quite distinct aspects is the competition of the motor truck with the railways of direct significance to the public. Railway freight rates have been established on the basis that the steam railway enjoyed a monopoly of the carriage of goods. In the main tolls are high in relation to actual cost on package freight and express carried for short and medium distances, and low and comparatively unremunerative on bulk and heavy commodities moving over long distances. This freight rate structure has been developed not primarily in the interests of the railways but for the benefit of the producers of raw materials which must find access to distant markets at low cost.

53. The motor truck has found its opportunity in carrying a portion of the short haul traffic at rates less than the railways can afford, if the long haul bulk traffic is to continue at its present low rates. The motor truck cannot displace the railways in long haul traffic and in handling bulky commodities. The highways could not stand the strain or accommodate even a fraction of the trucks that would be required.

54. To revise the long distance and commodity rates upward would be a disaster to agriculture and the industries which must seek export markets where laid down costs are matters of vital concern. The country as a whole cannot afford to have the present freight rate structure seriously disturbed and the railways cannot maintain this structure if they are to continue to suffer losses in the short haul traffic.

55. In the second place competition of the motor is threatening the operation of many thin traffic lines in Canada. Motor trucks and coaches, operating along parallel highway routes, especially in the summer months, are taking sufficient of the traffic available to make it advisable or even necessary for the railways to discontinue services altogether. Communities situated along these thin traffic lines cannot expect a railway service as and when they choose to use it, and when motor services are discontinued for climatic reasons. They cannot expect that the railway will be available to move heavy and bulky materials at infrequent intervals while the motor vehicles takes the more profitable less than car load freight business. One of the rival carriers must be dispensed with and in the majority of cases in Canada, the railway must survive.

56. In the more thickly settled areas in Canada, relief may be found in establishing zones for truck operations. The truck has its place in the movement of goods, but its proper function is collective and dispersive and not that of a primary carrier. In a properly co-ordinated transport system, the railway would assume the main burden of the carriage of goods over distances exceeding fifty miles and the trucks would operate as collectors and distributors of freight.

57. Trucks might be licensed only for operations within reasonable distances of manufacturing and distributing centres, which should be fixed by the highway authorities of each province after consultation with the railways and the shippers immediately concerned. As a condition of the establishment of zones the railways might be required to give a more frequent service and to simplify their freight classifications and modify the present onerous requirements as to crating and packing. As the railways develop pick-up and store delivery service, to which they are now giving serious attention, there will be less objection by the public to zoning of truck operations and to the consequent restrictions in the freedom of movement of these vehicles over the rural highways.

120593

58. In the case of thin traffic lines, it would seem that, as a matter of policy, provincial highway authorities will have to make a choice between the motor and the railway, and refuse permits to the common carrier truck and coach. In some cases the railways could assist by giving more frequent service with unit cars, reserving the steam-operated trains for the carriage of heavy commodities when a full load offered. The experiment has met with a fair degree of success in the case of the Winnipeg Water District Railway, operating easterly from St. Boniface for some 60 miles.

59. It is realized, however, that there are many difficulties in conducting branch line operations with unit cars and that the railways have already given these cars very careful study and trial. There are limits to the usefulness of these unit cars arising from their high initial cost and expense of maintenance, and their lack of reserve power when operating under adverse climatic conditions, that will prevent them from going into general use as substitutes on all thin traffic lines throughout the country. Very properly the railways are proceeding cautiously and after careful study of the traffic and of operating costs and conditions in their plans for utilizing these new units.

60. The related problems of regulation and restriction of motor traffic on the highways could best be dealt with by a conference of the highway departmental officials of all the provinces meeting in conference at the instance of the Federal Government. At this conference the broad lines upon which, for example, the regulation of common carriers of goods and merchandise could be effected might be laid down as follows:—

(*a*) Schedules of rates and charges must be published.
(*b*) Within that schedule common carriers must accept and carry what is offered without discrimination between shippers.
(*c*) Operators must be insured against all risks, including third party risks.
(*d*) Operators must keep accounts on a prescribed system and render returns to public authorities on a common basis.
(*e*) Uniform bills of lading must be used and a copy given to all shippers.
(*f*) Minimum standards in regard to working conditions, including wages and hours of labour should be required.
(*g*) Due regard must be had to the preservation of roads and to the safety of the public.

61. Similar principles might be applied *mutatis mutandis* to road passenger services.

62. The administration and adaptation from time to time of the agreed principles of regulation of road transport should be left to the highway authorities of each province, and it should be recognized that varying conditions will call for differences in detail in the framing of provincial regulations.

63. At this conference a body might be set up to study and report upon areas where rail services are being rendered unprofitable without being superfluous by reason of the competition of road transport, to the end that steps may be taken to restrict, or even prohibit, highway carriers in these areas. A study should also be made of the possibilities of assistance to the railways in maintaining their present freight rates structure by a zoning scheme for the licensing of all trucks as a practical step towards co-ordination of rail and motor traffic, or such other plans or schemes as may seem to promise relief to the railways.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120594

XI. EXCLUSIVE PERMITS TO COMMON CARRIERS ON THE HIGHWAYS

64. Since the Joint Committee of the Railways in their report recommended against the granting of exclusive permits or franchises to operate common carrier coaches and trucks on highways and against minimum tolls and charges, and in favour of the free play of competition in these transport activities, an examination of the principles underlying the granting of these exclusive permits and the fixing of tolls seems desirable.

65. All provincial authorities agree in the policy of giving exclusive rights to operate motor coaches over specified routes and between fixed terminii on rural highways under provincial control. In the case of the carrier truck there is not the same uniformity, but there is a general acceptance of the principle that here also there must be regulation and that regulation can only be made really effective for its chief end, that of producing a dependable service if the operations are in the control of one responsible party over a given route. Ontario, Quebec and Manitoba have definite regulations to this effect and in all provinces permits are required and the tendency is to grant these only to one operator. This has the effect of eliminating competition from other common carrier trucks and sets up a monopoly in this form of transportation.

66. The reasons for these permits are set forth in the brief of the Gray Coach Lines, Limited.

67. Previous to the entry of this company, a subsidiary of Toronto Transportation Commission, into the field of suburban and inter-urban coach traffic, motor bus operations were in the hands of irresponsible operators, many of whom were not financially stable. Equipment was poor and there was a lack of spare vehicles for peak service. Wages paid were low and drivers worked long hours. Schedules were not dependable and services were often interrupted.

68. The entry of Gray Coach Lines, Limited, backed by a responsible authority, resulted in an immediate improvement. Equipment is now fully modernized and service is maintained on a high efficiency basis. Labour conditions are satisfactory to employees both in rates of pay and hours worked. As a result there has been a marked increase in public confidence and this is reflected in increased patronge by the travelling public. In turn, the financial outcome has been profitable to the operator. Gray Coach Lines, Limited, could not have attained this position if it had been open to competition by any individual who might choose for a time to carry passengers for hire over any one of the routes assigned to them.

69. Counsel, in his submission for the Ontario Association of Motor Coach Owners, gives the policy of the Department of Highways in issuing of permits. The principles are stated to be three in number:—

(*a*) Present traffic offering in the province does not warrant the issuing of more than one permit for local travel between any two points, and the public interest, therefore, is best served by permitting one responsible operator only to furnish such service.

(*b*) Every permit-holder who continues to operate to the satisfaction of the department as tested by standards prescribed by it, can make the necessary investment and maintain the required service in the confidence that he will secure a renewal from time to time.

(*c*) The department exercises a real supervision over permit transfers and endeavours to see that no transfer is made except to an operator of substance and reliability, preferably to an existing transportation agency in the vicinity.

120595

70. The Chairman of the Public Utilities Board, which issues the permits in Manitoba, in his able submission puts the case for permits thus:—

> The monopoly phase of the matter is only incidental. It is in the public interest that this form of transport should be dependable and to be dependable it must be in the hands of a reliable operator who can make his investment and give a service of the standard required without fear that he will suffer loss of business by a division of traffic. If permits were granted to many operators over the same route, it would be impossible in practice to enforce observance of regulations. The threat of cancellation of the permit is a real check on faulty operation where the permit is valuable and the grantee is operating at a profit or can see a profit in future operations. Maximum tolls can be fixed to protect the public and if insufficient or indifferent service is given the permit can be revoked and granted to another applicant. It is not a case of regulating a monopoly by conditions annexed to a certificate of "convenience and necessity", such as pertains in the "Public Utility" field, in the strict use of that word, but rather the grant of a monopoly for the purpose of more effective regulation.[1]

71. The exclusive permit has resulted, in the case of the motor coach, in securing to the public good service and the main defect in a monopoly, that of excessive rates, has been kept in check by departmental supervision. Indifferent service is not to be feared to the same extent as in the case of a natural monopoly like a street railway or a power or light company, for the permit can be revoked and granted to another where the capital in fixed and unrealizable plant is comparatively insignificant.

72. If the free play of competition does not produce good results and makes regulation of motor transport more difficult and the attainment of satisfactory standards of service impracticable, then the provincial authorities would seem to be justified in introducing the exclusive element into their permits to operate, not for the purpose of creating property rights, but for the purpose of better regulation and control of the traffic.

73. There would seem to be little doubt that when motor truck regulations are in process of development the exclusive permit to common carriers will be found of value, but there will remain to be devised, satisfactory regulations for the control of contract carriers and of the privately-operated truck and it will then clearly appear that the permit is only an incident in the process of regulation, helpful in the case of the common carrier, but only a means to an end, and that the principles to be applied by the regulating authority to the problem in hand, must be found in characteristics which are inherent in the motor vehicle as an agency of transport and cannot be adapted from regulations which have been successful in the case of "public utilities" such as street railways, gas or power undertakings. Experience of the traffic alone will indicate the principles to be applied.

74. The following observations made by Mr. Loree, a member of this commission, on the operation of highway carriers in the United States of America call for consideration in any plan or plans which may be devised for solution of the problem in Canada:—

75. "There has been some absorption of freight traffic by motor trucks. For the most part it has been the taking over of less than carload or package freight. The cost of this movement to the railroads has been very heavy. It

[1] The evidence has been summarized. The words are those of the editor, but it is believed that the ideas are correctly stated.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120596

makes necessary the provision of expensive freight stations on property well located in the hearts of the cities; it must be trucked twice across the station platforms, weighed and billed in small lots, stevedored in the cars at one terminal and unloaded in the other; while the loss and damage have been relatively very high. Whether or not it is a source of profit is debated, but the activity of the movement is likely to be confined within a distance represented by the ability of the truck to make delivery and return in one working day.

76. "There are in service 3,486,303 automotive trucks; of these 190,644 or 5·4 per cent only, are used in common carrier service, either interstate or intrastate and this number is so insignificant as to make any effort toward their control scarcely worth while. Along with the increase in numbers has grown an increase in carrying capacity.

77. "Control of automotive traffic must be looked for through the police power of the State to ensure safety upon the highways. The blood-letting in the business as now conducted is appalling. In 1931 there were brought to their death by this agency 34,400 persons and nearly a million received injuries. Of these more than 41 per cent were of a serious character, ranging from slight contusions to maiming and crippling for life. It is an instrument more dangerous than was the Great War. During 18 months of the Great War 50,510 members of the American Expeditionary Force were killed in action or died of wounds. During the 18 months ending December 31, 1931, 53,650 were killed in automobile accidents in the United States.

78. "During the 18 months of the Great War 182,674 members of the American Expeditionary Force were wounded, not mortally. During the 18 months ending December 31, 1931, 1,576,840 were wounded, not fatally, in the United States.

79. "We must then expect restriction of length, height and width, limitation of load, including the truck and trailer combination, mechanical restriction of speed, limitations in the hours of labour of chauffeurs, a higher standard in their character and skill and other controls to markedly lessen the appalling danger now attending this traffic".

120597

APPENDIX III

LIST OF RAILWAY OFFICIALS, GOVERNMENT REPRESENTATIVES, PUBLIC BODIES, AND INDIVIDUALS APPEARING BEFORE THE COMMISSION IN THE COURSE OF ITS INQUIRY (with reference to the relevant volume and page of the recorded proceedings)

ON BEHALF OF THE CANADIAN NATIONAL RAILWAYS

	Volume	Page
Sir Henry Thornton, President and Chairman	1	24
	2	667
Mr. S. J. Hungerford, Vice-President of Operation and Construction	2	739
	4	2501
Mr. Gerard Ruel, K.C., Legal Vice-President	4	2201
Mr. S. W. Fairweather, Director, Bureau of Economics—Tr. Conf.		2
" "		18
" "		32
" "		100
" "		323
	2	742
	4	2510
Mr. A. E. Warren, Vice-President, Western Lines—Tr. Conf.		9
		310
Mr. W. U. Appleton, General Manager, Atlantic Region—Tr. Conf.		372
Dr. W. J. Black, Director, Colonization and Agriculture	4	2107

ON BEHALF OF THE CANADIAN PACIFIC RAILWAY

Mr. E. W. Beatty, K.C., President and Chairman	1	125
	2	902
	4	2401
Mr. Grant Hall, Vice-President	4	2546
Mr. D. C. Coleman, Vice-President, Western Lines—Tr. Conf.		181
		227
		310
Mr. E. E. Lloyd, Comptroller—Tr. Conf.		189
Mr. J. N. K. Macalister, Chief Commissioner, Department of Immigration and Colonization	2	982

GOVERNMENT REPRESENTATIVES

Sir George Perley, Acting Prime Minister	1	5
Hon. R. J. Manion, Minister of Railways and Canals	1	7

AT VICTORIA, B.C.

Hon. S. F. Tolmie, Prime Minister and Minister of Railways	1	182
Hon. R. H. Pooley, K.C., Attorney-General	1	241
Mr. G. P. Napier, Assistant Chief Engineer and Acting Deputy Minister of Public Works	1	188
Mr. J. E. Griffith, Deputy Minister and Chief Engineer of Railways	1	206

AT EDMONTON, ALTA.

Hon. J. E. Brownlee, Premier and Provincial Secretary	1	322
Hon. O. L. McPherson, Minister of Public Works	1	405
Mr. E. Trowbridge, Deputy Provincial Secretary	1	415
Mr. J. D. Robertson, Deputy Minister of Public Works	1	417

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120599

	Volume	Page
AT REGINA, SASK.		
Hon. J. T. M. Anderson, Premier	2	469
Hon. J. F. Bryant, Minister of Public Works	2	478
Hon. M. A. MacPherson, K.C., Attorney-General and Provincial Treasurer	2	479
AT WINNIPEG, MAN.		
Hon. John Bracken, Premier	2	537
	2	576
Hon. W. J. Major, K.C., Attorney-General	2	576
Mr. W. R. Cottingham, K.C., Chairman, Municipal and Public Utilities Board	2	658
AT HALIFAX, N.S.		
Hon. G. S. Harrington, Premier	3	1007
Hon. Percy C. Black, Minister of Highways	3	1019
Hon. O. P. Goucher, Minister of Agriculture	3	1048
Hon. John Doull, Attorney-General	3	1050
AT SAINT JOHN, N.B.		
Hon. C. D. Richards, Premier and Attorney-General	3	1201
Hon. David A. Stewart, Minister of Public Works	3	1215
Hon. L. P. D. Tilley, K.C., Minister of Lands and Mines	3	1240
Hon. Lewis Smith, Minister of Agriculture	3	1243
AT QUEBEC, P.Q.		
Mr. J. A. Begin, Comptroller of Provincial Revenue (appearing on behalf of the Executive Council)	3	1321
AT TORONTO, ONT.		
Hon. George S. Henry, B.A., LL.B., President of the Executve Council and Minister of Education	3	1469
Hon. Leopold Macaulay, K.C., B.A., LL.B., Minister of Highways	3	1513
Mr. R. M. Smith, Deputy Minister of Highways	3	1560
PUBLIC BODIES, ORGANIZATIONS AND ASSOCIATIONS		
Alberta Coal Operators Association:		
Dr. O. H. Patrick	1	294
Mr. L. R. Lipsett	1	302
Mr. L. A. Tupper	1	307
Alberta Federation of Labour:		
Mr. Carl E. Berg	1	433
Association of Bus Owners of the Province of Quebec:		
Colonel Thomas Vien, K.C.	3	1374
Automotive Transport Association of Ontario:		
Mr. M. J. Patton	4	1945
Calgary Board of Trade:		
Mr. A. C. Fraser, President	1	292
City of Vancouver:		
Alderman John Bennett, Acting Mayor	1	269
Mr. George E. McCrossan, K.C., Counsel	1	289
City of Victoria:		
Alderman W. T. Straith	1	242
City of Edmonton Industries Committee:		
Mr. H. H. Parlee, K.C.	1	422
City of Saint John:		
Dr. W. W. White, Mayor	3	1250
City of Winnipeg:		
Mr. Jules Preudhomme, K.C., Counsel	2	538

120599

	Volume	Page
Canadian Automobile Association:		
Mr. W. J. Robertson, Secretary	3	1661
Canadian Automobile Chamber of Commerce:		
Mr. D. R. Grossman	3	1586
Mr. M. J. Patton, Economist	3	1587
Canadian Brotherhood of Railway Employees:		
Mr. A. R. Mosher, President	4	1900
Mr. M. M. Maclean, Secretary	4	1931
Canadian Electric Railway Association:		
Colonel Thomas Vien, K.C.	3	1367
Colonel Thomas Vien, K.C.	4	1802
Canadian Radio League:		
Mr. Graham Spry, Chairman, Executive Committee	3	1450
Chamber of Commerce, District of Levis:		
Mr. Noel Belleau, K.C., Legal Adviser	3	1363
Mr. H. E. Weyman, President	3	1363
Commercial Telegraphers' Union:		
Mr. G. R. Pawson	4	1887
Edmonton Trades and Labour Council:		
Mr. Carl E. Berg	1	433
Halifax Board of Trade:		
Mr. C. B. Smith, K.C.	3	1124
L'Association de Proprietiares d'autobus, District de Quebec:		
Dr. J. Beaudet, President	3	1374
Manitoba Board of Trade:		
Mr. J. Stanley Cook, Secretary	3	1431
Manitoba Central Terminal Company:		
Mr. E. A. D. Morgan, K.C.	3	1431
Manitoba Truck and Bus Association and Suburban Transit Company:		
Mr. W. M. Noble, Winnipeg	2	557
Montreal Underground Terminal Company and the League Proprietors of Montreal:		
Mr. Seraphin Ouimet	3	1432
New Brunswick Forest Products Association:		
Mr. Arthur N. Carter	3	1254
North Fraser Harbour Commissioners:		
Colonel W. D. S. Rorison, Vancouver, B.C.	1	278
North Vancouver Board of Trade:		
Mr. J. H. Cates, President	1	286
"On to the Peace" Association:		
Mr. C. E. Tisdall, Chairman, Vancouver, B.C.	1	274
One Big Union, Transcona Unit:		
Mr. William Nursall, Transcona	2	567
Ontario Motor Coach Operators:		
Colonel Thomas Vien, K.C.	3	1367
Mr. I. S. Fairty, K.C., Toronto	3	1586
Mr. I. S. Fairty, K.C., Toronto	4	2000
Panama Pacific Grain Terminals, Limited:		
Mr. D. S. Tait, Victoria, B.C.	1	243
Port Perry Board of Trade:		
Mr. C. C. Jeffrey	4	2101
Provincial Transport Company:		
Colonel Thomas Vien, K.C.	3	1367
Mr. H. R. Mallison, Montreal	3	1440
Quebec Motor Highways Association:		
Mr. William M. Tuff	3	1440
Quebec Railway, Light and Power Company:		
Mr. Paul Taschereau, K.C.	3	1360
Mr. J. A. Cote, Superintendent, Montmorency Division	3	1360
Railway Employees' Association, Province of Quebec:		
Mr. H. O. Blanchet, President	3	1400

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

	Volume	Page
Railway Employees' Department, Division No. 4, Montreal:		
Mr. R. J. Tallon, Chairman	4	1864
Rural Motor Distributors:		
Mr. J. Gordon Wilson	1	460
Saint John Board of Trade:		
Mr. A. L. Foster, President	3	1251
Mr. F. Maclure Sclanders	3	1258
Saskatchewan Boards of Trade:		
Mr. L. A. Blackwood, Moose Jaw	2	530
Saskatchewan Executive, Dominion Trades and Labour Congress:		
Mr. W. Stephenson, Regina	2	521
Saskatchewan Trades and Labour Executives:		
Mr. H. D. Davis, Secretary	2	521
Saskatchewan Wheat Pool:		
Mr. Robert H. Milliken, Counsel, Regina	2	528
Society for the Preservation of Canadian Forests:		
Mr. Gerald V. Pelton, K.C., Vancouver	1	287
Toronto District Labour Council:		
Mr. L. O'Connell, Chairman	3	1652
Mr. J. W. Buckley, Secretary	3	1652
Toronto Transportation Commission:		
Mr. I. S. Fairty, K.C., Counsel	3	1694
Mr. D. W. Harvey, General Manager	3	1735
Transcona Town Council and Board of Trade:		
Mr. W. Haigh, Mayor	2	556
Transportation Commission, Maritime Board of Trade:		
Mr. R. K. Smith, K.C., M.P.	3	1081
Mr. C. P. Patterson	3	1251
United Farmers of Alberta:		
Mr. Norman F. Priestley, Vice-President	1	311
Vancouver Board of Trade:		
Mr. Mayne D. Hamilton, President	1	271
Vancouver Terminals, Limited:		
Mr. A. K. H. Macfarlane, President	1	289
Wilson Transit and Distributing Co., Ltd.:		
Mr. J. Gordon Wilson, Edmonton	1	460

INDIVIDUAL REPRESENTATIONS

Mr. Walter A. Black, Halifax, N.S.	3	1136
Mr. John Clancy, Winnipeg, Man.	2	369
Mr. M. B. Jackson, K.C., Victoria, B.C.	1	260
Mr. Cameron R. McIntosh, M.P., North Battleford	4	2058
Mr. William C. Pritchard, Winnipeg, Man.	2	572
Mr. John Queen, M.P.P., Winnipeg, Man.	2	573
Sir Thomas Tait, Montreal	4	2126
Mrs. Bertha Waite, Victoria, B.C.	1	262
Mr. A. H. Whitman, Halifax, N.S.	3	1160
Mr. Robert T. Williams, Victoria, B.C.	1	263

APPENDIX IV

LIST OF PERSONS AND BODIES FROM WHOM WRITTEN SUBMISSIONS WERE RECEIVED

Allbright, W. D. .. Superintendent, Dominion Experimental Substation, Beaverlodge, Alta.

Alderson, W. H. .. Muskoka Beach, Ontario, *re* train services, Muskoka district.

Anderson, S. B. .. Secretary; with resolution adopted at Public Meeting, City Hall, Moncton, N.B.

Armstrong, C. N. .. Managing Director, Montreal Central Terminal Company, Montreal.

Begin, J. A. .. Comptroller of Provincial Revenue, Parliament Buildings, Que.

Bell-Irving .. Henry Bell-Irving & Partners, Vancouver, B.C., *re* Canadian Government Merchant Marine fleet.

Bellamy, Geo. W. .. Edmonton, Alta. Representations as to railway matters generally.

Blanchard, H. P. .. Ellershouse, N.S. Suggestions as to improvement of Canadian railway conditions.

Brittain, Horace L. .. Director, Associations Research Institute of Canada, Toronto; Highway expenditure and motor vehicle taxation.

Brookbank, Arthur .. Secretary-Treasurer, Chamber of Commerce, Prince Rupert.

Brownlee, John .. Galt, Ontario, *re* car service charges.

Campbell, W. S. .. Vice-President, Gaults Alberta, Limited, Edmonton, Alta.

Clermont, J. A. .. President, Board of Trade, Cochrane, Ontario. Resolution *re* increased use of the Transcontinental Railway between Winnipeg and Quebec for passengers and for freight.

Cohen, Miss Sophie .. The Canadian Coal Supply, Toronto, Ont.

Cook, J. Stanley .. Secretary, Board of Trade, Montreal.

Cross, A. E. .. Calgary Brewing & Malting Company, Limited, Calgary, Alta.

Currie, David M. .. Secretary-Treasurer, City of St. Lambert, P.Q.

Dahl, C. H. .. Operating Vice-President, Winnipeg Electric Company, Winnipeg, Man.

Devers, John M. .. Toronto. Suggestions for the improvement of railway services.

Duffey, Geo. J. .. Toronto. *Re* container system of handling freight.

Esling, W. K., M.P. .. for Kootenay West, Rossland, B.C. Submitting resolutions on behalf of the Brotherhood of Locomotive Engineers at Revelstoke and Nelson, B.C.

Field, R. C. .. Attorney for J. Arthur Larue, Victoria Cold Storage and Terminal Warehouse Company, Ltd., Victoria, B.C.

Gardiner, J. Rawson .. Montreal.

Gell, Wilfred R. .. Secretary, Western Canada Fuel Association, Winnipeg, Man.

Grierson, J. E. .. Winnipeg, Man. The relationship of railway prosperity to import trade.

Hall, Grant .. Vice-President, Canadian Pacific Railway Company, Montreal. *Re* Montreal Railway terminals.

Hawkin, E. L. .. } London, England. Grand Trunk Perpetual Stocks Committee, London, England.
Hawkin R. C. .. }

Healey, Lt.-Col. F. P. .. Managing Secretary, Chamber of Commerce, Hamilton. Brief dealing with various railway matters.

Hope, Chas. E. .. Vancouver, B.C. Suggestions as to improvement of railway conditions.

Howland, Lucien B. .. Peterborough, Ont. On the general railway situation.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120602

Hudson, A. B. .. .. Submitting statement by W. M. Scott, Chairman of the Commissioners, Greater Winnipeg Water. District, Winnipeg, Manitoba, as to possible economies in railway operation.

Imrie, John M. .. .. Edmonton Journal, Edmonton, Alta. *Re* Canadian railway policies.

Ivey, A. R. .. .. Secretary, Retail Merchants Association, Winnipeg, Man.

Kipp, Theodore. .. .. Chairman, Industrial Development Board of Manitoba, Winnipeg.

Kirkwood, T. R. .. .. Montreal, *re* development of the St. Lawrence river for hydro-electric energy and for navigation.

Lymburner, Norman. .. .. .. Wiarton, Ont. Transportation of express freight.

Murin, W. G. .. .. President, British Columbia Electric Railway Company, Limited, Vancouver, B.C.

McBain, W. W. .. .. Lakeside Coals Limited, Edmonton, Alta.

McCrossan, Geo. E. .. .. .. Corporation Counsel, Vancouver, B.C. *Re* Canadian National Railway agreement; *re* Peace River Railway; *re* removal of Mountain differential.

McDonald, S. A. .. .. President, Maritime Board of Trade, Charlottetown, P.E.I.

McKenna, Jas. D. .. .. Saint John, N.B. The comparative advantages of Saint John and Halifax as Canadian National ocean termini.

McLennan, Hon. John S. .. .. (Senator) Sydney, N.S. *Re* strategic position of port of Sydney from the railway standpoint.

McMillan, J. F. .. .. President, Chisholm Sawmills, Limited, Edmonton, Alta.

O'Kelly, T. P. .. .. Vancouver, B.C. *Re* Pacific Great Eastern Railway.

Patterson, D. W. .. .. Secretary, Board of Trade and Chamber of Commerce, Grande Prairie, Alta.

Pattulo, T. D. .. .. Leader of the Opposition, British Columbia Legislature, Victoria, B.C.

Pawson, G. R. .. .. General Chairman, Canadian Pacific Commercial Telegraph Employees, Toronto.

Payne, A. N. .. .. Secretary, The Lawson Patent Process Company of Canada, Limited, Hamilton, Ontario.

Phillips, L. V. .. .. Kamloops, B.C. Written submissions as to the transportation problem.

Pitts, Gordon McL. .. .. .. Montreal. Monograph on transportation in Canada.

Poole, I. R. .. .. Secretary, Mountain Lumber Manufacturers Association, Calgary, Alta.

Poole, I. R. .. .. Secretary, Spruce Manufacturers Association, Calgary, Alta.

Reynolds, E. J. .. .. "The Mail," Winnipeg, Manitoba. An analysis of grain transportation as related to Canadian ports and routes.

Ryan, Robert. .. .. Three Rivers, P.Q. *Re* extension of Canadian National Railways into Three Rivers.

Sawyer, J. W. .. .. Secretary-Treasurer, United Farmers of Alberta, Grande Prairie District. *Re* Peace River outlet.

Sclanders, F. MacLure. .. .. Commissioner, Saint John Board of Trade, *Re* increased use of West Saint John port facilities, and *re* Saint John Valley Railway.

Scoular, John M. .. .. Manager, Island Freight Service, Limited, Victoria, B.C.

Scott, Louis G. .. .. Vancouver, B.C. *Re* Quebec and Lake Saint John Railway Company, and the Great Northern Railway of Canada.

Scott, W. L. .. .. Eastern Canada Livestock Union, Ridgetown, Ontario. *Re* improvements in railway livestock transportation necessary to meet truck competition.

Sereth, Alex. .. .. Vancouver, B.C. *Re* lumber requirements, Canadian National Railways.

Sharpe, Hon. W. H. .. .. .. (Senator), Winnipeg, Manitoba. *Re* Northern Ontario Railways.

Spence, C. .. .. Secretary-organizer, Workers Unity League of Canada, Winnipeg, Man.

Summerhayes, Rev. T. F. .. Toronto, Ontario. General views as to the solution of the railway problem.

120603

Swanson, W. W. .. .. Department of Economics, University of Saskatchewan, Saskatoon, Sask.

Walkem, Geo. A., M.L.A. .. Vancouver, B.C. *Re* Canadian National Shipyard, Prince Rupert.

Walker, J. Alex. .. .. Engineer-Secretary, Town Planning Commission, Vancouver, B.C.

Walton, G. H. .. .. President, Sidney Lumber Co., Ltd., Sidney, B.C.

Weyman, H. E. .. .. Vice-President and General Manager, Levis Tramways Company, Levis, P.Q.

Weyman, H. E. .. .. President, Chamber of Commerce of the District of Levis, P.Q. Supplementary brief on the Canadian railway problem.

Wilson, Ridgeway R. .. .. .. Victoria, B.C. *Re* Pacific Great Eastern and Peace River proposals.

Wright, F. .. .. Commissioner, North Battleford Board of Trade, North Battleford, Sask.

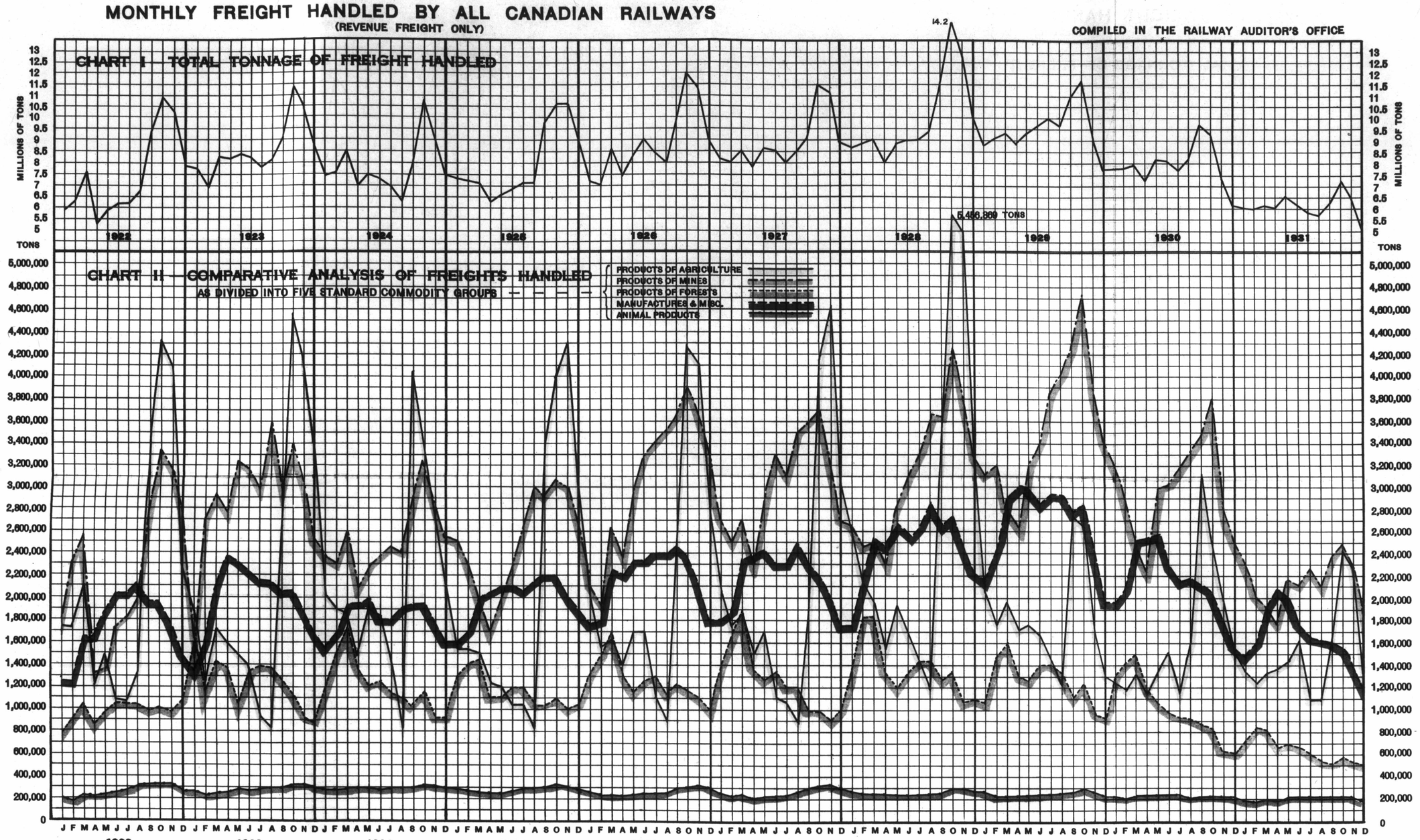
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MONTHLY FREIGHT HANDLED BY ALL CANADIAN RAILWAYS

(REVENUE FREIGHT ONLY)

COMPILED IN THE RAILWAY AUDITOR'S OFFICE



	1922 ANNUALLY	1923 ANNUALLY	1924 ANNUALLY	1925 ANNUALLY	1926 ANNUALLY	1927 ANNUALLY	1928 ANNUALLY	1929 ANNUALLY	1930 ANNUALLY	1931 ANNUALLY
AGRICULTURE	25.97	25.49	24.54	24.92	25.71	25.75	32.18	22.02	19.65	18.19
MINES	26.84	36.09	30.15	29.90	36.71	36.39	37.79	42.40	35.80	25.65
FORESTS	11.76	14.59	13.72	13.90	15.14	15.76	16.40	15.12	12.22	7.75
MFRS. & MISC.	21.06	24.20	21.80	24.14	26.17	26.47	29.78	32.07	25.65	19.82
ANIMAL	3.22	3.38	3.44	3.38	3.27	3.19	3.08	2.99	2.51	2.42
TOTAL	88.85	103.75	93.65	96.24	107.00	107.56	119.23	114.60	95.83	73.82

ALL ANNUAL TOTALS GIVEN IN MILLIONS OF TONS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

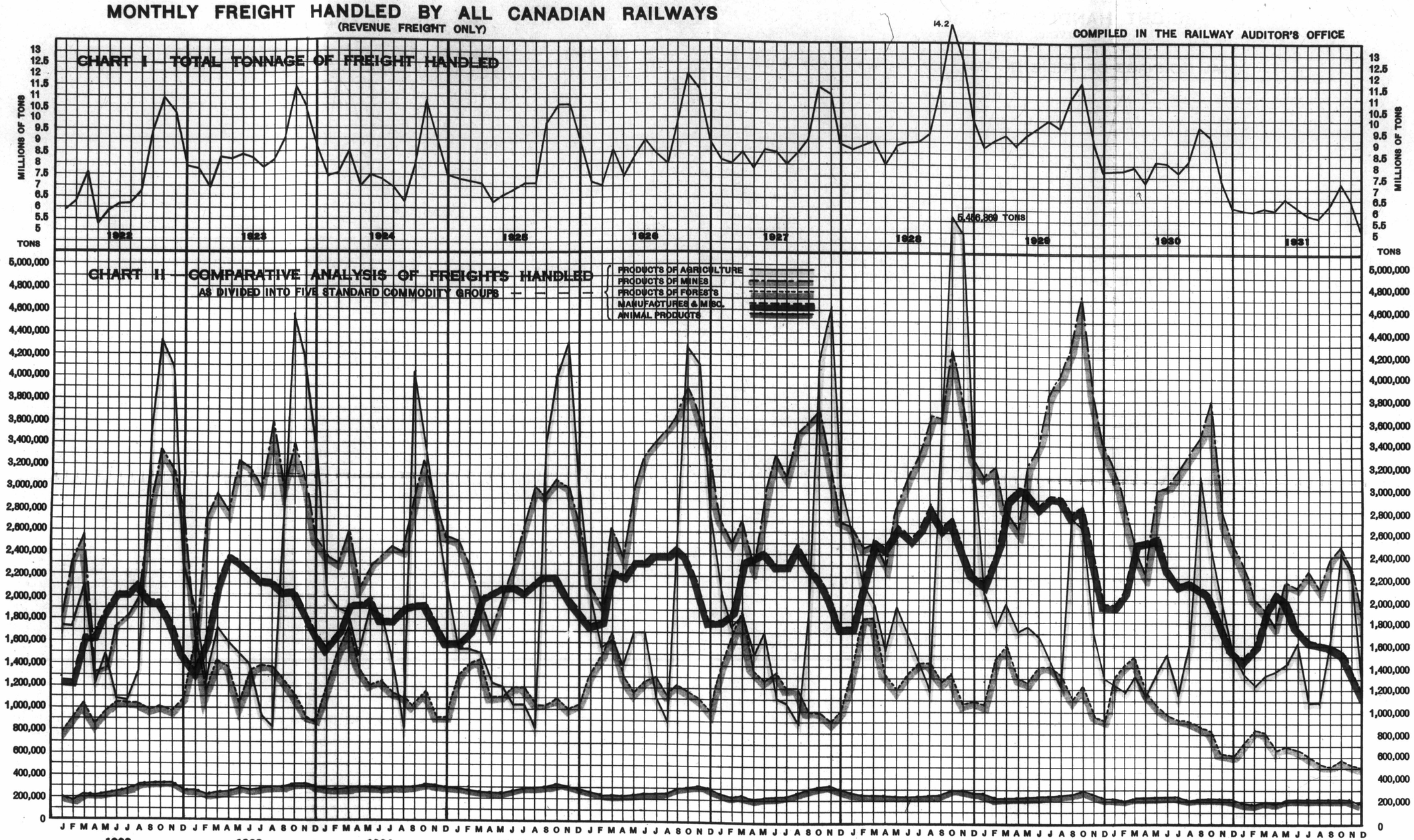
KODAK SAFETY FILM

120604

MONTHLY FREIGHT HANDLED BY ALL CANADIAN RAILWAYS

(REVENUE FREIGHT ONLY)

COMPILED IN THE RAILWAY AUDITOR'S OFFICE



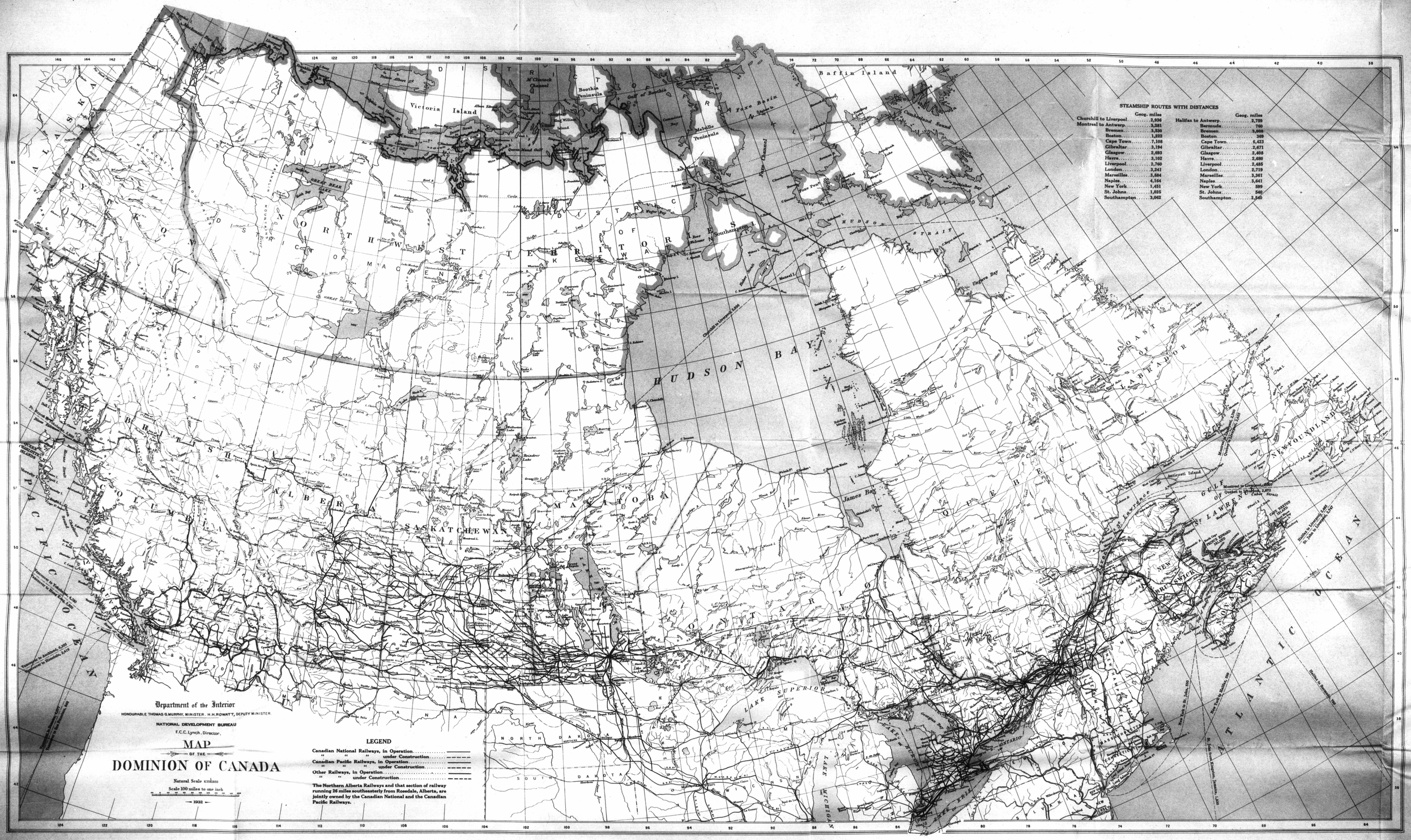
	1922 ANNUALLY	1923 ANNUALLY	1924 ANNUALLY	1925 ANNUALLY	1926 ANNUALLY	1927 ANNUALLY	1928 ANNUALLY	1929 ANNUALLY	1930 ANNUALLY	1931 ANNUALLY
AGRICULTURE	25.97	25.49	24.54	24.92	25.71	25.75	32.18	22.02	19.65	18.19
MINES	26.84	36.09	30.15	29.90	36.71	36.39	37.79	42.40	35.80	25.65
FORESTS	11.76	14.59	13.72	13.90	15.14	15.76	16.40	15.12	12.22	7.75
MFRS. & MISC.	21.06	24.20	21.80	24.14	26.17	26.47	29.78	32.07	25.65	19.82
ANIMAL	3.22	3.38	3.44	3.38	3.27	3.19	3.08	2.99	2.51	2.42
TOTAL	88.85	103.75	93.65	96.24	107.00	107.56	119.23	114.60	95.83	73.82

ALL ANNUAL TOTALS GIVEN IN MILLIONS OF TONS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120605

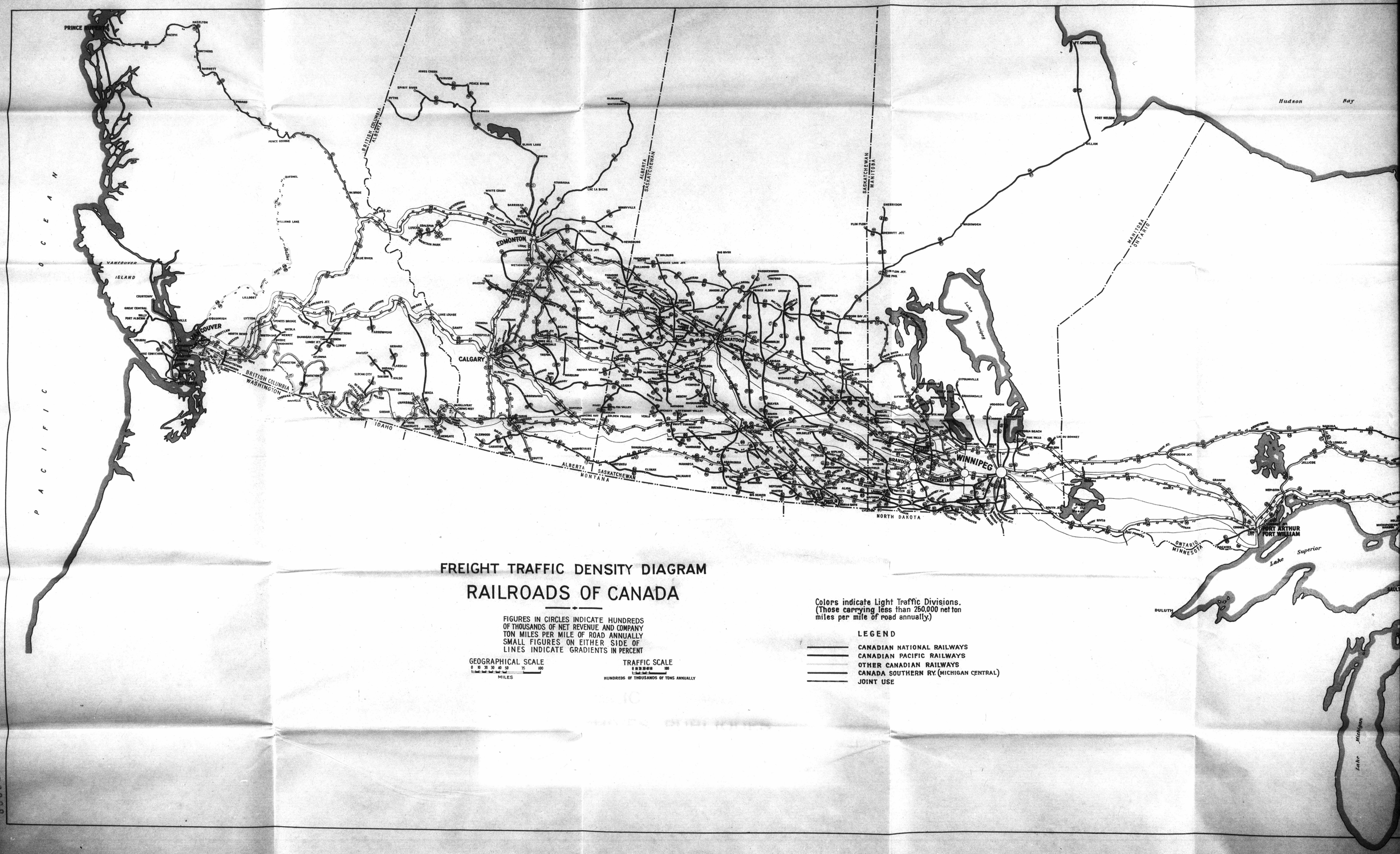

Department of the Interior
HONOURABLE THOMAS G. MURPHY, MINISTER. H. H. ROWATT, DEPUTY MINISTER.
NATIONAL DEVELOPMENT BUREAU
F.C.C. Lynch, Director.
MAP OF THE DOMINION OF CANADA
Natural Scale 1/38,000
Scale 100 miles to one inch
1932
LEGEND
Canadian National Railways, in Operation
" " " under Construction
Canadian Pacific Railways, in Operation
" " " under Construction
Other Railways, in Operation
" " under Construction
The Northern Alberta Railways and that section of railway running 26 miles southeasterly from Rosedale, Alberta, are jointly owned by the Canadian National and the Canadian Pacific Railways.
STEAMSHIP ROUTES WITH DISTANCES
Geog. miles
Churchill to Liverpool 2,936
Montreal to Antwerp 3,281
Bremen 3,530
Boston 1,222
Cape Town 7,108
Gibraltar 3,194
Glasgow 2,693
Havre 3,102
Liverpool 2,760
London 3,241
Marseilles 3,884
Naples 4,164
New York 1,651
St. Johns 1,025
Southampton 3,062
Halifax to Antwerp 2,728
Bermuda 760
Bremen 3,998
Boston 369
Cape Town 6,423
Gibraltar 2,671
Glasgow 2,468
Havre 2,680
Liverpool 2,485
London 2,719
Marseilles 3,361
Naples 3,641
New York 599
St. Johns 540
Southampton 2,540
Victoria Island
Baffin Island
Boothia Peninsula
Melville Peninsula
Southampton I.
HUDSON BAY
HUDSON STRAIT
James Bay
LAKE SUPERIOR
LAKE MICHIGAN
LAKE HURON
LAKE ONTARIO
LAKE ERIE
GREAT BEAR LAKE
GREAT SLAVE LAKE
Manitoba
Saskatchewan
Alberta
British Columbia
Quebec
Ontario
Newfoundland
New Brunswick
Nova Scotia
Prince Edward Island
Anticosti Island
Cape Breton
Montreal to Liverpool 2,872
Quebec to Liverpool 2,872
Halifax to Liverpool 2,485
St. John to Liverpool 2,540
New York to St. John 599
New York to Halifax 599
St. John to Bermuda 760
Vancouver to Auckland 5,220
Vancouver to Honolulu 2,419
Vancouver to Shanghai 4,577
Vancouver to Yokohama 4,500
Vancouver to San Francisco 1,000
Vancouver to Sydney 6,400
Vancouver to Panama 3,000
Vancouver to Liverpool 5,000
Vancouver to Bremen 5,000
Vancouver to Rotterdam 5,000
Vancouver to Antwerp 5,000
Vancouver to Havre 5,000
Vancouver to Marseilles 5,000
Vancouver to Naples 5,000
Vancouver to Gibraltar 5,000
Vancouver to Cape Town 5,000
Vancouver to Boston 2,000
Vancouver to New York 2,000
Vancouver to Montreal 2,000
Vancouver to Quebec 2,000
Vancouver to Halifax 2,000
Vancouver to St. Johns 2,000
Vancouver to Bermuda 2,000
Vancouver to Glasgow 5,000
Vancouver to London 5,000
Vancouver to Southampton 5,000
Vancouver to Havre 5

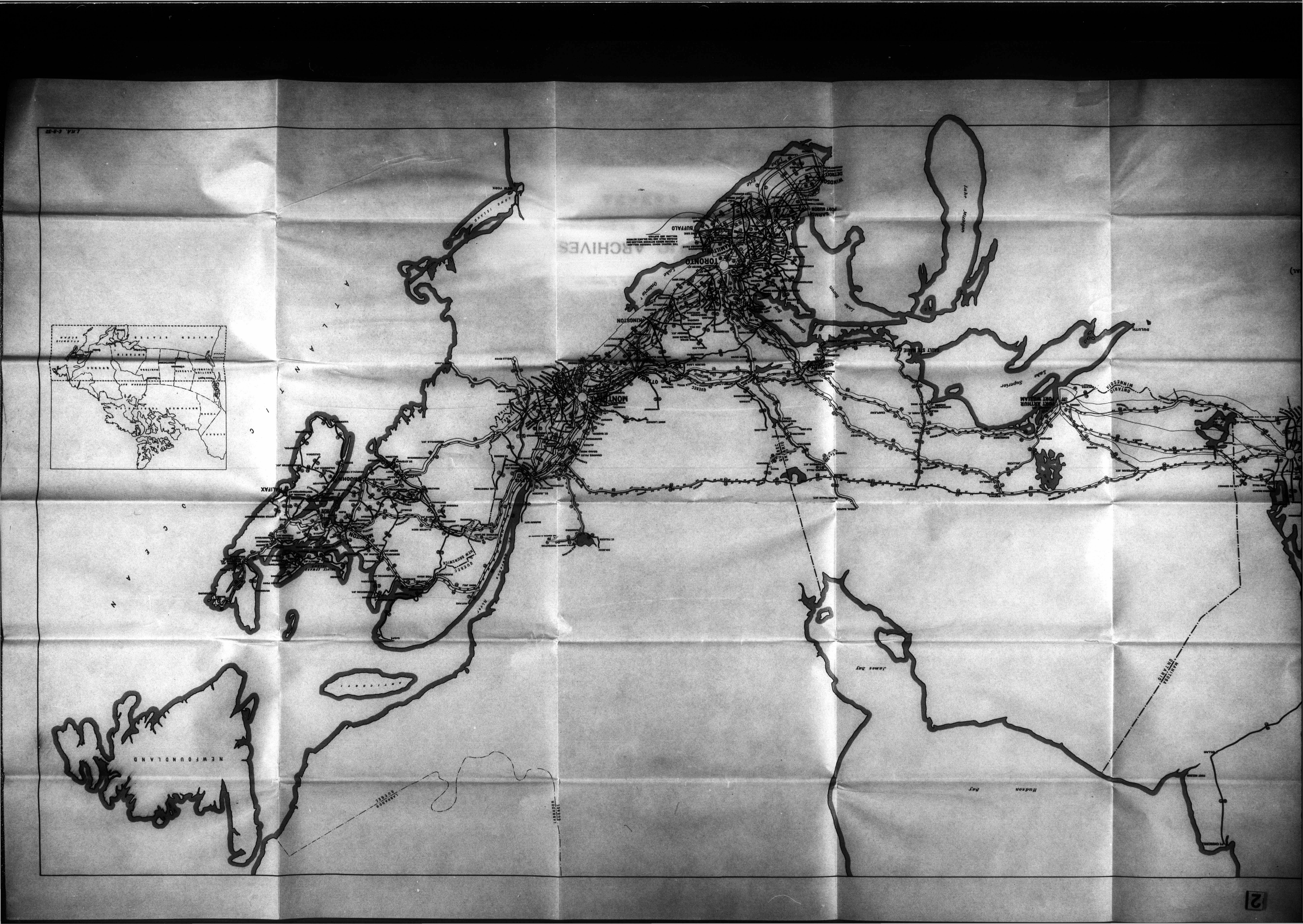
120605

Department of the Interior
HONOURABLE THOMAS G. MURPHY, MINISTER. H. H. ROWATT, DEPUTY MINISTER.
NATIONAL DEVELOPMENT BUREAU
F.C.C. Lynch, Director.
MAP
OF THE
DOMINION OF CANADA
Natural Scale 1/38,880
Scale 100 miles to one inch
1932
LEGEND
Canadian National Railways, in Operation
" " under Construction
Canadian Pacific Railways, in Operation
" " " under Construction
Other Railways, in Operation
" " under Construction
The Northern Alberta Railways and that section of railway running 26 miles southeasterly from Rosedale, Alberta, are jointly owned by the Canadian National and the Canadian Pacific Railways.
STEAMSHIP ROUTES WITH DISTANCES
Geog. miles
Churchill to Liverpool 2,936
Montreal to Antwerp 2,281
Bremen 2,530
Boston 1,222
Cape Town 7,108
Gibraltar 3,194
Glasgow 2,693
Havre 3,102
Liverpool 2,760
London 2,241
Marseilles 3,584
Naples 4,164
New York 1,451
St. Johns 1,625
Southampton 3,062
Geog. miles
Halifax to Antwerp 2,789
Bermuda 760
Bremen 3,008
Boston 369
Cape Town 6,423
Gibraltar 2,671
Glasgow 2,405
Havre 2,630
Liverpool 2,485
London 2,719
Marseilles 3,361
Naples 3,641
New York 299
St. Johns 546
Southampton 2,540
ALASKA
YUKON
DISTRICT OF MACKENZIE
NORTHWEST TERRITORIES
DISTRICT OF KEEWATIN
DISTRICT OF UNGAVA
Victoria Island
Boothia Peninsula
Melville Peninsula
Baffin Island
Foxe Basin
Cumberland Sound
Frobisher Bay
Ungava Bay
Hudson Strait
HUDSON BAY
James Bay
COAST OF LABRADOR
NEWFOUNDLAND
GULF OF ST. LAWRENCE
Anticosti Island
BRITISH COLUMBIA
ALBERTA
SASKATCHEWAN
MANITOBA
ONTARIO
QUEBEC
NEW BRUNSWICK
NOVA SCOTIA
PRINCE EDWARD ISLAND
NORTH DAKOTA
SOUTH DAKOTA
MONTANA
MINNESOTA
MICHIGAN
NEW YORK
VERMONT
PACIFIC OCEAN
ATLANTIC OCEAN
LAKE SUPERIOR
LAKE MICHIGAN
LAKE ONTARIO
LAKE ERIE
LAKE WINNIPEG
GREAT BEAR LAKE
GREAT SLAVE LAKE
Arctic Circle
Mackenzie
Churchill
Winnipeg
Ottawa
Toronto
Montreal
Quebec
Halifax
Boston
New York
Chicago
Detroit
Cleveland
Buffalo
Pittsburgh
Cincinnati
Washington
Philadelphia
Baltimore
Richmond
Raleigh
Charleston
Savannah
Jacksonville
Tampa
Mobile
New Orleans
Galveston
Houston
San Antonio
Denver
Cheyenne
Salt Lake City
Boise
Spokane
Portland
Seattle
San Francisco
Los Angeles
San Diego
Phoenix
Tucson
Winnipeg to Liverpool, 4,000
Vancouver to Liverpool, 5,410
Halifax to Liverpool, 2,546
St. John to Liverpool, 2,547
Montreal to Liverpool, 2,760
Quebec to Liverpool, 2,870
Montreal to Cape Town, 8,000
Quebec to Cape Town, 8,110
Halifax to Cape Town, 7,108
New York to Cape Town, 7,108
New York to St. Johns, 1,625
New York to Bermuda, 760
New York to Gibraltar, 3,194
New York to Glasgow, 2,693
New York to Havre, 3,102
New York to Liverpool, 2,760
New York to London, 2,241
New York to Marseilles, 3,584
New York to Naples, 4,164
New York to Southampton, 3,062
Halifax to Antwerp, 2,789
Halifax to Bermuda, 760
Halifax to Bremen, 3,008
Halifax to Boston, 369
Halifax to Cape Town, 6,423
Halifax to Gibraltar, 2,671
Halifax to Glasgow, 2,405
Halifax to Havre, 2,630
Halifax to Liverpool, 2,485
Halifax to London, 2,719
Halifax to Marseilles, 3,361
Halifax to Naples, 3,641
Halifax to New York, 299
Halifax to St. Johns, 546
Halifax to Southampton, 2,540

120606

1


PACIFIC OCEAN
Hudson Bay
Lake Superior
Lake Michigan
VANCOUVER ISLAND
VANCOUVER
EDMONTON
CALGARY
SASKATOON
WINNIPEG
BRANDON
PORT ARTHUR
FORT WILLIAM
DULUTH
BRITISH COLUMBIA
WASHINGTON
IDAHO
MONTANA
ALBERTA
SASKATCHEWAN
NORTH DAKOTA
MANITOBA
ONTARIO
MINNESOTA
BRITISH COLUMBIA
ALBERTA
ALBERTA
SASKATCHEWAN
SASKATCHEWAN
MANITOBA
MANITOBA
ONTARIO
PRINCE RUPERT
PRINCE GEORGE
FT. CHURCHILL
PORT NELSON
NELSON
SHERRIDON
FLIN FLON
SHERRITT JCT.
MAKWOWEN
LAC LA BICHE
WHITE COURT
BARRHEAD
ST. ALBERT
ST. PAUL
HEINSBURG
ST. WALBURG
LAKE LOUISE
BANFF
CROWSNEST
FRANK
FARNHAM
GERARD
LARDEAU
KALSO
PROCTER
KIMBERLEY
CRANBROOK
FERNIE
MICHEL
BLAIRMORE
COLEMAN
BELLEVUE
PINCHER CREEK
CARDSTON
WATERTON PARK
LETHBRIDGE
MACLEOD
FORT MACLEOD
NANTON
VULCAN
CLIMAX
WALSH
MANYBERRIES
SHAUNAVON
MAPLE CREEK
ELDERSON
CARSTAIRS
CROSSFIELD
DRUMHELLER
HANNA
STETTLER
WETASKIWIN
LEDUC
ROSEBUD
BEIERSDORF
ROSEMARY
ROSEDALE
ROSEBUD
ROSEBUD
ROSEBUD


NEWFOUNDLAND
ANTICOSTI
LABRADOR
QUEBEC
LABRADOR
QUEBEC
HALIFAX
QUEBEC
NEW BRUNSWICK
MONTREAL
OTTAWA
KINGSTON
TORONTO
Lake Ontario
Lake Huron
Georgian Bay
Lake Superior
Lake Michigan
Lake Erie
Lake Nipissing
Hudson Bay
James Bay
MANITOBA
ONTARIO
ONTARIO
MINNESOTA
PORT ARTHUR
FORT WILLIAM
SAULT STE MARIE
SUDBURY
QUEBEC
ONTARIO
QUEBEC
ONTARIO
CANADA
PORT HURON
WINDSOR
DETROIT
BUFFALO
NEW YORK
LONG ISLAND
ATLANTIC OCEAN
BERMUDA
BAHAMAS
WESTERN HEMISPHERE
EASTERN HEMISPHERE
NORTH ATLANTIC OCEAN
NORTH PACIFIC OCEAN
ARCTIC OCEAN
ARCHIVES

120607

Senator Dandurand referred to the map produced before the Committee by the Canadian National - purporting to show which of their lines pay a profit over fixed charges and operating expense; which pay operating expense, and which are operated at a loss. He gave figures showing what mileage of the lines listed by the Canadian Pacific under the 5,000 mile abandonment study would fall into each of these categories. He appeared to believe that the fact that many of the more profitable lines of the Canadian National were among those listed by the Canadian Pacific in the abandonment study was very significant. He seemed to think that it invalidated the Canadian Pacific estimate.

Senator Dandurand appears to forget that the Canadian Pacific study of line abandonments was made by specific instruction of the Royal Commission, and that most of the main lines of the Canadian National included in it were actually named by the members of the Royal Commission to the officers of the Canadian Pacific, when these officers were instructed to prepare the line abandonment study. Evidence to this effect will be found on Page 1372, Proceedings, 1938. Therefore, if Senator Dandurand is trying to invalidate anyone's judgment, in including these lines in the abandonment study, he must be attacking the judgment of the members of the Royal Commission - not that of the officers of the Canadian Pacific.

In the second place, as members of the Committee will remember, the Canadian National map of unprofitable lines showed one interesting fact - that almost all the branch lines of the Canadian National are unprofitable, and that the profitable lines are almost all stretches of main line. That is true of almost every railway in the world. Branch lines are thin traffic lines. Main lines - carrying the traffic of several branch lines - always have a denser

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L20608

traffic. That was all that the Canadian National map showed.

Now the lines which Senator Dandurand says are profitable Canadian National lines which the Canadian Pacific would abandon are main lines. The Royal Commission thought they could be abandoned, because they were duplicated by Canadian Pacific or other Canadian National main lines. They are not lines along which local industry and production is highly developed. They are mere bridges, over which there passes the traffic collected from various branch lines. To abandon them would not reduce the traffic or earnings of the unified railway system at all. It would only mean that the traffic now handled over these lines would be handled over other main lines which were not abandoned.

To quote the inclusion of these lines in an abandonment study as evidence that the Canadian Pacific did not make a correct estimate is merely to show that Senator Dandurand is accepting a piece of very tricky Canadian National propaganda in the uncritical spirit which he shows whenever this sort of propaganda is handed him.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Pages 120609, 120610

See pages 120658B, 120658C

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ETY A FILM

120611

Canadian National Capitalization and Deficits $3,300,000,000 - see statement headed "Outlay on Canadian National Railways" attached hereto.

Capital losses $2,712,877 - Page 12, Canadian National Annual Report 1938.

Interest on $672,688,000 - Page 11, Canadian National Annual Report 1938.

Interest on loans $574,781,000 - Public Accounts 1938, Appendix 28, footnote.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120612

OUTLAY ON CANADIAN NATIONAL RAILWAYS

Long term debt due public - C.N. Balance sheet December 31, 1938		$1,249,996,422
Due Dominion of Canada (treated as active asset in Public Accounts) - C.N. Balance Sheet December 31, 1938		64,916,785
Proprietors' Equity - C.N. Balance Sheet December 31, 1938		672,688,590
Written off to Consolidated Fund - (Appendix 28 Public Accounts 1938):		
Cash contributions -	$422,297,036	
Loans and Advances -	374,534,852	
Sundry assistance -	41,313,971	838,145,859
		$2,825,747,656
Interest to December 31, 1936, due Dominion but not accrued on books of Dominion transferred to Securities Trust - (Appendix 28 Public Accounts 1938)		574,781,637
		$3,400,529,293

4/5/39

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120613

Quotation - "We feel compelled, etc."

Report, Royal Commission 1932 -
page 67, paragraph 226.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Reasons for inaction:

"To this end it was represented that the Canadian National "deficits, etc."

S. J. Hungerford (page 1048, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120614

Voluntary Co-operation:

Savings less than $2,000,000.

(N.B.Walton, page 233, 1939)

Enforced Co-operation:

New body recommended.

(S.J.Hungerford, page 1075, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120615

Relieving companies of stigma -

(R.C.Vaughan, page 1253, 1938)

"It was very strongly urged before your Committee
"that such mutual destructiveness, etc." -

(Sir E.W.Beatty, page 554, 1938)

Unification of Management

No guarantee to C.P.R. -

(Sir E.W.Beatty, pages 529 & 1414, 1938)

Each company to get earnings based on past results -

(Sir E.W.Beatty, page 529, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120676

Additional net earnings to be shared -

(Sir E.W.Beatty, page 529, 1938)

C.N. to receive at least a half -

(Sir E.W.Beatty, page 529, 1938)

Directorate under unified management -

(Sir E.W.Beatty, referring to Senate Report 1925, page 527, 1938)

Large sections of Dominion now living under monopoly -

(Sir E.W.Beatty, page 539, 1938)

Regulatory authority Transport Board

(Sir E.W.Beatty, page 529, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120617

Page 7

Railways regulated by competition motor cars, etc. -

(Sir E.W.Beatty, page 541, 1938)

"The modern world exists under a great number of monopolies, etc." -

(C.W.Peterson, page 103, 1939)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120618

Protection offered to workers on lines of British action -

(Sir E.W.Beatty, pages 543 & 544, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120610

Railway business diminishing in volume -

(John S. McDougall, page 19, 1939)
(C.W.Peterson, page 91, 1939)

Operation C.N. circumscribed by "public interest" -

(S.J.Hungerford, page 1057, 1938)

What constitutes "public interest" determined by Government -

(S.J.Hungerford, page 1067, 1938)

If C.N. not a Government enterprise, could not be carried on its present footing -

(S.J.Hungerford, page 1059, 1938)

Sir Henry Thornton's statement -

(Report, Royal Commission 1932, page 51, paragraph 147)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120620

Montreal Terminal promised by Ministers of Crown without knowledge C.N. management

(S.J.Hungerford, page 1059, 1938)

Savings from Unification

Passage quoted from Sir Edward Beatty's evidence appears on pages 530, 531 & 578.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120621

Line abandonments only produced 10% of savings -

(T.C.Macnabb, page 617, 1938)

Savings on 1937 basis -

(D.C.Coleman, pages 311-312, 1939)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120622

Savings freight train miles -

(E.G.O'Brien, page 769, 1938)

Savings passenger train miles -

(R.G.McNeillie on page 752, 1938, gave corrected reduction in passenger steam train miles as 6,649,836. To this must be added original reduction in motor car miles - page 417, 1938, of 260,103, making a total reduction of 6,909,939 miles)

Formula used for over $50,000,000 -

(S.J.Hungerford, page 1049, 1938)

C.N. denied reduction train mileage exact -

(N.B.Walton, page 1173, 1938)

C.N. asserted C.P. unit costs not applicable to C.N. -

(S.J.Hungerford, page 1051, 1938)

C.P. statement as to application unit costs -

(D.C.Coleman, page 1370, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120623

C.N. contention no allowance made for reductions on C.N. from 1930 to 1937 -

(T.H.Cooper, page 1138, 1938)

C.P. admitted reductions, but suggested addition of $9,056,000 -

(W.M.Neal, page 984, 1938)

Temporary savings made independently entirely different from permanent savings under unification -

(see C.P. memorandum in rebuttal, page 1)

Decrease in revenues -

(Exhibit 12, page 51, 1938, amended)

Decrease in expenditures -

(W.M.Neal, page 985, 1938)

Large savings realizable only if predicated on docile public and docile labour -

(S.W.Fairweather, page 1262, 1938)

Refusal admit other savings -

(S.W.Fairweather, pages 1262 and following, 1938)

General affirmation supported -

(S.J.Hungerford, page 1062, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

120624

Fairweather's estimate savings by unification based on traffic 1930 and 1931 -

(Pages 473-485, 1938)

Estimate prepared prior to C.P. estimate

(S.W.Fairweather, pages 1259 & 1260, 1938)

Collaboration of assistants -

(S.W.Fairweather, page 1260, 1938)

Information given Fairweather by C.P. -

(Sir E.W.Beatty, page 574, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120625

Estimates C.P. and C.N. - (page 576, 1938)

Fairweather's estimate as to possible savings under co-operation - (see Exhibit 41, page 300, 1938)

$35,000,000 - (page 194, 1938; see also Exhibit 41, page 300, 1938)

$24,000,000 - (page 195, 1938)

$10,000,000 - (page 196, 1938)

Admits only guess - (S.W.Fairweather, page 197, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120626

Savings through pooled train operations -

(Sir E.W.Beatty, page 567, 1938)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLIPPINGS CONCERNING
RAILWAY PROBLEMS
APRIL - MARCH - 1938

120627

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

APRIL /38
MONTREAL GAZETTE, QUE.

...usually is ...of slow growth, although the flowering may seem sudden.

GETTING DOWN TO IT.

While the House of Commons has been engaged in a more or less academic discussion of the Government's supposed sins of omission in the field of national economy the Senate has been dealing with practicalities, and the appointment of a special committee of the Upper House to study the railway question from the standpoint of unification is a long step in the direction of relief for the taxpayer. There is special significance in the fact that unification has found so strong an advocate and so able an advocate in the Rt. Hon. Arthur Meighen, and it is at least noteworthy that the Opposition leader in the senior branch of Parliament has adopted a policy which the party leader in the House of Commons has condemned. Senator Dandurand, Government leader in the Senate, still questions the accuracy of the estimated savings through unification, but those estimates have not been modified by the expert railway men responsible for them, and it does not matter much whether there is to be, or has to be, a variation of a few millions one way or the other, provided the committee can be shown that substantial economies can be effected. That such economies are not to be had through co-operation, as recommended by the Duff Commission, has been demonstrated.

Co-operation between competitive systems is a contradiction in terms, and the principal value of what has been accomplished, through what has been necessarily a limited co-operation, is in the evidence which it affords that very much larger economies are possible through unification, which is co-operation carried to its logical conclusion. The principle of unification was established in the composition of the present Canadian National system and what is needed now is that its application be made complete, but with this difference: in the creation of the Canadian National there was a physical consolidation of component properties. There was amalgamation. Amalgamation is not contemplated or implied in the projected unification of management. The Canadian National would still be public property, but the two systems would be co-operative rather than competitive and the financial advantages would be shared equitably.

Unification has been successful in other countries wherein the principle has been adopted, and it is now being advocated in the United States as the most promising if not the only remedy of railway ills present in the Republic. Senator Dandurand makes the statement that the grouping of English railways is not analogous to the Canadian railway situation because, among other things, there is no railway monopoly in England, but, curiously enough, Mr. Dandurand upsets his own applecart by referring to the consolidation of constituent roads now incorporated in the Canadian National system and saying that "we are thus further advanced already in matters of consolidation than they are in England." If Canada has "advanced" by reason of this consolidation, why not advance further? Why not leave the limits of consolidation where they are and extend the application of the principle, through unified management, since the principle is admittedly sound? Senator Dandurand would have us believe that promised large-scale economies have not been realized through the grouping of British railways. He is ready to admit, however, that the economies effected, though not spectacular, have been "worth while." Senator Meighen's view of the English achievement is more moderate and therefore more satisfying. "If," he says, "we ever get as far toward the solution of our problems as England has got toward the solution of hers, I shall be happy and consider the problem something that belongs to the past." And Senator Meighen is correct in his contention that co-operation cannot be very productive while the management of the Canadian National system is answerable to the Government.

Mr. Meighen, at the outset of his address on Wednesday, endeavored to disabuse the minds of the Senate of any impression that an attack had been made upon the Canadian National management. None has. That management is composed of trained and able railway executives, men who have a thorough knowledge of their business and who are doing, not only their best, but as good a best as could be done by any other personnel under similar conditions. It is the conditions that are under attack.

MEIGHEN PA... 39)

PU... ES

ARCHIVES PUBLIQUES

CANADA

MARCH 26/38
TORONTO SATURDAY NIGHT

THE
ARDIEL ADVERTISING AGENCY
LIMITED
137 WELLINGTON ST. W.
TORONTO • CANADA

—Ottawa Letter

VICTORY BEHIND DOORS

BY RIDEAU BANKS

26

SOMETIMES and quite unaccountably—the association is really strange to its intrinsic nature—our particular type of democracy becomes truly scriptural in its technique. It refuses to let its right hand—which is the House of Commons—know what its left hand—which is the Government Caucus—is doing.

The result is rather unfair to itself. For instance: just suppose the Canadian people were to take their Parliament on its own showing of the past month. Suppose they were to accept the House of Commons brutally as a chamber which, with a major recession in the nation's principal markets to be studied, and an international crisis containing something more than the mere threat of war to engage its attention, babbled on about the establishment of a corn elevator in Windsor, about the desirability of state medicine, about the issuance—foredoomed in advance—of purchasing power by the state! How long would the Canadian people tolerate such a sovereign chamber? They are not notorious for their long-suffering qualities.

This question of the "unrealism" of Parliamentary debates really deserves more consideration than the Federal legislators seem disposed to give it. When they picture themselves to themselves as thrilling duellists of the pointed tongue, with the nation as an audience for every two-edged word that is thrust by an opposition member and skilfully parried by some perspiring government supporter, they are simply seeing themselves through the rose-colored glasses of imaginative fancy. And they are inflicting an unintentional libel upon the art of fencing which they employ as their allegory. A truly first-rate exhibition of fencing is usually something worth watching.

Consequently, merely in its own interest, Parliament should give more publicity to such events as last week's meeting of the Government Caucus. Even if the occasion did approximate a mild version of Armageddon, what of it? That circumstance surely does nothing more than illustrate to an electorate which is inclined to be less worshipful of the splendid creatures of the House of Commons that it is disposed to become critical of them, that these creatures can become—in the immortal words of Hon. Dr. R. J. Manion—"red-blooded" over an issue which vitally affects the everyday welfare of the body politic.

For last Wednesday's meeting of the Government caucus fought out the tariff issue. It would be premature to say that it settled it. But it did, in the first initial skirmish, achieve a smashing victory for the wholly practical cause of tariff protection for the efficient secondary industries of the Dominion.

To tell the "inside story" of the episode is to chronicle one of the rarely vital—so far— chapters of the present session of Parliament.

IN THE first place, it is of passing interest to note that it was, in its immediate inception, a newspaperman's quarrel. Cheers for the surviving power of the press which—C. George McCullagh notwithstanding—is all too rarely demonstrated in this age of such marvels as a gas helmet for every citizen and 400-mile per-hour bombing planes.

In the second place, it is only fair to mention that the engagement has resulted in the triumph—temporary enthronement may not be too strong a term—of one Honorable C. A. Dunning, an individual who may not be so well-known in the East, despite his post of Finance Minister, as he is in the West by the literary phrase in which that plain-speaking section of the country delights, whenever it thinks of the present Dunning tariff policy, namely, "Et Tu Brute."

But to elucidate:

This inevitable battle over the tariff has hung suspended over the head of Parliament in the same manner as that well-known sword once hung poised over the head of Damocles. Sooner or later it had to fall. To the credit—and to the high intestinal fortitude—of one Chester A. Bloom, Ottawa Correspondent for the Sifton Press, a chain of newspapers in Western Canada which are usually favorable to the government, the blow fell when it did, namely in last Wednesday's meeting of the Government supporters.

For Chester Bloom, along with those papers which he represents, is a human species only slightly less extinct than the mythical Dodo bird. That is to say, in a world of rampant nationalism, of manipulated currencies and of clearing-house agreements, he retains a sublime and beautiful faith in the efficacy of the Liberal doctrines of the Manchester school. And his papers apparently share his views.

Consequently, it was a high moment for Mr. Bloom—then bathing in the refreshing heresy of Rooseveltian New Deal economics in Washington—when in 1935 the Liberals sent a practically solid low-tariff representation to Ottawa. He was snatched by the Sifton papers from his Washington post, brought to the Canadian Capital, instructed to watch developments—and did so with a fidelity which had a touch of grimness about it.

The result was that some ten days ago he wrote a despatch to his papers. And his papers, for the good of their soul if not for the benefit of the Mackenzie King Government, published it. The general purport of it was that the West was being betrayed by its representatives in Parliament, that they had been taken into camp by a Finance Minister (Mr. Dunning) whose views on the subject of tariffs were only less extreme than were those of the celebrated Mr. Haman on the subject of gallows and the loftiness which was appropriate to the same. The Prairie Liberals, in other words, were represented by Mr. Bloom in deft word pictures as having been flattened out by the Dunning high-tariff steam-roller. The broad intimation was that the cause of the West, to the extent to which it rested in any hope of relief from high tariffs, was lost—and lost irrevocably.

TO SUCH plain speaking by crusader Bloom, there was only one answer for the Western Liberals to give. That was to go into the Government Caucus and, by nailing the Finance Minister's hide to the fence, demonstrate that they were not the spent force in Parliament that the Sifton press had described them as being. The Westerners were game. They attempted to compass their own salvation. But when the Parliamentary fence was inspected following the meeting of that notable session of the government caucus, it was their hides that were on display and Hon. Mr. Dunning—of "Et Tu Brute" tariff fame west of the Great Lakes—was tapering off a morning of hard politics in the Parliamentary restaurant by eating a jag of oysters from that Prince Edward Island which afforded him political asylum in 1935, after the Prairies had refused to reveal a single spot in which he might lay his statesman-like head.

It was a notable Dunning victory. It is not an exaggeration to say that it was the greatest which the Finance Minister has enjoyed since he reentered public life. And it came, appropriately enough, on the day following that on which he had championed orthodox finance—none too eloquently but as effectively as the rather dry treatise which Messrs. Graham Towers and Clifford Clark had placed in his hands permitted—against a parliamentary amendment proposed by the Social Credit group.

THERE is always someone who is intent upon taking the frosting off any ginger-bread. Rt. Hon. Arthur Meighen, Conservative Leader in the Senate, falls into that class. The day after Mr. Dunning had posed as the hero of a policy of reasonable tariff protection and had also ground the noses of the Social Credit M.P.'s into the House of Commons dust, Mr. Meighen paid him a tribute in the course of the railway debate which the Red Chamber was staging. The Conservative Upper House Leader could not mention, of course, Mr. Dunning by name. Parliamentary etiquette prevents either chamber from mentioning the other—for fear the references might sometimes be uncomplimentary. All Mr. Meighen could say was that he knew who was responsible for the Canadian railway problem to the extent to which it had arisen from the purchase of branch-lines that could only be a mill-stone around the neck of the C.N.R., by the erection of hotels that could never be opened—the Hotel Vancouver being Exhibit "A"—and by the acquisition of ships that had to remain tied up to government docks because they could not be operated except at huge loss. That was all, under the rules of Parliamentary etiquette, that Mr. Meighen could say. He could use no names. He could only point his finger unmistakably at Mr. Dunning, who was Minister of Railways when the majority of these transactions were carried out.

MR MEIGHEN'S timely intervention simply raises the interesting point as to whether or not Mr. Dunning has really reformed. Is he really on the side of reasonable tariffs and of sound economics—or is he simply Dunning the politician, ranging himself on the side of the strongest battalions? It was obvious at last Wednesday's meeting of the government caucus, with the support which the Ministry has from the industrial provinces of Ontario and Quebec, that the Westerners could not win. It did not take, accordingly, any great perspicacity to choose the side of fair tariff protection.

The incident leaves Mr. Dunning as one of Ottawa's major enigmas. Has he really adopted the Eastern point of view of giving Canadian industry a fair chance in competition against the world? The answer will probably not be known until the forthcoming Canada-United States trade treaty is tabled and the Finance Minister's attitude upon it becomes revealed. At the present time there are many disturbing rumors travelling official and semi-official circles on Parliament Hill concerning the nature of that treaty and the extent to which it proposes to expose Canada's domestic market to outside competition. If the treaty fulfils the worst predictions that are being forecast on its behalf, then Mr. Dunning will face a golden opportunity to consolidate a reputation as a modern Leonidas bent upon defending the nation's industrial interests against odds no matter how terrific. At the present time, despite his efforts to date, there is a large-sized question mark surviving his efforts in this regard.

Conceivably, therefore, the pending United States treaty will not only determine the economic fate of Canada. It will also seal the political fate of the glamorous Dunning—at present the "et Tu Brute" of the Prairies, not yet accepted as the official wielder of the flaming sword of Eastern industrialism.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Mr. J. W. McConnell

The Montreal Daily Star

"Canada's Greatest Newspaper"

Founded in 1869

The Montreal Daily Star is printed and published at 241-245 St. James Street, West, Montreal, by the Montreal Star Company, Limited, Montreal, E. R. Whitrod, Secretary-Treasurer.

Subscription Rates

Mail subscriptions in Canada, Great Britain and Newfoundland — $6.00 per annum. United States — $7.50 per annum.

BRANCH OFFICES FOR ADVERTISING, ETC.

CANADIAN—

ONTARIO, 390 Bay Street, Toronto; M. W. McGillivray, Advertising Representative.

EASTERN CANADA, exclusive of Montreal, 241-245 St. James Street, Montreal; A. J. Binnie, Advertising Representative

UNITED STATES—

WESTERN DIVISION—435 North Michigan Avenue, Tribune Tower, Chicago; J. E. Lutz, Advertising Representative.

EASTERN DIVISION—110 East 42nd Street, New York City; Dan A Carroll, Advertising Representative.

EDITORIAL OFFICE:
1205 News Building, E. 42nd Street, New York City.

GREAT BRITAIN, IRELAND AND EUROPE—

Room 228, Grand Building Trafalgar Square, London W. C. 2, England; E. C. Slater, Advertising Representative.

EDITORIAL OFFICE: 30 Bouverie St., Fleet St. London.

TUESDAY, MARCH 15, 1938

A NATION'S HEALTH — IS — A NATION'S WEALTH

MEIGHEN AND DANDURAND ON THE RAILWAY PROBLEM

THE Senate of Canada strengthened its claim to be the arena where live questions are discussed when the two leaders—Right Hon. Arthur Meighen and Hon. Raoul Dandurand—delivered addresses on the railway problem of such importance that we have already published both of them in full. Our readers are thus in a position to judge the issue in the light cast by two outstanding public men, one representing the "watch and pray" policy of the Ministry—of all Ministries so far—and the other sounding perhaps the gravest note of alarm yet heard from a Privy Councillor of the first rank.

Senator Dandurand spoke in criticism of the able and revealing address delivered by Senator Beaubien in introducing his resolution asking for a special Senatorial committee to delve into the railway problem. He began by challenging his colleague's picture of the debt borne by the Government-owned railway. Senator Beaubien had put it at worse than three billions of dollars. Senator Dandurand's criticism was to give the details proving to the hilt that Senator Beaubien was right.

His only objection was that a part of this debt was for interest on the sums originally invested in the road. As the interest was not paid, what does the Senator think should have been done with it? The various Governments of both parties have agreed in doing the same thing and the only thing they could think of, i.e., add it to the debt. He seemed even to imagine that "loans to railways," still unpaid, should not be included in this grim total of three billions. Most of us would love to get the Senator to finance a private business proposition on the principle that he would not ask his loans to be either repaid or added to the debt, and that he would regard it as an outrage to keep a record of the interest due on either the first investment or any subsequent loans.

* * * * * *

The apologists for the present set-up are always talking as if the National Railways were Government works, like the post offices and the canals. This is neither historically nor morally correct. The Intercolonial was a Government road, but the Grand Trunk, the Grand Trunk Pacific, the Canadian Northern and all the other fragmentary failures that the local politicians wished on this willing draft horse were precisely the same sort of private enterprise that the Canadian Pacific was and is. If they had made money, they would have paid their promoters. Some of them did, without making money.

Another brilliant bit of financing displayed by Senator Dandurand was his naive remark that the Canadian National System sometimes earned an "operating profit," and therefore should be regarded as solvent because its deficits were due to its debts. There are a lot of businesses in Canada who could show a fat balance on the right side every year if they had no bond issues or bank loans on which they must pay interest. If there is any legitimate way in which a business can be launched with plenty of capital, and then forget all about repaying the capital or even keeping up the interest, while its owners pocket all its current profits as welcome surpluses, the Senator ought not to keep it a secret from his suffering fellow-countrymen.

A great part of the Senator's speech was devoted to trying to show that Sir Edward Beatty had changed his mind. It is not likely that Sir Edward would deny it. With a changing railway situation which grows more hopeless every year, Sir Edward would have to be cursed with an atrophied mind if he did not keep it up to date on the subject. What might have seemed possible twelve years ago, on a rising tide of prosperity and before the Depression, is catastrophically impossible now. We have reached the stage of desperate measures.

* * * * * *

Senator Meighen delivered one of the most obviously sincere, convincing and yet gravely disquieting addresses that has ever been heard in Parliament. His biting arraignment of political conditions in this country which paralyze governments and prevent them from applying the only sure cures to our diseases of fiscal degeneration came with terrific force from an ex-Minister and an ex-Premier who knows only too painfully well what he is talking about. It was a case where confession was not only good for the soul but good for the nation.

Mr. Meighen cited the almost miraculous railway recovery in Engl[illegible] through a giant scheme of unification, p[illegible] adreds of railways into four groups. It rescued them from bottomless bankruptcy and turned them into profitable enterprises. Mr. Meighen said —and these words should be graven on the walls of Parliament: "We could do something similar in Canada if we had the same healthiness of public opinion and the same character of political appeal that they have in the Old Land; but we have not. If we continue the way we are doing now we shall come to something worse than unification — to something such as other countries and our provinces have come to. We cannot continue on this path."

Out here, he went on, we would have, after such an effort, "selfish, vile appeals to class prejudice which always seem to follow in Canada." The fault here lies in the lack of "a healthy public opinion." This is bitter testimony from a man who has lived amidst the buffetings of political appeals of all sorts for a quarter of a century. It took courage to proclaim this truth. The dear public does not relish having blame laid at its own door. But that is precisely where it rests.

Reproduced 25/3/38.

THE MONCTON DAILY TIMES

What the Amalgamationists Omit

(FROM WINNIPEG FREE PRESS)

In the attempt to force railway amalgamation on the country, there is constant use of tremendous figures—grossly exaggerated—with the object of appalling the public and blackening the record of the Canadian National Railway. This is to be expected from a drive that is engineered not for the purpose of enhancing the welfare of the country but of benefiting powerful private interests.

It is still claimed that $75,000,000 a year could be saved. It is stated that the annual deficit of the Canadian National is $100,000,000, and it is also stated that the publicly-owned railway "cost the country" $100,000,000 a year during the presidency of Sir Henry Thornton from 1922 to 1930. These striking figures are being used in the desperate effort to blast the public resistance to the amalgamation campaign.

The $75,000,000 of possible saving was estimated, not by any independent authority but by the officials of the C.P.R. It was based on conditions in 1930, and any such estimate would have to be greatly reduced now because the operating costs of both railways have been heavily cut. The actual saving that could be made is also greatly in despute.

The statement that the C. N. R. deficit is now $100,000,000 a year is simply not true. It is an attempt to inflate the deficit by suggesting that the railway should pay interest on large sums invested in the railway by the Government and even on deficits that have been paid. When shareholders provide capital for a company, they do not draw guaranteed interest but a return in the way of dividends.

To say that the Canadian National cost the country $100,000,000 a year in the years 1922 to 1930 is to give an entirely misleading impression. The C. N. R. was then climbing rapidly into the rank of first class railways. It had a net operating surplus of $33,000,000 in 1925, $48,000,000 in 1926, and $54,000,000 in 1928, paying all the interest on bonds held by the public. Great improvements were being made in the system and these required large investments. There was some extravagance, but the major part of the expenditure was fully justified.

For the investment which the people of Canada have made in the Canadian National, they have a splendid asset. It is one of the great railways of the world, capable of rendering the country invaluable service. This is the thing to remember when the amalgamationists with their dark designs talk about the money that has been spent on the system. The trouble is that it has created a strong competitor of the private company.

* * *

It is erroneously stated that the railway deficit is the worst financial drag upon the country and that it threatens Canada's solvency. The deficit is much less than the amount spent by the country on relief and the Toronto Star has lately shown that Canada is paying less in interest on the national debt now than in 1921, and much less per capita. And the Government, in the fiscal year now closing, after paying all the ordinary cost of administration and also the cost of relief and the C.N.R. deficit, will be within about $200,000,000 of balancing the budget. The financial position of the country has been steadily improving.

The business men of Canada should consider well what a private railway monopoly would do to them. At present, there is competition in service between two good railway systems. Freight rates are lower than in the United States and among the lowest in the world. The quality of the service and the low rates are a valuable advantage to business. In addition, the development of the country—agriculture, forest industries and mining—is actually promoted by the complete transportation system provided by the two railways.

If we had amalgamation and no competitive service, the private railway monopoly would give what service it liked. And it would be powerful enough to secure whatever rates it wanted. Business men would be at its mercy. With the invariable conflict between service and dividends, and without the good of competition to ensure efficient management, business men would know just what to expect. As intimated by the Brockville Recorder, published by Hon. G. P. Graham, former minister of railways, the present system is definitely in the interest of business men. "If," it says, "a monopoly is allowed, either by the "Government or by a privately owned line, the "rates will go up and the service will go down."

When so much is said about the railway deficit—which may be expected to be reduced and eliminated within the time which would be required for amalgamation—we should remember that it is really worth a great deal to have a railway system conferring such advantage on the country. The deficit should not be felt to be such a burden, for Canada is getting a very good return for its railway investment.

Business men and others will serve their own interests and those of the country if they reject completely the arguments and appeals of the amalagamationists. Canada has a future, and it is not on the verge of disaster. Nor are its people going to deliver themselves completely into the hands of a huge private railway corporation, though its advocates say it would be harmless and benefit.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

MARCH 31, 3
TORONTO TELEGRAM

Meighen Suggests Pool For Railroad Securities To Reduce Obligations

Senate Inquiry to Demand Beatty Detail His Plan for Saving $75,000,000

By J. H. FISHER
Telegram Parliamentary Writer

Ottawa, March 31—Why has the "co-operation for economy" enjoined upon the two railways by Parliament in 1933, failed?

What benefits would unification of the C.N.R. and the C.P.R. provide which cannot be accomplished by co-operative efforts by the two managements as separate entities?

These are the two main questions which the 20 members of the Senate railway committee will seek to have answered in the inquiry which was ordered yesterday.

The debate disclosed that both parties in the Senate consider that neither of the railway managements has conscientiously entered into the spirit of co-operation and economy. They will be asked why they have not. In addition the Liberal leader in the Senate, Hon. Raoul Dandurand, proposes to put Sir Edward Beatty, chairman and president of the C.P.R., on the "spot" and require him to tell in detail how he proposes to save $75,000,000 on the railways by unified management.

Too much cannot be expected from this inquiry, for previous investigations of the railway problem have proven futile, and the present one is entered upon with the additional handicap of the government already being against any move toward unification. As Senator Arthur Meighen remarked yesterday, Senator Dandurand is preparing to "enter the jury room with a prejudiced mind." He would rather that the Senate leader was not pledged either to the principle of co-operation or unification.

OPPORTUNITY TO LEARN

But it is encouraging that the government should have allowed an inquiry at all, because it will provide an opportunity for informing the country what the present situation is and how it might be improved.

Yesterday's debate was featured by a broadside by Senator Dandurand against Sir Edward Beatty for his speeches in favor of unification and an equally emphatic protest from Senator Meighen at salaried officials of the C.N.R. making themselves the champion of the railwsy status quo. Senator Dandurand's speech was in the form of a lengthy memorandum which the Conservative leader openly charged that it had been prepared by C.N.R. officials.

One of these, S. W. Fairweather, has made numerous speeches against unification and Senator Meighen's reference was obviously to him. Sir Edward Beatty had made no attack on the C.N.R. He had merely spoken in favor of unification, but the C.N.R. officials had gone further. They had attacked and belittled the results from the unification of the British railways through the mouth of Senator Dandurand, and Meighen deprecated such a practice. Forsooth, salaried officials of all businesses would raise objections to changes which might jeopardize their jobs.

"Surely no one is going to tell us there cannot be tremendous economies made through unification," said Senator Meighen. The results in Great Britain showed that unification had been good for the taxpayers and had not injured labor. "If we can get as much as Great Britain by unification, I'll be happy."

Senator Meighen revealed that while he was not wholeheartedly in favor of unification, he had a plan of lumping the obligations of the two roads and prorating them into several classifications. The earnings of the two roads would be pooled and applied, so far as they would go, upon the outstanding obligations of the two systems. When the committee is set up he hopes to make further amplification of his plan.

His plan is to sub-divide the securities of the two railways. "Place in Class A of Canadian Pacific securities those which on earnings of the last five or ten years are considered perfectly secure and in Class A of C.N.R. securities those selected on the same basis, then proceed to select Class B securities from the Canadian Pacific and corresponding ones for the Canadian National and finally Class C securities for each road and then get a management and bind it by law to apply the earnings first pro rata to Class 'A, then pro rata to Class B and lastly pro rata to Class C. We should have the management in such shape that it could not possibly sacrifice the interests of the C.N.R. without sacrificing its own. Such an arrangement would work for the best interests of the public."

But he has no hope of the success of unification of the roads if the combined property is placed under government control, for Senator Meighen has about lost all faith in the public ownership principle. "If the railways are to be unified under government ownership and management, I'd just as soon leave them as they are, and I am not very hopeful that they will be amalgamated in any other way."

In Canada and the U.S. a stage has been reached which is an inevitable consequence of a curse-at-profits-and-laugh-at-debt attitude on the part of the public. "We are drifting, drifting, drifting," declared Senator Meighen with emphasis. "And we can see that black days are ahead, just as sure as we have eyes in our heads. If there is an appeal in this country for unification we shall hear all the cries against that great monster, monopoly, and lack of competition. I throw that taunt aside as pretty much humbug; it is not all humbug, but nearly all."

POLITICAL CONTROL AGAIN

The dangers of government ownership had become more apparent since 1936, Senator Meighen declared. After the C.N.R.-C.P.R. Co-operation Act of 1933 was passed and a trustee board set up, there had been an improvement in the C.N.R. affairs, but with the change in 1936 the road had again gone under political control. "Conditions under which the co-operation of the two roads was possible were destroyed when the operating officials were made responsible to the Government. Their conduct must be such as not to injure the Government's fortunes. They couldn't be favorable to any system which would deny votes to the Minister of Railways in Fort William (Hon. C. D. Howe).

Senator Dandurand's contribution to the debate took the form of a prepared statement, which as Mr. Meighen pointed out, had all the appearances of being the product of the C.N.R. management. It contained a series of questions on unification which the Ottawa Journal had posed to Sir Edward Beatty and his answers, together with what Senator Dandurand described as his "comment." The benefits of unification of British railways have been argued by Sir Edward as an example to Canada, but Senator Dandurand's brief belittled the results in Britain as not coming up to earlier prophecies of possible savings amounting to from £20,000 to £40,000 sterling.

The train-pooling arrangement between Toronto and Montreal has been successful. Sir Edward is to be called upon to explain why train pooling has not been attempted between Toronto and the border at Sarnia and Windsor.

EARLY RESULTS SMALL

"A will to co-operate is needed," read Senator Dandurand. "Early results from unification will be small. If there was more effort at co-operation there would be less criticism and better results."

The personnel of the committee of inquiry follows, with 10 Liberals and 10 Conservatives:

Conservatives—C. P. Beaubien (Montreal), F. B. Black (Sackville), J. A. Calder (Regina), Thomas Cantley (Pictou), Louis Cote (Ottawa), John T. Haigh (Winnipeg), George B. Jones (Royal), A. D. McRae (Vancouver), Arthur Meighen (Toronto), W. H. Sharpe (Winnipeg).

Liberals—Raoul Dandurand (Montreal), George P. Graham (Brockville), A. K. Hugesson (Montreal), H. H. Horsey (Prince Edward), A. C. Hardy (Leeds), James Murdock (Ottawa), Georges Parent (Quebec), C. W. Robinson (Moncton), J. H. Sinclair (Prince Edward Island), W. A. Buchanan (Lethbridge).

Reprinted from Maclean's Magazine, March 1, 1938.

120633

Recovery on Rails

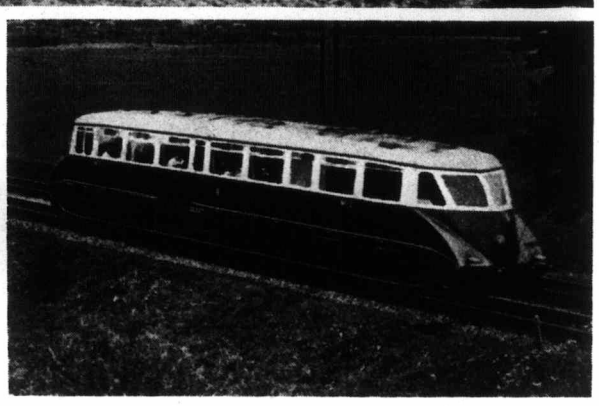
The story of how Britain's railways climbed from depression to prosperity

By SYDNEY MORRELL

Below: Railway air services pace the trains.

A "hotel on wheels" starting a 2,000-mile tour.

Railway truck services now reach British farms.



Electric rail car, fitted with cafeteria, carries 40 persons.

IN 1922 the British railways were in a chaotic condition. Throughout the country there ran 20,000 miles of track, most of it paralleled, and in some cases short-circuited, by good highways, along which ran efficient and growing road traffic.

These 20,000 miles of track were divided among no less than 120 railway companies and ten times that number of subsidiary undertakings. The result was that services were duplicated to a ridiculous degree. For example, a passenger travelling from London to Birmingham had the choice of three lines, depending on whether he preferred thickly padded cushions in his compartment, or a hassock under his feet in the restaurant car, or hot water in the lavatory.

Salaries and wages had increased from £47,000,000 in 1913 to £173,000,000 in 1921, whereas net revenue had fallen from £43,500,000 before the War to a deficit of nearly £20,000,000 in 1921.

Due mainly to the Government policy of discouraging people to travel by railway during the War in order to facilitate the movements of troops, the public were turning more and more to the road systems for transport.

Today the position is completely changed. The bewildering network of railway undertakings is replaced by four companies, which work in harmony together and whose profits rose last year to £33,000,000.

Redundant and duplicate posts have been abolished; duplicate services have been eliminated; rolling stock and appliances have been standardized.

There is, perhaps, an analogy for Canada in the way this tremendous amalgamation was carried out so successfully.

For the Public Good

CREDIT FOR the Railway Act of 1921 must go to the late Sir Eric Geddes, who died last year. Briefly, the radical changes ordered by the Act may be summarized as follows:

1. A new system of goods rates and passenger fares which abolished preferential and exceptional charges, and arranged scales and tariffs wherever possible to be applied impartially over the whole railway system.

2. Abolition of the system of maximum Parliamentary charges.

3. Institution of a Rates Tribunal upon which rest the function and responsibility of arranging new rates and charges on a fair and equitable basis, after bringing both traders and passengers into close consultation with the railways' representatives.

4. Rates and charges to be reviewed every year and if necessary revised, so as to maintain a standard level—the net revenue yielded to the railways in 1913.

The last clause, next to the actual consolidation of the railways into four groups, was probably the most important in the whole Act because it secured as a principle that the good of the trading community, rather than the simple earning of dividends, should be the main objective of railway management. It embodied the principle of limitation of dividends, or at least of the fund out of which the dividends are paid.

Of course, the 120 separate undertakings and multitudinous subsidiaries were bitterly opposed to the whole scheme. There were at least 700 directors on these concerns, and their annual fees amounted to about £154,000. They did not relish the idea of losing this part of their incomes.

They were given time in which to arrive at a harmonious agreement, after which a Government Tribunal stepped in and took control of the amalgamations.

The workers, of course, had their own difficulties but were well provided for under the Act. Primarily, it was

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

120634

recognized that reduction of staffs must be gradual, and by reduction of the compulsory retiring age to fifty-five.

The Act dealt thoroughly and comprehensively with the question of compensation for displacement. It provided first of all that "every existing officer and servant shall, as from the date of amalgamation or absorption, become an officer or servant of the amalgamated company."

It then laid down that, although an amalgamated company had the right to abolish any office held unnecessary, no officer or servant could be transferred without his own consent to a position he held to be worse either in the nature of work, salary, conditions, or pension prospects.

Provision was made in such a case for reference to a special tribunal in which compensation must be made if his case was proved.

Compensation was also to be paid to anyone who suffered a reduction of salary or standing "on the ground that his duties have been diminished," or who otherwise suffered a financial loss by reason of the amalgamation.

Surplus directors received a compensation of £1,400.

The consolidation of the "Big Four" railways came into operation on New Year's Day, 1923.

Thirty-three companies, owning 3,753 miles of track, and with a directorship of twenty-two, went into the Great Western Railway.

Thirty-five companies, owning 7,564 miles of track, and with a directorship of twenty, went into the London, Midland and Scottish Railway.

Thirty-three companies, owning 6,464 miles, and a directorship of twenty-two, went to make the London and North Eastern Railway.

Nineteen companies, owning 2,129 miles of track, and with sixteen directors, went to make the Southern Railway.

The total capital of the former companies was £1,300,000,000. This was reduced in the case of the "Big Four" to a total of £1,073,000,000.

The most important effect of the Act was as psychological as it was commercial—namely, a closer contact with the public.

The companies began to keep in closer touch with the events that are a part of English life and that attract crowds—football matches, the Derby and Grand National races, even flower shows. Nothing was too small or insignificant. There was created that savior of the railways, the special excursion train.

The main idea at first was to make any possible use of idle stock, but the idea caught on so well that the excursion train is an indispensable part of the railway service in Britain today.

Prices are reduced more than half, sometimes by two thirds on these trains. Last year 500,000,000 excursion tickets were sold.

Many idle coaches were converted into moving homes, fitted with cutlery, crockery and bedrooms for six people.

Train cruising was another idea. One train left King's Cross Station, London, for a 2,000-mile tour of the country. Redundant cross-Channel steamers were used for week-end cruises to the Continent.

Cheaper Fares, More Profit

IN 1932, when the railway companies decided to pool their receipts wherever there was still competition and contact between them, the last great step toward consolidation and co-ordination was taken.

In fact, the progress toward this end has been so swift that many of the British people are still unaware of the facilities they can obtain.

It is possible to travel along the North Wales Coast by one route, and to return through the mountains in the centre by another. A passenger may travel to Scotland along the East Coast of England, and return through the West Coast and Midlands.

Some effect can be indicated by the example of the Lancashire cotton workers. Until a few years ago there was only one holiday seaside resort as far as Lancashire was concerned—Blackpool, on the West Coast. Each cotton town took it in turns to have a holiday, and all through the summer for generations, Blackpool had its "Wigan week," its "Burnley week," "Oldham week," "Blackburn week," and so on until the autumn.

Anybody who went farther afield was regarded as "ultramodern" or wealthy.

But the last few years have seen a growing holiday infiltration of Lancashire families into Devon and Cornwall, the Channel Islands, the South Coast, Ireland, the Scottish Highlands, and so on.

In 1933 the "Big Four" cut their fares by one third from three cents a mile to two cents, third class. Tickets at these rates are available by any train, any day for a month, to all but a few isolated stations in the British Isles. Half-day excursions and evening excursions by special trains are run at cheaper rates. "Save to travel" stamps was another novelty introduced at railway stations to encourage the poorer section to save up their railway fares.

Services were made faster. In the last four years, passenger services were speeded up by more than 50,000 minutes. England's fastest start-to-stop train, the Cheltenham Flyer, covers the seventy-seven miles from Swindon to London in sixty-five minutes at 71.3 miles per hour. The "Silver Jubilee" express covers the 232 miles between London and Darlington in 198 minutes, an average start-to-stop speed of 70.4 miles an hour. "Speed," said Robert Bell, the assistant general manager of this line, "is not an expensive luxury but a profit earner when offered to the public under conditions which give it a strong appeal."

Receipts on the "Silver Jubilee" prove he is right. Receipts for the "Silver Jubilee" are 16s. 2d. ($3.88) per train mile; working expenses are 4s. 2d. ($1.00).

Extending the Service

ON FREIGHT trains, goods are delivered the morning after dispatch. Under one system, a consignment of goods, whether a parcel, truckload, or trainload, is kept under observation throughout its journey, and delivered in accordance with a prearranged schedule for a fee of fifty cents.

The British railways have spent about £1,000,000 on important stations and goods depots, mechanizing carriage fleets, and building special kinds of wagons, such as the "container," which can be lifted from a truck to a lorry.

Other wagons are insulated for carrying dry ice, or are equipped with special apparatus for carrying meat.

In the countryside special delivery services now deliver goods right to the farmer, who is still a little bewildered at and suspicious of this apparently inexplicable generosity on the part of the railways.

The other day a North Country farmer moved into the South. He just put on his hat and coat and caught the train. The railway company did the rest. It packed his farm, with his pigs, hens, cattle, poultry and implements, and then next day set up his new farm in the South country.

Inside the organization of the "Big Four," attempts have been carried out successfully to bring a new spirit into the officers and servants by means of special company magazines encouraging internal competition for special awards.

The proof of this is, as usual, in the profits.

Wages are high, and are still 150 per cent above pre-War.

Large sums are being spent in improving the standard of maintenance of certain absorbed lines.

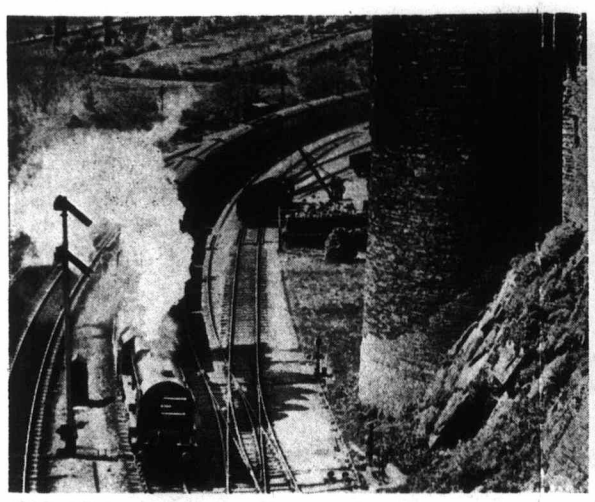
Despite these factors, the companies have been enabled, while substantially maintaining their revenues, to grant material concessions in rates and charges of all descriptions.

Before the grouping, these rates and charges were 112 per cent above pre-War level. They are now only about fifty per cent above pre-War level.

Sir Felix Pole, retired general manager of the Great Western Railway, said three years after the amalgamation:

"I can say positively that the grouping has produced added economies and efficiency, and has been of direct benefit to the trader and shareholders. By producing greater security of tenure and increased prospects of advancement it has also been directly to the advantage of the employees."

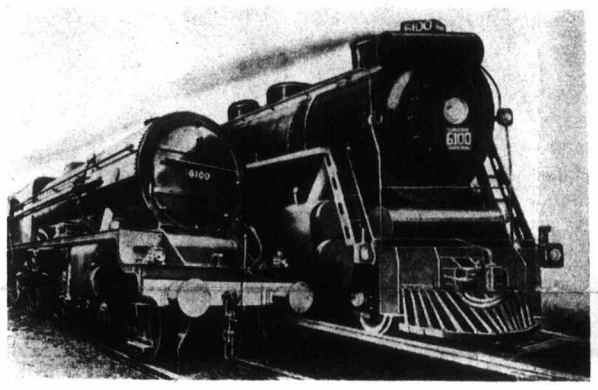
✦ ✦ ✦ ✦ ✦



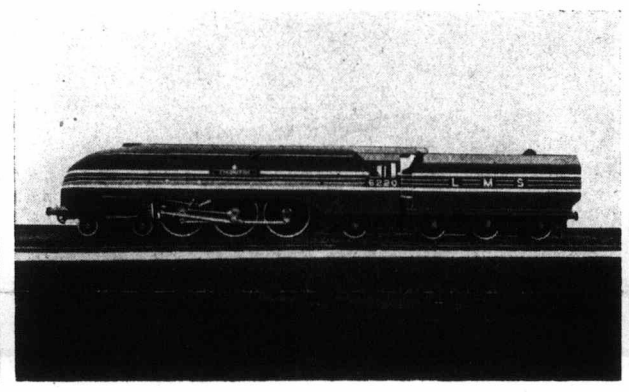
Irish Mail passing Conway Castle, North Wales.

British railwaymen attending one of the popular schools in which railway operating problems are solved.

The "Royal Scot" compared with the C. N. R.'s "6100."



One of Britain's newest streamlined engines.



The farmer moves — the railway handles the job from start to finish.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120635

CLIPPING CONCERNING

RAILWAY PROBLEMS MAY-1939

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

EDITORIAL FROM THE GLOBE AND MAIL
MONDAY, MAY 1, 1939.

MR. EULER IS RIGHT.

Hon. W. D. Euler, Minister of Trade and Commerce, was right when he told the Agricultural Committee of the House of Commons that the railways should not carry anybody free, not even members of Parliament. He might even have said, "especially members of Parliament."

We have no present knowledge of the extent of this practice, but the Duff Royal Commission thought it serious enough to call attention to it. In 1930 the railways issued 139,895 long service annuals to employees, 38,209 other annual passes, 11,078 trip passes to dependents of Senators and members, Government employees and press, and 555,298 other trip passes, mainly to railway employees and dependents.

The point came up a few days ago when discussing amendments to the Grain Act, one of which required the railways to grant free transportation to all persons concerned in administration of the Board of Grain Commissioners. The act already provided free trips for the board, the secretary and certain other officials and this was left standing.

The Railway Act is extremely generous with the railways' services, by providing reduced or free transportation for railway officials and employees and their families, members of Provincial Legislatures, dependents of members of the Senate and House of Commons and others. We see no sound reason why they should transport any one free except employees engaged in company service.

The railways have enough difficulty getting revenue without Government legislation declaring, in effect, that their service is not worth money. Governments should pay the fares of their travelling employees, and so should every other institution requiring employees to use trains.

120636

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120637

Suggests Solution of Railway Problem

To the Editor of The Globe and Mail: At the present time the Dominion of Canada is afflicted with a railway problem, or, more truthfully, the Canadian National Railway, which is apparently costing the taxpayers $100,000,000 to $150,000,000 per annum. Certain remedies are proposed by Sir Edward Beatty et al., to all of which the political parties turn a deaf ear or completely ignore. Why cannot the situation be dealt with in the same manner as any other concern on the verge of "going out"? The logical solution to me is as follows:

Have an independent appraisal made of both railways, to include all rolling-stock, steamships, hotels—everything, "lock, stock and barrel." The appraisers to consist of a committee of, say, three Englishmen and two Americans. When the committee's valuation is complete issue stock to the Dominion for the Canadian National Railway's share of the total appraisal, and to the Canadian Pacific Railway likewise, and let us call the new railway the Canadian Railway. For argument's sake, say, an equitable share of the Canadian National Railways is three-fifths, and for the C.P.R. two-fifths, we would then proceed by electing a directorate of the Canadian Railway, three-fifths of which would be appointed by the Dominion Government and two-fifths by the Canadian Pacific Railway. Having gone this far, the directors would then appoint the management for the new railway, with instructions to the latter to make the Canadian Railway pay. Granted that the Board of Railway Commissioners would still have to function to see that certain parts of the company are not crucified in the matter of rates, but with a clear road ahead a substantial profit should be indicated at the end of the first year, and if circumstances warrant it the Canadian Railway would declare a dividend three-fifths of which would be for the benefit of the national treasury.

If the management of the Canadian Railway discovers that they can dispense with, say, 25,000 of the present employees (in the eyes of the politicians may be 100,000 votes—wife, mother, son, etc.), then it would seem that for a number of years there has been a preferred class of subsidized citizens who have been receiving anywhere from $25 to $500 per week for their services instead of the $15 or $18 a week received by the ordinary man, who out of necessity has to work on relief projects or has been on straight relief. Granted that it is regretable for men to have to lose their jobs, but why should the Government pay them "specialists' pay" when their unnecessary employment must rightly be considered Government subsidization or relief? For argument's sake, say that the 25,000 men to be laid off have received an average salary of $1,800 per annum, and on relief they would cost the Government $500 per annum (a very large proportion should have means of their own), immediately there is a saving of $32,500,000. The question would appear to be: What right have railway employees to this bonus of $32,500,000 over other classes of workers who cannot be gainfully employed at the present time?

According to Sir Edward Beatty the matter of wages is only a small item as compared to economy and savings to be obtained elsewhere if one system prevails, consequently one cannot help but feel that the deficit now incurred would readily disappear, with the most happy results for the Canadian Railway.

Granted we would have to absorb the present railway debt in so far as the Canadian National Railways is concerned and include it in our national debt, but what is the difference, as we are responsible for it in any event? As far as the Canadian Pacific bondholders and stockholders are concerned, they would have to look for the C.P.R.'s share in the new railway to take care of them.

Of course, the critics will immediately state that the problem is not so simple to work out as set out above. I am well aware of certain criticisms which can be directed against such a plan, nevertheless the correct answer to the problem can hardly be stated more simply and yet stand up as being economically sound. The above plan could be put into operation within a reasonable time, but in view of the pusillanimous attitude of our present-day politicians in all probability the country will be bankrupt before they care to take a stand in favor of sound, businesslike administration in the running of this Dominion of Canada.

Your Leadership League may be a step in the right direction, and I don't think anybody doubts your sincerity in the matter. However, the thought strikes me that "so many men and so many minds" may provoke a great deal of discussion without anything constructive being done. I can't help but feel that if you were to take twenty of the most brilliant business minds in the country at the present time who are not associated with politics in any way and put them in charge of this good old Dominion of Canada and instruct them to put our house in order, the affairs of this country would soon improve, so that in a very few months the country would hardly be recognizable.

De Ros.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

TEXT OF MINORITY REPORT BY SENATE RAIL INVESTIGATORS

Data Read by Meighen Cites Gravity of Issue

OTTAWA, May 11.—Following is the text of a draft report read yesterday by Senator Meighen before the Senate special railway committee of enquiry into the railway situation. This report has the concurrence of a number of members of the committee. Senator Meighen said:

Regrets Disagreement

IT IS deeply regretted that an unanimous report was found impossible of attainment, as in a matter of such grave importance, at the present juncture, the added weight of unanimity in the committee would have been of very great value not only to Parliament but as well to all our people who are now so heavily burdened with taxation.

Canadian National capitalization and deficits:

The Canadian National constitutes for the nation its most obdurate and perilous domestic problem. The outlay of Canada to December 31, 1938, on its publicly-owned railway system, including interest, has been in excess of $3,300,000,000 of which the greater part has been brought about by recurring yearly deficits assumed and loans made by the Canadian Government to the Canadian National.

The cash deficit in 1938, substantially greater than in 1937, as shown in the Canadian National Railways annual report for 1938, is $54,314,195. This deficit does not include capital losses of $2,712,877 charged against proprietor's equity under the Canadian National Capital Revision Act of 1936, nor does it include interest on $672,688,000 the principal amount of such proprietor's equity. The aggregate contributions of the government to the system as at March 31, 1938, written off to consolidated fund has amounted to $838,000,000. (See public accounts, 1938, appendix 28). In addition, the aggregate of interest to December 31, 1936, on government loans to the system accrued and unpaid, which was transferred to the Canadian National securities trust, under the Act referred to, has amounted to $574,781,000.

Lifts National Debt

The above large sums already written off represent in reality assumption by the Dominion of Canada of a very considerable total of capital which went into our railways, and entail as well a substantial addition to the national debt. No criticism of such writing off is implied in this report. The results, however, after the writing off, speak for themselves.

It is evident that the railway problem cannot continue to drift as it has done in the past, without more hardship to the taxpayer and great and imminent danger to the credit of Canada.

In view of the marked increase in government expenditure and taxation within the last years of our constantly growing requirements, more particularly for national defense, for the relief of large sections of the community, for rapidly expanding social legislation, and the corresponding greater necessity of husbanding the resources of the country, we are moved to quote anew the solemn admonition given to the nation by the Duff Royal Commission of 1932. It is far more justified today than it was seven years ago:

"Note of Warning"

"We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada. Unless the country is prepared to adopt the plan we have proposed, or some other equally effective measures, to secure the efficient and economical working of both railway systems and thereby not only reduce the burden on the federal treasury but improve the financial position of the privately-owned railway, then the only courses that would be left would be either to effect savings in national expenditure in other directions or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation. Failing the adoption of one or other of these courses and there are obvious limits to their application, the very stability of the nation's finances, and the financial credit of the Canadian Pacific Railway, will be threatened, with serious consequences to the people of Canada and to those who have invested their savings in that railway."

Reasons for Inaction

It is contended that the expenditure of the Canadian National, even if excessive, provides for the subsistence of a portion of the population which otherwise, might be under relief. Obviously, this is fallacious, as nothing guarantees that such excess in expenditure goes to those otherwise in need of it, and, above all, as such policy, if accepted, would lead to unrestrained wastage in all government departments. The complacent state of mind of many witnesses, including some officials, who seemed anxious to see the country resign itself to the perpetuation of unbearable deficits, is deplorable. To this end it was represented that these deficits were but an apparent loss to the country, as the Canadian National provided for the nation in equal value in services which were essential to its present well-being and future development. Such a contention is utterly inadmissible, as like adequate services can be, and in fact are, rendered by other railway systems in Canada and by similar companies in other countries, at no cost to the nation.

Witnesses appearing before the committee outlined solutions of the problem, in which there was implied no abandonment of essential services, but all were designed to reduce or eliminate unnecessary duplication and redundancy of services.

It is obvious that relief can be obtained otherwise only by a very large increase in revenues, which appears to be definitely unattainable either through increases in rates or through any conceivable growth of traffic.

Three different methods were proposed to the committee for securing economies to reduce the burden of Canadian National deficits.

A more effective application of the co-operative provisions of the Canadian National-Canadian Pacific Act, 1933, was recommended.

This suggestion is far from being promising. Since the coming into force of the above law in 1933, the total savings from arrangements now in effect, and others agreed upon by the railways but not yet in effect, will be less than $2,000,000 per annum.

Five years of trial has, it must be admitted, demonstrated that economies to be effected through voluntary co-operation are of a very minor order. Further, the evidence submitted on behalf of the officials of both railways made it abundantly clear that hope for the future in this regard is practically negligible.

The absence of singleness of interest in the result to be obtained by economies, the continuous and not unnatural jealousies of officials as to the prestige of and immediate consequences to their respective properties, make the securing of what they describe as a balance of burden and advantage the subject of a long drawn-out and almost always futile struggle. In this respect any contention that the larger measure of responsibility for this futility rests on either one of the two companies more than on the other cannot certainly be supported by the evidence.

Enforced Co-operation

A second recommendation, made by the president of the Canadian National, provides for the injection into negotiations between the railways of a new body consisting of a representative of each of the railways, and a chairman appointed by the government, the chairman to have an over-riding vote. This body would have authority to initiate studies of any project suggested by any individual member and, if a favorable report was made by a majority, or by the chairman alone, the proposal would automatically go before an arbitral tribunal for final decision. It was argued that this would relieve the railway companies of the stigma which would attach to agreement to undertake unpopular economies. As to the latter point, it would be most unwise to depend on the government voluntarily submitting to public odium—as the result of the action of its representative—a public odium which railway officials themselves admit they have recoiled from incurring. Experience proves that no government will incur odium knowingly. The suggestion appears to be useless.

It might be pointed out as well that there would seem to be a dangerous responsibility assumed in establishing, as the effective agent of enforced changes in operation or physical assets, a board on which two members would, as between the two railway systems, be representative of one, and only one representative, of the other. It is important to avoid with the utmost care any enforced action which might be the ground of liability to the country later on.

It seems to us the sooner the people of Canada accept the conclusion that co-operation of two competing systems cannot be effective in any worthwhile way in bringing about absolutely needed economies, the better it will be for the establishment of some really effective remedy and for the solvency of our country.

In this connection it must never be forgotten that the railways are in a death struggle for a living, and while the struggle continues, each will fight for itself. The consequence of this mutual destructiveness falls on the taxpayers of Canada. It was very strongly urged before your committee that such mutual destructiveness can only end when the officers and employes of both systems are working wholeheartedly for a single economic end.

Management Unification

The third suggestion made was unified operation by a single management of the Canadian National and Canadian Pacific, each company continuing to own its respective properties, and no guarantee being given to the Canadian Pacific of a return on its stock or on its bonds or other capital issues. Each company would continue to receive, under unified operation, the net earnings which past actual results over an agreed period of years indicate that each would have received as an independent institution, and additional net earnings made available by the economies of unified operation would be shared between them on an equitable basis. It was intimated that of these additional net earnings the Canadian National should receive at least half. The suggestion was that unified operation would be under the control of a board to be created by Parliament and to be composed of 15 directors, five of which would be selected by the government or by the Canadian National, five by the Canadian Pacific, and the remaining five by the directors already chosen, or by some other appropriate method.

Objections Raised

This proposal was met at the outset by two objections:

First: It was contended that such unified management would create a huge and possibly an oppressive monopoly.

To this objection the following arguments taken from the evidence apply:

(1) For many years very large sections of the Dominion not served by both railways have lived under the monopoly, if such it be called, of either the Canadian National or the Canadian Pacific, and have done so without any perceptible disadvantage.

(2) The railways have long ago been stripped of all powers which might render any monopolistic feature, injurious to the public interest. The Board of Transport Commissioners holds by statute supreme authority over them and controls all abandonment of lines, withdrawals or reductions of services, as well as increases or decreases of rates and fares.

(3) The development of transportation by means of motor cars, buses and trucks (public and private) and by air and water traffic, has created conditions where even under unified railway operation there would be very effective competition, anyway, and competition quite difficult to cope with. Indeed, many witnesses, including some who spoke for labor, contended strongly that under the present system of operation it was impossible to meet this competition, and that if the situation is not met effectively, railway labor itself would be direct sufferers, and on a serious scale.

(4) The modern world exists under a great number of monopolies imposed by the free will of the people for the essential purpose of suppressing excessive charges and wastage due to multiplication. This is strikingly exemplified in transportation, telephone, water, gas, electricity and other urban services, and in some countries, of railways.

Influence of Railmen

Secondly: The other objection is based on the apprehension that there would be created a large mass of population, whose united influence might dominate the political life of Canada. To this the answer seems to be that if the interest coalescing the railway employes is an occupational or professional one, it exists already. No more striking evidence of this can be imagined than the opposition to unified management, as well as to co-operation, voiced by the railway employes of both systems through their unions.

If the interest creating the coalition be a political one, then conditions now are just as favorable for its success as they could be under unified management. Indeed, there are many who believe that such political power is now exercised. Without any doubt at all, pressure is exerted, through their unions, by the mass of employes of both railways, on political parties.

This continuous, concerted pressure is mainly directed to the protection of a fortunate section among all the laboring classes of the country.

This influence is in fact one of the chief obstacles to the settlement of our railway problem. It can only be removed by placing the administration of the Canadian National definitely and finally above political interference and in the hands of capable, strong and thoroughly independent men, whose tenure of office could be attacked only for cause. This could be accomplished by placing our railways under the direction of a properly selected board, whose only object could be the successful operation of united system.

Protection for Men

Any reasonable cause which railway workers might have had to oppose unified management has been eliminated by the proffer of provisions protecting them, in the manner effected in Great Britain, against loss by dismissal, demotion or transfer. It must be remembered that not less than from five to seven years will be essential to attain, step by step, the full results of unification. The evidence indicates that normal attrition, which accrues through death, pension age, or resignation, would remove men from employment faster in the aggregate than would be required during the process of unification, and those who suffer in special cases—for some would so suffer—can be assuredly compensated.

These guarantees which have been definitely offered are measures of protection hitherto unknown to the working classes of any industry in the country, and corresponding protection is certainly not enjoyed by any other class.

It was not unreasonable to expect that railway workers would have been reassured by the definite statement to the above effect made on behalf of the Canadian Pacific—which, undoubtedly, would be acceptable to the government if an arrangement were entered into, and would have withdrawn their opposition to a unified scheme of management. This is especially true, because of the scheme of compensation would be and should be, the subject of an agreement in which the wishes of the employes would be fully represented, and the rights under such agreement would become statutory.

Would Avoid Crash

The object sought to be attained is the voidance of financial disaster to our country, which disaster every class would suffer, and the poorer classes even more than others. It is not, therefore, unjust to ask that all co-operate in a fair spirit to such an end.

Persistence in their present attitude simply means they insist that the taxpayers of Canada, for all time, shall carry the burden of many thousands of positions which are not required. On this point it must be carefully noted that the benefit in the main goes to the more fortunate class of senior employes, while junior men are left to suffer for want of work.

In this connection, it is important to keep in mind that the railway business of the Dominion, as indeed of all countries, has been steadily diminishing in volume as compared with business as a whole. The evidence before your committee led irresistibly to the conclusion that this tendency may be expected to continue.

Mr. Hungerford, president of the Canadian National Railways, submitted in his evidence that the efforts to operate the property on economical lines were circumscribed by what he defined as considerations of "public interest;" that what constitutes "public interest" was really determined by the government of the day and that if the Canadian National were not a government enterprise it certainly could not be carried on its present footing.

Government Influence

It may be reasonably inferred, as was indicated by the late Sir Henry Thornton in his evidence before the Royal Commission, that the policy of the government, whatever might be the efforts of the Canadian National management to operate on sound business lines, is unhappily reflected in the administration of the railway in increases or reductions of personnel, in the carrying out of contracts for works, purchases, etc., which fact largely accounts for the Canadian National spending on operating costs alone last year 96.7 cents for every dollar earned by it, whereas the Canadian Pacific spent 82.29 cents to earn the same amount.

As a glaring instance of political influence on the policies of the Canadian National, we may cite the fact that the completion of the Montreal terminal was definitely promised on the hustings by ministers of the Crown, months before the directors made their recommendation to proceed with the work.

It is submitted that joint managership, by elimination of this and other forms of political interference, and by gradually removing duplications and utterly unnecessary costs in many spheres, might well overcome the major cause of past recurring deficits.

Unification Savings

Sir Edward Beatty, president of the Canadian Pacific Railway Company, claimed that through the unified management of both railways savings to the amount of $75,300,000 per annum could be effected under average traffic conditions, which he stated are those of the year 1930.

This claim was supported in the greatest detail by a long line of officers of that company. These officers and Sir Edward himself were questioned at length by members of your committee. Figures and supporting evidence for lesser but still huge savings were given, applicable to years of diminished traffic.

As to the method followed to establish such savings, it seems important that it should be described in some detail. The outline which follows is carefully deduced from, and is supported in every particular, by the evidence submitted.

As to savings by unified management, there were first set out the conclusions arrived at by the respective officials of the two companies at the request of, and submitted to, the Duff Royal Commission.

Two Conclusions

These conclusions were as follows:

By Canadian Pacific Officials

$75,300,000 based on the same scale of operations as prevailed in 1931.

By Canadian National Officials

$50,340,000 based on the same scale of operations of 1931.

This would be equivalent to:

$56,440,000 based on the scale of operations in 1930—the operations of 1930 being about 30 per cent. larger than the operations of 1931.

It is clear from the above that the comparable figures are $75,300,000, as presented by Canadian Pacific officials, and $56,440,000, as presented by Canadian National officials.

Outline of Methods

There was then set out a full outline of the very thorough methods adopted in arriving at the above estimates of savings.

The evidence of Canadian Pacific officials was first given and showed that a committee of officers from the operating, engineering, traffic, mechanical and accounting departments was constituted and worked over a long period. They surveyed the existing supervisory organizations of the two railways as independent units, the location and function of the various lines of railway; passenger and freight train services; and terminal and shop facilities. Each phase was taken in hand by officers familiarly by experience with each special work. Senior officials were made available for consultation. In a word, the resources of the entire organization were used by the committee.

The efforts of the committee were directed not to determine any maximum limit of savings, but merely what could reasonably be expected under normal conditions.

Methods employed by the Canadian Pacific, however, included economies from reduction in general overhead expenses, traffic solicitation, advertising and regional supervision, line abandonments, re-routing of traffic, increased car and train loading, consolidation of repair work, readjustment of passenger train services, as well as economies from operating joint freight and passenger terminals, consolidating express and telegraph services, consolidating accounting services and other expenses. There are items which appear in each estimate which are not in the other estimate but, considering that two different methods were followed in getting together these estimates, there is an added importance to such similarity as appears in the two results.

Expert Assistance

It was brought out in the evidence that in the case of the Canadian Pacific estimate the services of an experienced official of the Great Northern Railway Company were obtained to review very carefully the whole plan of estimating savings which had been adopted. This official, Mr. V. P. Turnburke, general auditor of the Great Northern, had had to do, himself, with the consolidation of the Great Northern and the Northern Pacific.

After a very thorough review on his part, he made certain criticism and suggestions, and finally reported that in his opinion the committee of the Canadian Pacific, in estimating savings, had proceeded along conservative lines, and he did not hesitate to accept the conclusions reached.

A number of principal officers and engineers of the Canadian Pacific, who had been working on 17 committees in all, demonstrated, under the several headings in use in railway accounting, the various retrenchments in expenditure estimated to result from unified operation. Most of these headings were divided into sections and even into further subsections, in order in each case to build up from the ground two sets of figures—the first set being such as applied to the particular section or sub-section as a part of the two systems when unified, and the other set being the savings in each case resulting from unification.

It cannot be gainsaid that the body of evidence made up by the above process was thorough and impressive.

Abandonment of Lines

There is one feature of these savings which should be especially emphasized. Efforts have been made to give the public the impression that savings can only be effected or can at least mainly be effected by abandonment of lines. The evidence very clearly demonstrated that savings by abandonment of lines did not amount to more than 10 per cent. of the total savings that are realizable. Even this 10 per cent. of savings, which might be described as attributable to abandonment, included such almost unused short lines as to the abandonment of which no railway made objection. There appeared no intention, on the part of any of those who gave testimony, of abandoning any lines save such as would, after argument from all interested, be deemed by the transport commission of Canada as proper to be abandoned without sacrifice of public interest. Very large economies were shown to be realizable without abandonment at all.

The evidence supported and, save for minor items, hereinafter referred to justified savings to an amount of $75,300,000 for the traffic level of 1930, as established in the Canadian Pacific estimate submitted to the Royal Commission in 1932.

In view of the inquiries made by various members of the committee, the Canadian Pacific undertook, since the original hearing, the preparation of an estimate on the basis of 1937 traffic level, and this showed savings of $56,346,000 without any line abandonments whatever, and savings of $59,361,000 with allowance for such line abandonments as it was reasonable to assume the board of transport commissioners would authorize under present conditions. This reduction was qualified by the statement that savings would fluctuate with traffic, and, therefore, revert to $75,300,000 should traffic again reach the level of 1930.

The submission of the Canadian Pacific witnesses was necessarily of a technical nature. The same could be said, though in less degree, of the evidence in opposition submitted by the officers of the Canadian National.

To demonstrate the very special character of the argument made on both sides, it is sufficient to refer to the method used, not exclusively but in the main, to establish savings from unification.

This method required the ascertainment of reduction in train and car mileage obtainable without detriment to public service from the consolidation of lightly loaded trains—a consolidation which, manifestly, unified management could bring about—and from the use of the shortest and most economical routes both for passenger and freight. The result, according to the evidence, was a saving of 6,909,939 passenger train miles or 14.3 per cent., and 8,897,000 freight train miles, or 15.4 per cent. These percentage reductions and others similarly calculated were used to measure the realizable economy in the different departments where such percentages could properly be applied.

Accounts for $50,000,000

In other cases economy was calculated directly by estimating what reduction would be possible by the consolidation of departments. The train and car mileage formula was used to prove over $50,000,000 out of the $75,373,000 of savings claimed as realizable. Other technical methods were applied either exclusively or jointly with decrease in train mileage to establish the balance of the economy so claimed.

All these calculations were based on the figures of 1930.

The Canadian National officers opposed the above formula and its results by denying that the stated reduction in train mileage is exact, and further by asserting the Canadian Pacific unit costs are not applicable to the Canadian National as the lines of the two railways are not comparable. Evidence was submitted by the Canadian Pacific to show that Canadian Pacific unit costs had not been applied to Canadian National operations but, where used, had been adopted as the measure of cost possible of achievement by the unified system. The Canadian National officers further contended that the Canadian Pacific calculations took no account of the substantial reduction in expenditures of the former system from 1930 to 1937. The Canadian Pacific admitted that permanent savings made in recent years justified a deduction of $3,801,000 from the original estimate, but showed that additions of $9,056,000 were justified by other known items of change.

In addition, the evidence showed that by their very nature the temporary savings made independently by the railways were entirely different from the permanent economies which would be possible under unified management through the elimination of duplicate effort. The revised Canadian Pacific estimate to which reference has been made, having been computed on the basis of 1937 level of traffic, completely disposes, if it is reasonably accurate, of the contention that large economies are no longer available because of individual economies effected by the railways, either on account of reduction in traffic, or otherwise.

From 1930 to 1937, gross revenues of both railways fell 21.6 per cent. Combined expenditures of both railways between the same years was reduced by 20.7 per cent.

Mr. Fairweather seems to be the only Canadian National witness who has surveyed the whole question. The gist of his evidence was that large savings from unification of railways were impossible of realization as the public and employes would not tolerate consequent reduction of the services and the creation of a monopoly.

When confronted with many items of savings to which these objections did not appear to pertain, even remotely, he gave the impression of unwillingness to consider any savings to which his objections did not apply.

This general affirmation was supported also in general terms by Mr. Hungerford, the Canadian National president.

Throughout the testimony of these officers there was a pervading strain of concern for the popularity of the Canadian National Railways and management. This is not an unnatural characteristic, having regard to the atmosphere in which inevitably officers who are answerable only to a government must live. It cannot, however, be too strongly emphasized that such attitude of mind leads irresistibly to redundant and extravagant services and the sacrifice of the taxpayer.

Earlier Report Cited

In connection with Mr. Fairweather's evidence in particular, there must be kept in mind the report made by him and submitted to the Royal Commission of 1932. This report embodied the conclusion that there was a possible saving of $56,230,000 from unification on the traffic level for 1929, and $50,090,000 for 1931, which latter year approximated closely the traffic conditions of 1937 further, this report was made at the request of the late Sir Henry Thornton. It is important also to note that it was prepared prior to the constitution of that Royal Commission, and before the Canadian Pacific, at the request of the commission, began work on its estimate. For the preparation of the above report Mr. Fairweather had the collaboration of seven technical assistants and access to any information he desired from the Canadian Pacific.

Mr. Fairweather's original estimate is elaborate and comprises an explanatory memo of 12 pages and schedules of 39 pages. Although prepared by a totally different method, it appears to corroborate generally Sir Edward Beatty's contention as shown by the following comparison of the two estimates under their main headings:

Comparative Estimates

Estimates by Canadian National and Canadian Pacific respectively of possible savings through unification, based on the level of traffic for 1930.

	C. N. R.	C. P. R.
Increased railway operation revenues	$ 6,540,000	$ 1,396,000
Traffic solicitation and advertising	6,950,000	5,976,000
Transportation and miscellaneous operation	20,047,000	24,954,000
Maintenance of way and structures	3,423,000	14,889,000
Maintenance of equipment	7,797,000	14,360,000
General	1,572,000	4,289,000
Lake and coastal steamers	500,000	450,000
Hotels	4,500,000	
Express operations	600,000	1,450,000
Telegraphs (railway and commercial)	700,000	948,000
Interest on released investment in material and rolling stock	3,000,000	6,350,000
Miscellaneous	600,000	311,000
Grand total	$56,230,000	$75,373,000

Details show items in each estimate that are not in the other, which indicates that a combination of both estimates might well produce potential fields of economy greater than the total of either.

Co-operative Savings

Mr. Fairweather also gave evidence as to possible savings under co-operation. In this his opinion appeared to undergo very considerable variations as he first appraised savings under this head at $35,000,000 then at $24,000,000, subsequently again at $10,000,000 and finally stated that such estimates were but guesses on his part. It is difficult to appraise the value of evidence so submitted.

This very brief analysis of the evidence suffices to reveal its technical character. While the undersigned feel, as probably other members of your committee feel, that after many months of close study of this situation, and after having had the advantage of hearing scores of witnesses on every phase of the subject and of questioning such witnesses, they have been able to reach a dependable conclusion on the merits of the conflicting contentions advanced, respectively, by officers of the two railway companies, they are also of the opinion that not being possessed, themselves, of special expert knowledge on these subjects, the public would be better served and better satisfied if it could be supplied with the findings of an impartial tribunal of experts, qualified by training and experience to report on the evidence submitted.

Motion In Committee

Accordingly, a motion was made before your committee on May 2, 1939, in the following terms:

"That the evidence before this committee be submitted to a firm of railway engineers and accountants of high standing, free from all interest in either railway system, to the end that such firm may study said evidence, and especially its practical railway engineering and accounting features, and make such physical examinations as it may deem necessary with a view to making full report to this committee as to what in the judgment of such firm would be the amount of savings which could be effected by a system of unified management, and whether and to what extent, if any, such savings would entail impairment of service to the Canadian people."

This motion, we regret to say, was defeated.

The undersigned are of opinion that such investigation need not have entailed very great expense, because, first, the evidence is already submitted, and, secondly, investigation on the premises would only be necessary in rare cases, because facts, maps, plans and other necessary data are already available and can be made open to inspection at the offices of the respective companies. The undersigned further are of opinion that only by means of such report could the full value of vast mass of information, which your committee has accumulated, be obtained and utilized by the Canadian people.

2 Sets of Opinions

The undersigned consider it a matter of much significance that on this question which should have been dealt with as a pure question of savings to the people of Canada in the operation of the nation's railways, in which question necessarily the provision of essential services would be apart, there should be found two distinctly opposite sets of opinion among railway officials, and that one set should be entirely confined to the Canadian Pacific and the other set entirely confined to the Canadian National. The question considered as above defined is, or should be, essentially one and the same for both systems. The only conclusion is that considerations other than these included in the above definition must have intervened.

At this point again the undersigned further beg to emphasize the overwhelming necessity, from the standpoint of the whole country, from the standpoint of its credit and solvency, and for the good of every class and every community of the Dominion, that some solution definite and effective must be found, and found without further avoidable delay.

Conclusions Drawn

In the terms of your committee's appointment, your committee was assigned a very definite duty, namely:

"To inquire into and report upon the best means of relieving the country from its extremely serious railway condition, and financial burden consequent thereto."

To comply with the above commitment, a full inquiry had first to be made. This has been done. After inquiry, the next duty is to "report" and such report must disclose what in the judgment of your committee is a "means of relieving the country from its extremely serious railway condition, and financial burden consequent thereto;" and the "means" reported must be, in the judgment of those reporting, the "best" means as shown by the evidence submitted.

The undersigned are utterly unable to find in the evidence any hope whatever of relief from any other source than that herein after indicated in this report.

We further are of opinion that if, contrary to the evidence, effective relief can possibly emerge out of any other of the suggested policies, such policies applied to the extent absolutely essential to bring such measure of relief will be open to whatever objections, if any, can be offered to the course hereinafter indicated.

Your Considerations

We are impressed by the following considerations:

(1) That huge competing businesses struggling for a living in the same field can in general, and probably always, effect tremendous economies by unified operation.

(2) That such unified operations as have in a very minor way been put in effect in respect of our railways have already shown large percentage reductions. In the case, for example, of the pool trains, there has been shown an operating saving of 33 per cent., though such pool trains still carry the waste of duplication in terminals, yards, etc.

(3) That in addition to savings in year to year operations, new capital requirements for one singly-managed system should be very substantially less than new capital requirements for two competing systems.

(4) That assuming the public interest can be protected and essential services maintained, there would seem to be strikingly important opportunities for saving by some plan of unified management in respect of two such systems as now exist in Canada. To ensure the full conservation of every essential public interest and public service, and to safeguard the interests of Canada, the undersigned recommend insistence on the conditions enumerated below in respect of any system of unified management which may be worked out. The undermentioned stipulations are not advanced with any thought that they are all-inclusive. We believe, however, that conditions in Canada, both as affecting the Dominion on the one hand, and as affecting the Canadian Pacific Railway Company on the other, are such that all necessary and reasonable provisions can be arrived at and agreed upon.

Outlines Objections

The following objectives should be secured:

1—There should be no obligation, legal or moral, implied or expressed, whereby the country assumes any liability in respect of Canadian Pacific obligations or securities, either as to capital or interest.

2—Any plan of unified management adopted should be such that the resulting operation can in no sense be dominated by the Canadian Pacific Railway Company.

3—Out of earnings up to the average aggregate earnings of both systems over such a period of years as may be agreed upon, the Canadian National must be assured the same share of such earnings as it has enjoyed of such average earnings.

4—Out of earnings above such average earnings, which presumably will be earnings due to economies effected by unified management, the Canadian National should receive not less than one half.

5—New capital investments, limited as they will be to joint requirements, should be provided for on a basis of definite and individual responsibility for respective shares of the capital on the part of the Canadian National (or of the Dominion of Canada), on the one hand, and of the Canadian Pacific Railway Company on the other hand.

Add to Board Powers

6—Both parties should agree to such enlargement of the powers and supervision of the Board of Transport Commissioners as may be deemed necessary to protect and serve every public interest.

7—In view of the very extensive economies to be attained, and to the end that the process may not involve undue hardship on any one, provision should be made for the due protection, by both systems, of labor adversely affected by such economies, along the lines lately followed by the railways of Great Britain.

8—Agreement to all provisions should be obtained from each separate class of security holders of the Canadian Pacific and of the Canadian National, insofar as such latter security holders are not already protected by government.

The undersigned are of opinion that on the evidence submitted, this country can look only to a system of unified management for relief; that the evidence demonstrates that relief can in fact be obtained under such a system, provided complete absence of political interference is assured in the statutory terms creating such system; and are further of opinion that same can be done with ample and complete protection of all public interests.

After One-Day Honeymoon

IT WAS just another back-to-work day at Pittsburgh for Bob Ickes, 25-year-old foster son of the secretary of the interior, after a one-day honeymoon. He took time out from his job in the downtown office of the Duquesne Light Company long enough to have lunch with his pretty bride, the former Marcella Charlotte Levine of Chicago, shown here with her husband. The couple, married after an elopement, plan to live in a Pittsburgh apartment. *(Wide World Photo)*

Pours Petrol

Husband Leaves Wife and Child in Hospital After Mishap

HULL, Eng., May 11.—The fire in the living room of a house in Orchard Park-hill Hull, was dying out. Herbert Brown, who lives there with his family, decided to revive it with paraffin.

But in mistake he got hold of a bottle of petrol. He poured it on the fire and the bottle burst into flames.

Rushing to carry it out of the house he upset a kettle of boiling water, scalded his son, aged three.

Then flames from the bottle set his wife's dress on fire. Mr. Brown smothered her in a rug, burning his hands.

Mrs. Brown and her son Herbert were taken to hospital and detained. Mrs. Brown was in a serious condition.

(Advertisement)

LEFT THE ARMY WITH RHEUMATISM

Now Fit to Join Again

Twenty years ago, he left the army, constipated and rheumatic. Today, he is fit and nimble—a merry, romping granddad, 61 years young.

"I came out of the army with rheumatism," he writes. "It was especially bad in my feet. I started taking Kruschen Salts, and in a few months I found relief from my rheumatism. I became nimble on my feet. Now, at 61—weighing 168—I am cheerful, energetic, and always ready to play with my grandchildren."—F. E. B.

Many people grow old long before their time because they neglect one vital need of health—the need for internal cleanliness. Eventually, they adopt the healthy Kruschen habit. Then, probably for the first time in their lives, they start getting rid every day of waste matter from the system. The result is renewed health and vigor. Ailments due to a clogged system vanish, youth returns, and life becomes really worth living.

By GREYHOUND
CRUISER
NEW YORK . $12.25
3 Schedules Daily
409 OUELLETTE AVE.

The Daily Sun-Times

The Sun (founded 1890) and The Times (1853); amalgamated 1918. Daily edition started in 1922

Published every afternoon (except Sundays and legal holidays) by Fleming Publishing Company, Limited, 865 Second Avenue East, Owen Sound, Ont.

Subscription Rates—By mail $5 a year, $2.50 for six months, $1.25 for three months; $1 for ten weeks; U. S. rate $5.50 a year. By carrier in Owen Sound and towns having carrier service, 15 cents a week.

The Sun-Times is a member of Canadian Press; the Canadian Daily Newspaper Association; and the audit Bureau of Circulations.

Telephone 1113 — connects both business office and editorial rooms. Social editor phone 133.

SATURDAY, MAY 6, 1939

Railway Amalgamation Should Be Made an Election Issue

In the last year or two there has been a great change in public opinion concerning Canada's railway problem. Until along in 1937 the feeling was strong that the solution lay, not in amalgamation, but in cooperation to which both of the major political parties were committed. Recently there has been a marked change in public feeling. People can see no prospect of getting rid of the burden the Canadian National Railways' annual deficits are imposing on the country and are prepared to accept any reasonable plan for bringing the Canadian National and the Canadian Pacific under one management. Whether it is the "unification" plan of Sir Edward Beatty or some other form of amalgamation, an ever-increasing group of Canadians is prepared to support the party which is ready to go to the country with a clear-cut, definite plan. That is the case here in Owen Sound and in the counties of Grey and Bruce—and this district is fairly representative of Canada.

But, the major political parties are still of one mind; both have solemnly pledged their support of—to quote Rt. Hon. R. B. Bennett's slogan—"Competition ever; amalgamation never." And both seem to be afraid to suggest any change in policy—because, some are unkind enough to suggest, they are afraid of the railwaymen's vote.

Why should they fear the railwaymen's vote? Because these employees are afraid that amalgamation of the two roads would mean thousands of them would be thrown out of their jobs. Self-interest would induce the railwaymen to rally to the defence of their positions and turn out any party which dared to seek election on a policy of cooperation.

But, there should be some way in which the problem of surplus staffs could be solved if the two roads were united—and solved without hardship. The process of putting two big organizations together would not be a matter of months; it would require several years to complete.

One solution is in connection with pensions systems. Both the Canadian National and the Canadian Pacific have pension schemes under which employees retire on superannuation at age 65. Would it not be possible to make a change during the period of readjustment, by setting the retirement age at 60? True, it would be costly, but the gain by saving in operating costs—for rearrangement of facilities would go with reduction in staffs—would offset this many times. Even if the Government undertook the whole expense or a share of the extra pension payments the load on the taxpayer would be trifling if it would result in the elimination of annual C.N.R. deficits.

Besides cutting down expenses without injuring the older employees, the plan would be welcomed by younger men in the railway services who are now uncertain whether they can hold their jobs. The thousands of men who would be retired under pension together with those of the younger men who would normally be lost to the service through death, etc., in the years the reorganization was being effected, would be sufficient to reduce payrolls to a point that would fit the requirements of the united road.

If either of the two great political parties would adopt an amalgamation plan that would offer some protection to the railwaymen, and make it an election issue, it is our belief that that party would have little to fear from the railway vote. And the party would win the prompt support of thousands of Canadians who are ready to vote to relieve themselves of the million-dollars-a-week burden now being carried.

Will one of the parties have the courage to develop a clear-cut, sane proposition to amalgamate the two railways? The people want the problem settled.

Poland Refuses to Back Down

In a calm, carefully-worded address—but one which left no doubt as to its meaning—Foreign Minister Joseph Beck has placed before the Polish Parliament the Government's stand in regard to Germany's "first and only" offer presented in Hitler's birthday speech before the Reichstag. Poland will not give up Danzig and her means of access to the sea. Poland will not give Germany a right-of-way across the Polish Corridor. These, he said, belong to Poland. As to other matters, not directly affecting her sovereignty over the Corridor and her rights in Danzig Poland is willing to negotiate; but only on the basis of "peaceful intentions" and "peaceful methods of action." He emphasized Poland's desire for peace but asserted, "We in Poland do not know the conception of peace at any price. There is only one thing in the life of men and nations which is without price—that is honor."

So, unless Germany is to change her attitude as enunciated by Hitler when he spoke of her "first and only" offer, the issue is joined. The next move is Hitler's.

What will Hitler do? is the question which is agitating Europe and much of the world. He is probably asking himself that question—and finding it hard to find a satisfactory answer. He knows that if he insists on having his demands granted he can back his insistence only by force of arms and that in that case, if Poland asks help to maintain her independence, he will have Britain, France and Russia right down on him and that if war ensues Germany will be indelibly branded as the guilty party.

If he backs down what about the stuff with which he has been feeding his people—what about the dreams of expansion and the European Empire under the sway of Germany? What will the German people think of it?

It Leaves a Bad Impression

It may be on the principle that "if a man bites a dog, that's news." At any rate one Sweeney, an Ohio Democrat, has got himself into the headlines by asserting in the United States House of Representatives that it would be well for King George and Queen Elizabeth "to not leave our shores with an impression that we will follow them with an army or funds to fight their battle." He added:

> "It is not the Rome-Berlin axis we need fear in this so-called crisis. It is only imperial Britain that can plunge us into another disastrous war."

It is unfortunate for the United States that it numbers among its citizens a few men of the mental calibre of Representative Sweeney and that sometimes they manage to get into places of prominence. Every once in a while we read reports of utterances of public men who expose their ignorance and narrow-mindedness by suggesting or even baldly asserting that "England" is lurking in a dark corner, trying to inveigle the United States into some entanglement in which she would be used to pull "England's" chestnuts out of the fire.

Reading such stuff, Canadians who do not think deeply are liable to be misled into believing that the Representative or Senator represents a sizable body of American opinion and thus to misjudge the feeling of the United States towards Britain and the British Empire. That, to express it badly, the Americans are a nation of ignorant Anglophobes. Which does not help to make relations between the two countries more cordial.

Fortunately for both Canada and the United States, the body of shallow thinking Canadians is about as small as the Sweeney type of "100% Amurrican" Anglophobe; so the harm done is not serious. The large majority of both peoples knows that the most friendly relations exist between the two nations and that, if need arose, the United States would fight on the side of Britain—not for Britain but in defence of her democratic institutions.

But talkers of the Sweeney type we have and shall have always with us. No doubt they think that sort of stuff "goes down" with the rank and file—who yield the largest supply of votes; so we should treat them like the man who, when asked why he let his wife beat him, replied, "Pleases she an' don't hurt Oi!" Most of us, on both sides of the line, do; but there are a few who place false values on their utterances because of their prominence.

Incidentally

Divorces are now harder to get in West Virginia. The fee has been doubled and is now $10.

Queen's University student has "distinguished" himself by swallowing four live mice. It's said there is no fool like an old fool; but some of the young ones can give them a pretty hard run.

Loss of Colonies No Excuse

(New York Times)

It is idle to suppose that Germany's loss of the colonies she possessed before the war is in any real sense responsible for the economic difficulties which Germany has subsequently encountered. Hitler has made much of these colonies as a necessary outlet for German emigration, as a profitable source of trade, as a source of raw materials. But consider these three points in turn: emigration, trade and raw materials. Before the war fewer than 20,000 Germans had gone to live in the German colonies. Before the war the trade of these colonies was a wholly negligible factor in world economy, amounting to less than 1 percent even of Germany's own trade. Before the war Germany derived no raw material of major importance from any of her colonies, and could not now, since these colonies possess not a single one of the essentials of modern industry—coal, iron, copper, rubber, oil or cotton.

Refusing to Be Scared

(Vancouver Sun)

Communism is a delightful thing to talk about. It provides intellectual chewing gum for the discontented and the sore at heart. But it seems to have no more real existence in fact than the enchanted prince of an Andersen fairy tale or that mythological "A" of the old arithmetic book who could always do more work in eight hours than "B" could do in seven—on paper. It is fashionable, just now, to be nervous about Fascism. Please, Dr. Manion, do not confuse our minds with another bogey

Faster, Wiser World in 50 Years

Famed Writer Visualizes Conditions in 1989—Cities Will Be Less Crowded, Science Will Step Forward Rapidly — Homes More Luxurious—Air Conditioning Common.

One of the wisest and most incisive writers of our time is Walter B. Pitkin—writer, editor, psychologist, lecturer. As author of "Life Begins at Forty" he has attracted most widespread attention, but he has written many other books, including "More Power to You," "Seeing America," "A Short Introduction to the History of Human Stupidity," "The Art of Learning," etc. He makes a specialty of keeping in touch with the most recent scientific trends, so his analysis of the next 50 years is particularly significant. This article was written exclusively for the Oklahoman, for the golden anniversary edition. The Sun-Times reprints a portion of the article by Dr. Pitkin herewith.

What will Oklahoma do in the next 50 years? How will Oklahoma people be living in 1989? What will they do in the meantime to fit themselves to new ways of living?

Let's say that Oklahoma is taking a new start this year—on April 22, 1939—just as it becomes 50 years old as a white settlement.

As a mid-west man and farmer, I am deeply interested in the destiny of Oklahoma. I think I can see a definite future for the Sooner state. However, I shall first mention a phase of nation existence as it appears in and near New York, so that the Oklahoma aspect may become a little clearer.

The great urban areas of the country will become considerably decentralized in the next 50 years. I visualize the "City of New Jersey," accommodating a population of 15,000,000. It will be recognized by today's standards as neither urban nor rural, but a new combination of the two elements. The "City of New Jersey" will be an extension of the present congested City of New York. It will be suburban and semi-rural, with plenty of breathing space. Such decentralization will make for more wholesome conditions. The racketeering and virtual breakdown of municipal financial structures in some parts of the larger cities today is a warning of the change that must come by way of such decentralization.

A constantly increasing facility of transportation will bring high speed highways. All the people of Oklahoma 50 years from now will be within an hour's drive of the best entertainment, hospital service and libraries obtainable anywhere. Advantages formerly enjoyed only by the residents of the largest cities will become available to practically all rural Americans.

In 1989 there will be probably hourly planes between Oklahoma City and the following places: Tulsa, Enid, Ardmore and McAlester. And there will be hourly planes, too, between Tulsa and Enid, and between Tulsa and Muskogee. There will be at least two planes a day touching at every other community in the state having 5,000 population or more. At least two high-speed auto highways, one east and west and the other north and south, will accommodate super-autos travelling at 100 miles an hour.

Oklahoma City, the largest city in the state, may not be scattered appreciably, for it does not have the evils of congestion seen in the greater cities. But in the outskirts, for a distance of 20, 30, 40 and even 50 miles, will be groups and clusters of homes with all the modern conveniences, whose occupants may go back and forth to work rapidly, by means of improved transportation on highway and in the air. Thus will be achieved that healthy outdoor life which is so important to right living. In this process, homes and the home instinct will become more and more important. That, in turn, will bring about far more interest in gardening, interior decoration and other creative occupations centering about the home. It is highly probable that great wealth may become more evenly distributed and poverty reduced, so that the great middle class will be enlarged.

The present eminence of Oklahoma in the production of petroleum, gas and minerals will spur interest in all sorts of engineering and scientific research, and the effect will be felt long after these natural resources are exhausted, if they are properly conserved and utilized. This scientific interest will ramify into many fields, because of the new economy under which we shall all live.

Natural gas will be converted into fibre much more valuable than rayon and into at least 100 other basic commodities. Outstanding chemists know that this is entirely possible. Some of these fibres will have the strength of steel. Not a pound of cotton will be grown in the state, for nobody will want that old-fashioned thing in 1989.

In a few years vegetable gardening will become a more normal part of life than it is now. Working hours will be shorter. There will be more open-air leisure. The daily wage will be supplemented by the produce of the home garden.

In 1989 some bold pioneers will be experimenting with subterranean homes. These will be, of course, air-conditioned and have immense shatter-proof skylights so that the interior of the underground dwellings may be lighted as brightly or as dimly as the dwellers wish. The warmth of Mother Earth will furnish all the heat needed even on a winter day. (Coal barons beware!)

There will come an era of amateur scientific investigation, which, in England, has produced some of the most remarkable discoveries in history. There will be amateur laboratories, for the study of chemistry, physics, mechanics and allied sciences. These laboratories will be virtually a part of the homes of the period. This will be another phase of decentralization—a veering away from the era of great central research laboratories. This is only one of thousands of practical problems that will be attacked by amateur scientists.

There will be great advance in the study of medicine by laymen. The study of health deserves universal application. Modern medical science sometimes resolves itself into a careful charting of symptoms. This is particularly true of allergic diseases, caused by various types of food or pollen. The idea that any given professional study is sacred to the use of experts must give way to a more enlightened one to fit the newer era. I do not advocate incompetent, pretentious dabbling and quackery. In fact, if the layman becomes familiar with professional callings, he is sure to have all the more respect for those who are really expert, just as the amateur pianist is the more appreciative student of Bach or Paderewski.

No young person in Oklahoma will have to go away to college. Television universities will give even laboratory courses. There is no reason why a young man who wants to learn the elements of chemistry need be five or ten feet from the test tube. In 1989 he can be 500 miles away from it and see it just as well.

The increased spare time for the man of the house is sure to make him more interested in cookery as well as other things to do around the house. Cooking isn't essentially a woman's job. Nothing but tradition says so, and tradition goes overboard pretty fast these days. The man of the house will acquire a better comprehension of what home life is about. He will be a better father and a more efficient family man. The same is true of music and other branches hitherto considered as belonging chiefly in the feminine sphere.

Every city and many of the more prosperous villages will have central air-conditioning and central heating plants. Many of the downtown streets will be entirely enclosed and air conditioned. There will be no problem of winter blizzards or summer frying pans.

All this will give impetus to the project of merging city and county governments. By doing away with out-of-date boundary lines between city and country—which are a relic of the Middle Ages—we will be able to work out a more efficient and sensible municipal control. The average man of 50 years hence will not have to deal so much with racketeering rings of great cities, but will have his own suburban area to deal with.

Every big newspaper and many small ones will have 24-hour a day radio and television news. More copies of the papers will be published in those days to give people the details of events than to give them the big points of the news, simply because people won't have time to listen to such details by radio. Radio will give them the high spots.

And so I am optimistic about the way of living for the coming 50 years.

Elk Heads and Beaver Skins for "Rent"

(From "The Beaver," Winnipeg)

P. A. Cooper, governor of the Hudson's Bay company, comes to Winnipeg in May for the ceremony of fulfilling the company's charter obligation to His Majesty the King. For this reason there is fresh interest in that charter of May 2, 1670, now preserved in Hudson's Bay House, London, which established the executive structure of the company as it exists to-day.

The original charter is inscribed on five large sheets of parchment, the first sheet intricately decorated and bearing the impression of the Great Seal of England. There is a portrait of King Charles II at the upper left and the symbols of Empire are woven into wide, ornate borders. The writing reflects the elaborate style of the period, and its eye-straining characters defeat the modern eye.

The charter lasted unamended until the forty-eighth year of the reign of Queen Victoria, when the first of four supplementary charters was signed under the warrant of the reigning monarch.

The company's rent day has been a long time coming around. From May 2, 1670, to May 24, 1933, it will have been paid twice only. The first occasion was in 1927, when George W. Allen, K.C., chairman of the Canadian committee, presented two elk heads and two black beaver skins to H.R.H. the Prince of Wales en route to his ranch in Alberta. At that time it was easier to produce the beaver skins than the elks.

For the royal visit of 1939, two magnificently branched elk heads have been presented to the company through the courtesy and prompt action of R. A. Gibson, director of lands, parks and forests for Canada, and deputy commissioner of the Northwest Territories. Fortunately the company's need coincided with the time for reducing the herd of elk grazing in Wainwright National park.

Black beaver are extremely rare, and out of 16,000 skins examined only one emerged that satisfied the fur graders. The fur trade then faced the task of macthing it.

How Beavers Are Being Used in States

(Sault Daily Star)

Three years ago, the U.S. interior department began to trap beaver, turn them loose in eroded Idaho areas. By the end of last season, some 500 beaver were busily damming streams under Government supervision; by the end of this year more than 1,000 may be at work.

With hundreds of arid Idaho acres already reclaimed by silt-catching beaver dams, department of interior experts look forward to using more beaver in Oregon and California. Cost of trapping and transplanting a beaver: $8. Estimated value of one beaver's work: $300.

"Me—An Aggressor?"
—From The Philadelphia Inquirer.

But Will He Jump in the Lake

(From the Woodstock Sentinel-Review)

The innate tendency of many Canadians to participate in lotteries or rallies wherein a big prize is offered for a small outlay is again demonstrated in the disposal of a model house at Toronto. Tickets were sold by a service club, at one dollar each and while the promoters of the enterprise emphatically deny that there were any lottery features in the transaction, the idea became widely held that any donor of the specified sum had a chance to win a new house worth $11,500. Many people, in fact, made a visit to the house that had been completely furnished by firms intent on advertising their wares. The result was that more than 25,000 persons invested a dollar in this project, whatever it was, and the house has just been awarded to Miss Bertha L. Schmidt of 1048 Yonge street, Toronto.

It is said Attorney-General Conant is disturbed by the rumors reaching him regarding the nature of the transaction and there will be an investigation by the Ontario government, which evidently has no fault to find with the rakeoff which it collects from horse-racing in the province, but is decidedly opposed to any of its subjects making profits out of anything that has a semblance of gambling.

The club that sponsored the house deal, and Mayor Day of Toronto and Mayor Talbot of Leaside, in which municipality the model house is located, all say that there was nothing in the nature of gambling in the affair. Some 25,000 people contributed one dollar each, to aid in the boy's work efforts of the club. One of the most worthy donors was given the house. The mayor of Toronto says that only two persons, he and the mayor of Leaside, know just how the house was disposed of and they are not telling. Presumably, the Attorney-General can go and jump into the lake.

How F.D.R. Will Entertain the King

(By Hector Bolitho, in the London Sunday Dispatch)

With all the sour news that has come to us during the past week, it has been pleasant and reassuring for me to recall a morning a few weeks ago when I stood in a room in the White House, Washington, listening to President Roosevelt speaking of the "great pleasure" with which he was looking forward to the visit of the King and Queen.

"I am delighted that it has been arranged," he said.

Somebody told me that when the news of the acceptance reached the President at Hyde Park he had "a beaming smile."

As I listened to the gallant leader of the great, cheerful American people talking of the visit with boyish enthusiasm, the ancient frontier jealousies of Europe seemed blissfully removed.

The angers of the old world did not penetrate as far as that pleasant room in which the President said to me:

"And when the formalities of Washington are over and we go off for the week-end, I'll just make the King put on an old pair of flannels and drive him round in my old Ford automobile and we'll forget about receptions and all that."

Being in the United States of America was like a spiritual shampoo.

I realized during my three months there what the King and Queen will realize—that the Americans are our friends far beyond the arguments of politicians and the limitations of signed documents.

They see life with the generosity to which we still try to cling. In brief, they restore one's faith in human nature.

I am sure that the President was sounding a true bell when he said to me, "Oh, I'll see that they enjoy themselves. They are sure of a great welcome."

TOONERVILLE FOLK

By Fontaine Fox

Health Talk

James W. Barton, M.D.

THE CAUSE OF THAT EXHAUSTED FEELING AFTER INFLUENZA

In addition to the great number of deaths that occurred during the influenza epidemic of 1918-19, there was a large number who were very slow in regaining their health and strength. Of course, many flu patients were attacked by broncho - pneumonia, and it was only to be expected that they would be slow in recovering. Yet among those who were fortunate enough to escape these complications were many who, though fully recovered from the 'flu, were unable for some weeks to resume their usual occupation.

What is the cause of this prolonged tiredness and exhaustion?

Many physicians believe that as most of the fatal cases of influenza were due to the fact that the heart could no longer do its work, the tiredness or exhaustion of those who recover from influenza is due, to a great extent, to a 'tired' heart. And it is this feeling of tiredness which prevents these individuals resuming their work for weeks or months that actually saves their lives because the heart has thus a real chance to regain its strength—its reserve power.

Dr. E. E. Wood in the South African Medical Journal reviews a number of cases he has seen where the heart trouble was caused by influenza. The influenza had not only weakened the heart muscle but had interfered with the rhythm or regularity of action of the heart. He makes a statement however that will lessen the worry of influenza patients.

"Attacks of influenza are so numerous and widespread that the majority of attacks can have little or no effect upon the heart, but it is quite possible that those frequent cases of tiredness or exhaustion are due to a mild and passing effect upon the heart. The action of influenza on the healthy muscular heart is mild, but it may produce a serious increase in any heart condition known or even unknown to be present. Dr. Wood suggests the use of the electrocardiograph in suspected cases.

The lesson for us, then, is that when that exhausted feeling persists after an attack of influenza, rest, rest in bed for a considerable time, is necessary to restore the strength and reserve power of the heart.

INDIAN CAST

Chief Thunder Cloud, a full-blooded Cherokee, today was portraying Geronimo, Apache Indian war lord of the Southwest, in Paramount's "Great Enemy." Geronimo terrorized Arizona and New Mexico for 10 years in defiance of the United States Army, costing the Government $41,000,000.

TODAY'S BIBLE THOUGHT

RELIGION IS FOUNDED ON THE FAMILY ALTAR: Husbands, love your wives, even as Christ also loved the church. Eph. 5:25.

Easy To Save Money
When You Buy Your Fuel From
MILLS & McKERROLL
1042 2nd Ave. East Phone 256
Semet Solvay Coke — Reading Anthracite Coal — Dry Hardwood

120640

Dr. Manion's statement re unification.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120641

It has been said that a bill of this kind paves the way for amalgamation. This stand has been taken by a number of locals of a railway union which was not a party to the negotiations from which this measure evolved. Nothing could be further from the fact. The result of this bill will be that any cooperative measure will be viewed by the railways having in mind that the labour displaced must receive compensation. I believe that to view a cooperative measure without any thought of compensation for the displaced employees is to throw the whole position out of proportion, and any cooperative measure which will not carry sufficient benefit to justify compensation to the displaced employees in my opinion should not proceed.

Compensation is provided both for railway employees demoted and for those severed from the service. In a cooperative measure the railway endeavours to absorb its senior men, but sometimes this is not possible because of homestead or other agreements between the unions and the railways. In any event the procedure usually involves a series of demotions. The driver of a passenger locomotive, for example, will be bumped back to freight, the freight driver put back to fireman, and so on. This legislation provides for compensation to each of the men demoted, and it provides also for the man at the end of the line who loses his employment completely.

The bill provides that an employee who has been fifteen years in the service and is let out shall receive sixty per cent of his annual salary over a period of five years. The length of time during which an employee will receive compensation is reduced for shorter periods of service. I think the compensation scale is reasonable, because a man who has been fifteen years in the service has established certain pension rights, in addition to those acquired through cash contributions. On the railway there is both a contributory pension and a service pension, the latter depending entirely on the number of years the employee has served the railway. A man with fifteen years' service would have substantial rights to a service pension which might be extinguished as a result of a cooperative measure between the railways.

Mr. MacNICOL: Will the employees of railways the head offices of whose unions are in the United States also be certain of receiving pensions or compensation?

Mr. HOWE: Yes, I believe that the employees on Canadian lines in the United States would come under the Washington agreement, to which the Grand Trunk Western is a party. They would receive compensation either under the Washington agreement or under this legislation. The amount of compensation is practically the same in each case.

I am satisfied that this legislation is a proper corollary of the Canadian National-Canadian Pacific Act which I believe will be a better and more workable act after this legislation is passed. I trust that the bill will receive the favourable consideration of the house.

Mr. PELLETIER: Is there anything in the bill to prevent wholesale dismissals before cooperation takes place?

Mr. HOWE: There is nothing in the bill, but the unions are quite capable of protesting against that possibility.

Hon. R. J. MANION (Leader of the Opposition): Mr. Speaker, I rise to support the bill. I shall merely read the explanatory note, because the bill with the schedule included is lengthy, and the explanatory note makes its purpose quite clear:

> The purpose of this bill is to provide for the payment of compensation by the employing company to railway employees who are deprived of employment or adversely affected by cooperative measures undertaken by the Canadian National Railway Company and the Canadian Pacific Railway Company pursuant to the provisions of the Canadian National-Canadian Pacific Act, 1933.

The purpose therefore is perfectly clear, and I feel that it is the proper attitude for the government to take and, so far as I am concerned, for the opposition to take. I therefore support the bill wholeheartedly. Why then, it may be asked, did we not make some such provision when we brought in the Canadian National-Canadian Pacific Act of 1933, which I had the honour of piloting through the house? The answer is that at that time neither of the railways agreed that it should be done. At the present time both railways have in a sense agreed to it, the Canadian National through the minister, and the Canadian Pacific, indirectly at any rate, through Sir Edward Beatty. The very fact that the minister is now piloting this bill proves to my mind that the Canadian National are agreeable to this provision being made. So far as the Canadian Pacific Railway is concerned, I take the liberty of quoting two statements, one from a circular issued by the Canadian Pacific Railway; the other from a circular letter signed by Sir Edward Beatty, which demonstrate that they believe that in the event of unification the men should be compensated. If they should be compensated in the event of unification, I submit that the same argument applies to cooperation. In

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

terms of the act. The act makes it mandatory for the railways to agree between themselves to bring into effect any saving that appears to be possible by cooperation between the two. It is inevitable that savings of this type must be made largely at the expense of labour. I think it is a well-recognized principle that, where legislation throws a man out of employment, that legislation should also provide for compensation to that man.

In Great Britain, the railway act of 1933 provided for the consolidation and reorganization of the British railways and provision was made in that act for compensation to employees displaced. In that case the compensation provided is about sixty-six per cent of the salary previously enjoyed by a long-term employee, the compensation to be paid for a period of five years. Employees with shorter periods of service receive compensation for a shorter period.

There has been a great deal of discussion in the United States about the consolidation into fewer units of the several hundred railway systems in that country. In order to pave the way for such consolidations, the railways entered into an agreement, known as the Washington agreement of 1936, with their employees, which provides a scale of compensation for those who may lose their employment or be demoted as a result of any consolidation. This Washington agreement was a voluntary arrangement between the railways and their employees, but I think the hint was given by official circles that if an agreement could not be effected, the United States government would intervene and enact legislation along the same lines.

The Washington agreement, being a voluntary agreement between the railways and their employees, has been taken as the model for this legislation. The changes from the Washington agreement are slight. Whereas that agreement provides compensation for men who have been in the employ of the railways for less than one year, this bill does not. The government feels that a railway employee with less than a full year's service has hardly established rights that required recognition in the form of compensation. There are one or two other deviations not of any great importance. The bill provides that when an employee receives compensation and is called back to service, his earnings and compensation combined shall not be greater in any calendar year than those of the last full year of service with the railway prior to his receiving compensation. In other words, it was felt that compensation should not be used to give an employee larger returns than those he enjoyed before the cooperative act took place.

It should be made quite clear that this bill provides compensation only for displacements resulting from agreements made under the Canadian National-Canadian Pacific Act. Employees who lose their positions through line abandonment caused by lack of traffic, and without any agreement with the other railway, do not come under this bill. Such loss of employment must be regarded as one of the hazards of the occupation. The bill is not retroactive in its provisions; it provides that only employees now or hereafter in the employ of the railways shall come under its provisions.

The bill also makes revision of that section of the Railway Act which provides for compensation to employees living at a terminal which is closed, or having to change their employment because of the closing of a terminal, or through the making of a cooperative agreement. The scale of compensation is liberalized, provision is made for valuation by arbitration of any property involved, and also the payment of travelling expenses in the event of an employee being required to move as a result of a cooperative agreement between the railways.

The bill sets up a permanent board which will pass on the rights of the employees under this legislation. This board will consist of an official of the railway and an official of the particular union which holds an agreement to represent a particular employee. In case these two officers cannot agree on any point, it will be the duty of the Minister of Labour (Mr. Rogers) to appoint a third arbitrator.

I may say that the brotherhoods of railway employees, which represent more than eighty per cent of all the railway employees, asked the government for this legislation. My first reply was that as the Washington agreement was the result of negotiations between the railways and their employees, in which the government did not intervene, I felt the same course should be followed in Canada. I arranged a meeting between the brotherhoods and the officers of the two railways, which was held in my office. Other meetings followed at which the solicitor of my department acted as chairman. There was no great difference between the railways and the employees as to the terms of compensation, but one railway took the view that the Canadian National-Canadian Pacific Act more or less debarred the railways from entering into any agreement which would reduce the savings which would result from cooperation. In any event the committee reported back that this subject was believed to be a proper matter for legislation.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

other words, if money will be saved to the Canadian Pacific and the Canadian National, and through the Canadian National saved to the people of Canada, by some cooperative measure, there is just the same right on the men's part and the same responsibility on the part of the railways to give protection to the men affected by these cooperative measures as there is in the event of unification.

Here is the circular dated July 15, 1938, which was sent out by the Canadian Pacific Railway to all its employees. It is unsigned but was sent out by the railway itself. I quote this sentence from the circular:

This company has merely suggested to the government that savings could be made in all branches of the railway service by unified operation, with complete protection of the public interest, and of the rights of railway workers.

That is very clear, and they could not protect the rights of the railway workers except in some such manner as is provided for in this bill.

Here is another circular sent out by the Canadian Pacific Railway Company, from the office of the chairman and president, dated Montreal, November 15, 1938, last November. I shall read three or four clauses which give the gist of the statement so far as the point I am making is concerned. On the second page the circular states:

The relations between railway management and labour in this country are such that any conceivable management of a unified system will deal fairly with labour, but I suggested to the Senate committee that there should be statutory provision for protection of the interests of labour, confirming any agreement reached by negotiation between the employees and the railway companies at the time of unification.

A little lower on the same page:

The wise program would be, in the interest of all parties concerned, for you to study how it can be accomplished, while full protection of the interest of labour is maintained.

And still lower:

I know, however, that the Canadian government will never be a party to any arrangement which does not give fair protection to workers. The Canadian Pacific stand I have expressed very plainly. Only from the workers can there be obtained a definite statement of what they think they should obtain in the way of protection.

The last quotation I shall make is from the last page of the circular, a little above the signature:

I take it for granted that the unity of the interests of railway labour will be respected, and although, by necessity, I can only make this appeal for action in your own interest to the employees of the Canadian Pacific Railway, I assume that any plan which is suggested will contemplate absolutely equal treatment of the employees of both systems, and represent their joint opinion.

By those statements of Sir Edward Beatty—and I could quote many others—undoubtedly the Canadian Pacific Railway has come out strongly for the protection of the men in any plan of unified operation. If the men are to be protected under such a plan, there is the same justification for protecting them under cooperation; and I wholly agree with the idea.

To my mind cooperation is a feasible plan, whereas unification is not, and cooperation can bring about in large measure the same economies as are claimed for the much talked-of unification. I will concede that somewhat greater economies might follow unification, but if the two railways would cooperate properly, much could be done in the direction of economy. In the past the railways have not cooperated; for some reason or other, both have been opposed to real cooperation. I think I could offer theories as to why that was so, but I do not intend to take up the time of the house by offering any conjectures of that kind. But I submit that under cooperation, with the rights of the men safeguarded under this bill, you will bring about great economies. You will not get immediately the full benefit of the economies, because you are taking care of the men who are replaced; but ultimately they will be obtained as the period of compensation passes by. I believe that a great proportion, which I would put at eighty or ninety per cent, of all economies which would result from either unification or cooperation, is made by laying off men. I doubt whether anybody who knows anything about the question will disagree with that statement.

This railway problem is very serious and needs attention. The present method of dealing with it is along the lines I suggested in 1933 when I introduced the Canadian National-Canadian Pacific bill. I still believe that cooperation is the method which should be followed to bring about the economies which are necessary and possible; and I contend that, under whatever method economies are brought about, the men deserve consideration such as is given them in this bill. A large proportion of them have given up much of their lives to work on the railways. Many of them are too old to begin working at any other job, consequently they should receive consideration when it is proposed to remove them from the positions they now occupy.

I listened to the minister's reference to the attitude of the unions, but I do not think I understood him quite clearly. According to my understanding the railway unions are largely in favour of this bill. I believe there is one Canadian union which is opposed to it. I have a statement which was

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

sent to the minister by the cooperative legislative committee of the standard railway labour organizations setting forth the point of view of the other unions, and I will read one clause:

Our co-operative legislative committee are strongly supporting the principles of the bill, and hope for its enactment at the present session of parliament.

I have received from representatives of the other union, which I believe represents a much smaller number of men, protests against the bill. But I submit that the legislation is supported by the vast majority of men.

Under the present plan of carrying on the operation of the two roads, cooperation seems to be the only method by which we can hope to reduce the deficits. I say to-day what I said a few days ago in the house in the budget debate, that there is no method of solution of the railway problem, if by "solution" you mean the wiping out of the deficit of the Canadian National Railways. I am going to quote my exact words. This is what I said in reply to the hon. member for Lambton West (Mr. Gray):

I say there is no solution—

Of the railway problem.

—if by solution is meant the wiping out of the deficit of the Canadian National Railways. The business is not there; it has dropped so much.

Later in my speech I said:

But something could be done. The Canadian National Railways and the Canadian Pacific Railway could do very much more in the way of cooperation than they have done, and by that means both of them could effect economies. Most of the economies have been made, thanks to the last government, on the Canadian National Railways, but the two railways together could, there is no doubt, do more than they have done, and so wipe out part of the deficit. In my opinion, however, there is no method possible whereby the Canadian National Railways deficit can be completely eliminated or whereby we can even approach wiping it out.

I quote that for this reason. One Montreal financial paper quotes part of that statement and leaves out the rest. They quote what I said, that "there is no solution of the railway problem," but they leave out "if by solution is meant the wiping out of the deficit of the Canadian National Railways;" and this Montreal financial paper said that it was muddled thinking on my part. With due respect I submit that it is muddled thinking on the part of the Montreal financial paper, because anyone who knows the subject knows that you cannot, by any method, wipe out the whole of the Canadian National Railways deficit. That is particularly true to-day, in view of the fact that the Canadian National Railways have put into effect huge economies from 1930 right up to the present time. I see that even the gentleman who in another place supports unification so strongly admits in his speech that it will not wipe out the deficit of the Canadian National Railways. I hope that the financial paper which was kind enough to talk of "muddled thinking" will take a lesson or two from him in this particular aspect if it will not accept one from me.

I say this, however, to the minister and to the government, that I believe it is the duty of the minister, whatever government is in power, to see to it that these cooperative measures and arrangements are put into effect. We did not succeed very well in that respect; this government has not succeeded very well, either. But I believe that if there were less talk of unification there would be more cooperation. So long as the talk goes on about unification there will not be that measure of cooperation which otherwise there could be between the two railways.

I have noticed the assumption by some of the critics of my position and of the government's position—because upon this issue the government and ourselves are taking the same attitude—that apparently anyone who opposes unification is just an ordinary politician, by which is meant "politician" in its lowest sense. That means that practically every hon. member is a politician. But the men who support unification are "statesmen." It is an interesting reflection that if you look over this House of Commons it is doubtful whether you can find one member—I do not know of any; there may be one or two—among the whole 245 who supports unification.

Mr. ROBICHAUD: The "statesmen" are very scarce!

Mr. MANION: As my hon. friend says, the statesmen are very scarce. They have all been promoted. But what I was going to say was not that. What I was going to point out was that if 240 to 245 members of this house are opposed to a certain proposal, they represent, whatever some other people may say, a fairly complete cross-section of the opinion of this country. The fact that practically all hon. members take the same attitude seems to me to prove conclusively that unification is not feasible. In other words, members of parliament are supposed to have a little intelligence; I suppose some of us have, speaking generally. If our people were all for unification, surely you would find some hon. members here being swayed by that public opinion. But when practically all take the attitude against unification, it seems to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120645

me it should teach those preaching unification that it is not feasible, and they might as well accept cooperation for the good of this country and try to put it into effect. That is my feeling.

I say in conclusion that those who keep on preaching unification are simply preaching something that is impossible. They are not constructive, and those of us who preach cooperation, as it is preached by all hon. members of this house, are the constructive thinkers on this question. It is my idea that the only constructive proposal before this country to-day which could do something towards solving the railway problem is the proposal of further cooperation between the two railway systems. I repeat that practically the same economies can be made under cooperation as under unification, yet the two railways would be kept separate. The result would not ultimately be one combine, one monopoly, or one group having a power which would be dangerous in a country such as this.

Mr. A. A. HEAPS (Winnipeg North): The speeches to which we have just listened by the present minister in charge of railways (Mr. Howe) and the former minister of railways (Mr. Manion) were extremely interesting. They are interesting from the point of view that to-day they accept the principle of giving compensation to railway employees who lose their positions, through no fault of their own, but on account of arrangements for cooperation between the two railway systems. On many occasions our small group in this house have been accused of being impractical and failing to put forward anything constructive. Nothing is further from the truth; for during this session only the government have adopted three pieces of legislation which emanated from our group. The first was the legislation amending the criminal code with regard to the right of workers to organize into unions. Second, this morning we were considering legislation dealing with mortgages, such as was advocated here by us many years ago. And now I am pleased to find the government again adopting legislation which we advocated here six years and three years ago.

Mr. REID: So did I.

Mr. HOWE: Everyone gets a good idea occasionally.

Mr. HEAPS: It is true there may have been other hon. members who advocated the proposal now before us, but they did not vote for it when the time came. But even though some time has elapsed, I am glad to observe that the government have now adopted the ideas which we suggested six years ago, which were not approved by the then minister of railways, and then three years ago, which were at any rate not adopted by the present Minister of Transport.

Let me call attention to the resolution that we moved in this house, in order to have it on record. On April 7, 1933, a little over six years ago, I moved, seconded by the hon. member for Vancouver East (Mr. MacInnis), as follows:

> Any employee of the railway companies affected by this act or any employee who loses his employment as a result of cooperation of services between the railways shall be entitled to such compensation to be determined by a board of three to be appointed: one by the employees, one by the railways, and a third to be selected jointly by the preceding two parties.
>
> In case of failure to select a third party, who shall be chairman of such board, then such selection shall be made by the Minister of Labour.
>
> The funds for such compensating board shall be derived from a levy on the gross receipts of the two railways and the award of such board shall in all cases be final.

To all intents and purposes what is proposed to-day is in line with what we suggested here six years ago.

Mr. REID: What was the vote on that occasion?

Mr. HEAPS: The vote, on a technical point of order, was 49 against and 21 for the resolution.

In 1936 we proposed a similar resolution, which was not approved by the government and was not adopted. I am not going to deal further with this aspect of the matter, except to say that even though it is somewhat belated I am glad that the government have now adopted what we proposed in the past. I am not even going into the question of amalgamation or cooperation, because to me if an employee loses his job it is equally serious to him whether it be through amalgamation or through cooperation.

Reference has been made this afternoon to the economies that could be effected. I have listened to discussions of this kind for a number of years. I believe that, if the railways are to economize, the first place where we have a right to expect economies is in the bond interest charges. Until successful efforts are made by both railways to cut down on the interest charges that are levied to-day on the railways of this country I do not think anything should be done in the way of either cooperation or amalgamation. I am told on good authority—we have had the figures in this chamber—that if the interest charges on the two railways were cut

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

to three per cent, which is a fairly good interest rate to-day, savings would result to the two railways in the amount of $18,000,000 a year, which is more than could be effected by any process of cooperation.

Mr. POTTIER: Is that $18,000,000 for the two railways or $18,000,000 for each?

Mr. HEAPS: For both railways. I think it is about $12,000,000 for the Canadian National and about $6,000,000 for the Canadian Pacific. Some of those interest charges in the case of the Canadian National go back seventy or eighty years, and some of the bonds run in perpetuity. I do not know why a bond should be so much more sacred than the human element which makes operation of the railway system possible.

Mr. MacNICOL: Some of them carry 5½ per cent.

Mr. HEAPS: And some, I believe, even higher than that.

Mr. MacNICOL: And are selling on the market at 120.

Mr. HEAPS: The time has come, in view of the railway situation here and in other parts of the world, when there should be a cut in the rate of interest paid on railway bonds. In the United States the railways are in just as bad shape as they are here, and in some cases worse. There are many railway bonds on which the interest is not being paid. I do not see why in this country, even where there is a government guarantee, we should pay interest in perpetuity on the bonds of a concern which is unable to pay its way or meet its obligations.

A good deal has been said in this chamber and in another place with regard to the wages earned by railway men. We heard a good deal about what I term the myth of high wages on railways. Figures indicate that the average rate of pay for men employed on the railways is between 50 and 60 cents an hour for all employees, including the highest to the lowest. People who say that railway wages are too high and that a cut should be made surely have not gone to the trouble of investigating what the wages are. A small percentage of the men employed on the railways may receive what may be regarded as fairly high wages, but the number is insignificant compared to the vast number of those who receive low wages. I have some figures here which I think it might be well to place on *Hansard*, because they were put on record in another chamber. They were given under oath to a committee of parliament, so I think I might refer to them for a moment or two.

[Mr. Heaps.]

It was stated by Mr. A. J. Kelly, chairman of the Canadian cooperative legislative committee of the standard railroad labour organizations of Canada, that in 1920 there were employed on the railways 175,702 persons. By 1937 the number of employees of the railways had decreased to 121,541.

Mr. MANION: That is of the two railways?

Mr. HEAPS: Yes. In other words to-day only two men are employed by the railways where seventeen years ago there were three men employed. Then we come to the question of wages and salaries. In 1920 they received by way of salaries and wages $280,353,910. By 1937, however, that figure had decreased to $179,110,674. Now let us see the numbers in the various wage groups as far as our railway service is concerned. According to the figures compiled by the Dominion Bureau of Statistics for the year 1937, these wage groups were as follows:

Wage group	Number of employees
$ 60 per month and under	6,670
75 per month and under	12,229
85 per month and under	34,369
125 per month and under	76,235
150 per month and under	101,601
200 per month and under	111,601
Over $250 per month	2,448

Of the last group, 617 were executives and general officers of the railways. Now let us go a step further with the same argument. In 1920 Canadian railways paid dividends amounting to $29,942,556. In 1928 dividend payments were $33,729,273. Then, still quoting the figures given by the same gentleman when he appeared before the railway committee of another chamber; in 1920 it required 57 cents out of each dollar of total operating revenue to pay employees' compensation, while in 1937 it required only 50·4 cents for the same purpose, a reduction of 11·6 per cent. On the other hand in 1920 it required 12 cents out of each dollar of total operating revenue to pay interest on funded and unfunded debt, while in 1937 it required 21·9 cents, or an increase of 82·5 per cent. I am putting these figures on record for the benefit of those hon. members of this house and others who continually talk about the high wages paid on the railways while they conveniently forget the fixed charges of the railways in respect to interest on bonds.

Now may I say a word or two in regard to the bill itself. I need hardly assure the house, in view of what I have said during the past six years, that I am in favour of the principle of this bill. We asked for this six years ago, and while we did not get it then, nor did we get it three years ago, we are

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

The Montreal Daily Star

"Canada's Greatest Newspaper"

Founded in 1869

The Montreal Daily Star is printed and published at 241-245 St. James Street West, Montreal, by the Montreal Star Company, Limited, Montreal. J. D. MacKinnon, Secretary-Treasurer.

Subscription Rates

Mail subscriptions in Canada, Great Britain and Newfoundland — $7.00 per annum. United States—$9.00 per annum.

BRANCH OFFICES FOR ADVERTISING, ETC.

CANADIAN—

ONTARIO—390 Bay Street, Toronto; E. M. Wilson, Advertising Representative.

EASTERN CANADA, exclusive of Montreal, 241-245 St. James Street, Montreal; C. J. Brindamour, Advertising Representative.

UNITED STATES—

WESTERN DIVISION — 435 North Michigan Avenue, Tribune Tower, Chicago; J. E. Lutz, Advertising Representative.

EASTERN DIVISION—110 East 42nd Street, New York City; Dan A. Carroll, Advertising Representative.

EDITORIAL OFFICE: 1205 News Building, E. 42nd Street, New York City.

GREAT BRITAIN, IRELAND AND EUROPE—

Room 228, Grand Building, Trafalgar Square, London, W. C. 2, England; E. C. Slater, Advertising Representative.

EDITORIAL OFFICE: 30 Bouverie St., Fleet St., London.

MONDAY, MAY 29, 1939

A NATION'S HEALTH — IS — A NATION'S WEALTH

WHICH HOUSE IS MOST LIKELY TO GIVE THE RIGHT LEADERSHIP?

THE Senate of Canada has decided that railway unification is not only a practicable policy but that it is the only policy which promises to rid us of the chronic leak of C.N.R. deficits. Now, who constitute the Senate of Canada? Have they any background which should give weight to their judgment on this question? Or have they axes to grind which might vitiate their conclusions on the subject? Are they in a position to give free vent to their honest opinions or are they under the whip and lash of selfish and one-idead minorities?

Generally speaking, our Senators are drawn from two great classes. They are either veterans of the House of Commons, seasoned politicians rescued from the enervating environment of ward politics and vote hunting, or they are private citizens of such distinction and outstanding ability that the governments of the day call them out of their personal occupations and invite them to serve the Dominion in the capacity of Elder Statesmen.

In two words, the Senate is an ideal body to deal with just such a subject as this. They do not have to get re-elected, and so are in no fear of the misled railway men's vote. They are not concerned—except in certain cases as a sort of "hang-over" — with the fortunes of either political party. They will not get any plums, no matter which party wins; and they cannot be punished by the partizan victors at any election. They are literally hors de combat. So they can concentrate their undoubted talents on the study of a vexed business problem, such as the railway situation in which Canada finds herself today, and can arrive at and publish their conclusions without personal or partizan fear of consequences.

* * * * * *

By way of contrast, what is the position of the House of Commons? Its members are politicians still under the harrow, still dependent upon the good will of a small minority of zealots who can turn an election in which the great majority are much more interested in other things, such as a party triumph or a local post office or a wheat bonus or what have you. They may be just as good men as the Senators. They may, indeed, hope to be Senators themselves some day, and that may be precisely the reason why they have to walk a crack today.

They certainly lack the freedom and the independence of a Senator. Give them just as good judgment and just as complete information as that enjoyed by their erstwhile fellow-Commoners who have been translated to a higher sphere in the Senate, and yet they can neither exercise that judgment nor apply that information with the noble disregard of consequences which is the glory and the worth of a Senatorial pronouncement. We should keep this constantly in mind when assessing the courage and the wisdom of the two Houses. Elevate a Commoner to the Senate, and he might easily become a patriot and a statesman, too.

The contrast between the positions of Dr. Manion and Senator Meighen presents the same picture. Senator Meighen is not running for anything. So far as catering to vociferous minorities is concerned, Senator Meighen has retired from politics. He can devote his universally admitted acute business mind to the business problems in hand. He can concentrate on saving his country, let the party votes fall where they will. He sees here a job to be done, and he does not leave it to Providence or the lapse of time. He rolls up his sleeves and sets about doing it. Dr. Manion has a job to do, too, another job—he has undertaken to lead his party to victory.

* * * * * *

Senator Meighen clearly believes it to be a part of his duty to interest and educate the people. His lucid and convincing speech in the Senate, which we print in full today, is a constructive effort along this line. It is only natural that the great mass of our people should be ill-informed and even indifferent on this subject. They have so much else to do—things that appear to come closer to them. Then it is quite possible that they are "gospel-hardened"; that is, they have heard so much preaching on the subject that they have arrived at that condition of indurated and impenetrable somnolence which many a pastor finds in despair among his pew-holders.

A fighting party leader has no time for education. He is sailing a race and must take swift advantage of such airs and chance winds as may be blowing. We should not blame him because he does not stop to set up a school. But this is precisely the job that the Senators can do so well. They have the ear of the public—never more so than now. They have authority and popular respect. They have time and opportunity to study the problems. They have the platform from which to speak.

As for the people, if they will devote one ounce of brains to the situation, they will easily see to which set of leaders they may most profitably listen. There is the set in the Commons who are straining every nerve to catch the lightest breeze that blows and discover the smallest "dead end" of single-issued voters whose support may tip the scales in an even election. They are not innovators. They are not educators. They merely reap the crop that has been sown and is now ripe for the harvest. If the people listen to them, they get nothing but their own ignorance thrown back at them.

But the set of leaders in the Senate want nothing that the people can give. They have got office. They are in for life. They have the opportunity most of them have always wanted—to study public problems, to come to unbiased conclusions and to publish the results. They are innovators. They are educators. They care nothing for the chance winds of public favour. They can give disinterested advice and brave leadership.

PRESERVING THE COUNTRYSIDE

ONE of the most important features of town-planning in the broader sense is the preservation of the natural beauties of the countryside. It is easy to mar the works of Nature in more ways than one through carelessness, neglect or indifference. In some cases, such, for instance, as disfiguring advertising on billboards, the damage may be easily eradicated by process of law; in others harm done may take many years to remedy, such as the reckless cutting down of trees or the destruction of natural beauty spots by road-building. These are matters which, while they may not be of such immediate concern to us in Canada, with our vast spaces, as they are in small countries like Great Britain, are none the less factors which should be constantly borne in mind with a view to the future.

The British Government in recent years has manifested an increasing determination to prevent further disfigurement of what is, naturally, one of the most beautiful countries in the world, and in this it has been given the loyal co-operation of local authorities in all directions. In various places local beauty spots have been bought by the nation and will be preserved in perpetuity for the use and enjoyment of the public.

The Ministry of Health recently approved of three planning schemes which will protect half a million acres of beautiful landscape in the North of England, including parts of the Lake District and some of the most famous of the Yorkshire moors and dales. In all these districts the areas available for building purposes around towns and villages will be strictly limited. Park lands, open spaces and beautiful stretches of the country will be retained in their natural state, and along the coast-line preference is to be given to buildings used in connection with fishing and similar pursuits.

Montreal has a good deal to learn from London in regard to this branch of town-planning. Four years ago the London County Council put into operation a plan for the establishment of a green belt right around London, and during that short period no less than one hundred and ten square miles of country have been permanently rescued from the builder and dedicated to public use. The Council sought aid from the smaller local authorities by offering grants up to a total of ten million dollars towards the cost of acquiring or preserving from building development land approved for green-belt purposes. The response was both enthusiastic and immediate, with the result that London is now virtually surrounded by 70,000 acres of parks, farm lands, and open spaces, in addition to the many thousands of acres of parks within the city proper.

The benefit of all this work of conservation will be most keenly appreciated by future generations, although its immediate effect will be manifest in improved health conditions and in the greater facilities for enjoyment out-of-doors which it will afford.

FLOODED SUBWAYS

EVERY time we have a rainstorm which is a little out of the ordinary in intensity, a lot of important subways fill with water and hold up traffic sometimes for long periods. Yesterday's sudden downpour flooded two or three of them so badly that tramcars, motors and trucks were stalled in four or five feet of water and passengers had to be taken off by firemen.

Surely this sort of thing is not necessary with modern methods of drainage. The Wellington street tunnel, which, in addition to the usual storm-water flood hazards that put so many subways out of commission, has the additional hazard of Lachine canal seepage, is never flooded after the heaviest of storms. If proper pumping and drainage equipment does not exist to serve such busy subways as those on Park avenue, for instance, it should surely be installed: if it is already in place, as it is in some of them, why is it not being used? Sudden heavy downpours of rain are a common occurrence in a Montreal summer. They should be provided against so that traffic tie-ups do not occur over and over again and—as was the case yesterday—some danger to human life result.

THIS COULD HAPPEN.

We notice that in April the revenues of the Canadian National showed a gain of more than $1,000,000 over those of April a year ago, that the railway had a net operating profit for the month of $323,000.

What a joke it would be on the pessimists if, with sanity returning to the world and prosperity to Canada, the National got to the point of taking care of its fixed charges, and perhaps paying something to the Government to boot! We admit, of course, that a net operating profit of $323,000 a month is a long way off from a net operating profit of $50,000,000 (which is what the road would have to have to take care of its interest), yet it is not impossible. Some of the pessimists forget that around 1928 or 1929 the National did pay its interest charges and, in addition, paid some cash into the treasury. Indeed, as Hansard will show, some of the people who are now saying that the National is dooming us all were once among the loudest in claiming that if it hadn't been for their own foresight and wisdom we wouldn't have the National at all. In one House of Commons debate, we remember, the leaders of the two old parties argued a whole afternoon over which of them fathered the National.

Conceivably, some of us may see that again. Events have a curious way of rising in judgment on prophets, and more especially, as all history shows, on prophets of doom. Years ago, for example, EDWARD BLAKE, a very able man, thought we were going to be doomed by the C.P.R. The road, he predicted, would never pay for its axle grease. EDWARD BLAKE apparently thought that Canada was going to stay as it was; couldn't foresee the opening up of the West, the tremendous growth that was to come within a quarter of a century.

It may well turn out that some of the very able people who are now saying that the Canadian National can never pay will be treated by events as EDWARD BLAKE was. They very probably will be treated that way if this country is permitted by world events to make use of its resources; and if, at the same time, we stop bonusing other transportation systems which compete with our railways.

NOTES AND COMMENT.

Drownings share with motor accidents responsibility for the Summer week-end death lists. Care and common-sense would prevent most of the fatalities in both classes.

Perhaps stories of the visit of Their Majesties to the Canadian Rockies will inspire Canadians in Eastern Canada to follow in the Royal footsteps. The majestic scenery of those mountains is a rich reward even for the long trip involved.

OTTAWA JOURNAL - May 30/39.

THIS COULD HAPPEN.

We notice that in April the revenues of the Canadian National showed a gain of more than $1,000,000 over those of April a year ago, that the railway had a net operating profit for the month of $323,000.

What a joke it would be on the pessimists if, with sanity returning to the world and prosperity to Canada, the National got to the point of taking care of its fixed charges, and perhaps paying something to the Government to boot! We admit, of course, that a net operating profit of $323,000 a month is a long way off from a net operating profit of $50,000,000 (which is what the road would have to have to take care of its interest), yet it is not impossible. Some of the pessimists forget that around 1928 or 1929 the National did pay its interest charges and, in addition, paid some cash into the treasury. Indeed, as Hansard will show, some of the people who are now saying that the National is dooming us all were once among the loudest in claiming that if it hadn't been for their own foresight and wisdom we wouldn't have the National at all. In one House of Commons debate, we remember, the leaders of the two old parties argued a whole afternoon over which of them fathered the National.

Conceivably, some of us may see that again. Events have a curious way of rising in judgment on prophets, and more especially, as all history shows, on prophets of doom. Years ago, for example, EDWARD BLAKE, a very able man, thought we were going to be doomed by the C.P.R. The road, he predicted, would never pay for its axle grease. EDWARD BLAKE apparently thought that Canada was going to stay as it was; couldn't foresee the opening up of the West, the tremendous growth that was to come within a quarter of a century.

It may well turn out that some of the very able people who are now saying that the Canadian National can never pay will be treated by events as EDWARD BLAKE was. They very probably will be treated that way if this country is permitted by world events to make use of its resources; and if, at the same time, we stop bonusing other transportation systems which compete with our railways.

NOTES AND COMMENT.

Drownings share with motor accidents responsibility for the Summer week-end death lists. Care and common-sense would prevent most of the fatalities in both classes.

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

THE OTTAWA JOURNAL
The Journal Publishing Company of Ottawa, Limited.

MONDAY, MAY 29, 1939.

THE RAILWAY QUESTION AGAIN.

By a majority vote in the Dominion Senate, an amended resolution has been adopted advocating "unification of our railways", alias the amalgamation of the Canadian National and the Canadian Pacific railways. This is certainly not in response to any popular demand. No indication exists of that. Advocates of unification are sometimes pleased to sneer at what they describe as the Government's (and the House of Commons') "fear of votes" as the explanation why no support is expressed in these quarters for the idea of unification. Well—if that sneer is just, what exactly does the condition mean? It means for one thing that most votes in this country are against unification, so far as that proposition has been presented to them; and that our political representatives are aware of the fact. And why should not a Government or a House of Commons have regard for votes? Is not that what our democracy is about?

* * *

At the vote on the amendment in the Upper House in favor of unification, about half the members were present. Forty-six voted. The amendment carried by 25 to 21. This has been the first important declaration in this country in favor of railway amalgamation—except, if we remember aright, that of a Chamber of Commerce—and how close a declaration it will be noted. We doubt if it will have much effect on public opinion.

* * *

We think it significant that so far as we remember in all the recent political struggles in this country, no candidate for Parliament among the hundreds coming before the people has proclaimed himself an advocate of railway amalgamation. Surely must there not be an overwhelming opinion against it? And if so, would it not be well for us all to accept the situation and try to make the best out of railway co-operation? Amalgamation, or unification, or whatever you like to call merging of our railways, has been opposed by the present Government, which represents the Liberal party; it has been declared against by the Conservative party in National Convention; it is not advocated by any of the lesser parties; it has been practically declared against by commissions of inquiry. All of this may not prove that a merger is not the best thing; the opposition or indifference may be all wrong—but we imagine that right or wrong it had better be accepted as decisive.

* * *

As for unification, THE JOURNAL confesses that, unlike some who speak as though they possessed Omniscience, it is not wise enough to say dogmatically whether it would be a good thing, or bad. What THE JOURNAL thinks it does know, though, is that many of the arguments advanced for unification are not impressive arguments—do not take account of a number of important factors, nor of many practical considerations.

It is assumed, for example, that with unification the present deficits on account of the Canadian National would disappear. Which is more than doubtful. The deficits of the Canadian National—what are they? They represent, almost entirely, the interest which the System pays to its public bondholders. Yet no one pretends that, with unification, these bondholders would be wiped out. The bonds would still be there; the interest would go on; every dollar of interest on every dollar of debt would still have to be paid. In the circumstances, and considering that the Canadian National is paying its operating expenses (with something to boot), the saving of unification, whatever it might be, would have to come entirely out of operation. It would have to come, in other words, in diminished railway services. From torn up tracks. From degraded tracks. From discharged employes. From a policy of retreat, and defeatism.

* * *

Oh, but, we are told, Canada can't go on paying railway deficits of $50,000,000 a year.

That argument assumes that Canada will not advance; that she will remain static. Which is not sensible. This country is not going to stand still. No one who has studied Canada's history, or who knows anything of her resources or of her people can believe that.

* * *

The railway problem is a serious one over the whole continent. United States railways are no better off than ours, in the main. With the competition of the trucks, the railway future is not rosy anywhere, as regards profit. But as regards public service, the railways are and always must be tremendous public assets; and while it is unfortunate that we in Canada undoubtedly overbuilt ourselves, and have been compelled to take over the Canadian National System at the cost of more or less injustice to the C.P.R. Canada is certainly getting splendid value; and so far as financial profit is concerned THE JOURNAL doubts if the situation can really be made better now by any such drastic move as would seriously reduce our railway service.

THE OTTAWA JOURNAL
The Journal Publishing Company of Ottawa, Limited.

MONDAY, MAY 29, 1939.

THE RAILWAY QUESTION AGAIN.

By a majority vote in the Dominion Senate, an amended resolution has been adopted advocating "unification of our railways", alias the amalgamation of the Canadian National and the Canadian Pacific railways. This is certainly not in response to any popular demand. No indication exists of that. Advocates of unification are sometimes pleased to sneer at what they describe as the Government's (and the House of Commons') "fear of votes" as the explanation why no support is expressed in these quarters for the idea of unification. Well—if that sneer is just, what exactly does the condition mean? It means for one thing that most votes in this country are against unification, so far as that proposition has been presented to them; and that our political representatives are aware of the fact. And why should not a Government or a House of Commons have regard for votes? Is not that what our democracy is about?

* * *

At the vote on the amendment in the Upper House in favor of unification, about half the members were present. Forty-six voted. The amendment carried by 25 to 21. This has been the first important declaration in this country in favor of railway amalgamation—except, if we remember aright, that of a Chamber of Commerce—and how close a declaration it will be noted. We doubt if it will have much effect on public opinion.

* * *

We think it significant that so far as we remember in all the recent political struggles in this country, no candidate for Parliament among the hundreds coming before the people has proclaimed himself an advocate of railway amalgamation. Surely must there not be an overwhelming opinion against it? And if so, would it not be well for us all to accept the situation and try to make the best out of railway co-operation? Amalgamation, or unification, or whatever you like to call merging of our railways, has been opposed by the present Government, which represents the Liberal party; it has been declared against by the Conservative party in National Convention; it is not advocated by any of the lesser parties; it has been practically declared against by commissions of inquiry. All of this may not prove that a merger is not the best thing; the opposition or indifference may be all wrong—but we imagine that right or wrong it had better be accepted as decisive.

* * *

As for unification, THE JOURNAL confesses that, unlike some who speak as though they possessed Omniscience, it is not wise enough to say dogmatically whether it would be a good thing, or bad. What THE JOURNAL thinks it does know, though, is that many of the arguments advanced for unification are not impressive arguments—do not take account of a number of important factors, nor of many practical considerations.

It is assumed, for example, that with unification the present deficits on account of the Canadian National would disappear. Which is more than doubtful. The deficits of the Canadian National—what are they? They represent, almost entirely, the interest which the System pays to its public bondholders. Yet no one pretends that, with unification, these bondholders would be wiped out. The bonds would still be there; the interest would go on; every dollar of interest on every dollar of debt would still have to be paid. In the circumstances, and considering that the Canadian National is paying its operating expenses (with something to boot), the saving of unification, whatever it might be, would have to come entirely out of operation. It would have to come, in other words, in diminished railway services. From torn up tracks. From degraded tracks. From discharged employes. From a policy of retreat, and defeatism.

* * *

Oh, but, we are told, Canada can't go on paying railway deficits of $50,000,000 a year.

That argument assumes that Canada will not advance; that she will remain static. Which is not sensible. This country is not going to stand still. No one who has studied Canada's history, or who knows anything of her resources or of her people can believe that.

* * *

The railway problem is a serious one over the whole continent. United States railways are no better off than ours, in the main. With the competition of the trucks, the railway future is not rosy anywhere, as regards profit. But as regards public service, the railways are and always must be tremendous public assets; and while it is unfortunate that we in Canada undoubtedly overbuilt ourselves, and have been compelled to take over the Canadian National System at the cost of more or less injustice to the C.P.R. Canada is certainly getting splendid value; and so far as financial profit is concerned THE JOURNAL doubts if the situation can really be made better now by any such drastic move as would seriously reduce our railway service.

The Gazette
FOUNDED JUNE 3, 1778.

THE GAZETTE is printed and published by the GAZETTE PRINTING COMPANY, LIMITED, of which John Stuart Miller is Secretary, at the Office, 1000 St. Antoine Street, Montreal. Telephone HArbour 2241. Private branch exchange connecting all departments day and night.
Ottawa: 17 Central Chambers, 46 Elgin Street. Fred C. Mears, Chief of Bureau. Telephone 2-8787.
Quebec: 94 Grande Allee. Telephone 2 1323.
Toronto 2: 1511 Metropolitan Building. Allan B. Wilgar, Representative of Advertising Department. Elgin 9907.
London, England: Miss Elizabeth Montizambert, 18 King's Court, King's Road, Chelsea, London, S.W. 3. F. A. Smyth, Representative of Advertising Department, 34-40 Luogate Hill, London, E.C. 4. Telephone City 2784.
New York: Room 802, 19 West 44th Street. Gilman, Nicoll and Ruthman, Representative of Advertising Dept. Telephone Murray Hill 2-9049.

SUBSCRIPTION RATES.

City Delivery: $12.00 per year; $6.00 six months; 25 cents per week.
Mail Subscriptions outside city zone in Canada and U.S. $9.00 a year.
Great Britain and all British Possessions abroad: $9.00 per year. Continental Europe, the Orient, etc.: $24.00 per year.
Members Audit Bureau of Circulations.

MONTREAL, MONDAY, MAY 29.

"Keep me young enough to laugh with little children, and sympathetic enough to be considerate of old age.—"A Man's Prayer."

SENATE FOR RAILWAY UNIFICATION.

The vote of the Senate defeating the motion of Senator Dandurand, Government leader, for the adoption of the majority report of the Special Senate Committee which has investigated the railway problem during the last two sessions of Parliament, is of the greatest importance and it creates a situation of extreme interest in parliamentary circles. The rejected report upheld the Government's position of opposition to unified management of Canada's two great railway utilities and urged that further efforts be made to effect co-operative economies, notwithstanding the proof that was adduced before the investigating committee that co-operation as practised has failed to produce the necessary results. On the other hand, there was abundant evidence that enormous savings would be possible under undivided management of the two railway systems. The minority report of the committee, now accepted by a majority of the Senate, recommends unification of management as the sole solution of what has been correctly described as the nation's most obdurate and perilous problem.

Unification, as proposed, would be subject to the complete conservation of every essential public service and would assure the protection at once of the national interest and the interests of railway labor. The minority report is based upon a solid foundation of evidence, and its approval represents the considered judgment of a majority of the Senate, men who, bound by no political or partizan considerations, have taken an independent, statesmanlike and national view of the problem. The approved recommendation that the report be implemented by legislation may or may not result in such procedure being attempted. The investigation, having originated in the Senate, did not result from any reference from the Government, which alone can initiate any legislative enactment bearing on the subject. Because the attitude of the King Administration so far has been one of uncompromising hostility to unification, it is hardly likely that it will make a change of front and act on the leadership which the Senate has now given over the head of the Government's titular leader, Senator Raoul Dandurand.

But one good thing the Senate's endorsement of the minority report and recommendation of its special committee unquestionably will do is this: It will bring the railway problem formally into the open and make it more definitely an issue upon which the Government, hitherto inclined to let matters drift, must take decisive action, one way or another. To this extent the Senate vote is capable, therefore, of rendering the country an invaluable service. And because the approved finding rests on fearless and independent judgment, it is bound to have considerable effect on public opinion throughout the Dominion.

Railways
120653

The Montreal Daily Star

"Canada's Greatest Newspaper"

Founded in 1869

The Montreal Daily Star is printed and published at 241-245 St. James Street West, Montreal, by the Montreal Star Company, Limited, Montreal. J. D. MacKinnon, Secretary-Treasurer.

Subscription Rates

Mail subscriptions in Canada, Great Britain and Newfoundland — $7.00 per annum. United States—$9.00 per annum.

BRANCH OFFICES FOR ADVERTISING, ETC.

CANADIAN—
ONTARIO—390 Bay Street, Toronto; E. M. Wilson, Advertising Representative.
EASTERN CANADA, exclusive of Montreal, 241-245 St. James Street, Montreal; C. J. Brindamour, Advertising Representative.
UNITED STATES—
WESTERN DIVISION — 435 North Michigan Avenue, Tribune Tower, Chicago; J. E. Lutz, Advertising Representative.
EASTERN DIVISION—110 East 42nd Street, New York City; Dan A. Carroll, Advertising Representative.
EDITORIAL OFFICE: 1205 News Building, E. 42nd Street, New York City.
GREAT BRITAIN, IRELAND AND EUROPE—
Room 228, Grand Building, Trafalgar Square, London, W. C. 2, England; E. C. Slater, Advertising Representative.
EDITORIAL OFFICE: 30 Bouverie St., Fleet St., London.

THURSDAY, MAY 11, 1939

A NATION'S HEALTH — IS — A NATION'S WEALTH

WHY CRUCIFY THE CANADIAN PACIFIC?

BOILED down, the railway problem resolves itself, roughly, into this:—

Are the Canadian people willing to contribute out of their private pockets every year real money to meet C.N.R. deficits running from $50,000,000 to $80,000,000—depending on who your bookkeeper is—in order to avoid:

(1) A railway monopoly. A railway monopoly would undoubtedly be an evil. But, in Canada today, there can be no railway monopoly that is not rigidly clipped, curbed and controlled by the Board of Transport Commissioners and practically nullified by the fierce competition of trucks, buses and private cars.

(2) The withdrawal of rail service from certain communities which fall far short of traffic enough to make this service pay and which could be served in most cases by road transportation. The Board of Transport Commissioners could be compelled by law to see to it that this provision was reasonably and fairly applied. In the few cases where rail service seemed justified, it could be retained.

(3) The dropping from the payrolls of the two railways of a number of employes. This unquestioned misfortune can be met by pensioning all employes so dropped at a fraction of the cost of keeping rival railways running to provide them with jobs. It is, furthermore, in testimony by railway experts that the ordinary creation of vacancies on any railway staff by death, retirement and other causes will take up this slack in five years.

(4) The appalling risk of creating a political Frankenstein by putting all railway power under one control. If that control is an independent operating body of railway executives, entirely detached from politics and politicians, it obviously cannot be used for political purposes. If it is a union of the employes which is feared, that—as Senator Meighen points out in his very able and convincing minority report to the Senate—is in existence already. The employes are overwhelmingly against unification and have been making their influence felt right along. They are moved by unfounded fears, but there is no doubt about their combined action.

Is any of this or all of this worth $50,000,000 a year?

* * * * * *

Everyone will admit that if we could afford two railway systems, we ought to maintain them. But did you read the frightening figures that Senator Meighen has collected? Our publicly-owned railway system has already cost this country $3,300,000,000. Is it worth it? Remember—these dollars must be earned sometime by somebody, you or your children. They do not grow on bushes. It is sheer nonsense to talk about debts as if they never need be paid. If the Government was not expected to pay its debts, no one would lend it any money.

We cannot get this lost three billions back again, but we can stop adding to it. We have tried voluntary co-operation. It saved us less than two millions a year. Two millions from $54,000,000 leaves us still $52,000,000 in the hole. Compulsory co-operation sounds fine, but who will do the "compulsing"? The only authority in the Dominion which would have power enough would be the Dominion Government, and we have yet to create a Dominion Government which has the courage of a louse when it comes to dealing with the railway question. Even men who stand some risk of being leaders of a future Dominion Government act as if they deemed discretion very much the better part of valour.

Then the most effective co-operation is a long way short of unification when it comes to making one service do the work of two. Sir Edward Beatty promises us a saving of $75,300,000 under unification, but it is most unlikely that he would promise anything like that under co-operation, even if he were the Chief Co-operator. And, of course, he would not be. Senator Meighen is most careful in his minority report to make it certain that the Canadian Pacific will get no favours. Even its obligations are not to be guaranteed. That is a favour reserved for the C.N.R. Still, if our rulers in Ottawa continue to keep up this policy of harassing the Canadian Pacific, they may be driven on some Black Friday to face the most disastrous blow to Canadian credit conceivable, the financial embarrassment of Canada's greatest, most widely known, most shamefully neglected single enterprise.

* * * * * *

There was a time when the Canadian Pacific all over the world was almost synonymous with Canada. It was the single fact about our amazing progress and dazzling prospects that every foreigner knew. Its name was our most magnetic immigration lure. It is still the display in the Canadian show-window which is most conspicuous and attracts most attention. All Canada was once proud of its prize exhibit.

But of late an astonishing number of our public men seem determined to drive it into the dog-house. They have their own "pet" now, and they do not like to see anyone else share the limelight. They always act as if they were afraid that the C.P.R. was going to get something or somewhere. Even Senator Meighen feels that in order to win a favourable hearing for his propositions, he must inject into them an occasional warning growl against the presumably predatory ambitions of the Canadian Pacific.

This is a suicidal attitude for the men in authority in Canada to take toward our greatest national asset. The outside world does not take it. It gladly and with good reason recognizes the importance of this first splendid example of Canadian courage and confidence in the future. This attitude is enough to make the creators of the C.P.R. turn in their graves—Sir John Macdonald, Lord Strathcona, Lord Mount Stephen, Sir Charles Tupper, Sir William Van Horne, R. B. Angus and a dazzling host of others. They might imagine from the attitude of many an Ottawa potentate that we in these later and less optimistic days had all been converted to the black pessimism of certain early critics who croaked that "the C.P.R. would never pay for its axle grease."

EMPIRE'S WHEAT PROBLEMS

THERE can be no doubt that one of the most exacting problems Canada has to face is that of wheat price guarantees. The decision announced today extending the provisions of the Bill, which changes the pegged guaranteed price of Western wheat from 60 to 70 cents, to Eastern Canada, will be keenly appreciated wherever wheat is grown—and no one pays taxes. While the arguments of the Western members, demanding that the fixed price be 80 cents, are not difficult to understand, it is of definite interest to Canadians to learn that this country is not the only one within the British Empire faced with difficulties in regard to wheat.

Cables from Australia today state that the Federal Government has under consideration a wheat stabilization scheme that will give Australian growers a guaranteed price of about 65 cents a bushel at ports for all wheat. This scheme, however, embodies a compulsory contribution by wheat growers of one cent for every two cents per bushel rise in the price of wheat above 65 cents; and also a home consumption price. The latter idea has been tried in Australia before, but did not prove satisfactory because the price of flour went up and bakers passed on to the public the increase in the price of bread.

From Washington today come reports that the prospective wheat supplies of the United States are not sufficiently large to require the imposition of marketing quotas to keep surpluses off the market. Official returns of world wheat trade from the first of August last to the 21st of April this year show a total number of bushels of 425,944,000, as compared with 376,967,000 for the same period last year. Of this amount, Canadian exports account for virtually the whole of the increase in world shipments, being 43,000,000 bushels above last year, but still 48,000,000 bushels below those for the same period from 1936 to 1937. The Australian export shows a decrease of nearly 16,000,000 bushels, but other countries do not indicate any important change.

What the wheat subsidy will cost Canada is not yet known, although Mr. Dunning allowed $25,000,000 in his current budget. The United States Federal Surplus Commodities Corporation reports a loss on the wheat export subsidy of $20,500,000, or 20 cents a bushel. The Argentine Government, according to the Monthly Commercial Letter of the Canadian Bank of Commerce, expects to lose an average of thirty per cent on its entire exports of 1938 wheat.

The wheat problem, as ever, remains a world problem; but unfortunately there appears to be as little likelihood as ever of any solution of that problem by way of an international accord.

WORK WITH THE POLICE

APROPOS of the coming of Their Majesties King George and Queen Elizabeth, it is timely to remind the citizens of Montreal that they have a definite responsibility in regard to the unique conditions that will prevail in this city next week. Crowds that have never before assembled will undoubtedly be the order of the day. Our city police force will have thrust upon it a job of tremendous difficulty, and the police can only discharge their duty effectively if they have the full, willing and whole-souled co-operation of all the citizens.

There will be a very natural impulse to break the line of march; this always happens wherever the King goes. The British public have been schooled through long experience to help the police to maintain unbroken control and not to hinder them. Here we have had little experience, and none of the time which will be ours on Tuesday next; but if the individual citizen makes up his mind that he will do everything in his power to help the police by obeying instructions and by doing nothing calculated to upset in the least degree the complete preservation of order along the route, then everything will be satisfactory and after the King has passed Montreal will have nothing to regret.

THE WOR

French

*

"True Canad

L'Action Catholi
which we feel at the
be wholly Canadian,
else the King of Ca
Certainly we shall a
able incidents to w
ultra-Imperialists m
would profit from th
Canada still farther
fied sacrifices. It i
dignity that we sho
of our glorious Sov
after the celebrat
them, however—the
evitable by certain
inspired by a sent
perialist than Cana
our King, while bei
in the right time
false interpretati
would wish to dr
. . . It would s
indifferent to
ground that In
tions for pro
after having
opportune an
extraordinar
in a positio
public opin
patriotism.

"God Sa

Le Sol
the Engli
British S
mouth, s
them aff
receive T
first tim
King an
with a
political
and pri
our reg
nationa
of bell
an imp
to tou
remain
respec
Applau
welcom
necess
Withi
and c
ter, s
of W
of u
mean
Geor
pecu
to a
a cry
such
God

L
and
king
frien
pray
They
happ
and
ereig
hono
mon
King
of ci
the c
all th
bad
out o
peria
State
cons
solid
tries
Maje
warr
polit
serv
trad
loya
of t
tion
to
Can
the

I
our
opini
what
of p
them
quar
them
the
shou
been
sojo
truc
disp
wit
sug
thi
his
to
the
pra
so
fid
has
be
Gr
wh
sin
or
fin
ex
th
th
li

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

120654

Mr. Chairman:

The paper which I presented to you on March 21st last was one of the most difficult that I have ever organised. The rules are extremely complicated. The very fact that some 475 cases have come before the Canadian Railway Board of Adjustment Number 1 in the last twenty years is itself proof that the railway officers and the union leaders themselves find difficulty in the interpretation of the rules of the various schedules. Without the intimate knowledge which they possess it has been doubly difficult for me, because the drafting of the rules leaves a great deal to be desired. They are no doubt moderately clear to those who made them, but many of them are by no means clear to the outsider, even after the reading of decisions based on them.

I had therefore to face the possibility that my argument might be seriously weakened because I had not fully understood the situation under discussion. I find four statements of fact which need to be corrected.

1. I said that engineers might run after 6 months as firemen. The schedules provide a minimum of three years. That is probably a wise and necessary provision; not because that length of time is required to learn howto operate an engine, but in order to so drill the men on the operating rules that those rules become second nature to them.

2. I suggested that passenger engineers draw time and a half for overtime. That is not corfect. Engineers in freight service, in work train and in mixed train service do draw time and a half for all time over eight hours. Engineers in passenger service work upon a five-hour day and are paid overtime for all time in excess of five hours, upon a minute basis, at straight time rates. Under ordinary conditions, none of them runs over the eight hours.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120655

3. I suggested that present money rates of pay were the highest ever in effect. I accept Mr. Chase's correction that the rates per mile of 1920 were slightly higher.

4. I stated that the Canadian statistics of employee hours were upon the basis of time paid for, not on the basis of time actually worked. I have checked on that and find that the hours reported are the hours worked or held for duty.

I submit that not one of these corrections of fact does any damage to my argument. They are all of them minor and without substantial effect upon it. That argument is that the passage of time, the changes in the art of railroading, the changes in the kind of railroad service demanded, make working rules which were set up some fifty years ago totally insupportable today. They are obsolete by any test. They are capricious in their action, falling with a terrific weight on the light traffic lines which are least able to bear them. They are unbearably restrictive in their effect on the kind of service which can be rendered. It is an argument which runs against the running trades as a whole. It is not specially directed against the engineers. Nor is it suggested that the high earnings of some individuals show the average earnings. What I was attempting to do was to get behind the averages to see what the range was between the high and the low earnings.

Turning directly to Mr. Chase's arguments, I ask you to notice that nowhere does Mr. Chase state that engineers could not now earn $$4,000 per year. He says that under the mileage limitations now in effect -- limitations which were put in solely to distribute employment more widely and for no other reason -- they <u>probably</u> do not. Taking again the case of the engineers operating trains numbers 6 and 15 between Montreal and Brockville; those men under the reduced mileage are able at present rates of pay to earn $299 per month for 13 calendar days of work. If they were allowed as high a mileage as they had before the most recent

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120656

limitations of mileage were put into effect, then they would earn very substantially in excess of that. If they were allowed to set their own mileage, they might exceed the $6,000 per year which Mr. Chase suggests as a proper average for all engineers.

The objection which I raise is not simply to high earnings per month or per year; it is to the combination of high earnings with the persistent limitation upon the amount of service rendered in order to earn it. Still greater arbitrary reductions in monthly mileage would result in forcing still greater amounts of leisure time upon the senior employees, but it would do nothing to reduce the direct wages cost per train mile to the railway companies. Indeed, insofar as figures of average annual earnings are used to justify higher rates per mile, they tend toward an increase in costs and so aggravate the present unfortunate conditions.

Mr. Chase presents a calculation of maximum and minimum earnings, but it should be noted that his maximum is upon the basis of the engine of average size and not upon the largest engines and that it makes no allowance for the arbitraries and constructive allowances. The railways have stated that these increase by some 11 per cent the pay which would accrue upon a straight time or mileage basis.

Mr. Chase states that less than one locomotive engineer in ten becomes a regularly assigned passenger engineer. Without a disclosure of how he arrives at that figure, it is hard to refute it; but in 1937, 21.6 per cent, or more than 1 in 5, of all engineers were passenger engineers.

It is perfectly true that, because the railways are a declining industry and because the mileage cost of train operation to the railways is so high that train mileage is still further reduced, those who now become regularly assigned passenger engineers are elderly men; but of all those who reported themselves to thecensus of 1911 as locomotive engineers, 9.62 per cent were

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120657

in the age group 16 - 24 years. The present concentration in the higher age groups is a result of other conditions, it is not a proof that the necessary training period is measured in decades as Mr. Chase would seem to suggest.

I ask you also to note that in his third table, Mr. Chase takes pains to confine himself to the aggregate numbers of employees, hours worked, and total compensation paid and fails to show the average results per head. It is a deficiency in his presentation which I shall endeavour to supply below.

In short I suggest that Mr. Chase's submission has been magnificently expert, but it is something less than frank. It is a skilled defense, not an attempt to illuminate a problem.

I ask now for permission to enter certain tables and and graphs which show the following points

1. That at no time in the years after 1926 did the purchasing power of the average annual earnings of all train and engine service employees fall as low as it was in 1926. Their money earnings fell, but never as fast or as far as the index of the cost of living fell.

2. That the purchasing power of the average hourly earnings, similarly adjusted, have been over 25 per cent in excess of the 1926 level ever since 1931, it has been between 30 and 35 per cent above ever since 1935, and, in 1938, I estimate that it was over 40 per cent above.

In proof of these two statements, I offer tables 1 and 2 and graph I. I ask particular attention to the almost perfect inverse correlation between the rising real earnings and the falling number employed.

3. That so far as the sacrifice of the opportunity to work is concerned, the statistics show that the junior men -- firemen and brakemen -- have consistently made greater sacrifices than have the senior men running as engineers and conductors.

At 1926, the engineers and conductors were getting more

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

120658

hours of work per man per year than were their juniors, the firemen and brakemen respectively. That disparity widened greatly as the depression deepened and still persisted at 1937, the last year for which full data is available. In proof of that statement, I offer tables 3 - 8 inclusive.

Mr. Chase has said a good deal about the voluntary sacrifices of the senior men. I think that these tables should be read in conjunction with his testimony.

As proof of the extent to which the passenger service is falling behind despite the attempts to reduce train mileage, I offer table 9 and graph II, which show the wages paid to road passenger train and engine service employees as a percentage of passenger revenue and of passenger train revenue. It will be observed that even at 1937, the wage burden was about twice as high as it was at 1917.

Table 10 and graph III show the number of hours worked by road train and engine service employees per 100 train miles. The decline in the 20 years is about 33 per cent, or at the rate of 2 per cent per annum. The result is a constant reduction in the effort expended by labour in order to make earnings whose amount is determined by the mileage run when that produces the larger payment.

Table 11 and graph IV show the direct wages cost per train mile run, in current dollars and in 1926 purchasing power. I ask particular attention to the fact that on the corrected basis the wages cost per train mile is now (1939) near its depression peak because of rising wages cost per mile and a fall in the wholesale price index.

Table 12 compares the wages paid to all classes of employees and charged to operating expenses as a percentage of total operating revenues in Canada and in the United States, over the years 1926 - 37. It shows that Canadian railway employees have in each year taken a higher percentage of revenues than have the employees of American class I railways, and that in the years

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120658 A

1930 - 33 both inclusive, that excess was over 20 per cent in each year.

In orther words, Sir, I submit that in relation to the traffic and revenue situation of the Canadian railways, their wage burden is even more intense than is that of the American railways.

Tables 13 and 14 and graphs V and VI show the other face of this extreme pressure upon the budget. Such money as the railways have, they seem to be spending on current maintenance and not on the necessary renewals to their properties.

Mr. Kelly has been kind enough to mention me in his submission. I would ask that what he has said should be read in conjunction with Table 12 which shows how much more heavily wages bear upon railway revenues in Canada than in the United States and with Table 15 and Graph VII which show for all railway employees the same inverse correlation between the number employed and the real purchasing power of their incomes that has already been shown for the train and engine service employees. The whole statement of the position by Mr. Kelly blandly overlooks the changes in the cost of living over the last ten years and the great deterioration in the position of other classes in the Community. It is an omission which goes a long way towad making his case an interesting statistical exercise but of little present importance.

I have to thank you, Sir, for permitting me to enter this rebuttal.

J. L. McDougall 2/V.39.

JOHN L. McDOUGALL

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120658 B
A39

Railways
Mc Donald

II 5

TABLE I

RAILWAY GROSS EARNINGS AS A PERCENTAGE OF THE NATIONAL INCOME PRODUCED (1)

Year	Freight Percentage	Passenger Percentage
1921	7.81	2.10
22	7.70	1.93
23	7.85	1.98
24	7.27	1.88
25	7.06	1.71
26	7.23	1.65
27	6.82	1.56
28	7.25	1.47
29	6.56	1.37
30	6.25	1.29
31	6.23	1.14
32	6.41	1.08
33	6.26	0.99
34	6.36	0.96
35	6.22	0.91
36	6.20	0.87
37	5.91 (2)	0.85 (2)

(1) The Bank of Nova Scotia Monthly Review, May 1937 and July 1938

(2) Based on preliminary estimates of the national income.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120658 C

TABLE 2

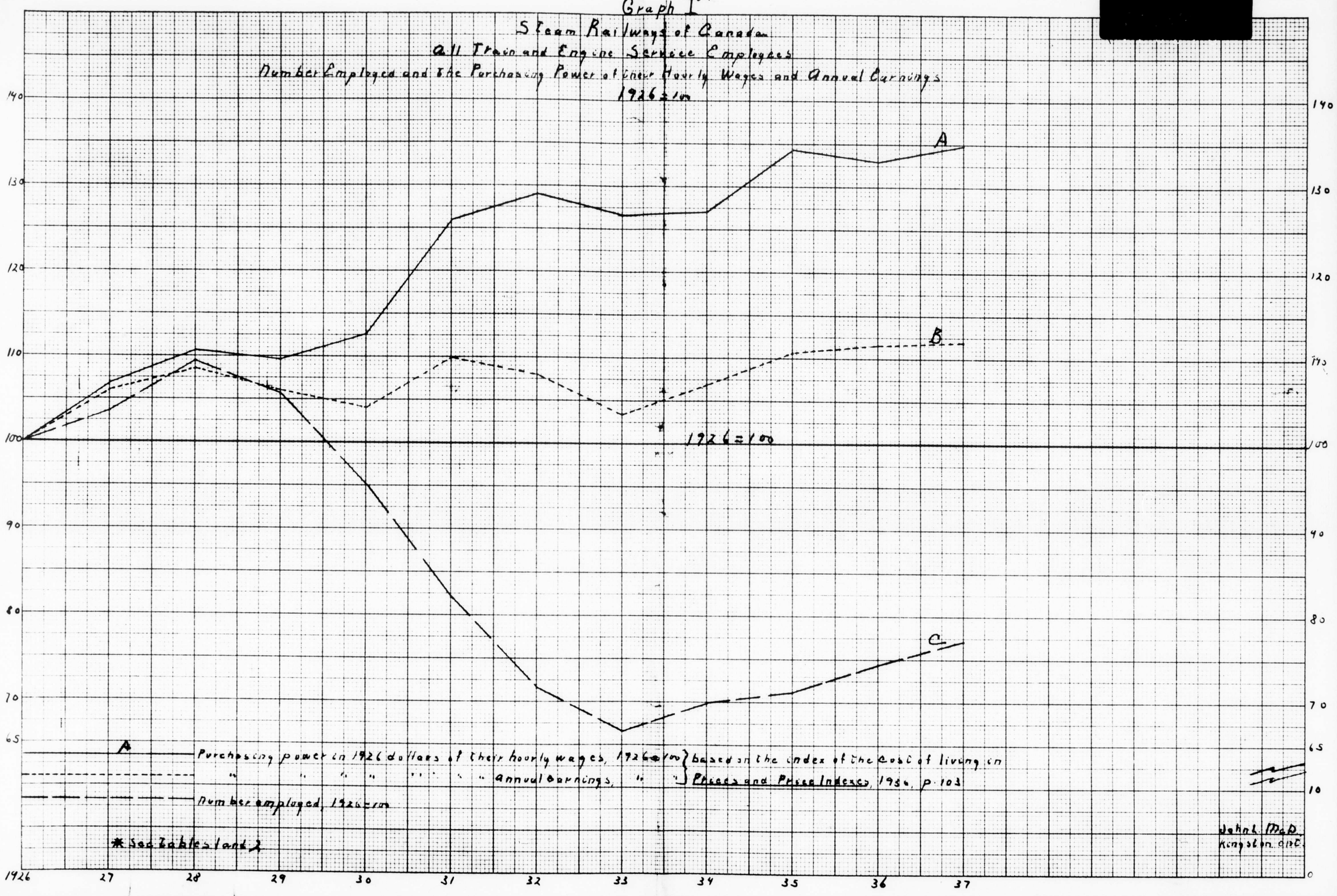
COMPENSATION PAID TO ROAD TRAIN AND ENGINE SERVICE EMPLOYEES IN 1937 AS A PERCENTAGE OF THE TOTAL PAID TO EACH CLASS - Class I Steam Railways of the United States.

Nature of payment	Class of service		
	Road passenger	Road Freight (through freight)	Road Freight (local and way freight)
	%	%	%
Straight time actually worked	61.98	64.75	73.41
Straight time paid for but not worked	32.50	25.28	7.29
Total straight time paid for	94.48	90.03	80.70
Overtime paid for	2.87	5.35	17.11
Constructive Allowances	2.65	4.62	2.19

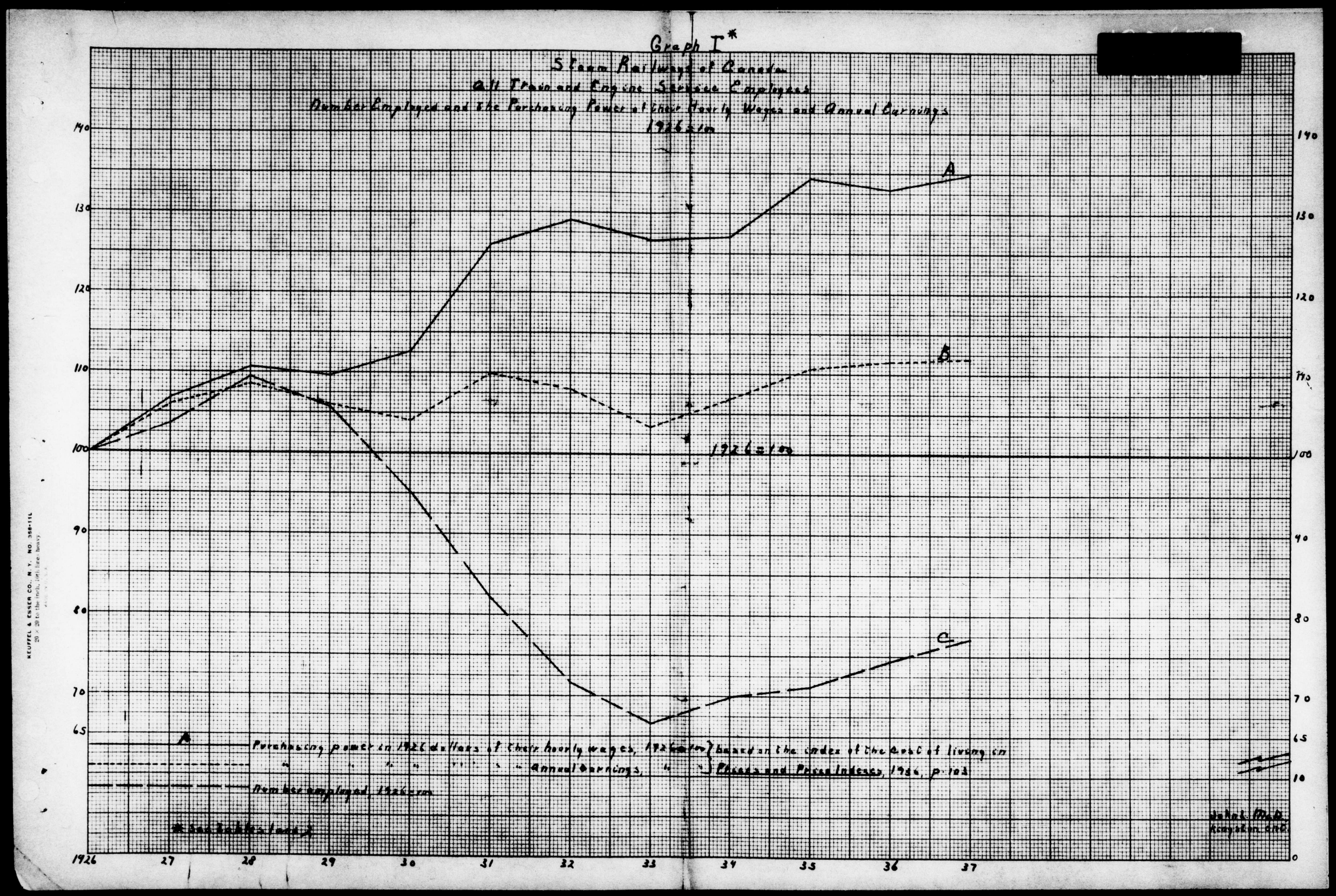
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

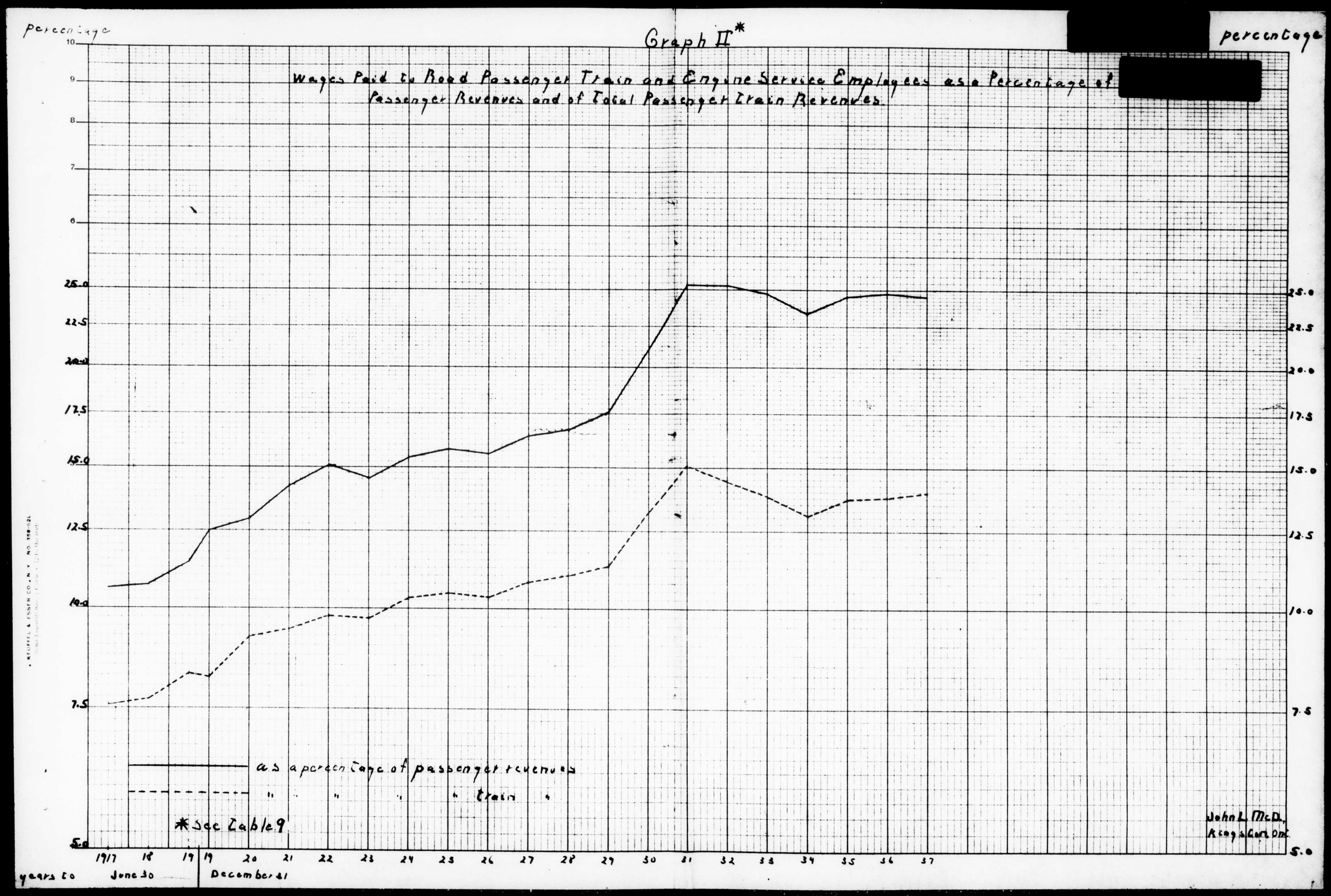
[redacted]



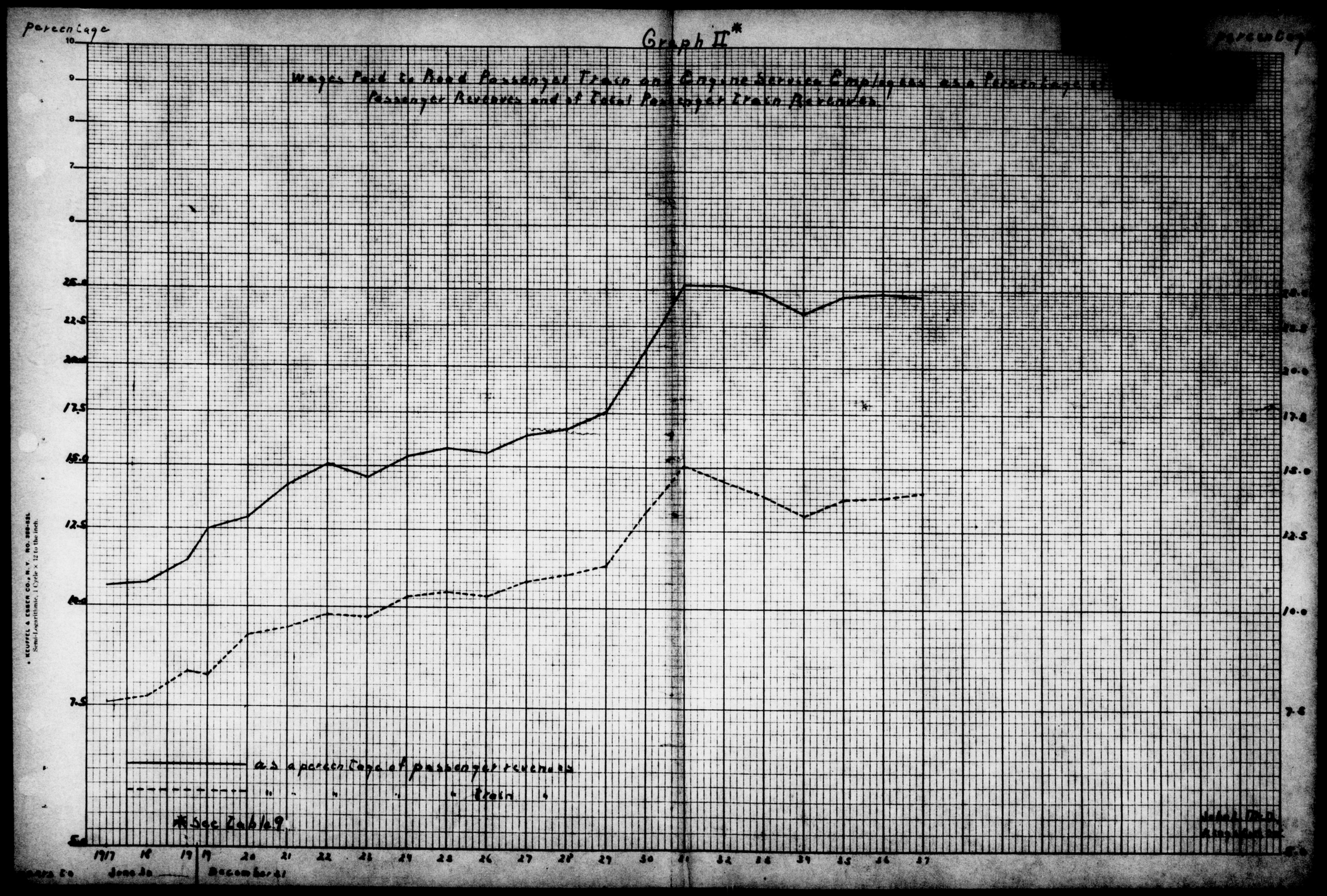
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



PUBLIC ARCHIVES
ARCHIVES PUBLIQUES



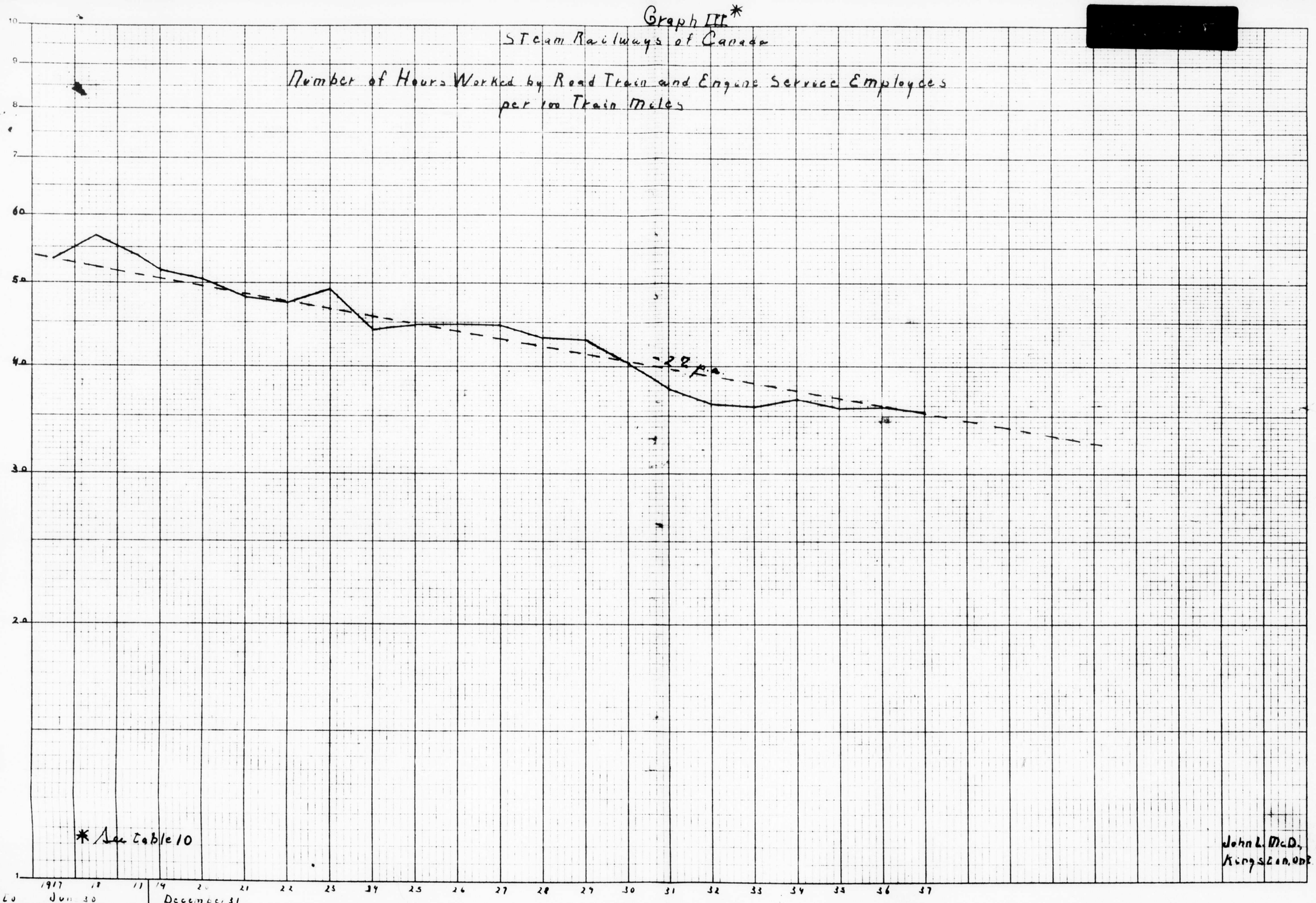
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA


Percentage
Graph II*
Wages Paid to Road Passenger Train and Engine Service Employees as a Percentage of Passenger Revenues and of Total Passenger Train Revenues
10
9
8
7
6
25.0
22.5
20.0
17.5
15.0
12.5
10.0
7.5
5.0
as a percentage of passenger revenues
" " " " " train "
*See Table 9
1917
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
June 30
December 31
KEUFFEL & ESSER CO., N. Y. NO. 359-62L
Semi-Logarithmic, 1 Cycle × 12 to the inch.

Graph III*

Steam Railways of Canada

Number of Hours Worked by Road Train and Engine Service Employees per 100 Train Miles

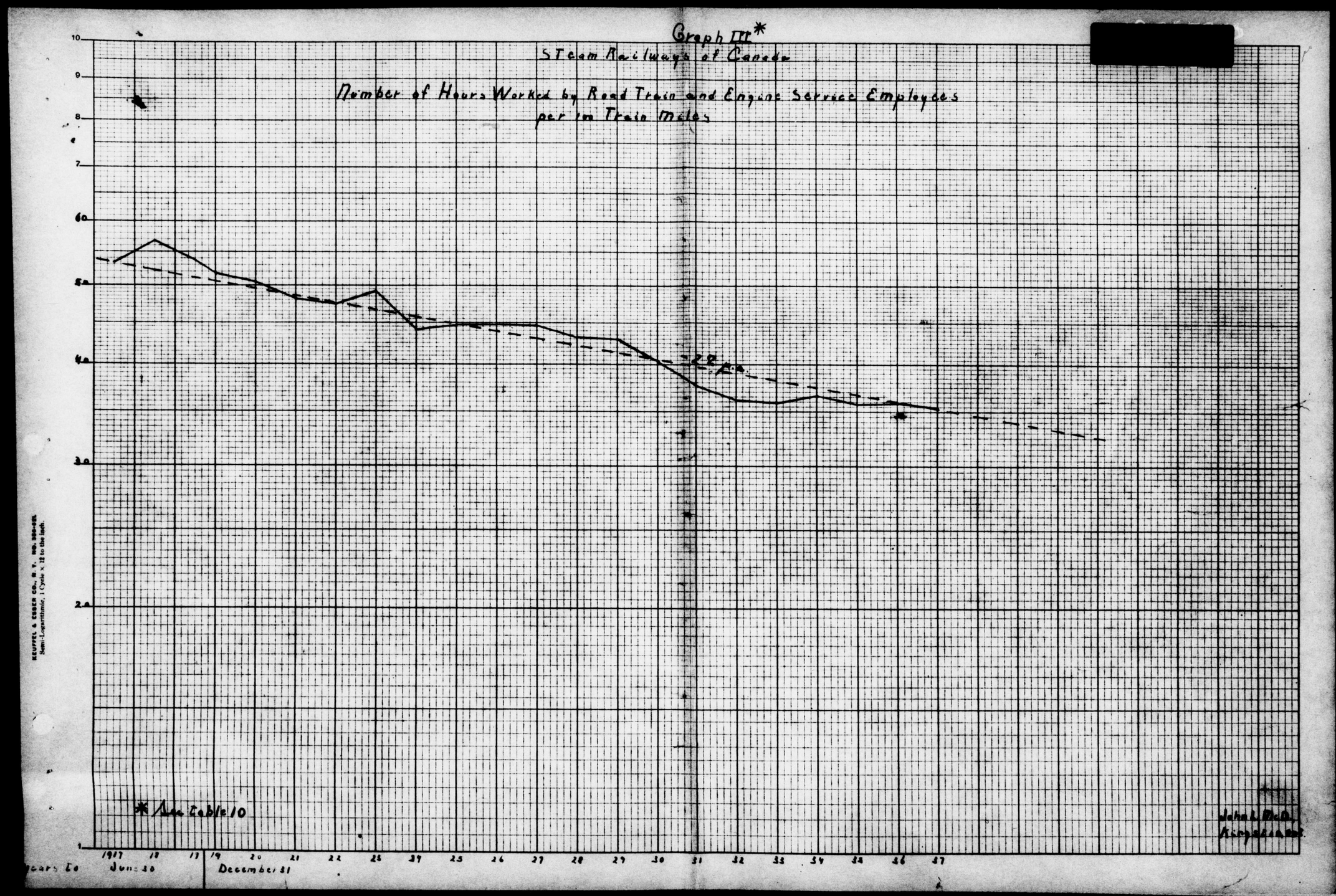


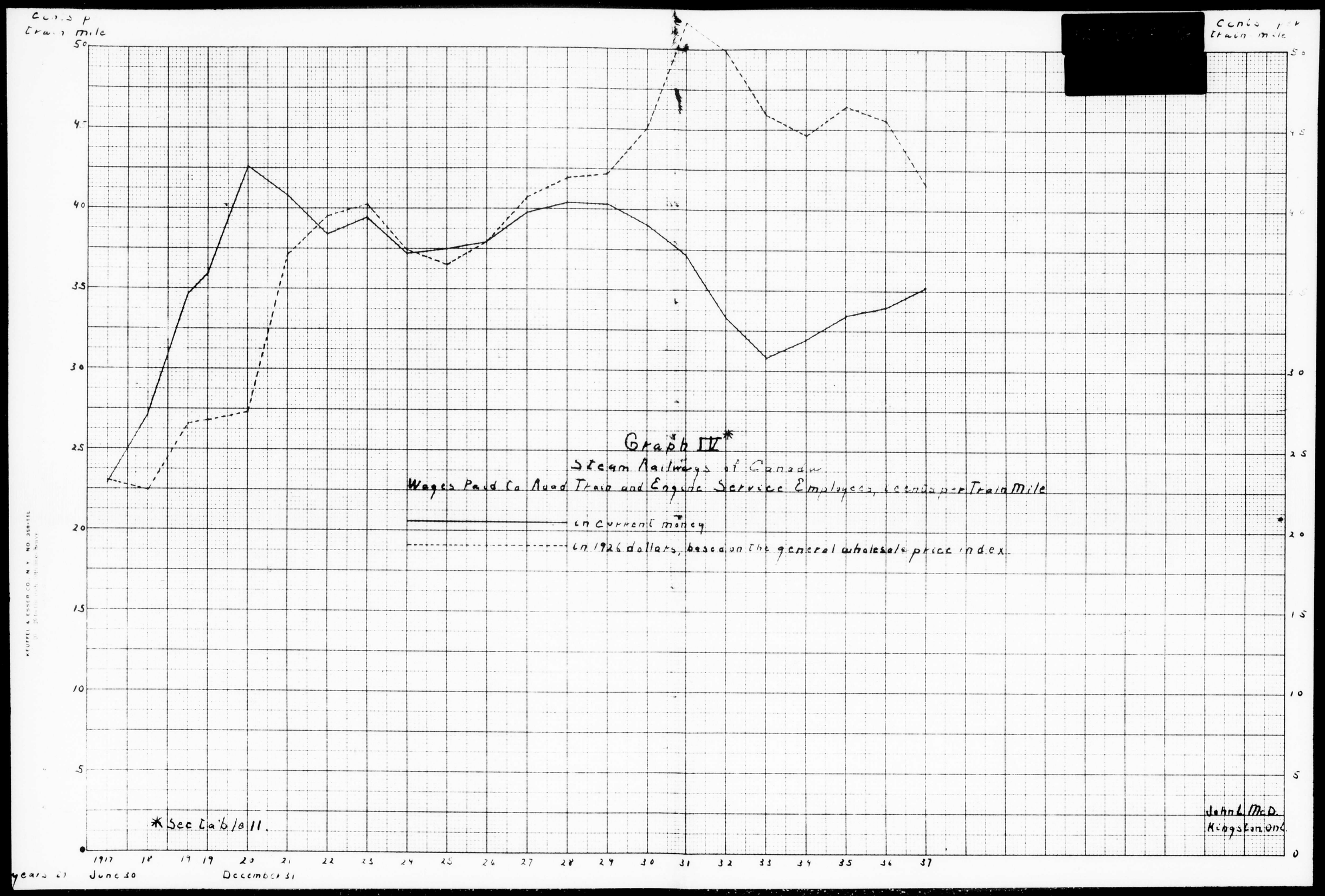
* See Table 10

John L. McD.,
Kingston, Ont.

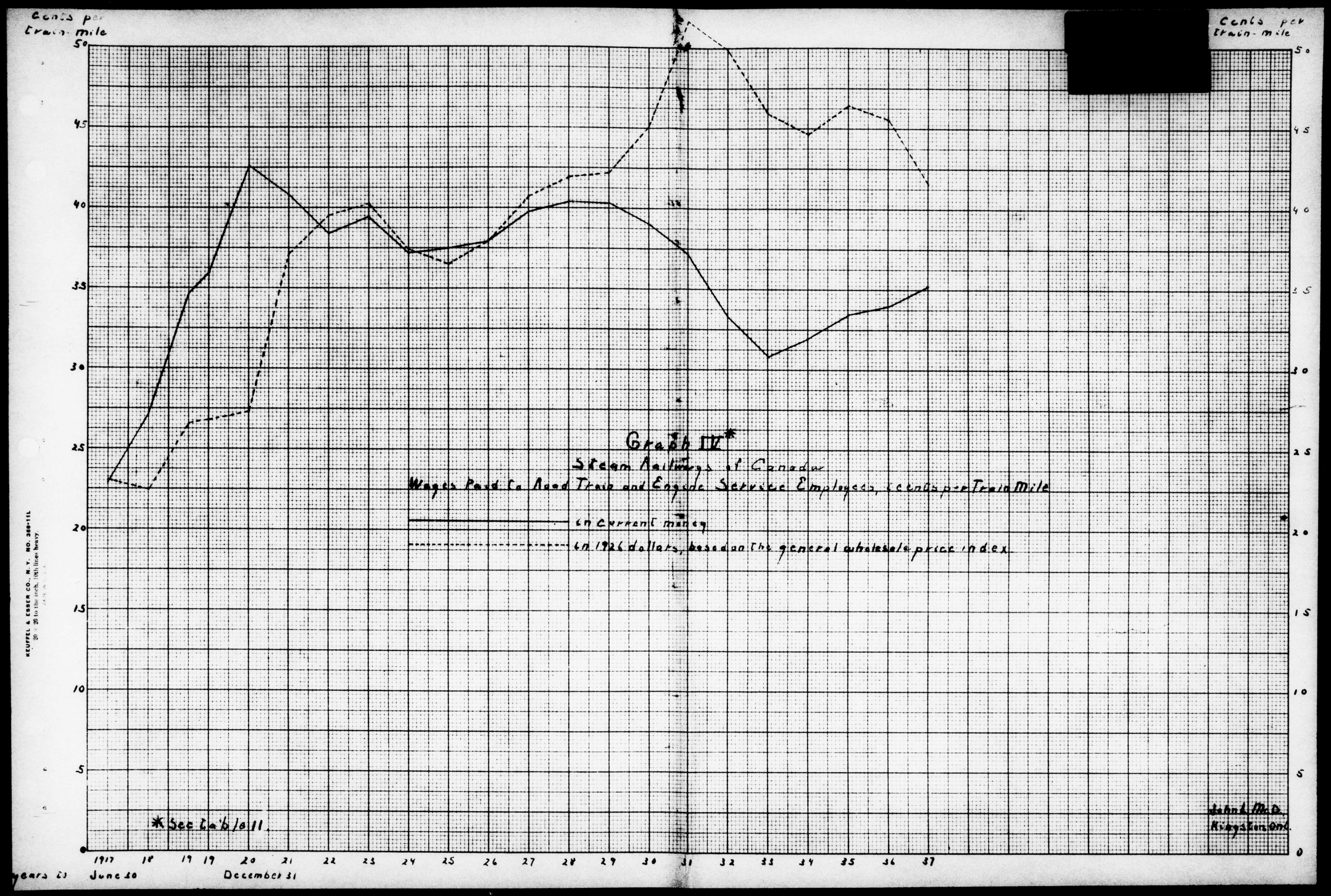
KEUFFEL & ESSER CO., N.Y. NO. 358-52L
Semi-Logarithmic 1 Cycle x 12 to the inch

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

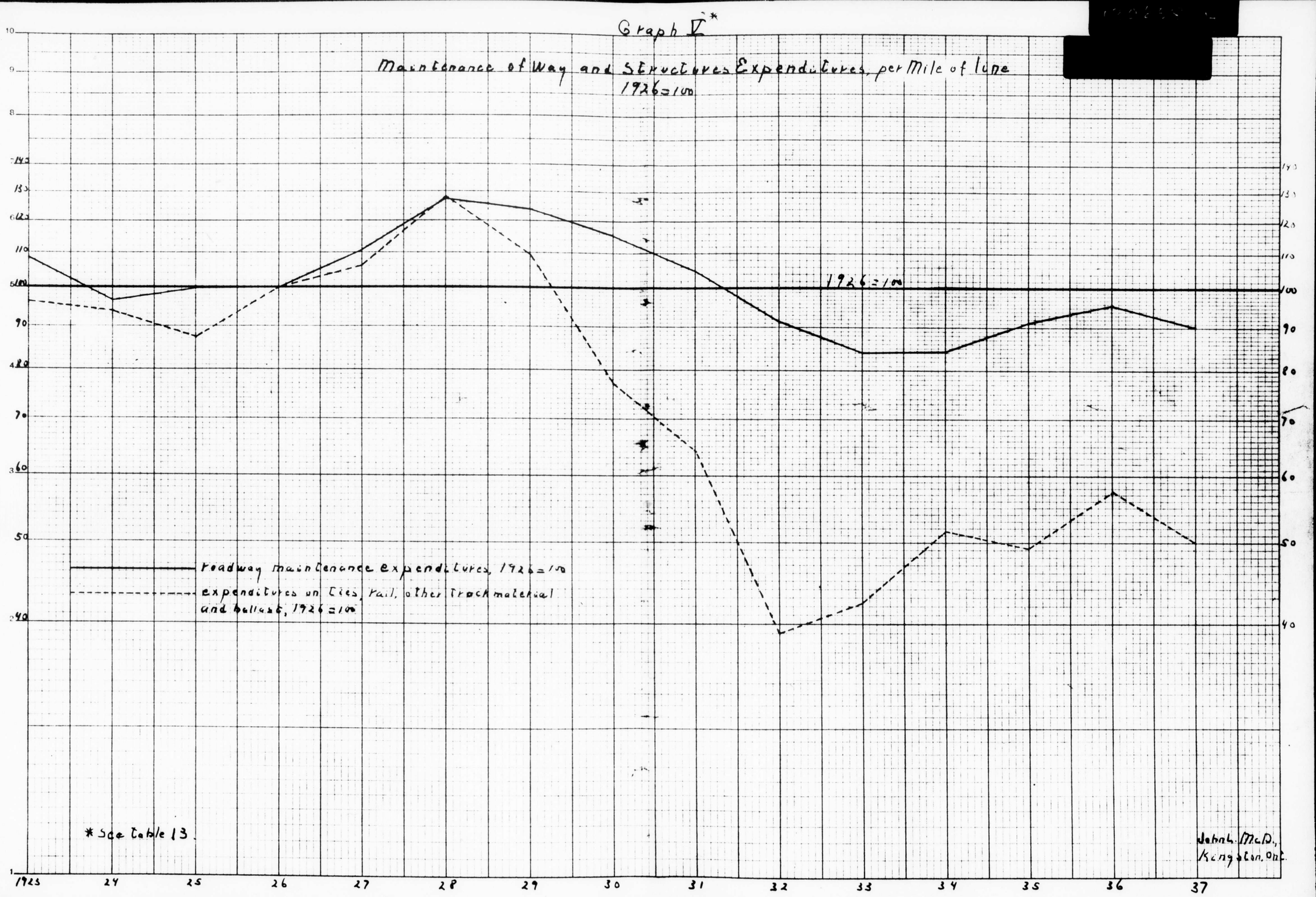

Graph III*
Steam Railways of Canada
Number of Hours Worked by Road Train and Engine Service Employees per 1m Train Miles
10
9
8
7
6.0
5.0
4.0
3.0
2.0
1
2.8 p.a.
*See Table 10
1917
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
Years to June 30
December 31
KEUFFEL & ESSER CO., N.Y. NO. 359-25L
Semi-Logarithmic, 1 Cycle x 12 to the Inch.



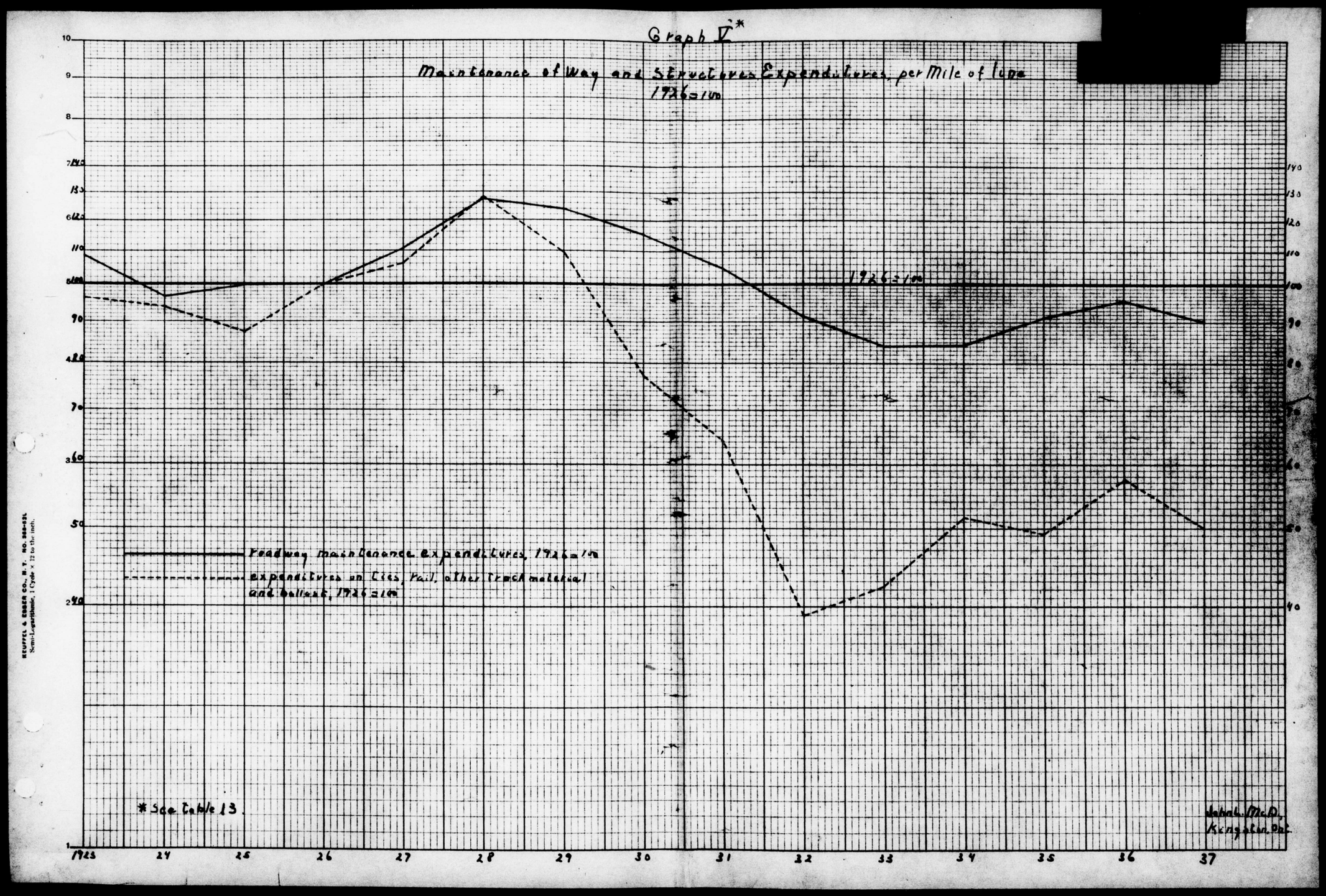
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



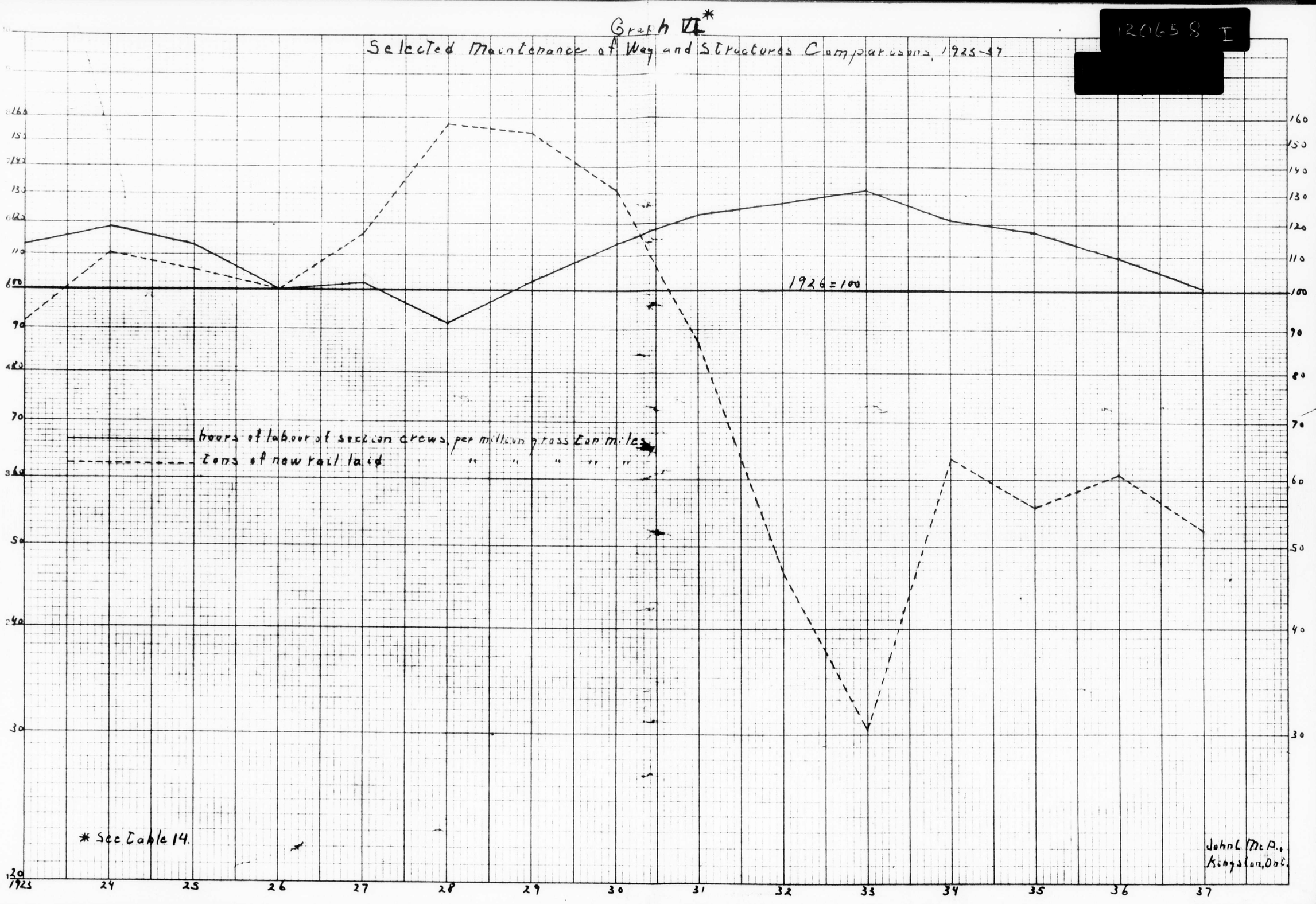
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES



PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

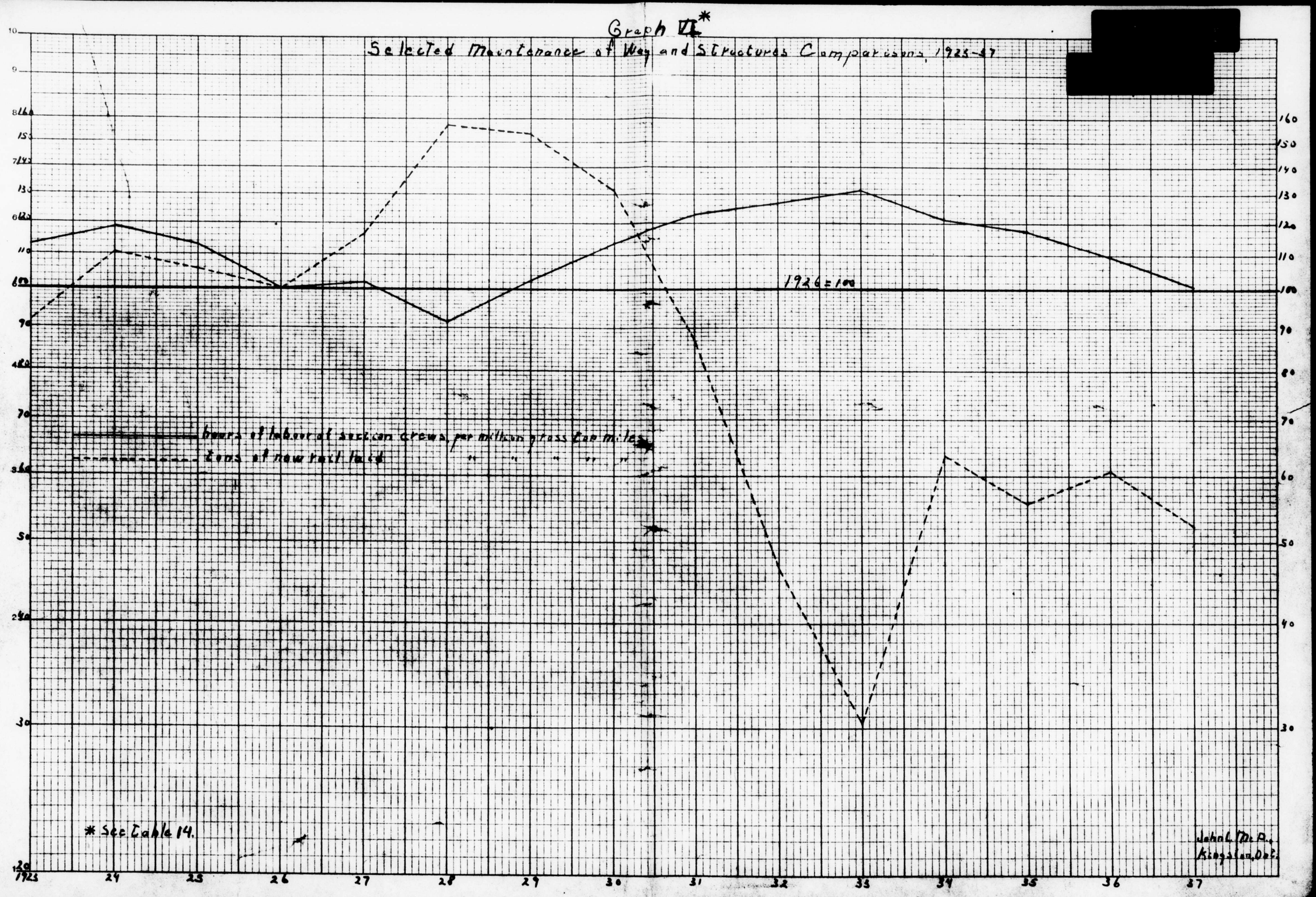


PUBLIC ARCHIVES
ARCHIVES PUBLIQUES

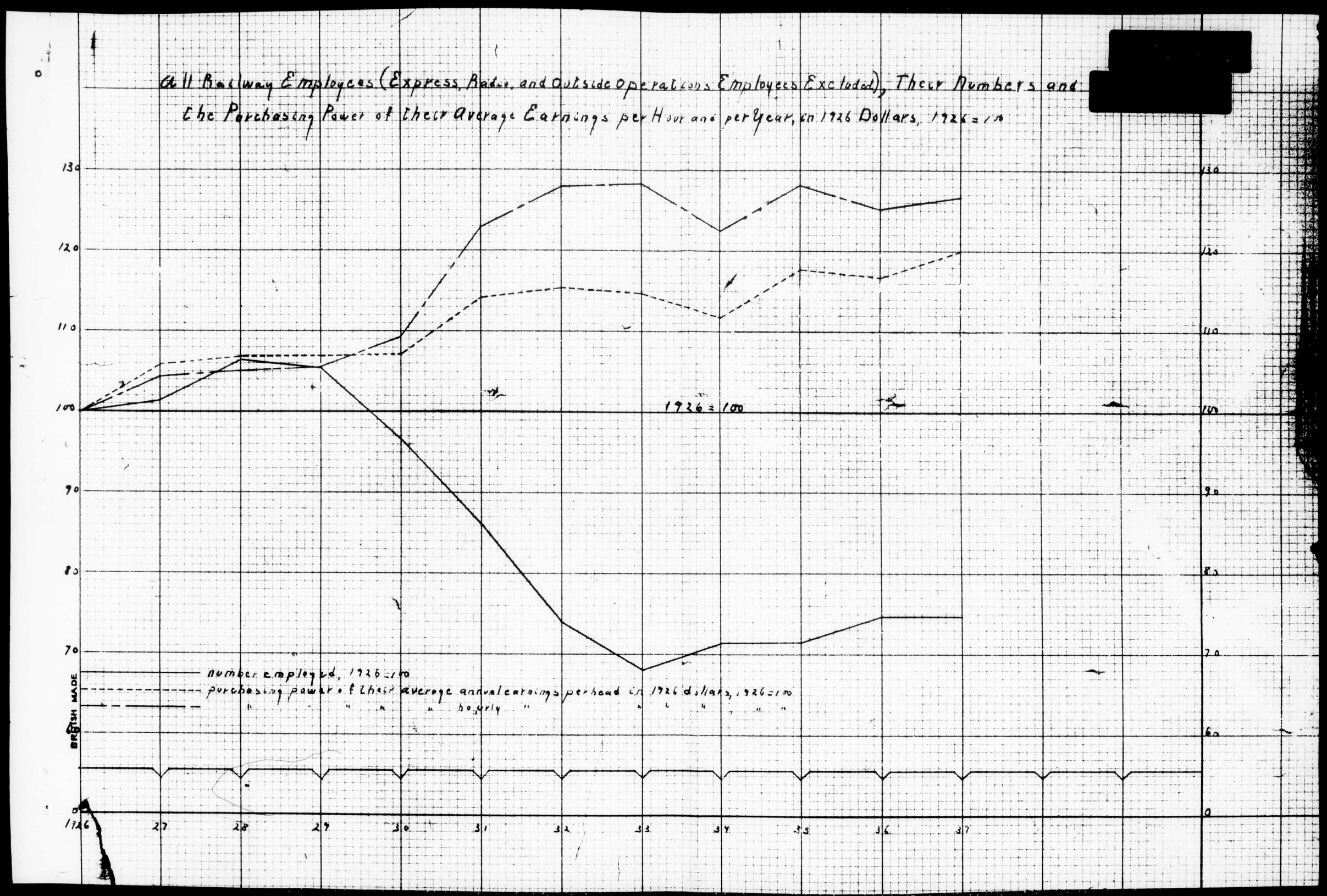


MELBEN PAPERS, Series 5 (M.G. 24, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

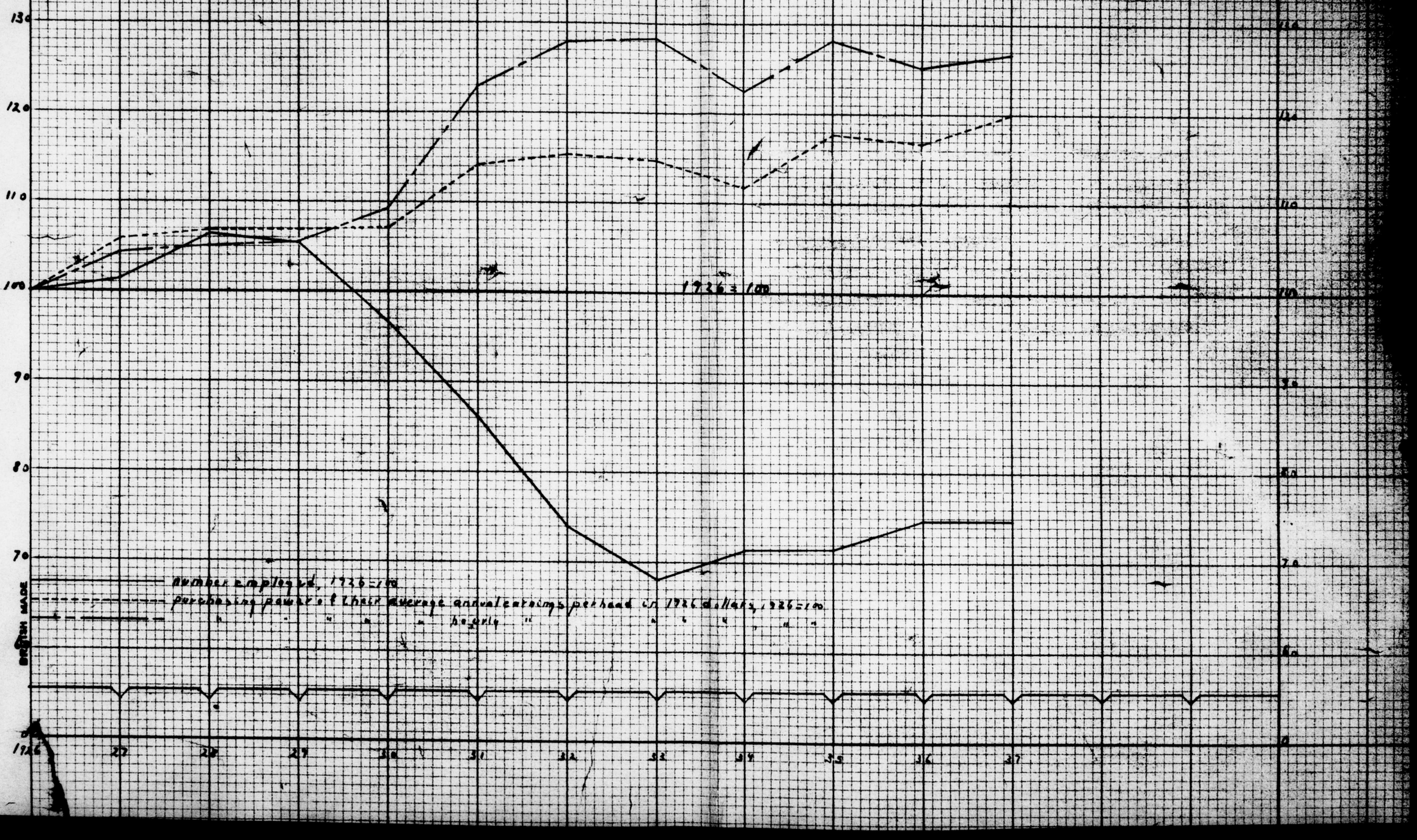


PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

All Railway Employees (Express, Radio, and Outside Operations Employees Excluded), Their Numbers and [redacted]
the Purchasing Power of Their Average Earnings per Hour and per Year, in 1926 Dollars, 1926 = 100



120659 a

CANADIAN RAILWAY ELECTRIFICATION

WINDSOR to MONTREAL

by

BASIL B. CAMPBELL

CAMPBELL AND SHEPHERD
LIMITED
TORONTO, CANADA

Sept. 21st, 1932
Copy #2

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659b

CAMPBELL AND SHEPHERD
LIMITED
NORTHERN ONTARIO BUILDING
TORONTO, CANADA.

BASIL S. CAMPBELL
DAVID SHEPHERD
A.M.I.C.E., A.M.E.I.C.

CABLE ADDRESS:
"CAMSHEP" TORONTO.

CANADIAN RAILWAY ELECTRIFICATION

WINDSOR to MONTREAL

by

BASIL S. CAMPBELL

Bank Record

September 21st, 1932.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659c

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

INDEX

	Page
INTRODUCTION	1
WHY SUCH A DEVELOPMENT IS NOW OPPORTUNE	1
EXISTING ELECTRIFICATIONS ABROAD	3
ALTERNATIVE MOTIVE POWER OTHER THAN ELECTRICITY	4
ROAD HAULAGE BY MOTOR TRUCK	5
THE SCHEME	6
ELECTRIC POWER SUPPLY	7
ARRANGEMENTS FOR POWER SUPPLY TO R.R.W. and PRICE	7
INFLUENCE OF RLY. ELECTRIFICATION ON PRESENT HYDRO DISTRIBUTION	8
ARGUMENTS IN FAVOUR OF ELECTRIFICATION	10
OBJECTIONS TO ELECTRIFICATION	15
FIELD FOR SAVINGS IN HAULAGE COST	15
COMPARATIVE WORKING COSTS STEAM and ELECTRIC	17
CREDIT ITEMS AS AGAINST CONVERSION COST	19
THE FINANCING SCHEME	20
THE SPECULATION	21
GENERAL	22
CONCLUSIONS	26

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

2

120659 d

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

MEMORANDUM

CONFIDENTIAL

CANADIAN RAILWAY ELECTRIFICATION

WINDSOR to MONTREAL

by

BASIL B. CAMPBELL

INTRODUCTION

This memorandum is intended to outline a scheme for the electrification of one double track line between Windsor and Montreal and the maintenance of this right-of-way by an Independent Corporation, the roadbed to be leased to the Railway Companies for joint use, or to be used by both Railway Companies and a mileage charge made. No attempt is made to develop the scheme in detail as that is better left to technical experts.

This scheme could be the nucleus of a more elaborate network in the future.

Where reference is made to authorities, for opinions, the particular reference is the report made to the Ministry of Transport of the United Kingdom by the Committee on Main Line Railway Electrification, 1931, and known as "The Weir Report".

In making these references it is realized that conditions in Great Britain are, to some extent, different to those found in the Province of Ontario, but, on the other hand, there are a great many comparisons which are relevant. It should also be borne in mind that Great Britain has large resources of cheap coal and limited sources of Hydro power. This element has an interesting bearing on the references used.

WHY SUCH A DEVELOPMENT IS NOW OPPORTUNE

Recent press despatches indicate that the Canadian National Railway will have this year a deficit in the neighbourhood of One Hundred Million Dollars. It can also be assumed that the Canadian Pacific Railway is faced with the problem of decreased revenue and heavy operating costs. It is inconceivable to believe that those responsible for the administration of both roads are not prepared to seriously consider any proposal which might tend to better the existing conditions.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

It is obvious that both roads are faced with the cost of maintenance and operation of two roadbeds between Windsor and Montreal with a combined traffic which would not seriously tax the capacity of one double track right-of-way. Competent authority is available to show that electrification will increase the capacity of trackage for traffic by at least 30%. The relief from maintenance of unnecessary right-of-way would be an immediate saving in operating cost. Electrification has without exception, owing to increased comfort and facilities, raised the volume of passenger and freight revenue and reduced the cost of operation.

The Ontario Hydro Electric Commission have contracted for large blocks of power in excess of the market apparently available. This power must be taken from the producers, and, if not sold, the cost must be absorbed by the public. Commitments were made by the Hydro on the assumption that the demand would normally increase year by year, whereas in fact, the demand has declined. The electrification of the railways would offer an outlet which would relieve this situation and tend to lower the present cost of power to the manufacturer and domestic consumer.

The Beauharnois development financing was allowed to go to the public with what could be said, from the most charitable point of view, was a Federal and Provincial Government blessing. This electrification could take the load contracted for by the Hydro and from Beauharnois, and, reinstate the bona fides of this unfortunate enterprise.

Quite apart from the balance sheet possibilities which might accrue to the Railways, the history of such conversions shows that most were made for the purpose of utilizing available water power, to eliminate the necessity of importing foreign coal and to increase the comfort and efficiency of railway transportation. Surely these three reasons supply relevant consideration in the Province of Ontario.

The Dominion and Provincial Governments have spent millions of dollars on the relief of unemployment without an equitable measure of return by way of tangible results. This conversion would come at a time when the work would be most opportune. Those employed in the manufacturing industry and on the right-of-way or work incidental to the operation, would not feel they were subject to charity. The work would go to all classes of the community and in a large measure to the most deserving element, the artisan. Relief contributions could be stopped and the amounts applied to the conversion cost and be either written off the capital cost or rated as secondary

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659F

financing at low interest rate, in the form of securities not redeemable.

EXISTING ELECTRIFICATIONS ABROAD

Below is given a table showing the approximate route mileages electrified in various countries. (Weir Page 6- Para. 10).

"There are a number of railways operated by electric traction abroad, both in use and under construction. The following table gives the approximate Route Mileages electrified in various countries:-

	Route Miles		Route Miles
Australia	256	Italy	1,013
Austria	443	Japan	215
Canada	40	Mexico	79
China	25	Morocco	150
Cuba	156	New Zealand	15
Czecho-Slovakia	30	Norway	143
Dutch East Indies	26	South Africa	194
France	1,042	South America	544
Germany	968	Spain	570
Holland	84	Sweden	726
India	151	Switzerland	1,542
		United States	1,870

These figures include both Suburban and Main Line Schemes."

The reason for electrification in these various countries have been many, the principal ones being:

(a) To make use of available water power.

(b) To avoid the importation of foreign coal.

(c) The existence of steep gradients and long tunnels.

(d) On the grounds of traffic density.

(e) Insuring of independent railway operation in time of war.

(Weir Pages 6 & 7 - Paras. 11 to 17)

All these reasons were not common in every instance. For instance Italy in excess of 1000 route miles was electrified for the purpose of using available water power and to avoid the importation of coal.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

The same is true of Sweden within excess of 700 route miles. In this instance gradients and tunnels were not a factor.

In the case of Germany, where large quantities of coal are available, the reason was a desire to use available water power and the existence of gradients and tunnels.

In the United States the motive was economy of electric operation in dense traffic areas and the advantage of electric traction in passenger terminals.

In France the question was intimately bound up with the development of water power resources. (Weir Pages 6 & 7 - Paras. 11 to 17)

ALTERNATIVE MOTIVE POWER OTHER THAN ELECTRICITY

Under this heading we cannot do better than quote Wier Page 11 - Para. 29 and part of Para. 30.

> "The essential characteristic of electrification as compared with all other traction systems is the removal of the generation of power from the train. All other systems involve carrying the power generator on the train. Later it will be seen that this characteristic is responsible for most of the advantages and economies arising from electrification. Before a train can move under electric power a very large addition must be made to the capital account for expenditure on transmission lines, substations, and track equipment, all these items being fixed and immovable. It is for this reason that the electrification of a railway becomes a problem requiring the most careful consideration. To-day with steam haulage it is, of course, open to a railway company to take advantage of any alternative form of tractor, such as an improved steam locomotive, a turbine locomotive, an oil engine, or an oil electric unit. It is merely a case of substituting one independent unit for another, whereas with electrification it is impossible to change the system without rendering useless a large proportion of the capital expenditure. Electrification of an existing system means the incurring of a heavy new interest charge on fixed equipment, and then the replacement of independent coal burning locomotives by dependent electric haulage units.
>
> With these considerations in view we have felt it necessary to make some investigation into the value and importance of other alternatives to the existing

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY

steam locomotives such as turbine locomotives, unconventional high pressure locomotives, petrol units, oil engined and oil-electric units. W ithout going into details we found that development is steadily taking place in the steam field and greater fuel economies are likely to be realised, but that it is probable that such fuel economies will be offset to a large extent by additional repair and maintenance charges and the higher capital cost associated with these new developments.

The most important alternative to the steam locomotive other than electrification is undoubtedly the oil engine. Here we have a prime mover of high fuel economy, requiring practically no water, while the storage and distribution of the fuel is simple. Unfortunately the general speed torque characteristics of the oil engine are inferior to those of the steam engine. In order to overcome this difficulty electricity has been adopted in the oil-electric locomotive as a means of connecting the oil engine to the wheels. Investigation of the use of oil-electric sets on trains discloses, however, that for a line with a frequent service, it would appear more economical to take the oil engines off the trains and put them in fixed generating stations supplying electric current to the moving train."

ROAD HAULAGE BY MOTOR TRUCK

Under this heading, a reference to the Weir report - Page 13 - Para. 38 would appear relevant, especially in that it refers to conditions in England, where roads are good and distances between cities much less, by comparison, than found here.

"We have in Para. 7 already expressed the view that no existing development appears likely to displace the railways as our main transport agency, but in expressing this view we cannot evade recognition of the possibilities of road transport. There are no data to indicate the real relative costs of transporting by road or by rail the wide range of traffics now dealt with by railways, and it is therefore difficult to form any authoritative judgment, but within the bounds of reasonable speculation we cannot anticipate the general supersession of railways by roads."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY

It is obvious that, sooner or later, some measure of protection must be given to the large investment, represented by our Railway Companies, as against road competition, either by prohibition or taxation. It is not reasonable, that the expense of maintenance of roadway should be met by the public purse, and this competition allowed, unless some measure of similar relief is given the railways.

SCHEME

The scheme embodies the taking over from the railways of their various direct line rights-of-way, between Windsor and Montreal, and the abandoning of other than what may be necessary to operate a double track line. These rights-of-way would be taken over by a corporation, whose identity would be independent of either of the two Railway Companies or the Ontario Hydro Electric Power Commission. This independent Corporation, for purposes of identification, can be called Railway Rights-of-Way Limited, and, for convenience in the body of this memorandum, will be indicated by R.R.W.

The R.R.W. would take over these rights-of-way by purchase or otherwise, and would maintain and absorb the expense, not only of equipping the rights-of-way for electric transportation, but the cost necessary to divert lines (utilizing parts of all trackage) so as to pick up points on one line not serviced by the other, as well as utilizing as far as possible subway facilities with a view to the elimination of grade crossings.

The R.R.W. would purchase power at the bus-bars of sub-stations, which sub-stations would be located at strategic points along the line. This power would be purchased from the Ontario Hydro Electric Commission at a rate which should be, owing to its constant load and volume, considerably less than the Commission could normally offer it with advantage to any other consumer.

The R.R.W. would operate and maintain the sub-stations incidental to the electrified trackage, and would charge against the railways, either on a mileage basis or by a predetermined annual fee, a sufficient sum to cover maintenance and capital charges.

At the end of the period of amortization, the charge to the railways would decrease in proportion to reduction in the amount necessary to meet interest and principal on the original cost of conversion.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY

The question of Ownership of electric tractors would be a matter for consideration by technical experts, but the Railway Companies' trains could be hauled either by their own units or by those owned by the R.R.W. This point would be a matter incidental to the question of capital cost and as to which corporation wished to bear it.

The administration of the R.R.W. is another matter which would naturally require expert consideration, but it could be under the control of a Board, functioning under the supervision of the Dominion Railway Commission, and composed of representatives of the Canadian National Railways, the Canadian Pacific Railway, the Ontario Hydro Electric Power Commission and such other members as circumstances might warrant.

ELECTRIC POWER SUPPLY

The source of power supply would be by contract with the Ontario Hydro Electric Power Commission and, as mentioned in the introduction of this memorandum, the requirements should be easily and gladly furnished from this source. It might be expedient to take some load from sources in the Province of Quebec, but this would be a matter of arrangement not necessarily relevant at the moment.

ARRANGEMENTS FOR POWER SUPPLY TO R.R.W. AND PRICE

The question of power cost to the R.R.W. is one of great importance. The Weir Committee at first used a unit of 0.5 penny per Kilowatt Hour but later reduced it to 0.475 penny. In this connection I quote Weir Page 9 - Para. 23.

> "At the same time a railway demand for energy, which might approximate to 20 per cent. of the whole national demand for other purposes, would most favourably affect the national load factor and thus reduce still further the cost of energy."

And again I quote Weir Page 11 - Para. 27.

> "In reply to a subsequent inquiry the Central Board stated that, provided the total railway load increased as estimated to a final figure of about 6,000 million K.W.H. per annum (Substation output) for complete electrification in about 20 years' time, it might be estimated that the price would by that time be reduced to 0.475 penny per Direct Current unit.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659k

A figure of 0.5 penny has therefore been assumed in the detailed investigations referred to below, and a figure of 0.475 penny in our general estimate for complete electrification."

With reference to the arrangements to supply power to the R.R.W., the suggestions here might be varied, but as the principal is substantially that recommended in the Weir Report, it has been followed.

The Hydro would own the sub-stations situated at strategic points on the right-of-way, and, make delivery of energy to the R.R.W. at the ~~[illegible]~~ bus-bars of the sub-stations. Operation of the sub-stations would be in the hands of the R.R.W., and by its employees. (Weir Page 10-Para. 26). Where sub-stations are already owned by Hydro, and can conveniently be utilized, this plan could be varied. Power transmission to the train would be by means of an overhead system.

INFLUENCE OF RLY. ELECTRIFICATION ON PRESENT HYDRO DISTRIBUTION

The value to the Hydro Commission, of the load which would be taken by the R.R.W., is not easily determined in dollars and cents. If the Hydro Commission must take delivery of power, write the cost off, as against its reserve, or charge it to the consumer by way of an increase in rates, would it not be advisable to sell power to the R.R.W., on the basis of a sliding scale, absorbing some loss at the initial stage of a long term contract, thus helping the infant R.R.W. and decreasing the Hydro's own burden ? It would seem that this proposal is one which could not help but be of interest to the Hydro Commission, and, at this point, I cannot do better than quote Weir Page 9 - Para. 24.

"The addition of a large demand for railway electrification will have the effect of considerably accelerating the construction of such new generating stations and adding materially to their number. A close examination of the trend of power station design and the results already achieved in this country and elsewhere lead to the conclusion that the cost of energy sent out from such new power stations will be substantially less than the present cost at even the most efficient selected stations. The average cost of production will thus be reduced more rapidly

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

than would be possible without railway electrification.

"The diversity which would undoubtedly exist between the demands of the Railway Companies and those of Authorised Undertakers from the Grid System would also have a favourable reflection in the cost of generation for both parties.

"(b) The use of the Central Board's primary 132,000 volt transmission system jointly for supplies to railways and authorised undertakers will result in a lowering of the Board's charge to authorised undertakers in respect of transmission and administration, for the reason that certain of the main transmission lines now being erected will not normally be fully loaded for the purpose of supplies to authorised undertakers and can, therefore, be used in part for supplies to the railways, while the average cost of primary substations will be improved, since the cost of extensions will be less per kilowatt of demand than was the original cost, as the land, and to some extent the structures, will be common both to the original and to the extended sub-stations.

"(c) The secondary lower pressure transmission system which will be required to distribute energy from the Board's main Grid substations to the substations feeding the railways could, in many instances, be combined with the Board's secondary lines supplying authorised undertakers. The cost of secondary transmission to authorised undertakers would thus be lower than would be possible were no electrification of the railways undertaken.

"These are important considerations when it is remembered to what extent general expansion - and in particular industrial expansion - of the use of electricity is aided by every lowering of cost. But quite equally important is the consideration that the development of rural electrification will be greatly accelerated, for the secondary lines feeding the railway substations could be tapped to afford general supplies in many areas which, owing to their sparsely populated nature and low demand for electricity, could not commercially be supplied if it were necessary for them to bear themselves the full cost of the necessary transmission lines."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

ARGUMENTS IN FAVOUR OF ELECTRIFICATION

When discussing this question, we must, of course, base our remarks on the fact that steam power is now in the saddle and that coal is the fuel. Further, that a change to electric locomotion is unquestionably a costly item. We must also consider other means of locomotion, such as gas, oil or a combination of oil-electric. Again we must consider the factor of motor competition on the fine highways which now exist and which are maintained by the public.

Lord Weir's report takes all these factors into consideration and in connection with the latter I quote Weir - Page 5 - Para. 7.

> "During recent years British railway transport has had to face two new and major phenomena - the growth of road transport both for goods and passengers, and the long spell of depression in many British industries, mainly those concerned with primary production. The effect of these two factors on the gross and net revenues of the Railway Companies is well-known and does not need emphasis. On the other hand we have found it impossible to form any precise or statistical estimate of their incidence.
>
> In spite of this rather formidable shrinkage in railway revenues, we do not consider that any developments which have yet taken place are likely to displace the railways from their position as the main agency for the transport of goods and passengers in this country, or that the country's need of rail transport as a primary factor in production will diminish, however, the character of the service needed or of the traffic to be conveyed may vary with the changing needs of industry. We have therefore approached the question remitted to us constructively, as one vitally affecting an industry which is itself vital to the future progress of British enterprise and production.
>
> Faced with the two handicapping influences of road competition and depressed primary industries, it is quite apparent that, apart from the more normal efforts to achieve reduction in costs, the railway companies must be on the look out for and examine any more radical change in operating methods, such as a change in haulage system. Success in this search, such as

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 n

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

may be possible, for example, through main line electrification, coupled with a revival or rejuvenation of industry, should enable the railway systems to retain for long their natural position of supremacy in national transportation."

Comparing the general case of steam as against electric, I quote below from Weir's report Page 6 - Para. 11.

"A very full investigation of the economics of electric traction as compared with steam traction, based on 1929 conditions, has shown a saving of about £200,000 for the year in favour of electric traction, after payment of all interest and amortisation charges. It should be noted that the capital involved in this case includes the cost of the Hydro Electric Power Stations and transmission lines, as most of the Electric supply for the Railways is generated in Power Stations built specially for this purpose. In addition to this small but definite margin of profit on Electrification, which it is stated is likely to increase in future, a number of other advantages have accrued which cannot be evaluated in terms of cash. The increased cleanliness and comfort from the passenger point of view and the acceleration of both passenger and goods trains have proved of very substantial benefit in combating road competition."

In this connection, Weir remarks that where coal supplies are ample in England, Hydro Electric resources are scanty and, generally speaking, there are few gradients and long tunnels.

"We are satisfied that there is no adequate foundation for the idea, so generally prevalent, that the scarcity of water power resources in Britain is in itself sufficient to render railway electrification uneconomical; at present prices of coal it is possible to generate electricity in a system of interconnected steam stations at a cost which compares favourably with that of the majority of hydro-electric developments."

This would indicate that even with cheap coal electricity has the advantage. Weir Page 8 - Para. 19.

"Where electric haulage has been adopted on suburban service, the railway companies have found themselves in the position of having a transport

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

machine of such improved capacity as to secure very rapidly an increased revenue."

Weir Page 6 - Para. 20

"We were informed that the proposals for the Brighton extension of the Southern Railway electrification would involve an increase of between 100 per cent. and 150 per cent. in passenger train mileage and that the scheme would be justified financially if as a result there were an increase of 7 per cent. in the passenger traffic. The goods traffic on this line will not at present be electrically operated so that the whole of the capital charges of electrification have to be borne by the passenger traffic."

In considering electric power, some may say that it is not justified over a main line scheme, but, only in cases of dense suburban traffic. An interesting sidelight on this is found in Weir's report Page 8 - Para. 21, which follows:

"It may be said that suburban electrification is undertaken with the intention of attracting a considerable increase of passenger traffic by the provision of a much improved service, the additional cost of which will be substantially less than the additional revenue anticipated therefrom.

In the case of main line electrification on the other hand, although it is reasonable to anticipate that the additional facilities and amenities will in fact lead to some increase of traffic, the case must in general rest on the economies to be effected in handling existing traffic only, and no such increase can safely be assumed in any conservative investigation of the economic aspect of such a scheme.

At the same time we note that:-

(a) the capital cost of suburban schemes per track mile is necessarily high as compared with main lines.

(b) even so, the fixed charges can be borne economically by a proportion only of the total traffic, the remainder being still steam-hauled.

(c) the cost of electrical energy on existing suburban schemes is higher than the price at which it could be supplied for a general electrification scheme and

(d) the average traffic density of typical suburban schemes is but little greater than that carried

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY

on a considerable mileage of main lines.

These considerations seem to indicate prima facie that the economic possibilities of main line schemes are encouraging."

Weir gave careful study to this angle and had Messrs. Merz & McLellan prepare individual reports on two schemes, namely:

1. London & North Eastern with a route mileage of 492 miles and a track mileage of 1,944 miles including both heavy through traffic and light local traffic in sparsely populated districts.

2. London Midland & Scottish consisting of 193 route miles and 843 track miles, consisting of main lines with heavy traffic in an area mainly industrial and with heavy gradients.

The results are at first somewhat unexpected. The L.N.E. shows a return of 7.22% while the L.M.S. in an area of dense traffic and heavy gradients shows only 2.5 on the net capital outlay. (Weir Report Page 15 - Para. 40)

The electrification of purely suburban railways has been successful from an economical and technical aspect. (Weir Page 5 - Para. 8)

It has further been clearly established that a more rapid and better service has in every case had the effect of bringing about large increase in traffic. (Weir Page 7 - Para. 18)

In Sweden a main line project (completed in 1926) was subjected originally, to criticism, on the grounds that traffic density was insufficient. A special investigation in 1928 (the third year of working) has shown all capital charges covered, with an appreciable margin, together with other advantages not determinable in terms of money, and, financial advisers have recommended a further programme of electrification. (Weir Page 7 - Para. 12)

After a full investigation covering all alternatives to steam Weir states - Page 12 - Para. 31

"From all the evidence we conclude that none of the alternatives to steam which we have examined is either sufficiently developed to warrant widespread adoption as an alternative to the steam locomotives of today, or even holds the probabilities of development into an effective alternative to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 c

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

electrification for main line purposes."

On the question of advantages, we quote extracts from Weir Pages 12 & 13 - Para. 33.

"The direct financial advantages of electrification are expressed in the estimates which follow, and the benefits to the national electric supply system are embodied in the statement by the Central Electricity Board in para. 24 above. In addition to these there are a number of other advantages, many of which have a cash value, although it cannot be assessed with any accuracy.

(a) The overload capacity of an electric tractor permits an increased rate of acceleration, and an increase of average speed and speed on gradients so that it is possible to obtain a greater uniformity of speed among different classes of trains on the same track. In consequence of this, it is less frequently necessary to shunt a goods train to allow an express to pass, and as a result the overall speed of the goods train can be much improved while at the same time the capacity of the line is increased, thus avoiding possible capital expenditure on widenings, quadrupling etc. The same factor provides an increased capacity for making up time and hence greater punctuality. Typical examples, taken from the detailed investigations referred to hereafter, show a reduction in the journey time of a stopping passenger train from 2 hours 32 minutes (steam) to 2 hours 8 minutes (electric), and a similar reduction on a fitted freight train from 3 hours 48 minutes to 3 hours 1 minute.

It should be noted that although the speeding up associated with electric traction involves increases of average speed we have not contemplated any material increase of the maximum speeds already attained by the faster expresses.

(b) The capacity of terminal stations is increased by the use of multiple unit stock and the fact that electric locomotives do not require water, coal or turntable facilities. Shunting movements and signalling are much reduced and traffic movements expedited.

(c) The abolition of smoke and steam must have a substantial effect in reducing corrosion and dirt and thus on the expenditure on maintenance, painting and cleansing of structures and vehicles. Since electrification the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

Swiss Federal Railways have effected an appreciable reduction in cost of maintenance of permanent way in tunnels owing to the safer and easier conditions of work therein.

In large towns the abolition of locomotive smoke would be of considerable benefit to those living near the railway, and would enhance the value of adjoining property.

From the passenger's point of view the amenities afforded by the elimination of smoke especially in tunnels and the reduction of dirt and noise are an appreciable attraction."

"The even torque of the electric locomotive and the absence of hammer blow together with other features of suitable design make it possible to provide an increase of power on a limited axle load with the result that it will in some cases be possible to avoid renewal or strengthening of bridges. It has been found also on electrified lines that the maintenance of coupling gear has been materially reduced by the even torque of the electric motor."

"Apart from the increased capital burden involved in electrification, the actual operation of train haulage can be performed more cheaply by electric traction than by steam traction, and the operation of additional services is thus more economical with electric than with steam working. This applies not only to the provision of additional excursion facilities, but also to the provision of a more frequent service of lighter trains on sections where the traffic is likely to respond to an increase of frequency. Flexibility of operation is thus increased, and full advantage can be taken of the cheaper cost of electric haulage."

OBJECTIONS TO ELECTRIFICATION

Lord Weir covers this question in a short para. on page 13 of his report, the opening sentence of which we quote.

"Apart from the heavy capital expenditure involved, the disadvantages are, comparatively speaking, of a minor nature."

FIELD FOR SAVINGS IN HAULAGE COST

In this connection I cannot do better than quote Weir in full - Page 14 - Para. 36.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

"Having now established the more general considerations associated with electric traction we proceed to the application of them in a definitely economic sense, but we consider it essential to indicate in the first place the field of existing expenditure over which any savings or economies have to be realized.

The components of haulage cost directly affected by electrification are in general the cost of wages, fuel, water, stores, etc., for operating, maintaining and renewing locomotives; in addition to these the wages of guards and the cost of cleaning vehicles afford definite scope for a reduction in costs on electrification.

A number of other items which are mentioned in para. 33 (Advantages) are also of certain financial benefit, but we have not considered it possible to assess definite cash values to them and we have therefore omitted them from our estimates, which are to that extent weighted against electrification.

In 1929 the total of the above costs for the steam operated Railways of Great Britain amounted to about £54,760,000 or 23.5 pence per engine mile; out of this the most important items are:-

	Pence.
Locomotive and Shed Wages	9.0 or 38 per cent.
Locomotive repairs and renewals	5.6 or 24 per cent.
Fuel	5.3 or 22 per cent.
Guards' Wages	1.8 or 8 per cent.

The balance of 1.8 pence (8 per cent.) comprises maintenance of locomotive building, water, lubrication, stores and clothing, cleaning of vehicles, National Insurance and miscellaneous.

All our investigations show that on the item of fuel comparatively little saving will be made by the substitution of electrical energy in place of coal (at existing prices) and even though a saving of about 50 per cent. may be realized on the total of 1.8 pence for minor items, the net gain will be comparatively small. It is therefore in the field of locomotive wages and locomotive repairs that electricity must establish its economic gain.

The total of locomotive and shed wages will be largely reduced by reason of the facts that an electric locomotive does not require the time spent in lighting fires, raising steam, coaling and watering, cleaning fires, movements to turntables etc.; and daily cleaning and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

maintenance services will be considerably reduced for each locomotive, apart from the fact that the total number of tractors is likely to be reduced by over 50 per cent owing to the much larger annual mileage obtainable from electric tractors. In addition to this, there will be some acceleration of many of the slower services double heading, where necessary, will not entail a crew on the second engine, and there will be a considerable extension of multiple unit operation on which, with the "dead man's handle" equipment, one motorman only is required in place of the two men on a steam locomotive. Similar arrangements would be adopted on shunting locomotives and subject to certain limitations, on train locomotives.

Considering locomotive repairs, the electric locomotive is, as regards wear and tear and overhaul requirements, a far simpler apparatus than the steam locomotives; the elimination of the boiler and reciprocating parts in particular is a most important factor, and it is well established by extensive experience that the frequency and extent of periodical overhauls are far less with electric locomotives than with steam.

In the case of the smaller item of guards wages it has been ascertained that the increased overall speed of a large number of the slower trains will effect a material reduction in this charge.

We should, however, make it clear at this point that our calculations have been based on existing rates of wages, and, wages items being the dominant factor, any appreciable alteration in railway wage rates would modify the result of our calculations."

COMPARATIVE WORKING COSTS - STEAM and ELECTRIC

(Weir Page 20 - Table 2)

(See next page)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 u

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

"Estimate of Comparative W orking Costs, Steam & Electric

(Including only items affected by electrification)

		Steam £	Electric £	Saving £
1.	Locomotive fuel or electrical energy --------	12,310,446	11,280,000	1,030,446
2.	Locomotive wages ----------	20,932,485	10,778,712	10,154,773
3.	Repairs of Tractors ------	10,819,012	4,660,000	6,159,012
4.	Water for Locomotives ----	883,666	-----	883,666
5.	Stores, Clothing and Miscellaneous ----------	985,992	453,000	452,992
6.	Lubrication ----------	290,415	102,000	188,415
7.	Maintenance of engine sheds and shops ----------	436,959	175,000	261,959
8.	Guards wages ----------	4,296,462	3,653,462	643,000
9.	Cleaning of vehicles ----	933,500	700,100	233,400
10.	Insurance, Pensions, etc.-	794,250	397,150	397,100
11.	Savings on Maintenance of Train Lighting Sets ------	-----	-----	513,000
12.	Savings on Auxiliary Power and Light Supplies ------	-----	-----	840,000
	Totals ----------	£52,604,127	£32,199,424	£21,787,703
	Additional Costs of Electrification:-			
13.	Maintenance and Renewals of Electric Track Equipment		3,385,000	
14.	Maintenance & Operation of Sub-Stations -------		1,056,000	
15.	Increase in Depreciation (Renewals) of Electric Tractors compared with Steam ----------		20,000	
	Total ---------		£4,461,000	

Gross Savings due to Electrification ----------	£21,787,703
Deduct extra costs of Electrification ----------	4,461,000
Net Saving due to Electrification ----------	£17,326,703
16. Additional net Revenue on Haulage of Coal to Power Stations ----------	254,000
6.7% on £261,000,000 =	£17,580,703"

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659

CREDIT ITEMS WHICH COULD BE APPLIED TOWARDS COST OF CONVERSION

This opens up so many debatable points that a detailed discussion had better be left to experts, but some items are obvious and are therefore given here.

I have already mentioned contributions to unemployment relief which could be applied to a reduction in capital cost.

In taking over the rights-of way and eliminating all but one double track line, there would be the saving in maintenance of the abandoned trackage together with any sums which might be obtained through their disposal. The equipment could be utilized elsewhere for renewals in place of new purchases. This equipment would have some life and, therefore, would have some credit value.

Steam locomotives could be used elsewhere on lines not electrified and the balance of their life value would be a credit.

As electric tractors have a 30% greater haulage capacity than steam locomotives and, therefore, the question of renewal and maintenance of the additional steam locomotives, were they used, is an item which on calculation could be applied as a credit.

The greater cost of maintenance of steam locomotives during the primary years of electrification is an item which on calculation could be applied as a credit.

Stocks of coal on hand, or which would normally be purchased during the primary years of electrification, is an item which, on calculation, could be applied as a credit.

As stated before, the repair requirements for electric tractors are much less than those for steam locomotives, (Weir Page 18 - Para. 44 - Sub-para. 5 - Table 1) and, therefore, the reduced value of spare parts kept on hand would, on calculation, be a credit item.

Coal trucks employed on hauling coal could be used elsewhere and the cost of haulage, plus the balance of life value as well as maintenance during primary years, on calculation, could be a credit.

Owing to the acceleration of traffic, a 30% reduction in rolling stock - i.e. passenger and freight - is an item which, on calculation, could be applied as a credit. This rolling stock could be used elsewhere.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 W

A considerable quantity of plant machinery and equipment, used for maintenance of steam right-of-way, would have a value, as it could be used elsewhere and could be a credit.

As the lighting of trains would be supplied from overhead wire, train lighting equipment, in the shape of dynamos, batteries, etc. would have a balance of life value and could be used elsewhere. This would be a credit, as would be the cost of operation on calculation. The same could be said of the renewals and replacement value to be calculated at so much per month.

Certain land, buildings, water supply facilities and the cost of water, on calculation, could be a credit.

In assuming the above credits, it must be understood, of course, that the capital cost referred to contemplates the complete conversion and the supply of new equipment commencing its full life value. Also the value of the credits, mentioned above, represent real relief in railway operation commencing at the time the electrification goes into operation.

In support of these credits, we refer to Weir Pages 18 and 19 - Para. 44 - Table 1.

THE FINANCING SCHEME

The financing is a question with many possibilities, which will be subject to conditions unnecessary to elaborate upon herein, other than to state, that as the total sum will be large, and the period of amortization extensive, a careful investigation would be essential.

It is suggested that the protection offered by agreements from the two Railway Companies, covering an amount sufficient to pay operation, maintenance, interest and amortization on the capital cost, be the underlying factor, together with what measure of Federal and Provincial guarantee, could, on investigation, be equitably included.

It is suggested that the capital cost of substations be borne by the Hydro Electric Power Commission, but the maintenance and operation of same be the obligation of the R.R.W.

The writer believes a suitably controlled contract could be entered into with financially competent engineering corporations, who would undertake to finance the conversion at

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

attractive interest and amortization figures, and, on the basis that the sums payable for interest and amortization, over a minimum number of primary years, would be scaled down, increasing, say, at the end of five years, and, the deficiency over the first five years, payable in the second five years of an assumed twenty-five year amortization term.

The writer has in mind a British Engineering Corporation of long experience, whom he believes could be interested in such a proposal.

As this whole question would be one of negotiation, and governed by circumstances, only a general suggestion is made.

THE SPECULATION

The speculative aspect is, of course, a gamble but in this connection I quote below - Weir Page 13 - Para. 35.

> "In considering any large capital expenditure and in estimating the financial results, it is essential to bear in mind not only whether sufficient allowances have been made for upkeep and depreciation, but whether from the point of view of speculative future development the expenditure is likely to be an asset of permanent value. The expenditure of electrification of railways is mainly represented by apparatus already of very high efficiency and therefore capable of no outstanding improvement in the future. The sub-station machinery and the motors on the trains have very high efficiencies and obsolescence is therefore bound to be relatively small. In this respect electrical apparatus is in a different category from either steam or internal combustion plant. In electrification the part of the system which must be written down is in the power station, because it may be expected that on account of its relatively low efficiency it will be liable to steady improvement. In the case we are considering the expenditure on this plant in the power station would of course not fall on the railways, and as and when improvement takes place, the price of electricity to the railways will be gradually reduced by the adoption of the improved apparatus.
>
> On the other hand, it is proper to consider the speculative possibilities of alternative systems of transport, as differentiated from alternative systems of rail haulage. We have in para 7 already expressed the view that no existing development appears likely to displace the railways as our main transport agency, but in expressing this view we cannot

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659

evade recognition of the possibilities of road transport. There are no data to indicate the real relative costs of transporting by road or by rail the wide range of traffics now dealt with by railways, and it is therefore difficult to form any authoritative judgment, but within the bounds of reasonable speculation we cannot anticipate the general supersession of railways by roads.

The only other speculative development which would affect obsolescence in the fixed capital expenditure on electrification (and which might also affect road haulage) might be in the field of electric storage batteries. We feel that the prospect of such development for heavy traction is inherently a remote one, and, as noted in para. 30, the possibilities for light units are still quite indefinite."

Weir points out on page 23 - para. 49 the risks and contingencies involved through arriving at conclusions based on estimates. He states that, in certain directions, estimates, though framed on the most conservative lines and on the advice of best technical experts, may prove erroneous, but then, Weir qualified this statement by stating that he makes it only with regard to the fact that he is reporting upon a scheme involving a tremendous sum in money, and, to bear this out, we would state that he estimates the total cost of the conversion of British Railways at approximately 323 million pounds sterling. From this cost he deducts credit items of approximately 62 million pounds sterling, leaving a net capital cost of approximately 261 million pounds sterling. On the other hand, Weir, in numerous places in his report, is at particular pains to point out that all his figures have been conservatively estimate, as far as he could judge, and that it would not be unreasonable to expect that they might, in many, if not all, instances by bettered.

GENERAL

Weir states Page 27 under the heading "General" being a portion of part 3 headed "Summary and Conclusions".

"The preceding are the conclusions we have formed, and we would bring our report to an end with one general observation. The existing railway system is a vital part of the equipment of our country and its efficiency and economy affect the lives of practically every inhabitant, our industry and our agriculture. A definite decision to alter the haulage system on a comprehensive programme, which in our view is the only method of achieving complete success, would involve a commitment of capital expenditure by the railways of about £261 millions,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

and of about £80 millions by the Central Electricity Board and other authorities, apart from the extra expenditure necessary in order to realise an intensive suburban development. The magnitude of this would be unique in the history of world enterprise.

On the other hand, we feel bound to point out that without any predetermined long term programme, our national expenditure on the construction, improvement and maintenance of roadmin the last ten years has probably amounted to the colossal sum of £500 millions and is now proceeding at the rate of over £60 millions per annum. Road haulage is in direct competition with the Railways for a large amount of traffic but, unlike the railway system, there exists for the roads no balance sheet or computation of profit and loss. There is no definite economic test of financial soundness. With this reflection in mind, we have no hesitation in concluding that the mere magnitude of the sum involved in complete electrification of our railways should be no deterrent in itself to the most careful and earnest consideration of such a programme on its economic and social merits. The decision involves national, financial and possibly ultimate political considerations and implications which we do not feel it is any part of our present duty to discuss, but we trust that towards the consideration of the problem which will no doubt take place in the minds of those concerned, the railways, the Government and the Country, we have at least made clear the essential economic factors."

In this connection, it should be borne in mind, of course, that Weir contemplated a complete conversion, to take place, by steps, over a period of twenty years, and, during that time, there would be a dual operation of steam and electric; steam gradually giving way to electric traction. This would involve the maintenance of shop and right-of-way equipment to maintain this dual service, thus loading the factor against the scheme.

One reason for the long term conversion was the necessity of using up existing steam rolling stock and equipment, as an equitable credit could be more readily obtained in this way than by disposal by means of auction or some similar method.

At this point we must quote Weir Page 21 - Para. 45.

"Having regard to the foregoing estimates, both detailed and general, we think it may reasonably be anticipated that, assuming general electrification on a 20 years programme, and assuming that existing traffics are maintained, there would be a surplus of approximately 2 per cent. available after meeting interest charges on the new capital involved. This is the crudest and most unimaginative expression of the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 aa

economic situation.

Such a return taken by itself would not appear from a business point of view to warrant the adoption of a scheme of such exceptional magnitude. The margin would, in our view, be too narrow for the risks and contingencies involved."

This opinion must be read, however, in sympathy with the peculiar conditions existing in the field covered by his investigations, as is indicated in the following - Weir Page 9 - Para. 23.

"At the same time a railway demand for energy, which might approximate to 20 per cent. of the whole national demand for other purposes, would most favourably affect the national load factor and thus reduce still further the cost of energy.

The position would be so radically altered that we think that if the Government adopt our proposals generally, then at the same time they should take steps to ensure that Railway Electrification is reviewed and reconsidered."

In the scheme outlined here there are many attractive possibilities, in that rights-of-way are available for temporary use while the conversion is taking place on others. It is true that adjustments must be made, but no one would attempt to say that the problem, from the most optimistic point of view, is a simple one. Again, Weir was faced with the fact that coal mining is a primary British industry, and, as a fuel, coal was a cheap source of power to the railways, involving no adverse import item as far as national trade was concerned. In connection with cheap fuel, we would point out that, owing to the lack of available Hydro electric power, it was contemplated that electrical energy would be produced in steam generating stations by use of coal.

An item, which might be mentioned here, is the possible sale to the Provincial Government of abandoned rights-of-way for through roads in connection with motor traffic. This last point might have the minor elements of a boomerang, owing to the supply of a competitive motor artery, but, as stated before in this memorandum, control of such is obviously essential.

The Ontario Hydro Electric Commission already have a power network capable of servicing sub-stations at suitable strategic points on the right-of-way, and, therefore, no great new cost is involved for this item, while the railway load should prove an attractive factor in the Commission's dealings with its present customers.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

1206596b

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

The following paras. from Weir's Summary are believed relevant (Page 26 and 27)

"An efficient and progressive railway system is and will continue to be a matter of vital importance to the Nation."

"In view of the competition of road transport and the existing industrial and agricultural depression, it is essential that the railways should examine new methods of reducing the costs of railway transportation."

"Suburban electrification provides no sound comparison of actual operating costs of steam and electric haulage, but it does present certain prima facie considerations in favour of electric haulage for main lines."

"Improvements in the fuel economy of steam tractors will take place, but such economy is likely to be counterbalanced by higher capital costs and maintenance charges."

"Apart from the direct financial economies of electrification as disclosed in comparative costs of operation, electrification offers important indirect advantages associated with speed, comfort, amenity, improved service, and increase of capacity."

"Leaving aside the financial aspects of the matter, the disadvantages of electrification relate almost entirely to the dependence of the system on centralised sources of electrical energy."

"The main items of haulage cost which can be materially reduced by electrification are locomotive wages and locomotive repairs."

"Assuming that such a scheme is carried out on a comprehensive programme over a period of from 15 to 20 years, on a conservative basis and on the assumption of existing traffic, the new capital involved on the part of the Railways would be approximately £261,000,000, and the return on this through the various economies would represent about 7 per cent."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY CAMPBELL AND SHEPHERD LIMITED, TORONTO, CANADA

CONCLUSIONS

The comparison as between the railways in Great Britain and those in Canada is, of course, the ratio of the cost to each of wages, electric power, coal, plant and equipment. The above ratio is again only comparative as the volume of traffic relates to income.

power, coal, plant and equipment. The above ratio is again only comparative as the volume of traffic relates to income.

As this memorandum is intended, only, to create an interest in an idea, in the hope that it will lead to a thorough investigation as to its possibilities, no attempt is made to present particulars as to the above comparisons. Should the interest be there, these figures can readily be made available.

The investigation of the Weir Committee has established that the advantages of conversion from steam to electric are many. We also learn from this same report that there are many national factors which make such a conversion worthy of consideration.

The situations surrounding Hydro, the Railways and Beauharnois can be added to the factors quoted by W eir.

The DuffCommission which has just made its report recommends in part as follows:

> "Aggressive competition should cease in regard to subsidiary services, such as hotels, telegraph system and express services.
>
> New C.N.R. trustee commission and C.P.R. directors to agree on schemes permitting harmonious working of these services now operating competitively.
>
> Unwarranted duplication in services or facilities must be eliminated.
>
> Co-operative measures must be adopted by two railways to remove unnecessary or wasteful services or practices.
>
> Joint operation of properties which may be conveniently and without detriment to either party so operated is recommended."

The scheme outlined herein would seem to have some sympathetic relation to these recommendations, and, therefore, this memorandum is submitted for perusal.

BBC/L

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Microfilm (ARCHIVES, Series E (M.G. 27, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 dd

The Right Honorable Arthur Meighen, P.C., K.C., M.P.

MINISTER WITHOUT PORTFOLIO

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 dl

Montreal, December 17th, 1932.

The Honourable Robert James Manion,
Minister of Railways and Canals,
Ottawa, Ont.

Sir;-

We respectfully beg to submit for your consideration the following observations relating to the industry of Railway Car Building in Canada, and our proposal that the distressing condition of unemployment in the City of Montreal and elsewhere in Canada could be substantially relieved by the placing of orders by the Canadian National Railways in the shops of the Canadian Car & Foundry Company in a manner which would also result in considerable benefit to the Government owned system of railways.

As this subject has already received your attention as presented by the Eastern Car Company, upon whose application under somewhat similar circumstances your Department has afforded assistance, it might seem unnecessary to trouble you with an elaborate presentation of the subject; but as our proposal is based upon the established policy of the Government to assist in the relief of citizens in distress because of lack of employment, we are taking the liberty to present our proposal to you in some detail.

Our Company and its subsidiaries carry on manufacturing operations in the Provinces of Nova Scotia, Quebec and Ontario. The combined Companies have an investment of $24,768,292.00

In the various Car Plants of the Company there is an annual capacity output of 20,000 freight cars and 400 passenger cars. $6,[illegible],000.00

In 1929 our total Works' payrolls amounted to $6,230,600.00

In that year our sales amounted to $37,833,140.00

and the major part of this sum was expended for materials also produced in Canada.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Honourable Robert James Manion

For the four years 1928-1931 inclusive, also adding our very small output for 1931, we disbursed in wages $16,895,600.00

Our total sales for the same period amounted to $81,760,916.00

Our workmen employed in 1929 averaged 4,600 daily. Our average daily employment from 1928-1931 inclusive, numbered 3,060 workmen. At the present time all our Plants are practically idle.

These statistics show that ours is one of the major industries in Canada, and that from 15,000 to 20,000 people are dependent for their livelihood on the operation of our Plants. Probably a larger number of individuals in Canada are also without means of livelihood because we no longer can make use of their own industries.

The benefits arising from the regular operations of our car manufacturing plants and their employment of labor are not limited to the locality where the construction of cars is actually carried on,- a still larger force of workmen is employed in producing the materials which we make use of. We believe the widespread value of the railway car building industry in relation to the industrial and economic life of Canada cannot be over emphasized, and there is no other line of manufacture in Canada offering such facilities for the alleviation of the unemployment and distress such as is existing today.

The great variety of raw and finished products entering into the construction of railway freight and passenger cars gives momentum to upwards of six hundred factories, for now practically one hundred percent of the materials incorporated are the products of the Dominion. The mines and forests participate to the fullest extent, and the Railways of Canada enjoy freight haulages to car assembly plants from the Atlantic to the Pacific,- steel originating in Nova Scotia and Algoma, and lumber in British Columbia and Quebec.

To exemplify the importance of the industry in Canada, statistics have been taken from our records to show the effect upon industrial and economic life of the Dominion by the manufacture of two thousand standard fifty-ton Box Cars. It is estimated that from the activity produced in the building of these cars and in the manufacture of the component parts, the following benefits would accrue;-

A. Canadian Railways would earn freight amounting to $520,000.00

B. Wages would be distributed among Canadian workmen to a sum aggregating $1,400,000.00

C. The Inland Revenue Department would collect Business Income Taxes amounting to $16,836.00

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Honourable Robert James Manion

D. The Inland Revenur Department would collect Sales Tax amounting to $300,000.00

E. There would be distributed throughout Canada in payment for direct materials entering into the manufacture of two thousand cars, the sum of approximately $4,000,000.00

F. In addition to the amount expended for direct materials covered by Item E, there would be an inestimable amount of money distributed for indirect materials, such as, fuel, power, insurance, etc., as well as provision made for salaries for office assistants and profits for other manufactures on which Income Tax would be collectible by the Canadian Government.

We attach hereto a table showing the materials and their origin entering into the construction of two thousand Box Cars. This statement shows points of manufacture of materials and approximate tonnage involved. It will be observed that the sources of supply are widely distributed,- no point of the Dominion most favoured, the various industrial Provinces enjoying their share.

It is estimated that close to 3,000 men would be continuously employed directly in the production of two thousand cars for a period of six months. Calculating that each worker is the means of support of an average family of five persons, the maintenance of approximately 15,000 Canadian citizens would be ensured for some time.

Moreover, there should be borne in mind the fact that monies distributed under Items E and F would result in the employment of a multitude which it is impossible to calculate.

There is a very obvious difference between the donation of monies by the Federal Government to assist communities in providing for their citizens destitute because of unemployment, and the application of public monies to the purchase of railway cars to be placed in remunerative operation on the Government Railways where they thus become a self-liquidating investment. If paid for by the well-known system of the issue of equipment trust bonds, the actual earnings of the cars will cover their carrying charges and ultimately liquidate their initial cost.

The present unremunerative operation of the Government Railways in common with all other railway systems on this Continent is well-known, but it is reasonable to suppose that these conditions will change before long and that the regular requirements of the Canadian National Railways must then be met by the construction of new equipment. When these improved conditions arrive, the necessity for relief of unemployed will, of course, have disappeared and as a consequence, the cars then purchased can only be produced at a material increase over present production.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Honourable Robert James Manion

During the years 1927-1932 inclusive, the Canadian National Railways scrapped approximately 19,700 cars, an average of about 3,300 cars annually. These Railways are now carrying on their rolls approximately 35,000 freight cars of wooden construction, being about 33 percent of their entire freight equipment. The Roads are also carrying 40,000 freight cars of various types aged twenty years or more. Cars of this low grade, small capacity, and of frail construction, could not be safely operated in heavy trains drawn by heavy locomotives, and they are no longer economical in service for any purpose in comparison with modern steel frame or of all steel large capacity freight cars. The National Railways have in recent years acquired a very excellent line of locomotives capable of hauling the heaviest trains, and consequently able to make a profit even at moderate freight rates,- the old type of cars cannot be safely operated behind these locomotives. It is evident that the scrapping process hitherto used must be expedited, and that the sooner the obsolete cars referred to are replaced with modern large capacity cars, the better showing the Railways will make in their net earnings.

There seems to be a certainty that the recent Ottawa Agreement with Great Britain will immediately result in a very substantial increase in long distance grain haulage over the Canadian railways, which requires the use of modern box cars. According to statistics given in the New York times of December 11th the shipment of Canadian grains out of United States ports has occasionally exceeded 100,000,000 bushels annually, and of all shipments those to British ports have averaged 30 percent.

By the recent ruling of the British Customs these shipments will in the future not enjoy the duties exemption given to shipments direct from Canadian ports. It seems probable that all future British grain shipments will be directed from Buffalo and New York to Montreal in Summer, St. John and Halifax in Winter.

According to the Canadian Bureau of Statistics the shipment of Canadian wheat from United States ports has averaged 88,883,132 bushels annually for the ten year period, July 31st. 1922 - July 31st, 1931. If this quantity should, because of the Ottawa Agreement, be diverted to Canadian ports by rail, there would result loads for 5,555 box cars of fifty-ton capacity. A substantial increase in grain haulage from this source seems probable.

We wish to emphasize the advantage of giving assistance to the workless in the manner we propose over the other two methods now in use, - direct relief and by construction of Public Works. Premier Henry of Ontario in Ottawa on December 14th. expressed doubt as to the wisdom of direct relief and advocated Public Work construction. The Montreal Herald of December 14th condemned Public Works construction and claimed that $70,000,000.00 spent for such purposes in 1930-1931 was at a cost of $10.00 for each day's work provided.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 44

The Honourable Robert James Manion

The method we propose will give regular employment for 3,000 work people directly and a much larger number indirectly. Their wages will be paid at the usual rates and the product of their labor will consist of railway equipment requisite for the economical operation of the Government owned railways, capable of operation for a long period of years, and the earnings from which will soon recoup their cost. Instead of making a donation, the Government will be making a self-liquidating investment.

The Canadian Car and Foundry Company now venture to propose to The Honourable Minister of Railways that an order be placed with them for 2,000 fifty-ton box cars, or such other type of equipment as may best serve the National Railways' requirements. We believe we will be able to arrange terms of payment in such a manner as may best accord to the financial program of the Government and of the Railways.

Respectfully submitted,

CANADIAN CAR AND FOUNDRY COMPANY, LIMITED.

(Signed) W. W. Butler

PRESIDENT,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

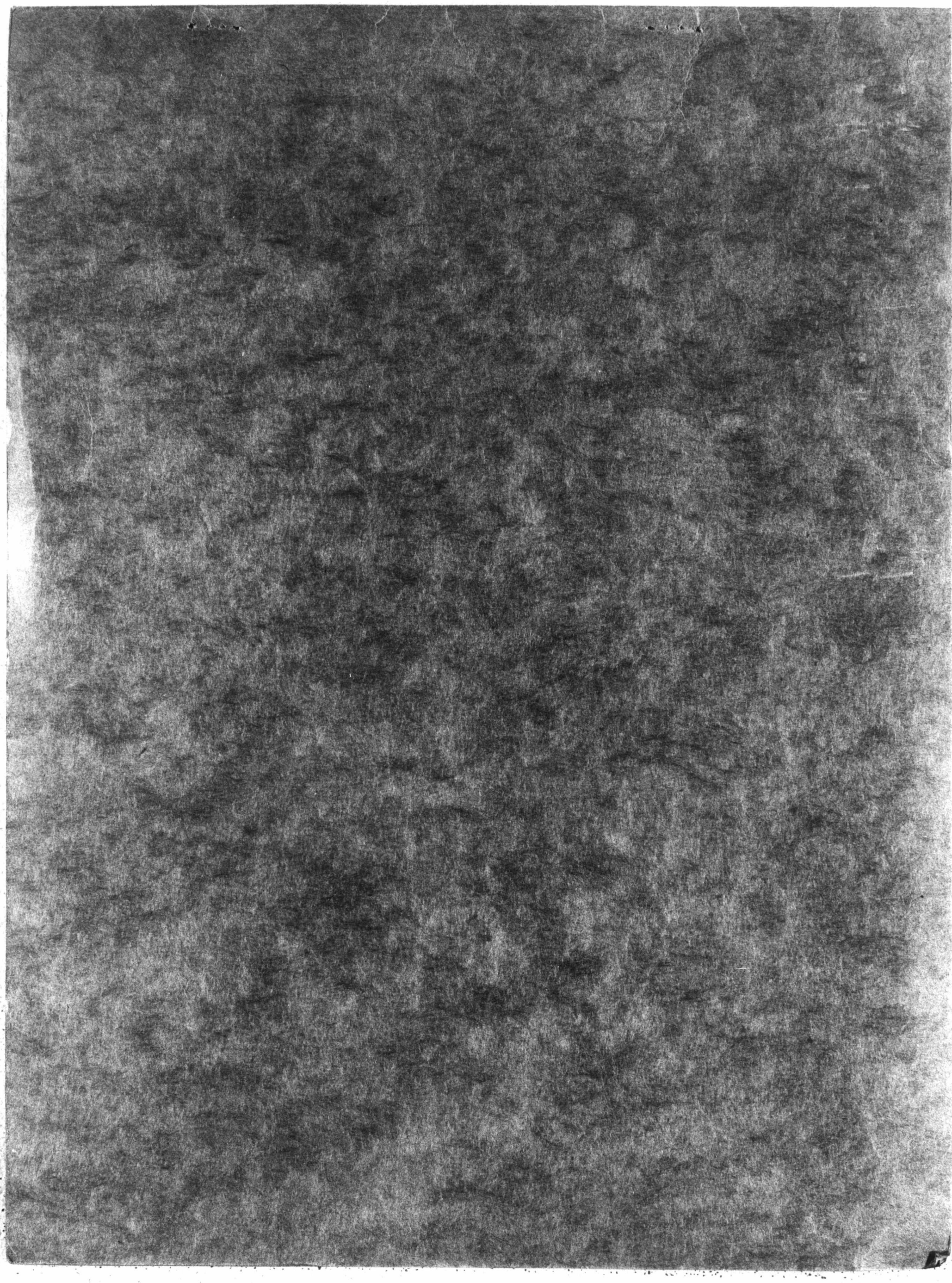
STATEMENT OF MATERIALS ENTERING INTO CONSTRUCTION OF 2,000 BOX CARS

POINT OF MANUFACTURE AND APPROXIMATE TONNAGE INVOLVED

		POINT OF MANUFACTURE	APPROXIMATE TONNAGE
	B. C. Fir	British Columbia (Various Points)	6,350 N.T. (5,086,000' B.M.)
	Spruce	Quebec, Nova Scotia (Various Points)	3,350 N.T. (2,396,000' B.M.)
	Rolled Steel & Axles	Sault Ste. Marie & Hamilton, Ont Sydney, New Glasgow & Amherst N.S. and Montreal, Que.	14,050 N.T.
x	Steel, - Center Sills, Car Section B-112, 12" x 40.3# x 41'6"	Great Britain	3,428 N.T.
x	Steel, - Side Sills, Car Section C-211, 7" x 15.8# x 40'6"	Great Britain	1,560 N.T.
	The above two items are procurable in Great Britain. They cannot be procured in Canada at the present time, although the Algoma Steel Corporation at Sault Ste. Marie now propose installing equipment for production, when tonnage justifies expenditure.		
	Steel Castings, including Couplers, Side Frames and Bolsters	Hamilton, Ont. Montreal, Que. and New Glasgow, N.S.	5,972 N.T.
	Draft Gear	Brantford, Ont. & Montreal, Que.	484 N.T.
	Air Brakes	Hamilton, Ont.	450 N.T.
	Roofs	Montreal, Que. - Material from Hamilton & Sarnia, Ont.	1,820 N.T.
	Ends	Montreal, Que.	2,000 N.T.
	Doors	Assembled in Hamilton, Ont.	2,600 N.T.
	Wheels	Hamilton, Ont. New Glasgow, N.S. and Montreal, Que.	6,000 N.T.
	Bearings	St. Thomas, Ont. Montreal, Que. and St. John, N.B.	200 N.T.
	Yokes, Springs, Bolts, Rivets, etc. etc.	Quebec, Ontario, New Brunswick and Nova Scotia (Various Points)	4,014 N.T.
		Total Weight	52,296 N.T.

Approximate Value, above items..... $ 4,160,000.00

Montreal, December 15th, 1932



PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Railway 120959 Tariff

347 Bay St., Toronto,
December 19, 1932.

Dear Mr. O'Connor:

I have your letter of 16th and quite understand the explanations you have given. I think the Hudsons Bay Railway, West Indies Steamships and Canadian Merchant Marine should be brought under the Bill.

Yours very truly,

Mr. W. F. O'Connor, K. C.,
Concourse Building,
Toronto, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 kk

W. F. O'CONNOR, K.C.
Concourse
BUILDING
TORONTO

December 16th, 1932.

The Rt.Hon.Arthur Meighen, P.C. &c.
Toronto.

Dear Senator-

The kindly humour of the opening paragraph of your letter of a few days ago is enhanced, perhaps, by the fact that my correspondent addressed his answer to his own secretary in Ottawa instead of to the writer whose address in Toronto appeared at the head of the originating missive. Omitting to sign letters may be providential, but omitting to read them as received is deplorable. The writing of letters at all, however, is vicious and I am for a law against it so that I may be saved from myself. Pending its enactment I hope to induce the support of Mr King, Mr Woodsworth or both in a campaign for fewer and better letters. They will be surprised, no doubt, to learn that there is something that they forgot. By the way- wouldn't it be great if the "Oxford" group should "change" them. Any kind of a change effected would suit.

I am replying to the less important portions of your letter by way of memorandum herewith enclosed.

Yours sincerely,

W. F. O'Connor

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659ll

Memorandum for Rt.Hon.Senator Meighen
re proposed re-draft of
Senate Bill A.

**

The change of nomenclature in section 10 (2) is necessitated by the fact that the word devices which relate to government operated railways are different in Chapter 172 and Bill A, respectively.

Assume that Mr Hungerford is to be "President" of "National Railways." It is a titular office merely, under the statute. It can be nothing else. There is no such corporation. He presides over nothing al all. However, he can only be properly described (qua the purpose of the section) at the moment of the enactment of Bill A, as the person who is "now charged... with the...duties of chief operating officer of the Canadian National Railways." The Bill so describes him. It does not refer to these railways as a juristic entity, which they are not, but as physical things. This described person, who has been acting under Chapter 172 R.S.C., continues to act after the enactment of Bill A under that Bill as enacted into an Act, and so continuing acts,"as for National Railways," until the to be appointed trustees appoint and commission with defined duties a "President."

This provision was drafted specially before Section 9 (5) was drafted. The latter draft in my view would care for the proposed section re President as chief operating officer if section 10 (2) were dropped. It

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659mm

can be carried along as it is for the present, but I am for dropping it if you concur. The words of section 9 (5) are that "until otherwise provided or directed" under authority of Bill A as enacted "every operation and service of the various companies comprised in National Railways shall continue and be continued by all and the same persons now concerned therewith as if this Act had not been passed."

I appreciate the force of what you have said against the practice of indefinite blanket amendment clauses. I don't like them either. But I can't agree that they have been rare or even unusual. I could show you that what is done by the very first operative section of Bill A (that is actual indefinite amendment) and which so far has been approved, is by no means for the first time done in Bill A. But my proposed section 9 (4), which is the one you had in mind when criticising sections of indefinite application, is not really of the class that, seemingly, we both dislike. The draft of section 9 (4), unlike section 2, which escapes, is of the "deeming" class. A deeming enactment leaves the original statute intact but compels a reading of it for a particular purpose in a particular manner, regardless of its terms. This was done in a wholesale manner in the case of the War Time Elections Act. The Dominions Elections Act was not repealed in whole or in part but, for a special time and purpose portions of it were to be deemed to be repealed. When the War Time Elections Act had served its day the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 nn

Dominion Elections Act provisions needed no re-enactment. They had never been repealed. You will notice that I have used this deeming device in places as between section and section even of Bill A.

It is impossibe at times, or undesirable, to make required amendments directly. Very often what is required cannot be foreseen or be known. This is so now. All that my draft does is to compel an adjudication in a matter falling within Bill A as if the inconsistent statute &c had been amended. In other words it only provides that the other statute &c cannot be read against or in defeat of the operation of Bill A. The limited scope of section 9 (4) can be made more clear by the addition of the words "for the purposes of this Act" after the word "deemed" in the draft . I shall make the change.

As to your suggestion that it might be better to prepare directly amending legislation, I have enquired and learned that that would be a very formidable task, involving much research as to fact. The legislation under which Canada carries on a railway business is in rather bad shape and sadly needs consolidation. Let direct amendment stand until it can be properly done. In the meantime you can "deem" yourself through any statutory or other labyrinth that is in the way.

The typewritten drafts will be prepared for the committee as suggested by you.

Are the Hudson Bay Railway, West Indies Steamships and Canadian Merchant Marine to be brought under theBill?

Dec.16/32. W.F.O'Connor.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659.00

347 Bay St., Toronto,
December 12, 1932.

Dear Mr. O'Connor:

I received a letter dated December 8th, unsigned. Can quite understand that it is unnecessary for you to sign your letters, as the reader can readily assume that no one else could write them.

Have gone over the Senate Bill "A" as re-drafted. First, on the subject of getting the re-draft printed, I would like to avoid doing this if possible. We have no order from the Committee to re-print, and no doubt quite a number of changes will be made both by excision and addition in this draft.

My suggestion is this:—that you prepare and have typed a memorandum for each member of the Committee setting out the amendments required to put the Bill in this form and heading the memorandum "Amendments to be suggested for the consideration of the Committee". The various amendments can then follow under the sub-headings of the sections and in such a way that where the amendment is of any length, the same can be extracted from the memorandum and attached to the member's copy of the Bill as and if such is adopted. For this purpose it might be better that such amendments be separately typed as numbers "A", "B", "C" and so forth, and attached to the memorandum.

As respects the re-drafting which you have done, I think it is a good piece of work. Have serious doubt as to the wisdom of the clause declaring that all sections of the Railway Act are to be considered as amended to comply with this Act. Have never seen such legislation before, and would be fearful of it. Possibly it would be better to have a separate Bill prepared for submission containing these necessary amendments.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

189898 pp

In sub-section 2 of Section 10, I am not clear as to the use of the term "Canadian National Railways" in the third last line as distinguished from "National Railways" as used in the last line.

In Section 19, sub-section 2, I think the following words should be inserted after the word "which" in the first line: - "in the opinion of the presiding officer specially".

In Section 20 I have struck out the word "Arbitral" in two places and have done the same in one place in Section 21.

You will remember I said to you before leaving that the Prime Minister was considering introducing a measure in the Commons effecting what this measure effects but leaving out the compulsory powers of the Arbitral Tribunals. I think it would be well for you to have a Bill run off which will satisfy this need, if it is decided to go on with it, as a sort of interim measure.

I will be down next week and will be getting in touch with you. Am returning the draft.

Yours very truly,

Arthur Meighen.

Mr. W. F. O'Connor,
c/o A. H. Hinds,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 99

W. F. O'CONNOR, K.C.

TORONTO 1410 Concourse Bldg.,

December 8, 1932.

The Rt. Hon. Arthur Meighen, P.C. &c.,
National Building,
Toronto 2.

Dear Senator Meighen:

re Senate Bill A

I suggest that it would be wise if, while we remember the various points raised by the various speakers before the Senate Committee, we should have a sufficient discussion, get things ready for resumption of committee sessions and rid our minds of the matter until such resumption. Our discussions heretofore have not, in toto, extended over more than an hour.

In order to abbreviate the proposed discussion I have made a second re-draft of the bill. This time I have included within it all amendments whereof I understood drafts to be desired by the committee and, as well, certain others which I thought you favoured but which have not yet been passed upon by the committee. I will refer briefly to some of these but they will need to be talked over, and I think that it would be well to have the bill run off again in print before committee sessions resume.

I have already said to you that because I had not considered that my instructions justified the rejection, when drafting, of any recommendation of the Duff Commission

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

DAK SAFETY FILM

as understandably expressed in the first draft of Bill A, the bill as redrafted must not be understood as being in my view workable. I did not mean workable in the sense of being compulsory or otherwise. I meant that, adopting the provided compulsory provisions as necessary the mode of instituting and executing them conceived by the committee was, in my view, fundamentally defective.

For the reason just stated the second redraft of Bill A which I now submit to you, and which I think is workable, makes certain changes of terminology which effect changes in the recommendations of the commission. After all, I am supposed at some stage to advise the committee, and reminding you that in law there is not nor is there proposed to be any legal entity by name "Canadian National Railways" or "National Railways" or "National Company" or "Canadian Pacific Railway System" or "Pacific Railways" or "Pacific Company", consisting of a jumble of companies, and of rights and liabilities, I think that although Bill A purports to do it, no such jumble nor anything else than a legal entity can be legally put under obligation to do anything or can ever be compelled to do anything, and that Mr. Beatty was quite right when he observed, in effect, to the committee that there were "ways of getting around a statute like this" if his company were so inclined.

The obligations to meet and agree, to appoint representatives &c &c are imposed upon such "jumble". The

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120850 SS

orders of the Tribunal are to be against it. Finally, assuming an order made, it must be enforced, as are Railway Board orders, through the Exchequer Court. How can this be done? Who will be the parties? There is, even now, a name, but not an entity, of "Canadian National Railways". The name describes or mentions quite a number of companies and railways, but it amounts to no more than a description. It is not a legal entity which can agree, appoint, sue or be sued.

To overcome this fundamental defect in the commission's recommendations I so provide in the redraft now submitted that obligations, such as to pay, engage, appoint, agree, perform or procure, shall be upon juristic entities. The change is effected quite simply. The "National Company" is C.N.R. Co. alone. The "Pacific Company" is C.P.R. Co. alone. I invent two new definitions: "National Railways" includes the C.N.R. Co. all companies comprised in Canadian National Railways, the C.N.R. Co. as manager &c. the undertakings of all these companies &c. The other new definition is of "Pacific Railways". I then provide, (see sec. 16) so that the National Company acts "for and on behalf of itself and/or any or all other of the companies comprised in National Railways". The definitions are so broad that every interest is brought in. There is a like provision as to the Pacific Company acting for and on behalf of itself &c.

The accompanying second redraft contains every word of the printed first redraft, even where words of that

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 tt

first redraft have been dropped and scored out. This is so that you may instantly note any change made.

Section 2 as now redrafted is intended to provide for Senator Murdock's objection, the Crow's Nest Pass matter and the Maritime Freight Rates Act mentioned by Col. Phinney.

Section 3(e) defines "National Railways". Do you intend to take in the Hudson Bay Railway, West India Steamships and Canadian Merchant Marine? I am to receive from the Dominion Railways Department a list of all companies and properties which may be or be brought under Bill A. I won't have this until some time in January.

Section 6(2) This was suggested by the committee and I was directed to draft such a provision.

Section 7(6) This is your own suggestion.

Section 7(7)(8)(9) This is an attempt to give effect to the views of Senator McRae and others. The simplest way of providing for the inability of a trustee to act (thus avoiding the loading of a number of other sections of the Act with provisions to meet the case) is by deeming a vacancy.

Section 9(3) The changes result from the new definitions and my desire expressly to ensure the succession of all corporations concerned.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 uu

Section 9(4) I think it quite advisable to add this. It provides, in abbreviated form, for what I have suggested from the first - express amendment of basic statutes &c.

Section 9(5) This is the "hiatus" section which you asked me to draft.

Section 9(6) This is an improvement.

Section 10(2) This is per your direction but adapted to fit the advised change of nomenclature.

Section 11(1) Directed by the committee.

Section 11(2) This "deeming" section will work and will avoid recasting at length other sections of the Act.

Sections 12 and others) As the redrafted definition of "National Railways" now includes the undertaking of all companies comprised I strike out references to undertaking.

Section 14(1) Senator Calder's suggestion directed by committee.

Section 14(2) This is Col. Phinney's suggestion which it may be highly desirable to leave in. I insert it merely to remind you of it.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 γV

Section 16 Changes self explanatory and already mentioned above. Designed to make the Act workable which, without the changes, it is not.

Section 19(2) You asked me to draft some such provision as this. Col. Phinney asked for it.

Section 20 This is drafted by direction of the committee. It provides against growth of a new personnel in the Civil Service. It has been checked by Judge Fullerton and he says it will effect its purpose.

Section 25 You asked me while Col. Phinney was speaking to draft something to give effect to his suggestions. I think that his ideas are right. He didn't mention the case of the presiding officer being overruled upon a point of jurisdiction. There should be an appeal in such case so I have provided for it. But, generally, the Judge of the Supreme Court of Canada should pass upon appeals where the presiding officer has ruled as to jurisdiction, so I leave the provision to that effect intact.

Yours respectfully,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 WW

Ottawa, Oct 31st 1932

Dear Mr Meighen -

I have been here for a week and will remain for three weeks more. I am always either here in the Justice dept. library or at the library of the Supreme Court. I am stopping at Holt Hotel, Aylmer. I tell you all this in case you ever want me to do anything for you, (which I am not merely willing but anxious, always, to do). If you have anything to say to me you know now where I am.

May I presume to remind you of a certain draft statute and letter to Hon. Mr Justice Duff, written to him at his suggestion before his commission first met, and whereof I mailed to you a copy. The commission reported pretty closely, except in one respect, in accordance with my views. Where it diverged from these views I think its merit wrong, and singularly, it would seem that the

main

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 XX

Ottawa, 190

main attack upon the government proposals is to be with relation to that divergence. I allude to the proposed arbitral board. My suggestion was a Joint Board of President and President ~~Selve~~ Government appointed chairman, such board to have suggestive powers and not compulsive powers, but each railway being bound to show cause why any suggestion should not be executed. See my memo to Judge Duff, which you have.

I think that compulsive powers are not merely objectionable but bound to fail. You might as well merge at once as compel. On the other hand anything proposed by such a board as I suggested would not be proposed at all (by such a board as I suggested) unless it were possible of performance and arranged to be performed. The obligation to show cause for non-performance would care for cases of "jockeying for position." I don't like your government bill at all, and I predict "high jinks" for it in actual operation. It is "non-psychological" if you know what I mean, which perhaps I don't know myself.

Yours
W. F. O'Connor

The Minister of Railways
& Canals
Ottawa

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

H. F. O'Connor

120659 yy

Ottawa, December 2nd, 1931.

The Rt. Hon. Lyman Poore Duff, P.C.,

Ottawa, Ont.

Dear Judge,-

I promised to send you a memo re means of avoidance of amalgamation of C..P. R. and C. N. R.

I thought it best to shape up the idea as if in an Act of Parliament. It is necessarily not as carefully phrased as if I were drafting for introduction into the House, but it expresses pretty well the idea behind it.

That idea is that, if possible, some formula should be sought which will preserve the advantages of both public and private ownership and enable us to study for a while longer, under better and fairer conditions than we have experienced so far, which system (if it must be only one) is best fitted to survive under our conditions.

Many people think that a statute must say must or it won't work. I don't believe it. I think that many statutes which only say how have turned out well, while such penal and compulsory statutes as the Combines Act and section 498 of the Code have done at times great harm. Competition is by no means an unmixed blessing.

Respectfully,

(Sgd) H. F. O'Connor

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

A Bill Entitled
An Act to Constitute a Transcontinental
Railways Joint Board.
- - - -

(Any introductory clauses deemed advisable by way of recital).

1.- This Act may be cited as "The Transcontinental Railways Joint Board Act".

2.- In this Act the expression "Railway Systems" means the Canadian National Railway system and the Canadian Pacific Railway system as they now are, or hereafter may be, constituted and operating in or out of Canada.

3.- This Act shall apply exclusively to such railway systems, and nothing herein contained shall be deemed to affect or to impair the solidarity of either of such systems or any statute relating to such railway systems, or to either thereof, or to any component or constituent thereof.

4.- There shall be a Board of three persons, which Board is hereby constituted a corporation, &c to be known as, and called, The Transcontinental Railways Joint Board.

5.- The Governor General in Council shall, by Order in Council, appoint, during pleasure, to such Board, a qualified person who shall be called, and shall act as, the President of such Board. The other members of such Board shall be the Presidents, from time to time, of the respective railway systems mentioned in Section 2 of this Act.

6.- It shall be the duty of the members of such Board to meet as often as the President thereof may deem advisable, and at such places as he may indicate, to consider (or to inves-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

tigate, or cause to be investigated) any and all matters which touch or concern the cost, quality or quantity of any service or activity of both or either of such railway systems, or any component or constituent thereof, such as matters going to excess or insufficiency of service to the public, economies practicable as the result of mutual concession and joint action with respect to running rights and reservation of particular territory for service to either of such railway systems, and such Board may at any time express to both or either of such railway systems its conclusion and its advice with respect to any matter in this section generally or specifically mentioned.

7.- Upon receipt from such Board of any such conclusion and advice the railway system affected thereby shall not be bound to act thereon, but it shall, within a reasonable time, inform such Board whether or not it concurs, and it shall indicate its objections, if any.

8.- The Board may at any time reconsider or wholly or partially rescind any conclusion or advice expressed by it.

9.- Whenever either of such railway systems concurs in any conclusion or advice expressed by the Board such railway system shall itself execute all action in the premises. Such Board shall have no compulsory powers.

10.- Nothing agreed upon or done by both or either of such railway systems in pursuance of and according to any conclusion or advice expressed by such Board to such railway system pursuant to Section 6 of this Act shall be deemed to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

be agreed upon or done in violation of The Combines Investigation Act, Section 498 of the Criminal Code, or any other law prevailing in or in any part of Canada which concerns combinations, or agreements, or action, in restraint of trade.

11.- The President of such Board shall be paid out of the Consolidated Revenue Fund of Canada such remuneration for his services as with him may be agreed upon. The remuneration, if any, of the other members of such Board shall be borne and paid by the respective railway systems of which they respectively are Presidents.

12.- The Governor General in Council may, by Order in Council, provide suitable regulations, not inconsistent with this Act, for the operation hereof. Such regulations shall provide inter alia, for the appointment of, and the payment and amount of remuneration to, such clerical and other assistance as the Board may require for the proper performance of its duties.

13.- All expenses incurred in the administration of this Act, except the remuneration of the President of the Board, shall be borne equally by the Dominion Government and each of such railway systems. Such expenses shall be adjustable and payable as and when the regulations mentioned in Section 12 of this Act shall provide.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4th SESSION, 17th PARLIAMENT, 23 GEORGE V, 1932-33

THE SENATE OF CANADA

120659 ad

PROCEEDINGS

OF THE

STANDING COMMITTEE

ON

RAILWAYS, TELEGRAPHS AND HARBOURS

ON

BILL A

An Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes.

No. 6

The Right Honourable GEORGE P. GRAHAM, P.C.,
Chairman

WITNESS:

Mr. D. B. Hanna, Toronto, Ontario.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1933

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE STANDING COMMITTEE ON RAILWAYS, TELEGRAPHS AND HARBOURS

The Rt. Honourable Geo. P. Graham, P.C., Chairman

The Honourable Senators

Ballantyne	Lewis
Barnard	Lynch-Staunton
Beaubien	McArthur
Béique	Marcotte
Béland	McDonald (*Shediac*)
Bourque	McLennan
Buchanan	McRae
Calder	Meighen
Casgrain	Michener
Copp	Molloy
Dandurand	Murdock
Dennis	Murphy
Donnelly	Paradis
Forke	Pope
Gillis	Rankin
Gordon	Raymond
Graham	Robertson
Green	Robinson
Griesbach	Sharpe
Hardy	Spence
Hatfield	Stanfield
Laird	Turgeon
Lacasse	Webster.
L'Espérance	

[Quorum 9]

The Senate,

Wednesday, February 1, 1933.

The Standing Committee on Railways, Telegraphs and Harbours to whom was referred the Bill A, intituled "An Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway System, and for other purposes," resumed this day at 10.45 a.m.

Right Hon. Mr. Graham in the Chair.

The Chairman: We are resuming where we left off before the recess. Senator Meighen will explain some things.

Right Hon. Mr. Meighen: Since the adjournment Bill A has been redrafted, and the redraft—we may call it the first redraft—is in the hands of all members of the committee. This redraft consists of the Bill as tentatively accepted to date. That is to say, all amendments tentatively agreed on are in this Bill. Such amendments as are in the nature of excisions are in italics and bracketed; the words so printed are words that the committee has tentatively decided to strike out. Such amendments as are in the nature of additions are underlined; The committee has tentatively decided to add them.

Honourable members will find annexed to Bill A quite a lengthy list of further amendments that will be moved. Over two-thirds of them are merely verbal. Others are for the purpose of changing the nature of the Bill in this respect, that instead of endeavouring to force obligations on a system, the obligation in each case is put on legal entity, the Canadian National Railway Company, in one case, the Canadian Pacific Railway, in the other case, each company to be the agent obliged to carry out for the other companies in their systems the obligations fixed in the Act. The counsel for the committee has felt that that is essential in order to reach the object at which the Bill is aimed. Other suggested amendments are such as have been brought to our notice by delegates from the Maritime Provinces, from labour organizations, and so forth. They have not been considered yet. Still other amendments will be found in the annex, which have been suggested by this committee.

Hon. Mr. Beaubien: They are not annexed to the Bill.

Right Hon. Mr. Meighen: Copies will be supplied to all honourable members.

The Chairman: Well, gentlemen, when you look at this end of the table you realize what our program is to be for this forenoon. Senator Meighen, Senator Dandurand and myself thought it would be a good idea to have Mr. Hanna come down here and give us the benefit of his long and successful experience in railroading to help us out in coming to a conclusion on the difficult problem we have before us. Mr. Hanna gladly came, and I am going to ask him now if he will tell us what he has in mind concerning this situation. After he gets through I know that he will be willing to answer any questions that you gentlemen may ask.

With your consent, we will hear Mr. Hanna now.

Mr. D. B. Hanna (Former General Manager, Canadian Northern Railway, and former Chairman of the Canadian National Railway Board): Mr. Chairman and gentlemen, I am here this morning at the request of your chairman, Mr. Graham. When he was referring to me and my long and successful experience of railroading he did not say that he was the man that moved me out of the railway sphere.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

The CHAIRMAN: You are wrong there. I can assure you, gentlemen, the rest of Mr. Hanna's evidence is more substantial than that.

Mr. HANNA: Ten years ago last October Mr. Graham and the late Graham Bell came up to Toronto early in October and said "Now we are ready to take over the road." I know Mr. Graham was not responsible, but he was the man who was charged with having me retired whether I desired it or not.

This is not the first time that I have appeared before a railway committee. I am sitting in practically the same position today that I sat in in 1925 when the late Senator Ross was chairman of a committee of the Senate; and my good friend Senator Dandurand was sitting at my left. There were no reporters on that occasion; it was one of those family gatherings. I know there were not as many members of the Senate sitting around the table as there are now. I can remember very well that when I was invited to come down I refused. I said, in what I thought was a courteous letter, that inasmuch as I had not been identified with the railway since 1922 anything I might have to say in 1925 might be regarded as prejudiced, and for that reason I asked to be excused. The following day or the day afterwards I got a peremptory order to appear before the committee, and having a fear of the Tower before me, I came down.

I can remember very well that whilst they were discussing the railway situation there was not a thing on the table anywhere to indicate what the subject was. I came down with a few facts, and I can remember, and you will probably remember with me, that I pointed out to the committee at that time that after looking at the reports up to the date that was concerned, it was apparent that there were mounting costs in capital, and mounting costs in operating, and that it was very desirable that the Government should keep their eyes more closely on expenditures. We discussed that backwards and forwards, and, as I say, no stenographic report was made of the proceedings. But the aftermath was this. Some months afterwards, being in Montreal, I was talking to a friend of mine, and he said that one of the chief executive officers of the Canadian National had made the remark that Hanna and his criticisms could go to hell; that he always was a piker in capital and operating expenditures, and didn't understand that great cost question, that you have to spend money in a big way to get back returns. There you are. What have you got to-day, ten years afterwards?

Another question that I should like to speak of is this. When Mr. Kennedy was appointed Minister of Railways, early in January, 1922, he invited me to come to Ottawa to see him. The first time I came down he was suffering from his trouble, and asked to be excused, through his deputy, and I came back the day following. At that time I brought with me a number of press clippings, including a number of speeches that he himself had made, in which he had passed very strong strictures against myself as an inefficient man, and expressing a desire to get rid of me. I had those press clippings with me, prepared to read some of them before I discussed railway business, because if that was his view, I was through. But this is what he said: "You know, when members of parliament are in opposition they are inclined to say things and do things that they would not say or do if they knew the real facts. I am in that position. If you will be kind enough to forget anything I have ever said, and to help me on this job, I will very much appreciate it." I said: "That is very nice, because I have here a number of your press clippings, in case you have forgotten what you said; but I will not read them, and I shall be very glad to do whatever I possibly can, because if there is one man more than another who is definitely interested"—I was the first officer of the Canadian Northern, and was later appointed an officer of the Canadian National—"I am that man. I will tell you what I will do. I will prepare for you a summary of all the work we have done for the past three years; I will prepare a summary of all the business we

have been doing for the past three years, and will show you where the money came from and where it was spent. I will also have prepared for you a report by every active individual officer in every department of the railway company." At that time we had as vice-president in charge of finance, Mr. Mitchell, who prepared a very exhaustive report; we had Mr. Hungerford, who was in charge of operation, and who prepared a most exhaustive report telling where all the money had been spent. Mr. Hays, the traffic officer, also prepared a complete report of his work; Mr. Vaughan, who was vice-president in charge of purchasing, prepared a similar statement showing how the purchasing was carried on. A report was prepared also by the legal department and the dining department, and last, but not least, there was a report from the late Mr. M. H. McLeod, as to the construction work that had been left in abeyance all during the War. A little had been carried out with the approval of the Government, between 1918 and 1921.

All these reports were gathered together into a book, and what I am trying to tell you is that that book is in the Department of Railways. My own report as chairman and president fully sets out a summary of all that the others had been doing—sets out just exactly our services for that period of time. That book is in existence, or it ought to be, because it is a record that should not be lost sight of. I have a copy myself, but I didn't bring it with me because I assumed that it would be here to-day. I do not see it.

I assume further that if that book had been read at that time there never would have been the disaster that you have to-day. That is the point I make. Our policy was one of rigid economy, but I had to spend money, and it was a marvel to me that the Government at that time, faced as they were in other things, gave us the money that we actually required to put the road in such shape as would enable us to run trains over it from one end of the system to the other.

Our policy was always one of rigid economy. The very men who are operating the system to-day for the Canadian National are the men who were trained in that school, and if you just leave them alone they will have something to say. You can see in the recent returns that economies are becoming very effective. But the statement I prepared at that time was the foundation of what I believed should be the policy of the Canadian National Railway. If that had been done which was not done, things would have been different.

Now then, what happened. The board of directors of the Company at that time—and I should like to name them—were outstanding men, men that were so well known, men that stood high in the financial and the industrial life of this country, men who recognized it as a duty to serve at such a critical time. Those directors were the late Mr. Robert Hobson, at that time President of the Steel Company of Canada; Mr. F. P. Jones, at that time President of the Canada Cement Company; Sir Hormisdas Laporte, a well known ex-mayor of the city of Montreal, a man doing business in a big way, and to-day President of the Provincial Bank—three men from Montreal; in Toronto, Mr. E. R. Wood, a great financier and well known from the Atlantic to the Pacific; Mr. R. T. Riley, and many of you who have lived in Western Canada will endorse what I say, that he was one of the very few who knew practically everything that was worthwhile knowing of Western Canada affairs; Mr. C. F. Hamilton, who came from Weyburn, in Saskatchewan, was the other member; coming down to New Brunswick, we had Dr. Barnhill, K.C., a man who was well known and identified with a number of big industries in that province; and last, but not least, Col. Cantley, of New Glasgow, who at that time was Chairman of the Nova Scotia Steel and Coal Company; including myself and Mr. Mitchell, these gentlemen comprised the first Board of the Canadian National Railway.

Right Hon. Mr. MEIGHEN: Was not Mr. Ruel a member?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Mr. HANNA: Mr. Ruel was not on the Board. A little later an election developed, and promptly I got the resignations of Col. Cantley and Mr. Hamilton. They were in the political game and we would not have anything of that sort, and they knew it. The Board would not stand for it.

So we carried on with the work until, as I say, 1922. In 1922—and I come back to Mr. Kennedy again,—after preparing these reports for him, for which he thanked me very sincerely, he said he would look them over. I hope he did. He died shortly afterward. But I knew even then that so far as I was concerned my useful life had run its day. At the same time, there is not anyone in Canada who has a higher regard for the railway situation than I have. I was the first officer, going back in the early days of the Canadian Northern first hundred miles of road, I was the first officer to turn the first wheel, and I was the last one to leave the Canadian Northern to join the Canadian National when the Government took the road, and with my four years' experience as president I feel I am in a position to speak with some authority in regard to the railway situation. I say that without being egotistical.

Now we are down to 1922. What have we to say then? Every idea that we had incorporated in that report was killed. There was no such thing as economy. "Spend money in a big way and you will get big returns." Well, you spent the money, but have you got any returns? I can point out to you in this statement things that I myself would not have been inclined to discuss here, even in this committee, but I suppose I can go a long way without being sent to the tower.

The CHAIRMAN: We have not any tower now.

Mr. HANNA: You have not?

The CHAIRMAN: Not on our side.

Mr. HANNA: I did not know that. In 1922 criticism began about the condition of the Canadian National, of its being composed of, if you please, of a series of junk lines, that they required a superman to gather these things together and co-ordinate them into a complete organization. As a matter of fact all that is tomfoolery, because the Canadian Northern, the Grand Trunk Pacific, the Transcontinental and the Intercolonial were all incorporated by us and for three years were carried on as a complete organization—complete, I say, in every respect, born of the instructions from the Board for economy. That was the pass word —economize, don't spend any more than you can help.

The CHAIRMAN: It did not include the Grand Trunk?

Mr. HANNA: Not at that time; that did not come in until 1919. It was not the Canadian National at that time properly; we were only Canadian National for service purposes. The Grand Trunk came in later. I can say now that when the arbitration proceedings were started immediately we were put in touch with the Grand Trunk and we co-ordinated offices with theirs. In other words, we closed ours and made use of the Grand Trunk, all with the idea of economizing, which we did.

As a matter of fact this railway debacle does not begin back in 1922, not by any means. It goes back to 1902, and those of you who remember the circumstances—I do not know how many of you are old enough to do that—

Some Hon. MEMBERS: Hear, hear.

Mr. HANNA: There are some old boys here, I can see that. In 1902 the Grand Trunk wanted to get into Western Canada. They did not want to build anything east of Winnipeg. Therefore their request to the Government was: Guarantee our interests west from Winnipeg, and we will use the Grand Trunk Western—or as it was then known, the Chicago and Great Western section of the Grand Trunk—we will use the Grand Trunk to Chicago, we will make an agreement for running rights with the roads out of Chicago to St.

Paul, and then from St. Paul to Winnipeg, where we will tie on to our own road. The Government naturally said: That does not interest us at all. We will not stand for that. Then the Grand Trunk said in a further communication: We will build from North Bay. That did not suit the Government. The Government said: No, if we are going to have a line at all we must have a transcontinental line. So they finally decided to build from Moncton to Winnipeg, eighteen hundred miles that had got the skimpiest kind of recognizances with very little knowledge as to what was in that northern country. We knew that. When I say we, I mean the old Canadian Northern, because at one time the Mackenzie-Mann group, which meant the Canadian Northern, had more knowledge of good land in Western Canada, north of the Canadian Pacific, than any other outfit in this Dominion, then or now. We knew what was going to happen. But they insisted on building to Moncton, and that line was built, 1,800 miles, at a cost of $60,000,000. And the only business they had in sight when they started to operate was the shipping of Christmas trees to the New York market.

To make things worse, the Grand Trunk Pacific came into the game. I am not blaming anyone, I am just telling the story and you can lay the blame where you please. The Grand Trunk Pacific, starting from Winnipeg, ran practically as a double track to the Canadian Northern that had been there for many years, as far as Portage La Prairie, and then for 125 miles or so west it was never out of the sight of the Canadian Pacific or the Canadian Northern. In other words, for 200 miles they did not develop one single foot of property. All that they did is what has been done in recent years: they simply tried to steal traffic from other roads.

Now, dealing with the Transcontinental, I want to say—and I say it with a full knowledge of the facts—we came here to Ottawa and we said to the Government: "Don't build that line at all. We are on the way to Port Arthur, we have our lines built from Port Arthur west. Join up with us. If the Grand Trunk wants to come in, let us make it a joint contract from North Bay to Winnipeg; let us get away from needless construction." And the answer was that they were going into a territory of their own. And they are in it to-day. I would like to know just exactly what it has cost the Canadian National Railways—which means the Government—since that line was built, in loss of interest on the investment, plus the very substantial loss in operation of the business.

As I say, we built our line, and I make this positive statement, that there is no line in Western Canada that was ever built in recent years at a lower cost per mile than the Canadian Northern. Why was that? Because we were all on the job. Salaries were a very small item in our operations. The expenses were negligible. I venture to make the statement here that my expenses for twenty years on the Canadian Northern did not amount to as much as the figure I have seen in this book for a single year's expenses. And the same was true of others. Sir William Mackenzie, Sir Donald Mann, never drew a five cent piece out of the Canadian Northern. They equipped and paid for their own cars, as well as for the maintenance of them, and they travelled in them and it never cost the railway a cent for the services which they were rendering as president and vice-president of that great company.

Some day someone is going to write a history of this great country, and I think it ought to be an eye-opener. I wish I had the talent to do it. One of the first things I would say to anyone who is writing such a history is this: Don't ever remove from the balance sheet of the Canadian National Railways that huge sum that stands as the Government debt. Let that stand out like a sore thumb, as a warning to governments against getting into the same kind of operations.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

We have been accused of entering into other territory and stealing traffic that belonged to somebody else, and I think that applies to some extent to our good friend the Canadian Pacific. My connection with the Canadian Pacific dates back to 1882, fifty years ago, when I came out from the Old Country and was a clerk with the Grand Trunk. At that time the Canadian Pacific was getting into its stride in railway construction in the East, as well as the West. It was my duty then to make weekly settlements with the Canadian Pacific. The settlements had to be made weekly, because neither road was financially strong and we had to be careful not to allow a balance to get too big. But the point I want to make is that our relations were always friendly. When I went West in 1886 and became auditor—well, auditor was one of the jobs I had, but I did all the jobs that nobody else would take, from the master mechanic up to W. R. Baker, who was then general manager—my relations with the Canadian Pacific were again most friendly; I never had any trouble with them, in any shape, manner or form. We had our disagreements, particularly with the Winnipeg section of the road. I did not at that time come in contact with those at headquarters in Montreal. Later when I became the first active officer of the Canadian Northern Railway, better known for the first 125 miles as the late Manitoba Railway and Canal Company, again I came into touch with the Canadian Pacific. I see a C.P.R. man here now, and he will agree with me that there was no time when I was not on the best of terms with that company. Of course, we had our own views that we tried to advance, but life is made up of compromise, and we carried on in a friendly way. That went on for a number of years, right down to 1922.

But there were some things that happened even with the Canadian Pacific, and I think they ought to be known. We have been accused, gentlemen, of getting into the territory of other people and of duplicating service. I deny the charge absolutely. On the other hand I can tell you that when the Canadian Northern Ontario was building its line from Toronto to Parry Sound and on to Sudbury, the Canadian Pacific conceived the idea of getting a line to Sudbury. Mr. Mackenzie, as he then was, talked the matter over with Lord Shaughnessy, and he said, "Now, don't build that line of yours. We have already built as far as Parry Sound and we are continuing on to Sudbury. Join up with us and this road will do for both of us for many years to come." Then was developed what has become a historic fact in my mind. Sir Thomas said: "I will see the hides of you and Mann on the fence before I get through with you." That was the answer that we got.

Again, when they decided to build that cut-off from Tay Junction down through Cobourg and Brighton, and come right in to our tracks at Belleville, we said: "For God's sake, don't do that. Here is a line that we have built; it is up to your standards." It was our through line to Ottawa, and we never did take a second place in the building of that line. It was butchered later, of course, when the Grand Trunk came into it. We said, "Come into it with us at Belleville." They said: "No, we must have our own line." I am not charging this to Mr. Beatty; but there was an underlying antagonism, and it was not possible to come to any kind of arrangement at all. That was the position.

Now, when they talk about junk lines, here is a certificate, an unsolicited certificate, because I may tell you that I have only met Sir Henry Thornton three times in the ten years. First he called on me in my office—my modest office in the Dominion Bank, a single room with a rug on the floor, and nothing like what they have in Montreal—he called on me with two of his officers, and stayed about five minutes. That was his first visit. The next time I met him was in Winnipeg at a luncheon given by the Canadian Club—what they call a weekly luncheon for distinguished visitors in the city. I happened to be one of the distinguished visitors, and met another one there, Sir Henry Thornton. Of course, I sat well below the salt, and the other gentlemen sat there too,

but he was well above the salt. The third time I met him was at Government House in Toronto, where for the first time I met the present Lady Thornton. Those are the only three occasions on which I ever met the gentleman. I do not know whether his sense of humour is developed to any extent; I think there are other things he has developed in a big way, but which I shall not discuss.

I want to read this report of the Canadian National Railways for 1922. Remember that our organization was operating up to that morning when you, Mr. Chairman, said "Now we are through with you."

The CHAIRMAN: It was a nice morning.

Mr. HANNA: A beautiful morning, calm and peaceful. This report is a report of our proceedings up to October 1922. The Annual Report did not come out until some time later, likely some time in March, in time for the session. Here is what it says:—

> 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.

I did not ask for that, because I had within my own heart the knowledge that we had done good service.

I see my friend Jim Murdock down there. His organizations are responsible as much as anything for the big deficits that we made during those three years. You have all heard of the McAdoo Award; you have all heard of the Chicago Award. You probably have heard about I don't know how many supplements to the McAdoo Award, and I don't know how many circulars were issued when the United States Government had control. All I know is that I did not need any director of economics to tell me that they were using up our pulpwood at the rate of about an acre a day for the issue of those circulars. What did it cost that Government? $1,200,000,000. The railways went to rack and ruin, and it cost them to operate these roads with the number of men they employed, $1,200,000,000; and when the roads were taken back by the railway companies what happened? The Pennsylvania, that great company which had been paying dividends since 1850 or something like that had to cut its dividends, and it showed a loss on operation the next year of $23,000,000.

Those were the times when we were carrying on this development work. We had to do the work; we had to get the trains going. In three and a half years we put on the tracks of the Canadian National Railways 26,000,000 ties, and every one of those ties cost sixty-one cents, and most of them cost eighty-three cents on the track where they were delivered.

I am glad of this opportunity, Mr. Chairman, I have waited for it for ten years. The McAdoo Award cost the Canadian National Railways in increased wages $38,082,000.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Hon. Mr. GRIESBACH: Over what period?

Mr. HANNA: For the period under our administration. Remember the iniquity of the Award. I say this with all due respect to Jim.

Hon. Mr. MURDOCK: You have not got going yet. Go on.

Mr. HANNA: I have not got through yet. Anyhow, we set up the figures for the benefit of Mr. Kennedy, and it is part of the complete history of the road. The McAdoo Award came in 1918, if I remember correctly, and because it was retroactive for five months, it cost us $8,678,200, in 1917; and the supplements cost us $13,013,000. Then when the Chicago award came on later it added another $16,390,000 to our payroll; in other words, the difference between the 1907 payroll of $43,000,000 became $81,347,000 in 1921.

Hon. Mr. CALDER: That was for one year?

Mr. HANNA: No, three years.

Hon. Mr. CALDER: Four years?

Mr. HANNA: No, not the full four years. We were at a stale mate for 1922. That is at the time our resignations were in early in January, and Mr. Graham removed me, and you will remember—this is a side light—you came up in June. I said what? I said to you, "No." You said, "For God's sake don't leave us now."

The CHAIRMAN: You were not pressing your resignation too hard at that time. I got you to hang on.

Mr. HANNA: But the resignation was in your hands and I said in that letter to Mr. Kennedy: "It is my understanding, Mr. Kennedy, that in the frame-up in the new organization there is no place either for me or for Mr. Mitchell." He was very much annoyed about it, senator.

On top of these wages we put in about twenty-six million dollars worth of ties. I mean that is what they cost us. We had to move the ties at Jim's wages. As a matter of fact by the time we got them in the tracks they cost us over a dollar a tie. In those three years it cost us $26,000,000 to revamp what? Not the Canadian Northern, but to revamp the Transcontinental, the Intercolonial and the Grand Trunk Pacific—all these roads that were built with so much money, and they said the Canadian Northern was "junk" alongside of them. That is what happened.

What about material? And we buy a great many other things besides ties. Our coal cost before the war was $3.16 a ton; it grew by degrees until in 1920 it rose to $6.85 a ton. That is what it cost us to put a ton of coal on a locomotive. To-day I think you can put a ton of coal on a locomotive at about $3 a ton. In 1921—I am still on that process of betterment—it cost us $6.10 per ton.

I went back to the Government's own records for the rising cost of material. As I say, we buy millions of dollars worth of other material. In 1913, the year before the War, taking the average at 100, in 1914 it rose to 102·3 in 1915 to 109·9, in 1916 to 131·6, in 1917 to 178·5, and when we started in the game in 1918, 199, in 1919, 209·2, in 1920, 243·5.

Hon. Mr. DANDURAND: What do you mean when you say when you started in the game?

Mr. HANNA: I mean that in 1913 you had to spend $2.43 to get one dollars worth; there was an increase of $1.43 on the dollar between 1913 and 1920.

Hon. Mr. CALDER: That is the average for all your materials?

Mr. HANNA: That is the data I took from your Government's own returns; if it is wrong I am not assuming responsibility. As I say, I have taken it from the Government's returns, in the Year Book which is supposed to be immaculate in its rectitude in every way.

In 1921 it dropped to 171; in 1922 to 153·2, and after that, having been removed, I was through.

Those are the conditions we had to face during our years of administration. That is the reason why we show such serious losses in operation. But, remember, the Canadian Northern practically pulled even; these losses all came from the Grand Trunk Pacific, the Transcontinental and Intercolonial. In one year the Intercolonial losses were—

Hon. Mr. STANFIELD: How about the Halifax Southwestern and the Inverness roads?

Mr. HANNA: I am speaking of the Intercolonial.

Hon. Mr. STANFIELD: Don't blame all on the Intercolonial.

Mr. HANNA: We bought the Halifax Southwestern. That leads back to the memory of our old friends Mr. Murray and Mr. Fielding. You had better not go into that. If you want to, give me a little time and I will tell you about it; not only about that, but other things about the East. There is no man living to-day who knows more of those things than I do, and they will die with me. I do not want to bring them in now. For ten years I have sat idly by and listened to statesmen, near statesmen, politicians and others in their slanging efforts against the Canadian Northern Railway.

Nothing happened to bring the Canadian National into existence in a big way until Sir Henry Thornton came here. I am going to tell you about that and then I will be through. There are some things in this book that were startlers even to me, with the close watch I was exercising over operations.

One of the last things that Mr. Mitchell did was to prepare for the late Mr. Fielding a summary of all the investments and all the securities that were outstanding in connection with either the Canadian Northern or its various subsidiaries. Mr. Fielding expressed very great appreciation for that statement. The main statement is incorporated in this great big book. It is about twenty-four inches long and six inches thick, the book that I left with Mr. Kennedy. It cannot be lost—unless they burned it. It must be in the railway office. I say if if it had been read and digested things would have been different to-day. I should like to see it. In this book what do you think? They spent three hundred and sixty thousand odd dollars to bring a man from New York to tell the Board something about the Canadian National issues; $360,000 for information that they had right in their office as far as we could give it up to 1920-21. Can you beat it? And after having spent that money, what has happened? Has anything been done to the securities? Not a dang—not one bit. The situation is just as it was in 1920-21.

In 1920 I was in Vancouver, and there was an old outstanding trouble with Vancouver city about the building of an hotel—a modest hotel, I think, of two hundred rooms. A contract was made with Mackenzie, Mann and Company in their day. We did not want to build a hotel, because if there is one thing more than another I have a horror of it is hotels. I say that advisedly, because I do not think it is the business of a railway company to own any hotels at all.

Hon. Mr. LYNCH-STAUNTON: Hear, hear.

Mr. HANNA: I do not think it is their business to go into industrials of that kind. They have plenty to do in attending to their own business. I made an agreement with Vancouver that we would do certain work for the city, such as taking down an old building that was in front of the Canadian National station. Anyone who knows Vancouver will remember the old Main Street bridge, and we agreed to take that down, also to fix up the road-bed, and to build a breakwater to keep out False Creek. We made this agreement on the distinct understanding that the hotel business was to be forgotten. The agreement was drawn when I was in the city, and the late J. D. Reid, who was then

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

the Receiver for the Grand Trunk Pacific, came down from Prince Rupert. The agreement was signed by the mayor and ourselves, and it was ratified at a special meeting of the Council before we left there. Now, what has happened since? I do not know who is responsible for the large expenditure of money that has been made. The Duff report says that the hotel at Vancouver has had spent on it, up to the 31st of December, 1931, $5,958,812, and that there is a further liability of over $4,000,000, making the cost of the hotel when completed, and before it is furnished, between $10,000,000 and $11,000,000. Right across the street there is a Canadian Pacific hotel, doing all the service necessary for Vancouver.

The old Canadian Northern had two hotels. They were both built by Mackenzie, Mann and Company as part of the agreement made with the town of Port Arthur and the town of Brandon, and we later took them over. The Port Arthur hotel has 150 rooms and the Brandon hotel 100 rooms. The two together cost about a million and a half.

I think you might call this report Duff's Bible on Canadian National Railways. It is one of the most interesting documents and the Commission deserves very great credit for the way they did their work. I am not in accord with some things, but I am in accord with showing the extravagance that has been going on. The doors are locked in that hotel at Saskatoon. They spent a million dollars on that hotel at Minaki, with a golf course. At Jasper Park we spent a little money, on the request of the department, some $55,168, for a few lodges to house the people who wanted to do some climbing. But there was no golf course. Since then they have spent an additional $2,521,576 on that hotel. I wonder, Senator Stanfield, if you have heard the story of what happened at Charlottetown, where they spent over $800,000 on a hotel.

Hon. Mr. STANFIELD: I have heard some stories.

Mr. HANNA: Some of the members of the committee appointed to interview the President of the Canadian National, with a view to getting a modest hotel to house the tourists—they do get some tourists on Prince Edward Island—

Hon. Mr. DANDURAND: Even though it is dry.

Mr. HANNA: Well, they take their refreshments with them. They don't suffer, Senator. They said, "Now, let us ask the Canadian National to build us a modest hotel, to cost about $250,000. But let us suggest $350,000, so that if Sir Henry wants to cut us down some we will still have enough to give us the kind of hotel we want." I may say this information comes directly to me through a friend who got it from one of the members of this committee. Sir Henry met them down there and was very much interested in their request. He said: "Well, what do you expect us to spend?" They said "Well, we thought you might spend $350,000 on a hotel." And he said "Oh, that is nonsense. The Canadian National can't associate itself with a hotel like that. We must spend a great deal more." And he did. The hotel they built there cost $853,351. It is a nice hotel, so nice that the natives are afraid to go inside the doors.

Then look at Halifax. I suppose I was bombarded a score of times to build a hotel at Halifax, and I said, "The Canadian National will not be a party to any hotel at Halifax under any circumstances." They have two hotels there now, one called the Lord Nelson and the other called the Nova Scotian. Will anyone who comes from the East, or who has ever been in Halifax and knows about the whole area there, tell me that any man in his senses would be responsible for erecting a building at the price of any one of the hotels? What did they cost? I have the figures here. They are not my own figures. The Nova Scotia hotel, built by the Canadian National, cost $2,440,000. The Canadian Pacific with a desire to help out the situation when

the citizens wanted to build a hotel, subscribed $300,000, or $500,000, and when that building was pretty well advanced the other building was started. There is no question about what had to happen: one of those hotels had to be closed.

I may tell you, gentlemen, that I am in a business—not the railway business—which contributes largely to both the Canadian National and the Canadian Pacific in the shape of traffic. Under normal conditions we pay to each of them about $1,200,000 yearly in freight earnings. That, of course, is not the figure to-day, but it was up to about 1930. Since then the interests with which I am connected, the lumber business and the flour business, are both in the doldrums. Senator Gordon will be able to substantiate that. If he did not have his sessional allowance he would be on the breadline.

The depression has got us into such a state of mind that we cannot seem to see a foot ahead. I have in mind the case of a man from Rosedale, a man up in years, who came down and met a friend of his on King street. The friend said: "What is the idea of the smile this fine morning?" "Well," this man said, "a most extraordinary thing has happened. You see the suit of clothes that I am wearing. I have not had it on for the last eighteen months, and would you believe it, when I put my hand into the trouser pocket I discovered a small roll of bills." Then the other fellow said, "Were they receipted?" That is an illustration of the state of mind that we are getting into.

I am nearing the point where I will have to sit down, but before doing so I should like to say a word about the general railway situation. I am coming back to the point that if the fine Board that I mentioned had been left alone to carry on under the policy laid down in 1918, you would not be sitting here to-day under such conditions as you are.

The CHAIRMAN: That might have been a relief.

Mr. HANNA: It might be. I am making the point that there would be no hotels, no steamships. Gentlemen, one of the most tragic things in this whole story is the building of these three beautiful steamships for the Canadian National to carry on a service that was no more needed than a man needs a third leg. The only purpose of building the steamships was to cut into the business of the Canadian Pacific. After trying that for a season and a half the boats were taken off and now they cannot do anything with them. I read that likely they will be sold to one of the French Companies. That is where some of the junk will go. Before those boats could be used the harbour had to be extended. I happened to be in Victoria myself when one of those boats came into the harbour, and it was a picnic to see it being warped into a dock that had to be specially built, and then warped out again.

The C.P.R. had beautiful boats too, but were they good enough for the Canadian National? Not on your life. These three boats cost a great deal of money. The Prince Henry cost $2,160,000 odd; the Prince David $2,140,868, and the Prince Robert $2,193,300.

Hon. Mr. CASGRAIN: What was their tonnage? How much a ton did they cost?

Mr. HANNA: I am not going to quote the tonnage. It does not count, because they are passenger boats. I have seen those boats and have been on them. As a matter of fact, when I was in Bermuda last winter I saw the Prince David lying on the rocks, and I said "Thank God for that; the Government will at least get the insurance out of it." But unfortunately they didn't; they blasted the rocks and made a canal, and drew her off the rocks, and I do not know where she is now. The C.P.R. boats of the same type were the Princess Elizabeth, which cost $1,128,000; the Princess Joan, $1,127,000, and the Princess Margaret, $1,258,000.

Hon. Mr. LYNCH-STAUNTON: Mr. Hanna, this is tremendously interesting, but would you tell us what you think about this Bill?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Mr. HANNA: I have not read it.

Hon. Mr. LYNCH-STAUNTON: You ought to read it.

Right Hon. Mr. MEIGHEN: The present measure.

Mr. HANNA: I have not seen it.

Right Hon. Mr. MEIGHEN: You know what is in it.

Mr. HANNA: You mean incorporating this report?

Right Hon. Mr. MEIGHEN: Yes.

Mr. HANNA: You mean as to the operation of it?

Hon. Mr. LYNCH-STAUNTON: Do you think we should adopt the suggestions made in the Duff report?

Mr. HANNA: Up to a point. I am opposed definitely, first, to any appointment of three trustees. I have in my own mind a trusteeship of five. The Canadian National have had American contacts, and I would like to see a very competent legal gentleman with financial and commercial experience as one of the five; I would like to see a competent financial man on the board; two others I think should be industrialists, men who have been conspicuously successful in their own operations, and who have reached that time in life when they would gladly give their services to the Government or to the country; then in addition to those four I would have a chairman who had some real knowledge of the railway business in this country.

Hon. Mr. CALDER: Have you completed your general statement? I am sure many of the members of the committee wish to ask you questions.

Hon. Mr. LYNCH-STAUNTON: I want to hear you tell us about the Bill.

Mr. HANNA: I have been talking for a solid hour, which is more than I have ever talked in my life before. One thing I would like to say, however, is that one of the most amazing things to me is the passing of the budget for the Canadian National Railways at Ottawa from year to year. To some extent it was like a mutual admiration society. Sir Henry Thornton could not have been human, like the rest of us; and he could not have been otherwise than impressed by the fact that he was a superman. His budgets were passed with very little criticism. Large amounts—sometimes they represented more than half the debt of Canada before the War—were passed at a single session. I can imagine Sir Henry Thornton—although I do not know him—looking at himself in the mirror after he was through with one of these annual budget comedies; I can imagine him looking at himself in the mirror on his car while going back to Montreal and saying: What is this about me that I am able to get money so easily?

An Hon. SENATER: He hypnotized them.

Mr. HANNA: I can imagine him saying: What gift have I got that seems to enable me to do all this? I say he has got the gift—I won't express myself further than this, that I do not blame him altogether for the expenditures; I blame the Government of Canada for allowing the expenditures to be made without a proper investigation.

Some Hon. SENATORS: Hear, hear.

Mr. HANNA: I never asked this Government for a five dollar bill in my four years without first preparing a budget, which was cut down and cut down until it would pass our Board; then I came down here and with the Minister of Railway and the Minister of Finance I sat in and discussed the whole situation and got a sort of final figure. They knew what we were going to do with the money, they knew we were not going to spend it on any tomfool things, but were going to spend it on the road for the purpose of getting freight traffic. I was not interested in expenditure on passenger business. Our policy was to get after the freight business. I never thought of running expensive trains. Do you know the cost for a train? For a daily service running between Vancouver and

Montreal, say, starting off each day from each end, to be able to meet any accidents that might happen by the way, they would have to have at least nine, perhaps ten, trains to do that service. I think I am well within the mark when I say that each train of nine cars and a locomotive would not cost less than $650,000. So with ten trains you would have six and a half million dollars tied up in that single service. My God!—Excuse me. I neither had the money nor the desire to spend money that way. We did run one train to Vancouver, if you please, but we ran it stopping at every station. I said: The C. P. R. want this business. We will never get into competition with them. We will take the freight, because we had—excuse my saying "we"; I mean the old Canadian Northern Pacific, which was part of the Canadian Northern—it has the lowest grade of any railroad in North America. What I mean by that is that there is no American road going through the mountains that compares with the grade of the Canadian Northern Railway through the mountains. That includes the Grand Trunk Pacific that was heralded with brass bands from one end of the Dominion to the other as the lowest grade road. It is not true. The Canadian Northern has the lowest grade road in North America. And what is more, showing the differences between men who understood the building of railways, knew what it meant to do the work from day to day, not getting into dinner jackets at half past six at night and starting off next morning when they were able to, but on the job all the time—that road through the mountains, five hundred miles, taking it by and large cost an average of $80,000 a mile. The Grand Trunk Pacific, which was only partially equipped, because we spent millions of dollars on the Grand Trunk Pacific when we took it over, and so did Dr. Reid as receiver, cost them slightly in excess of $120,000 a mile. That is the difference between building railroads without dinner jackets and building them with dinner jackets. That is the answer I make all the way through to the various charges that are made about the Canadian Northern Railway, the nine thousand odd miles that they took from us at $10,000,000. It cost $10,800,000, at least that was the judgment of the Arbitration Board, but Sir Thomas White would only pay us $10,000,000. In that line all our life's work, mine, too, was gone. But we built the road, and it is a credit to this Dominion. It is the mainstay with the Grand Trunk, and if you had swept the Transcontinental out of existence and the Grand Trunk Pacific, that never should have been built, the Canadian Northern with lines in the East and in the West with the Grand Trunk would have been as strong a road as the Canadian Pacific to-day, and we would have had no losses like the five to six hundred million dollars that we have to pay interest on from year to year.

Now, I am not a pessimist. The Lord has given me a reasonable sense of humour, and no one has suffered more personally than I have in regard to investments and that sort of thing, but I have never lost my faith in Canada. We are going through a depression. But since 1882 we have gone through several depressions, I have been through them all and know what it is. We came through them all, but this is a little bit more widespread. But my God!—Excuse me—We have not reached that stage of depression that we cannot see a little daylight ahead of us. That is the reason I am going to make this statement. I do not want the Canadian National Railway to be linked in with anybody else, I want it to be carried forward as a distinct entity in the future as it has been in the past—with this difference, that the organizations that are carrying on the work now and are able to show in the last few months what is being done by reduced expenses and improved earnings that these men, trained, as I said before, in the school of rigid economy, be allowed to work out the destiny of that road. The Government is going to have to pay a good deal of money for some time to come, but if the Canadian National goes to the Canadian Pacific the Government will still have to meet those charges. I do not say a

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

time may not come when it may be desirable to have a consolidation, but not now. Leave the Canadian National alone, give it a chance to retrace its steps to 1922—1921 to be exact. There are opportunities, and with a return to normal times it is my belief that even with the incubus they have of the Transcontinental and the Grand Trunk Pacific, and while they will never be able to add to the sum total of the net earnings in my lifetime, nor of the Intercolonial, because I think they would not stand for it;—if the Intercolonial ever made any profits on operations they would want to reduce the freight rates at once.

Hon. Mr. STANFIELD: They have made surpluses in the past.

Mr. HANNA: Yes, but they have made losses too that swallowed those surpluses and a great deal more, senator. But that is the point I am making with respect to the Canadian Pacific idea. I say at the present time leave the Canadian National alone. Get your trustees, or whatever you like to call them, five in number, and a good railroad man. I could name you a man, but I won't do it. It would not be myself.

Some Hon. SENATOR: Go on.

Mr. HANNA: I am too old and was worked out ten years ago. And he put me out then (pointing to the Chairman). But I can name a man who would fit in, because of his peculiar capabilities, and there is no earthly reason why the committee you would have would not work in harmony with the Canadian Pacific Railway. I never had a harsh word with Mr. Beatty in all the years I have known him, nor with the late Lord Shaughnessy. There is no earthly reason why the two roads should not get on in harmony, if the hotels, steamships and services of that kind are not added to.

But I don't like consolidation. I cannot make myself believe that it is in the interests of this great country that we should be under the control of one single railway. Now, I am not saying that on account of the position that the Canadian Pacific Railway would be in; what I have said applies to any railway. If there had to be a consolidation, I do not know of anyone whom I would rather have it working under than Mr. E. W. Beatty. There is no man that I have a higher regard for. He is the first Canadian president of that great company. But I do say that the Canadian National, with proper administration—and it can be properly administered, as it was at one time—can be made very much more successful than it is to-day, with the return of normal times.

Right Hon. Mr. MEIGHEN: What do you think of the recommendation to have an arbitral tribunal?

Hon. Mr. DANDURAND: Which would force co-operation?

Mr. HANNA: Since the Railway Board was appointed, and that goes back about thirty years, we have had to go before them with our troubles that we could not settle between ourselves. The Board would take the whole dispute into consideration, hear evidence and give a judgment, and we had to stand by it. If a Canadian National committee, such as I have suggested, were appointed, and if the Canadian Pacific had a similar committee, is there any reason why they could not get together and agree on wiping out some services, stations and other things?

Hon. Mr. DANDURAND: And agree on the abandonment of lines?

Mr. HANNA: Yes, and on the co-ordination of terminal facilities. Take the city of Toronto, for example. I venture to say there are 150 industries in Toronto to-day that have railway connection with both companies. A shipper will telephone down to one railway, say the Canadian National, and ask for a couple of cars to be loaded for Edmonton, let us say. Later on he will telephone the Canadian Pacific and ask for three cars to be sent to Regina, or some other point. That is five cars going from the same industry. Now, how many men does it take for each train, Senator Murdock?

Hon. Mr. MURDOCK: Five.

Mr. HANNA: Exactly, five men. But the five men on the first train could do all the work that was necessary in the instance that I have given. There are enormous expenditures that could be saved by doing away with duplication. I would not do that now, because you cannot afford to turn men out on the street and have them in the bread line. But later on, when times improve, that saving can be made through duplication. Don't let us run away with the view that things are not going to get any better. By the help of the Lord and our own smartness, things will get better.

Hon. Mr. L'ESPERANCE: But the trouble is that when things get better you won't be able to economize.

Mr. HANNA: I do not agree with that view. If this Canadian National committee, such as I have suggested, is appointed, and if there is a similar group to represent the Canadian Pacific, these two committees by working properly will be able to reduce enormously the expenses in connection with operation. I object to this Government surrendering over a billion and a half of securities and having their hands tied as to the administration of the Canadian National.

Hon. Mr. BALLANTYNE: I do not think you answered the question of Senator Meighen as to what you thought about the proposal for an arbitral tribunal.

Mr. HANNA: I want the Railway Board; I want the whole Railway Board, instead of the Chairman.

Hon. Mr. LYNCH-STAUNTON: When there are matters in dispute about which the railways cannot agree, you think that the parties should go to the Railway Board and nobody else?

Mr. HANNA: Where they have gone in the past.

Hon. Mr. CASGRAIN: With reference to those 26,000,000 ties that you referred to, how many miles of road would they cover?

Mr. HANNA: I cannot tell you, offhand.

Hon. Mr. CASGRAIN: About 10,000 miles.

Mr. HANNA: More than that.

The CHAIRMAN: We have had a very complete historical statement from Mr. Hanna and I am glad that he has given it to us. I would suggest that if any honourable members have questions to ask Mr. Hanna, they do so now.

Hon Mr. MACARTHUR: I believe I am the only representative from Prince Edward Island on this committee, and I think the remarks Mr. Hanna made with regard to the situation in Charlottetown need a little explanation. I suppose very few honourable members are seized with the facts connected with the building of the hotel by the Canadian National down there. Some years ago we had a very good hotel, the Victoria, but it was an old ramshackle building that was very well appointed at the time it was built and was improved from time to time, but was really inadequate to meet the existing demands. It was burned to the ground and there was a genuine need for a modern hotel. I may say that a few years ago there were some railway shops in Charlottetown but they were closed up and the employment of labour was transferred to Moncton. The railway men of Charlottetown felt they had quite a grievance, but the Canadian National never would do very much for Prince Edward Island. I am not going to question the figures that have been mentioned, the $300,000 and $800,000, but I will venture to say this, that the Charlottetown Hotel is practically self-sustaining, or at least it is making a better showing than any other hotel in the system. Mr. Hanna libelled the natives of Prince Edward Island. I am a native of that province, and I have spent a lot of money

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

in the Charlottetown Hotel, as have many of my friends. There is an annual exhibition held down there that lasts nearly a week, and it attracts visitors from every province, as well as large numbers from the Island itself. From time to time we have prominent people there. For instance, a short while ago the Hon. Mr. Weir, the Minister of Agriculture, paid us a visit and we tendered him a banquet. A few weeks ago the Canadian Chamber of Commerce met there. The Charlottetown is the only hotel in the city that is really up to date and we simply could not get along without it.

The tourist business is increasing, and has been quite a factor in reducing the overhead. The hotel is run economically, and it is increasing its patronage year after year. I do not think it will be regarded as a sink-hole, even though we may be agreed on the general principle that railways should not go into the hotel business. If all the other hotels were doing as well as this one, we would not be very much embarrassed to-day.

The CHAIRMAN: Have you gentlemen any questions to ask Mr. Hanna? If so would you confine them to present and future needs.

Hon. Mr. DANDURAND: The object of the Bill before us is to obtain economies by co-operation.

Mr. HANNA: But, senator, there will have to be either very drastic economies within themselves that would not affect the other company at all—

Hon. Mr. LYNCH-STAUNTON: This means mutual economies.

Mr. HANNA: Oh, yes.

Hon. Mr. DANDURAND: Here is the field where these companies are to try to get together and effect economies—you will find it on page 7, clause 16 of the Bill:—

> Without restricting the generality of the foregoing, any such measures, plans or arrangements may include and be effected by means of—
>
> (*a*) new companies controlled by stock ownership, equitably apportioned between the companies;
>
> (*b*) leases, entrusting agreements, or licences, or agreements for the pooling and division of earnings arising from the joint operation of any part or parts of freight or passenger traffic, or express, telegraph, or other operating activities or services;
>
> (*c*) joint trackage, running rights, joint ownership, or joint operating agreements, depending upon the nature of the property or services included in any co-operative plan; and
>
> (*d*) joint or individual highway services, or highway and railway services combined, in any form.

They must try in that field, and, generally speaking, in other activities, to come together and effect economies by applying—

Mr. HANNA: By agreement.

Hon. Mr. DANDURAND: By agreement. And if one of the companies feels that some economy should be effected which the other company does not assent to, the arbitral tribunal shall decide.

Mr. HANNA: I am opposed to that. I say the Railway Board is constituted for that very thing.

Hon. Mr. LYNCH-STAUNTON: Can you give a specific reason?

Mr. HANNA: Because this organization has been in existence, and it is set up.

Hon. Mr. LYNCH-STAUNTON: What reason is there against it? What objection would you have to it, as a railwayman?

Mr. HANNA: Because I would not have my disputes settled by a single person.

Hon. Mr. LYNCH-STAUNTON: The chairman of the Railway Board settles everything.

Mr. HANNA: Oh, no.

Hon. Mr. DANDURAND: It has been urged that you cannot have co-operation and competition at the same time.

Mr. HANNA: That is one point that I overlooked. Do you know—the C.P.R. will check me up if I am wrong; I am speaking from old figures—do you know that the Canadian National originates with its own lines nearly seventy per cent of the freight traffic it carries. I venture to say the Canadian Pacific are not very much behind that.

Hon. Mr. DANDURAND: During our investigation in 1925 it was stated that eighty-five per cent of the traffic was tributory to one line or the other.

Mr. HANNA: I am speaking of the Canadian National as distinct from the C.P.R.

Hon. Mr. DANDURAND: Eighty-five per cent belongs to one company or the other.

Mr. HANNA: Do you mean it was originated on its own lines?

Hon. Mr. DANDURAND: Yes.

Mr. HANNA: Well, I put it at seventy-five per cent. Look at the operating statements for the amount of money spent by the Canadian National Railways. I am not here to criticize the Canadian Pacific Railway. It can spend what it pleases. But look at the expenses of the Canadian National for trying to secure a percentage of the business that goes to make up the fifteen per cent. Fancy the money that is paid in New York, and for what purpose?

Hon. Mr. DANDURAND: Fighting for the fiftteen per cent.

Mr. HANNA: Fancy the money that is paid out in Chicago for the same purpose, in San Francisco and in the Old Land.

Hon. Mr. DANDURAND: And in Montreal and Toronto.

Mr. HANNA: I am coming to that. One of the first things we did when we got the Grand Trunk Pacific, and with the accord of the Grand Trunk, was to cut down the expenses of the Old Country office by $20,000; and I am darned if that money wasn't all set back again within two years after we were out of office. To my mind there is no need for the expenditure that has been made in the past, and you will find that up to 1922 we didn't spend the money. I didn't need a bureau of economics to tell me what we ought to do. By the time they had brought out charts and everything else I had the notice out and the men moved. I knew what was going on; it was my business.

Take those expensive offices like in my own city of Toronto—the Canadian Pacific here and the Canadian National there. There is no reason in the world why both offices should not be closed; I see no necessity for them. I would apply the same to Montreal, and everywhere else. But there they are.

And let me tell you about the Canadian National building. That building was offered to us in 1921 at $800,000. The Canadian National ticket office is in that building now, at the corner of King and Yonge streets, one of the most expensive corners in the city of Toronto.

Hon. Mr. LYNCH-STAUNTON: The most expensive.

Mr. HANNA: The most expensive. We were offered that building for $800,000, and I said "Not a cent; we don't need it." We had a building a block and a half east of that; and yet it was bought twelve months afterwards and $1,250,000 was paid for it. What have they got in it? They have got a staff

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

sitting in the most expensive piece of property in Toronto to-day, a staff of men who ought to be down at the Union Station, and if not there certainly they ought to be in their own building a block and a half east. It would serve just the same purpose to the general public.

Hon. Mr. LYNCH-STAUNTON: Mr. Hanna, do you think that corner is worth half of that money?

Mr. HANNA: I do not know, I am not offering any advice as to values.

Hon. Mr. DANDURAND: Have you read Mr. Ruel's statement before the committee?

Mr. HANNA: Yes. I do not agree with it either and I do not want even to discuss it.

Hon. Mr. DANDURAND: The question I put to you is this: Under the competitive system which will be retained under this Bill, do you think there is a possibility of bringing those two roads into co-operation except by force in order to eliminate that waste in ticket, telegraph, express and cartage offices?

An Hon. SENATOR: And duplication of trains?

Hon. Mr. DANDURAND: Do you think that elimination of expenses, of waste, can be brought about without forced co-operation?

Mr. HANNA: I do not think, Senator Dandurand, there need be any force at all. I think there are a great many offices that the Canadian Pacific and the Canadian National could very well afford to close, and I think they will do it without very much compulsion. That is the view I have.

Hon. Mr. LYNCH-STAUNTON: Mr. Hanna, do you think if the Canadian National closed all those supplementary offices they would lose any money at all?

Mr. HANNA: They would lose earnings, but they would save all those expenses.

Hon. Mr. LYNCH-STAUNTON: At the end of the year would they be out any?

Mr. HANNA: Not if the C.P.R. were doing the same.

Hon. Mr. DANDURAND: But do you think that will be done without forced co-operation?

Mr. HANNA: Do you mean to tell me, senator, that the Canadian Pacific are not alive to their opportunities, that if the other company is willing to close that they will not do so too? I have a higher regard for Mr. Beatty's intelligence than to suppose he is going to carry on alone offices that the other fellows have closed up. I think, gentlemen, we are attaching too serious importance to this question of the closing and joining up of offices, the closing of stations and the cutting down of train services. The force that you have got to meet is not the two roads, it is the public. The public will be demanding something. There is not any question that the Canadian Pacific are in the frame of mind—I am sure I could speak for them—they are in the frame of mind, just as the Canadian National are, to get away with what might be considered needless expense. There is not any question about acquiring 15 per cent or 20 per cent of freight business, a percentage of which must of necessity come to each of the roads in respect of location of towns free from competition —I mean in the interior—that is bound to come to them from shipments off other roads. The Canadian National, for instance, have got a long string of places where a car occasionally is loaded from a point off their own system. They will get that car. That is competitive business in the sense that arrangements were in existence where the Canadian Pacific could haul a car some distance and hand it over to the Canadian National; but the Canadian National would get the full haul with this elimination of needless competition. I think I am safe in saying that the Canadian Pacific are just as anxious as this committee is to eliminate needless competition.

Hon. Mr. CALDER: Mr. Beatty said so here.

Mr. HANNA: Yes. I think it is just like this depression, we cannot get the idea out of our heads that there are two competitive railroads. Those of you who have read Will Carlton's poem on Betsy and I will recall these lines:

So I have been talking with Betsy and Betsy has been talking with me.
And we have agreed that we can never agree.

That was the attitude of the Canadian Pacific and the Canadian National for ten years; they were at daggers drawn. A new situation has arisen. On the part of the Government there is an instruction to the present Canadian National Organization: You must get together with the Canadian Pacific, and if you cannot agree there is a tribunal that will settle your differences.

Right Hon. Mr. MEIGHEN: But you think where they cannot agree on the terms of some co-ordinate action, where one thinks it should get a larger share than the other thinks it is entitled to, there must be some tribunal to settle the difference?

Mr. HANNA: Absolutely.

Hon. Mr. LYNCH-STAUNTON: From what you say, Mr. Hanna, I take it you think very few differences will arise?

Mr. HANNA: I think we are worrying ourselves about a lot of things that won't arise. There may be cases here and there, but you will find those are brought about by public pressure, not by the refusal on the part of the two roads to do something. I think you will find the public may intervene in some district and say: You cannot take this train off because we go to the market once every two weeks, and we have not got a motor car, so what are we going to do. There are many branches that might be closed up particularly in Western Canada; they might be closed up as tight as a fiddle after the elevator men have moved away. Close them right up and let the people make up their minds that they have got to use their motor cars.

The CHAIRMAN: Does any other member desire to ask Mr. Hanna some questions?

Hon. Mr. CALDER: Mr. Hanna, this committee must eventually decide on one of three propositions, unless some further propositions are put before us. I am going to state these three propositions briefly in order that I may get your judgment as to what this committee should do. The first proposition is contained in the Bill. The Bill requires that the two companies should co-operate, as Senator Dandurand has pointed out, with a view to effecting economies to the greatest possible extent along the lines indicated. For the time being we will set aside the economies that the companies themselves individually may bring about within their own services. The Bill directs that these two companies shall get together for the purpose of securing those economies. Mr. Beatty has said: I am ready to go on. The Government has said to the Canadian National Railway Officials: We want you to go on. The Bill further directs that if during that process of co-operation the two companies cannot agree, then they must submit their disputes to an arbitral board, whose decision shall be final.

Now, as I understand you so far, Mr. Hanna, you are quite in favour of the Bill in regard to the direction to co-operate?

Mr. HANNA: Quite.

Hon. Mr. CALDER: You feel that the companies are in the mood to co-operate and that there is the possibility of effecting great economies under that section of the Bill. But from what you have intimated apparently you do not agree with the setting up of an arbitral board, constituted practically of one man. The man whom we all have in sight is the Chairman of the Board of Railway Commissioners. You think that the arbitral board should be the Board

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

of Railway Commissioners, that they have had long experience, are fully equipped, have all their precedents behind them, and all that sort of thing, and you would leave the settlement of all disputes to that board?

Mr. HANNA: Where the public could be heard if need be.

Hon. Mr. CALDER: That is one proposition we have. Then we had Mr. Ruel here, and he presented to us a very interesting scheme. I do not say that I agree with it, for like every other member of the committee I am trying to see some daylight. Honourable members know what his proposal was. In effect he suggests that the two systems be continued separately, but that there be an entrusting agreement under which the operations of both roads would be carried on, through the use of the properties of both roads. Further, he suggests that there be a joint board of management to operate the two systems together, with the understanding that Parliament may at any time make a separation—

Mr. HANNA: If it can.

Hon. Mr. CALDER: Yes, if it can. The weakness, if I may say so, in his plan is that he stops just at the point where we would like further information. That is to say, he would have all the moneys coming from the joint operation go into the one till, but he does not tell us how he would divide the revenue between the two systems.

Mr. HANNA: I think he should have gone a step farther and simply suggested consolidation into one system. Then we would know where the money would go. I am very much opposed to it, because I have the interests of the Canadian National so deeply at heart and I think that road could be carried on. For three and a half years we had no interference in any shape, manner or form, from any government; we were as free from interference as the Canadian Pacific Railway itself.

Hon. Mr. CALDER: Your judgment apparently is that if Mr. Ruel's scheme were put into effect, that is if we had joint management, a condition would be created that would make it imposible to separate the two systems afterwards.

Mr. HANNA: That is my considered judgment.

Hon. Mr. CALDER: Then we have the proposition that was expressed by Mr. Beatty, which briefly is that there should be a merger or consolidation of the two systems. Now, Mr. Hanna, may I ask if you would tell us which of the three propositions you think the committee should favour. I am not asking for a snap judgment at all, and if you do not approve of any one of the three propositions but can suggest something different, we would be very glad to know what it is.

Mr. HANNA: I thought that I had made myself clear. So far as the Canadian National Railways Company is concerned, I am definitely in favour of continuing it as a distinct entity without any amalgamation in any shape, manner or form. I am further of the opinion that there should be, on behalf of the Canadian National, a committee of five men of such standing that the committee would carry weight throughout the Dominion, and that one of these five should be a railway man of known and tried ability. That committee should work in conjunction with a similar committee appointed to represent the Canadian Pacific Railway. In the event that difficulties arose that could not be settled by executives of the two roads, such questions should be placed before a meeting of the two committees of five; and only those matters that could not be settled at such a joint meeting should be referred to the Railway Board for a final decision.

Hon. Mr. CALDER: We have been told that it may be possible to effect economies through co-operation as provided in this Bill.

Mr. HANNA: There is no question about it.

Hon. Mr. CALDER: It has been said that the economies might total $30,000,000 or $35,000,000.

Mr. HANNA: Who made that statement?

Hon. Mr. CALDER: And we have been told further that if the two railways were operated together, under joint management, the economies effected would reach $65,000,000.

Mr. HANNA: Then, I suppose the answer is that they should be joined up to-night. I do not know who prepared those figures, but I would not accept them for one minute. Very substantial savings could have been made if the policies that we followed up to 1922 had been continued. But since then great expenditures have been made on capital account, without greatly improving the revenues. This Bill says that there can be no expenses, where both companies are concerned, unless by agreement between them.

Hon. Mr. CALDER: The figures I have quoted are based on the supposition that there will be certain abandonment of lines.

Mr. HANNA: You cannot abandon lines over-night. If that is tried, even under consolidated management, I pity the government that is in power. This is not my snap judgment, that I am definitely committed to the operation of the Canadian National distinct from other roads. I am of the opinion that the two great railways can get together, through their management, and effect economies. And, as I have already said, if the executives of the roads cannot agree on a question of major importance, there should be a reference to the joint committee which I have suggested, and only matters that cannot be settled that way should be taken before the Railway Board. To realize economies of $35,000,000 to $36,000,000 would mean the abandonment of—

Hon. Mr. DANDURAND: Five thousand miles of railway. The two railway companies were represented before the Royal Commission, and figures were given in connection with the abandonment of lines. We have been told here that if competitive operation is continued there cannot be an abandonment of more than 1,700 miles of road, but under joint management there could be an abandonment of 5,000 miles, because under joint management all the economies would benefit both, while under separate management, and competition, the economies will benefit one company rather than the other.

Mr. HANNA: Mr. Chairman, I am inclined to smile at that, because I remember that during the War a demand came for two hundred miles of rails, and goodness knows that although there was a Union Government at that time they could not agree upon where they could get that two hundred miles. I suggested where they could have been got; I would have taken the old Hudson Bay Railway.

Hon. Mr. LYNCH-STAUNTON: They should take that up now.

Mr. HANNA: You have $50,000,000 up there now, and you are paying a bonus to store up wheat. At that time there was a Union Government. I said "Take up those two hundred miles above the Pas and send them to the Old Country," and they wouldn't agree then.

Right Hon. Mr. MEIGHEN: We took them elsewhere.

Mr. HANNA: You took them from the joint section between Edmonton and Jasper Park. I don't know how they fixed it.

Hon. Mr. CALDER: I can quite understand your attitude as to keeping these two entities entirely apart for all time, but if the two roads were thrown together and were operated together from now on, could they effect much larger economies than if they were apart?

Mr. HANNA: That remains to be seen. I would not answer that question, because I have no idea what economies would be suggested.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Right Hon. Mr. MEIGHEN: If they tore up roads they could.

Mr. HANNA: If they wiped out all the official families of the Canadian Pacific, or of the Canadian National they might, and they could get along, probably, without a bureau of economics. They tried to consolidate the Canada paper business. What have they done? You leave the Canadian National alone and let those men trained by myself in the fine school of rigid economy see what they can do. I have a heart-tie, being first officer of the company and the first officer of the main company in that group of companies.

Hon. Mr. FORKE: I think we take too pessimistic a view of the whole situation.

Mr. HANNA: Who?

Hon. Mr. FORKE: Not you. Everybody takes the view that conditions are going to remain as they are.

Mr. HANNA: They are going to get worse.

Hon. Mr. FORKE: But even with all the extravagance, in 1928 the Canadian National paid all expenses—not interest on the bonds to the Government; but they had a surplus of $58,000,000, an operating profit of $58,000,000.

Mr. HANNA: The Canadian National had an operating profit of $58,000,000?

Hon. Mr. DANDURAND: They had $41,000,000 in 1926.

Hon. Mr. GRIESBACH: $58,000,000 is what they had to find out of taxation.

Hon. Mr. FORKE: You are speaking of the bonds to the outside public.

Mr. HANNA: They have never paid that. The fixed charges of the Grand Trunk in 1921 amounted to about $20,000,000, taking the Grand Trunk, the Grand Trunk Pacific and the Canadian National.

Hon. Mr. CALDER: He is not talking of fixed charges at all.

Mr. HANNA: He said they made a net of fifty odd million.

Hon. Mr. DANDURAND: Over operating.

Mr. HANNA: That would have paid all the fixed charges. Are you suggesting that they paid all the fixed charges?

The CHAIRMAN: They paid practically all their fixed charges to the public, but not to the Government; they paid practically all the interest on the bonds due the public in 1928.

Hon. Mr. FORKE: That is it.

The committee adjourned to meet again this afternoon after the House rises.

The Committee resumed at 4.30 p.m.

The CHAIRMAN: We have had several solutions of the railway problem offered. One, amalgamation of the two lines; another, joint operation; and a third as provided for by Bill A. Would it be helpful or wise at this time to try and ascertain with which solution we are going to proceed? If we are going to adopt amalgamation, then we need not proceed further with this Bill. If we are going to have joint operation, we need not further consider this Bill. Are we prepared to say now whether or not we want amalgamation?

Some Hon. SENATORS: No.

The CHAIRMAN: Are we prepared to say now whether or not we want joint operation?

Hon. Mr. SHARPE: We are not prepared.

The CHAIRMAN: You are not prepared to decide?

Some Hon. SENATORS: No.

The CHAIRMAN: Then when are we going to be prepared?

Hon. Mr. MURDOCK: I should like to make a suggestion, Mr. Chairman. We have heard at considerable length President Beatty of the Canadian Pacific Railway, also Mr. Ruel, formerly an official of the Canadian National Railway and now in private practice with a legal firm, and this moring we have heard our good friend Mr. D. B. Hanna. It seems to me that this committee is entitled to hear the viewpoint of the responsible operating officers of the Canadian National Railway whose work is to a large extent—whether we intend so or not—on trial here in the minds of some of us and in the minds of the public of Canada. I think this committee would be unfair and remiss in its duty if it did not request some of those operating officers to appear before us and give us their views.

The CHAIRMAN: Theoretically Mr. Murdock is absolutely right, and we have had that in our minds. But you will remember I wired to Mr. Hungerford, and in reply he said he had no views to present, except that he was against amalgamation. He and the other operating officers of the Canadian National are really employees of the Government, and therefore are not in quite the same position from their standpoint as the employees of a private company. I know there is no objection by anyone to have Mr. Hungerford or any of his staff come here if he or they would care to do so; but it is questionable whether we ought to ask them maybe to express views against government policy.

Hon. Mr. GILLIS: Were Mr. Hunter and Mr. Ruel asked to come?

The CHAIRMAN: Yes, they were asked to come. Like Senator Murdock, I should be glad to hear these men, but I understand their peculiar situation, and whether or not they would care to come it is doubtful whether it would be wise in the interests of everybody to request them to attend.

Hon. Mr. SHARPE: I spoke to Mr. Warren in Winnipeg—he is in charge of the western end of the Canadian National System—and he told me he was ready to come. But I think we should hear Mr. Hungerford before we bring in any person under him.

Hon. Mr. MEIGHEN: Mr. Chairman, I have not the least objection to anybody coming. We must remember, of course, that Mr. Hungerford gave evidence before the commission. I do not suppose all of us have seen it, but certainly Senator Murdock has, for he has read that evidence. I have read it also. His views are evidently very carefully expressed there, they give every sign of preparation, and I fancy he would merely repeat here what he said before the commission. I cannot think of any other Canadian National official at the moment except possibly Mr. Warren, and I do not know whether he gave evidence before the commission. But even though they might feel that amalgamation of the two system was right—I do not think they do—I do not think they would want to come before a committee of Parliament and give evidence against the continuation of their own company. From what I know of them I think they would probably favour the continued autonomy and integrity of the Canadian National.

Hon. Mr. CASGRAIN: Mr. Chairman, the people do not seem to be prepared for amalgamation. But if there is a majority in this committee in favour of Government operation—not Government ownership; we have got it already, we cannot help ourselves; I wish we had not it—I think we are wasting time talking. We have had Government operation for fifty years, and that was the curse of the Maritime provinces.

Hon. Mr. COPP: Order, order.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Hon. Mr. CASGRAIN: We have paid for giving Government ownership a trial, and we are going to continue to pay for it. Personally I am against Government operation.

Hon. Mr. CALDER: Hear, hear.

Hon. Mr. CASGRAIN: If you go through the libraries and consult all the books on the subject you will find Government operation has never been a success anywhere. If the majority of this committee want to continue that operation, it will be very simple to take the yeas and nays on the question, and there is no use debating the subject any more.

Hon. Mr. MURDOCK: Mr. Chairman, I think that is the very reason why we should have some of the responsible operating officers of the Canadian National before us. My friend Senator Casgrain is absolutely set; he has intimated that. I think we all know his position. I am absolutley set, and I am of the opinion that possibly a number of other senators are set in the view that possibly Canadian National Railway operation may be and should be made a success. I think some of us believe that there should be in this Canada of ours a healthful rivalry, if you will, in the interests of the people in transportation facilities. I think it would be rather unfair if we went ahead and took a vote without hearing further and directly from those who are in charge of the Canadian National Railway.

May I say a further word? A week ago last Saturday with others I met Acting President Hungerford on another matter. He had not been very well recently, and I understood he was leaving that night for a holiday, I imagine in the South, to see if he could not come back a little better. I am of the opinion that he might not be available to appear before this committee. Even so, I am quite sure that there are other officers at the head office in Montreal who could be deputized to come here and give us the benefit of their experience and advice.

Hon. Mr. CASGRAIN: Are they free agents, being Government employees?

Hon. Mr. MURDOCK: You are as good a judge of that as I am. But we could at least hear them and decide what value could be placed on their evidence. I doubt that they would be so biased, from certain points of view, as some other witnesses that we have had here and who have made statements, that, in my opinion, differs materially from what was placed before the Royal Commission.

Hon. Mr. BALLANTYNE: I think it would be placing the officials of the government road in a very unfair and awkward position to ask them to come here and give evidence. As the leader of the Government has well expressed it, they certainly would favour continuing the Canadian National Railways. It certainly would be most unfair to ask any of those officers for their views in regard to policy, and what they thought about the present board of directors, a board of trustees, or an arbitral court. This committee can take it for granted that each and every officer of the Canadian National Railways is in favour of continuing the road along separate lines, and it appears to me that it would be only a waste of time to bring them here and subject them to embarrassment.

Hon. Mr. MCRAE: I am one of those members of the committee who have not definitely made up their minds with reference to the various questions involved in this Bill. Before the recess we passed a resolution in favour of what might be termed voluntary co-operation. In the meantime about two and a half months have elapsed, and I hear that considerable progress has been made along the lines that we suggested. Now, I think we should be informed of what has been done in that respect, and that such information would be very useful in helping us to make up our minds here. I do not think there is anyone more qualified than Mr. Hungerford and Mr. Beatty to tell us what has been done in the last two and a half months.

Hon. Mr. CALDER: Mr. Chairman, I was about to make the same suggestion, and for the same reason. For goodness sake, let us find out what has been done in the last two and a half months. We should not be asked to reach a decision until we know to what extent the roads have co-operated. Like Senator McRae, I have not made up my mind on the various questions before us, and if Mr. Hungerford cannot come here let us ask that someone to represent him should come, someone who is familiar with what has taken place.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. CALDER: Furthermore, before we finally lock horns on this Bill, it strikes me that we should hear representatives of the agricultural interests. We have heard evidence from railway representatives, labour men, and others, but so far we have heard nothing from the agriculturalists. Why should we not ask the organizations whose membership comprises hundreds of thousands of farmers to send some delegates here and give us their views? We would not lose very much time through that. Parliament will be sitting for at least another three months, and we can afford to spend three weeks yet on this Bill.

Hon. Mr. LYNCH-STAUNTON: It does not seem to me that the honourable Senator's last suggestion is one that we should adopt. We are not here for the purpose of deciding what is the most popular thing to do; we are not here to find out what the farmers, or the merchants, or any other class or classes want, but to endeavour to arrive at a solution which will be in the best interests of the country as a whole. We might get from the West, for instance, a divided or unanimous opinion with respect to the proposals to continue the roads separately. How far would that advance us? In that way, if we were looking upon the matter from a purely political point of view, we might learn how the sails should be trimmed, but for the life of me I cannot see how we would get any help in endeavouring to solve the problem that confronts us. As far as I can recall, the evidence that we have heard has been generally unfavourable to amalgamation; it has pointed to the conclusion that under existing conditions amalgamation is impracticable. I do not think any member of the committee who has read the evidence, who has discussed the question with his friends and thought the matter over himself, can suggest a practicable form of amalgamation. According to the evidence that I have heard, it would seem that the opinion of the experts—and they are the only men whose opinion is worth anything—is that the roads can be carried on best as separate entities, but that the relations between them should always be harmonious. We want to arrive at some solution in the form of a Bill that will drive out this accursed rivalry and jealousy, and which will satisfy these railroad people that each road has a fair chance, and that there is nothing in competition. I have always considered that competition is the curse and not the life of trade.

I think that every member of this committee, with all his heart wants to arrive at a conclusion which is in the best interests of our suffering country. I do not think anybody here has any axe to grind or any preconceived view to carry out. In that spirit I would be delighted to hear anybody who can cast any light on the subject, but I do not care one straw for popular opinion in the settlement of this question.

Hon. Mr. ROBERTSON: Mr. Chairman, there is one observation I should like to make before the committee. I think it would be a mistake to bring Mr. Hungerford here to give evidence against the C.P.R., he having been employed with that company for many years. Furthermore, Mr. Hungerford's health is another reason why he should not be asked to attend.

Hon. Mr. CALDER: My honourable friend has referred to the evidence that we have had. Where did it come from? We first had Mr. Beatty. Would any member of this committee say that he is not prejudiced? I do not use that word in a critical sense.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

Hon. Mr. LYNCH-STAUNTON: Every man that you bring here is prejudiced.

Hon. Mr. CALDER: Mr. Beatty put his views before us; then we had representatives of the labour organizations, and we know what their attitude was, and it was perfectly natural; then we had Mr. Ruel, who, I think, was probably the most independent witness.

Hon. Mr. LYNCH-STAUNTON: I think so.

Hon. Mr. CALDER: He is a man who has severed his connection with the Canadian National Railways, and is now practicing law. He has no hope or desire to get back into the railway business, and I doubt if he has any political aspirations. Then we had Mr. Hanna, and I am sure that no person will say that he was not at least a little prejudiced—and we cannot blame him for that; he was almost born with the old Canadian Northern. Now where are we going to get further evidence? Why take any more evidence at all? Why not sit down and decide this question? If we cannot get any evidence from independent people who are going to help us in dealing with this question, let us get to work and settle it.

Hon. Mr. LYNCH-STAUNTON: That is what I think we should do.

The CHAIRMAN: I started something, but I wanted to find out what you desired to do.

Hon. Mr. MURDOCK: It occurs to me to ask Senator Calder, why should this independent gentleman who has gone into legal life want to get back with $8,800 a year of a pension on his own request?

Hon. Mr. CALDER: I do not know anything about that.

Hon. Mr. MURDOCK: I do.

Hon. Mr. CASGRAIN: It shows he is independent now that he has got a good thing.

Hon. Mr. LYNCH-STAUNTON: Whom does he speak of?

Hon. Mr. DONNELLY: Mr. Chairman, you asked what we should do. We have Bill A before us in the regular way, and it is the only thing that is before us. It is two and a half months since we started considering the Bill, and we have heard a good many people with respect to it. Speaking for myself, I think the members of this committee have sufficient intelligence to make up their minds what they should do with this Bill without hearing any further evidence. Personally I am prepared to go on and consider the Bill clause by clause. I have my mind pretty well made up as to what we should do, but the time to express my views will be as we discuss the different clauses of the Bill.

Hon. Mr. GILLIS: Why not deal with the Bill first? If we drop the Bill, then the other questions will not come up.

Hon. Mr. DANDURAND: Mr. Chairman, may I say a few words on the question you have put to the committee? There is no doubt that if the committee is in favour of another principle than that which is embodied in the Bill, now is the time to say so. We have twice gone over the Bill from A to Z, and there are a considerable number of amendments that will have to be discussed also.

I desire to draw the attention of the committee to this fact in order that the people should understand what has been my position in this matter. When the Bill came before the House I directed attention to the fact that the Senate had studied this very problem in 1925, and I spoke of the conclusions of the committee, which were as follows:—

> 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.

I desire also to draw attention to the fact that I then said:—

> Mr. Beatty suggested before the Royal Commission that unification might be effected by leasing the Canadian National Railways to the Canadian Pacific Railway, and the report makes reference to this suggestion; but, as this would mean a railway monopoly under private ownership, I do not suppose that the Parliament of to-day or of to-morrow would be disposed to seek such a solution of the railway problem.

This was the opinion I was expressing on that occasion on amalgamation or monopoly under private ownership. I have not changed my mind as to that.

I am not disposed to-day, nor was I then, to favour the lease or sale of the Canadian National Railways to the Canadian Pacific Railway, to be operated by that company. I will not dwell at length upon the reasons, but there are many. I have the conviction that the people of Canada have an interest of $2,600,000,000 in this venture, and I would feel that it would handicap the future of this venture in which we are so deeply interested if we handed it over to a private company. I feel also that within the next ten, fifteen or twenty years the population of Canada will increase gradually, and perhaps rapidly at times, and that we may have a chance to receive a fair return for that immense outlay. Just now I cannot see how we can dispose of or lease our property. I am not speaking of selling our property to any private company without securing its future, and I believe that we should do nothing to diminish the chance of the generation that comes after us in finding a return for the immense outlay that we have made. This is one of the reasons, and only one, why I would not favour a monopoly in private hands.

But the question has been put to the public. We may by our silence pass it by, or we may say that we do not feel like establishing such a monopoly.

Now the other proposition has cropped up that the Canadian Pacific Railway should be annexed to the Canadian National for the national operation of the combined systems. I do not intend to go deeply into it, but I am averse to the idea. Would it be feasible? I do not think so. I would fear very much for the future of the whole National system.

So when people speak of creating a railway monopoly, and some have joined my name to the idea, I disown it. I have never been in favour of a railway monopoly either under private ownership or under public ownership.

If this committee discards those two ideas, then we have to deal with this Bill and with the idea, which was unanimously voted by our Chamber in 1925, of linking the two principles of private ownership and public ownership under joint management while maintaining separate and distinct the two entities. I shall not discuss it at length, because Mr. Ruel made an illuminating statement with respect to it. I cannot say that I am wedded even to that idea. I have an open mind.

We are here to-day to do our best. But we know the country is being bled to the extent of a million dollars a week. The taxpayers are paying that million dollars a week to cover deficits of the Canadian National Railways. This is a very serious situation. This weekly deficit represents over fifty million dollars a year. With the heavy load that we are carrying in divers fields, caring for the unemployed and in other ways, I believe that there is no more serious question that can come before the Senate of Canada or Parliament than the one which is now before us.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

This is why I believe that if the committee feels like I do, that there can be no question of an amalgamation, either under private ownership or under public ownership, then we may address ourselves either to the Bill as presented, which may be amended, or to the idea of joint management. It would be with considerable difficulty and with somewhat of a wrench that I would have to record my view. But I have felt that unless Mr. Hungerford, who just now has our fortune in hand, can tell us—and I must say that I have read with considerable interest his statement which appeared in the annual review of the Montreal Gazette on the 1st of January—I repeat, unless he can say that he thinks he sees light and he can bring about a condition of equilibrium and so in a measureable way stop the financial bleeding, I shall be inclined to say: Well, I can feel that joint management will do it.

I am thinking of the solvency of my country, I am thinking of the morrow. We have not yet perhaps reached the depths, and I want to do the best we can in order at all events to re-establish fair conditions in our railway systems.

Hon. Mr. LYNCH-STAUNTON: Mr. Dandurand, under joint management nobody has yet got into my brain what it means. What is the practical working out of joint management? What are they going to do when they jointly manage the two systems?

An Hon. SENATOR: Put them all into one pool.

Hon. Mr. DANDURAND: Mr. Ruel described it, and I saw it in the same way. Under section 16 of this Bill power is given to the two railways to get together as near as possible in the spirit of co-operation, and they may make:—

> Leases, entrusting agreements, licences, or agreements for the pooling and division of earnings arising from the joint operation of any part or parts of freight or passenger traffic, or express, telegraph, or other operating activities or services; joint trackage, running right, joint ownership, or joint operating agreements, depending upon the nature of the property or services included in any co-operative plan; and joint or individual highway services, or highway and railway services combined, in any form.

Hon. Mr. LYNCH-STAUNTON: Does your idea of joint operation go beyond that?

Hon. Mr. DANDURAND: I do not believe that it goes beyond that, but I believe that joint management is more feasible than separate or competitive management. Mr. Ruel has told us that so long as the two companies remain separate, when they approach each other with a view to making economies they will have in mind the effect upon their respective systems. A proposed economy might benefit one system alone, and in that event the parties would be at loggerheads as to who should get that benefit. Now, under joint management both systems would benefit by economies.

Hon. Mr. GRIESBACH: How do you make that out?

Hon. Mr. DANDURAND: Because both would share in any savings. Under joint management the endeavour would be to operate the two railways in the best interests of both, so that whatever economies were effected would be shared between them on a certain basis. There would be no conflict of interests under joint management, such as there would be under the plan proposed in this Bill. That plan might effect considerable savings, but I am quite sure that joint management would. I hesitate to oppose the joint management scheme when I see that it could be such an effective cure of the existing evil.

Hon. Mr. GORDON: Mr. Chairman, I understand that since we passed the resolution in favour of co-operation, the railways have had a committee working along that line. I suggest that the members of that committee should come

here and tell us what has been done. I further suggest that if Mr. Hungerford, or any other railway officials are brought here, the evidence should be confined to the economies that have been effected by the two roads during our adjournment. My humble opinion is that we should proceed with Bill A.

Hon. Mr. MURDOCK: Mr. Chairman, there seems to be a difference of opinion as to whether we should call Mr. Hungerford, and it appears doubtful whether in any event he could come here. Therefore, I wonder if it would be helpful to us to read evidence that the gave before the Royal Commission. From that evidence we could get his viewpoint, unbiased by anything that has taken place during the past few months. I hold a copy of extracts from that evidence in my hand, and I think it would be of assistance to us to read it.

The CHAIRMAN: Will you read it now, Senator Murdock?

Hon. Mr. MURDOCK: Here it is, extracts from evidence of Mr. Hungerford, page 793:—

> Now coming to the various solutions that have been discussed, I would like to express my opinion in regard to one suggestion, and that is the amalgamation of the two major railway systems.
>
> (1) The consolidation of practically all railways into one system would inevitably result in a serious decline in the energy, initiative and enthusiasm of the officers and employees which is now at a remarkably high level and which has been largely developed and sustained by vigorous competition. The spirit of loyalty and enthusiasm constitutes a most important asset and if it were seriously impaired, as it doubtless would be, the resultant loss would largely, if not wholly, offset any savings that might be effected. Not only would the railways lose in efficiency and consequently in the cost of operation, but the public would also suffer seriously from the general slowing down and deterioration of the service. Competition has very largely created the existing morale of the staff and only competition can maintain it.
>
> (2) In view of the efforts that have been put forth by the people in various communities and sections of Canada and the obligations that have been assumed to secure competitive railway service, it would appear that the people generally place a high value upon it, and presumably would be reluctant to give up now what they have secured. At one time there was practically a railway monopoly in Western Canada and during that period there was almost constant agitation for the construction of other railways and the provision of competitive service. This agitation nearly developed into an insurrection and forced the Government of the time to make arrangements whereby the construction of competing lines became possible. Even although well served by one railway, a community almost invariably presses for the construction of another one whenever there appears to be a reasonable chance of accomplishing such purpose, in order, as they believe, to benefit the community and quite regardless of whether such construction is justified economically, or otherwise. A review of what has occurred in past years, together with the fact that such efforts are being made even now, must lead to the conclusion that the people generally do place a high value upon competitive railway service.

LORD ASHFIELD: If I understand you correctly, you are in favour of competition?

Mr. HUNGERFORD: I am.

* * * * * * * * * *

LORD ASHFIELD: Your experience tells you that the best results to the community as a whole are obtained by having competitive services in these two railways?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Mr. HUNGERFORD: Yes, within reasonable limitations.

LORD ASHFIELD: Perhaps you would explain what you mean by reasonable limitations, and how they could be made effective.

Mr. HUNGERFORD: Every once in a while competition more or less runs away and develops into a ridiculous position. It is quite possible under the stimulus of competition to have unwise development—too much service, too high class service or something of that kind. But after all, competition in railway services in Canada is of the same general character as that of competition between railways in other countries, the United States included, and also of the same character as the competitive factors as between commercial firms of all kinds everywhere.

* * * * * * * * * *

Mr. HUNGERFORD: Well, I think it is in the general interest, in view of the fact that these two railways exist at the present time, that they should be continued as separate institutions and allowed to compete one with the other, with a certain measure of restriction against unreasonable development, but still maintaining the principle of competition.

Sir JOSEPH FLAVELLE: What is the method of restriction you have in mind?

Mr. HUNGERFORD: I rather endorse the principle of the suggestion of Sir Henry Thornton yesterday as to the appointment of some body —or at least some commission being endowed with power more or less to supervise and to prevent ridiculous developments.

* * * * * * *

Lord ASHFIELD: Can you help the Commission on this question of what you call ridiculous competition by suggesting how that can be avoided? You do think it is a ridiculous position now, do you, or has competition got that far yet?

Mr. HUNGERFORD: I do not think that a large proportion of the competition between the two railways has been unwarranted or ridiculous at all, but I do admit that in certain developments it has reached a ridiculous point. I have no hesitation in saying that I think we went too far with hotel development and in connection with some steamship developments, and to a slight extent we have done so in connection with passenger train services. That is pretty well past now—it is pretty well done.

Sir JOSEPH FLAVELLE: Adversity helps us to become wiser, some times.

Mr. HUNGERFORD: I think we learn from experience.

The CHAIRMAN: Does that extend to premature construction?

Mr. HUNGERFORD: Well, to some extent, sir.

The CHAIRMAN: May I put this question—and I do not want an answer in detail at all; in what you have just said are you thinking of what was done in the light of experience, or in the light of what should have been a proper judgment at the time?

Mr. HUNGERFORD: I am not quite sure of your reference, sir.

The CHAIRMAN: I mean with regard to premature construction. It is easy to say now: "Oh well, it was too soon," and so on; is it from that point of view that you would criticize such items of premature construction as you have in mind, or do you say that looking at it from the point of view of the judgment that should have been exercised at the time the construction was decided upon, it was unwise competition—to use a milder phrase than the one you have used?

Mr. HUNGERFORD: Well, one's hindsight is always much better than foresight.

The CHAIRMAN: That is what I am recognizing.

Mr. HUNGERFORD: But under the conditions that prevailed at the time these major developments took place, particularly in connection with the construction of the Canadian Northern and the Grand Trunk Pacific, as being the most outstanding feature in railway development of that day, I think Sir Joseph will bear me out in this, that there was a general support of the proposal throughout the country, and that was reflected in the acts of Parliament bearing upon the question. I happen to know that Sir Joseph was one of the objectors to the policy, but it is a fact, I think, that the great majority of the people at that time thought it was the proper thing to do. I recall distinctly reading in many editorials in representative newspapers statements to the general effect that railways could not be built rapidly enough to cope with the development of the country. It is not a species of condemnation at all; I am simply stating a fact that is recognizable by all.

The CHAIRMAN: I really had not in mind the large question of policy involved in the construction of the Grand Trunk Pacific, or the question, whatever it was, whether of policy or something else, involved in the construction of the National Transcontinental; I was thinking of the more recent developments that have been criticized, particularly in Western Canada.

Mr. HUNGERFORD: The railway development since perhaps 1920 has consisted almost entirely of the construction of branch lines, and both companies have followed about the same policy and practically to the same extent. I do not think it can be argued in any case that any one of these branch lines in itself directly is justifiable but from the standpoint of the national interest and from the standpoint of the secondary benefits to the railway, I think a case can be made. Any good policy, however, may be carried too far, and the question therefore is whether that good policy was carried too far in this instance or not. Personally I doubt whether it was. I think that the secondary benefits to the railway in the way of the traffic furnished, the movement over the main line together with the increase in the national wealth due to the construction of these lines, would probably justify them—I rather think so.

* * * * * * * * * *

Sir JOSEPH FLAVELLE: May I speak from another angle? You have referred to what I think is recognized as an accomplishment in the Canadian National, the loyal spirit which prevails throughout the service; and it has transpired from the testimony of officers during the sittings of the Commission that it is their view that what has been accomplished is a worthily done piece of work. I am not attempting to combat that, but I simply wish to get at this point; this Commission presumably is appointed because the manner in which the railways have been conducted has produced a condition of such embarrassment that it becomes necessary to determine in what other manner they could be conducted so that this embarrassment may be relieved. Now, among the things that belong to a loyal staff is the interpretation of the trustee relationship which is involved. The Government of the country is operating a system of railways, some of them duplicated against one another at an earlier period; some of them in answer to a popular outcry. There is apparent the stern necessity of administration within the limits of the resources of the owner; and that is fundamental in all administration. It has happened in your

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

case that because the Government of the country has been a free treasury, the expenditures have been very liberal—not a bankrupt road expenditure, but an affluent ownership expenditure. The Chairman asked a little while ago whether your designation of some of these expenditures as involving ridiculous competition was an afterthought after the expenditure was made, or a pre-thought, as it were—a check which you think should have operated upon the natural optimism and buoyancy of a liberal treasury with plenty of money. After all, either the Commission should not have been formed, or, without attempting to express any ungenerous criticism of administration, it is primarily formed for the purpose of endeavouring to correct an existing situation which results in a burden heavier than it is believed the country can bear. Now, the country is faced with a very grave financial situation—fixed charges which cannot be reduced; a heavy capital debt; large pension commitments; substantial subsidies to the provinces. Between one thing and another we will have a very disturbing excess of expenditure over revenue during the current twelve months, so disturbing a sum that the Government apparently is diligently looking for some means of lessening expenditure on the one hand, and I presume, of increasing taxation on the other so as to try to live within the budget. As a senior officer in charge of operation of this great system you have in your very excellently prepared memorandum candidly stated the story of the over-development of these railways without any legal action being taken whereby there could be a reduction of the capital by the usual means of receivership. Believing as you sincerely do that there should be two competitive systems, have you a practical working basis for the two systems to run in competition whereby they will operate in harmony with the resources of the country and maintain necessary present services?

Mr. HUNGERFORD: Well, I believe so.

Sir JOSEPH FLAVELLE: What is it? Perhaps it is given later on in your memorandum.

Mr. HUNGERFORD: There is a little more; perhaps you would permit me to read it, and then we can carry on the discussion further. It does cover that in a general way.

Having regard to all the circumstances I believe the best ultimate results will follow the adoption of the following policies:—

(1) Maintain present status and organization of the two railways.

(2) Co-operation between the two companies as far as feasible subject to the condition that in any case, neither company shall suffer loss, and that one or the other, or both, shall secure substantial advantage.

(3) Continue the present policy of effecting every practicable economy in operation.

I would like to develop that a little more.

(4) Take all reasonable measures to combat highway competition.

(5) Restrict capital expenditures to:—

(a) Items necessary for safety of operation.

(b) Items ordered by competent authority or obligations assumed by agreement.

(c) Items which will undoubtedly earn a full return on investment.

In this connection I desire to endorse in principle the suggestion offered by Sir Henry Thornton that some commission be endowed with power,

(a) To enforce reasonable co-operation between the companies, subject to the conditions outlined above.

(b) To whom application would have to be made for a certificate of public convenience and necessity before any flotation of railway securities could be made.

The CHAIRMAN: The railway securities to which you refer would include shares, as I gather from what Sir Henry said yesterday.

Mr. HUNGERFORD: Yes, any securities. I do not suggest any particular commission, but I think somebody should have that power.

Sir JOSEPH FLAVELLE: You refer a little earlier to a competent authority. What do you mean by competent authority—Parliament?

Mr. HUNGERFORD: No—the Board of Railway Commissioners, for instance, in ordering a grade separation or something of that description, such as a public service commission. We are ordered by various public bodies to do various things.

Mr. HUNGERFORD: All railways are suffering to some extent from what you say—I think from too low freight rates. The roads in the States evidently thought that was so because they applied for increased rates.

Commissioner LOREE: No, that was not the reason. The fellows that wanted to bring about amalgamation were trying to find some means of saving themselves from receiverships regardless of the interests of others.

* * * * * * *

Commissioner MURRAY: . . . .A transportation company would be established, and this company would determine the quantity and quality of service, would control advertising, would issue and sell tickets, would issue bonds to each company for the property taken over, would pay for the transport of the cars at cost, the total car mileage being equally divided, as well as the total profit and loss. Now, passenger service is one of the big problems of the whole deficit. Is a broader plan like that practical, and would it be fair to both railways do you think? I am putting it in a general way.

Mr. HUNGERFORD: That of course would be perhaps a feasible arrangement, but I think it was suggested more for the purpose of exploring all possible avenues. But in my view at least it would introduce an unnecessary degree of complication, because when you come to the non-competitive passenger service, as represented by the service on lines that have not common termini with the other railway, why, you can adjust that service to the cheapest basis possible that will be approved by the Board of Railway Commissioners, and you can do no more. That is the policy we work on now; that is the condition to-day. Now, if you were to throw that all in with the competitive business you would be subject to just the same influence, you would be setting up a machine that would not be any more effective so far as that traffic is concerned than the machinery which exists to-day. My view is it would be an unnecessary complication.

* * * * * * *

Commissioner MURRAY: What would be your method of separating the competitive from the non-competitive?

Mr. HUNGERFORD: Limit the pooling feature to train services starting and terminating at a common point, or running through common points.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Sir JOSEPH FLAVELLE: Not pooling, but making arrangements for each one carrying on its own service according to the agreed plan. Is that what you mean?

Mr. HUNGERFORD: Pooling has been developed in various forms, but basically it is something like this. You take a record of the earnings of both companies between those points and establish the relative percentage agreed upon between themselves that they will maintain for a period. Then you put all the earnings from that particular service of both lines into a pool and divide the total on the percentage basis agreed upon. There are variations from that, but that is the general fundamental principle, and it is employed quite extensively. But there is another variation in connection with that. The competitive service with respect to passengers is between the terminal points, but the intermediate travel that originates at the originating terminal and ends at some intermediate point, or is picked up at some intermediate point and set down at another intermediate point or is picked up at an intermediate point and set down at the terminal; sometimes that is included in the pooling feature, and sometimes it is excluded. It is just a matter of arrangement, but the underlying principle is the same.

The CHAIRMAN: You were not contemplating a separate corporation?

Mr. HUNGERFORD: No, sir, I do not think anything is to be gained by setting up a lot of machinery for a relatively small thing.

Sir JOSEPH FLAVELLE: You want something that does not interfere with the operation of each property on its own account?

Mr. HUNGERFORD: I think that is a desirable feature.

* * * * * * * *

Mr. HUNGERFORD: I should like to suggest for your consideration, Sir Joseph, that the explanation in respect to the doing a good job but the cost becoming so great that it cannot be borne, really is this. There was a situation named over to the management of the railway, and if the management had not pursued that course of action with respect to capital expenditures and improvements of the property, the burden would have been greater to-day than it is. In other words, the savings in operating expenses as a result of the improvement in the physical condition of the property, plus of course better organization and all that sort of thing, represents an amount considerably in excess of the interest on the additional capital that has been invested.

I rather pride myself on this, Sir Joseph, that I am a good enough citizen to advocate any course of action, irrespective of how it may affect me personally, if I thought it was in the interests of the country. But this is a situation that has not been created by this management. It was handed to them, and they were instructed to go ahead and do the best they could with it. We have done that within the limits of our intelligence and with the usual percentage of mistakes, and all that sort of thing. But the management was not responsible for these premises. I am not seeking to defend the management at all, I know the question before the commission is as Sir Joseph has said: What can we do now to improve the situation? My answer to that concretely is this: All that you can do in effect under the present conditions is to do substantially what I have outlined—economize in every reasonable way.

The CHAIRMAN: May I interrupt you there for a moment. You have not developed, as you said you were going to, that point of economy.

Mr. HUNGERFORD: Oh, yes I have, sir.

The CHAIRMAN: Very well. Please go on. Economize, and then—

Mr. HUNGERFORD: Economize in every possible way; and coupled with that the endorsement of Sir Henry's suggestion to the extent of some authority being created to enforce reasonable measures of co-operation, because it is quite possible that co-operation for one reason or another would not be carried out to the extent that would be desirable in the national interests. In a particular case it might be an advantage to one company and perhaps not to the same extent to the other and in the next case that situation might be reversed. But I do think in the national interests, speaking from that standpoint, there is justification for having some authority charged with seeing to it that reasonable measures of co-operation are enforced. And further, that no unnecessary or unreasonable expenditures be incurred.

But beyond all that there does not seem to be any royal road by which this situation can be solved. I know that a certain figure has been set up and more or less generally discussed about the results of amalgamation. But when I analyze those credit items I find—at least to my satisfaction and I think the satisfaction of others—that a great many of them are very doubtful of attainment; and in a general way I believe a very large proportion of all the real economies that can be secured at all can be secured under separate operation; and the comparatively slight difference between the degree of economy that can be secured from separate operation as compared with that under amalgamation would be more than offset by the obvious disadvantages of amalgamation which I have referred to. Frankly, I see no further answer to this railway question at all than to do just what we have suggested—economize in every possible way, and simply hope for a return to normal times. Because the situation on the Canadian National from a financial point of view is much more healthy than it has been.

Sir JOSEPH FLAVELLE: More healthy than it has been, did you say?

Mr. HUNGERFORD: To a very large extent. A great deal of this extraordinary work and expenditure has been disposed of, is behind us, we are getting much more nearly on a normal basis, and from now on our expenditures will be substantially less, both on operating unit basis and in general on capital account. Further, with the increase in business we will earn a larger proportion of net than we have ever done before by a long way. If we were to-day on a normal trend of gross earnings, we would be earning an amount sufficient to pay interest on all the securities in the hands of the public. We are distinctly below a normal trend at the present time; in 1927 and 1928 we were above it.

Commissioner LOREE: That includes the charges on $20,000,000?

Mr. HUNGERFORD: Yes, allowing for an increase of a million dollars a year on interest charges on account of expenditure of additional capital, and as time goes on, just as a reasonable and sane policy is pursued—I guess I had better not put this in the record. . . . . .

Mr. HUNGERFORD: Well, Sir Joseph, I have never said or claimed that the administration as a whole has not made mistakes during the period; quite frankly, some serious mistakes were made with respect to matters of that kind. But after all by far the greater proportion of the money so spent was spent usefully and profitably on the property. When you come to the question of hotels, Pacific steamships, and things like that, you are dealing more or less with excrescences that are apart from railroading as a whole, for which I am particularly concerned and for which I am particularly speaking.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Commissioner LOREE: Mr. Hungerford, your situation differs only in amount from what is a general situation all over the North American continent.

Mr. HUNGERFORD: That is so, sir.

Commissioner LOREE: 54 per cent of the railways in the United States will not have earned their fixed charges in 1931. You are not going to earn yours.

Mr. HUNGERFORD: No.

Commissioner LOREE: . . . . . .

Sir Joseph and I differ perhaps on the question of management. He thinks management is overpaid; I think management is very much underpaid, and that is one of the main troubles in the situation. Napoleon had a mareschal named Massena, whom Wellington thought was the best of the lot. Napoleon said that on the field of battle Massena was worth ten thousand men. Grant had a cavalry commander named Wilson. He sent him to General Thomas and wrote a letter of introduction in this fashion: "In sending you General Wilson I figure I am adding ten thousand men to the strength of your army." I was reading the other night Guedalla's Life of Wellington. He quotes Wellington as saying that in combat Napoleon added forty thousand men to the strength of his army. If that is the capacity of men in military life, what is the capacity of men in industrial life?

Sir JOSEPH FLAVELLE: I accept that.

Commissioner LOREE: I think management is terribly underpaid, and I believe that one of the weaknesses of the industrial structure to-day grows out of the underpayment of management. It is underpaid to a much greater extent even than capital.

* * * * * * *

Commissioner LEMAN: Mr. Hungerford, I understand your considered opinion as a public spirited citizen is that the situation we would have to deal with would boil down to this: the Canadian National Railways would be careful, prudent and cautious in their management and effect economies which are summed up to $23,000,000 a year; . . . .

The CHAIRMAN: That is the impression I had, but a moment ago you spoke of these things cancelling one another out. As I understand you now, there should be a probable reduction from $36,000,000 to $20,000,000 in capital expenditure, and in addition to that a $23,000,000 reduction in operating expense.

* * * * * * *

Mr. HUNGERFORD: I might just read this list of possible opportunities for co-operative effort, if you wish to have them on the record.

These are subjects for investigation with a view to developing the possibility of further advantageous co-operation:

1. The pooling of passenger train services between competitive points. I have discussed that.

2. Some form of amalgamation or co-operation with respect to the Pacific coast steamship services.

3. The same thing with respect to hotel services.

4. The same thing with respect to telegraph services.

Sir JOSEPH FLAVELLE: Express as well, or just telegraphs?

Mr. HUNGERFORD: Just telegraphs. The express situation is rather complicated by possible developments in connection with meeting high-

way competition; there seems to be a tendency there perhaps to grow away from express and really make it an agency for handling package freight, or something of that kind. The picture is really not sufficiently developed to permit any clear indication of what would be the best thing to do under the circumstances, and for that reason I have left the express companies out.

5. With respect to parallel lines, a continuance of the study of the possibility of the joint use of one or two of the lines and abandonment of the other.

6. Continuing a study of the possibility of further joint use of terminal facilities of various kinds.

7. Looking to the question further of the handling of freight, with respect to certain more or less specific developments in that connection. An illustration of that would be what was mentioned yesterday as to the possibility of saving money by the Canadian National handling Canadian Pacific traffic from Edmonton to Kamloops and the Canadian Pacific, in return, handling a corresponding volume of traffic over their line to Kamloops. The consideration of this phase of the matter is, in my opinion, limited to peculiar conditions of that kind rather than being a point of general co-operation.

8. Joint efforts to meet bus and truck competition.

* * * * * * * * * *

9. Use of each other's equipment in preference to hiring from other companies. That, I may say, is an arrangement that has been in effect for some time, and it works quite satisfactorily.

10. The possibility of some further co-operative development in connection with lake and rail business. We do not know yet what might be accomplished in that line.

* * * * * * * * * *

11. The possibility of abolishing or consolidating off-line or uptown agencies of various kinds.

12. Interchange of traffic; an endeavour to influence passenger and freight shippers to use connecting lines of the Canadian Pacific or Canadian National or their subsidiaries, in preference to the connecting lines of other companies. That is, in so far as it lies in our power, to direct the traffic when it necessarily leaves our lines, to the lines of the other company. There are many limitations in respect to the possibilities in that direction, but something could be done and I think it might be worth while.

Broadly, these are the suggestions I have in respect to developing the possibility of further co-operation.

* * * * * * * * * *

The CHAIRMAN: I wonder if as a matter of convenience—perhaps my colleagues will have some questions to put to you with regard to it—you would re-read that part of your memorandum in which you deal with what you conceive to be the conditions governing the expenditure of capital moneys.

Mr. HUNGERFORD: I think you have reference to that part of the memorandum which suggests the restriction of capital expenditures in the first place, to items necessary for safety of operation.

The CHAIRMAN: That is what I mean, yes.

Mr. HUNGERFORD: That was the first item.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Commissioner LOREE: Mr. Hungerford, your situation differs only in amount from what is a general situation all over the North American continent.

Mr. HUNGERFORD: That is so, sir.

Commissioner LOREE: 54 per cent of the railways in the United States will not have earned their fixed charges in 1931. You are not going to earn yours.

Mr. HUNGERFORD: No.

Commissioner LOREE: . . . . . .

Sir Joseph and I differ perhaps on the question of management. He thinks management is overpaid; I think management is very much underpaid, and that is one of the main troubles in the situation. Napoleon had a mareschal named Massena, whom Wellington thought was the best of the lot. Napoleon said that on the field of battle Massena was worth ten thousand men. Grant had a cavalry commander named Wilson. He sent him to General Thomas and wrote a letter of introduction in this fashion: "In sending you General Wilson I figure I am adding ten thousand men to the strength of your army." I was reading the other night Guedalla's Life of Wellington. He quotes Wellington as saying that in combat Napoleon added forty thousand men to the strength of his army. If that is the capacity of men in military life, what is the capacity of men in industrial life?

Sir JOSEPH FLAVELLE: I accept that.

Commissioner LOREE: I think management is terribly underpaid, and I believe that one of the weaknesses of the industrial structure to-day grows out of the underpayment of management. It is underpaid to a much greater extent even than capital.

* * * * * * *

Commissioner LEMAN: Mr. Hungerford, I understand your considered opinion as a public spirited citizen is that the situation we would have to deal with would boil down to this: the Canadian National Railways would be careful, prudent and cautious in their management and effect economies which are summed up to $23,000,000 a year; . . . .

The CHAIRMAN: That is the impression I had, but a moment ago you spoke of these things cancelling one another out. As I understand you now, there should be a probable reduction from $36,000,000 to $20,000,000 in capital expenditure, and in addition to that a $23,000,000 reduction in operating expense.

* * * * * * *

Mr. HUNGERFORD: I might just read this list of possible opportunities for co-operative effort, if you wish to have them on the record.

These are subjects for investigation with a view to developing the possibility of further advantageous co-operation:

1. The pooling of passenger train services between competitive points. I have discussed that.

2. Some form of amalgamation or co-operation with respect to the Pacific coast steamship services.

3. The same thing with respect to hotel services.

4. The same thing with respect to telegraph services.

Sir JOSEPH FLAVELLE: Express as well, or just telegraphs?

Mr. HUNGERFORD: Just telegraphs. The express situation is rather complicated by possible developments in connection with meeting high-

way competition; there seems to be a tendency there perhaps to grow away from express and really make it an agency for handling package freight, or something of that kind. The picture is really not sufficiently developed to permit any clear indication of what would be the best thing to do under the circumstances, and for that reason I have left the express companies out.

5. With respect to parallel lines, a continuance of the study of the possibility of the joint use of one or two of the lines and abandonment of the other.

6. Continuing a study of the possibility of further joint use of terminal facilities of various kinds.

7. Looking to the question further of the handling of freight, with respect to certain more or less specific developments in that connection. An illustration of that would be what was mentioned yesterday as to the possibility of saving money by the Canadian National handling Canadian Pacific traffic from Edmonton to Kamloops and the Canadian Pacific, in return, handling a corresponding volume of traffic over their line to Kamloops. The consideration of this phase of the matter is, in my opinion, limited to peculiar conditions of that kind rather than being a point of general co-operation.

8. Joint efforts to meet bus and truck competition.

* * * * * * * * * *

9. Use of each other's equipment in preference to hiring from other companies. That, I may say, is an arrangement that has been in effect for some time, and it works quite satisfactorily.

10. The possibility of some further co-operative development in connection with lake and rail business. We do not know yet what might be accomplished in that line.

* * * * * * * * * *

11. The possibility of abolishing or consolidating off-line or uptown agencies of various kinds.

12. Interchange of traffic; an endeavour to influence passenger and freight shippers to use connecting lines of the Canadian Pacific or Canadian National or their subsidiaries, in preference to the connecting lines of other companies. That is, in so far as it lies in our power, to direct the traffic when it necessarily leaves our lines, to the lines of the other company. There are many limitations in respect to the possibilities in that direction, but something could be done and I think it might be worth while.

Broadly, these are the suggestions I have in respect to developing the possibility of further co-operation.

* * * * * * * * * *

The CHAIRMAN: I wonder if as a matter of convenience—perhaps my colleagues will have some questions to put to you with regard to it—you would re-read that part of your memorandum in which you deal with what you conceive to be the conditions governing the expenditure of capital moneys.

Mr. HUNGERFORD: I think you have reference to that part of the memorandum which suggests the restriction of capital expenditures in the first place, to items necessary for safety of operation.

The CHAIRMAN: That is what I mean, yes.

Mr. HUNGERFORD: That was the first item.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The CHAIRMAN: Very well, sir, I will read the earlier paragraph so that we can get the whole picture.

Mr. HUNGERFORD: Very well, sir, I will read the whole of the paragraph:—

Having regard to all the circumstances I believe the best ultimate results will follow the adoption of the following policies:—

(1) Maintain present status and organization of the two railways.
(2) Co-operation between the two companies as far as feasible, subject to the condition that in any case, neither company shall suffer loss, and that one or the other, or both, shall secure substantial advantage.
(3) Continue the present policy of effecting every practicable economy in operation.
(4) Take all reasonable measures to combat highway competition.
(5) Restrict capital expenditures to:—
    (a) Items necessary for safety of operation.
    (b) Items ordered by competent authority or obligations assumed by agreement.
    (c) Items which will undoubtedly earn a full return on investment.

And then I went on, sir—this is more or less connected with it:—

In this connection I desire to endorse in principle the suggestion offered by Sir Henry Thornton that some commission be endowed with power to enforce reasonable co-operation, and so on.

Lord ASHFIELD: There are one or two question I would like to ask. You have had, I understand, a very long experience in railway operation?

Mr. HUNGERFORD: Forty-five years.

Lord ASHFIELD: That has included operation under Company management as well as under the present auspices, government control?

Mr. HUNGERFORD: Yes—twenty odd years on the Canadian Pacific.

Lord ASHFIELD: Do you venture to draw any distinction between methods and policy under company operation as distinct from the operation of the Canadian National under government ownership?

Mr. HUNGERFORD: No, I cannot see any particular difference.

Lord ASHFIELD: One is as efficient as the other, so far as your experience goes?

Mr. HUNGERFORD: I think so, under the same average physical condition and degree of development from an organization point of view —yes, I think so.

Lord ASHFIELD: Do you think the organization is as free in dealing with all the affairs of a railway enterprise such as the Canadian National as would be the case with the Canadian Pacific?

Mr. HUNGERFORD: Well, I shall have to qualify my answer in regard to that. Of course Parliament does exercise a certain measure of control —Parliament and the Government—comparable perhaps with that exercised by the shareholders in the case of a privately owned company, at least to some extent. The chief difference I see between the two is this: that under government ownership the officers at least have a considerably greater amount of work to do in order to accomplish the same results.

Lord ASHFIELD: Statistical work, you mean?

Mr. HUNGERFORD: Arising out of the government connection I suppose—a great many more reports have to be furnished, information

of various sorts, correspondence about this, that, and the other thing. It really does not go beyond that, so far as I can see, except when it comes to the question of ultimate financial control.

Lord ASHFIELD: Has it had a restrictive effect upon the activities of the organization—all this extra work that is put upon it?

Mr. HUNGERFORD: No, I would not think so.

Lord ASHFIELD: It is simply a matter of labour, that is all.

Mr. HUNGERFORD: That is all. I think perhaps, my lord, I can answer your question in this way—and in saying this I do not suggest any criticism at all of another company. But during the period under review—

Lord ASHFIELD: You are talking about when—what is the period under review?

Mr. HUNGERFORD: Say 1920—the last ten or eleven years. So far as I can see, and I think I am pretty well informed with respect to the situation, the management of the Canadian Pacific Railway has pursued exactly the same policy as that of the Canadian National. I see no difference at all.

Lord ASHFIELD: Perhaps that might be admitted, but may there not be an explanation for it? I suggest the explanation might be—I do not say that it is—that the policy of the Canadian Pacific has to a certain extent been dictated by the policy of the Canadian National.

Mr. HUNGERFORD: I can hardly believe that it was dictated in very large degree, from the fact that the Canadian Pacific took the initiative on many occasions in connection wth the development of new enterprises. I say that in no spirit of criticism; it is simply a statement of fact. The influence, if it was materially effective in either case, was mutual, and perhaps of equal effect on each side. Certainly nothing the Canadian National did or proposed to do, that I know of, suggested the building of a hotel in Toronto, by way of example. I do not know of any.

Sir JOSEPH FLAVELLE: I did not catch the last sentence—suggested what?

Mr. HUNGERFORD: I do not know of any action by the Canadian National, or any measure of policy, which suggested the building of a hotel in Toronto like the Royal York, for instance, and I simply cite that as an example. The Canadian National did not propose to build a hotel in Toronto, or do anything about it; the Canadian Pacific elected to do that, for reasons that seemed good to them at that time. I repeat that no criticism is suggested; I quote that as an indication that apparently the Canadian Pacific saw fit to do many things, and in general about the same things that were done by other railways and other commercial concerns. It was a period of optimism, and it is common knowledge that during several years most firms developed more rapidly than they now wish that they had. But I do not really think there was any material influence in that.

* * * * * * *

Mr. HUNGERFORD: An excellent reason, yes. We have been actuated by the same motives, and in general, so far as circumstances would permit, have followed just exactly the same practices and policies as we did long before amalgamation, when we were all under private ownership. I personally can see no change.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Lord ASHFIELD: If you venture to review what has transpired in connection with the various activtities of the Canadian National Railway during the period under review, say the last ten years, do I correctly interpret your view when I say that whatever did happen would not be very different from what would have happened if instead of being under government ownership and control the undertaking had been carried on under similar auspices to that of the Canadian Pacific Railway? Do I go too far, or does that express your view?

Mr. HUNGERFORD: I think that is substantially a correct statement.

Lord ASHFIELD: So far as you know it is equally true to say of the Canadian Pacific that during the last ten years they have not been tempted to make expenditures for services beyond what business prudence would demand on account of any policy of the Canadian National Railway?

Mr. HUNGERFORD: I do not think so. I think if there had been another private company competing with the Canadian Pacific, a company that had equal resources and opportunities, the degree of competition would have been about the same.

* * * * * * *

Mr. HUNGERFORD: Obviously there was competition of a sort in earlier years between the Canadian Pacific on the one hand and the Grand Trunk on the other. The Canadian Pacific was a wealthy corporation, capable of doing almost anything it desired to do at that particular time, and the Grand Trunk for a number of years was living from hand to mouth, as it were, and naturally could not do many things. I am not referring to the kind of competition; but if the conditions with respect to financial resources had been substantially the same, then I think about the same degree of competition would have developed, that is, under the same circumstances with respect to optimism and general development in the country.

Lord ASHFIELD: In those circumstances there would not appear to be much room for economy, would there, if the two systems were fused or brought together in some way?

Mr. HUNGERFORD: No, I cannot see that any great saving would result.

Lord ASHFIELD: Then what prospect is held out for the future? Must we rely almost entirely on a return of what we call a normal situation, a larger volume of traffic coming to the railways, for anything approaching financial stability?

Mr. HUNGERFORD: Yes.

Lord ASHFIELD: In your opinion there is not much to be gained through economies?

Mr. HUNGERFORD: Oh, I think substantial advantage is to be gained from practising economies, if I understood the question aright.

Lord ASHFIELD: What would that be? Have you estimated it?

Mr. HUNGERFORD: No, I do not know exactly how to express that. You have been given a figure of $60,000,000 as a possible saving under amalgamation.

Lord ASHFIELD: It has been mentioned.

Mr. HUNGERFORD: And a possible saving of $30,000,000 without amalgamation. I suggested this morning and I suggest again, that

probably many of the items involved are not possible of attainment under all the conditions that exist in this country, and therefore they would not be realized under one condition or the other. But in a general way it is my belief that nearly as much economy can be effected, with the proper methods, under separate operation as can be effected under amalgamation. I do not think the difference between the two would be very great, and in my view at least, there are very serious objections to monopoly under those conditions at all.

Commissioner WEBSTER: Do you mean separate management as it exists now, or under the scheme proposed by Sir Henry?

Mr. HUNGERFORD: Sir Henry's scheme contemplated separate management, with a certain measure of supervision by a board or commission, or something of that sort.

Commissioner WEBSTER: Which can order certain changes?

Mr. HUNGERFORD: Yes.

Commissioner WEBSTER: That is not possible now?

Mr. HUNGERFORD: Well, I don't know.

Sir JOSEPH FLAVELLE: Is it supervision, or control—which is the word?

Mr. HUNGERFORD: Perhaps control is a better word.

* * * * * * *

The CHAIRMAN: That is very illuminating, and I think perhaps answers our purposes as far as Mr. Hungerford is concerned. I would suggest that we adjourn till 11 o'clock to-morrow and give the leader of the Government a chance to catch up with his work, and that if nobody has any motion to make we should go on with the Bill.

Hon. Mr. McRAE: I will move that we get representatives from both railroads to report what progress they have made in the matter of economy since we adjourned.

Hon. Mr. LYNCH-STAUNTON: Will we not be exposing to the glare of public opinion all the operations of these people, and perhaps raising a storm of criticism throughout the country. I do not think the companies should be managed in public or that all their business should be laid bare before a public committee of any kind.

Hon. Mr. McRAE: We might have it in camera if there is any particular objection.

The CHAIRMAN: That is impossible, gentlemen, in Ottawa. In this city you cannot even have a private social in camera!

Hon. Mr. McRAE: The two companies have had two and a half months to operate under the resolution that we passed, and surely the question of favourable results being obtained under that co-operation is so important in this matter that we should have a report from the respective chairmen of the two operating committees. What did we pass that resolution for? To see what could be done.

Hon. Mr. CALDER: I am inclined to agree with the senator for Hamilton, that instead of asking for details we could get an expression of opinion from them in a general way as to whether or not they have made good progress and see still further progress ahead.

I would suggest that we ask them to come here on Friday. They should be advised as to the general character of the evidence desired, and one representative from each company would be sufficient.

Hon. Mr. GILLIS: Why not have a written report sent in?

The CHAIRMAN: I am perfectly agreeable to do whatever the committee say; I am not raising any difficulties. But those representatives from each company will not be either Mr. Beatty or Mr. Hungerford—

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Hon. Mr. DANDURAND: I think two committees were appointed.

The CHAIRMAN: You are a very curious lot around this table, and all might not agree that the proceedings should not be made public. If you start asking questions what is the railway representative to do? I think by telegraphing both to the C.P.R. and to the C.N.R. we could get a statement in general, to be presented either in writing or by the respective chairmen of the two committees, showing the result of the economies put into effect, without giving any details. Then they might be asked their opinion as to the prospective results. What do you say to that.

Some Hon. SENATORS: Carried.

Hon. Mr. BEAUBIEN: Mr. Chairman, if we proceed with this Bill we want to be fairly sure that we are going to accomplish what we desire to accomplish—economies. During the night the dollar has fallen no less than six points, and therefore there may be great interest in preventing any form of joint management, because the public may want some luxury in the way of competition, or because labour does not want to be restricted too much. But it seems to me that the dominant interest that we have and the necessity that urges us is to accomplish all necessary economies. Now, if you have those gentlemen come down here simply to tell us what they have accomplished up to the present, and you do not ask them what they expect to accomplish later on under that law, their testimony would be absolutely incomplete. We want to find out from them not only what they have accomplished in the past but what they think they can accomplish in the future under this law. I think the best way of getting that information is to have them attend here.

Hon. Mr. FORKE: It would interest me to know their estimate of future traffic.

Hon. Mr. LYNCH-STAUNTON: We are no good at speculation.

Hon. Mr. MCRAE: The Minister of Railways recently made a speech in Toronto in which he dealt with the railway situation in considerable detail. It seems to me we are a little too tender on this point. The public would like to know that progress is being made, and the respective chairmen of the two railway committees should come down here and tell us what they can accomplish under this. I do not think that enforced co-operation and competition will mix any better than oil and water. Those two railroad committees have had two and a half months in which to try what they can accomplish and I certainly think we ought to have the two chairmen of those committees come here and give us information as to what they can accomplish under that law.

Hon. Mr. MURDOCK: Mr. Chairman, one gentleman said to me a little while ago that substantial progress had been made; that was around Christmas time. I think something has been done, and that the resolution passed by this committee did do some good by requiring the two railway executives to adopt the attitude, let us reason together and do some of the things that should be done. I think we ought to know what they have accomplished.

The CHAIRMAN: Do you know the names of those two chairmen?

Hon. Mr. MURDOCK: No, but I am sure if you sent word to the two railroads they will send their proper officers to answer our questions and give us certain information here.

Hon. Mr. GORDON: Mr. Jasper Humphrey, Assistant to the Vice-President of the Canadian Pacific Railways, informed me there was such a committee.

The CHAIRMAN: It is moved that we ask the C.P.R. and the C.N.R. to send their respective representatives here on Friday morning at eleven o'clock to report on the progress already effected.

Hon. Mr. LYNCH-STAUNTON: Lost.

The CHAIRMAN: Contrary?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Carried.

Hon. Mr. SHARPE: Mr. Chairman, are we going to sit on Friday?

The CHAIRMAN: Yes.

We will adjourn until eleven o'clock to-morrow morning.

The committee adjourned until Thursday, February 2, at eleven a.m.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659ae

Canada's Railway Problem *and* Its Solution

▼

An Address

DELIVERED BY

E. W. BEATTY, K.C., LL.D.
Chairman & President of the Canadian Pacific Railway

BEFORE THE

CANADIAN CLUB

▼

TORONTO, JANUARY 16
1933

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFET

Blank Page

CANADA'S RAILWAY PROBLEM AND ITS SOLUTION

An ADDRESS delivered by

E. W. BEATTY, K.C., LL.D.

Chairman & President of the Canadian Pacific Railway

BEFORE THE CANADIAN CLUB

TORONTO, January 16, 1933

I HAVE never accepted an invitation to speak before the members of any Canadian Club with more pleasure than I did that extended by your President, Mr. Chalmers. That was perhaps due to two things: first, my admiration for Mr. Chalmers, his sanity and the ability he shows in presenting the economic and financial problems of this country through the columns of the excellent weekly which he edits; and, secondly, because he has asked me to speak on a subject which is transcendently the most important of our domestic problems—the problem of our railways—a problem we have had before us on many occasions and in respect of which, viewed from the high vantage point of experience, we have made about as many mistakes as it is possible for an intelligent but over-hopeful and over-confident people to make.

It will occur to you that perhaps I have spoken on railways before, as well as on other subjects, and in order to refresh my memory, I looked up some speeches of former days. The first one I ran across was entitled "An Address to Boys," and was made in 1919. I found it extolled the virtue of modesty, so I felt I could not use any of that before the members of the Toronto Canadian Club, either because it would be unnecessary or because it would not be understood. Another speech I found was entitled "Some Transportation Misconceptions," and, if I had not read my own appreciation of modesty, I might tell you

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

what a good speech that was. I decided, however, I could not use any of it either as it might sound too much like "I told you so," and no one wants to hear that now. We are much more interested in the answer to the question "Where do we go from here?" We have had that question before us on three different occasions in the last ten years and on each occasion we have made a wrong turning. It is a tribute to the power of political sentiment in Canada that political expediency should determine so many of our most serious commercial problems, and it is little comfort when we realize the sometimes serious economic and national consequences that followed.

Now, once again we, with many more years of experience behind us, are faced with a railway problem more gravely vital to Canada's future than at any other time, and once again I am afraid the yard-stick of political expediency is being hauled out to test the rightness or wrongness of suggestions designed to relieve Canadians of what has become an intolerable burden. And even in these times of awakened public interest and keen desire for the most impartial consideration of our major domestic question, there are those who counsel that nothing should be done—at least nothing that disturbs existing conditions; that we should follow the old road no matter whether it leads to disaster; that because we believed in our noble experiment in public ownership ten years ago we should stubbornly adhere to our former policies notwithstanding our experience, which, incidentally, has been the experience of the world. The tragic humour of accepting advice of those who have consistently and religiously erred in matters of railway policy since Confederation requires no comment save that it is another indication of how slowly political expediency, assumed or real, dies.

There are those whose record of counsel on railway problems consists of the following:

(1) Unrelenting opposition to the construction of the Canadian Pacific Railway.

(2) Enthusiastic support of the construction of the G.T.P. and Transcontinental Railways.

(3) Equally enthusiastic support of the Canadian Northern enterprise.

(4) Support of the acquisition of all major railways, save that of the Canadian Pacific, by the Government.

(5) Support of the policy of unrestrained competition offered by the Government Railways to its competitor during the last ten years.

(6) The maintenance of the duplication, and, in places, triplication of facilities we now enjoy whether or not bankruptcy is just around the corner.

May we not turn from this kind of counsel and impartially survey our position, not with the idea of depriving any community or injuring any class of our citizenry, but in an honest effort to avoid waste and live within our means, transportationally speaking.

Will you permit me to rapidly review what we have done in the past decade in our effort, first, to inform ourselves as to our railways, and, secondly, to provide for the future.

In 1921, Lord Shaughnessy wrote his letter to the Prime Minister. I was privileged to be permitted to confer with him while he was preparing his memorandum. In some of his forecasts, and in a few details, I had some doubt as to whether he was entirely correct, but it must be admitted that he showed a breadth of view and of vision that only a really great Canadian could possess. Lord Shaughnessy was by nature, education and experience a believer in private ownership and operation of railways in Canada. However, he feared for our railway future and he proposed to the Government that the outside enterprises of the Canadian Pacific should be separated from its railway and ancillary enterprises and that the Government should acquire the railway properties of the Company, guarantee a certain fixed return to its shareholders, and, having acquired the G.T.P., Transcontinental, Canadian Northern and Intercolonial Railways, enter into a contract with the Canadian Pacific to administer and operate the whole property on account of the people of Canada. He considered the most serious problem to be that of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

administration and operation. Political management would, he thought, be impossible because, among other reasons, policy and management must have the elements of continuity and could not be changed with every change of Government without ruinous results.

Lord Shaughnessy's plan was not acted upon. If it had been accepted, hundreds of millions of dollars would have been saved to Canada, and we would, even under present conditions, not have had any serious railway problem on our hands.

The next step in our effort to inform ourselves about the railway situation came in 1925 when a special committee of the Senate conducted a protracted, if informal, investigation. I sometimes wonder if the people of Canada as a whole realize the quality of the work done by the committee of the Senate, of the ability of these elder statesmen shown in their for-the-most-part impartial and conscientious study of the questions submitted to them. They have the great advantage of being members of a body which is removed from the atmosphere of active partisan politics; have, individually, had great experience in business and, in many cases, have graduated from the political arena, and are, therefore, experienced in public affairs and generally judicial in their consideration of national and economic problems. While the Senate's deliberations were extended, their conclusions were brief and to the point, and, with your permission, I will refer to their more important conclusions:

"SENATE REPORT

"Thursday, June 25, 1925.

"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.

"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.

"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 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.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

"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.

"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.

"For those reasons, the scheme mentioned in sub-paragraph (e) of paragraph three above is strongly recommended to the attention of the Government.

"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 bookkeeping, 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.

"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.

"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 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 of which is respectfully submitted.

W. B. Ross, *Chairman.*"

The report of the Senate was not acted upon, largely, I imagine, because conditions improved and with them railway revenues, and we entered upon the next few years of fictitious prosperity and free spending, which has had a substantial influence upon the severity of the present depression. The report consequently did not receive consideration by the directors or shareholders of the Canadian Pacific. What their attitude towards it would have been I do not know, but I am venturing to bring its provisions to your notice because the seven odd years which have since elapsed have amply justified their apprehensions and their estimate of the consequences of continuing the then and present method of operation of the Government system.

May I suggest to you again that if the Senate's report had been acted upon several hundred million dollars would have been saved to this country.

We come now to the events of the last two years. In 1931, during one of the sessions of the Special Committee of the House of Commons which has annually considered the report and appropriations of the Canadian National Railways, questions were asked which led me to think that the time would be opportune for an enquiry into the whole question of transportation in Canada by an independent tribunal; that much good might result and that at least there would be given much information of value to the public as a whole.

I had for two years prior been very apprehensive as to the railway situation. Our traffic had fallen rapidly, our debts had increased and the deficits of the National lines were great. So I conferred with the former President of the National Railways and suggested to him that during the course of his examination by the Committee he might advise such an investigation as I had in mind. He readily agreed and made such a recommendation. It was unanimously adopted by the Committee and later was unanimously approved by the House of Commons. The Government acted upon the recommendation of the House, and the so-called Duff Commission was in due course appointed.

It will not be necessary to give you in detail the Commission's recommendations. They have been generally published in

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

the press, and the conclusion is inescapable that the Commission's recommendations were, in part at least, based upon their own estimate of Canadian public sentiment towards the important question of public ownership, competition and of railway monopoly. This is unfortunate because the value to Canada of work of such magnitude and importance lies in the fact that it is built upon firm foundations, economic and national, and not upon an assumed public sentiment, the danger in which lies in the fact that public sentiment, always a fluctuating thing, is very often the result of lack of information, and the dissemination of facts in respect of the railway situation has never been an easy task in this country.

May I suggest to you that if the assumed political expediency of any plan were to be the test of its adoption, the creation of a Royal Commission would not have been necessary at all, and had it been established with this object in view it certainly would not have been composed of financiers, railwaymen and others whose qualifications to decide anything on these grounds would be at least doubtful.

Important as has been the work of the Commission, particularly in its marshalling of the facts and its analysis of the history of transportation in Canada with its tragic consequences, it does not provide any adequate solution or ground for much hope to the sadly burdened Canadian taxpayers.

The Commission's chief recommendation as to future policy was the continuance of competition between the two railway systems, qualified by co-operation between them, enforceable by compulsory arbitration. While more than willing to co-operate, the Canadian Pacific is not willing to rest its future in the hands of a tribunal, on which it will only have a minority representation, and which in the nature of things cannot have any responsibility for the financial consequences of its decisions.

The Company is regulated under the general law of the land, particularly in the matter of rates, and to such regulation it takes no exception. Under its charter it did gain some immunity for a period as to rate regulation, but that expired many years

ago, and for over twenty years it has been subject to the orders of the Railway Commission the same as any other railway company. Its administration has not, however, been taken from it and it remains in the hands of its directors and shareholders. We cannot in justice to them and its security-holders, numbering in the aggregate 180,000, of whom 50,000 are in Canada and the remainder largely in Great Britain, agree to any legislation which takes from those who have risked their money in the enterprise and who have established a directorate to protect their investment, the determination of questions of administration and policy. We regard this as a species of confiscation which no government can justify and which nothing in the Company's history warrants.

You might properly say to me: "You have been in railway work for over thirty years and you have been for over fourteen years President of the Company you represent, and you should be tolerably familiar with the present situation and with what the future holds. What suggestions, if any, have you to make?" That would be a fair question, and I will endeavour to answer it, but first let me point out two things which we in Canada have been trying to do and which are impossible of effective human accomplishment.

First: we have set up a railway system owned by the State in competition—at times unrestrained and severe competition—with a privately owned company—apparently under the delusion that competition of that kind could contain any elements of fairness or equality. Can the State compete fairly with a citizen of the State? Most assuredly it cannot. Can a private company compete on anything like fair terms with a railway system backed by the long purse of the State? Again, it cannot. Should the 180,000 security and shareholders of the Canadian Pacific see their honest investment, based on confidence in Canada and its Government, menaced by such competition even if the credit of the country could sustain, which it cannot, the losses incident to that system of administration of a great public utility? The answer again must be no.

That confidence in Canada has been expressed on numerous occasions and in the most emphatic form by the shareholders of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

the Canadian Pacific, is evidenced by the fact that during the past thirty years they have subscribed for $270,000,000 of stock in the Company and have paid therefor $383,698,829 or a premium of $42.11 per one hundred dollar share.

If we were mistaken in our appreciation of the value of competition, or did not sufficiently realize the waste and losses it involved, and especially involved in railway competition between the Government of Canada and a private company, should we perpetuate another fallacy on the assumption that we can have competition and co-operation, that we can struggle for conflicting interests and yet not conflict? Why delude ourselves into the belief that we are supermen, indifferent to the spirit that competition and contest provoke, that we can maintain our own traffic and revenues and yet divide them, that we can act like enemies and friends at the same time, and, lastly, that we can afford to do the things we cannot afford to do and perpetuate the waste we cannot afford to perpetuate.

I have intentionally refrained from burdening you with figures because I know that statistics are sometimes difficult to follow, but I cannot refrain from one or two based upon the report of the Royal Commission. The losses on the Canadian National Railways (including Eastern Lines) during the ten-year period 1923-1932 (partially estimated for 1932) aggregated approximately $549,576,000. The average annual deficit during the last three years was $85,102,000, which is equivalent to $7,091,833 per month or $232,944 per day.

During the last ten fiscal years, the Federal income taxes from individuals amounted to $249,274,000, or less than half the deficits of the Government railways.

Income taxes collected from corporations during the same period amounted in the aggregate to $341,164,000, making a grand total from both individuals and corporations of $590,438,-000, or only $40,862,000 more than the deficits of the Canadian National Railways.

Can we afford to view such a situation with equanimity, or can we reasonably and definitely ask for some relief? Can we

regard the question impersonally, and, because the figures of the country's railway losses are so large as to be almost astronomical, can we afford to be indifferent when, based upon the average for the past three years, we lose $162.00 every minute of time?

In times of trade depression, industries, if they are wisely administered, set out to meet the new conditions and protect the integrity of their property. They do this in the interest of their own solvency, their security-holders, shareholders, their officers and their men. Though more difficult of application in the case of government, the same principles pertain and particularly do they obtain when the government is in a business as heavily as the Government of Canada is in the business of transportation. Let me briefly indicate to you what avenues of relief to meet the situation would be normally and naturally explored by the government owners. They would be:

(1) An effort to increase revenues.
(2) An effort to decrease costs.
(3) To meet losses by increased taxation.
(4) To continue borrowing to meet the losses.

The only way of increasing gross revenues would be through an increase in rates, and, based upon the year 1931 results, it would require an increase in freight rates of 63 per cent to make up the railway losses of the government system of that year. I feel I do not need to indicate to you that such a remedy if attempted would have no hope of accomplishment.

To eliminate the 1931 deficit by reducing costs would have required a cut in operating expenses of almost one-half. The largest single item in costs is wages, but no sane Canadian would think it possible to drastically and immediately reduce wages to such a level as would wipe out railway deficits. It would require a reduction of 74 per cent to accomplish deficit elimination by this process.

There are obvious limits to increasing taxation. That imposed in recent years has not kept step with increased government expenditures, and it seems clear that under present condi-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

tions the amounts required to meet railway deficits would be difficult, if not impossible, to raise in this way. In 1931 it would have required a 34 per cent increase in total tax receipts to balance the accounts of the Government Railways. This is equivalent to one and one-half times the amount of the income tax collected in the year 1931-32 from individuals and corporations.

This leaves only one method and that is continued borrowing. I do not need to remind this audience that a continuation of this method of taking up our annual losses can only spell ultimate disaster. The law of compound interest applies to government borrowings for deficits in the same way that it applies to commercial debt, and the growth of interest charges, while these deficits continue, will be very rapid. Such a continuance of heavy borrowing will at best place a heavy burden on future generations. Bankers, financiers and business men, while retaining their confidence in this country, are a unit in their warning that our borrowings must be restricted if we are to avoid the serious consequences which other nations have experienced from a similar course.

And now let me revert to the imaginary question you are presumed to have asked me: "What would you consider a proper solution?"

Canada has a population of about ten million people. It has approximately 42,000 miles of railway, or 236 people per mile of railway. In other words, it has fewer people per mile of railway than any other civilized country. It has several thousands of miles paralleled by other miles, serving the same territory and reaching the same terminals. This constitutes our greatest individual item of waste. Why should we maintain something we do not require and maintain it at tremendous loss, and can we afford to do so?

In my opinion we must not only limit our capital expenditure to those that are essential or that will produce a reasonable return in the near future, but we must reduce our present mileage to accord with the actual needs of transportation and of national

development, and we must at the same time eliminate all expenditure designed to secure traffic for a competing railway rather than provide a necessary service for the public. These results can, in the view I take, only be attained if we consolidate our two railways into one system with one management.

The conclusion appears inescapable that a means must be provided for making the necessary economies without prejudicing the public interest, and the control and management should be accompanied by a proper measure of responsibility on some agreed basis either by the Government to the Canadian Pacific and its shareholders, or by the Canadian Pacific to the Government in relief of its railway burden. By no other means can we secure a sound business administration for our railway undertakings and relief to the taxpayers of Canada.

Throughout the world, adjustments to permanently effect savings and eliminate waste are being secured by consolidations and limiting the plant to the needs of its patrons and by abandoning operations which are unnecessary and cannot be conducted profitably. Why not in Canada?

Two objections are urged against such a plan, and they are, first, that it constitutes a virtual monopoly of rail transportation, and secondly, that it is unfair to the employees in that it means in time reduction in personnel. Careful consideration of these objections indicates that neither is well founded. Let me deal first with the question of monopoly.

In all the plans brought forward, looking to unification for the purpose of administration of the Canadian National and Canadian Pacific, there has been coupled a recommendation that either through the medium of the Railway Commission, with enlarged powers and stronger personnel, or by the establishment of a new tribunal of eminent and independent men, any action taken by the combined company and which affects the public interest should be subject to review. It would be the court of last resort, where the wisdom or propriety of any action taken affecting the public would receive approval or otherwise. The dangers of railway monopoly are now mythical. Railways may

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

unite, but no transportation monopoly is accomplished by their union. We have three distinct and growing competitors; the lakes and rivers, the motor vehicle, and the aeroplane. A rail monopoly regulated by public authority and subject to the restraints that other forms of transportation competition will provide does not contain any element of menace or danger of unfairness to the shippers or travelling public under modern conditions.

Then there is the second objection that union means a disregard for the human element in that it will involve a reduction in personnel. It is true that this may be the result; yet such a reduction is inevitable unless very prosperous conditions are restored. But those who are apprehensive are apparently unaware of the substantial turnover of railway labour in normal times. It has been shown by investigations in the United States that the normal turnover by withdrawals due to ill health, death, retirements and voluntary changes runs from five to six per cent per annum of the total number of employees. Therefore, from natural causes, in the event vacancies were not filled, the personnel of Canadian railways would be reduced in five years from twenty-five to thirty per cent, and it would not be possible to administer the unified properties with a staff reduced below seventy-five or seventy per cent of normal. Consequently, the danger of injustice can be readily exaggerated, and, of course, the danger of reduction, even to the extent I have mentioned, decreases with the return to more normal times and heavier traffic.

In addition you would be right in assuming that the administrators of this property would be no less concerned about the welfare of their employees than the railway managements of the present day, and ample evidence exists of the fact that labour itself is generally and fairly satisfied with the justice of the attitude of the administrators of Canadian railways towards their employees.

I am not a pessimist—especially I am not a pessimist in regard to Canada and its people. We have as effective a system of government as democracy permits. Our public men are as loyal, as high-minded and as conscientious as those of other countries.

Our citizens are steadfast, self-reliant and courageous, and have proved it during the past three years. Our Prime Minister is a man of very exceptional ability, courage and capacity. His colleagues are doing their utmost to meet the country's countless difficult problems in accordance with policies to which they and the Government have subscribed. He and they have in opposition to them leaders of great capacity and experience and representatives of the people who are also deeply disturbed by present conditions and prospects, and are desirous of securing relief to Canada from its railway embarrassment. That these problems are grave and unusual needs no demonstration to this audience, and their very gravity and unusualness assure their thoughtful analysis by our citizens—not with the idea of offering gratuitous, and, therefore, unwelcome advice to those in authority who are responsible for the shaping of our course as a nation in the almost uncharted sea of this depression, but with a desire to give intelligent assistance to the consummation of any plans designed to clear the way to recovery and better days. Leaks which are draining the country and its people financially must be stopped or else our recovery is deferred or even rendered impossible. That this waste is appalling, figures in the report of the Royal Commission amply prove. Without adopting the particular plan they propose to solve the nation's railway problem, may I commend to your consideration the final paragraph of that report, to every word of which all thinking Canadians can subscribe:

"We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada. Unless the country is prepared to adopt the plan we have proposed, or some other equally effective measures, to secure the efficient and economical working of both railway systems and thereby not only reduce the burden on the federal treasury but improve the financial position of the privately-owned railway, then the only courses that would be left would be either to effect savings in national expenditure in other directions, or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation. Failing the adoption of one or other of these courses, and there are obvious limits to their application, the very stability of the nation's

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

finances and the financial credit of the Canadian Pacific Railway will be threatened, with serious consequences to the people of Canada and to those who have invested their savings in that railway."

In conclusion, may I just mention one contention which is made by those who endeavour to shut their eyes to the real situation in Canada. It is that in times like these, in the midst of a depression wider, deeper, longer and thicker than any experienced in our lifetime, we should not frame policies which, by reason of the subnormality of existing conditions, may be said to be founded on fear or even upon despair and therefore are not appropriate to times of normal prosperity nor a credit to a constructive and courageous people. The answer in the case of this particular question—that of railways—is comparatively simple: we have created or inherited a system which is unscientific, unwieldy, unnecessary and insupportable by our ten million people; we cannot afford it even in normal times, so why not make it as right as it is possible to make it, and why not do it now?

Before closing I feel I should say a word of apology for the length of my remarks. I realize they are somewhat extended for an afternoon luncheon address, but I could not touch the subject without elaborating it at least to some extent. You will, I am sure, appreciate that no Company in the world could be more concerned about the prosperity and progress of the country in which it was founded and has its home than is the Canadian Pacific. Its whole success or failure is bound up in its ability to take part on fair terms in the transportation opportunities afforded by Canada's trade and commerce. In the half century that has passed since it assumed, by agreement, the obligation to build and forever maintain and operate a line of railway to connect British Columbia with Eastern Canada, it has performed no minor part in the development of Canada. I venture to suggest that it is a great national asset, and one that can be used to advantage in the solution of Canada's pressing railway problem.

Blank Page

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 af

Newspaper Comment on President Beatty's Speech

A SUMMARY OF CANADIAN NEWSPAPER EDITORIAL OPINION UPON THE ADDRESS DELIVERED BY E. W. BEATTY, K.C., LL.D., ON THE RAILWAY SITUATION BEFORE THE CANADIAN CLUB OF TORONTO, ON JANUARY 16, 1933. THIS DIGEST INCLUDES ALL THOSE EDITORIALS AVAILABLE UP TO JANUARY 19.

Montreal Gazette

The Montreal Gazette heartily supports the amalgamation proposals. "The President of the Canadian Pacific Railway has put the railway issue squarely up to the Canadian people and their Parliament," it says, at the beginning of a lengthy editorial. The Gazette continues: "These statistics quoted by Mr. Beatty covering Canadian National losses and their relation to taxation are sufficiently impressive. When he asks if we can go on losing $162.00 per minute, as has been done during the past three years, there can be only one answer. This," the Gazette concludes, "is far and away the most candid, constructive and striking contribution to the discussion of our transportation problem that has yet been made. Mr. Beatty's speech is one which every Canadian should read, and upon which he should then reflect soberly and seriously."

Halifax Herald

The Halifax Herald says: "The gravity of the Canadian railway situation cannot be over-emphasized. It is a matter of serious concern for all Canadians. Drastic action appears to be essential if the tremendous burden is to be lifted from the shoulders of our people."

Halifax Chronicle

"The problem is one of enormous magnitude," says the Chronicle, "but whatever is done it is imperative that the railways be placed on a sound economic basis, and the taxpayers relieved of their burden. . . . It is essential with our small population that the railways' mileage and service should not outrun the needs of the country."

Saint John Telegraph-Journal

The Saint John Telegraph-Journal, after discussing the railway problem at some length, emphatically declares that Mr. Beatty's contribution must be faced by Parliament. The Duff Commission was impressed with the need of relief for taxpayers and for the Canadian Pacific. As the transportation bill now stands, the original bill has been almost emasculated. Reports from Ottawa indicate that in its present temper Parliament will probably do nothing in connection with it. Mr. Beatty's call for action is timely, and places upon Parliament, irrespective of political thought, responsibility for giving relief, not only to the taxpayers but to those who have made heavy investments, and the outcome of Mr. Beatty's representations will be awaited with interest."

Hamilton Herald

"There is much that appeals in the suggestion of Mr. E. W. Beatty, K.C., President of the Canadian Pacific Railway, that the two great railway systems should be amalgamated," the Hamilton Herald declares, and adds: "The element of political interference, often amounting to control, is the chief evil with which our public ownership has to contend. But it is the evil with which all departments of government are affected. If the political ends are solely animated by public interest, all would be well, but private and selfish individual interests constantly crop up and vitiate the policies which direct the management."

"It would be easy to eliminate this element of private gain if the people were willing, but that is the difficulty. Those who hope some day to benefit personally from the present effete system object to any change, and only utter collapse will compel the adoption of a foolproof order."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Mail and Empire, Toronto

The Mail and Empire of Toronto cites Mr. Beatty's references to the duplicate and in places triplicate services, "which constitute one of the principal causes of the present menacing situation." The Mail and Empire goes on to say: "We agree with the President of the Canadian Pacific Railway that the country must get down to bed rock—down to a basis where only those railway services necessary in the public interest shall be maintained," and concludes with: "The arguments advanced by the President of the Canadian Pacific Railway are surely such as to demand the careful consideration of every thoughtful business man—and of every taxpayer in the country. Has Mr. Beatty shown us the way out? In any event, he has given the people something to ponder over."

Border Cities Star, Windsor, Ont.

The Windsor, Ontario, Border Cities Star comes out strongly in support of Mr. Beatty's proposal, and after heading a lengthy editorial "Plain Speaking,". commences: "Canada has not heard a more thought-provoking utterance in many months, perhaps in years, than the address of Mr. Edward Wentworth Beatty, K.C., before the Canadian Club in Toronto, when as Chairman and President of the Canadian Pacific Railway, he came out flat-footedly for amalgamation of his own system with that of the Canadian National." The Border Cities Star goes on to review the railway problem, and after referring to the facts brought out in Mr. Beatty's speech, says: "These facts being admitted, then, the handing over of the Canadian National to the Canadian Pacific is the logical, sensible way out." The Border Cities Star shares Mr. Beatty's regret that the recent Railway Commission on transportation was guided in making its report by political expediency rather than by the real needs of the situation, and concludes with, "Mr. Beatty has offered a solution of the railway problem. He and his associates are prepared to discuss with the Government an actual working plan for the implementing of the principal outline. Definite steps to this end should not be delayed."

Kingston Whig-Standard

The Kingston Whig-Standard says: "When such an able and experienced railway man as President E. W. Beatty of the Canadian Pacific Railway makes an important pronouncement upon the Canadian railway situation, it must be given serious consideration." Later on the Whig-Standard, quoting Mr. Beatty's expressed fear of the "yard stick of political expediency," admits: "It is unfortunate that politics do to some extent enter into the government of the Canadian National Railways. We are, however, in Canada politically minded, and no matter what Government is in power, it seems difficult to keep politics out of the Canadian National Railways."

Victoria Colonist

After giving assurance that the Canadian Pacific President's recommendations will receive the most sympathetic consideration, the Colonist goes on to say: "There has always been a feeling that the Duff Transportation Commission's report does not meet the exigencies of the situation. More especially the proposal put forward in legislation now before Parliament for an Arbitral Tribunal has led to widespread criticism. In effect that legislation is not only inadequate to the situation, but contains elements which might conceivably defeat the very purpose for which it has been framed. It has been made clear that the Government is not committed to the present bill. In other words, it is open to suggestions that will be more helpful than those contained in the Duff Commission's report on which the legislation is based. The most constructive of all suggestions put forward since the bill came before Parliament have emanated from Mr. Beatty, and what he proposes is emphasized in his address at Toronto."

Vancouver News

The Vancouver News gives Mr. Beatty great credit for his contribution and says: "As one who knows the railway business of Canada as do few, if any others, he urges the drastic remedies he deems necessary regardless of every consideration except the salvation of the two great railway systems and of the state. The only alternative in sight, competitive co-operation, proposed by the Duff Commission, is a contradiction in terms which cannot be realized in practice. The Commission, however, took other than economic issues into account. It may be presumed that it knew what should be done, it recommended what it thought the public would like to have done."

Quebec Chronicle-Telegraph

"Whatever else may be said," the Quebec Chronicle-Telegraph declares, "even those who differ from him most profoundly must give Mr. E. W. Beatty credit for the display of two fine virtues—courage and candor. The criticism that the Canadian Pacific Railway is selfishly interested in advancing this proposal is an easy one, and when the idea was first put forward by Lord Shaughnessy public opinion refused to give it the slightest consideration.

"Today, with the Canadian National Railways a still heavier national burden than it was ten years ago, many people are in a more receptive frame of mind, but public ownership sentiment is still strong, and it is open to question whether Mr. Beatty will be more successful than his predecessor. On the other hand, the Duff Commission's recommendation of compulsory co-operation is a long step in the direction of consolidation. And if co-operation fails to produce the desired results, it is hard to say what other practical alternative will then remain, whether one welcomes the prospect or not."

St. Catharines Standard

The St. Catharines Standard, in a lengthy discussion of the subject says: "E. W. Beatty, K.C., President of the Canadian Pacific Railway, addressing the Canadian Club at Toronto, struck out from the shoulder yesterday in a manner which should find a response with every Canadian taxpayer." This newspaper concludes with: "Unquestionably the address at Toronto was the strongest presentation of the railway situation from a C.P.R. and general public standpoint which has ever been heard outside the halls of Parliament. It was the voice of a railway statesman, and one which will surely be heard with respect throughout the country. In the matter of self-interest alone, the country must stop, pause and listen."

Woodstock Sentinel-Review

"Mr. Beatty's carefully considered pronouncement yesterday upon the railway situation compels serious thought, as to whether the unexplored perils of a monopoly, whatever they may be, are great enough to require that the Canadian public shall go on paying millions annually for the doubtful privilege of having separate systems. At that, there is no competition in the matter of rates, which are controlled by a public body, the Board of Railway Commissioners of Canada. The competition has been in extension of services now gradually being curtailed, but the effect of which must be felt for years to come." Further the Sentinel-Review says: "There is a somewhat general belief that the half way solution proposed by the Transportation Commission came less as a matter of complete conviction on the part of all members, than as an attempt to suggest something which would be reasonably sure of adoption. In Mr. Beatty's words, the Commissioners consulted political expediency."

Sherbrooke Daily Record

"Meet the issue squarely, and not with spinal weakness." With this heading the Sherbrooke Daily Record commences an editorial which reads in part: "It would be a muddle worse confounded if the Duff recommendations as embodied in the Senate bill were to be adopted by Parliament.

"The Senate bill should be thrown out. It is not worthy of consideration. So clumsily was it constructed that it has already had to be redrafted three times.

"We have taken no small part in the awakening to the danger of this major calamity, and have studied the problem from every angle, and we can sense the gathering storm if the problem is not settled fully, and not just covered by subterfuges, palliatives, and expediencies." The Sherbrooke Record referring to Government ownership of railways, and concluding its editorial says: "Give it away. Sell it. Leave it. But at all costs Canada asks of its legislators to: Get rid of it!"

Ottawa Citizen

The Ottawa Citizen concludes a general survey of the amalgamation proposals with the following paragraphs:

"Mr. Beatty's view that the railways should be amalgamated into one system with one management is obviously in accordance with the general movement, as it is coming throughout the world, toward industrial reconstruction. There will doubtless be much debate about whether one system should be under private or public ownership, control

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

and operation. Actually there is a far more vital issue to be settled. The people of Canada need to decide whether they are to continue to have the financial means to enjoy the benefit of an essential railway service.

"The nature of the management is important, but it has been demonstrated that Canada can have efficient railway management with national ownership as well as with private enterprise. When the people had money, they enjoyed the privilege of railway service under both plans. At present they are apparently confronted with the possibility of having neither, unless the necessary steps toward financial reconstruction are taken."

Sault Ste. Marie Daily Star

The Sault Daily Star reminds that the Duff report expressed the view that public opinion is against amalgamation. "This paper's view is that public opinion is for any sensible solution which will relieve the taxpayers."

"What other solution is there but a union of the C.P.R. and the C.N.R. either under Government or C.P.R. management? Amalgamation never and competition ever, which Mr. Bennett favors, is an impossible way out. Canada has had all it wants of the people's railway and the private railway 'competing.' By this means the country's vast national debt has been duplicated by a railway debt."

"The public, we believe, is keen for a conference of the two roads to explore all means of ending waste, and getting a satisfactory railway service at a minimum cost. Canada is more suspicious of its politicians in this matter than of the C.P.R. management, which apparently regards the outlook as well nigh hopeless. Theories about public ownership have no place in the discussion. What the country needs is a cool-headed solution of a tough problem. We can't afford to go on as we are doing. The one fact stands out that the Duff Commission's report was based on politics, while Mr. Beatty's arguments rest on the plain business requirements of the situation."

Moose Jaw Times

The Moose Jaw Times finds much for encouragement in Mr. Beatty's declaration, and says that he has made out a concise and convincing case from the standpoint of efficient transportation management. The only arguments that can be brought to bear against it, the Times continues, are based on fear of monopoly, and fear to eliminate altogether competition of services. This fear is founded on past experiences, and has been paid for dearly. "But our salvation in transportation does not lie in past experiences." The Times expresses dissatisfaction with the Duff Report, and says that it was not based on facts, but on what the Commission thought the people wanted. The Times agrees that the legislation now pending is confiscatory, and emphasizes that Mr. Beatty has courageously made clear the issue between "half-baked quasi public ownership" in the Duff Report and full private ownership and management operating under the control of Parliament. This newspaper concludes that Mr. Beatty "has given Parliament and people their first real chance to make a choice, and a choice must be made."

London Free Press

The London Free Press declares that: "The speech of E. W. Beatty, President of the Canadian Pacific Railway, should be given thoughtful consideration by the public. The railway problem has become so serious, and the load upon the taxpayers of the country of the Canadian National Railways is so burdensome, that his advocacy of amalgamation cannot be lightly dismissed." The London Free Press goes on to remark that a few years ago a similar speech would have caused a storm of protest, and after questioning whether or not the public is ready to accept the principle of amalgamation, says: "However, we doubt whether public sentiment at present would be liable to support such a move. Still, if co-operation between the roads fails to relieve the burden, then the country may be compelled to consider the plan of Mr. Beatty."

Trail (B.C.) Daily Times

The Trail, British Columbia, Daily Times says that the proposal for the amalgamation of the two systems under one management constitutes a challenge to public-minded Canadians to give their attention to one of the biggest single items in the national life. It warns against the danger of a continued competitive fight, and goes on to note that the public owes as much to the Canadian Pacific Railway for industrial and land development as it does to the Government, and that

the Company and its subsidiaries have attained the status of public institutions. "The problem rests wholly on the people who created it, and acceptance or rejection of the Beatty plan rests with ten million Canadians."

Lethbridge Herald

The Lethbridge Herald fears that Mr. Beatty's treatment of the rail situation is likely to be judged too much as a biased presentation. The citizens' line of approach to it should be that of a student determined to learn both sides, it says. The Herald, in voicing the need for drastic action, declares that: "It is regrettable that the Federal Government is not courageous enough to formulate a policy to meet it." The Government, this newspaper emphasizes its argument, should either accept the Duff plan, or substitute something else. Leaving Parliament to run loose, it contends, is simply going to involve the issue, and probably end against a dead wall. "With no solution reached, Mr. Beatty's address should be read and digested. Most of it is a record of railway history that is beyond dispute. The solution he offers leaves the Canadian Pacific Railway dominant, it is true, but if there is to be consolidation there must either be a publicly-owned system or a privately-owned system. That is the issue. The Duff Commission did not settle it."

Port Arthur News Chronicle

The Port Arthur News Chronicle discusses the situation from the purely local standpoint, but views Mr. Beatty's plan as a squarely-put issue that will require consideration and answer.

Vancouver News

The Vancouver News, in a further editorial, deals with the situation of the railway employees in the event of amalgamation, and says: "To put it in a nutshell, unless prosperity returns, the positions of a number of employees will be in jeopardy. Reorganization will not make their situation any worse. . . . It would, however, be one step towards bringing about recovery that alone can give any employee, be his position high or low, reasonable confidence that his employment will continue."

Brantford Expositor

"The more one studies the cold figures in the case and acquires a better understanding of the disastrous results financially in the operation of the C.N.R. the more inevitable becomes the conclusion that public ownership has proven disastrous and that drastic measures will have to be adopted if a way out of our financial difficulties is to be found. The trouble, of course, is that political expediency is still a dominating factor in the consideration of this great question. Appreciation of this fact quite evidently influenced the report of the Duff Commission. If it had not feared public disapproval of such a course, it would in all probability have recommended amalgamation.

"The Expositor has always been a warm supporter of the C.N.R. and its public ownership, but believes that the present situation is so critical that predilections have to be abandoned and that best method adopted, regardless of political expediency, to rid this country of the incubus of railway debt that is weighing it down. It doubts that the Duff Commission has offered an adequate solution and believes that the only way to completely eliminate unnecessary and wasteful competition would be to operate the two roads, perhaps for a limited period, under unified control. In any event an immediate change is imperative. A policy of drift means financial calamity. For these reasons the solution offered by Mr. Beatty, the outstanding railway authority of this country, should be given the most thoughtful consideration."

Galt Reporter

"How should the railway problem be handled?" asks the Galt Reporter. There appears to be no course open but a merger of the two great systems. They must be welded together into a carefully administered consolidation, where waste will be a thing of the past and political expediency will be unheard of in the management of the road. At this time, as far as our information and size-up of the situation goes, we are inclined to favor private operation, but we would wish to know all details of the deal proposed before endorsing same. Any such consolidation would have to be under strict control of rates and also of the relations between the railway and the public.

"To achieve that, an independent body such as the Railway Commission, but with a personnel of greater character and judicial capacity than that body has had in the past would be necessary. It would be wise policy, too, for any deal to consolidate the lines under private control to provide for switching to public

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

ownership at the end of, say, ten or fifteen years if the country so desires."

Regina Leader-Post

The Regina Leader-Post takes the attitude that the people must understand that there is a possibility that in the near future Canada will have a railway monopoly. It reviews the statements made by Mr. Beatty and Sir Herbert Holt, and says that the Prime Minister and the members of his Cabinet have made it clear that the Government is not going to continue to put up public money to keep the C.N.R. going, and that they have also made it clear that the Government does not intend to let the C.N.R. get into a position where it will menace the stability of the Canadian Pacific. The Leader-Post finds it conceivable that a continuance of the present depression might force the country into drastic measures not hitherto contemplated. It says: "The point to be considered without delay by the people of Canada is that they have come face to face with the issue of amalgamation and railway monopoly. It is no longer an academic issue, but one of hard politics. What are the people of Canada going to do about it?"

Financial Post

Mr. Beatty has shown great courage in his proposals, and if equal courage will be shown by Mr. Bennett in presenting a governmental railway policy to the public and putting it through the House of Commons we may yet arrive at some solution of our difficulties before the Government lines have completely bankrupted the country. Mr. Beatty is not finding unanimous support for his proposals, but he differs from the Bennett administration in one important respect: he has a railway policy and they have not.

Vancouver Sun

Under heading "Clearing the Air" the Vancouver Sun declares editorially that Mr. Beatty has paved the way for a new railway economy in Canada. It says: "President Beatty's outline of a plan to merge two railway lines of Canada may not constitute or even precede a complete unification of railway operations. But it certainly does clear the air and clear the way for a co-operative effort to eliminate and reduce some of the expensive duplications with which the railway system in Canada has been plagued. Since the establishment of the railway lines in this country the railway picture has been completely changed. New forms of competition have arisen. The railway structure, therefore, must alter its whole basis to meet this competition. Mr. Beatty's proposal offers no definite technique for a merger. His speech should prove comforting to the 140,000 railway employees of Canada who are now assured that no wholesale lopping off of jobs will accompany any amalgamation."

La Presse, Montreal

La Presse heads its editorial "A Necessary Merger," and says that for a long time public opinion has demanded the merger, or, if you prefer the term, the consolidation of the C.P.R. and C.N.R. systems. We now seem to have reached a point where this consolidation will be realized.

It refers to the operation losses of the C.N.R. and their ill-effect on the national credit, and adds that any proposed merger must be effected outside political influences or it must be done under the aegis of the two parties, Liberal and Conservative, so that neither can throw the responsibility on the other. "This merger seems to be the best, the only means of getting out of the dilemma into which we are thrust."

The following editorials oppose Mr. Beatty's recommendations:

Vancouver Province

The Vancouver Province takes issue with Mr. Beatty's views, declaring that the Duff Commission has suggested a plan which has not by any means been given a fair trial. The Province says: "With the economics of the situation beyond dispute, why should Canada not accept the Beatty plan? For the same reason that Canada did not accept the Shaughnessy plan or the Senate plan. Canada is afraid. Canada is afraid of a single railway run by a private corporation. That would be a monopoly."

Edmonton Bulletin

The Edmonton Bulletin editorial presumes that amalgamation would mean that the people of Canada as taxpayers would be required to guarantee the railway against loss, pay losses if they occurred, and perhaps also guarantee shareholders of the Canadian Pacific Railway some rate of dividend on their investment. Under this "monopolistic

management" a policy of systematic attrition could be carried out, in the hope that at some point reduction of expenditure would overtake falling revenues, with the taxpayers standing responsible if losses resulted. "Perhaps from the standpoint of the railways, that is the best, the easiest or the only way of handling the railway situation. From the standpoint of the public it seems to leave a good deal to be desired. The proposal looks too much like scuttling the ship to put out the fire."

Toronto Globe

The Toronto Globe has devoted two editorials to opposing Mr. Beatty's proposal. In its first editorial it declared that: "A merger of the Canadian National and the Canadian Pacific is politically impossible, and with due respect to Mr. Beatty and his colleagues, it is unsound as a matter of public policy." The Globe goes on to ask why Mr. Beatty should object to the Arbitral Tribunal proposed by the Duff Commission, and concludes its first editorial with: "It would be the part of wisdom from every standpoint to proceed with the elimination of wasteful and unnecessary competition, but 'amalgamation never.'"

In its second editorial, the Globe continues its same line of thought, defends the Duff Commission report and recommendations, again expresses fear of a "dictatorial railway oligarchy," and ends as follows: "In spite of the faint hearts, Canada needed the Canadian Pacific Railway half a century ago, and brave men proceeded on that assumption. Canada needs both railways today."

Toronto Star

The Toronto Star further pursues the argument used by the Globe. The Star contends that the people of Canada will not consent to hand over the "two railway systems of Canada, even to Mr. Beatty, to be operated as a private monopoly." The Star says: "A policy of economy in management and good sense in competition is the one to adopt. The eventual alternative is the nationalizing of our entire railway service, but the time for that may not come until the steam railways finally prove a less attractive investment to private capital than rubber-tired transportation and the C.P.R. itself asks for nationalization."

Le Devoir, Montreal

Le Devoir, Montreal French language newspaper, opposes amalgamation and says: "Let us first of all make a trial of the Duff Commission's report, and of what they advised, including in such a trial the obligatory arbitral tribunal."

Le Soleil, Quebec City

Le Soleil, published in Quebec City, attacks the amalgamation proposal on the ground of monopoly, and declares: "There is only one compromise, and that is closer collaboration between the two systems. Let both railways eliminate all useless competition and every superfluous expense. Let all duplicate services without exception be eliminated and let the C.P.R. itself be submitted to an authority. There is no other solution."

Montreal Daily Star

The Montreal Daily Star, after congratulating Mr. Beatty for setting forth his views, and the attitude of the Company, contends for the recommendations of the Duff Commission. The Star expresses confidence in the Prime Minister of Canada, and says that Mr. Bennett may be trusted to provide for such economies "as will give relief from the intolerable burden, which the follies of the past have laid upon the people of Canada, and under which this country is staggering towards bankruptcy today."

Victoria Times

The Victoria Times sees as a result of amalgamation a monopoly which would intimately control the fortunes of the entire population. It states that experience shows that no matter how benevolently these projects are conveived they soon evolve by natural stages into agencies detrimental to the public interest, and it believes that a transportation monopoly in Canada eventually would precipitate a big public upheaval which would imperil the very foundation of Canadian unity.

Prince Albert Herald

The Prince Albert Herald, after stating that "if amalgamation appears to offer the best way out of our railway difficulties, then let us adopt it," goes on to suggest a supplementary report from the Duff Commission, and concludes by arguing that amalgamation cannot bring any relief to the Canadian taxpayers from bonds guaranteed by

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

the Government during the orgy of railway building which preceded the consolidation of the bankrupt railways into the Canadian National system.

Manitoba Free Press

The Manitoba Free Press, Winnipeg, refers to what it terms the "carefully timed" statements of Messrs. Holt and Beatty, and says that with these statements the drive by Canadian Pacific interests to secure a railway monopoly comes boldly into the open, rallying all forces in a final effort to achieve a purpose cherished for fourteen years. Mr. Beatty's attack on the arbitral board provisions, it continues, was warning that the Canadian Pacific was not prepared to co-operate with the Canadian National within the terms of the Duff recommendations, and notification that the alternative solution is a reaffirmation of the desire to destroy the publicly owned road, and take over the railway business of Canada.

Winnipeg Tribune

The Winnipeg Tribune contends that amalgamation of the two systems is a last resort to be undertaken only under conditions of dire necessity, that have not yet arisen, and are altogether unlikely to arise. "Amalgamation, even in Mr. Beatty's presentation of it, is a panic policy. The Canadian people are not panic-stricken. Many of them will venture to doubt if his outlook on the future of the Dominion is as dark as he pictures it." The Winnipeg Tribune in concluding declares that both political parties are pledged against amalgamation, and that any weakening on the part of either party would be political suicide.

Edmonton Journal

The Edmonton Journal opposes the idea of the amalgamation, and concludes that the country's interests demand that both systems be maintained, and that their activities be co-ordinated, so as to avoid repetition of the foolish rivalries from which they and the country at large are suffering.

L'Evenement, Quebec City

L'Evenement discusses at length the railway problem since its handling by the Senate last November up to the campaign by Mr. Beatty. It says: "Supported by some of the most powerful monopolists of the country," and aimed at the merger of the Canadian railways "under the autocratic control of the Board of Directors of the C.P.R." It continues: "Some say, 'We need a coup d'etat, stroke of State Policy, to save Canada from ruin.' Others claim, 'It is a sudden attack to put the national credit at the service of a trust more monstrous than all others.'"

Meanwhile the press of the Dominion is being lined up for and against Mr. Beatty's proposals. The public is following the controversy with the greatest interest and it will dislike those who give a courageous statement of opinion less than those who sit on the fence.

Saskatoon Star-Phoenix

The Saskatoon Star-Phoenix in a critical editorial sees the move for amalgamation brought into the open and placed before the public as a clear-cut issue, to be considered and discussed by what it terms Mr. Beatty's frank demand. The Star-Phoenix in a measure agrees with Mr. Beatty's contention that no transportation monopoly would exist, but contends that his claim does not hold in the matter of transporting grain, in long-haul business, or in the transportation of articles of exceptional weight. This newspaper also questions his estimate of the effect of amalgamation on employment, and his figures of C.N.R. losses. It concludes by saying that the whole question of the terms of an amalgamation is one on which there is bound to be the widest of opinions, and that: "All these matters may now be properly discussed since the amalgamation plan has been definitely placed before the public by the President of the Canadian Pacific Railway."

Le Canada

Le Canada charges both railways and their presidents with extravagance and says the Canadian Pacific should have spent some of its money in motor services. The paper concludes, "We are in favor of amalgamation. We are in favor of justice for the Canadian Pacific, but we are not in favor of the Government taking advantage of the mob spirit to which they have largely contributed, to give away at bankruptcy prices the most important of the National's assets. The National system is in a bad position. So is the Canadian Pacific. Even more so, the State. Really, however, the State was never in a better position to get a good price, above all if it agrees to accept in settlement the shares of a new company in which it will retain an influential share."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659ag

Editorial comment later received

Toronto Telegram

"As put by the President of the C.P.R., the choice before Canada seems to be whether this country would best be served by two insolvent railroads or by one solvent road. The natural preference would be for two solvent systems, since belief in competition and public ownership is not dead, and since it is generally recognized that the privately-owned road has other claims to this country's benevolence than as its greatest taxpayer. But if over-building and over-operation means present ruin to both if separately operated, how is the gap to be bridged between the present period of depression and that indefinite time in the future when increased population and increased business will tax the capacity of every foot of rail?

"Reiteration of belief in public ownership is not an answer to the suggestions put forward by E. W. Beatty, K.C. Public ownership is defensible only when it can reduce the cost under private ownership of services essential to the community. Has public ownership of railways in Canada done this? What future prospect is there of reaching this result? Is the control exercised by the Railway Commission sufficient protection against the evils of a railway monopoly? These are questions which many friends of public ownership are asking themselves today.

"The cause of public ownership was not aided by the period of extravagance from which the Canadian National has recently emerged. Nor is it assisted by the attitude of men of the standing of Hon. W. D. Euler when they refer to the efforts to curtail extravagance as a campaign of destructive propaganda against the Canadian National Railway, or when the inevitable retirement of Sir Henry Thornton is described as 'the rawest deal any man ever got from a government of Canada.'"

Calgary Albertan

"Out of the conglomeration of editorial comment on the Beatty plan one palpable fact emerges, that somehow in the immediate future amalgamation must be brought about if the Canadian people are to be protected. The fear of monopoly is evidently the cause of more than half the adverse comment upon Mr. Beatty's proposal. In this connection it is well to remember that evils are comparative. Even if we assume, for the sake of argument, that a monopoly productive of evil results would be brought about as a result of amalgamation, we have still to decide which is worse—an evil monopoly which produces profits and employment, or an innocuous collection of competitive lines which, through extravagance and competition, plunges the people deeper and deeper into poverty, unemployment and despair?"

The Albertan believes that steps could be taken if necessary to insure that this monopoly would not operate to the people's detriment.

"It is significant," it says, "that Mr. Beatty is interested primarily in bringing about amalgamation, secondarily in the form this amalgamation should take. As the most important transportation executive in the country he speaks with complete authority."

Dealing with Mr. Beatty's reference to the Shaughnessy proposal in 1921, and quoting his statement that if that plan had been accepted millions of dollars would have been saved to Canada, and that even under present conditions we would not have had any serious railway problem on our hands, the Albertan concludes that the strong inference is, that it is not too late for some such scheme to be attempted.

Vancouver Sun

Declaring Railway amalgamation does not mean fewer jobs, the Vancouver Sun editorially says:

"It is traffic moved and business volume that Canada needs today. There are millions of dollars' worth of goods in Eastern factories that should be in homes of Western farmers. There are millions of tons of food on western farms that could and would go to seaboard and to different parts of Canada if freights were 25 to 40 per cent reduced. But freight rates cannot be reduced so long as organized labor is levelling its whole thought and action on how many jobs it can create and perpetuate rather than on how much goods to and from the factories and homes of Canada can be moved at the lowest possible price. The truth is that in big cities organized labor and capital have been short-sighted and parasitic on the farmer and producers and that they have pretty well cut their own throats. Mr. Beatty in justice to C.P.R. shareholders shows that the present situation cannot continue without disaster to both roads. He is right in asking to be allowed to take over, or even be taken over, and when the two systems are lumped into private or public ownership, and the budgets balanced, then that unified system can be put to work for Canada."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Victoria Colonist in a further editorial on the subject declares that: "In any case, the argument built up by Mr. Beatty must have a strong appeal to the taxpayers as a whole. It is put forward with a single eye to what is for the best in the country's interests, and in the interests of the railway companies concerned."

The Prince Albert Herald, after a somewhat lengthy discussion of the subject, appeals: "Let us argue this question out dispassionately, and fairly, and if amalgamation appears to offer the best way out of our railway difficulties, then let us adopt it. The Duff Commission recommended against amalgamation. Why? Might it not be advisable to obtain a supplementary report from this body, which proponents of the merger contend discarded amalgamation as a remedy because they believed it impossible of accomplishment?"

The Kitchener Record, in discussing the question of amalgamation, says: "Opinions of what course to follow in coping with the formidable railway problem in Canada differ in many respects, but every one will agree that the country cannot continue to shoulder the annual losses incurred by the publicly owned system. Something will have to be done." The Record continues with a questioning as to the terms of a possible amalgamation, and says: "The situation makes it difficult for adherents of dual ownership to uphold their case."

The Family Herald and Weekly Star, published in Montreal, attacks the annual losses incurred by the Canadian National Railways under the heading "Canada's Debt Octopus," and says: "It is not necessary perhaps to emphasize the essential unfairness of subjecting the privately owned railway, which has conferred undoubtedly immense benefits upon the Dominion, to competition with a rival system heavily subsidized every year by the Government of the Dominion." It continues: "Something will have to be done to free Canada from the octopus which is drawing its life blood from it. Every one interested in our existence as a free nation should read and deeply consider Mr. Beatty's speech."

The Canadian Labor Leader, published in Toronto, discusses the railway situation and says: "In an address before the Canadian Club of Toronto, Mr. E. W. Beatty, President of the Canadian Pacific, and no doubt one of the best informed railroaders in the world, claimed the way out of the mess was the amalgamation of our two lines under one management, and the Labor Leader is inclined to agree with him."

The Guelph Daily Mercury points to the tremendous burden of taxation and railway debt, and declares: "The conclusion to be drawn is self evident. Consolidation of the two major systems under one management is the one step which can bring about needed economies and still not prejudice public interest."

The St. Thomas Times-Journal, following a survey of Mr. Beatty's argument, declares that: "It begins to appear as if the Duff Commission may have been too much influenced by what it regarded as expedient rather than absolutely sound." The Times-Journal concludes with an appeal to the members of the Government and of Parliament to address themselves to this supreme issue with the single object of doing the best thing for the country, in disregard of personal predilections or interests."

—o—

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 eg

The Right Honorable Arthur Meighen, P.C., K.C., M.P.

MINISTER WITHOUT PORTFOLIO

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659ag

Montreal, January 5th, 1923.

The Honourable Robert James Manion, P.C.,
Minister of Railways and Canals,
Ottawa, Ont.

Dear Mr. Minister:-

In accordance with your suggestion that a resume of the remarks of Mr. Clergue at the recent hearing you gave to the delegation from the Directors of the Canadian Car and Foundry Company might be helpful to you and your colleagues in the Government in your consideration of the proposal which we submitted to you respecting the relief of unemployment on the Island of Montreal by placing with our Company an order for 2,000 box cars, we now beg to supply a summary of his remarks at this hearing, to which has been added some additional information arising from occurrences which have since transpired.

Our proposal, of course, is fundamentally based upon the decision of the Government, that, under the present disturbing conditions of unemployment, it has become necessary to provide assistance in relief of unemployment, which is now being done through contribution of monies from the Dominion treasury to the Provinces and various Municipalities by two methods; - first, by direct aid in cash or its equivalent delivered to the individuals in need to provide for immediate necessities; second, by contribution to the Provinces and the Municipalities to assist in the construction of works of a public nature, thereby furnishing aid in the way of wages to the persons thus employed. In either case these contributions from the Dominion are absolute gifts, and will yield no return to the Government either in the way of interest or principal. We have already pointed out in our proposal the very much greater advantage to the Government and to the recipients of public aid if these monies could be devoted to the carrying out of industrial operations which would in fact be self-liquidating, so that the interest and principal of monies thus devoted to the relief of the present distress shall be returned by the earnings of the property thus produced. This is the method adopted by the United States Congress in its recent appropriation of two billion dollars in aid of the unemployed.

The principle of this method has already been adopted by your Department and the Government in the case of the order recently placed with the Eastern Car Company for 500 cars amounting in value to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

perhaps one million and a half dollars; but we beg to present herewith some facts which we think the Government should take into consideration in reaching a decision regarding our application.

Our brief already filed makes mention of the importance of our undertaking as one of the leading industries in Canada with a successful business record exceeding twenty years, and which has been the main support of workmen with their families numbering between 15,000 and 20,000 people residing on the Island of Montreal, who are now without any means of livelihood. We should also let you know that our undertaking is not owned or controlled by a small body of wealthy investors, - our shareholders' list exceeds 8,000 individual shareholders, of whom more than 85% are Canadian taxpayers and thus seriously concerned in the prosperity of the National Railways.

The Government of Canada possesses the ability, unique among Governments, to contribute substantial aid to a great number of working people in the largest community in Canada by means of the construction of modern equipment for use on the Government owned and operated Railways, the earnings from which will provide for all cost of construction within a period of ten years as well as for all interest carrying charges. This method of relief has been adopted on a large scale for the benefit of industrialists in the United States, by means of a great reconstruction fund established by that Government. The report of the Reconstruction Corporation up to December 16th, 1932, shows that the railroads of the United States have been loaned the amount of $415,705,236.00, while other self-liquidating projects have been loaned the amount of $160,109,224.00. A portion of these railway loans has been made as financial assistance to meet interest on railroad bonds and other liabilities, but the principal portion of these borrowings has been, or will be applied by the railroads to new equipment and general construction purposes. The completion of the electric construction by the Pennsylvania Line between New York and Washington, we have been informed, is to be accomplished by securing from this source the amount of many millions of dollars.

The United States program for relieving the paralysis which has seized the body of commerce and industry in that country, is based upon the supply of funds from the public treasury to restore to their accustomed functions those major activities which can be immediately directed through existing organizations; the chief of these is, of course, the Railroads, and for those purposes the principal loans to December 16th have been as follows:-

Baltimore & Ohio	$67,125,000.00
Pennsylvania	29,500,000.00
New York Central	20,499,000.00
St. Louis Southwestern	18,684,480.00
New York, Chicago & St. Louis	18,200,000.00
Missouri Pacific	17,100,000.00
Wabash Railway	14,825,000.00
Southern Railway	14,751,000.00
Erie	13,403,000.00
Illinois Central	11,000,000.00

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 ai

The Honourable Robert James Manion, P.C.

The Pennsylvania has announced that from its loan, 1,225 freight cars have been ordered to be built at once. According to the New York Times Financial Supplement of January 3rd, 1933, only 1,728 freight cars were built in all the United States during the whole of the year 1932. The Pennsylvania Railroad at the end of 1932 had 245,509 shareholders; - it has the oldest and most successful record of any transportation line on the American continent, and its management have decided to order to be built as soon as possible modern freight cars in number equal to two-thirds of all the freight cars ordered by all the railroads in the United States during the whole of the year 1932, - and this Railroad is borrowing the money from its Government and paying five percent interest on its loan to put the employees of car shops at work.

We are submitting to the Department of Railways our proposal that the most beneficial, as well as the most economically sound, method of assisting the temporary condition of unemployment in Canada is by putting into production the car building plants within the country to make good the deficiency in modern freight car equipment which is one of the chief causes of losses in the operation of the Canadian National Railways System.

To illustrate our argument we are making use of elemental facts well known to all railway operatives and to the officials of the Department of Railways, but these are quite unknown to the Canadian public, who are the shareholders of the largest system of railway transport, and who will applaud any wise measures taken by the Government tending to change their losses into profits.

An objection presented at our recent hearing was that there was no immediate requirement for additional equipment by the National Railways System, and for that reason immediate construction of additional equipment was not economically wise, - as increasing the capital expenditures of the System unnecessarily. Regarding this objection, we beg to offer the following observations: - -

The total number of all types of cars in the active list of the National System at January 1st, 1932, was about 110,000, - of this number about 40,000 are reported to be 20 years old or over, a period of life which exceeds that commonly regarded among railroad operatives as being profitable for repair or continued usage. Out of the total, about 35 percent are constructed of wood and not capable of being safely placed in service in heavy trains with heavy steel cars. About 14 percent are of wood with steel underframes, - these cars also are really not suitable for use with all-steel cars with heavy train loads and powerful locomotives. Of steel-frame cars there are about 30 percent of the total, and of all-steel cars about 12 percent of the total. These old cars, we understand, are being scrapped at the rate of about 3500 cars per annum, which, in our opinion, is a rate altogether too low for maintaining railway equipment up to a state of efficient operation.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120859 aj

The Honourable Robert James Manion, P.C.

The modern method of operating railways for profit is through the medium of locomotives constantly increasing in tractive power with freight cars proportionately increased in capacity and strength.

The Bulletin of Railway Statistics of December 14th, 1932, carries a compilation showing the character of railway equipment improvement during the last twenty years. During that period the number of locomotives in use has decreased by 11 percent, while the tractive power has increased 33 percent; - the freight cars have decreased in number, but have increased in capacity by 18.9 percent.

We believe that tabulation from the records of the National System will show that the operation of any freight equipment under 40-tons capacity is uneconomic, and we believe that freight cars of less capacity even although in running condition should be side-tracked, and used only when required by peak movement in traffic. The 30-ton cars now on the Railway rolls number about 33,000; the 40-ton cars about 24,500; the 50-ton cars about 2,300; and the 60-ton about 12,000; - these figures apply only to box cars.

An illustration of the difference in earnings by freight cars of different capacities may be given by assuming that the 88,000,000 bushels of Canadian wheat, which have gone out of New York via Buffalo on the average for the last ten years, would be transported between Montreal and St. John and Halifax at the current rates of freight. A 50-ton car would earn, making eight round trips in the season of four winter months, $1,000.00; a 40-ton car would earn $800.00, and a 30-ton would earn $600.00. It is perhaps fair to say that this traffic at these low rates could not be hauled over the long route from Montreal to Halifax in 30-ton cars except at a substantial loss to the Railways, while the 50-ton car would yield very satisfactory net earnings to the Railways.

The National System labors under difficulties in its rate structure unknown to its competitors in Canada and the United States, one instance of which may be pointed out as an example, -

The National System owns and operates a first-class line terminating at the excellent seaport of Portland, Maine. In one shipping season it has delivered over 50,000,000 bushels of grain to ships at that port. At a rate of 8¢ per bushel, a 30-ton box car can deliver there 1,600 bushels over the route of 297 miles from Montreal elevators once a week and earn $18.27 per day; a 40-ton car will earn $14.62 per day; a 30-ton car will earn $10.97 per day.

A study once made by Canadian National Railways as to earnings from large capacity box cars showed that a car in constant service earned an average of $20.00 a day, so that on the Portland run a 50-ton car nearly equalled the average earnings, while a 30-ton car earned only one-half as much.

But the National System is compelled to haul grain to Halifax at the Portland rate; consequently the round trip for a one-way distance of 840

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

miles can only be made in two weeks and the 50-ton car will earn only $9.14 per day, or less than one-half the average; a 40-ton car $7.32 per day; and the 30-ton car will earn $5.49 per day.

It is evident that the railway will suffer a large loss in handling this traffic in 50-ton cars, make no profit with its 40-ton cars, and earn something with its 50-ton cars.

The records of the Canadian National System show that during the ten years preceding 1932, the System had paid for rental of foreign cars, an average of $2,837,922.00 per annum, which ought to be conclusive evidence that the National System is in times of ordinary traffic deficient in high grade rolling stock; - if this annual disbursement had been appropriated to the purchase of new large capacity cars, under a Car Trust plan, it would have been sufficient to provide for interest payments and amortization of the principal for 7,700 50-ton cars. Applying a similar illustration to the expenditures made for the repairs of out-of-date equipment on the National System, we will assume that the sum of five million dollars is annually expended by the National System upon all types of rolling stock, and that two millions of this amount is expended on maintaining in service unprofitable equipment. If this sum were applied to the purchase of new 50-ton cars under a Car Trust scheme, the sum would be sufficient to purchase 6,000 box cars of the latest type, provide for the interest and amortization of the principal in 10 years, leaving free, as in the other illustration, the entire earnings of the equipment in service.

The amount disbursed in Canada for the construction of the 13,700 cars referred to would amount to about $34,000,000.00, practically all of which would be disbursed among Canadian labourers from Halifax to Vancouver.

Besides the disbursements made for the repair of unprofitable rolling stock and the hire of foreign cars, there is paid also by the Railway millions of dollars annually per diem charges on foreign cars in transit. Of course, with its wide international connections, this per diem charge will always remain, but if the Railway itself possessed an ample supply of large capacity cars to respond to peak requirements by its principal United States patrons, such as the packers of Milwaukee, Chicago and St. Louis, there should be a considerable saving in this outlay.

Like all taxpayers in Canada, we are very much disturbed over the tremendous fall in the earnings of the National System, but we find some consolation in the fact that all transportation lines on the continent have suffered to an almost equal extent; but we do not believe that our Government will adopt a policy of despair in facing the tremendous responsibilities now resting upon them through the Department of Railways.

The paralysis in industry and commerce is of course world wide and transportation has been the principal index to its extent. The cheapest means of transport which has ever been developed in civilized lands is the water borne traffic through the canals at Sault Ste. Marie, - for the year just closed this traffic has amounted to the lowest for 54 years, the year

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 al

1898 being the lowest preceding, with an equally small tonnage, which is only about 20 percent of the past record through the canals.

The Ottawa agreement with Great Britain we think is very certain to have immediate and favourable effect for traffic over the Canadian National Railways. The New York Herald of December 18th devoted a column by one of their commercial editors to the impending diversion of Canadian grain from Buffalo, New York, to Montreal, St. John and Halifax. This statement shows that from 1922 to 1931 inclusive, the average shipments of Canadian grain out of American ports was 88,000,000 bushels. It was stated that in New York, Philadelphia and Baltimore the railways have $45,000,000.00 invested in equipment for the storage and handling of grain for export, and the statement is made that "were it not for the Canadian grain in transit, the maintenance of adequate facilities and organization for handling grain in large volume through these ports would be difficult, if not impossible."

Another encouraging aspect for Canadian Railways, although this may be of a temporary nature, lies in the existence of the discount on Canadian money in the United States. At the present time freight originating at United States points tributary to the National System, such as Milwaukee, Chicago, and St. Louis, can be transported by the Canadian lines paying for the Canadian transit in Canadian funds, and thus, on the present basis of exchange, securing the transport in Canada at a discount of 12 to 15 percent. This fact has caused a great deal of concern among the American Railways and Steamship Lines running to American ports, and representation has been made to the Interstate Commerce Commission at Washington by these interests, pointing out this advantage enjoyed by Canadian railways and with the similar advantage enjoyed by Steamship lines making their terminals at Canadian ports. It has been argued before the Commission that the effect of this preference for Canadian transport, marine as well as rail, resulted in 1931 in a very unfair allotment of ocean traffic to Canadian steamships, it being easily practicable for a large part of ocean travel originating around the Canadian boundary where are located some of the largest communities in the United States, to secure through transit from the Canadian boundary through Montreal in Summer and Halifax and St. John in Winter, at such a reduction in fare over rail rates to New York and ocean therefrom payable in American money, that a very substantial amount of ocean travel naturally tributary to New York, will now be permanently diverted to the Canadian routes and Canadian ports.

We have taken the liberty to call attention to these promising prospects of improvement in passenger and freight movements over the Government Railroads, in answer to the objection which has been raised, - that the National System does not at the moment require additional freight cars, and we have for the same reason attempted to prove that even the present traffic can be carried at a great net profit if the attempt to keep in repair and make use of small capacity and out-of-date cars were definitely abandoned.

An intelligent discussion as to the wisdom of employing the car building industries of Canada as a medium for disbursing public monies for the relief of the unemployed seems to require the foregoing discussion of some of the elements which go to make up profitable railway transport.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 am

Page 7.

The Honourable Robert James Meighen, P.C.

Whatever decision Parliament may ultimately arrive at as to the future operation of the National System, the adequate and early provision of large capacity rolling stock is necessarily the first essential to reduce losses and thus increase net income.

Respectfully submitted,

CANADIAN CAR & FOUNDRY COMPANY, LIMITED.

(Signed) W. W. Butler

PRESIDENT.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120559 an

A. F. RITCHIE,
President

T. H. PROCTOR,
Secretary

Canadian Order of Empire Ex-Service Men

— Incorporated 1932 —

EXECUTIVE HEADQUARTERS
Room 105, Richardson Building
319 Bay Street, Toronto 2, Phone EL. 2714

January 17th. 193 3.

To:- Rt. Hon. Arthur Meighen
Canada General Securities Ltd.
347 Bay Street,
Toronto.

Dear Sir,
or Gentlemen:-

This communication is being forwarded to heads of combined concerns, individual corporations, and to those who have influential connections in local commercial and industrial spheres. Sent, with the sincere hope that, the co-operation herein sought, may bring some tangible result.

The officers of this Corporation are serving voluntarily, without personal monetary gain, towards the end of fulfilling the purposes of the Corporation, as shown in the extract from its Articles of Agreement, enclosed herewith.

We have a considerable roll of men, representing every walk of life with capabilities in every trade or calling, each of whom is in receipt of a pension and or some Federal Relief Allowance, graded in accord with his disability and needs, as shown in the copy of scale, also herewith. These men we are anxious to place in some form of employ commensurate with their ability, having due regard to their disability.

The pensioner is legally entitled to earn up to Ten Dollars a month to augment his pension, while in receipt of Federal Relief Allowance; granted the opportunity to augment his present income to this extent of Ten Dollars, it will be readily seen that he would be materially aided in his fight against conditions, it would increase his spending ability, and thus tend to aid in trade betterment generally, to just that extra extent.

The conditions for them is doubly hard, being disabled they face a labour market sufeited with able bodied men, who have come along in the decade or two since these men received their disablement, yet they feel deserving of some further encouragement to continue the maintenance of their citizenship rights and respect.

We seek your co-operation in endeavouring to give these men, just that opportunity, through whatever channel you may have at command, we are not asking for monetary relief, though the costs of operation of this body are heavy, and must be met; but we do in all sincerity appeal to you for that help which is possibly in your power to give, towards attaining, AN OPPORTUNITY.

Hopefully we await your response, so that we may be placed in the pleasurable position of advising at least some of these men, that an avenue towards that employment they seek has opened, so they may be heartened in their distressful struggle against the conditions of the day, and age.

Yours truly,
CANADIAN ORDER OF EMPIRE EX-SERVICEMEN
T H Proctor
Secretary

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659a0

Extract from the Articles of Agreement of Charter for
CANADIAN ORDER OF EMPIRE EX-SERVICE MEN

PURPOSES OF THE CORPORATION:- The purposes of the Corporation shall be;-

(a) To enable the members by virtue of their common heritages, associations, and traditions, to perpetuate these common heritages, associations and traditions.

(b) To work for the common interest of its members in matters pertaining to pensions, medical and clinical services, hospitalization and institutional care, and wherever necessary for such purposes to establish and maintain or assist in establishing and maintaining hospitals, institutions and rest homes or depots for such clinical and medical services and for hospital and institutional treatment and for a home or refuge for aged or past members of the organization.

(c) To assist the Government in power in the administration of such laws as are now or may be from time to time enacted pertaining to Pensions and Civil Service appointments of past members of the British Empire Forces, and to prevent the abuse of such laws.

(d) To promote and assist in the furtherance of such additional legislation as may from time to time appear advisable in the interests of all ~~xxxxxxx~~ discharged members of British Empire Forces and their dependents.

(e) To impress on all members both by example and precept, as well as by the spoken word, high ideals and lofty motives. To encourage and promote, generally, patriotic and philanthropic enterprises and undertakings, and to give serious thought and careful consideration to all matters pertaining to the welfare of the association.

(f) To pledge each member, individually and collectively, to extend every effort towards the placement of members in suitable employment.

(g) To encourage social activities among its membership, their wives and their families.

(h) To appint delegates and representatives to conventions, conferences and meetings incidental to or in furtherance of the above objects or any of them.

(i) And to do all things incidental or conduscive to the attainment of the above objects or any of them.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

120659a

Federal Relief Allowance Rates effective as at January 1st, 1933.

Commodity, to be applied to:	Ratio of Allowance for respective families. Single Man.	Man & wife.	Man wife and one child.	Man wife and two children.	Man wife and three children
Food.	$15.00	$11.00	$15.00	$19.00	$23.00
Rent.		15.00	15.00	15.00	15.00
Light.		1.00	1.00	1.00	1.00
Coal.		8.00	8.00	8.00	8.00
	15.00	35.00	39.00	43.00	47.00

	Man wife and four children.	Man wife and five children.	Man wife and six children	Man wife and seven children.
Food.	26.00	29.00	32.00	34.00
rent.	15.00	15.00	15.00	15.00
light.	1.00	1.00	1.00	1.00
Coal.	8.00	8.00	8.00	8.00
	50.00	53.00	56.00	58.00

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Senate 120659 aq

Ottawa, Ontario,
January 18, 1933.

Dear Sir:

I have your letter of 17th and have noted carefully what you say. Will keep in mind the representations you make, which are certainly deserving.

Yours very truly,

Arthur Meighen.

Mr. T. H. Proctor,
Canadian Order of Empire Ex-Service Men,
319 Bay St.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 ar

Personnel

334 Russell Hill Rd
Toronto 5
Jan. 24/57

The Rt. Hon. Arthur Meighen
Toronto.

Railways.

Dear Sir:

With reference to our talk on Monday, re. C.N.R., I would say that Mr. W.A. Kingsland, at present General Manager of the Central Region - Fort William to Riviere du Loup - Portland, Maine and Sarnia - was, when I first made his acquaintance on the Quebec and Lake St. John Railway, resident in Quebec as assistant General Manager. He went to the Lake St. John Railway in 1900, and when that road was taken over by the Canadian Northern he was made General Manager.

In 1920 when Mr. Hanna took over the Government Railways, he made Mr. Kingsland General Manager of all lines - Fort William to Halifax - and in 1922, when the Grand Trunk was taken over, he was made Assistant General Manager under Mr. Beker, of all lines east of Fort William.

In 1926 he was made General Manager of Western Lines - Vancouver to Fort William. In 1930 he was made General Manager of the Central Region, which position he now holds.

Mr. Kingsland is noted for his economy in Railway management and operation; in fact, it is said that he operates with a big Blue pencil and for that reason was anything but popular with the ex-president. As a sample of his bent in that direction;

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

only for his decided stand as General Manager of Western Lines, a luxurious hotel would have been built at Prince Rupert, and as a punishment he never did and does not now, receive the salary promised him with his present position.

Mr. Kingsland is highly popular with the Railway personnel and would make a valuable team-mate for Mr. Hungerford in the management of the Railway along economical lines.

Another man who, for his economic and highly efficient work, deserves promotion, is the Chief Engineer of the Central Region, Mr. T. T. Irving, resident in Toronto. He, like the General Manager, has never been popular for his persistance in saying No, and was also penalized by never receiving the salary he was promised in his appointment to his present position in 1924. These are men with whom I think it would be both informative and profitable for you to be acquainted, as you are taking so much interest in Railway matters.

In any case, the only salvation for the National System is the total elimination of all Branch Lines that are not used by the Automobile, Bus and Truck-using public who reside along these obsolete Branch lines. Both Railways should also be eliminated from the island of Montreal and all lines, including the Harbour lines, turned over to a Terminal Co.,with one Station and all sidings common to both Railways.

The Railway situation can be vastly improved but the elimination of necessary maintenance and the firing of reqiured section - men and clerks is an ostrich way of trying to do it.

Sincerely Yours
Gordon Grant

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 at

THE SENATE
CANADA

OTTAWA, January 26th, 1933.

The Right Honourable Arthur Meighen, K.C.,
The National Building,
347 Bay Street,
TORONTO, Ontario.

Dear Meighen:-

Today I wired Mr. Hanna the following:-

"If you would care to, feel confident the Railway Committee would like to hear you STOP If agreeable suggest February the first at eleven A M."

Yours very truly,

Geo. P. Graham

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Re Railway Bill

120659au

Toronto,
January 23, 1933.

My dear Senator:

I have been trying to persuade D. B. Hanna to give evidence before the Senate Committee on the Railway Bill. I suppose you know he declined to appear before the Duff-Flavelle Commission. I think he should have, and expressed that view to him many months ago. It seems to me everybody would agree that he should be a witness before our Committee if he will, and I certainly think his evidence would be well worth while.

He has not yet agreed to do so, but I am very much disposed to think that if you would write him and express a wish for him to be heard, he would come. Needless to say I will support you to the limit in doing so, before the Committee, and for that matter I know they would all like to have him anyway, and my thought is that we could hear him say Wednesday morning, February 1st--that would be at our first meeting after assembling on the 31st. His address is Bank of Commerce Building, Toronto.

Very sincerely yours,

Hon. Senator Geo. P. Graham,
Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Railways

120659 aV

347 Bay St. Toronto
February 6, 1933.

Dear Mr. Beatty:

I received Thursday evening last your very kind letter of 2nd February. Came home to Toronto that night, but was in Ottawa again Saturday, on the promise of getting some special matters considered with the Prime Minister, but unfortunately Mr. Bennett was ill.

Since writing, you have probably had a talk with Mr. Flintoff who has been present throughout all the meetings of the Committee, and I think he is convinced that whatever may be the growing feeling throughout the country, Parliament would not consider at the present time moving toward amalgamation. Personally I thought the Senate vote would be much different from what it was, and brought not the least pressure upon a single individual.

Ordinarily the Bill should be through the Commons next week. If you still feel that there would be a sufficient object served by having a longer consideration, I would be glad indeed to try to meet your views. If you should not be down, you might indicate any suggestions you have to Mr. Flintoff.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 aw

I did not say that any of your estimates were inaccurate. In respect of the Shaughnessy report, I contended only that its adoption at the time would hat have been justified, but did not go into figures at all.

The whole speech did not amount to a great deal. It was devoted mainly to an exposition of the position Canada and the Provinces were in as mortgagees of our Railways at the time of the crisis in 1919.

Yours sincerely,

E. W. Beatty, Esq.,
President,
Canadian Pacific Railway Company,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120859aX

CANADA

MINISTER OF NATIONAL DEFENCE

February 3, 1933.

My dear Mr. Meighen:

I saw the Prime Minister at 9.10 this morning and gave him the attached letter to read.

He asked me to thank you most sincerely for giving him the opportunity of seeing this communication.

I trust that you reached Toronto safely.

Yours sincerely,

H.

Rt. Hon. Arthur Meighen, K.C., P.C., LL.D.,
Canadian General Securities Limited,
National Building,
Toronto, Canada.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 ay

CANADIAN PACIFIC RAILWAY COMPANY

OFFICE OF THE CHAIRMAN AND PRESIDENT

MONTREAL

PRIVATE.

2nd February, 1933.

Dear Mr. Meighen,-

While I was in Ottawa for a while yesterday, I did not get a chance of calling upon you as I intended.

I naturally did not go to hear Mr. Hanna's interesting evidence before the Committee, but I saw him yesterday afternoon and he gave me a very vivid account of what he said and the way in which he said it.

I have been informed that you made a wonderful resumé of the railway situation before the meeting of the Bond Dealers in Toronto last week, and this is a deliverance which I would have sincerely liked to have heard.

My reports from many parts of Canada indicate that the House of Commons is a long way behind public opinion on the subject of railways. It has become a most absorbing topic of conversation both in the East and the West, and I believe the interest is real. It would be a great pity if we lost the opportunity to accomplish something constructive, and I am venturing to suggest to you that you keep Bill "A" in committee for a reasonable time in order to enable public opinion to still further crystallize. The final word will, of course, be said by the Prime Minister, and I have not the faintest idea of what that will be. If we overlook the opportunity which the present situation gives us, we will only be postponing the day when the railway situation will be dealt with from the standpoint of actual and not impending bankruptcy. Strong as is the opposition to unification for the purpose of administration in some quarters, those of us in the business know it is inevitable.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 az

CANADIAN PACIFIC RAILWAY COMPANY

OFFICE OF THE CHAIRMAN AND PRESIDENT

MONTREAL

2nd February, 1933.

I had a long interview with Dafoe on Monday afternoon last here. He has not changed but is uncommunicative. I imagine the fact that he spent a part of Tuesday evening with the Leader of the Opposition may have had something to do with the decision at the Liberal caucus yesterday.

I am advised that you think that some of my estimates used in my Toronto address are inaccurate. If you are interested, I would be very glad to let you know the basis of them as well as the basis of Lord Shaughnessy's estimates made in 1921.

I hope you will be able to steady the situation and prevent any action being taken which will destroy our credit outside of Canada. Nothing will restore it more quickly, in my judgment, than the announcement that the Government have determined upon a policy which will effect the maximum economies. This, Bill "A" does not do, and cannot do even if Part 3 were effective and morally right.

With kindest regards.

Sincerely yours,

Jas. T. Pattison

Rt.Hon. Arthur Meighen, K.C.,
The Senate,
OTTAWA, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 ba

36

Ottawa, Ontario,
February 6, 1933.

Dear Mr. Reid:

I have yours of 2nd. The trouble is I am not wanting the limelight--rather avoiding it. I have certain definite public responsibilities and am seeking anxiously to discharge them as well as still greater responsibilities of a business nature, but am most desirous of avoiding anything further at the present time, simply out of sheer necessity.

It may be that somewhat later I may ask the consent of the Investment Bankers to publication of this speech, and if so, I will get in touch with you immediately.

Yours very truly,

Mr. R. A. Reid,
Barrister,
Kent Building,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bc

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Febr. 2/1923

Dear Senator Meighen:

I read over the copy of your speech today which Mr Boyle delivered to me.

It is certainly a real good address, full of meat and facts. Of course your wishes must be, and will be, respected regarding the publicity and press publication demanded by you, but do not you think

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bd

that a great opportunity is being missed to place yourself and your position on the highest pinnacle of your whole political career? Moreso, since the action of the Senate Committee today in practically endorsing your views as set forth in the speech referred to.

There is no real answer to what you say. It may provoke controversy, but every speech does that more or less, when delivered by

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFE

120659be

outstanding statesman.

If you say so, I will have it printed in full with your picture, and all the necessary trimmings.

This should be done now, to support the action of the Senate, and influence the whole country at large in your favour. Let the limelight now, while it is waiting to shine on someone who is first on the stage, and, perhaps with your own views and arguments.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120859

you are the only one who has arrived with a real solution as yet, and why not broadcast it now and have it printed in full. It can do you no political harm whatever, and will put you ahead of everyone else in both the Commons and Senate. It will forestall King and the Liberals, and also give the lead and ideas to the Prime Minister.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bg

Let me hear from you by tomorrow's mail, and we can run it in full by Monday or Tuesday. No time to lose as it looks like others will soon be taking the limelight. This will be your real rehabilitation and bid for country and people's leader. Think it over seriously. Now is the time. Let them say and think what they like about it. It is

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bh

the journalism that counts and carries Leaders forward.

This is too good a speech for the press and people of Canada not to have the benefit of it.

Sincerely Yours,

Robert A. Reid

P.S.: I received the enclosed two accounts from Mr Rydie, and paid the large one, and am paying the other received today, on tomorrow.

R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBT. BRYDIE
C. A. R.
TORONTO

120659 bi

2nd February, 1933.

R. A. Reid, Esq.,
Barrister, Etc.,
Kent Building,
Toronto.

In account with

Robert Brydie,

To -

Re-typing speech of

Rt.Hon.Senator Meighen
(2 copies) $5.00

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bj

Apt. 5 35 Helendale Ave.
Toronto, Ontario,
January 30th, 1933.

Received from Mr. R. A. Reid, Barrister, Toronto, 709 Kent Building, 156 Yonge Street, Toronto, the sum of Twenty-two dollars and fifty cents, being in full payment for report of the Address of Senator Meighen before the Granite Club, St. Clair Avenue West, Toronto, on Saturday, January 28th, 1933.

Robert Brydie
per. H. Kellett.
57 Queen St. W.
Toronto.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bk

Canada's Railway Problem and Its Solution....

THE WAY OUT

A Second Address

DELIVERED BY

E. W. BEATTY, K.C., LL.D.
Chairman and President of the Canadian Pacific Railway

Before the

CANADIAN CLUB

Winnipeg, February 8
1933

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Blank Page

THE WAY OUT

A Second Address on

The Canadian Railway Situation

By E. W. BEATTY, *K.C., LL.D.*

DELIVERED BEFORE THE CANADIAN CLUB

Winnipeg, February 8, 1933

WHEN I received the deeply appreciated invitation of your Club to come to Winnipeg and address you on the subject of the railway situation in Canada, I felt greatly honoured, not only because of the audience which I would meet, but because of the great importance of the subject. Frankly, too, I welcome the opportunity of discussing before this large and influential gathering a public question to which I have given a great deal of thought.

Winnipeg is an appropriate vantage ground from which to survey the transportation difficulties of the country. It is on the threshold of our richest producing area, it is the commercial capital of the Prairie Provinces and its business leaders exercise usually a decisive influence in the shaping of policies which regulate the flow of trade to and from the vast plains which form the keystone of Canadian prosperity. It is the window through which other portions of Canada must get their view of the Western landscape, and the source to which they turn for information as to the direction and depth of Western thought on any question.

There are obvious objections to one man stating his views too frequently. He is apt to be regarded as a propagandist, or as having some selfish interest to serve. At the risk, however, of being misunderstood, I feel compelled to summarise again the situation, because I am convinced that the problem of our railways must be considered from the national standpoint of the country's interest. I am innocent enough to believe that one can be an officer of a great empire transportation company and still be a reasonably good Canadian—honest with himself and with his fellow Canadians. The truth is that the public

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

interest, and the interest of the company I represent, are identical. It is not the first time that the letters "C.P." stood both for the "Canadian People" and the "Canadian Pacific," and I have no apology to make for offering my views upon the great transportation question that is before the country. The Canadian Pacific has made suggestions on several occasions before, which, if adopted, would have saved you many millions in money without in any way depriving the country of necessary transportation services.

The Canadian Pacific raised its voice in protest against the contract which provided for the construction of the Grand Trunk Pacific-Transcontinental System. It advised a running rights agreement with the Canadian Pacific between North Bay and the head of Lake Superior, and the acquisition by the Grand Trunk of the Canadian Northern Lines in the West.

Before the building of the Canadian Northern Railway between Sudbury and Port Arthur was projected, it offered, and the Canadian Northern accepted, satisfactory arrangements for the handling of Canadian Northern traffic between the East and the West. If that arrangement had been maintained, it would probably have saved the Canadian Northern from disaster.

In 1921 when the acquisition of the Grand Trunk was in the process of consummation, the then Chairman of the Canadian Pacific, Lord Shaughnessy, suggested to the Government a form of amalgamation which would have preserved the advantages of private management.

My friends of the Winnipeg "Tribune" would probably accuse Lord Shaughnessy of being governed by fear, and no doubt he was genuinely and properly apprehensive for the future of the railways, and, because of their obligations, for the country's prosperity. He could find only one solution, namely, unification.

In 1925 the Senate conducted its enquiry and issued its brief but comprehensive report. Once again, by another method, the conclusion was for merger for the purposes of administration. It can, I think, be conceded that the fears they then entertained for the future of our railways were amply justified by the experience of the companies during the intervening years. The losses of the National System between 1925 and 1932 were approximately $439,126,000, and the net

earnings of the Canadian Pacific decreased from $40,154,000 in 1925 to $20,089,000 in 1932.

After nine months of enquiry and study in 1931 and 1932 the Duff Commission marshalled the facts relative to the railway situation, and reached conclusions designed to secure co-operation or have it forced upon the railways, while preserving competition and separate administration of the properties. It is a finding difficult to understand as a practical solution. There is now, as you know, no competition in rates between the companies, since they are regulated by the Board of Railway Commissioners for Canada. The only competition is, therefore, in services, and it is possible that the Royal Commission felt that, with co-operation both voluntary and compulsory, competition in services would be so regulated and restricted that it would be virtually in the same category as that of rates. If this is a correct inference as to their hopes, why maintain the great expense of two sets of services to accomplish the results of one, and if virtual unification were intended, why not have it in a form that will give the administrators of the properties the best opportunity for real saving and the elimination of waste?

I have stated on more than one occasion the objections of the Canadian Pacific to the Commission's plan. We are prepared to agree to all proper measures of co-operation, but we cannot consent to our property being administered for us, but at our expense, by others. We cannot agree to turning over to an arbitrary body the conduct of our enterprise and the shaping of our policies, when, in the nature of things, the consequences must be borne by the shareholders. The views of those charged with the responsibility of protecting the enormous investment in the Canadian Pacific would not, in these circumstances, prevail. This is not regulation; it is the assumption of complete powers of administration without financial responsibility.

Now let me turn to the objections so strongly urged in some quarters against unification in any form or by any means. Those who hold extreme views state frankly that such a plan is aimed at the Canadian National Railways and is an attempt to injure or destroy the property of the people of this country. On the contrary, it aims to preserve the integrity of both

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

properties and the investments of their owners. May I suggest for your consideration the following facts:

The year 1928, from a railway earning standpoint, was the best year in the history of Canada. In that year the Canadian Pacific earned a substantial surplus over all charges and dividends, while the Canadian National fell short by $29,800,000 of earning its interest charges due to the public and to the government. The combined gross earnings of the two companies had decreased in 1932 from the level of 1928 by approximately $267,000,000 or about 48 per cent. Their combined operating expenses were reduced by approximately $183,700,000 or 42 per cent. Their net earnings decreased by $83,300,000 or 73 per cent.

That both companies strove to offset the enormous decrease in gross earnings by effecting economies is indicated by the fact that the decrease in operating expenses of the National Railways of 1932, as compared with 1928 was approximately $100,000,000, or a percentage decrease of 39 per cent. Decrease in the operating expenses of the Canadian Pacific in the same period was $83,500,000 or 46 per cent.

Neither company has escaped the devastating consequences of trade stagnation, and both are interested in the financial integrity of the investment in their properties. The question of aggrandisement or dominance does not arise. We must make common cause against the effects of the unwise policies of the past, intensified by this protracted period of depression, and we can make it more effectively in union than in competition.

The strongest and the most frequent argument against the principle of unification, even though property rights are not disturbed and the unification is for the purpose of administration and operation, is that it will create a railway monopoly, and that that is not in the interests of Canada. Indeed, some of the proponents of continuation of the present situation begin and end all arguments with the simple phrase: "It is against the interests of this country." I often wonder if those who so complacently use this argument ever seriously consider what the interests of Canada are. Do they consist, in their estimation, in the maintenance of two systems operating in competition and under the hazard of possible bankruptcy, or in a unified system which will provide adequate facilities to all parts of Canada, with economy in operation and administration not possible of attainment by any other method?

To the feeling against monopoly no Canadian can refuse respect. We have an instinctive distrust of dictatorships. We are not inclined to yield the unfettered control of any vital service to an individual or to a special group. The memory of abuses of monopoly still lingers. Admitting all that, are we to disregard the passage of time, the course of legislation during the last thirty years, and the adjustment of outlook forced on public utility executives by the progress of events?

The aversion of Canadians to railway monopoly has been due to certain experiences in the past. Portions of the Maritime Provinces for years were dependent on the service of the Intercolonial Railway only. It was satisfactory to the adherents of the political party in power at the moment, and profoundly displeasing to adherents of the party which happened to be out of office. Sections of Ontario and Quebec were in like manner dependent on the Grand Trunk Railway. Built by English capital, its long range administration from London, unacquainted with local conditions and necessity, failed to give satisfaction to the Canadian public. The Western Provinces for years had no railway service save that furnished by the Canadian Pacific. A flood of immigration temporarily overwhelmed it, and in stress and excitement of the times the company no doubt adopted an attitude not always defensible. I am free to admit the mistakes of that period, but to assert at the same time that they are impossible of recurrence in the light of more modern views of the obligations of public utilities. But in any case, a safeguard has been provided by law in the institution of the Board of Railway Commissioners. Since that tribunal was established in 1904, the tendencies of monopoly have been effectually curbed and the public interest fully protected. The Board has control of rates of carriage and all essential forms of service, and its jurisdiction can be invoked by any citizen without expense or formality. It is a court of appeal open to any Canadian who feels that he has a grievance against the railways. If its powers are not broad enough, they can be enlarged. If the method of selection of its membership offers opportunities for mistakes, that method can be altered. The power which created it can modify its structure and adapt it to any change in the national situation.

The Royal Commission, in its report, drew special attention to the excess railway mileage operated in this country. There has been duplication of lines in many districts, and triplication in some. It is evident that some of this mileage

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

should and must be abandoned. Under the reign of competition, two services have been furnished where one would suffice. Luxurious standards have been set up which, to a limited extent, are entirely necessary and proper, but, if duplicated, become wasteful. Some of these services must be consolidated and standards observed which will meet the requirements of the country and no more.

No scheme of co-operation between competing companies, however far it may be pursued, will effect these essential economies without risk to the integrity of one property or the other, and corresponding damage to Canadian credit.

The necessary economies can be reached through some form of unified operation and control. It can be done without drastic impairment of the service necessary to our industries and to our economic stability. The management would have to be armed with authority to accomplish them with the least possible disturbance, and without calling on any section of the community to carry an unfair burden of sacrifice. I believe it is possible to do all this, and yet to surround the operation with safeguards sufficient to relieve the anxiety of those most obsessed with the dread of monopoly.

The next most important objection is that urged on behalf of Labour. The railway industry provides employment for many thousands of men and women. What railway labour wants is regularity of employment, and the opportunity to earn a reasonable monthly wage, and it can never be sure of these if the industry itself rests on insecure foundations. If the country is unable to carry its railway burden, nothing can protect railway labour from the effects of disorganization and unsettlement. The division between two systems of traffic sufficient for one only has led already to short time and to unemployment throughout the length and breadth of Canada. How much better it would be to have the industry organized on rational lines so that a permanent staff could normally rely on a fixed measure of work.

Railway labour has been disturbed naturally by proposed changes in administration. The necessary adjustments cannot be made without some disturbance of staff. But, wisely handled, these need cause no widespread discomfort or dislocation. The normal turnover of labour will absorb the majority of those displaced as the adjustments are made. The temporary inconvenience involved will not be greater than

that resulting from our present situation, and the change will lead to a permanent cure for the worst evils. There is not the slightest reason to fear that a consolidated system, operated by men who have dealt fairly with employees in the past and who know the priceless advantages of esprit de corps, would show lack of feeling in working out the problem of reorganization. I believe that the advent of such a system would immeasurably improve the position of railway labour in Canada.

Still another argument is that the deliberate, considered method of reducing, with the idea of ultimate elimination of our railway losses, is the argument of panic or of fear—is unworthy of Canadians having the slightest pretence of courage or confidence in their country. Any such settlement, in the view of its proponents, should be rejected, because some day the sun will shine again, Canada will be prosperous and our fears of today will become the jokes of tomorrow. This argument almost invites me to worry you with some philosophical observations on the difference between courage and common sense, and whether the courage which is born of unreason and of heedlessness is, in fact, courage, and if it is an admirable thing. I have been informed, in heavy type, that the success of the Canadian Pacific enterprise was due to the courage and confidence of its early administrators, and there is no doubt that they had courage and that their courage was justified. I cannot, however, overlook the fact that one of them—and one who played a great part in the difficult and arduous days of that company's early existence—was the man who, twelve years ago, warned the people of this country, through their government, that our railways would become a great drag upon the people of Canada unless a sane and sound method for their operation was provided. That his judgment was right needs no proof in the light of our experience, and yet I would hesitate to suggest that he was more cowardly than others because he was wiser. The answer to our problem is not to be found in that kind of argument. I have never heretofore been accused of being a pessimist about Canada, and if I have any feelings of pessimism even yet I am not conscious of them. I have too great a faith in the country and its people to feel that ultimately it and they will not be restored to conditions of reasonable prosperity, but I do not think that prosperity is to be recovered through the process of spending more than we earn, of borrowing heavily to pay unearned interest, and of pyramiding our debts and mortgaging our future. What a tremendous deterrent that will be to the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

resumption of prosperous conditions. We should be able with all our experience, varied as it has been, satisfactory in some cases and unsatisfactory in others, to evolve and regulate an efficient transportation system for Canada, involving a minimum of waste but the maintenance of essential services to the public, and I am going to suggest to you that we should seriously consider the question of unification from the sole standpoint of national economic interest, and that we should live within our means, transportationally speaking. We should not continue to maintain what we cannot afford to maintain, safeguarded as we can be against any risk of inadequate facilities for the needs of the country.

It will be conceded that taxes and freight rates are of great personal consequence to the majority of the people of this country. The former have, unfortunately, increased until the burden has become heavy—the latter have not decreased with lower commodity prices, and, therefore, constitute a relatively heavier load on shippers. The cost of distribution is greater in proportion to commodity value and prices and absorbs a larger share of them. You will probably be surprised to learn, in these circumstances, that some witnesses urged before the Royal Commission that the remedy for the difficulties in which the railways find themselves is in a wholesale increase in freight rates. I entirely dissent from this view. Freight rates are subject to revision upwards and downwards with changing circumstances, and in accordance with principles applied by the Railway Commission in determining what is fair between the railways on the one hand and the public on the other, and while the railways are suffering under present conditions, so are the producers, the wholesalers and the retailers. This is distinctly not the time for consideration of rate increases.

It would be impossible for me to attempt to deal with such an intricate subject as freight schedules at this luncheon, but I can say that while our rates are generally lower than in the United States, and substantially lower on grain, the interests of the shippers and exporters of Western Canada, competing in the world's markets, necessitate recognition of the fact that the handicap of distance shall be overcome so far as that is possible while permitting the transportation companies to live.

In consequence of the address I made in Toronto on this subject, certain queries have been made of me and suggestions offered that the plans I suggested should be further elaborated

in order that the people of the country should have more definitely before them the proposal advanced for the proper solution of the problem in the interests of the country.

I am unqualifiedly in favour of unification of these properties for the purpose of administration. Most careful and comprehensive enquiries by the officers of the Company have persuaded me that under unification permanent economies of seventy-five million dollars a year will be secured after a reasonable period has elapsed to permit adjustments to be made in an orderly way. These economies are not of the temporary or distress variety which the depression has forced upon us, and they are not designed to eliminate any essential service to the public or remove trackage where its retention is necessary in the national interest, and where there is not already in existence another facility capable of adequately providing for traffic needs.

The Canadian National Railways are owned by the people of Canada and their future will be determined by Parliament. The Canadian Pacific is owned by shareholders, the majority of whom are resident in Canada and Great Britain, and the future of their property and the method of its administration is a matter for determination by these shareholders. The terms of unification as between the two systems must of necessity be the subject of negotiation and agreement between the representatives of the owners of the two properties. The attitude or the policy of the owners of the National Railways has not in the nature of things been as yet defined, and until it is defined it would seem presumptuous and improper that I should attempt to outline what terms should receive the Government's consideration or that would be acceptable to the Canadian Pacific's shareholders. When the principle to be followed is once determined, details of the arrangement should be made the subject of fair and frank discussion, so that all private and public interests will be adequately protected, and it goes without saying that in any such negotiations the interests of the owners of the National System must receive every proper consideration.

It is only right that I should point out to you two things which will have a great effect on the wisdom or otherwise of this policy. The first is that unification, of necessity, will lessen the extent of all capital expenditures for many years, because the unified company will have for joint use all the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

facilities, trackage, motive power and rolling stock of both companies.

The second important question is that which arises from the fact that because of the heavy accumulation of debt and of the enormous losses incurred in prior years, we must not only restrict our expenditures in the future, but we must improve our revenue position to the extent of being able to replace gradually the moneys so lost. We must reduce the drain on the public exchequer, and with wise administration and normal conditions, it is not too much to expect that in time not only will the full interest due the public be available to the owners of the National Railways but a substantial amount in addition which will go to provide interest on the money advanced by the Government on which no interest has as yet been paid.

We in Canada have been prone to greatly exaggerate the value and benefits of competition and to disregard the cost and waste incident to it. We have also established a kind of competition which is, so far as I know, peculiar to this country, namely, that between the State itself and a private corporation. That species of competition contains elements of injustice to private investors which is inescapable, and the wonder is that it could have continued for so long a period without more disastrous consequences than we have experienced.

This protracted depression, however, has served to emphasize the fundamental unfairness inherent in such a system, as well as the waste which competition, especially this form of competition, involves.

We have heretofore believed in competition as a natural regulator of activities of competing companies and as a protection to the public. We must I think revise our ideas, rely upon control by public and independent tribunals, and definitely and permanently remove the waste which such competitive operations involve.

In speaking as I have to you—as frankly as I know how—I have endeavoured to confine myself to facts which appear indisputable. No one can be indifferent to the serious burden of our present situation or the obscurity of our railway future. It is receiving the earnest consideration of Parliament. The principle of co-operation without consolidation has been

recently approved by a committee of the Senate, no doubt in the view that this should be fully tried out before adopting more extreme measures, but I remain of the opinion that it is in the interest of Canada that more drastic measures should be taken at as early a date as possible.

I imagine it will be conceded that there has been a great change in public sentiment in the last few months, especially in our business communities. This change is not due to disloyalty to a great enterprise which has become the property of this country, but to a realization of the stern facts of our position and a desire that our railways, without change in ownership, should combine their operations for the benefit of the country, their owners, and Canadian credit.

When Parliament finally speaks, the method to be followed in the immediate future will be determined. I have my own settled convictions as to the method whereby the greatest savings can be effected, and, as I have said, the Canadian Pacific will be willing to voluntarily co-operate in every possible and practical way. That almost-exclusively Canadian organization has yet to be accused of lack of loyalty to this Dominion or a lack of desire to advance the latter's interests. In good times or bad, our own interests and those of this country are inextricably associated, and our submission to the people of Canada and the governing bodies of the country must have this cardinal fact always as its foundation.

I have said that we cannot afford a continuation of the present dual systems, and especially we cannot afford it because it is unnecessary, and the remedy may be applied without damage to any essential interest in Canada. If this is true, and I believe it to be undeniably true, are we not warranted in determining the problem free of prejudice and the bias that any of us have had in other days, with the sole purpose of maintaining national solvency and accelerating national prosperity?

We are compelled to consider disargreeable facts, but we have faced them in the past and have overcome obstacles to our progress in the building up of this country. We are not a boastful people but we can, I think, with some reason claim that courage and self-reliance are among our virtues; indeed, they may be said to rank high among our national assets. I believe that the fullest consideration of our railway problem

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

will be given, that we will not fail to appreciate it to be one of grave moment and concern, and that it will be approached in a spirit which will demonstrate our ability to solve it and reach a solution which will lift from the backs of our people a heavy burden, improve the credit of our country both at home and abroad and expedite our return to normally prosperous conditions. I feel I can express these hopes to you in the realization that our loyalty to Canada and its institutions is indisputable, that our sanity and cool judgment have not departed from us in the three years of strain we have been under, that our belief in the Dominion and its people is still undisturbed, and that we can steer a safe course out of the almost uncharted sea of this depression.

Blank Page

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bl

347 Bay St., Toronto,
June 2, 1933.

Dear Mr. Blount:

I have your letter of 31st May and thank you very much indeed for sending me new Senate pass No. 98 to replace the one which I lost.

Yours very truly,

Arthur Meighen.

Mr. A. E. Blount,
The Clerk of the Senate,
Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

120659 bm

THE SENATE
CANADA

The Clerk of the Senate
Ottawa

31st May, 1933.

7

Dear Mr.Meighen,-

Herewith is transportation certificate number 98 in replacement of number 87 originally issued to you and now lost. The railways are being notified to cancel the latter certificate.

Yours truly,

Rt.Hon.Arthur Meighen, P.C.,
Toronto, Ont.,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120650 bn

THE SENATE
CANADA

Memo for Senator Meighen re section 736 of M.S. act

This section in terms made the 1911 treaty superior to the act.

Canada is now free of section 736 but not free of treaty effects. We are as clearly bound by it as by that which, as between G.B. and the U.S., our boundaries are defined.

We may, of course, although we ought not, and won't, legislate to rid ourselves of our obligation, leaving G.B. to denounce the treaty, but the proper course is to resolve that G.B. be asked to denounce qua Canada.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120659 bo

THE SENATE
CANADA

Memo for Senator Meighen re Bill A

The sole outstanding difference as to commons proposed amendments has been settled.

Section 8 as drafted by me was to have been struck out and something else provided. I could not agree with the change because it was unconstitutional, unless, indeed, section 9(J) was constitutional, which, qua provincial companies, I thought section 9(J) was not; wherefore I had provided section 8. The Justice Department was supporting the amendment. I excited apparent doubt and real conviction in all concerned, redrafted Section 8 to express in other words exactly what the present draft in the Bill says, and accepted an immaterial variation, thus reaching agreement.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Same Mr. Meighen?

120659 bp

One must wonder a little at the fury of Hon. Senator Meighen's attack on the late management of the Canadian National Railways. There were "blazing' evidences of extravagance" all across the Dominion, Mr. Meighen is quoted as saying in a speech in the Senate. The former Prime Minister proceeded to place the blame on Sir Henry Thornton and the former Liberal Government, holding them responsible for wreckless spending.

One wonders if this is the same Mr. Meighen who a few years ago became connected with a group of financial companies in Canada and that sold stock to the public. The editor of The Leader-Post recalls how more than two years ago a salesman representing one of Mr. Meighen's companies painted us a glowing picture of the money to be made if a few hundred dollars were placed in one of the enterprises. He had printed matter showing how the profits were sure and safe, how with the volume of business flowing in Canada there was not the slightest risk. According to the salesman and the literature everything was lovely in Canada. We were invited to throw our money into one of Mr. Meighen's companies and see the profits roll up.

No doubt the picture as painted of mounting profits looked genuine. Conditions were such in the country that scarcely a voice was raised against the expansiveness of everything and everybody. "Cheap skates" and "pikers" were thrown into the background. There was to be no end of prosperity. Spend and be prosperous was the slogan of the era. That spirit led the Canadian National Railways into expenditures that are now attacked. But what about those profits from Mr. Meighen's own companies? Were the statements made by his salesmen justified? Did not prosperity also go to the head of Mr. Meighen and his friends? Is it possible that Mr. Meighen is now in the position of the pot calling the kettle black.

It would be interesting to hear from Senator Meighen on this phase of Canadian development. Western Canadian investors might be glad to have a statement from him on this profit business.

Leader-Post Regina Oct. 17th 1932

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

...stands as one ...thropic forces ...lks of life are ...t has provided ...lter. ...prisoner at the ...ain a place in ...The courts are ...n the verge of a ...r and assisted in ...ons.

...yday of its success, ...the Army ...o into ...ays to preach the ...anada is vastly the ...tury of zealous en- ...celebrated ...y this

STATEMENT.

...hange controversy the ...rially cleared by the ...ssioner C. A. Maguire on ...tario Commission. Mr. ...i the uncertainty in the ...eks to establish the posi- ...cial body as contrasted ...unicipalities in relation to ...volved by this unexpected

...ydro by a policy of silence ...ism, where the opposite ...averted such an attitude ...ch so many thousands of ...rio have a personal and ...ey would have the Hydro, ...n, carry on its work in the ...d aboveboard, as it was ...founder, Sir Adam Beck.

...y of the $1,016,000 payment ...principal payable in New ...me as a shock when Cana- ...at a heavy discount. The ...by the Ontario Hydro, which ...ver the sum from the mu- ... The latter, some of which ...charges of their own to meet ...sought in some cases to have ...from the $14,000,000 reserves ...ntario body. The latter has ...ressing for the local bodies to ...o rata share, and some pay- ...een made. To the claim that ...ities have contributed to the ...the central reserve, the answer ...on the other hand the local ...been accumulated, in part, by ...e Ontario Hydro.

...o position is complicated at ...e continued depression. Con- ...ower has declined through the ...stry, while new power contracts ...elivery of new energy, for which ...t present a full market. The ...mission must meet its obliga- ...these contracts, while the mu- ...o Commissions cannot increase ...ad until industry revives. It is ...g that the Provincial body ...to husband its resources under ...ances.

...NTFORD BIRTHDAY.

...ntford Expositor on the twelfth ...month attained the respectably ...of eighty years. Naturally enough ...n inspired a multitude of con- ...s, not only from local readers of ...tor, but from friendly contem- ...which category is included vir- ...newspaper in the Province.

...s are always times for looking ...d looking back. The Expositor ...et the history of the past eighty ...its own prophecy as to the prob- ...e future. The paper refers with ...the fact that in its columns ...nicled a daily record of the ...s period, perhaps, in the his- ...t deals with craftsmanlike ...zing mechanical prog- ...e years. It touches ...per things, the ...

...tory will be claimed by either football fans or followers of the hard-mitted fraternity. Both Hoover and Roosevelt are playing with potential eclipse.

WAS NOT EVERY ONE FOOLED?

No one has a better right to size up the "blazing extravagance" of the Canadian National Railways than Right Hon. Arthur Meighen. It is only a little more than three years ago that Hon. Hugh Guthrie, in a House of Commons address, recalled the "bitter fight" in the session of 1919 over the railways, and commented: "We were fortunate in that great fight to have a very brilliant man to lead our forces in regard to the railway problem. I refer to Right Hon. Arthur Meighen, who, I believe, was the first public man to realize the full gravity of the situation, and who was at all times the great factor in engineering our way out of the railway difficulty. He formulated a definite plan; he produced it before Parliament."

So, it may be assumed, Senator Meighen is speaking by the book when he tells his colleagues in the Red Chamber that "it never was dreamt that the policy of 'hands off the C.N.R.' should be interpreted as 'hands off the control of the capital finances of the system.' But such an interpretation, apparently, was given it by the Government of the day which came into office in 1922."

In the light of current events no one can well deny that Senator Meighen's interpretation should have been followed with as sound a business perspective as Parliament could summon. It might even be appropriate to note that Hon. Mr. Guthrie, in his 1929 speech, recalled the Liberal opposition to Mr. Meighen's policy in these words: "Nothing was left undone or unsaid by our opponents. We were told that we were going to bankrupt the Dominion of Canada. It was claimed that those roads should be put into liquidation, go through the Exchequer Court of Canada and be put on the auction block. If such a course had been followed there was only one power in Canada to purchase them, and that power would have been able to create the greatest railway monopoly ever created in any country in the world."

This was the Liberal attitude in 1919 when opposing Mr. Meighen's public-ownership idea. Ten years later Mr. Guthrie found it thus:

> Now, when this wonderful Canadian National Railway System has more than justified itself; now that it is rapidly becoming in the nature of a great national asset; now that we may look forward to a day, not perhaps in my lifetime, but in the lifetime of some here, when this system will start repaying the Government of Canada a part at least of the money it owes to the Treasury, to the day when it will have a clean sheet, as it ultimately will have, in regard to its bonded indebtedness to the public; now that the system is in this, a thoroughly prosperous condition, this Government desires to treat it as its own creature. Whereas in 1919 it tried to cast it out as base-born, now it wants to consider it as its legitimate offspring, and to profit by its success.

In respect to the National Railways, said the member for South Wellington, "we on this side of the House are all optimists." The quotations throw some light on the misinterpretations referred to by Senator Meighen. It is difficult to see how either party in the House can deny culpability for what has happened, since both claimed credit for what in 1929 seemed a fortunate railway situation.

Would it not be better to admit that everybody was fooled and agree to join forces to get the best possible adjustment of the situation which has now developed?

A PIONEER IN REALISM.

Sometimes an author unconsciously forms a new school in style and thought by a book whose significance is not recognized at the time. Henry Fielding has been called the father of the modern novel. Rudyard Kipling introduced a note of Imperialism and a style of ...ality which influenced

who had don...
ers, slips and...
pours endless...
pelted by gra...
...ried, he m...
...re his merci...

NOTE...

The Shelb...
...red at Otta...

The belate...
...ay indicate

Paradoxical
...nt a disposi...
...y.

A scientist d...
...by-product of
...ere is no cake

If, as alleged,
...ery time Mr. H...
...son for his refu...

With a nice ap...
...ation in attracti...
...turning its atten...
...the majestic moo...

The United Kin...
...stic business aside
...va agreements, w...
...putting the Empi...

Teachers and othe...
...they are goin...
...s this year. De...
...ll to bring in the
...e veranda.

...hy should Sir H...
...ng reputation by
...ish regiment? W...
...at Lauderdale
...in Toronto?

...he public always w...
...of coal prices, s...
...wa. Every househ...
...him more than
...to learn why.

...is week the Salv...
...a century of sple...
...n. If all those
...Army could
...ring it would be!

...sident de Valera
...ached his half
...by the way,
...and a certain
...llowing years

A ...ent meeting
...en's ...iberal-Conser...
...ined by the
...rom the chief
...hese keen pol...
...in the morn...

A ...orthern Onta...
...prize in a p...
...ladies prese...
...field. The t...
...plow may
...t furrow.

...ce under th...
...e repaired w...
...the Radio
...cy of trying
...azz artists
...g them lo...

...ht Hon.
...erful oppo...
...ncy and
...ng Hydro
...ands of h...
...running t...

Dominion i...
...tions for t...
higher t...
while o...

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 189)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS

Series 5

(M.G. 26, I, Volume 190)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6122, replacing Form 1-TW

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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 TELEGRAPHS

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

STANDARD TIME

45G WR 12

TORONTO ONT 247P APR 29 1932

RT HON ARTHUR MEIGHEN

SENATE OTTAWA ONT

GLOBE MAIL TODAY FEATURE YOUR SPEECH FRONT PAGE EDITORIALS MORE COMING CONGRATULATIONS

R A REID

320PM

120960

USE OUR DIRECT ALL CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

120661

112

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

7

April 13/1932

Dear Senator Meighen:

I enclose the last two issues of a paper, one issue of which I left with you a short time ago, regarding "Rinfret". These last two continue the story, and also another burst of glory for McDougall (Senator).

While this paper is more or less a scandal-mongering rag, it contains

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120662

some useful "leads", and references to documents and political facts, which might not be easily dug up otherwise.

The Reinfret and McDougall matters may be useful for ~~future~~ future reference.

Sincerely yours,

R. A. Reid

P.S:- I would like a complete set of the Senate evidence re Beauharnois and the Senators, and of the briefs and arguments submitted. R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120663

1/2
R

Ottawa, April 30th, 1932.

Dear Mr. Reid,-

I appreciate exceedingly your kind and generous message of the 29th.

Yours very truly,

Mr. R.A. Reid,
Kent Building,
156 Yonge Street,
Toronto,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120664 (112)

Ottawa, Ontario,
January 31, 1923.

Dear Mr. Reid:

Enclosed is copy made by Mr. Brydie of the speech I made Saturday. As you know, this speech was before a private organization and I am handing it to you merely that you may have the facts as set out there, same being requested by you. It is in no way to be handed to the Press or used by the Press in any fashion. This course is taken by me because I do not at the present time wish to take part in any public controversy on the subject.

Yours very truly.

Mr. R. A. Reid,
Kent Building,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120685

112

Note

Ottawa, Ontario,
February 22, 1933.

Dear Mr. Reid:

I have your letter of 21st. Quite understand the Globe's position and have no doubt they are right.

Am asking that Senate Hansard be sent you and hope I can send them back to the commencement of this Session. You will find then the material you are after.

I am writing Mr. McIntosh as you suggest.

Done
A.H.M.

Yours sincerely,

Mr. R. A. Reid,
Kent Building,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120666

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

February 21/1933.

Dear Senator Meighen:

Harry Anderson went over the manuscript today and says it will take 8 or 10 columns, and it is his intention to run it in 3 or 4 issues during the debate in the Commons.

He thinks it would be unwise to use it at once, as it might lose

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120667

its effect, but the material is excellent, and should be kept until they start to debate the Bill in the Commons, and then run it off 2 or 3 columns at a time, because it would take a page and a half to run it all at once. When I get the galley proof sheets I will let you see them when in type.

I would like to have two copies of the Railway

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120668

Bill, and a set of the Senate Hansard, revised or unrevised, in parts, for the whole of this Session, particularly the issues prior to the adjournment, and if ~~you~~ you can find your speech where you stated the people would not stand for a railway monopoly again in Canada, please note it, and let me know on what page it can be found.

Sincerely yours,
Robert Sam Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120669

Asst. Sec.

P.S.: Mr. A. MacIntosh of the Globe owned like a copy of the Railway Bill, and also some information as to the Public nature of the hearings under the Arbitral Tribunal, and to know that they are to be Public, and not secret, and also as to the Publicity of the proposed Economies through the committee, and their nature, to be effected or worked out, before they are decided upon. Drop him a Private note, and say I mentioned it to you. They must be assured of those things.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120670
112

Pol Gen

OTTAWA, March 14, 1933.

Dear Mr. Reid:

I just received your letter. The vapourings of the Progressive Member to Mr. Nesbitt do not bother me in the slightest. I have been long enough in public life to know its responsibilities and to take care that I observe them. The dire threats of this man, whoever he is, are in reality nothing but childish blitherings.

If he says anything outside the House there is a way of taking care of him. If he says it inside, there will be no one more ready for an investigation than I am.

As respects the judicial appointment, I have not had a word with the Prime Minister as yet on the subject nor on any other subject, having just come down last night. The pressure at which he is working here is terrific. I would think, though, that the Ontario vacancy in the Supreme Court will probably be regarded by him as it has always been regarded--that is as an Irish-Catholic vacancy. The proportions they have so far enjoyed are not large, and certainly their numbers would not indicate that they should suffer a reduction.

In the Ontario Courts, of course, the situation is different, and it is along that line that I hope to have a talk.

Very sincerely yours,

Mr. R. A. Reid,
Kent Building,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Personal & confidential

12067

Sunday
March 12/'33.

Dear Senator Meighen:

I was speaking to Russell Nesbitt yesterday (Saturday) and he told me that on Friday afternoon he was sitting next to one of the Progressive members in the Legislative chamber at Queen's Park, when this fellow told Nesbitt that your companies were the beneficiaries

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

120672

of the Hydro Bonds issued for the abolition and Ontario Power Service shares or bonds to the extent of $300.000. I think Foslitt got it mixed, — he first said 200.000 shares and then $300.000.

But this Progressive member intimated you were in a mess, and badly involved, and that they were going to try and get you by implicating you in

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120673

this matter, and drive you off the Hydro Commission, and out of the Senate.

This Progressive also said that if it was not answered in the House, they proposed to bring it up at the Public Accounts Committee.

I thought, therefore, that you should know this, as being forewarned is forearmed; and you can frame yourself ahead of events.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120674

Hoskitt also intimated that there is a murmur of discontent among the Commissioners over as to something sinister that is said to be going on at the Hydro regarding the increase of salaries, Popé's salary it is said having been raised to $10.000, and also some others, and the Premier refuses to answer questions in the House about it, by saying it is not in the Public interest to know what the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5

120675

Hydro is doing with the Public money, and they say this is getting the government in wrong before the country.

I am merely passing on the above information for your benefit, as it may assist in your own course of action regarding these matters.

Sincerely Yours
Robert A. Reid

P.S.:- While I am writing this let me draw your

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120676

attention to a newspaper report of Friday where it is suggested Mr Frank Hughes, Barrister, is mentioned for the Conglin vacancy at Ottawa.

I suppose this is a Roman Catholic vacancy but cannot the Prime Minister give me that vacancy and get old Smith out of that other Ontario place there and give that to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

1

120677

some real good Conservative Roman Catholic active party worker, who is also a good lawyer, later on? Is it really necessary to give that to a Roman Catholic now? Why can it not wait until old Smith is removed? I am told he is very ill also, and had a stroke some time ago.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

8

120678

I think you could say that I could fill this vacancy as well as Hughes or old Smith. When Smith was appointed by King he had not practiced law for some years, and was retired, at Cornwall, from practise, and was then merely a fourth rate country lawyer.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

1

120679

I understand the Prime Minister has a special say, always, about the Supreme Court, and I think I owed render the country good service there as a Judge. Mention it to him anyway.

I hope I do not have to wait for my reward in heaven, because it is too uncertain; I would like a little certain satisfaction

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120680

of ambition on this earth first.

Sometimes I feel, and perhaps you do yourself, personally, like the man referred to in the lines of the writer, Henley, where he says:-

"In the fell clutch of circumstance
I have not winced nor cried aloud.
Under the bludgeonings of chance
My head is bloody, but unbowed".

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120681

I have taken and given a few hard knocks in my time and, while my head may be bloody, I am still ready at any time to take on all-comers, and more knocks.

Today, as I write you this letter, I feel like the man referred to by James Whitcomb Riley in his "The man who hides his time;—

"Who hides his time
but tastes the sweet
Of honey in the saltest
tear,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

12

120682

"And through the forest
with slowest feet,
Joy runs to meet him
drawing near".

all I can say in answer
to Rielly is that if ever
"Joy" runs to meet me
the millennium will
also arrive the same
day.

Robert Bell

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

✓ 13 120683

Since writing all the foregoing it has occurred to me that some of the answers you owed make regarding the Hydro and Abitibi - Ontario Bond issue proved he that your investment Companies had held those securities, which were exchanged, for a number of years, that they were pur-chased by you

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120684

former President and
manager in good faith,
that they represent the
money of investors
honestly and prudently
invested, that your
companies, their
President, ~~and~~ Manager
and directors were
bound to protect
your investors money,
and had you and your
directors not done so
you would have
been liable, legally.
for negligence, mis-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120685

fesance, and breach of trust in not preventing losses when possible, and that it was not the cause of any personal profit or advantage, and that it was a matter of business for investors in protecting and husbanding their money, and not your own, and that you were bound in honor to carry out their wishes and protect their property, and the fact that you were on the Hydro was an accident or coincidence, which

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120686

could not and did not affect the transaction in any way whatever, as it was a government measure and business transaction in the public interest, which the Hydro had no power to prevent, and, in any event, was justified by the ~~[illegible]~~ power conditions in Northern Ontario, and the prospective sale of the property and bonds to competitors. These things first

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120687

occur to me as I write.

Some of them may be a little overstated, but they are submitted as suggestions which might give you a lead, and line of thought or ideas to answer any coming attack or to reply to any Progressive attacks when the question asked in the House comes on for answer.

Sincerely yours,

R.B.B.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

J 20688

112

OTTAWA, May 10, 1933.

Dear Mr. Reid:

I have just read your letter of 9th. Am handing the question you suggest over now for insertion.

Have also noted your remarks regarding the Bench. Had not heard of the resignations to which you refer and do not think personally that any of them have been sent in; in fact, I am confident they have not. Will certainly mention the matter again and earnestly hope to be present when the subject is up.

Yours very truly,

Arthur Meighen

Mr. R. A. Reid,
Kent Building,
156 Yonge St.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120688

Personal

May 9th/1933

Dear Senator Meighen:

Do not forget asking that question or having it put on the Order Paper at once re Slaght. I see the House may adjourn or prorogue within the next 10 days or so.

How much money has been or was paid to A.J. Slaght K.C. during the three (3) last years as Price of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120690

the King Government, and what was it paid for?

I am informed that it runs to over $60,000 per year. No wonder he supports Hepburn at Ottawa and in Ontario. I wonder if it was "split" in any way.

I was told this afternoon from a reliable source that the Prime Minister has the resignations of Murdock, Letchford, Masson, Kelly and ~~Rickerd~~ Magee in his.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120691

possession. The party did not know as to Riddell.

If this be so I want you to make a special effort to land one of these places for me.

I know the P.M. is well disposed towards me and, as I told you before, if he could have put me on the Railway Board or the Tariff Board or Exchequer Court, he

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120692

would have done so.
He said so to me in
a letter, as regards the
Tariff and Ruy Commission,
and said the Exchequer
Court vacancy was a
French appointment, all
of which was true.

I understood you to
say that when you spoke
to Mr Guthrie about it
he was agreeable, and
it requires only the P.M.'s
O.K. to secure one of them

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120693

for me. Mr Cahan told me last year that all those appointments were made by the Minister of Justice and the Prime Minister.

Cahan was a professor at Dalhousie when I was there as a student, and he would support me, if you speak to him for me, as he knows me well.

Rhodes was a classmate of mine at the same time at Dalhousie, and he will no doubt help me, if you speak to him.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120694

Stewart, the Minister of Public Works also knows me, as I spoke for him at Brockville in 1925-1926, and he will help me, if you speak to him.

Prime Minister Bennett, is also a graduate of Dalhousie, and I took lectures from two (2) of the same professors ~~those~~ who taught him there, one of them, Mr Justice Russell, known as "Benny" is still alive at Halifax. He was a Judge of the Supreme Court of Nova Scotia.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120695

Now, with your own great influence, and the assistance and approval of the names I have mentioned, you will be able to send one up the judicial ladder when those vacancies are being filled.

I forgot to mention that I was also told that the resignations I have mentioned are to take effect from July 1st next.

Unless we get busy and mention the matters to the P. M., others will be in

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120696

ahead, so I would appreciate it if you will leave nothing undone to see that I am one of those selected.

With best respects,

I am

Sincerely Yours,

Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120697

112R.

OTTAWA, May 17, 1923.

Dear Mr. Reid:

I just received your letter of 17th, which I have read carefully. It came a day late. The Judges' Bill was defeated in the Senate yesterday. Your surmise as to a regular lobby being made against it was about correct.

Sincerely yours,

Mr. R. A. Reid,
Kent Building,
156 Yonge St.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

20698

May 17th/1933

Dear Senator Meighen:

Excuse the lead pencil. I can write quicker with it when in a hurry.

I notice by todays papers that amendments have been proposed to the Judges Bill, or are promised in Committee.

The do not like having the "skeids" put under them, so the Judges I am told have started a lobby and taken

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120699

steps to defeat the Bill in the Senate, if possible. You should force it through whether they like it or not.

Now, a few words as to some aspects of this Bill

It is said by Aylesworth and others to be unfair, and to be a distinct breach of the life contract or tenure of the Judges. But it is a life tenure only on condition. The life tenure can be terminated sooner for cause and removal by both branches of the Parliament of Canada ends it.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120700

Then again, the Life Tenure can be ended automatically by the Judge himself under section 24, chap. 105, sub-clauses (a) (b) + (c), R.S.C. 1927, if he cares to "Resign", and then draws his full salary in certain instances.

So it to be suggested that it is alright for the Judge to end his own life tenure, if he desires so to do, under section 24, but that Parliament must be all wrong if it made

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120701

his salary or pension smaller, because it also hinted in this way that he really showed "Resign" Parliament has, in fact, under section 24, put the Judges in a much better position to "Resign" and draw their almost full pay, than if they continued working after 75; and are ~~compelled~~ given the option, in effect, under this new Bill to either "Resign" now under section 24, or continue working

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120702

~~[illegible]~~ and take the chance of a smaller pension under this new Bill

If they feel that they are being unfairly dealt with under this new Bill, I would suggest that you add this amendment to it, in these words:—

"Provided that the provisions of this act shall not apply to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

& a judge ~~120,000 said~~
any judge of any Superior
or Supreme Court in any
of the Provinces of Canada
on or before the first day of July, 1933,
~~[illegible]~~ exercise their
rights under or ~~[illegible]~~ under
take take advantage
of the provisions of
section 24, chap. 105,
~~[illegible]~~ sub-sections or clauses
(a) (b) and (c) ~~[illegible]~~ of
the Revised Statutes of Canada
1927, relating to "Resignation
of Judges."
That will put them
to the real test of fairness

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120704

or unfairness about which they complain. Nothing could be more fair or give less ground for complaint.

Look up this section of the Judges Act yourself and see if I am not correct.

Now, for some instances of Judges who did not think section 24 unfair, and took advantage of it — a few years ago. That section permits the Judges to cut down their life terms of their own accord.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L20705

What, then, is wrong with Parliament ~~with Parliament~~ advising them, in a kindly and fatherly way, that they would be well advised to take advantage of the generous provision made for them in section 24 before it is amended to their disadvantage? They have it in their own hands under the amendment I propose to make their own future sure, pleasant and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120706

certain, and, if they do not desire that, then the penalty of not "Resigning" is brought on by themselves.

The Hon Nicholas Meagher, K.C. formerly of Halifax N.S. served his 20 years on the Sup. Ct. of Nova Scotia and then resigned under this section, and went into a Halifax Law firm afterwards and made considerable money as an advisory counsel.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

10

120707

He was only too glad to quit when he had the chance, under section 24.

Hon Chas Lamerdan K.C. of Montreal, completed his 15 or 20 years on the Superior Court Bench of Quebec and is now in practice at Montreal; is consulting counsel for the city of Montreal and other large corporations. He did not think it unfair to quit when the chance came.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120718

Rt Hon Chas. Doherty K.C. also filled in his 20 years on the Quebec Bench, resigned and afterwards became a leading Montreal counsel, drew his pension, and subsequently became Minister of Justice.

Hon Henry Ward of Port Hope ~~Robert~~ resigned at 75 as County Court Judge for Northumberland and Durham, and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

12

120709

opened a law office at Port Hope & Peterborough and is still practising at 83.

All this goes to show that when Judges have reached 75 they should retire and make way for younger men who would never get a chance on the Bench if men over 75, 79, 81, 84, and 90, are to be allowed to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120710

continue to monopolize the Judicial Bench in a body of elderly gentlemen, and thereby prevent a body of younger men being prepared and nursed along to succeed them.

One of the Judges (Masten), on the appellate Division wears a hearing "acoustic", as it is called, on account of having become deaf in both ears. It is hard

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

enough for "Justice" to lie behind, but surely to God we are not supposed to have "Justice" deaf also.

It is also a well known fact here that old Murdock has often judges prepare his own judgments for him, along lines he directs. Honestly, I do not believe the old bitch knows how to write a judgment at all. Order used to write them, and Grant, now it is said Middleton does it.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120202

Riddell has much leisure and so little to do apparently in his judicial work, that he spends most of his time writing literary works, delivering speeches and addresses, or spending his time at Atlantic City or down South. He has just recently recovered from a serious illness and operation, and is not fit to do any further prolonged judicial work.

Latchford has failed very much, physically and mentally.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120713

during this last year, Magee has held back a number of judgments in old cases, so I am told that should have been delivered, in one case, 3 years ago, and others 1, 2 + 4 years behind. This is on account of being unable to concentrate on reading, classifying and analysing evidence and law. How can a man, 84, be expected to do it?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120714

Kelly has got so hard tempered and irritable from some intestinal trouble that you hardly dare speak to him. He has had to be sent home several times recently when at around the parliament buildings on account. It is a well known fact that owing to illness ~~and~~ many times it has been hard to get a quorum in the Appellate Division to hear cases, on account of the old judges being unable to come to court and when they do come sometimes remain for a

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

18

120715

Couple of hours at a time.

The backing back of judgments, non-preparation and non-delivery of judgments, and lack of judges in attendance and performance of their work has become a byword around Osgoode Hall, and is seriously affecting the administration of Justice.

"To delay justice is to deny Justice", and that has been going on in a very large way for the reasons I have given you.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120716

I understand the Government is aware of a number of complaints of the kind I have mentioned sent to Ottawa by litigants and counsel.

Are the members of the judiciary in Canada to be free of criticism, are they so sacrosanct that they must not be mentioned at all in the House of Commons or Senate of Canada.

The highest judges in

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120717.

England have been severely dealt with in the British House of Commons, namely the Judicial Committee of the Privy Council. The following extract from a speech by Sir Hamar Greenwood, M.P., now Lord Greenwood, as reported in the Parliamentary Debates, British Hansard, for November 20th, 1928, shows similar complaints

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

129718

against judges being too old for their work, and aptly applies to our own judges now in some cases in Canada:-

Freemont said:-

"For many years past counsel and litigants from the Dominions and Colonies have expressed their views ..... to the effect that the present position is, and the position for

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

22

120719

Your past has been, something approaching a scandal, to use the word used by Lord Haldane about a year ago..... you are dependent upon some men who are so aged that it appears to be difficult for them to see or to hear the counsel who appear before

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120720

them..... It is not
fair to counsel and
litigants who come
thousands of miles from
all parts of our Empire
that they should have
to appear before men
who, however eminent
in their prime, no longer
make that impression
upon litigants or counsel
before them which every
one of us moved like a
Judge to make".

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120221

all of which can be made to apply very nicely to conditions in Ontario at Bywards Hall.

So, force your Bill through, and if you think it will help, and is good politics only, add my amendment to your Bill as a nice sugar-coated

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120722

Bill for them to
swallow in preference
to the damn nasty
salts in the present
Bill, without my
proposed amendment.
But make them
swallow one or
the other, either "Resign"
under section 24,
or be kicked out* under
your bill, if they do not
act upon the saving
provision under the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2b

120723

Proposed amendment to your bill suggested by me.

Sincerely yours,
Robert Borden

P.S.: What about Slaght and the Question?
RB

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L20724

April 30/1934

112-R

Dear Mr Meighen :-

I enclose a copy of the "Star" editorial which I told you about, and also a copy of the "Globe" classic regarding the Gold Tax. You will never understand this case unless you read sustained arguments like this editorial.

House of Commons

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

discussion is only pleasant by comparison.

Then read the funny mining ad. (Pink) re this same case, and Mr Bennett.

Private

I was at the Parliament Buildings this morning and saw Col. Price. He told me there was some discussion as to your resignation, and the question presented itself as to whether you should resign before

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120726

or after the election. He told me that the government had private information conveyed to it that Slaght had in preparation an elaborate and further attack against you, and that they were considering its effect upon the government and that was the reason for talking resignation. I pointed out to him that this kind of argument was only

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

020727

think, because any man might resign a position by pressure of that kind of threat, and then after resigning the threat could still be carried out and would result in its effect being fifty per cent worse.

However, you are now in possession of the position as of this morning, and you can use the information as you think best. It is a shame that a rowdy Irish and blackguard like this fellow should get away with this stuff.

Yours

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5

120728

Bill Ireland said only a few days ago that they had enough information about this fellow Slaght to run him in a few hours, and it should be used, as well as what they have against Hepburn.

R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TOPONTO, CANADA.

120729

Personal

May 1st 1934.
10 P.M.

Dear Senator Meighen:-

In looking through the night edition of the "Star" this evening I came across the enclosed, which you may be interested in, and may not see.

I notice Slaght has something to say as to the authority of the Government and Commission to recommend

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

120730

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

the purchase of shares and bonds. There is probably an answer to this which you will know about.

The editorials are against Henry, and intended to blacken him more than you.

If the Senate does not give you a committee, you had better have a Royal Commission of three made up of two Tories and a friendly Liberal,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 2073 CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

3

on all of whom you can depend.

You had better get Guthrie to appoint me to that Sup. Ct. vacancy at Ottawa and then make me one of the Royal Commissioners. I will hang Sleight and the Grits first.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(A.B.C. 5TH & A.B.C. CODES USED)

120732

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

and read the evidence and exhibits afterwards.

Wishing you good luck, and hoping and knowing all will turn out well in your favour,

I am
Sincerely Yours,
Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120733 2 R.

Ottawa, May 16, 1924.

Dear Mr. Reid:

I have your letter of 15th. Am taking steps to find out the moneys paid in accordance with your suggestion and will let you know later.

Yours very truly,

Mr. R.A. Reid,
Kent Bldg.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, REIDLAW, TORONTO.
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Private

May 15/1934

Dear Senator Meighen:

You might have someone in the Department of Finance or whatever department looks after the accounts of lawyers for legal services rendered the Dominion Government, and ascertain what amount of money was paid to J.C. McRuer, K.C. by the King Government for the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263 120725 CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

five or six years, or maybe more, prior to 1930, and what amount was paid during 1930, to him. I am told he received during those years over $30,000.

McRuer, you know, is Sleight's side-partner in this mud-slinging and campaign of abuse against the Hydro and you. The assistant Sleight at the Inquiry before Ade.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

2

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Between Sleight and McRuer they would seem to have been two pretty good gold diggers in the King Greenwood Treasury, and also here at Queen's Park.

Have all this information broadcast all over Ontario at once, after you look into it.

Premier Henry will prob-ably announce the date of the election late this evening.

The Speaker's Handbook and some other accompanying

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."
(STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

[20737]

literature was received at the Central Headquarters here today, but has not as yet been sent out.

Bill Chisholm gave me two copies of each, for my own use, and I am sending you one set herewith for your file. It may be of some use. But not shown it to any Liberal yet, for a few days, as it has

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

J

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263 120728 CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

not been distributed or handed out.

Sincerely Yours,
Robert A. Reid

P.S.: I would like to have a copy of the new Shipping Bill, now before the Senate, and the explanations of each section, and a copy of any [illegible] explaining the Bill.

I understand it is only a short Bill of about 285 pages.
RAR.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263 CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120739

P.S.:- I have a nice story for you about Senator Logan. I have already told the Prime Minister. Ask him about it when next you see him, and tell him I would like you to know. He had better resign while the resigning is good, and ~~the~~ before the skids are too well greased.

R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

120740

TELEPHONE ADELAIDE 263 CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

112R

Personal

June 25/1934

Dear Senator Meighen:—

Inclosed are some sheets of todays "Telegram" and "Star". The latter refers to you.

Here, the Party at Ottawa since 1930, have allowed Liberals to remain in office all over Canada, and actually appointed more Grits to office since

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

120741

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

them, and yet expect the rank and file and workers to answer the call when an election comes. I wonder if they think the people are crazy?

Do something yourself to remove all those foul Judges at once, before they get a chance to investigate

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

3

TELEPHONE ADELAIDE 263 120742 "CABLE ADDRESS REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

or discredit any conversations by Royal Commissions.

Remove:—

Murdock (92)
Latchford (79)
Riddell (82)
Middleton (75)
(All always) Kelley (77)
(Deep) Masten (76)

Draw this important

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

4

TELEPHONE ADELAIDE 6634. CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120743

Matter to the Premier's attention at once.

Hepburn announced today he was going to appoint Royal Commission to investigate the Liquor Commission, the Hydro, and the Highways.

Sincerely yours,

Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

12074

Personal

22B

Monday
Feb. 25/1935.
9 P.M.

Dear Senator Meighen:

I was at Osgoode Hall today on some business and enquired re Latchford et al. He is very ill, developing what is termed "paralysis agitans"; in plain English, shaking paralysis.

Mr Justice Kelly is a wreck with neuritis

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

2

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."
(ALL CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

and rheumatism. His wife is urging him to resign, so it is said.

Mr Justice Macmahon (of London), a fit, will never come back. He has had another stroke, and I am told his arms and one side are now affected.

Mr Justice Middleton is in very bad health, and his daily duties are hard on him.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

3

TELEPHONE ADELAIDE 263

"CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120746

all these judges, except Meaching, are over 75, Kelly I think is 78 or 79, and Latchford 80, Middleton 76, or 77.

They have all reached the pensionable age, and should retire. I think most of them are determined to hold on, hoping that King comes into Office

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

120747

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

and thus given a chance to replace them with fits.

It would be good politics to put them all out on their present salaries as pensions, as none of them will live long, thereby enabling the present government to replace them with Conservatives.

Another fit judge commenced sitting again today (Fisher) on

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."
(ALL CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120748

Liquor toll-gate probe, so-called.

They tell me that Hoffman's wife is a Roman Catholic, and that one or two "removes" back in her pedigree her people were foreigners, Macedonians.

Also that being an (R.C.) is given as a reason for them not having any children, so as to avoid religious disputes.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 663 CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120749

also, that she had prepared for divorce proceedings against him, but his success at the elections "saved his face", and she was urged to drop it all.

Sir Chas Clifford, the Governor of the Bahamas, where Frank O'Connor, Hepburn and Slaght stayed on a part of their recent trip, and at Government House there, drinking "Rum swizzles", is a Roman Catholic Governor, and, next to the Duke of Norfolk's family, the Cliffords

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

7.

family is the most prominent R.C. family in England, of Irish descent. So you can see where the R.C. influence comes in there and why they stayed at Government House in the Bahamas, no doubt with a letter of introduction from High clerics here.

I am quelching one more newspaper

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

8

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW TORONTO"
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120751

clipping which I came across today amongst my papers. It may be of some use later on.

I omitted to mention another thing I was told today, namely, that all those laid-off Judges are neglecting their duties, and yet drawing their full salaries; the legal work is falling in arrears, and several particular

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

9

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120752

Judges, owing to their advanced age, on top of illness will never be able to catch up with the arrears of business.

This is another reason why they should be informed that steps will be taken, under the judges act, to enquire as to their physical fitness to perform their duties, unless they retire.

Sincerely yours,
Robert A. Reid

P.S.: you need not answer this letter. R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120753

Ottawa, Ontario,
March 12, 1935.

R

Dear Mr. Reid:

I have your letter of 11th and thank you for the enclosure. This one I happen to have seen before.

It does not look to me as if anything will be done in the matter of appointments for some little time as from what I can gather it will be a while before the Prime Minister will be able to be back. I never see him, nor does anyone of the Cabinet so far as I know.

Kindest regards,

Yours very truly,

Mr. R. A. Reid,
Kent Building,
156 Yonge St.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263 120751 CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Personal.

March 11th/1935.

Dear Senator Meighen:

Enclosed is a sheet of Saturday's Star containing a reference to you on the Editorial page. There was another reference either in the same Saturday paper, on the day previous, which mentioned you as a likely successor to Mr Bennett; but I seem to have mislaid it. It stated that the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDSAW, TORONTO."
(ABC STANDARD CODE USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Prime Minister moved probably recommend Rhodes, if he were forced to retire on account of ill health, but that you would also have to be reckoned with, if you were inclined to come down to the other Chamber.

If Mr Bennett is going away for a month as Toronto newspapers suggest, see him for me before he goes and try to have him give me that

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 26[illegible] CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120756

vacancy on the Appellate Division here. It may be my last chance to land something. You remember he said he would speak to Mr Fortune for me, but he understood other plans had been made. Apparently they have not materialized as yet, and I may be in the running or on the way to being lined up for it.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

4

TELEPHONE ADELAIDE 203 TELEGRAPHIC ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

120757

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Here is a place I could fill, and one which would give me plenty of scope to use my knowledge and qualifications and pave the way for promotion later on.

So, when you are near the source of authority and patronage some day, see what is doing about this particular vacancy, as I want it, and need both the place and the money. Sincerely yours,

Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

120758

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Personal

March 12/1935

112 R

Dear Senator Meighen:

The enclosed sheets of today's 4 o'clock edition, and the 7 P.M. Night Edition of the "Star" may be useful for your files. If you compare the headings or "captions" of the noon edition today, and the 4 o'clock and 7 P.M. issues you will notice they are different.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263 120756 CABLE ADDRESS "REIDLAW, TORONTO." (ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

I hope they do not "pull your leg", as they say, or try to cause you to lose your seat in the Senate, so as to get you down in the other chamber, and then defeat you, with the result of you being out in the cold and lose everything.

Where you are now you are safe for this life, but

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263 CABLE ADDRESS, "REIDLAW, TORONTO."
(STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

L 20780

the other is a very precarious and doubtful quantity in position.

Remember also that, when the present vacancies are filled, the Senate will be the dominating Conservative influence in this country for the next 25 years at least.

Sincerely yours.
Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

INDEX
Markets—14-15 Amusements—13
Radio—22 Serial—36-37
Suburban—16 Births, Deaths—30
Women—24-29 Want Ads—30-34
Sports—10-12 Comics—35-37

THE TORONTO DAILY STAR

(4 o'clock Edition)

THE WEATHER
Northwesterly winds, fair. Wednesday, scattered snowflurries; a little colder.

43RD YEAR FEBRUARY CIRCULATION, 257,898 TORONTO, TUESDAY, MARCH 12, 1935—42 PAGES

$400,000,000 HOMES PLAN URGED AT OTTAWA

FIND MORE YOUNG FOLK ARE IN MENTAL WARDS THAN EVER IN HISTORY

Deluding Youths Into Thinking They're Potential Premiers, Blamed by Expert

"BECOME MANIACS"

By ARCHIBALD LAMPMAN

Are we all going crazy? In another 50 years or so will most of the population be in padded cells or playing noughts and crosses under medical supervision? This to you may seem a cheery picture and unduly pessimistic, but according to what the head psychiatrist and doctors at one of the largest mental hospitals in the country tell us, there are more young people between 20 and 30 being locked up in the looney-bin than ever before.

It's increasing every year, according to Dr. F. H. C. Baugh, psychiatrist, Homewood Sanitarium, from whom much of the data in this article was obtained. Twenty years ago mental hospitals were filled with aged and the middle-aged—folks that had cracked up after a life-time. To-day our mental institutions are a cross between a young people's club and a training ground for flaming youth. There are more women than men cracking up. Young men who should be normal and happy have become mental

(Continued on Page 5, Col. 4)

EX-KING MAY BE RECALLED

The former King George of Greece, who, rumors have it, may be recalled to the throne to end the present condition of chaos. If he should be recalled to the Greek throne he would have to find a new queen, because Queen Elizabeth, sister of King Carol of Roumania, has left the former Greek monarch, having resumed Roumanian nationality.

VENIZELOS FLEES TO ITALY AS GREEK REVOLT CRUSHED

Venizelos Not Extraditable, Officials at Rome Point Out

SCORES FACE DEATH

Rome, March 12.—The Italian government announced officially to-night that former Premier Eleutherios Venizelos of Greece had landed on the Italian island of Cassos in the Aegean, and would be interned there and "treated as a political refugee."

The rebel chieftain is not extraditable, however, it was said.

The Greek rebel submarine Katsonis, with eight officers and men and one civilian, arrived to-day at the Italian Dodecanese island of Patmos and was interned with all hands, a government spokesman announced. He said he had no news regarding a report that former Premier Venizelos had landed at the Italian island of Cassos in the Aegean sea.

100 Officers With Him

Athens, March 12. — Eleutherios Venizelos, 71-year-old leader of the vain, bloody rebellion which swept the country for 10 days, escaped from Crete to-day aboard the cruiser Averoff, landing on the Italian island of Cassos.

Other ships of the rebel navy, battered by bombing aeroplanes of the government, were abandoned.

Officers of the Macedonian army

(Continued on Page 2, Col. 4)

LAD IS IN HOSPITAL WITH 12TH FRACTURE

"Fragilitas", that strange malady which gets into the bones of some children causing them to break easily, has affected Harold Gibbons, of Ayton, since his birth, 13 years ago. The little fellow is now in the Hospital for Sick Children with his 12th fracture. He broke his leg at the thigh in a fall last Friday.

"There is really nothing we can do for him outside of setting the limb. Children with the disease usually do grow out of it," the boy's physician stated.

TOLERANCE, CHARITY LACKING IN DAW CASE, SAY WARDENS

Attack Bishop for Unjust Censure, Repeat Desire for Reinstatement

'RITUAL ONLY CAUSE'

Special to The Star

Hamilton, March 12.—In a statement affirming that in spite of Bishop Broughall's contention that ritual had nothing to do with the Church of England vs. Rev. W. H. Daw controversy, ritual was the underlying cause of the cleavage, the trustees and wardens of the Church of St. Francis of Assisi to-day, on behalf of the congregation, issued a review of the case and outlined the congregation's stand with regard to their rector, Mr. Daw, recently stricken from the diocesan roll of Anglican clergy.

The statement follows: "Having studied the reasons and judgment of the bishop of Niagara concerning Father Daw, and having read Father Daw's statement to the press, we are strongly of opinion that further light can be shown on circumstances which have led to

(Continued on Page 8, Col. 3)

CARDS UP SLEEVE KIBITZER ACCUSED

"Adviser" Fined for Wielding Flat Iron in Poker Game

Sudbury, March 12. — Peter Horichuk was kibitzing in a stud poker game that wound up when he was fined $2 and costs or 30 days, on an assault charge to-day by Magistrate J. S. McKessock.

Horichuk sat by while his friend and five others played stud. As the game progressed, it was revealed, he was blamed for the bad luck dogging William Horbec, who advised him to withhold his comment and allegedly slapped Horichuk a couple of times. The kibitzer resented all this, but the game went on.

Suddenly it ended. Horichuk's friend was caught with the telling cards up his sleeve. The players spoke their minds about Horichuk, and he allegedly retaliated with a flatiron on Horbec's forehead. Then police arrived.

SAY PREMIER BENNETT NEEDS PERFECT QUIET

Should Recover Completely, But Rest Necessary

Ottawa, March 12.—Prime Minister R. B. Bennett was resting comfortably to-day and following strictly orders of his physician that he must have complete quiet for two weeks.

When the prime minister suffered a semi-fainting attack last Thursday his physicians found a disturbance of cardiac rhythm, which, in some instances, is said to indicate conditions which might lead to the formation of a blood-clot. That disturbance had entirely disappeared when the physicians' bulletin was issued yesterday, but he felt precautionary steps should be adopted. There was said to be no reason why Mr. Bennett should not have a complete recovery.

LOST JEWISH TRIBE CONTENT IN SAHARA

Halted on Trek to Palestine Have Remained Since Middle Ages

By PIERRE VAN PAASSEN

Timbuctoo, Morocco, Feb. 6.—The lost tribes of Israel are not lost at all. They know where they are. I know where they are and they haven't the slightest ambition to give up their present abode. This is the dreary and somewhat disappointing upshot of my search for those Jews who, so I had been given to understand, have roamed the Sahara desert disconsolately ever since the year 1492, moving around in endless circles, always hoping to pick up the trail for Palestine whither their ancestors set out in the year when Ferdinand and Isabella expelled from their domains all Jews who would not accept baptism.

Perhaps their forefathers fully intended to go to the Holy Land,

(Continued on Page 19, Col. 1)

SON FAILS TO SAVE FATHER

St. Thomas, March 12.—William Sipes, found guilty of robbing a service station here, was sentenced to two years in Kingston penitentiary to-day, despite the plea of Sipes' adopted son, Wilbur, that it was he and not his father who was the partner of George Ross Buckner, now in Guelph reformatory.

DEATH NOTICES

in To-day's Star

Allen, Barcelo	McLellan, Elizabeth
Bailey, John H.	Moore, Donald A.
Billing, Charles S.	Murray, James J.
Black, Mary H.	Prowse, Ada
Chapman, Joseph	Puddy, Letitia A.
Chote, John W. D.	Robson, Charles
Dunnigan, Catherine	Schmidt, Margaret
Ferguson, Evylen	Shanklin, Emily
Godfrey, Lillian E.	Thomas, Jean I.
Hart, Flossie V.	Vale, John M.
Holland, Julia E.	Wald, Mary U.
Ives, John R.	Webb, Susanna L.
MacDonell, Donald	Wellington, Anna J.
McIntosh, William	Wilson, Mima A.
McLean, Frederick	Worrall, Ethel H.
	Young, Catharine

(See Notices of Deaths on Page 30)

FINAL SPORTING AND FINANCIAL

ASK CENTRAL BANK FINANCE SCHEME TO FIGHT SLUMS

Small Toronto Wage-Earner Neglected 50 Years, Architect Claims

APPEAL TO OTTAWA

Special to The Star

Ottawa, March 12—A $400,000,000 national housing scheme, to be financed by the Bank of Canada, was proposed to the Commons housing committee to-day by James H. Craig, Toronto architect. This would provide 40,000 new dwellings in place of present slums in the larger cities and also provide for loans aggregating $280,000,000 to 90,000 home-owners whose homes are in need of replacement or rehabilitation.

To finance this, it was advocated, the federal government would sell $400,000,000 of securities to the Bank of Canada. Of this total 120,000,000 required for slum clearance would bear interest at 2 per cent. The other $280,000,000 would bear interest at 2 1-2 per cent. To accommodate these purchases of government securities, the bank would increase its capital stock by $200,000,000, offered to the public at par.

Mr. Craig also recommended lending money to municipalities at 2½ per cent. and to private persons at 5½ per cent.

Mr. Craig suggested diversion of relief moneys for construction purposes.

For efficient administration a Dominion Housing Commission should be established and employ

(Continued on Page 2, Col. 3)

ONE SCHOOL SENT JANITOR FLOWERS

One of 23 Purposes For Which Collections Taken Up

Collections for a variety of 23 causes have been taken up in Toronto public schools since September, according to a report forwarded by Dr. C. C. Goldring, superintendent of schools, to the school management committee to-day. At the last meeting of the committee, some of the trustees were critical of the number of collections and the purpose of them in the schools.

Forty-eight schools, or about half, reported no collections, but in others the following reasons were given for asking children for money: to send flowers to sick pupils or teachers and in one case for a caretaker; for membership in Junior Red Cross; for buying school sweaters; for Christmas cheer; for relief work; for shoes and glasses for pupils; for framed pictures for junior classes; for school funds; for St. Valentine's day program; for pencil sharpeners in one room of each of three schools; for opportunity plan books; for Crippled Children's Fund; for membership in League of Nations society; for the Poppy Day Fund; to buy a picture of the retired principal; for entrance papers and for plants.

U.S. MOTORIST FREED CORNWALL FATALITY

Kitchener Man Still in Hospital —Two Others Died

Cornwall, March 12.—Leslie C. Langley, Norfolk, W.Va., was acquitted on a charge of manslaughter here to-day.

The charge arose following an accident twelve miles west of here Nov. 6, when the automobile driven by Langley crashed into a tree, fatally injuring James Overton and Frank Lawless, both of Norfolk. Elwin Burns, Joseph P. Cushing and Langley were in hospital for several months. Cushing, whose home is in Kitchener, hitch-hiking, had been picked up only a few minutes before the accident. He suffered a fractured spine and is still in hospital.

TROPICAL PARK RESULTS

FIRST RACE—Purse $700, claiming, 4-year-olds and up, 6 furlongs:
1. Fred Almy, 107 (Hanford), $4.50, $5.80, $3.10.
2. Fervid, 107 (Porter), $9.90, $4.90.
3. Moane Keala, 108 (Lynch), $2.70.
Time, 1:12 2-5.
x-Mayvite, Knights Hope, Baby Chard, Carsono, x-Salut D'Amour, x-Shasta Star, Fretful, Wilkalong, and Shuffle On also ran.
(x—Field).

SECOND RACE — Purse $700, maiden 3-year-olds, 6 furlongs:
1. Jadaan, 115 (Wright), $4.00, $2.40, $2.40.
2. Chicle Ship, 110 (Arcaro), $2.40, $2.40.
3. Flight of Gold, 115 (R. Jones), $3.50.
Time—1.12 1-5.
x-Easter Nation, Dan Skilling, Black Plane, x-Eastern Ruler, Sing Sing, Blade Edge, Dandy Jay, Velantrie and x-Mr. Pete also ran.
X—Field.

EPSOM DOWNS RESULTS

FIRST RACE—$600, maidens, 2-year-olds, 4½ furlongs:
1. aBay Bubble, 113 (Dabson), $2.90, $3.00, $2.20.
2. aGay Bubble, 113 (Munden), $3.00, $2.20.
3. Belgian Boy, 116 (Hileman), $2.20.
Time—0.55 2-5.

EXPERTS DISCUSS PLANS FOR STAR COOKING SCHOOL

The Star Cooking School was opened this afternoon in Massey Hall by Mayor Simpson. Above are seen Marie Holmes, Star cooking expert, and Miss Jessie DeBoth, who is directing the school, discussing plans for the opening. Toronto housewives thronged Massey Hall to learn new recipes which will make their husbands' mouths water.

STAND IN LINE OVER 2 HOURS FOR STAR'S COOKING SCHOOL

Jessie Marie DeBoth and Mayor Simpson Officiate At Opening To-day

THOUSANDS PRESENT

In the prettiest domestic scene one could ever imagine, Jessie Marie DeBoth and Mayor Simpson joined together on the platform in Massey Hall, promptly at 2 p.m. to-day and The Toronto Star Cooking and Home Making School was open for another year.

Shining new kitchen equipment provided an attractive background. Miss DeBoth looked lovely in a light frock. Every seat in the great hall was filled with women eager to learn how to be better cooks and better housewives. Many of them had stood in the sunshine of Shuter St. since early morning, determined not to be turned away.

Mrs. F. C. Carter, 363 Sherbourne Ave., was first arrival on the scene, at 8.20 a.m. Later, Mrs. Herbert B. Greenfield, 84 Bond St., arrived carrying her lunch.

(Continued on Page 4, Col. 6)

KEEP AUTO IN TUNE WITH SURROUNDINGS

Our wardrobes take part from the enlivening spirit [illegible] and our [illegible] with the bloom while [illegible] its burstling, now about trading in your present car for something a bit more up-to-date? Or if you don't happen to have a car, you could make a better investment in [illegible] and save money to [illegible] while prices for good used cars are so low. Nothing adds more to the art of living than being able to [illegible] new sights [illegible] other people. Turn to "Used Cars," classification No. 46 in Star Want Ads, for a wonderful selection of good buys.

HUXLEY SAYS SPIRITUALISM ENTITLED TO CONSIDERATION

Points to Many Reputable Names Loaned to Its Support

NOT ONE HIMSELF

By R. E. KNOWLES

Prof. Julian Huxley, who lectured in Massey Hall last night, could hardly have escaped distinction even if his own powers had not worthily achieved it.

Prof. Huxley

That this scientist, author, lecturer should be of interest to his generation was provided for by his grandfather, the famous Thomas Huxley, whose name (along with that of his contemporary, Tyndall) is of immortal rank.

It was at the Royal Ontario Museum late yesterday afternoon.

(Continued on Page 2, Col. 5)

WEATHER TO BE FAIR WITH LITTLE CHANGE

Toronto Gets Winter Touch—Half-Inch Snowfall

Moisture in the air, chilled by dropping temperature, gave Toronto a half-inch fall of snow last night and made it look for the moment like winter again. The wintry touch was accentuated by winds from the northwest, bringing the breath of Hudson's Bay to Ontario, and the mercury moved down to 28. In the suburbs it was even colder.

Up at White River it was 26 below, but the southern part of the province got nothing like that.

Temperatures will not change much to-day, the prediction being that it will be mostly fair to-day and to-morrow, with a few scattered snow-flurries.

Low temperature for to-night is estimated at 18 and the highest to-morrow 34. It was 31 at noon.

FREED OF DEATH GUILT

London, Ont., March 12.—Joseph Cox, 45, whose son was killed on the highway over a year ago, to-day was acquitted of a charge of manslaughter arising from the motor accident that cost the life of Harry Weld, Delaware farmer.

SNOW AVALANCHE KILLS NINE SKIERS

Graz, Austria, March 12.—Four women and five men, all members of a Vienna ski club on an outing near here, were killed to-day by an avalanche.

Fourteen of the 25 skiers in the party were swept away by a great mass of snow but five were rescued.

SHOP FIRE IS BLAMED ON GAS FROM FURNACE

W. A. McCay, Tobacconist Denies He Set Store Alight

Taking the stand in his own defence, William A. McCay, 67, charged with arson, flatly denied before Judge Parker and jury in general sessions to-day that he had set fire to his tobacco store, 77 Roncesvalles Ave., Dec. 14 last.

McCay is also alleged to have set fire to chattels with intent to defraud.

Accused said the first he knew of the fire was seeing a blaze coming through a hole in the floor above the furnace, and running up paper decorations on a showcase. The floor had been treated with an oil preparation for cleaning.

Defence contended gas escaping from the furnace through the floor ignited by accident.

Assistant Crown Attorney W. O. Gibson, K.C., conducted the prosecution. Aubrey Bond, K. C., appeared for the defence.

DENIES STEALING GOODS FROM TRAIN

Paul Nastowney went on trial before Judge Parker in county criminal court to-day on charges of theft and receiving a quantity of goods from a C.P.R. freight car in transit.

Accused pleaded "not guilty."

E. J. Murphy, K.C., appeared for the defence; Assistant Crown-Attorney W. O. Gibson, K.C., conducted the prosecution.

The allegedly stolen goods included a carton of wind-breakers; cigarettes and other merchandise.

Police are said to have chased a car along Glen Rd. and found it abandoned with the goods in it.

BLAME SHIPPER FOR SALE

Rolls and Darlington, Ltd., to-day paid a fine of $100 and $5 costs upon a charge of selling malt syrup which they had obtained free of excise tax. "It was a mistake on the part of a temporary shipper," claimed defence counsel.

MYSTERY VEILS SPECIAL GUARDS AT POWER PLANTS

Detachment of Eight Provincial Police Quartered at Niagara Falls

AUTHORITIES SILENT

Special to The Star

Niagara Falls, Ont., March 12.—Residents of this city were mystified by extraordinary precautions taken to protect the power and industrial plants of the city against sabotage. Both city officials and officers of the concerns declined to divulge the nature of the trouble feared.

It was reported that the guards of all power plants have been doubled and the doors locked at 4 o'clock every afternoon. The American Cynamide Co. is erecting a 10-foot fence around its plant and has secured permission from the city council to swear in special police to guard the property.

It could not be learned if the precaution had any connection with the arrival here last Saturday of a special detachment of eight provincial police officers. The officers are quartered at a local hotel.

Inspector Chris Airly, in charge of provincial police here, refused to discuss their activities other than to

(Continued on Page 2, Col. 2)

WOULD AMALGAMATE THREE PRESBYTERIES

Move to Combine United Church Bodies Is Submitted To-day

A proposal to amalgamate the east, centre and west presbyteries into one, submitted by Malcalm Strachan, at the meeting of Toronto West Presbytery to-day in Wesley United church, will be considered at the next general meeting of the presbytery. A petition would be presented to the Toronto conference if the plan is endorsed.

The statistical report showed membership of 26,874 for 1934, an increase of 20 8over 1933. Infant baptisms for the year numbered 772, and other baptisms 106; burials 753, an increase of seven from the previous year.

For ministerial support, a total of 087,438 was raised in 1934, the financial report showed. For local purposes, exclusive of salaries, $232,188 was raised, making the total obtained $432,132.

RELIEF RECIPIENTS BESIEGE OFFICES

Big Crowd Demands Restoration of Reduction

Long Branch, March 12.—Demanding either restoration of their relief cut or a supplementary voucher, relief recipients beseiged the welfare offices here to-day filling the building.

Relief Officer J. S. Tiffin was unable to leave his office as the jobless men swarmed into his office, claiming that they were without food and that many families in the town were on the point of starvation.

Outside the building children and nunciations of the Liberal government and the relief administration.

"A trip to Jamaica for Hepburn—a relief cut for us," read one sign.

Another bore the inscription: "Bear not false witnesses against our babies."

FAVOR ORDAINING WOMEN

Ottawa, March 12.—Ottawa presbytery of the United church to-day approved, by a vote of 50—19, of admittance of women to the ministry on the same basis as men.

CLASH OF OIL TITANS IS SUSPECTED BY MANY BEHIND FEROCIOUS WAR

Paraguay Is Argentina, Argentina in British Financiers' Hands, Is Charge

TOLL IS TERRIFIC

By M. H. HALTON

London, Feb. 25.—Powerful world forces are involved in the bitter, bloody struggle now raging between Bolivia and Paraguay in the Green Hell of the Gran Chaco.

For sheer, bloody ferocity this war, which is draining the life blood of two nations, is the worst in modern times.

Three years ago two primitive peoples began fighting, and civilian armies without uniforms, modern transport or modern arms, fought each other with sickles and swords. To-day, thanks to the civilized nations, both combatants are armed with the most deadly and modern weapons of war: tanks, artillery, light and heavy machine guns, motor lorries and fighting aeroplanes. As a result, two populations have been decimated. In the Boer war one in every 20 soldiers was killed. In the world war, one in every 10 soldiers was killed. In the Green Hell of the Gran Chaco one in every five is killed, and many of the combatants are women and children.

The Bolivian minister in London, Senor Mamerto Urriolagoitia, [illegible] into that

(Continued on Page 9, Col. 3)

WANTS TO BE EXECUTIONER

Miss Thelma Rediger, 20-year-old business college woman, who asked the sheriff at Springfield, Mo., for permission to spring the trap April 12 in the hanging of Frank McDaniel, negro condemned for killing his sweetheart. Miss Rediger wanted to see how it [illegible] The sheriff refused the request.

MONTREAL SEEKS COALITION WITH MEIGHEN AS PREMIER

Doubted If Senator Can Forget Plots to Cut Political Throat

ALSO WOO STEVENS

By ROBERT LIPSETT

Ottawa, March 12.—The kingmakers of St. James St. have taken a new lease of life.

Following Premier Bennett's illness, they have launched another high-pressure drive for "national government."

On the "if, as and when" basis, the sounding-out process has been revived to discover whether or not there is a possibility of making democracy safe for the money barons.

To-day it is stated on good authority they are willing to accept Right Hon. Arthur Meighen as the spearhead of a coalition but it is not on record Mr. Meighen is willing to accept them after their having utilized the eight years, 1920 to 1927, to cut his political throat.

An emissary has been delegated

(Continued on Page 2, Col. 8)

Because of improved conditions in the north, a Sudbury delegation, headed by W. J. Cullen, after conferring with Hon. David Croll, minister of municipal affairs, to-day agreed to pay 15 per cent. of its relief costs, a five per cent. increase over the usual municipal contribution.

STRICKEN IN RESTAURANT

Collapsing in a restaurant to-day, Robert Evans, 70, barrister, Orangeville, father of R. E. Evans, crown attorney of that town, died on the way to St. Michael's hospital. Mr. Evans was staying at 69 Alexander St. Chief Coroner Dr. M. M. Crawford is investigating.

HARBOR COMMISSION APPEALS JUDGMENT

The Toronto harbor commission has filed notice at Osgoode Hall of appeal against the judgment of Mr. Justice Kelly, who awarded $9,319 to R. B. Rice and Sons for commissions in regard to the leasing of property on the waterfront.

Appellants contend that the judge erred in finding that a letter dated January 25, 1926, written by the defendant's general manager to R. B. Rice and Sons was an agreement or offer to pay a commission.

In any event, defendants say, R. B. Rice and Sons were only entitled to $6,434.

POLICE 'LEARNING TO EXPRESS SELVES'

Dunlop Pays Tribute—Example of Adult Education

Declaring that the new police school, operated at police headquarters in Toronto, is one of the most recent examples of a form of "Adult Education," W. J. Dunlop, director of the department of extension, University of Toronto, today addressed the Optimists' Club on "Adult Education."

"That type of officer is learning to do better his every day work, but is also studying his own language—that is the part the university is playing in the work," he said of the students. "They are learning to express themselves."

Mr. Dunlop pointed out the great increase recently in classes in conversational French. "Really," he said, "we all should be able to speak French as well as we do English, living in the province that we do. It gives one a sort of inferiority complex not to be able to, when so many already can."

STOP THE PRESS NEWS

St. Catharines—Police disperse 100 relief strikers marching on Grantham township offices.

Ottawa—Prairie poultry marketing scheme will not go into effect, Hon. Robt. Weir announces. Two-thirds vote not obtained.

Paris—French Tennis Federation forbids amateurs to appear in tennis movies.

LATE RACE RESULTS

Epsom—2nd—Cogay; Sheratan; Solitary.

Fair Grounds—1st—1, Grattan, $5.20, $3.20, $2.80; 2, Hereward, $5.00, $4.20; 3, Preferred, $3.00.

Tropical Park—3rd—1, Deliberate, $5.30, $4.70, $3.00; 2, Bushmaster, $81.20, $15.70; 3, Little Nymph, $2.70.

Oaklawn—1st—1, Justice B., $10.50, $4.60, $3.20; 2, Beige, $3.90, $2.80; 3, Onside, $4.00.

OTHER LATE NEWS ON PAGES 2, 3, 4, 8 AND 34

DENIES AGREEMENT WITH COMMUNISTS

C.C.F. Spokesman Repudiates Suggestion After Candidate Chosen

Special to The Star

Hamilton, March 12.—Communist spokesmen to-day announced that David Arnott, unsuccessful candidate in the provincial elections, had been chosen to contest Wentworth riding in the federal elections.

"Because of our agreement with the C.C.F. that we will not oppose each other's candidates, we are not putting a man in East Hamilton," they said.

"We have no agreement," John Peebles, president of the Hamilton council of the C.C.F., contended.

THE WEATHER

TUESDAY-WEDNESDAY, MARCH 12-13

The local forecast is: Fresh northwesterly winds; mostly fair to-day and Wednesday, with a few scattered snowflurries; little colder to-night.

The observation at noon to-day showed: Highest temperature yesterday, 42; lowest this morning, 28; snowfall, 0.7.

Yesterday's mean temperature was 36 or 10 degrees above the average. The mean temperature for the corresponding day last year was 16 or 12 degrees below the average.

Time	Temp.	Wind	Weath.	Hum.
8 a.m.	28	N.W. 12	Fair	60
Noon	33	N.W. 12	Fair	49

Barometer: 8 a.m., 29.309; noon, 29.28.

The meteorological office estimates that the lowest the temperature will drop during the night is 18 degrees above zero, while its highest mark during to-morrow is estimated at 34 degrees above.

To-day's Calendar

Sun rise ..... 6.38 a.m.
Sun sets ..... 6.19 p.m.

Synopsis: A moderate depression centred in New Brunswick has caused snowfalls in Ontario, Quebec and the maritimes and some rain in Nova Scotia.

120762

LABOR SCORES 48-HOUR WEEK SHOULD BE MUCH LESS, IS PLEA

Adjustment Period of Three Months Scoffed at by Council President

"MIGHT BE 3 YEARS"

The action of the House of Commons in allowing Canadian industry a period of three months in which to adjust staffs before the federal 8-hour day and 48-hour week legislation becomes effective, is just giving firms another three months to sleep, said E. E. Woollon, president of the Toronto District Labor council, to-day. "After sleeping for eighteen years, they wake up, and now come along and ask for a respite of three months which might easily become three years," he said.

"When we consider that Canada is eighteen years behind the European countries in putting the 8-hour day into effect, you can't expect very much now," said Mr. Woollon. The 8-hour day is no remedy for the present economic crisis. Organized labor is not opposed to a 48-hour week, but we do consider that we are much more advanced than that. Most of our industries are working 35 and 40 hours a week, and we can hardly endorse this 48-hour week."

"We are agreeable to giving the employers three months to adjust the situation," said W. J. Douglas, secretary of the National Labor Council. "However," he continued, "we do not think the 48-hour week will help things. We sent our delegates to Ottawa to advocate 30-hour week, which we have always asked for. The penalty for infractions of the law should be made very severe."

Calls Measure Obsoleie

"The time has come when we should be considering a 25 or 30-hour week, not a 48-hour week," said Alex Lyons of the National Labor council. "This measure is obsolete before it even goes into effect. It won't solve any problems facing us to-day, and it is only tinkering with the situation. It certainly won't put any men back to work."

"Anything looking to a shorter work day is welcomed by the labor people," Mr. Kelly said. "While we are glad to see the industrialists making overtures, we are looking to a 40-hour week. We have always advocated it, and to my mind the government is like a tortoise."

Bakers Will Need More Men

"We will be glad to do anything that will help the people," said Victor Loftus, general manager of the Canada Bread Co., "and there is no doubt that with an 8-hour day more men will have to be employed in bakeries and in the distribution of bread. There is already a minimum of 56 hours in the bake shops, but if the law says there must be a 48-hour week, we will follow it."

"The 8-hour day might give employment in a few cases but it is not going to seriously effect the situation as it exists to-day," said E. W. Sinfield, president of the Toronto Building Trades Council. The government is considerably behind the times. In view of the number of unemployed, we have been pressing for a 6-hour day."

"We feel that the eight hour day is an advance, but we can't see that it is anywhere near sufficient," said Frank Smith, secretary of the Photo - Engravers' International Union. "In this industry we are only working a maximum of 44 hours a week, and this legislation would not benefit us. We believe that the only solution, at the present time, is a 37½ hour week, which we are endeavoring to get, and that the ultimate result would have to be a 30 hour week before it would have any effect on the unemployment situation."

BACKS HEPBURN DRIVE TO CLEAN UP HYDRO

Reeve Charges Port Colborne Unfairly Treated in Past

Special to The Star

Port Colborne, March 12.—Culminating an attack on Hydro and its administration in Port Colborne, Reeve C. E. Steele, after many year's effort, succeeded last night in securing a majority in council calling for an independent audit of Hydro books. He assailed Mayor W. H. Smith as defying council when it was reported the mayor had signed the January Hydro bill for $1,395 after it had been turned back by the finance committee of which Reeve Steele is chairman.

Reeve Steele traced back a dozen years to contend Port Colborne had been unfairly treated by Hydro. He added that although he was of different political thought than Premier Hepburn, he was solid behind him in what he and his government was doing "to clean up the Hydro mess." Mayor Smith stated the reeve had always held a venomous animosity toward Hydro, and with Councillors R. Harcourt and J. R. Tuck opposed the independent audit.

"LIKE GREAT WINDS BLOWING"

Washington, March 12.—To H. G. Wells, General Hugh S. Johnson, Senator Huey P. Long and Father Charles E. Coughlin are like "great winds blowing across the nation." "I don't know which way these winds are blowing yet," the British author said on his arrival here to-day, "but they are very interesting and I hope to learn something of their meaning and importance."

WEATHER ELSEWHERE

The following are the temperatures at the local observatory since noon yesterday:

2 p.m.	41	8 a.m.	28
4 p.m.	39	Noon	33
8 p.m.	35		

Mean temperature at noon to-day was 30 degrees.

Northern Ontario: Northerly winds, mostly fair and quite cold to-night and Wednesday.

Ottawa and Upper St. Lawrence Valley: Fresh northwesterly winds; cloudy with scattered snowflurries, colder to-night. Wednesday, westerly winds, fair and rather cold.

Station.	High.	Low.
Vancouver	40	38
Edmonton	44	20
Calgary	46	32
Winnipeg	12	4
Toronto	42	28
Kingston	42	30
Ottawa	44	30
Montreal	44	32
Quebec	40	34
St. John	46	32
Halifax	44	32
Hamilton, Bermuda	64	62
Sault Ste. Marie	30	16
Chicago	34	22
Washington	68	52
Atlantic City	52	44

The lowest temperatures during the night at the following places were:

Salt Lake City	32	Charleston	64
Yellowstone Park	28	New Orleans	62
Galveston	46	San Francisco	46
Miami	74	Los Angeles	48
Savannah	64	Reno	32
San Diego	46		

SEES HITLER POLICY BRINGING WAR NEARER

Nazis Would Destroy Foes, Says Yudel Mark

Hitlerism remains and will remain a system of terror, of concentration camps, and of extermination of all pacifists, liberals and independent thinkers, Yudel Mark, editor of the Daily Folksblatt in Kaunas, Lithuania, told The Star to-day.

"On the backs of two Jews who escaped from Koenigsberg I saw swastikas branded deep into the flesh," declared the representative of the world Yiddish Scientific Institute, now a visitor in Toronto.

"He said too little attention is being paid to the systematic Nazi agitation that is going on in Europe. "It is just as effective a means to prepare for coming war, as is the production of armaments and war materials," he declared.

TORONTO STRATHCONA DOWN KITCHENER RINK

Rothchild's Four Makes Strong Bid for Hamilton 'Spiel Event

Hamilton, March 12.—Two Hamilton rinks, together with one from Kitchener and one from London, passed from contention in the premier event of the 14th annual Hamilton bonspiel here to-day.

Club mates fought at the Thistle club when F. I. Kerr was defeated handily by W. H. Weller, but Joe Rothschild of Toronto Strathconas put in a strong bid for the Spectator trophy, when he sent W. M. O. Lochead of Kitchener into the second event with a 12-8 triumph.

Charlie Lawson of Hamilton Thistles won his third straight game by defeating Frank Wilson's strong London rink 10-8 and the veteran Bill Muir of Victorias knocked out Dr. F. G. Morrow of Thistles.

Play in the second event started in the second draw to-day while the balance of the first draw saw four eliminations in the Peter Hunter Hamilton trophy, the third event. A. P. Ross, of Toronto Granites, remained in the running by defeating Percy Detrich, of Galt, and Dr. S. T. White of Orangeville, helped to eliminate Ken French, of Glanford, in three straight games. Fred Gillan, of Glanford, disposed of R. S. Martin of Thistles, while J. Broomfield, of Galt, defeated K. Smith, of Glanford.

SPECTATOR TROPHY
Second Round
THISTLE ICE

Kitchener		Ham. Victorias	
P. G. Hall	10	Dr. A. E. Walker	8
Ham. Victorias		Tor. Granites	
D. L. McCarthy	13	G. Stronach	12
Ham. Thistles		Ham. Thistles	
W. H. Weller, sk.	13	F. I. Kerr, sk.	10
Tor. Strathconas		Kitchener	
J. Rothschild, sk.	12	W. Lochead, sk.	6

VICTORIA ICE

Lindsay		Ham. Thistles	
F. Carew	14	D. H. Henderson	5
Ham. Thistles		Ham. Victorias	
W. H. McPhie	12	C. Smith	6
Ham. Thistles		London	
C. C. Lawson, sk.	10	F. C. Wilson, sk.	8
Ham. Victorias		Ham. Thistles	
W. Muir, sk.	11	Dr. F. Morrow, sk.	4

F. P. DALLEY TROPHY
VICTORIA ICE

Ham. Thistles		Tor. Granites	
C. W. Adam	9	I. S. Fairty	8
Galt		Tor. Royal Can.	
C. E. Knowles	9	E. Moorish	8

THISTLE ICE

Wingham		Ham. Thistles	
D. Rae	8	V. Vallance	6
Ham. Thistles		Milton	
C. W. New	15	J. Maxted	8

P. HUNTER HAMILTON TROPHY
Preliminary Round
THISTLE ICE

Tor. Granites		Galt	
A. P. Ross, skip	10	D. Dietrich, skip.	7
Orangeville		Glanford	
Dr. S. T. White, sk.	16	K. French, sk.	5

VICTORIA ICE

Glanford		Ham. Thistles	
F. Gillan, skip	12	R. S. Martin, skip	8
Galt		Glanford	
J. Broomfield, skip.	9	K. Smith, skip	8

MYSTERY OVER GUARDS PUT ON POWER PLANTS

(Continued from Page One)

say that they are on special work. Mystery surrounds the whole case and the The Star could find no one in authority who would discuss the situation.

Not Because of Jobless

Attorney-General Arthur W. Roebuck to-day refused absolutely to discuss in any way the extra guards being stationed to guard power and industrial plants in Niagara Falls.

"I may tell you that it is not because of the unemployed that the plants are being guarded," Mr. Roebuck stated. "They are very valuable plants, and we don't want anything to happen to them. That is all we have to say about the situation here," he added, laying stress on the word "here".

The attorney-general would not intimate if it is feared that labor agitators have been at work in the border city, or whether violence of any kind is feared from some organizations on the American side.

Asked whether authorities feared sabotage, the attorney-general only smiled.

"I'm afraid we won't be able to help you here," he repeated several times.

"It's all news to me," Murray McCrimmon, Ontario Hydro secretary, told The Star. "We are not expecting any trouble, and to my knowledge no additional guard has been placed on Hydro property."

STOMACH MISPLACED BUT GIRL CHEERFUL

Gleeful When She Sees Picture in Paper

Special to The Star

Belleville, March 12. — "Gee, I think these pictures are swell," exclaimed little 11-year-old Florence Babcock to The Star to-day. "See, Miss Bertram, your picture is in The Star, too," smiled the forty-pound girl, who keeps her chin up even though her stomach is topsy-turvy. She is awaiting an operation.

"I'll be glad to get home with mother and dad and my twin sisters. They're twins and four years younger than me, but they're twice as big. Say, next time you come, bring some 'funnies' will you?" asked Florence, who would rather read the "funnies" than see her own picture in the paper.

ASKING CENTRAL BANK HELP SLUM FIGHT

(Continued from Page One)

technicians competent to pass on all municipal projects, he said.

Cost of operation and overhead would be met by the interest charges, bringing in an annual revenue of $9,400,000 to the Bank of Canada. Payment of 4½ per cent. on the $200,000,000 additional stock would amount to $9,000,000 leaving a margin of $400,000 for expenses.

The entire project would be self-liquidating over a 40-year period, without contemplating the issue of any new currency. Loans to private home owners would be repaid by amortization over a 25-year period.

"Why did you pick $400,000,000 as your figure?" asked Dr. G. E. Stanley (Cons., Calgary East).

"That is the amount necessary to rebuild the 7 per cent. of houses in Canada now obsolete," Mr. Craig replied.

"Extensive investigations have shown this would be sufficient in Canada."

"It won't be charged back on the general taxpayer?" "Not at all. It will save the taxpayer a lot of money."

Gordon N. West, Toronto architect, acting president of the National Construction Council of Canada, presented a brief for his organization.

The council recommended:

That the federal government adopt a definite housing policy.

That it make available the necessary credit and financial assistance for such a policy and that such assistance should be provided with a view to making housing projects self-liquidating.

That all moneys so spent on construction be through the normal channel of industry and not involve direct relief labor.

Mr. Craig told the committee that as a result of reduced credit extended by the chartered banks, total construction in Canada tobogganed from $576,651,800 in 1929 to $97,289,800 in 1933. This total rose last year to $125,811,500.

The average annual volume of construction in Canada is $300,000,000. Mr. Craig proposed a $400,000,000 housing program to bring the present level of the industry up to the average. He suggested the Bank of Canada could handle the financing, and said his plan was endorsed by the president of one of the large chartered banks.

"A brief survey of Toronto's slum areas should convince an unprejudiced observer that private enterprise had done nothing in more than 50 years to improve dwelling conditions for the minimum wage-earner," Mr. Craig stated, urging replacement of slum dwellings and minimum cost houses throughout the country.

Can Be Made Profitable

The council's investigations, Mr. West said, had made it clear there was a demand something be done to raise housing standards, particularly for those wage-earners who receive the least for their services.

In other fields, financial assistance was needed for the stimulation of private and semi-private housing operations. A lower rate of interest than the prevailing commercial one should be a condition under which the government would undertake to assume some of the credit risk involved, the brief said.

"Taxpayer Subsidizing Slums"

W. L. Somerville of Toronto, who has been architect for housing developments at Leaside, Hamilton and many other places, pointed out over-crowding and low standard housing existed in practically every city in Canada. There had been a great deal of doubling up, which he blamed for many social evils and physical ailments.

But there should be provision in any national program for the erection of houses by individuals. From 1921 to 1931, over 85 per cent. of all residential building in Canada was houses, and only 15 per cent. apartments. There was need for $300,000,000 worth of residences of this type.

There were large areas of substandard dwellings in Montreal and Toronto. But the council thought new housing should first be provided, then slum clearance carried out.

Mr. Somerville recommended all municipalities benefitting under a federal housing scheme be required to enact zoning regulations as part of a town plan, including adjoining suburban and rural districts.

For housing the lowest income groups, he suggested money be made available at a rate of interest not exceeding 2½ per cent. in order that such schemes may be self-liquidating as far as possible.

Serious Overcrowding

Investigations revealed serious overcrowding in Hamilton. In 1932 53 per cent of 727 households investigated averaged more than one person per room. In the same group 31 per cent. averaged more than two persons per bedroom. "And I think it's safe to say conditions are even worse to-day," Mr. Somerville added.

Municipal authority changes too rapidly to permit continuity of a project, Mr. Somerville claimed.

"I'd not lend a nickel to any municipality that didn't have a town plan or a zoning system," proceeded Mr. Sommerville.

In that case, objected Thomas Church (Conservative, Toronto East), the larger cities would be unable to get government loans.

Bank Head Backs Plan

James H. Craig, Toronto architect, presented a national self-liquidating housing plan which would be financed by credits extended by the Bank of Canada.

"It may not be a plan with which Governor Graham Towers is in entire accord," Mr. Craig stated, "but it has the approval of the president of one of Canada's largest banks."

"The American industrial machine can produce an average income for every family of $4,370," Mr. Craig said. "The time has come to stop worshipping the distributor. What would happen to us as architects if our buildings fell down every five years as our economic system does?"

"Building must be stimulated, regardless of moratoria and of the conditions that make mortgage money scarce. Competition of governments with the loan companies has put the construction industry out of business," he claimed.

"The lieutenant-governor's committee on Toronto housing demonstrated the minimum wage-earner cannot afford to pay more than $10 to $12 per month, even in good times."

Mr. Craig estimated annual costs of operation of a $2,700 house in Toronto at $292.95 where the mortgage interest rate is 6 per cent. and at $198.45 if it were cut to 2 1-2 per cent.

Suggests $12.55 Monthly Rent

The latter figure would involve a monthly rent of $16.50. It would be possible, suggested Mr. Craig, to provide a self-contained three-room apartment with bath to rent at $12.55 a month.

AIDE OF ZAHAROFF AT ARMS CONFAB

Situation in Greece Discussed —British Demands Cause a Deadlock

Cannes, France, March 12.—British, French, American and German iron, steel and armament manufacturers held an important meeting here during the week-end, and the status of international armaments and the situation in Greece were reported discussed. Among those reported in attendance is Charles M. Schwab, U.S. steel magnate.

The conference was understood deadlocked by demands of British delegates for substantial decreases in British imports and increases in exports.

A representative of Sir Basil Zaharoff, mysterious Greek munitions king, was reported present.

Asked to Walk Plank

Washington, March 12.—William B. Shearer, "big navy" enthusiast, told the Senate munitions committee to-day that after he served major American shipbuilders at the 1927 Geneva conference, Charles M. Schwab, head of the Bethlehem Steel Corporation, "passed the word to have me walk the plank." Shearer was said to have boasted he "wrecked" the Geneva meeting.

Shearer denied responsibility for failure of the Geneva conference, and said that since the 1929 inquiry he had been "denounced, persecuted and interfered with."

"I wish to make it a matter of record," he said, "that every fight that I made in the interest of the United States navy was made at the request of naval officers, and I wish to point out I carried the naval intelligence information on all navies which was given me officially through the navy department."

ASK CANADA ABANDON EMPIRE ADVANTAGES

U.S. Lumbermen Endorse Reciprocity If Given Trade Opening

Washington, March 12.—Approval of the principles of the reciprocal trade and tariff agreements by the lumber industry was contained in a brief filed to-day with the federal tariff commission by Dr. Wilson Compton, general manager of the National Lumber Manufacturers' Association, and spokesman for the industry. Such an agreement, he said, "will substantially increase trade and improve trade relations between the United States and Canada."

The industry proposed that the Canadian duties on U.S. lumber of a kind produced in both countries be no greater than the United States duties on the Dominion product.

Dr. Compton urged the government to "seek the co-operation of the government of the Dominion of Canada in securing promptly the abandonment, in the lumber markets of the British empire, of discrimination in favor of Canadian lumber, in tariffs, quotas, or in other forms, so that lumber exported from the United States and lumber exported from Canada into the world markets may compete on equal terms and without discrimination."

VENIZELOS IN ITALY AS REVOLT COLLAPSES

(Continued from Page One)

fled by motor car, railway and afoot to Bulgaria and Turkey.

Lieut.-Gen. Papoulas, said to be the leader of all the Venizelist fighting forces on land and sea, was arrested in a house on the outskirts of Athens with his staff. The governor of Thrace reported the rebels' second in command, M. Panayotopoulos, had committed suicide.

The government claimed repossession of the Aegean islands of Mytilene, Samos and Chios, seized by the rebel warships in the early days of the revolt.

With Venizelos, the government announced, were his wife and 100 rebel naval officers.

It was understood that the Averoff was returning to Greece to surrender. Bombing aeroplanes were sent out to meet the Averoff despite its apparent intention to hoist the white flag.

A wireless message to the government from the rebel destroyer Psara announced to the government that the rebel navy, abandoning its "seat of government," had left Canea harbor, Crete, and taken to sea.

Courts-martial began functioning, and scores of death sentences were expected to be imposed upon leaders of the several thousand rebels captured in the debacle in Macedonia.

Gen. Demetrios Kamenos, rebel generalissimo on land, was in Bulgaria, under orders to proceed to Sofia to-day for questioning, and the prospect of internment with hundreds of his officers somewhere in central Bulgaria—safe, at least, from extradition and trial as the Bulgarian government announced it would not hand them over.

Rebels Took $2,850,000

It was learned the rebels appropriated more than 300,000,000 drachmas ($2,850,000) from banks in the rebel areas, including 70,000,000 drachmas ($665,000) from the branch of the national bank at Drama. Half of the latter sum was recovered by the government from the baggage of rebels in the town of Xanthin. The government will demand extradition of the fugitives for theft of this money.

Held Setback For Italy

Belgrade, March 12.—Collapse of the Greek rebellion to-day brought relief to leading diplomats, who expressed the belief that the Balkans had stood up splendidly through an "acid test".

Unofficially, it was considered Italy had taken a "slap in the face," because it was reported here that Italian influence had been at work in the revolt to place Venizelos in power and break up the Balkan entente.

BANTING GIVEN FELLOWSHIP

Professor of medical research in the University of Toronto, Sir Frederick Banting has been elected to the Fellowship of the Royal Society of England, it was announced to-day.

HUXLEY POINTS OUT BIG SPIRITUALISTS

(Continued from Page One)

and at the hands of Dr. Currelly, that I was privileged to interview the still youthful-looking Huxley who has been making a general "American" tour, his interest especially in matters scientific, zoology his especial care.

"It was once my pleasure," I began with, "to meet your distinguished father, the editor of the Cornhill magazine—and I recall an interesting story he told, of a certain casual meeting of his father, the great scientist, and Thomas Carlyle."

"What was the burden of it?" asked the grandson of the great; "it is altogether likely my father may have also repeated it to me."

"This," I detailed, "that Carlyle almost refused to take your grandfather's hand: 'You are trying,' he accused Huxley, 'to convince us that we are of monkey source,' and the sage of Chelsea was quite in earnest, strange though that may seem now."

Dr. Huxley nodded: "I have heard my father describe that self-same incident many a time," he confirmed.

"Could any sage or savant," I asked, "of Carlyle's ability and station, be found to utter any such protest now?" "Well, although I should say that the 'Christian' emancipation has been almost completed since then, it is yet impossible to say what might happen. Who, for instance, would have thought the 'monkey-trial' of Dayton, Tennessee, to be possible in this age?"

Corrected Grandfather

"It must, I am sure, be an occasion of often regret to you that you never saw your world-famed grandfather?" I opined. "But I did see him, have often seen him," was the interesting correction; "indeed, once, when I was but seven years of age—he died when I was eight—I am on record as correcting him, on a scientific matter—and successfully, mind you," he concluded proudly enough.

"What about?" I asked eagerly. "Some point about animals in relation to their young—and they all said my grandfather was more than delighted by the incident."

"To discuss a really practical point, Dr. Huxley," I digressed, "can such a thing as a great scientist and a great Christian be still found in one personality? Or is that species extinct?" "Not at all," was his reply; "names like that of Fleming, and Oliver Lodge, in England, and other names of Americans are examples."

"Has Lodge really high rank as a scientist?" I asked. "Surely, Sir Oliver has been a pioneer of wireless. Then he is a foremost spiritualist. Crooks and Wallace, too, are kindred names in that realm—both outstanding spiritualists."

"Has spiritualism, in your opinion, any just title to a place among authentic phenomena?" I asked the scientist. "Yes, at least as possessing all the attributes common to many rare phenomena. It at least has won a place as something worthy to be explored—and it will stand a lot of exploring, in my opinion. But quite too many reputable names have been loaned to its support, to permit of its being denied at least frank consideration."

Census Was Taken

"This, Prof. Huxley," I renewed, "gives me reasonable ground for a kindred interrogative: to this effect—if a census were taken among foremost thinkers and even eminent scientists, concerning the stupendous question of immortality—at least of life after death—how, in your opinion, would it result?" "The thing has been done, the very thing you suggest," was the professor's startling response.

"This is interesting," I observed: "who took this vital census?"

"It was Leubz, one of the great names in science," replied the savant, "some twenty-five years ago or so."

"And with what result?" I pressed. "Well, to particularize, the test included both a belief in a personal God and a belief in the immortality of the soul."

"Precisely," I agreed, "but with what result?" "This—he and his co-workers found that belief in a personal God and a personal immortality was in distinct adverse proportion to the scientific repute and reliability of those considered. That is to say, the greater and more dependable the scientist, the rarer was what is called 'Christian' faith to be found."

"By and large, what, if any, was the ground of offence—so far as 'faith' is concerned?" I asked. "Mainly this—the almost uniform attitude, on the part of exact scientists, of a refusal to concede miraculous interference, in the realm of nature and of natural law. Science, if true to her historic attitude and canons, can make no such concessions."

Starts People Thinking

"Turning for a moment to the personal, professor, would you please give me an appraisal of your fellow-author, H. G. Wells, joint parent of one of your volumes. Is Wells really the almost super-man so many regard him as being?" "Well," replied our scientist-authority-lecturer, "that is one of the most difficult of tasks, to say who is great or what greatness really is—but Wells certainly is great in this regard at least, that he starts people thinking. And, after all, I shouldn't wonder if that is the greatest achievement of any man—especially of any artist."

"I have been much impressed, Mr. Huxley, with the title of one of your own books: 'Religion without Revelation' — just what is meant by that last word — what scope has 'Revelation'?" "The only safe course for the critic, even the reverent critic, is to determine what, authentically, survives of revelation. Science concedes no authority to any of the pretensions of a 'revelation,' either of a documentary kind however allegedly 'sacred,' or of a living human voice, that is credited with supernatural source or that is outside of authentic personal experience."

As I rose to go, subsequent to a brief 'London' talk, Dr. Huxley suddenly informed me, hitherto ignorant of the fact, that on his return to the empire's capital he is to take over his big new job of secretary of the London Zoological Society.

"What does that exactly mean?" I inquired as I heard the ponderous definition; "does it bring you into practical touch with the 'Zoo,' at Regents Park?" "Rather," replied the 47-year-old celebrity; "it means, in fact, that I'm to 'run' the Zoo."

Is There a Sea-Serpent?

"Oh," I interpolated, "is that the scope? Very well, then, if you're the new head of the Zoo, please tell me this: is there any such thing as a sea-serpent? What about those Scottish apparitions recently? And, if not, what made all the talk? Surely the head of the great Zoo ought to know?"

The new chief smiled, a bit ruefully: "I fear me, so far," he replied, "there is no authentic ground for believing that the monster in question really exists."

"But how do you account for all the furore; and the convictions of so many sober Scottish hearts and heads?" I asked; "is it all moonshine?"

"No, I won't say that—not by any means. I fully believe there has been some departure from the normal—possibly, for instance, along the lines of a mammoth seal, or something of that sort. And it is possible, quite, that imagination—and imagination is an infectious thing—that this did the rest."

Departure of Dinosaurs

"Here's another question, Prof. Huxley, I should like to ask," I pursued, dealing also with the apparently preter-natural, "why did the fabled dinosaurs, so indubitably once existing, cease to be?" "Impossible of exact determination," was the reply, "but the general impression is that their extinction was due to climatic changes, possibly to changes of a sustenance kind that interfered with the necessary nutrition. But no one definitely knows."

Thus came our interview to its close. My closing interest harked back once more to the immortal grandfather, Thomas Huxley, whom Carlyle rebuked so vigorously on a London street.

But it was pleasant to recall, as we did, that long years after both Huxley and Tyndall accompanied the aged sage to Edinburgh university, for his rectorial address—and, although they were scientists and Carlyle was for the time being only a humble preacher of the science of right living for youthful hearts, yet these two scholars surrendered to the power and reality of this deeper science, word-craft exclusively though it was. And to the timorous and anxious Mrs. Carlyle in London they telegraphed "A Perfect Triumph," this their perfect tribute to the fellow-scientist whose workshop was within the mind, its fruitage only in the souls of men.

MISSIONARIES AIDED BY PRAYERS AT HOME

Venerable Dr. Goforth and His Wife Tell of Labors in Manchuria

An audience that packed Knox church last night heard Rev. Jonathan Goforth, D.D., veteran Presbyterian missionary, give stirring testimony to the power of the gospel and to the inspiration that the prayers of those at home give to workers in the foreign field.

With almost sightless eyes, Dr. Goforth and his wife told of their work in the Manchurian field which they had carried on for nearly half a century, from the time that, as students, they had met at a prayer meeting in Toronto and had decided to get married. Now they plan to serve their church at home.

"Communism in China will be stamped out, for God cannot allow it to interfere with His work," Dr. Goforth said, in correcting certain misconceptions of his statements regarding Communism in China he had made since his return. "If it were not stamped out in Canada, there would soon be no church," he declared.

Rev. E. H. Johnson, minister of Long Branch church, was introduced as the volunteer who is to succeed Dr. Goforth in Manchuria.

RACEHORSE BREEDER C. N. ROBSON IS DEAD

Was President of Oshawa Leather Firm, Active in Civic Life

Special to The Star

Oshawa, March 12.—Charles N. Robson, president of the Robson Leather Co. and widely known as a racehorse owner and breeder, died to-day in Oshawa General hospital, where he had been for the past two weeks, following an operation. He was 62 years of age.

On entering the firm headed by his father, the late James Robson, he worked up from the bottom. The fact the tannery here was one of the few to show progress during the depression was attributed to his business ability.

Mr. Robson is survived by his widow and two sons, Charles and Edward.

Deceased was a member of the board of directors of the Oshawa hospital, and a member of the parks board. His thoroughbreds were known on many race tracks in Canada and the United States. Last fall he was elected to the board of directors of the Ontario Jockey Club.

He was a member of St. George's Anglican church and Rev. David Rose will conduct the funeral services Thursday afternoon.

REPORT 154 CASES OF MEASLES IN DAY

More cases of measles were reported to the department of public health yesterday than on any single day since last December, The Star learned to-day. Yesterday's total was 262. To-day's first mail contained 154 new cases, making 1,618 for the month and a grand total of 5,577 since Jan. 1.

Dr. L. A. Pequegnat, deputy M.O.H., to-day asked The Star to correct the impression that parents desirous of protection for their children had only to telephone the department and one of its officials would give the service.

"The fact is that the family doctor is the one who should be approached," he declared.

BOAT FIRE LOSS $50,000

Buffalo N.Y., March 12.—Fire that destroyed the after-structure to-day threatened destruction of the steamer C. S. Robinson, 600-foot Great Lakes freighter, owned by the Inter-Lake Steamship Company of Cleveland, and laden with grain. Damage was estimated at $50,000 by firemen.

FUMES KILL MAN; WIFE ILL

Fort Erie, March 12.—Mrs. Lafayette Upthegrove, 50, is in hospital suffering from effects of coal gas which yesterday resulted in the death of her husband, 70, in their farmhouse on Garrison Rd., near Fort Erie, Neighbors found both unconscious in a fume-filled home.

RACES CHANGED

At Fair Grounds to-day, the second and third races have been transposed.

RACE ENTRIES

OAKLAWN PARK ENTRIES

First race, purse $400, claiming, fillies and mares, 4-year-olds and up, Oaklawn course:
Red Polly.....110 xMyster[illegible] Nell..105
Nagatha.....110 Lady M[illegible] 110
Fair Duchess.....110 Immune[illegible] ..110
xScrip Money.....105 Princess[illegible]orry ..110
Game.....110 xTwidg[illegible] 107
Marble Girl.....110 Miss S[illegible]ant ..[illegible]

Second race, purse $400, [illegible]iming, [illegible]-year-olds and up, Oaklawn course:
xCrestonian.....107 Billie's [illegible]phan..[illegible]
Princess Queen...107 Corida [illegible]
Apronette.....112 Last B[illegible] ....[illegible]
Dusky Dame.....107 xAlamag[illegible] 107
Locket.....112 Sinzing [illegible]ver ..107

Third race, purse $500, 3-y[illegible]-olds and up, Oaklawn course:
Proprietor.....109 xWise [illegible]le 113
Beckoned.....104 Mature [illegible] 115
xBlack Peter.....110 xFayett[illegible]rince ..107
Caleb.....104 Flying [illegible]y 110
xRishi.....110 Mr. Sp[illegible]e 112
Just High.....112

Fourth race, purse $500, [illegible]iming, 4-year-olds and up, 1 mile and [illegible] yards:
Hammel.....108 Erech [illegible] 108
Paul T.....110 xAngon [illegible]ridge ..103
xInferno Lad.....103 xAmeric[illegible] Fr. ..106
xCampaigns.....109

Fifth race—Purse $500, clai[illegible]ng, 2-year-olds, mile and 70 yards:
xMad Bull.....108 Imperi[illegible] Bunty ..108
Wild Daughter....102 Hospit[illegible]y 104
xPrince Ballot....102 xSassen[illegible]h 103
xOdessa Beau.....105 xCivili[illegible] 102

Sixth race—Purse $500, clai[illegible]g, 4-year-olds and up, mile and 70 yards:
Tappanaugh.....118 The Ch[illegible]aw ..112
Oswego Princess..110 Thistle [illegible]y 108
Pop.....108 xGibby's [illegible] Choice.110
Bright Melody....106

Seventh race—Purse $500, c[illegible]iming, 4-year-olds and up, 1 1-16 mile:
Hamilton.....110 xLine of [illegible]ire....105
Spartan Lad.....105 xO'Neill [illegible] 105
Pompohone.....105 Moorish [illegible]mulet.105
xKissie.....100 Royal D[illegible]bar ..110
Black Flash.....105 xHonest [illegible]man..100
xMarabou.....105 Northern [illegible]Water.110

Eighth race (substitute) — [illegible]rse $400, claiming, 4-year-olds and up, Oaklawn course:
Shady Girl.....110 All Play [illegible] 110
All Tol.....110 Ease In [illegible] 110
xJessie F.....105 xPire F[illegible] 105
Patay H.....110 Double [illegible] 110
xCredit System....105 xLady [illegible]t 105
Bubbling O.....110 Aliens [illegible] 110
xApprentice allowance claime[illegible]
Weather clear; track slow.

TROPICAL PARK ENTRIES

First race—Purse $700, claiming, 3-year-olds, 6 furlongs:
xGlistening.....105 On Our [illegible]y ..108
xTeddy Carl.....115 xStarella [illegible]d ..115
xThe Aenead.....109 Secret L[illegible]r ..109
aSeminole Queen..104 Chatura[illegible] 109
Kindred Spirit....114 Hermani[illegible] 109
xApple Fritter....104 Napanee [illegible]ack ..109
xPootwork.....110 xTemplet[illegible] 111
Polly Rita.....109 Chance [illegible]or ..109
xaBeda.....99 Charmed [illegible]ves ..111
aColstream Stud and Mrs. Ja[illegible] Howard entry.

Second race—Purse $700, cl[illegible]ing, 3-year-olds, mile:
Winged Flight....114 xMettle [illegible] 110
xBroken Up.....105 xNewell [illegible] 112
xJeanne S.....104 Porter C[illegible] 110
xRare Ben.....105

Third race, $700, maiden 2-year[illegible]old colts and geldings, 4 furlongs:
Wayaloft.....115 Top Tax [illegible] 115
Sachem.....115 Whipowill [illegible] 115
aDnieper.....115 Sighting Be[illegible] 115
Wise King.....115 Broadway [illegible] 115
Some Boy.....115 Free Spirit [illegible] 115
Boots Pal.....115 Dark Thato[illegible] 115
Higher Cloud.....115 Jack Snipe [illegible] 115
Johnny Tight.....115 aAboveboard [illegible] 115
Maerial.....115 Skywarrior [illegible] 115
a-Mrs. P. A. B. Widener and J. [illegible] Widener entry.

Fourth race, $700, graded handi[illegible]p class C, 3-year-olds and up, 6 furlongs:
Basoutine.....108 Happy Flag [illegible] 109
Mae Skilling.....100 Banish Fear [illegible] 106
Erebus.....116 Hank McTay [illegible] 112
My Purchase.....114 Grandpas Bo[illegible] 109

Fifth race, $800, graded handic[illegible] class B, 3-year-olds and up, 6 furlongs:
Toney Faster.....108 Recovery [illegible] 109
Technique.....108 Cathop [illegible] 116
West Main.....114 Purple Knight [illegible] 106
Tearout.....108 Quickly [illegible] 117

Sixth race—Purse $700, claiming, [illegible] year-olds and up, one mile and a sixteen[illegible]:
xImpel.....107 xTight Wad [illegible] 110
Nawab.....112 Standout [illegible] 115
Cabochon.....112 xWilco [illegible] 107
Flag Wave.....107 Kibitzer [illegible] 112
xChaumont.....107

Seventh race—Purse $700, claimi[illegible], 4-year-olds and up, one mile and a sixteen[illegible]:
Calgary Kay.....112 xSound Money [illegible] 105
War Tide.....112 High Socks [illegible] 112
xTrue Sentiment..107 Peach Bud [illegible] 107
Tom Jack Jr.....112 Grand Acre [illegible] 107
Noble Spirit.....110
x—Apprentice allowance claimed.
Weather clear, track fast.

EPSOM DOWNS ENTRIES

First race—$600, claiming, 3-year-olds and up, 6 furlongs (chute):
Pharlera.....106 Gold Sweep [illegible] 106
Winning Woman...110 xForest Ave[illegible] 105
xDoresoris.....110 Donna Louise [illegible] 110
xClear Creek.....112 xRaffles Prob[illegible]m 101
xNorthvale.....110 Luck In [illegible] 110
Hot Shot.....112 xHyack [illegible] 112
Moving On.....106 Warble [illegible] 112
Natalie Mae.....101 xKingsport [illegible] 112
Fairy Glen.....101 Joel C. [illegible] 106

Second race—$600, claiming, [illegible] and up, 6 furlongs (chute):
Uall.....106 Leibchen [illegible] 101
xWilliam C.....112 xSure Gamble ..101
Grimace.....112 xDeadeye Dick..101
xRose Hazen.....105 xChubby Roan ..112
xLamp Black.....112 Bettie Joe [illegible] 112
xNepesta.....105 xChinese Custom.110
xBrilliant Queen..96 Dian [illegible] 115
xRizla.....107 xTraplou [illegible] 110
xVerdant Son.....112 Sister Mary [illegible] 112

Third race—$700, claiming, 3-year-olds, 5½ furl

120763

(From Night Edition, 7 P.M.)

SECOND SECTION

THE TORONTO DAILY STAR

STAR WANT ADS COST SO LITTLE Give Such Good Results

43RD YEAR

TORONTO, TUESDAY, MARCH 12, 1935

Venizelos to Be Interned By Italian Government

FUGITIVE REBEL CHIEF WITH 100 FOLLOWERS LANDS FROM WARSHIP

Generals of Macedonian Army Flee Into Bulgaria—All Are Interned

SCORES FACE DEATH

Rome, March 12.—The Italian government announced officially to-night that former Premier Eleutherios Venizelos of Greece had landed on the Italian island of Cassos in the Aegean, and would be interned there. He "treated as a political refugee."

The rebel chief in is not extraditable, however, it was said.

The Greek rebel submarine Katsonis, with eight officers and men and one civilian, arrived to-day at the Italian Dodecanese island of Patmos and was met with all hands, a government spokesman announced. He said there had no news regarding a report that former Premier Venizelos had landed at the Italian island of Cassos in the Aegean sea.

Athens, March 12. — Eleutherios Venizelos, 71-year-old leader of the vain, bloody rebellion which swept the country for 10 days, escaped from Crete to-day aboard the cruiser Averoff, landing on the Italian island of Cassos.

Other ships of the rebel navy, battered by warplanes and seaplanes of the government, were abandoned. Officers of the Macedonian army

(Continued on Page 23, Col. 6)

DENIES AGREEMENT WITH COMMUNISTS

C.C.F. Spokesman Repudiates Suggestion After Candidate Chosen

Special to The Star

Hamilton, March 12.—Communist spokesmen to-day announced that David Arnott, unsuccessful candidate in the provincial elections, had been chosen to contest Wentworth riding in the federal elections.

"Because of our agreement with the C.C.F. that we will not oppose each other's candidates, we are not putting a man in East Hamilton," they said.

"We have no agreement," John Peebles, president of the Hamilton council of the C.C.F., contended.

GIVE 23 CAUSES FOR COLLECTING FROM SCHOLARS

Took Up One Collection for Janitor's Flowers—Advocate Radio-Taught Classes

SICK MAY LISTEN

Collections for a variety of 23 causes have been taken up in Toronto public schools since September, according to a report forwarded by Dr. C. C. Goldring, superintendent of schools, to the school management committee to-day. At the last meeting of the committee, some of the trustees were critical of the number of collections and the purpose of them in the schools.

Forty-eight schools, or about half, reported no collections, but in others the following reasons were given for asking children for money: to send flowers to sick pupils or teachers and in one case for a caretaker; for membership in Junior Red Cross; for buying school sweaters; for Christmas cheer; for relief work; for shoes and glasses for pupils; for framed pictures for junior classes; for school funds; for St. Valentine's day program; for pencil sharpeners in one room of each of three schools; for opportunity plan books; for Crippled Children's Fund; for membership in League of Nations society; for the Poppy Day Fund; to buy a picture of the retired principal; for entrance papers and for plants.

There it is desirable to teach pupils by radio lessons, if programs, Canadian in origin and using Canadian talent as much as possible, are available is the suggestion in a report by Dr. Goldring on experiments with radio lessons in Palmerston Ave. and Essex St. schools. The conclusions of the teacher are that the radio was not in any way disturbing to the pupils; that there were not more disciplinary problems than usual, and that pupils who were absent through illness followed these special programs on their own home radios.

It is suggested that radio programs be limited at least at first to literature, history, geography, and music. Essex St. school reports the class taking marks from 70 to 81 per cent. on the lessons taught by radio. The range of the pupils' vocabulary was increased.

C. H. R. Fuller, business administrator proposed in a report that caretakers be paid $75 a year instead of $175 as in the past for policing school playgrounds. It is proposed to operate 30 school yards as playgrounds in the evening only from May 1 to September 30, and 20 playgrounds in the daytime and evening during July and August. The cost will be $24,000.

The parks department will operate 29 playgrounds in school yards from May 22 to September 1.

(Copyright, Star Newspaper Service.)

GETTING INTO THE TEETH OF THE MATTER

There is great jubilation and excitement to-day in the Dionne hospital and the home of the quintuplets' parents. The long expected has happened—one of the babies has cut her first tooth. It's Annette, one of the present "heavyweights." The tooth was cut through the lower gum and you have to look carefully to see it, but its arrival has been confirmed by Dr. A. R. Dafoe. The father proudly called to inspect the wonder of wonders. Here we see Nurse Leroux brandishing the toothbrush in anticipation. Any day now announcements of further molar endowments are expected.

COUGHLIN CALLS JOHNSON CHOCOLATE SOLDIER AND COMIC OPERA CREAMPUFF

NRA Chieftain Retaliates by Terming Priest and Kingfish Public Political Enemies

COMPLIMENTS FLY

Detroit, March 12.—Telegrams by the thousands poured in on Rev. Charles E. Coughlin to-day, showing that whatever effect his stirring radio speech last night had in political circles at Washington and financial circles in New York, it had struck a responsive chord with many.

Heralded as a response to Gen. Hugh S. Johnson's denunciation of him and Sen. Huey P. Long, Father Coughlin's 45-minute address over a nation-wide radio network became a fervent damnation of the present monetary and banking system and of certain bankers, notably Bernard M. Baruch.

But Johnson was not neglected. Johnson, he said, was "a cracked gramophone record squawking the messages of his master's voice;" "a chocolate soldier who never faced an enemy or an issue;" "a Bourbon, a comic opera creampuff with an underslung vocabulary."

Father Coughlin, exhausted by his oratory, retired to the rectory, leaving word that he was not to be disturbed until 8 o'clock.

It was understood, however, that a large majority of the telegraphic response from every corner of the nation was laudatory. Coughlin's admirers and supporters asserted he had made the supreme effort of his career as social reformer and microphone orator; his enemies for the most part were silent, although in Washington, Gen. Johnson called for a national compaign to exterminate the influence of Coughlin and Long.

(Continued on Page 23, Col. 7)

LORD BADEN-POWELL TO BE HERE MAY 11

Arrangements Made for Itinerary of Chief Scout

Ottawa, March 12.—Final arrangements for the visit to Canada of Lord and Lady Baden-Powell were made to-day at a meeting of the executive committee of the Canadian general council of the Boy Scouts Association. The governor-general, chief scout for Canada, presided.

The announced rally dates are as follows: Victoria, April 13; Vancouver, April 15; Calgary, April 22; Edmonton, April 26; Saskatoon, April 29; Regina, May 1; Brandon, May 2; Winnipeg, May 4; Fort William, May 8; Sudbury, May 9; Toronto, May 11; London, May 14; Ottawa, May 18; Montreal, May 25; Quebec, May 27; Saint John, June 1; Sydney, June 5; Halifax, July 1; Charlottetown, July 6.

MONTREAL SEEKS COALITION WITH MEIGHEN AS PREMIER

Doubted If Senator Can Forget Plots to Cut Political Throat

ALSO WOO STEVENS

By ROBERT LIPSETT

Ottawa, March 12.—The kingmakers of St. James St. have taken a new lease of life.

Following Premier Bennett's illness, they have launched another high-pressure drive for "national government."

On the "if, as and when" basis, the sounding-out process has been revived to discover whether or not there is a possibility of making democracy safe for the money barons.

To-day it is stated on good authority they are willing to accept Right Hon. Arthur Meighen as the spearhead of a coalition but it is not on record Mr. Meighen is willing to accept them after their having utilized the eight years, 1920 to 1927, to cut his political throat.

An emissary has been delegated

(Continued on Page 23, Col. 6)

RACE RESULTS

TROPICAL PARK RESULTS

FIRST RACE—Purse $700, claiming, 4-year-olds and up, 6 furlongs:
1. Fred Almy, 107 (Hanford), $6.50, $5.80, $3.10.
2. Fervid, 107 (Porter), $9.90, $4.90.
3. Moane Keala, 108 (Lynch), $3.70.
Time, 1:12 2-5.
x-Mayvite, Knights Hope, Baby Bard, Carsono, x-Salut D'Amour, Shasta Star, Fretful, Walkalong, and Shuffle On also ran.
(x—Field).

SECOND RACE — Purse $700, maiden 3-year-olds, 6 furlongs:
1. Jadaan, 115 (Wright), $4.00, $2.40, $2.40.
2. Chicle Ship, 110 (Arcaro), $2.40, $2.60.
3. Flight of Gold, 115 (R. Jones), $3.50.
Time—1.12 1-5.
x-Easter Nation, Dan Skilling, Black Plane, x-Eastern Ruler, Sing Song, Blade Edge, Dandy Jay, Velatrie and x-Mr. Pete also ran.
(x—Field.

THIRD RACE—Purse $700, claiming, 2-year-olds, ½ mile:
1. Deliberate, 112 (McCrossen), $5.30, $4.70, $3.00.
2. Bushmaster, 115 (Manifold), $81.20, $15.70.
3. aLittle Nymph, 111 (Wright), $2.70.
Time—0.48 1-5.
xWood Way, aBanderilla, John Tio, Rustic Lassie, Jair, xCohort Lass, Secret Vote, Starborough and Terry On also ran.
x—Field.
a—Jack Howard and Coldstream Stud entry.

FOURTH RACE — Purse $700, claiming, 3-year-olds and up, 6 furlongs:
1. Mad Beth, 108 (C. Hanford), $24.80, $9.00, $5.50.
2. Dark War, 113 (Porter), $3.20, $2.90.
3. Idle Along, 108 (Dupre), $4.40.
Time—1.13.
xBarkis, Sun Cloister, Bellator, Heiress, Fullup, Prince Drake, xAilgen C., Predict, xHermie Roy also ran.

EPSOM DOWNS RESULTS

FIRST RACE—$600, maidens, 2-year-olds, 4½ furlongs:
1. aBay Bubble, 113 (Dabson), $2.90, $3.00, $2.20.
2. aGay Bubble, 113 (Munden), $3.00, $2.20.
3. Belgian Boy, 116 (Hileman), $2.20.
Time—0.55 2-5.
Busby, Charles Adee, Miss Gallahad, Paul Jr. and Mr. Erin also ran.
a—W. C. Stroub entry.

SECOND RACE—$600, claiming, for 3-year-olds and up, 5½ furlongs:
1. Cogay, 113 (Hughes), $6.20, $3.10, $2.80.
2. Sheratan, 103 (Grayson), $3.70, $2.70.
3. Solitary, 108 (H. Dabson), $3.30.
Time—1.08 3-5.
Miss Certificate, Golden Tip, Derek, Thipdar, Myrtle Brooks, Instead, Natamemor also ran.

THIRD RACE—$600, claiming, for 4-year-olds and up, 5½ furlongs:
1. No Doubt, 109 (Keester) $16.80, $6.80, $5.00.
Polvo's Pride, 113 (Jourdan) $10.90, $5.70.
3. Playing On, 101 (Deering), $5.90.
Time 1.07 3-5.
Be silent, Hasty Peter, Wise Carmen, John Bane, Transen, Zorana and Frisco also ran.

FAIR GROUNDS RESULTS

FIRST RACE—$400, claiming, 4-year-olds and up, 6 furlongs:
1. Grattan, 112 (Balaski), $5.20, $3.20, $2.80.
2. Hereward, 112 (Young), $5.00, $4.20.
3. Preferred, 112 (Stuller), $3.00.
Time—1.13.
White Cloud, Golden Oriole, Deemster, Sorcery, King Belgian and Little Marcelle also ran.

SECOND RACE—$400, claiming, 3-year-olds and up, maidens, 1 mile:
1. Morvim, 107 (Young), $21.00, $8.80, $4.20.
2. Bobby Sweep, 112 (J. Wray), $3.20, $2.80.
3. Don Carlos, 112 (Ealy), $10.00.
Time—1.14.
Donny Johnny, Brilliant Miss, All Night, Princess Pyre and Monkey Shine also ran.

GET $378 FOR DAMAGES

Judgment of $378.16 was awarded Colville Cartage Co. against H. G. Chapple and Arthur Birnie of Hamilton by Judge Jackson in county court to-day. Plaintiff's truck was struck by a car driven by Chapple on Burlington Beach Rd. last New Year's eve, $500 damages being claimed.

FEAR ASSASSINATION VARY DUCE'S ROUTE

Lends Credence to Story of Foreign Plot

Rome, March 12.—Despite repeated denials that 20 armed foreigners have been arrested in the past week on suspicion of plotting against the life of Premier Mussolini, revelation Il Duce's two-mile automobile route from home to office has been changed to-day gave definite indication that unusual precautions are being taken.

Government officials and police blamed "foreign trouble-makers" for the persistent reports of numerous arrests, but police did acknowledge that a traveller carrying a pistol was taken into custody recently.

Plainclothesmen now frequently halt both foreigners and Italians in the streets and demand their identification papers.

Meanwhile, Premier Mussolini's new route from his home to his office is lined each day with plainclothesmen.

SEES HITLER POLICY BRINGING WAR NEARER

Nazis Would Destroy Foes, Says Yudel Mark

Hitlerism remains and will remain a system of terror, of concentration camps, and of extermination all pacifists, liberals and independent thinkers, Yudel Mark, editor of the Daily Folksblatt in Kaunas, Lithuania, told The Star

the backs of two Jews who from Koenigsberg I saw branded deep into the declared the representative world Yiddish Scientific now a visitor in Toronto. too little attention is to the systematic Nazi at is going on in Europe. as effective a means to coming war, as is the armaments and war declared.

E CORNELL MISS HAYES

rch 12.—The top to-day agreed and declaration of brated actress, hat the only eld over the in the matter

a thing as y," said Miss she was and would tage. starring Wimpole e needs is good devote rely to st sig- bo has the on in

D City king oyed ship bon.

BRADSHAW PROPOSAL CALLED CONFISCATION

Sees Vancouver Owning Half Land Inside Three Years

Vancouver, March 12.—Mayor G. G. McGeer has delayed his request to council to have an arbitrary rate of three per cent. set for payment of interest on bonds, to give the British Columbia government a chance to make a statement on whether it would approve reduction.

Mayor McGeer declared if the provincial government refused to authorize reduction he will move at the council meeting March 18 that the council make an arbitrary reduction to three per cent. to apply March 31.

"This city had better go into bankruptcy and settle for what it can," the mayor declared.

"Real estate owners in Vancouver are rapidly approaching bankruptcy. A few years more under the present system will mean complete confiscation."

Urging the city to dispose of vacant land now on its hands through tax sale, Thomas Bradshaw, investigating the city finances, expressed faith that the city would "make money."

"Under the system you propose," the mayor replied, "50 per cent. of the property in Vancouver will be in the city's hands in the next three years. Your whole report is based on the assumption of restored values."

VANCOUVER HOSPITAL FIRES TWO OFFICIALS

Disclosure of $15,000 Shortage Leads to Dismissal

Vancouver, March 12.—Two officials of the Vancouver General hospital have been discharged after discovery of a shortage of approximately $15,000 in the institution's accounts, Honorary Treasurer J. H. McVety of the hospital board stated to-day.

Discrepancies in the accounts were found by the hospital auditors, Mr. McVety said. Both dismissed men were bonded for $10,000, he added.

OAKLAWN PARK RESULTS

FIRST RACE—Purse $500, claiming, 4-year-olds and up, colts and horses and geldings, Oaklawn course:
1. Justice B., 113 (Lowe), $10.50, $4.60, $3.20.
2. Beige, 113 (Sykes), $3.90, $2.80.
3. Onside, 107 (Tilden), $4.00.
Time—1.12 2-5.

SECOND RACE — Purse $400, claiming, 3-year-olds, Oaklawn course:
1. Lough Party, 107 (Trenchard), $50.90, $13.40, $6.80.
2. Chieftain, 112 (Ritz), $4.40, $3.80.
3. Saractus, 112 (Dillea)), $22.10.
Time, 1.14 2-5.
Fair Verbena, Mapan, Weelukie, Torch Lassie, Too Busy, xWild Iris, Rickety Jane and xArmy Game also ran. x—Field.

QUINTUPLETS BILL READ SECOND TIME PRICE IS FEARFUL

"Not Going to Have Them Shown With Sword Swallowers," Says Croll

NO MONEY IN IT

Informed by Hon. David Croll and Premier M. F. Hepburn that the Dionne guardianship legislation was to prevent the Callander quintuplets from being exhibited "between a sword-swallower and the bearded woman on a Chicago midway," the bill making the Dionne babies wards of the minister of welfare until they are 18 passed second reading in the Ontario legislature yesterday, in the face of objections from ex - Attorney-General W. H. Price that the parents were being deprived of their natural rights. He was not sure, he said, the bill wasn't too drastic.

The act would remove any doubt as to the legality of placing the quintuplets under the care of the attorney-general, Hon. Arthur W. Roebuck, explained Mr. Croll, warning that U.S. promoters were still seeking to exhibit the babes.

To William Duckworth (Cons., Toronto-Dovercourt) Mr. Croll said

(Continued on Page 23, Col. 8)

FAIR GROUNDS ENTRIES

First race—purse $40o, claiming, 4-year-olds and up, 1 1-16 miles:

Trotwood	111	Burnside	111
Prince Reno	114	xShowman	104
Solus	111	Drastic Lass	106
Quartermaster	114	On Trial	114
Lothario	111	Don Pablo	114
Bert Lahr	109	Lilac Bloom	106
Blind Hills	114	Ski	107

Second race—purse $400, claiming, 4-year-olds and up, 6 furlongs:

Transmit	110	Principio	115
Last Stand	115	xHamburger Jim	110
French Knight	110	Shoteur	110
Birthday Gift	115	Eleusagon	110
xPersuader	110	xWigrose	105
xPass Christian	110	xWhitharral	110
George	115		

Third race—purse $400, claiming, 3-year-olds and up, 6 furlongs:

Technocrat	116	Donna Lascari	111
Burgoo	116	Costlier	108
xMoring	106	xSatin Princess	106
xIrfaneh	106	Cabotin	116
Lunch Kit	111	Actuaris	116
False Piety	111	Ad Astra	103
xColorado	111	xPola's Flag	106
xEl Cajon	111	xGold Rose	106
Leo B.	108	Blithe	111

Fourth race—purse $400, claiming, 4-year-olds and up, fillies and mares, 1 mile:

xLady Rockledge	105	Polly Diskin	104
Anne L.	109	xPiguriste	105
Mary McCarthy	103	xBokie B.	107
Phara	112	Dusky Lass	112

Fifth race—purse $400, claiming, 3-year-olds and up, 1 mile:

Aga Sun	116	xAuthority	106
Tragzat	116	Polly's Folly	111
xHoratio Hugh	111	xLittle Bubbles	106
Patricia C.	106	Marcelet	111
Adelia A.	102	Temple Dancer	111
Only Foolin'	97	xAudge Urban	111
Bag o' Roses	111	David W.	116
xRedwick	102	xDon Tasker	111
Theron	116	xSlip Knot	101

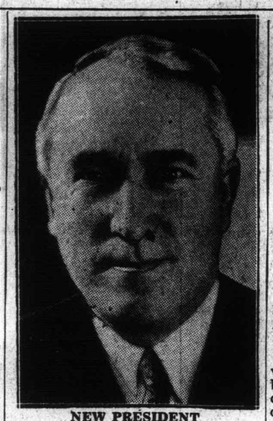
Sixth race—purse $500, allowances, 3-year-olds, 1 mile:

Golden Throne	109	Poet Prince	113
McCarthy	113	Clang	113
Our Mae	108	Dark Woman	104
Glittering	113	Princess Belle	104

Seventh race—purse $400, claiming, 4-year-olds and up, 1¼ miles:

xGordon Bleu	106	xLuke Connell	109
xEsostasy	106	xDonie	109
Jack Biener	114	On Leave	114
Brown Admiral	111	Pacheco	111
Muff	106	Bourbon Prince	114
Traumagne	111	xKing To-day	106
xWild Laurel	106	Bob Weidel	111
xLord Dean	109	xRedivivus	106

xApprentice allowance claimed.
Weather cloudy; track slow.



NEW PRESIDENT

Recently elected president of the Toronto West End Young Men's Christian Association, William R. Worthington has been a member of West End for many years.

LOOK TO SALESMAN TO SOLVE MYSTERY

Car Seems to Have Been Here When He Wasn't

"That is impossible," protested Murray Ross Raymond, when a charge of failing to stop at a through street was preferred against the Raymond Oil Co. in traffic court to-day. "You see, your worship, that car belongs to one of our salesmen and at that time he was in Montreal. I've got the hotel bill and have paid it."

"But the officer was right in the description of the car, wasn't he?" inquired Magistrate Tinker. "Yes," admitted Mr. Raymond.

"Well, then, I think you had better investigate the activities of your salesman," advised his worship. "Where is he?" "He's down Windsor way," was the answer. "You mean you think he is," corrected the magistrate.

"Well, he had better be or he'll be some place else next week," Mr. Raymond declared. His worship marked the charge "remanded for sentence."

CUBA ORDERS DEATH FOR ALL TERRORISTS

Havana, March 12.—The government of President Carlos Mendieta decreed death for its enemies who resort to violence in their efforts to overthrow the regime, but the revolutionary general strike continued to spread economic paralysis throughout the island.

A government decree ordering the death penalty for convicted terrorists was aimed specifically at saboteurs, bombers and any person attacking the republic's armed forces.

The newspaper Diario de la Marina placed the number of deaths resulting from the bombings and shootings of the last 24 hours at eight.

President Mendieta vigorously denied a statement made in Miami by former President Carlos Hevia that "about 200 persons" have been killed in Cuba since Saturday.

QUEBEC 'RACKET' LINKED WITH VICE SEEN IN ARRESTS

Court House Employee, Two Others Held—15 More Arrests Expected

NAMES WITHHELD

Montreal, March 12.—Quebec provincial police started a drive on bail bond "racketeers" in Montreal today with the arrest of two men, one of them a courthouse employee. About 15 more arrests are expected within the next few days, police said, in an effort to stamp out a ring of professional bondsmen that has functioned here for the past two years.

Police declared the bail bond racket took the form of improper and insufficient security for bail being put up by the bondsmen, who charged clients 10 per cent. of the amount of bail required. A number of charges of perjury will be lodged against those who have taken part in the racket and have stated themselves to be owners of real estate or insurance policies of value greater than was the case.

Names of the men arrested were not disclosed.

Threatens to Squeal

New York, March 12.—Bejewelled and mink-clad Polly Adler to-day occupied the spotlight of New York's vice-gambling-bail bond investigation as the clean-up drive went ahead unabated in spite of death threats to grand jurors and prosecutors.

The alleged "queen of vice" threatened to "blow the lid off" if she is not given a square deal. Her brown eyes snapping, she declared

(Continued on Page 23, Col. 8)

DENIES SHE SIGNED DIVORCE DEPOSITION

Tobacco Heir's First Wife Claims Separation Forced

Winston Salem, N.C., March 12.—Anne Cannon Reynolds, first wife of the late Z. Smith Reynolds, swore to-day she did not sign her name to a deposition on which her Reno divorce was based.

Anne Cannon Reynolds, Libby Holman Reynolds, second wife of the tobacco heir, and the R. J. Reynolds heirs seek disposition of Smith Reynolds' $25,000,000 estate.

"She did not want a divorce, but Smith Reynolds persuaded her to go to Reno," her attorney read. When he concluded, Libby Holman's counsel claimed it should have read: "She did not then want a divorce."

CONDEMN BEER LICENSE

Sault Ste. Marie, Ont., March 12.—Light beer licenses were condemned by the city council last night as "a cover for something else" as the legislation committee recommended no more 4.4 beer authorities be granted in the Sault.

GERMANY HAS ESTABLISHED REAL MILITARY AIR FORCE

Versailles Treaty Swept Aside as Goering Becomes "General of Fliers"

TO INFORM POWERS

Berlin, March 12.—The German public received its first official information to-day that the Reich's military air force is already in existence.

Wilhelm Goering, minister of aviation, announced he would head the air force as "general of fliers".

It also became known that Germany's Civilian "Air Sport" Association has been placed under the Reichswehr (regular army).

Military attaches of the powers signatory to the Versailles treaty, it was said, would be officially informed March 23.

In acknowledging Germany has an air fleet, Goering said:

"Our willingness to participate actively in safeguarding world peace—our promise to come to the aid of a threatened country without an air fleet—necessitated the creation of military aviation."

The aviation minister's reference was to Germany's agreement to support the defensive air pacts contemplated in the Anglo - French accord.

By the action of placing the Civilian "Air Sport" Association under direct control of the Reichswehr the treaty of Versailles was said on good authority to have been swept aside.

EPSOM DOWNS ENTRIES

First race—$600, claiming, 3-year-olds and up, 6 furlongs (chute):

Pharlera	106	Gold Sweep	106
Winning Woman	110	xForest Avenue	105
xMoresorie	110	Donna Louise	110
xClear Creek	112	xRaffles Problem	101
xNorthvale	110	Luck In	110
Hot Shot	112	xNyack	112
Moving On	106	Warble	112
Natalie Mae	101	xKingsport	112
Fairy Glen	101	Joel C.	106

Second race—$600, claiming, 3-year-olds and up, 6 furlongs (chute):

Uall	106	Leibchen	101
xWilliam C.	112	xSure Gamble	101
Grimace	112	xDeadeye Dick	101
xRose Hazen	105	xChubby Roan	112
xLamp Black	112	Bettie Joe	112
xNepesta	105	xChinese Custom	110
xBrilliant Queen	96	Dian	115
xRizla	107	xTraplou	110
xVerdant Son	112	Sister Mary	112

Third race—$700, claiming, 3-year-olds, 5½ furlongs:

xMarson	109	Dorothy B.	109
Donnie W.	108	Great Haste	109
xTracker	103	Earth Shaker	99
American Emblem	107	Teeter Totter	108
Prec. Betty	106		

Fourth race—$600, claiming, 3-year-olds and up, 5 furlongs:

Lorraine S.	113	Brown Hilda	103
xAnimate	108	xTiger John	103
Wiccee	107	Overshoes	118
Odd Blue	112	xForget Not	113
Flag Bearer	122	Radiator	106
xDominant Star	112	xInterruption	112
Rapid Prince	117	xBilk Flag	113
xRagtown Belle	105	xVicki	108
xPolly R.	108	xIrish Wake	121

Fifth race, $1,000, 3-year-olds, the Fort Sam Houston Handicap, 6 furlongs (chute):

Red John	100	aWise Ann	102
Pharatime	104	My Dandy	108
bBand Wagon	110	bCant Remember	107
Chinese Empress	103	aPrince Fox	116
Bissagos	97		

aW. C. Wiant entry. bMrs. A. M. Creech entry.

Sixth race, $700, claiming, 4-year-olds and up, 1 1-16 miles:

Senator Mike	108	Jodphur	108
xAl Nieman	111	Revonah	112
xIntegrity	107	Sad Knight	108

Seventh race, $600, claiming, 4-year-olds and up, 1 mile and a furlong:

White Legs	112	xPatch Eye	102
Crowned Head	109	xBelanger	100
Tiswild	109	xMonastic	98

Eighth race, $600, claiming, 3-year-olds and up, 1 mile:

Charlie H.	108	xLittle Honey	109
xLowell	109	xTranspose	109
xTruxton	114	Henry Dew	108
xHeart Balm	98	Watch In	103
xBrookside	109	xAm. Queen	109
Station Belle	103	xYancey	114
xWaltz King	103	Playful Martha	114

U.S. REVENUE AGENT VISITS 'CLIENTS' HERE

Will Advise Several Hundred on Income Tax Dues

H. E. Murray, United States internal revenue agent, arrived at the U.S. consulate here to-day and at once started interviewing people who have income tax dealings with the U.S.A.

In Toronto, he said, he generally averages several hundred interviews in four days, with Canadians forming almost half his visitors.

By the U.S. 1934 Act, taxable income can be reduced 10 per cent. of earned net income, and profits on sales need not be reported fully, the report being drawn up on a percentage basis. Exemptions are treated in the same way.

RACE ENTRIES

OAKLAWN PARK ENTRIES

First race, purse $400, claiming, fillies and mares, 4-year-olds and up, Oaklawn course:

Red Polly	110	xMysterious Nell	105
Nagatha	110	Lady Mary	110
Fair Duchess	110	Immune	110
xScrip Money	105	Princess Ivory	110
Game	110	xTwidgets	105
Marble Girl	110	Miss Sergeant	105

Second race, purse $400, claiming, 4-year-olds and up, Oaklawn course:

xGrestonian	107	Billie's Orphan	107
Princess Queen	107	Corida	112
Apronette	112	Last Bid	107
Dusky Dame	107	xAlamac	107
Locket	112	Singing River	107

Third race, purse $500, 3-year-olds and up, Oaklawn course:

Proprietor	108	xWise Eddie	113
Beckoned	104	Mature	115
xBlack Peter	110	xPayette Prince	107
Caleb	104	Flying May	110
xBlah	110	Mr. Boone	112
Just Inn	112		

Fourth race, purse $500, claiming, 4-year-olds and up, 1 mile and 70 yards:

Hammel	103	Erech	108
Paul T.	110	xAnson Bridge	103
xInferno Lad	103	xAmerican Pr.	105
xCampaigna	109		

Fifth race—Purse $500, claiming, 3-year-olds, mile and 70 yards:

xMad Bull	108	Imperial Bunty	105
Wild Daughter	102	Hospitality	104
xPrince Ballot	102	xSassenach	103
xOdessa Beau	105	xCivilian	102

Sixth race—Purse $500, claiming, 4-year-olds and up, mile and 70 yards:

Tappanauch	118	The Choctaw	112
Oswego Princess	110	Thistle Guy	108
Pop	108	xGibby's Choice	110
Bright Melody	106		

Seventh race—Purse $500, claiming, 4-year-olds and up, 1 1-16 miles:

Hamilton	110	xLine of Fire	105
Spartan Lad	105	xO'Neill	105
Pompothone	105	Moorish Amulet	105
xKissie	100	Royal Durbar	110
Black Flash	105	xHonest Susan	108
xMarabou	105	Northern Water	110

Eighth race (substitute) — Purse $400, claiming, 4-year-olds and up, Oaklawn course:

Shady Girl	110	All Play	110
All Toi	110	Ease In	110
xJessie F.	105	xFire Flash	105
Patsy H.	110	Double Date	110
xCredit System	105	xLady Dever	105
Bubbling O.	110	Allens	110

xApprentice allowance claimed.
Weather clear; track slow.

TROPICAL PARK ENTRIES

First race—Purse $700, claiming, 3-year-olds, 6 furlongs:

xGlistening	105	On Our Way	109
xTeddy Carl	115	xStarella 2nd	115
xThe Aenead	109	Secret Lover	109
aSeminole Queen	104	Chatusa	109
Kindred Spirit	114	Hermanita	109
xApple Fritter	104	Napanee Jack	109
xFootwork	110	xTempleton	111
Polly Rita	109	Chance Favor	109
xaBeda	99	Charmed Eyes	111

aColstream Stud and Mrs. Jack Howard entry.

Second race—Purse $700, claiming, 3-year-olds, mile:

Winged Flight	114	xMettle	110
xBroken Up	105	xNewell	112
xJeanne S.	104	Porter Call	110
xRare Ben	106		

Third race, $700, maiden 2-year-old colts and geldings, 4 furlongs:

Wayaloft	115	Top Tax	115
Sachem	115	Whipowill	119
aDnieper	115	Sibhing Bar	115
Wise King	115	Broadway Bill	115
Some Boy	115	Free Spirit	115
Boots Pal	115	Dark Thatch	115
Higher Cloud	115	Jack Snipe	115
Johnny Tight	115	aAboveboard	115
Marial	115	Skywarrior	115

a-Mrs. P. A. B. Widener and J. E. Widener entry.

Fourth race, $700, graded handicap class C, 3-year-olds and up, 6 furlongs:

Basquine	106	Happy Flag	109
Mae Skilling	100	Banish Fear	106
Erebus	116	Hank McTavish	112
My Purchase	114	Grandpas Boy	109

Fifth race, $800, graded handicap class B, 3-year-olds and up, 6 furlongs:

Toney Faster	108	Recovery	109
Technique	108	Cathop	110
West Main	114	Purple Knight	106
Tearout	108	Quickly	117

Sixth race—Purse $700, claiming, 4-year-olds and up, one mile and a sixteenth:

xImpel	107	xTight Wad	110
Nawab	112	Standout	115
Cabochon	112	xWilco	107
Flag Wave	107	Kibitzer	112
xChaumont	107		

Seventh race—Purse $700, claiming, 4-year-olds and up, one mile and a sixteenth:

Calgary Kay	112	xSound Money	105
War Tide	112	High Socks	112
xTrue Sentiment	107	Peach Bud	107
Tom Jack Jr.	112	Grand Acre	107
Noble Spirit	110		

x—Apprentice allowance claimed.
Weather clear, track fast.

CANCER SUFFERERS HELP ALONG FUND

Dean Says Over 10,000 Will Die This Year

Ottawa, March 12.—Contributions from sufferers to-day were noted among cheques reaching the Countess of Bessborough for the King George V. Silver Jubilee Cancer Fund.

Her excellency acknowledged a contribution from a calgary man who said he had undergone five operations and that his wife had died from the disease, while a 15-year-old girl wrote that inauguration of the fund had led her to hope she might be cured.

Dr. W. S. Lindsay, Saskatchewan University medical dean, wrote that a campaign started in 1930 might have saved 50 per cent. of the 10,000 or more who will die this year.

120764

IDEA BEHIND HYDRO BLAST RUIN OF FOES, SAYS PRICE

Challenges Ontario Gov't to Go Ahead With Reforms on Strength of Majority

CALLS FOR INQUIRY

"They would like to wreck it, tear it down, trample it in the dirt and turn it over to private interests, and all for the political opportunity of damning their political opponents," charged Col. W. H. Price, ex-attorney general of Ontario, attacking Hon. A. W. Roebuck for his speech to the legislature on Hydro and its affairs. Addressing Davenport Riding Liberal-Conservative Association in Sovereign Hall last night, Col. Price called for an investigation of Hydro by a committee of the House "if there is anything wrong."

"We can drive a few carts through the speech here and there," Col. Price continued. "Mr. Roebuck did not produce a very important letter of Dec. 10, 1924, in which Sir Adam Beck and the commission offered $15 per horsepower to the Hull Electric Co. Mr. Roebuck contended $15 was too much to pay for power and that this policy was inaugurated after Sir Adam's death.

"When Mr. Roebuck says he is going to cancel contracts because the B.N.A. Act does not give this power to a company, he is treading on dangerous ground. It has already affected thousands in their holding in this country, not only these bonds, but Ontario bonds.

Careful, he Warns

"I say to the government, 'Be careful'," warned Col. Price. "'You have financing up to $100,000,000 to do this year. I think you made a mistake in not getting long term bonds instead of short term financing. It is most important for our province to have cheap money. If we are going to create a doubt in the mind of people that when they buy a bond, our province is not behind it, how are you going to carry on?'"

"It is a most serious situation," he emphasized, "that any man can get up in the House and practically put the hand of doubt on everybody who has had anything to do with the proposition

"If there is anything wrong," he demanded, "bring it before a committee of the House, get the facts and let us know where the thing stands, but don't make charges and reflections.

Calls It Circus

"This government at Queen's Park doesn't seem to have found out yet they have fought the election and won it," Col. Price declared. "They want to fight it all over again . . .

"We are only 17 in a House of 90," he pointed out. "I say: 'Bring forward some of your legislation, old age pensions and unemployment insurance. Stop this monkey-shining.'"

After producing a copy of a letter in which he read that the commission offered $15 per horsepower to C. Gordon Gale, vice-president and general manager of the Hull Electric Co., dated Dec. 10, 1924, and written while Sir Adam Beck was chairman of the commission, Col. Price said this offer was refused.

"There had been negotiations, the C.P.R. and other interests demanding $18 per horsepower," he continued, "and Sir Adam said he would use steam power rather than submit. That letter, after a meeting Dec. 3, 1924, was a final decision. When the offer was refused, there seemed to be an impasse.

Sets Cost at Millions

"Sir Adam was not going to tell them down in Quebec he didn't have anything to rely on, so he started on steam power. Steam power might have been a good thing for Toronto because of the by-products you could work in, but it would have taken millions.

"For months prior to the Gatineau contract, in May, 1929, the reports of the engineers were that additional power had to be secured," he went on. "Hydro proceeded to get estimates of the cost per horsepower of steam power. It was obvious it was only intended to be an auxiliary because the first 100,000 h.p. would cost $21.75 per h.p. and was only of 7 per cent. load factor, while the second 100,000 h.p. of an 18 per cent. load factor would cost $27.20 per h.p. and the third 100,000 h.p. at a 32 per cent. load factor would cost $33.70 per h.p." Finally the $15 offer was accepted and enabled Hydro to carry on the policy of Sir Adam Beck.

Explains Chats Falls

"Ontario could not develop at Chats Falls alone, as her rights only went to the centre of the river," he commented. "Mr. Roebuck says that Ontario develops power for 7.20 per h.p., while that on the Quebec side costs $15 per h.p. One must remember that private interests cannot construct and operate as cheap a basis as the Ontario Hydro-Electric Commission."

He pointed out it cost the Quebec interests $3,000,000 for their power rights, with the Quebec company paying 5½ per cent. on its issue of 0,000 in comparison with 4½ on $7,000,000. Private s sold their bonds at 90 ydro was getting 100, he "The $15 figure was not out any profit were to be had ompany," he remarked.

g that "it was all right after the event," Col. that owing to construc- eing cut from $18,000,000 , the Chats Falls Com- aking more than it uld make.

conomic Council

establishment of an il in Canada, J. R. said the time was could be treated

and hours have the conflict be- vers of the prov- inion," Mr. Mc- od will see that ered to health ds needs him before," he

LAND

alldog is

large show Ken- alldog, from owned was show. d by ophy Mrs. took her nto, ane

HOPES HOTELKEEPERS WILL CONTROL LIQUOR

Won't Let Drys Frame You, Says M.P.P.

Expressing the hope the administration and control of liquor in Toronto will eventually be in the hands of the hotelkeepers, Rev. F. C. Ward-Whate, priest-vicar of St. Alban's cathedral, addressed the first annual banquet of the Association of Toronto Hotel Proprietors at the Carls-Rite hotel last night.

That the present legislation was drawn up for the benefit of the middle class, was the contention of R. H. Greer, K.C., who urged hotelkeepers to forget their "inferiority complex."

"There may be rows — anyone can go into your place and start a row," declared Robert Allen, M.P.P., who also spoke. "But these drys are not going to start to frame you while I am in power."

ASK CANADA ABANDON EMPIRE ADVANTAGES

U.S. Lumbermen Endorse Reciprocity If Given Trade Opening

Washington, March 12.—Approval of the principles of the reciprocal trade and tariff agreements by the lumber industry was contained in a brief filed to-day with the federal tariff commission by Dr. Wilson Compton, general manager of the National Lumber Manufacturers' Association, and spokesman for the industry. Such an agreement, he said, "will substantially increase trade and improve trade relations between the United States and Canada."

The industry proposed that the Canadian duties on U.S. lumber of a kind produced in both countries be no greater than the United States duties on the Dominion product.

Dr. Compton urged the government to "seek the co-operation of the government of the Dominion of Canada in securing promptly the abandonment, in the lumber markets of the British empire, of discrimination in favor of Canadian lumber, in tariffs, quotas, or in other forms, so that lumber exported from the United States and lumber exported from Canada into the world markets may compete on equal terms and without discrimination."

BACKS HEPBURN DRIVE TO CLEAN UP HYDRO

Reeve Charges Port Colborne Unfairly Treated in Past

Special to The Star

Port Colborne, March 12.—Culminating an attack on Hydro and its administration in Port Colborne, Reeve C. E. Steele, after many year's effort, succeeded last night in securing a majority in council calling for an independent audit of Hydro books. He assailed Mayor W. H. Smith as defying council when it was reported the mayor had signed the January Hydro bill for $1,395 after it had been turned back by the finance committee of which Reeve Steele is chairman.

Reeve Steele traced back a dozen years to contend Port Colborne had been unfairly treated by Hydro. He added that although he was of different political thought than Premier Hepburn, he was solid behind him in what he and his government was doing "to clean up the Hydro mess." Mayor Smith stated the reeve had always held a venomous animosity toward Hydro, and with Councillors R. Harcourt and J. R. Tuck opposed the independent audit.

ONCE POOR PEASANT DIES WORLD-FAMED

New York, March 12. — Prof. Michael I. Pupin, 76, one-time Hungarian peasant boy who revolutionized modern electrical transmission and research, died here to-day after an illness of several months.

His inventions changed the picture in telephony, wireless telegraphy and X-ray.

He came to the United States at 16, penniless, and for several years was a farm hand. Then he worked his way through Columbia College, from which he was graduated as president of his class in 1883.

ISN'T IT THE TRUTH?

But of course it isn't our duty to love a poor heathen if he is close enough for us to smell him.

Respect for law ends when you begin making laws to regulate people who don't need it.

It isn't poverty that proves him "lower class." It is getting the swell-head and being impudent if he isn't held down.

We always consider our possessions superior to the other fellow's. This is especially true of our bad habits.

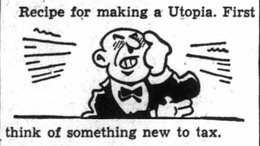
You can tell a fellow who is going to climb. He neither fears nor hates those who are already up.

A radical is anybody whose ideas sound silly except when you are broke.

The last and best one will be the T.L.P.P.P.—Taxpayers' League to Prevent Pocket Picking.

Robin Hood invented the modern idea. His boys ganged up to take what they couldn't earn.

Recipe for making a Utopia. First think of something new to tax.



But when the show-down comes, the majority will favor free competition; get what you can; let the best man win.

Correct this sentence: "The bride walked through the lobby," said the clerk, "and not a woman stared."

(Copyright, 1935)

RACEHORSE BREEDER C. N. ROBSON IS DEAD

Was President of Oshawa Leather Firm, Active in Civic Life

Special to The Star

Oshawa, March 12.—Charles N Robson, president of the Robson Leather Co. and widely known as a racehorse owner and breeder, died to-day in Oshawa General hospital, where he had been for the past two weeks, following an operation. He was 62 years of age.

On entering the firm headed by his father, the late James Robson, he worked up from the bottom. The fact the tannery here was one of the few to show progress during the depression was attributed to his business ability.

Mr. Robson is survived by his widow and two sons, Charles and Edward.

Deceased was a member of the board of directors of the Oshawa hospital, and a member of the parks board. His thoroughbreds were known on many race tracks in Canada and the United States. Last fall he was elected to the board of directors of the Ontario Jockey Club.

He was a member of St. George's Anglican church and Rev. David Rose will conduct the funeral services Thursday afternoon.

MISSIONARIES AIDED BY PRAYERS AT HOME

Venerable Dr. Goforth and His Wife Tell of Labors in Manchuria

An audience that packed Knox church last night heard Rev. Jonathan Goforth, D.D., veteran Presbyterian missionary, give stirring testimony to the power of the gospel and to the inspiration that the prayers of those at home give to workers in the foreign field.

With almost sightless eyes, Dr. Goforth and his wife told of their work in the Manchurian field which they had carried on for nearly half a century, from the time that, as students, they had met at a prayer meeting in Toronto and had decided to get married. Now they plan to serve their church at home.

"Communism in China will be stamped out, for God cannot allow it to interfere with His work," Dr. Goforth said, in correcting certain misconceptions of his statements regarding Communism in China he had made since his return. "If it were not stamped out in Canada, there would soon be no church," he declared.

Rev. E. H. Johnson, minister of Long Branch church, was introduced as the volunteer who is to succeed Dr. Goforth in Manchuria.

REPORT 154 CASES OF MEASLES IN DAY

More cases of measles were reported to the department of public health yesterday than on any single day since last December, The Star learned to-day. Yesterday's total was 262. To-day's first mail contained 154 new cases, making 1,618 for the month and a grand total of 5,577 since Jan. 1.

Dr. L. A. Pequegnat, deputy M.O.H., to-day asked The Star to correct the impression that parents desirous of protection for their children had only to telephone the department and one of its officials would give the service.

"The fact is that the family doctor is the one who should be approached," he declared.

DENIES JUMPING CLAIM

Defendant in Libel Suit Declares Action Legal

John Jones, prospector, being sued for slander by E. G. Black, solicitor, before Judge Lee in county court, was asked to-day by Murray Herman, plaintiff's counsel, if he was a "claim jumper".

The question followed a statement by Jones that he had staked a certain mining claim in the north in the small hours of the morning. He denied that he had "jumped" the claim.

Black, an official of the Sun-Ray Gold Syndicate in which Jones is a unit holder, originally claimed $25,000 damages for slanderous statements allegedly made by Jones. The claim was reduced to $500 at the opening of the case to bring it within the jurisdiction of the court. Jones in the witness stand denied slandering Black.

TO DIRECT CAMPAIGN

Lawson Names Webb, Turnbull and Ward in West

Ottawa, March 12.—Official appointment of campaign directors for the Conservative party in the three prairie provinces was announced to-day by J. Earl Lawson, chief Conservative organizer, who has just returned from a survey of the west.

Col. Ralph Webb, former mayor of Winnipeg, was named for Manitoba, with headquarters at Winnipeg; Frank W. Turnbull, M.P., Regina, for Saskatchewan, with offices in Regina and Saskatchewan, and Reuben W. Ward, bakery executive, for Alberta, with offices at Calgary and Edmonton.

CRASH DOOR FOR BEBE'S COAT

Boston, March 12.—Ben Lyon, screen actor, aided police to-day in battering down the door of a Roxbury home to effect arrest of a man alleged to have stolen the $2,500 fur coat of Bebe Daniels, his wife. Benjamin F. Tilley, 35, took the coat during a reception tendered Miss Daniels by officers of the National Guard Air Corps, police charge.

WOULD VETO EXPENDITURES

Smith's Falls, March 12.—After failure of council and board of education to agree on a proposed reduction of $1,000 in the latter's estimates, council passed a motion calling upon the premier of Ontario to appoint the mayor and two councillors in each municipality to veto "unnecessary expenditures".

SAINTS WIN BY 1 TO 0

Glasgow, March 12.—St. Mirren, waging a great fight against relegation, defeated Airdrieonians 1-0 in a Scottish League first division soccer fixture to-day. The Saints are now in 19th position, with Ayr United on the last rung in the league ladder.

LABOR SCORES 48-HOUR WEEK SHOULD BE MUCH LESS, IS PLEA

Adjustment Period of Three Months Scoffed at by Council President

"MIGHT BE 3 YEARS"

The action of the House of Commons in allowing Canadian industry a period of three months in which to adjust staffs before the federal 8-hour day and 48-hour week legislation becomes effective, is just giving firms another three months to sleep, said E. E. Woollon, president of the Toronto District Labor council, to-day. "After sleeping for eighteen years, they wake up, and now come along and ask for a respite of three months which might easily become three years," he said.

"When we consider that Canada is eighteen years behind the European countries in putting the 8-hour day into effect, you can't expect very much now," said Mr. Woollon. The 8-hour day is no remedy for the present economic crisis. Organized labor is not opposed to a 48-hour week, but we do consider that we are much more advanced than that. Most of our industries are working 35 and 40 hours a week, and we can hardly endorse this 48-hour week."

"We are agreeable to giving the employers three months to adjust the situation," said W. J. Douglas, secretary of the National Labor Council. "However," he continued, "we do not think the 48-hour week will help things. We sent our delegates to Ottawa to advocate 30-hour week, which we have always asked for. The penalty for infractions of the law should be made very severe."

Calls Measure Obsolete

"The time has come when we should be considering a 25 or 30-hour week, not a 48-hour week," said Alex Lyons of the National Labor council. "This measure is obsolete before it even goes into effect. It won't solve any problems facing us to-day, and it is only tinkering with the situation. It certainly won't put any men back to work."

"Anything looking to a shorter work day is welcomed by the labor people," Mr. Kelly said. "While we are glad to see the industrialists making overtures, we are looking to a 40-hour week. We have always advocated it, and to my mind the government is like a tortoise."

Bakers Will Need More Men

"We will be glad to do anything that will help the people," said Victor Loftus, general manager of the Canada Bread Co., "and there is no doubt that with an 8-hour day more men will have to be employed in bakeries and in the distribution of bread. There is already a minimum of 56 hours in the bake shops, but if the law says there must be a 48-hour week, we will follow it."

"The 8-hour day might give employment in a few cases but it is not going to seriously effect the situation as it exists to-day," said E. W. Sinfield, president of the Toronto Building Trades Council. The government is considerably behind the times. In view of the number of unemployed, we have been pressing for a 6-hour day."

"We feel that the eight hour day is an advance, but we can't see that it is anywhere near sufficient," said Frank Smith, secretary of the Photo - Engravers' International Union. "In this industry we are only working a maximum of 44 hours a week, and this legislation would not benefit us. We believe that the only solution, at the present time, is a 37½ hour week, which we are endeavoring to get, and that the ultimate result would have to be a 30 hour week before it would have any effect on the unemployment situation."

STOMACH MISPLACED BUT GIRL CHEERFUL

Gleeful When She Sees Picture in Paper

Special to The Star

Belleville, March 12. — "Gee, I think these pictures are swell," exclaimed little 11-year-old Florence Babcock to The Star to-day. "See, Miss Bertram, your picture is in The Star, too," smiled the forty-pound girl, who keeps her chin up even though her stomach is topsy-turvy. She is awaiting an operation.

"I'll be glad to get home with mother and dad and my twin sisters. They're twins and four years younger than me, but they're twice as big. Say, next time you come, bring some 'funnies' will you?" asked Florence, who would rather read the "funnies" than see her own picture in the paper.

TOWN CAN'T PAY WAGES

Municipal Board Refuses to Countenance Dundas Plan

Dundas, March 12.—School teachers and other town employees here have not been paid for February, and the municipal board to-day warned council it wouldn't countenance a plan to pay 75 per cent. of wages, and give employees an assurance that the remainder would be paid when tax arrears came in. Council will hold a special meeting to-night. The town is seeking a bank loan, but the municipal board has thus far refused to place its approval upon the present financial situation.

TRAINING FOR LIVING IS ADVISED BY WILE

"Can't All Be Leaders," He Tells Committee

Dr. Ira S. Wile, of New York, lecturing to the Canadian National Committee for Mental Hygiene at Convocation hall yesterday under the auspices of the University Extension Department of U. of T., suggested that "education for living" should be substituted for "education for leadership."

"We can't all be leaders. It takes as much education to be an intelligent follower as to be an intelligent leader," he declared. "Some of the failures I know are encyclopedic in knowledge." All you've got to do to have a special education is to have something wrong with you," he said.

'HOBO CADDY' FACES DEPORTATION BY U.S.

Hamilton Youth Brought Back From Florida

Special to The Star

Niagara Falls, N.Y., March 12.—Arthur James Tierney, 21, professional golfer of Hamilton, known in the sports world as "the hobo caddy," faces a prison term here for illegal entry into the United States. Arrested by immigration officials recently in Miami Beach, where he had gone for the winter golf season, Tierney was brought here to-day for prosecution on the illegal entry charge. His deportation to Canada has already been ordered. Tierney is a native of Wales. Federal men said he had been deported from the United States in 1933, but returned last December by making false statements to immigration inspectors. The law provides one year in prison for illegal entry.

SACRED CONVICTIONS URGED TO END ILLS

"Changed" Gov't Needed, Says Oxford Group Leader

"The need of Canada is to discover her soul as a nation," Roy Foote Purdy, international Oxford Group leader, told the business men's noon day Bible club at the Oak Room of the Union station to-day.

"Our instant need is for men and women who will identify themselves with a strategy that will win and will carry into force their sacred convictions, for it is by strategy that the present crisis will be solved, a revolution by a quiet army," he said. "It does not mean a change of government, but a changed government."

TORONTO COLLECTOR ACQUIRES OLD MASTER

Believed to be a genuine old master, the work of the Dutch painter Hobbema, an interesting canvas has just been discovered and purchased in Wauposes Prince Edward county, by L. E. Plimmer, art collector, of Roxborough St. W. The picture has been in the family of Dr. Ernest Rein, of Munich, horticulturist, and now settled in Wauposes, for the past hundred years, and documents in his possession show that prior to its acquisition by his forebears it was exhibited as an example of Hobbema's work in the famous Pinakotheck gallery of Germany. Measuring some 5 ft. by 3 ft., the canvas is a typical Hobbema landscape with great masses of trees, sunlit open spaces and a luminous sky and distance. In the foreground there are figures of bandits holding up and robbing a convoy of merchants' wagons.

HOLD FUNERAL WEDNESDAY

Joseph Humphrey, Civic Employee, Veteran of Two Wars

The funeral of the late Joseph Humphrey, city waterworks department employee for over years, who died Sunday after only a week's illness, will be held tomorrow afternoon from McDougall and Brown's funeral parlors, Danforth Ave., to St. John's cemetery, Norway. Born in Toronto, he was in his 64th year and a veteran of both the South African and world wars. He had been stationed at the Toronto Island pumping house.

Besides his widow, he is survived by a son, Clifford, and a daughter, Bernice, as well as three brothers, Fred, Robert and Amos, and a sister, Martha.

TRUE BILLS AGAINST FIVE

St. Catharines, March 12.—True bills were returned this morning by the supreme court grand jury in all criminal cases scheduled for hearing at the spring assizes, Harold Nolan and John A. Wilson, Toronto, face six charges of fraud. Harold C. Smith, taxi driver, is charged with manslaughter as the result of an automobile accident. Nick Turner, Smithville farmer, is charged with attempted murder of William Tremblay, Smithville bailiff, and wounding Kenneth Vaughn, companion of Tremblay. Russell Graves is accused of a statutory offence.

Annette Is First To Cut Tooth Others Coming Soon, Dafoe Thinks

Callander, March 12. — Annette made herself the most talked of the famous quintuplets to-day by producing the first tooth. It broke through the lower front gum overnight to show when the nurses made their daily inspection early to-day. The babes were nine months, 12 days old to-day.

"The others will come any time now," said Dr. Allan Roy Dafoe jubilantly, as he talked enthusiastically about Annette's achievement. "It is probable Marie will be a little tardy due to her comparatively poor start in life."

There was much excitement at the hospital as nurses chatted over the "big event." The arrival of the first tooth has been awaited daily since the infants were six months old. There have been slight signs of teething in the mouths of all the babes for about six weeks, but no teeth pierced the gums until to-day. The little ones continue to bite on anything they can get near, including the sides of their tiny beds. They show particular favor to their own toes as objects on which to bite.

Annette's effort in producing the tooth did not seem to worry her any and she was as happy as any of her sisters. She added two ounces in weight from yesterday, and the others also celebrated by registering increases. Baby Annette has one other distinction; she is the tallest of the quintuplets by one-quarter of an inch.

Oliva Dionne visited the hospital all smiles and after looking at Annette's new possession inspected the tiny mouths of the other four and speculated as to how soon they would follow her lead. Mr. Dionne was apparently very proud of their progress.

Weighs and changes from yesterday:

	Lbs.	Ozs.	Change in ozs.
Yvonne	15	15	2½ gain
Cecile	15	13	1¼ gain
Annette	15	11	2 gain
Emilie	14	4	1¾ gain
Marie	13	7	½ gain
Totals	75	2	8

Net gain eight ounces.

FUGITIVE REBEL CHIEF SEEKS ITALIAN HAVEN

(Continued from Second Front)

fled by motor car, railway and afoot to Bulgaria and Turkey.

Lieut.-Gen. Papoulas, said to be the leader of all the Venizelist fighting forces on land and sea, was arrested in a house on the outskirts of Athens with his staff. The governor of Thrace reported the rebels' second in command, M. Panayotopoulos, had committed suicide.

The government claimed repossession of the Aegean islands of Mytilene, Samos and Chios, seized by the rebel warships in the early days of the revolt.

With Venizelos, the government announced, were his wife and 100 rebel naval officers.

It was understood that the Averoff was ready to Greece to surrender. Bombing aeroplanes were sent out to meet the Averoff despite its apparent intention to hoist the white flag.

A wireless message to the government from the rebel destroyer Psara announced to the government that the rebel navy, abandoning its "seat of government," had left Canea harbor, Crete, and taken to sea.

Courts-martial began functioning, and scores of death sentences were expected to be imposed upon leaders of the several thousand rebels captured in the debacle in Macedonia.

Gen. Demetrios Kamenos, rebel generalissimo on land, was in Bulgaria, under orders to proceed to Sofia to-day for questioning, and the prospect of internment with hundreds of his officers somewhere in central Bulgaria—safe, at least, from extradition and trial as the Bulgarian government announced it would not hand them over.

Rebels Took $2,850,000

It was learned the rebels appropriated more than 300,000,000 drachmas ($2,850,000) from banks in the rebel areas, including 70,000,000 drachmas ($665,000) from the branch of the national bank at Drama. Half of the latter sum was covered by the government from the baggage of rebels in the town of Xanthin. The government will demand extradition of the fugitives for theft of this money.

Rebel Setback for Italy

Belgrade, March 12.—Collapse of the Greek rebellion to-day brought relief to Italian diplomats, who expressed the view that the Balkans had stood the test dendidly through an "acid test".

Unofficially it was considered because it was reported here that Italian influence had been at work in the revolt to place Venizelos in power and break up the Balkan entente.

MONTREAL IS SEEKING UNION UNDER MEIGHEN

(Continued from Second Front)

to get Mr. Meighen's reaction to the proposition, but there is no use paging him because the answer will probably be until to-night.

In ranks of the Liberal party there is not the faintest sign of a schism in response to the Montreal clamor.

"The next national government in Canada will be a Liberal government," was the chorus to-day on the fifth and sixth floors of the centre block, where Liberal members have their habitat.

Would Checkmate Liberals

The Montreal idea is not only to head off the Bennett reform program and Hon. H. H. Stevens, but to block the forward-looking wing of the Liberal party—a wing that threatens to become the whole bird.

The line-up for a coalition cabinet which appears to be viewed with favor would include Hon. L. A. Taschereau, Hon. Vincent Massey, Hon. C. A. Dunning, Hon. J. L. Ralston, Sir George Perley, Hon. C. H. Cahan, Hon. Hugh Guthrie, Hon. R. C. Matthews and Hon. E. N. Rhodes. Hon. T. A. Crerar is regarded as good timber and Montreal would like to see Hon. Ian Mackenzie included, if only to silence his uncorthodox tongue. There are even rumors that Mr. Stevens has been asked in, but probably no living Canadian will again see Mr. Stevens and Mr. Cahan in the same earthly cabinet, though they may have portfolios in some celestial ministry.

"Sound Money" Their Slogan

Probably a lot of the others St. James St. would like to see in are as unlikely as Mr. Stevens or Mr. Mackenzie to join. That in no way alters the Bourbon mind of the big interests. They have been running Canada so long they simply will not believe circumstances have encouraged, if not forced, a new situation and that the simplest way of driving a people to radicalism is to taunt them with a government composed of minions of the authors of their discontent.

"Sound money, sound interest rates, drastic reduction of the civil service and general belt-tightening among those who have been cutting new holes in their belts for five years" is the St. James St. reform program. In the background lurks the major issue of scuttling the Canadian National Railways, but that must not be loud-pedalled.

The "negotiations" here may be summarily disrupted if Mr. Bennett returns to his job in a couple of weeks. And he may not be too well pleased when he discovers what his erstwhile friends, some of whom insist they are continuing friends, have been busy at while he is fighting the most serious illness of his life.

Three-Month Rest Needed?

If Premier Bennett's heart condition is as serious as recent dispatches indicate, and if there is a blood clot upon it, Dr. John Hepburn, one of Toronto's foremost heart specialists, believes he will have to rest for at least the next three months and thinks any physical activity would be very dangerous.

"Care and complete rest are essential in such cases," he commented.

Doctors shook their heads when asked whether, if the premier's condition was as indicated, he could stand the strain of a federal election. Any such ordeal in the immediate future, in their opinion, would involve gave risk, provided a correct diagnosis of the premier's condition has been made public.

WOULD GIVE VIMY RIDGE PLOT

Paris, March 12.—The favorable report of the finance commission on the project providing for the ceding to Canada of a large plot of ground adjacent to the Canadian war memorial at Vimy Ridge was given to the Chambers of Deputies to-day, and its adoption was expected shortly.

UP TO 'ONTARIO POLITICIANS' TO ACT NOW, SAYS SWEEZEY

Hydro Still Paying for Power Delivered It, He Declares

EXPECTS MEETING

Special to The Star

Montreal, March 12.—"I presume that the Hydro commission or the Ontario government would notify the power companies of any step it proposed to take," said R. O. Sweezey to-day. "So far there has been no intimation although I believe the companies and the government will get together. But no formal meeting has yet been arranged to my knowledge.

"The companies are a bit reluctant to move in any direction as it is felt that it's up to the politicians in Ontario to make the first move. All the companies can do is wait to see what the Ontario government means to do.

"Personally I have heard nothing beyond what is in the papers; nothing about the intention of the provincial government or anything about forcing revision of the contracts by cancelling them.

"But any report that says payments under these contracts are being suspended meantime is incorrect. So far as I am aware Hydro is still paying for power that is being delivered by the Quebec companies."

COUGHLIN CRITICAL OF GENERAL JOHNSON

(Continued from Second Front)

"this pair of political termites," and "public political enemies No. 1 and 2."

Wants Others' Views

Johnson first expressed his willingness to lead a non-partisan, non-political "extermination" crusade, but later modified that statement to ask persons of like views to express themselves. Their response, he said, would determine his future course.

Father Coughlin's speech was militant, challenging. He minced no words. Often he addressed Johnson direct, referring to him in vocal inflections that conveyed a multitude of emotions ranging from loathing contempt to heartfelt pity, as "My Dear General".

"I am well appraised of the fact that your own vociferous volubility which you characterized last Monday night as 'howling' is but the opening gun in a well organized attack against me," he said. "I fear it not because I am protected by the moral support of the [illegible] babies and the 'rats' who [illegible] you [illegible] into the [illegible] of the National Union for Social Justice. There [illegible] I shall [illegible] bend my efforts to the [illegible] of handing [illegible] America [illegible] and of rescuing [illegible] country from the [illegible] internationalists."

Coughlin made an immediate denunciation of the money system and international bankers and bankers generally. He centred much attention on Baruch, who, he said, was the "master's voice" to which Johnson responded.

Uncrowned Prince

Baruch, he said, was "the acting president of the United States," the uncrowned "Prince of Wall Street," the man, he said, "who put this thought in your mouth (Johnson's assertion that Coughlin wished to make money out of nothing,") is nothing but a thief yelling 'Stop, thief!' Bear with me, general, as I refresh the memory of this audience on the nature of money and how it is manufactured out of nothing by your masters.

Regarding Johnson's claim that he had profited by the nationalization of silver, which Coughlin had advocated, the priest said the radio league of the Little Flower had profited to the extent of $12,000, he said. He himself had profited not at all.

Not a Judas

Continuing, he said:—

"To malign me you have more than insinuated that personally it was I who profited, and therefore that I am the modern Judas Iscariot who had betrayed Jesus Christ. I rejoice that never have I sold Jesus Christ nor did I ever betray the brothers of Jesus Christ. Can you (General Johnson) say as much?

"General Johnson, your enemies and, if I must say it, some of our fair weather friends, have heaped upon my desk the record of your personal life. I disdain to refer to it.

"My Dear Gen. Johnson, I am not important, nor are you. But the doctrines which I preach are important. While you are content to vomit your venom upon my person and against my character, the American public is fully cognizant that not once did you dare attack the truths which I teach. I need not condemn you before the court of public opinion You have condemned yourself."

Gives Lie Direct

Johnson gave Father Coughlin the lie direct. At his hotel headquarters he sat with several aides. They almost missed the speech for which they were assembled. Their radio failed as Father Coughlin came on the air but was tinkered into action five minutes later.

"Pious flubdub," said Johnson of Father Coughlin's words.

"Modified insanities," was his estimate of Long's share-our-wealth speech of last Thursday.

"I am more than ever convinced," he continued, "that this pair of male sirens rank as public political enemies Nos. 1 and 2. There's less national harm in 100 worst gunmen than there is in these two political racketeers."

"Any person who heard both our speeches," said Johnson in reply, "knows that he made not one single major conclusion that was not based on an absolute falsehood or distortion of what I said and I will make this clear. Not one single personal aspersion was made that did not rest equally on falsehood.

"A a cracker-downer," Johnson concluded, "Father Coughlin has me backed off the boards."

Washington dispatches to-day stated Senator Huey Long's comment on the Coughlin speech was: "A very masterful address, a masterly defence."

HIT BY STREET CAR, DEAD

Injuries sustained by J. Frank McKeown, 42, of Main St., at 2 a.m. yesterday when struck by a Carlton street car on Danforth Ave., near Gledhill Ave., resulted in his death to-day at Toronto East General hospital.

This makes the eighth death so far this year due to street accidents.

BABY FROZEN IN ARMS MOTHER IMPRISONED

Turned Out by Employer and Parents

Wiener-Neustadt, Austria, March 12. — Helene Maier, 35 - year - old unmarried housemaid, to-day began two months imprisonment because her baby froze to death in her arms while she trudged the streets seeking shelter.

Incensed by the birth of the infant, Helene's employers turned her out. Her parents refused to admit her. So, in the bitter cold, the woman was forced to walk several miles to her grandmother.

QUEBEC HOLDING SIX IN ALLEGED 'RACKET'

(Continued from Second Front)

she would make public the names in her "little black book" if she is made "the goat of this investigation."

Therein lies a great deal of uneasiness for many citizens because the little black book, according to District Attorney Dodge, contains "a million dollars in potential blackmail."

The book is a register of the visitors, many of them distinguished in widely varied walks of life, at the Adler woman's place. It was seized when Polly and two of her beauties were arrested there at the outset of the vice drive. It will be destroyed, Police Commissioner Valentine promised.

Although nine possible witnesses before the grand jury have been murdered since the investigation began, threats of a similar fate to two assistant district attorneys and two grand jurors failed to deter the drive.

"72 Hours to Live"

One warning was insolently telephoned to a detective in Assistant District Attorney Wahl's office late yesterday. A thick, guttural voice said: "You punk! You and Wahl have just 72 hours to live."

Opposition of a more serious sort was being heard in steadily increasing degree, however, from another source, the public itself. Opinions that "cleanups" of this kind are old-fashioned and futile were being heard together with demands to junk the whole present system of dealing with vice.

There was increasing sympathy for Magistrate Emma Kross' recommendation for a complete revision of the women's court setup so that [illegible] might be treated as a sociological instead of a criminal problem.

Have Three Indictments

Dodge admitted his principal aim is to get the racketeers who prey on the earnings of women.

"Little Augie" Pisano, former New York lieutenant for Al Capone, and Nick Montana, were named as two of the city's vice czars by one girl witness yesterday. It was learned the grand jury has returned three indictments so far for conspiracy and perjury.

DIONNE BILL MOVES ON GETS SECOND READING

(Continued from Second Front)

that the province did not seek to be reimbursed for any sums expended on the quintuplets. "We feel it is a whole-hearted contribution from the citizens of Ontario," he said.

"How is the estate to be made up?" Mr. Duckworth insisted. "How are the quintuplets to get money?"

Mr. Croll said that there was revenue from "movies, endorsing talcum powder and castor oil."

Mr. Duckworth still thought the state should be reimbursed for its expenditure on the quintuplets. "Oh, no," protested Liberals.

(Price Objects,

Col W. H. Price (Con., Toronto-Parkdale) pointed out that the case was most exceptional and hoped the circumstances justified the action of the government.

He well recalled the storm of protest which had followed his bill to confiscate the Millar estate, which was to go to the mother of the largest Toronto family borne in the ten years following the death of the late Charles Millar. "It was a competition—a marathon to see who could raise the most children," he charged. "I didn't like the look of it. I thought it was verging on indecency.

"But what happened? I was told the state was escheating the estate, when I had only intended it was to go to the University of Toronto," he said amid laughter.

"When I saw the Millars congregating, I knew the game was up. Millars came from all over. I never knew there were so many Millars. They all threatened suit," the former attorney-general said. "I was told I was interfering with contractual rights. I was called 'Price the Escheator'," he continued.

The Toronto Globe had sought to show that he wanted to seize the $500,000 to create a budget surplus, Mr. Price recalled, stating that pressure of public opinion brought his plan to nought.

"The marathon is still on," he added.

Takes Parents' Rights

His act to take over the Millar estate would have taken away something the likely winner never had, he pointed out. "But this act goes much farther. It takes away the rights of parents," he objected.

"You must protect the father and mother as well as the children," urged Mr. Price.

"You are cutting out contractual rights. There is no doubt greater justification in this case than in the Millar will but this bill should be carefully considered in committee. I am not too sure it is not too drastic."

"Extreme cases require extreme measures," replied Premier Hepburn.

"Had the attorney-general not stepped in when he did and prevented their being taken to Chicago, the Dionne quintuplets would have died. I have that on the word of Dr. Dafoe. I am glad we can break such contracts. I am glad we can prevent contracts not in the interest of the children. These so-called impresarios have no interest in the quintuplets but a mercenary one," the premier declared.

"If I were the father of these children I would welcome the passage of this bill," he continued.

"Our object is to have them brought up good, healthy Canadian girls—a family of which all of us will be proud."

120765

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

March 12/1935

Dear Senator Meighen:

Enclosed is the clipping which I mislaid yesterday; and another from today's noon Star is interesting.

Sincerely yours,

Robert A. Reid

P.S.: also the front page of today's Globe, which you may see before this reaches you.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120766

Latest Sports News Written by Sports Authorities

The Globe.

THE WEATHER
Probabilities: Fresh northwest and west winds; clearing, with somewhat lower temperature.
(For detailed weather report see Page 3.)
Sun rises at 6.38 a.m. and sets at 6.19 p.m.

VOL. XCII. NUMBER 26,587. *** TORONTO, TUESDAY, MARCH 12, 1935. Established 1844 18 PAGES

Terrorism Faces Greece as Revolt Collapses

Clot of Blood Found on Heart Of Premier

Condition Is More Serious Than Admitted Hitherto, It Is Said

FEW CAN SEE HIM

May Not Be Able to Stand Trip to London

(By WILLIAM MARCHINGTON.)
(Staff Correspondent of The Globe.)
(Copyright.)

(See also Page Two.)

Ottawa, March 11.

THE Prime Minister's condition is more serious than has been admitted in the bulletins from his bedside.

May Be Ill Long Time.

Members of the Cabinet stated tonight that the doctor's statements have been couched in language calculated to minimize the serious nature of the distinguished patient's illness. It was frankly admitted that "it will be a long time before the Leader of the Government is able to resume his place in the House."

The only member of the Cabinet who has been permitted to visit Mr. Bennett is Sir George Perley, the Acting Premier, and his visit to the statesman's bedside has been confined to one day, when he was allowed for a few minutes to chat with the Prime Minister.

Mrs. W. D. Herridge, Mr. Bennett's sister, has arrived from Washington, and will remain with him until he is better.

It was learned tonight that Dr. R. S. Stevens had found a clot of blood on the Prime Minister's heart. Questions concerning the reassuring word which Dr. John A. Oille, the Toronto heart specialist, gave when he was here last week, elicited the observation that Dr. Oille was with Mr. Bennett for "only an hour," and that the heart condition discovered by Dr. Stevens had developed since.

Desire for Return.

On both sides of the House, regardless of party, there is a sincere desire

CLOT OF BLOOD.
(Continued on Page 2, Column 6.)

Motion Condemns 34.5 Mill Rate

But Mayor Simpson Rules Beamish Out of Order

Mayor Simpson, as Chairman of the City Council, refused last night to permit discussion of a motion presented by Aldermen Beamish and Summerville condemning the 34.5-mill rate and asking Council to instruct the board to reconsider the rate for the purpose of reducing it to 33 mills, the rate of 1934.

"The tax rate must be the same as last year," declared Alderman Beamish. "There are items which can still be pared. The onus is upon the Mayor and Controllers to reduce the rate. Instead, it seems they intend to send it on to Council. When it comes to Council, if it does as 34.5 mills, I intend to move that certain cuts be made."

Alderman Beamish stated that, "in order not to humiliate this year's board, if the board can be humiliated, I am asking that the rate be reduced to last year's rate."

Alderman Frank Johnston rose to a point of order, and complained that nothing concerning the tax rate could be dealt with until estimates reached Council next Monday.

"I rule the motion is out of order until such time as the rate and estimates have been presented to Council," said the Mayor, barring all further discussion of the tax rate.

$75,000,000 HELD IN OPEN VAULT

Montreal, March 11 (CP).—A broken door in the vault of the Bank of Canada here gave bandits a fine opportunity for a rich haul over the week-end. When $75,000,000 in gold was transferred to the vault the door refused to close, despite cajolery, invective and perspiration. Mounted Police stood guard over the gold until the door was fixed several hours later.

Index to Inside Pages

Births, Marriages, Deaths—Page 12.
City News—Pages 11-12.
Editorial—Page 4.
Farm and Produce—Page 17.
Financial News—Pages 14-15.
Homemaker Department—Page 13.
Osgoode Hall News—Page 5.
Radio Programs—Page 9.
Serial Story—Page 10.
Sports News—Pages 6, 7, 9.
Steamship Arrivals—Page 3.
Suburban News—Page 10.
Voice of the People—Page 4.
Weather Forecasts—Page 3.
What Women Are Doing—Page 8.

Merger Group Thinks Bennett Ready to Quit

Latest Ottawa "National Government" Story Has Hon. Charles Dunning Mentioned for Leadership of a New Government to Make Canada Safe for "Big Interests"

WOULD "TAKE IN" STEVENS IF HE WOULD BE "TAKEN IN"

(By WILLIAM MARCHINGTON, Staff Correspondent of The Globe.)

Ottawa, March 11.

FORMATION of a National Government to grapple with the baffling problems which confront the Canadian people is again to the fore.

The architects of a Union Administration to save Canada for the big interests have their headquarters on St. James Street.

They profess to be alarmed about the railway question.

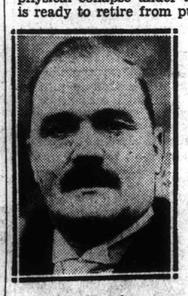
They are apprehensive about the Government's gamble in wheat.

They don't want reciprocity with the United States, and they have no use at all for reform of the capitalistic system.

Their chief solution for the nation's ills is railway amalgamation.

PREMIER READY TO RETIRE?

The National Government story bobbed up in new form today. The latest version was that the Prime Minister, suffering from a physical collapse under the tremendous burdens of the past five years, is ready to retire from public life if he can find honorable exit.



Mr. Dunning.

He is willing to relinquish the Government leadership in favor of a Liberal like Hon. Charles Dunning, so the story goes, and Charles Dunning is prepared to take on the job, with the assistance of Liberals like Premier Louis A. Taschereau of Quebec, Hon. J. L. Ralston of Nova Scotia, Hon. Vincent Massey from Ontario, and so on.

It will be seen from this line-up that the architects of the so-called National Government are out to save the big interests, and are not so much concerned with the common people and their problems as they are with the corporations and the plutocrats.

Of course, they would take in a radical like Hon. H. H. Stevens if they could get him, and "take in" is probably the correct phrase. They have approached Mr. Stevens half a dozen times, but he is too wise a bird to be caught with chaff of that kind.

LIBERALS WILL HAVE NONE OF IT.

Nor are the leaders on the Liberal side enamored of the idea of a National Government. Right Hon. Mackenzie King and Hon. Ernest Lapointe will have none of it, and they doubt if Dunning, Taschereau, and Massey would be available. Taschereau, it was pointed out, is coming to Ottawa next week to a banquet to be tendered by the Liberals to their Dominion Leader.

However, another veteran Liberal, who witnessed the formation of Union Government in 1917, and decided to stick with Laurier, sadly observed today: "You never can tell what they will do. Look what they did in 1917."

The higher command of the Conservative Party was interested in the gossip, but the view in quarters close to Mr. Bennett was that there would be a better chance after the election for a National Government if the C.C.F. carried 40 of the 245 seats in the House. Certainly they would not concede that there is any possibility of Mr. Bennett relinquishing the leadership of the party before the election, assuming that he recovers from his present illness.

"SABOTAGE" OF NATIONALS PLANNED.

So while it is admitted in both camps that the big interests are unceasing in their efforts to bring about a coalition Government to make Canada safe for big business, it is also pointed out that a National Government conceived on St. James Street would not have the slightest chance with the people, who suspect that the motive is railway amalgamation; in other words, "sabotage the Canadian National and hand it over to the C.P.R.

Censure Vote Defeated

British Commons Upholds White Paper

London, March 11 (CP).

BATTLING an Opposition motion of censure in a packed House of Commons tonight, the Government stuck to its defense of the White Paper which accompanied increased defense estimates.

Amendment Wins.

An amendment moved by Sir Austen Chamberlain was adopted 412-78, and carried as a substantive motion, defeating the Labor motion.

Sir Austen's amendment expressed faith in the League of Nations, but said arms limitation could not be obtained by unilateral disarmament.

Concluding debate for the Government, Sir John Simon, Foreign Secretary, stated with the full authority of the Government, that "our policy is based unalterably upon membership in the League of Nations.

"Far from reverting to the methods and outlook which prevailed before the consultative system was established, the vital purpose of the present negotiations is to secure conditions in which Germany might return to the League," he said. "We are convinced there is no security for the world compatible with the effective working of a real universal League of Nations."

In reply to a Labor charge that Britain was moving back "to the world anarchy of an armaments race," Right Hon. Stanley Baldwin, Acting Government Leader, said it "was better to be frank."

Convinced of Right.

"More than ever I am convinced that it was right," he said of the White Paper, whose issuance was followed by Berlin's postponement of the trip Sir John Simon, Foreign Secretary, was to have made to Berlin to talk security proposals with Hitler.

"Its terms were set out in regard to Germany in no spirit but a friendly spirit," Mr. Baldwin maintained, "and with that frankness which is the best prelude to friendly negotiations. Without frankness, you cannot get to the beginning, much less to the end."

Mr. Baldwin said the estimates

CENSURE VOTE.
(Continued on Page 3, Column 5.)

Collingwood Harbor Open for Shipping

(Special Despatch to The Globe.)

Collingwood, March 11.

AS FAR as ice conditions go, the outer harbor here is open for navigation. The icefield, which is not as extended as those of the past few years, notably last winter, moved out on Saturday afternoon, but to be sent further up the lake on Sunday. Mariners are now squaring away for another season, though few appointments have yet been officially announced. Owners are reported to be anticipating an early opening of shipping and an increased demand for tonnage. The first move of the ice in 1934 was on April 9.

APOSTLE OF REFORM

DR. J. WESLEY BREADY,
Whose book, "Lord Shaftesbury and Social-Industrial Progress," is credited with inspiring Prime Minister Bennett's espousal of the cause of reform in Canada. Dr. Bready has been sent to London by a group of Canadians to continue his studies of humanitarianism and the reform of the social and commercial structure.

Dionne Bill Being Aimed At Chisellers

Premier Declares Intention of Breaking "Those Contracts"

(See also Page Three.)

THEIR only thought is to make money, and our only concern is that those five babies shall be reared as normal, healthy girls. This bill is going through, and we're going to break those contracts."

Safeguard Children.

This was the firm declaration yesterday of Premier Mitchell F. Hepburn when the measure, calling for a permanent guardianship for the Dionne quintuplets, came up for second reading in the Ontario Legislature.

Concerning the "contracts" the Premier had reference to attempts to have the babies taken out of the country for exhibition purposes.

"One of those promoters," the Premier declared "was in my office and showed me a contract whereby he would receive 40 per cent. of the entire proceeds from exhibition of the babies. The Minister of Public Welfare is right when he says that those babies will not be sandwiched in between a sword-swallower and a bearded lady in some Chicago show."

Price Critical of Bill.

There appears to be doubt as to the advisibility of the bill in its present form by some members of the Opposition and this feling expression yesterday through Colonel W. H. Price (Conservative, Parkdale.)

"We must consider this bill very carefully for it is a most drastic piece of legislation," declared Mr. Price. "I am not sure that this is the proper bill, it may be too drastic."

The bill was given its second reading after its sponsor, Hon. David Croll, Minister of Public Welfare, explained its contents and declared that the measure was absolutely devoid of "political flavor." He complimented the previous Government for early aid to the quintuplets, and the present Attorney-General for his action which

DIONNE BILL.
(Continued on Page 2, Column 8.)

Toronto Drinking Is Called Shocking

Winnipeg, March 11 (CP).—Patronage of supposedly respectable people and high Federal taxes were blamed for a large part of liquor bootlegging in Winnipeg by Hon. W. J. Major, Attorney-General, in the Manitoba Legislature today. Bootlegging popped into the debate when estimates of the Attorney-General's Department were under consideration. J. T. Haig, K.C. (Conservative, Winnipeg), said conditions in the liquor trade in Toronto were "shocking," and he warned the Attorney-General not to introduce mixed drinking facilities in Manitoba.

Sixteen Rescued From Ice-Floe

Moscow, March 11 (CP-Havas).—Forty-four Russian fishermen tonight were drifting helplessly on an ice-floe in the Caspian Sea, after sixteen of their party had been taken off in a thrilling rescue by a Soviet aviator, who made a successful landing on the ice and took off sixteen, leaving food and supplies for those remaining. Authorities were confident the forty-four survivors would be taken off safely.

Foxes Grow Crafty

Outwitting Hunters

Weston, Eng., March 11 (AP).

THERE is a dark suspicion that the crafty foxes of Lancashire have "organized" and are having more fun than the huntsmen.

"It is extraordinary and embarrassing," said a member of the Middleton Hunt.

In the last meet the Middletonians chased a fox for eight miles until it ran into a hole under a tree. A fire was started to smoke it out. Another fox was sighted then, looking at them. The huntsmen answered the shout of "Tally-ho." While they chased fox No. 2, the first one grinned a challenge from the tree. Hesitation cost the hunters both foxes.

Insull Freed From Charge Of Embezzling

Is Second Accusation Arising Out of Middle West Failure

HE THANKS JURYMEN

Other Trials Still Pending—Brother Also Is Involved

Chicago, March 11 (AP).

A CRIMINAL COURT jury tonight acquitted Samuel Insull Sr. of a $66,000 embezzlement charge.

Is Second Victory.

It was the second victory the former utilities magnate has won against charges growing out of the collapse of his toppled light and power colossus.

The jury retired at 9.44 p.m. and returned its verdict clearing Insull after five ballots, and 2 hours and 16 minutes of deliberation.

Insull was charged with taking $66,000 of Middle West Utility Company funds to bolster a dwindling brokerage account of his brother Martin, then President of the company.

After the verdict was read, Insull walked to the jury box and said: "Gentlemen, I want to thank you."

A Federal Court jury had previously acquitted Insull of a mail fraud charge in connection with the collapse of his utility empire.

Tonight's verdict was the State's second setback — State embezzlement charges against Martin resulted in his acquittal several weeks ago.

Whether the Insull cases still pending, one against Samuel in Federal Court charging bankruptcy law violations, and one charging the brothers jointly in State courts with emblezzlement, will go to trial in the face of the latest defeat, was problematical.

Nothing Heard Yet From Power Envoys

STILL no direct communication," said Premier Hepburn last night, when asked if any request yet had been received from representatives of the Quebec power companies having contracts for the sale of electricity to the Hydro Commission.

"But," he added, "we expect a conference will take place this week, and that is as much as I care to say at present."

The Premier previously had intimated that the Government's policy with regard to "purchased but unused power" would be determined definitely this week.

Cut in Interest Will Be Urged, McGeer Repeats

But Vancouver Mayor Will Wait Action of Government

Vancouver, March 11 (CP).

IF THE British Columbia Government refuses to authorize the City of Vancouver to reduce the interest rate on its bonded indebtedness, Mayor G. G. McGeer announced today he will move at the City Council meeting, March 18, that the Council make an arbitrary reduction to 3 per cent. to apply on and after March 31.

The Mayor had proposed to submit this demand to the Council today, but he deferred action until the Government's stand is learned.

Interest Is Due.

On April 1 $142,269 in interest is due in London, Canada and the United States. If the Council approves the Mayor's proposal, this payment would be made only on the basis of 3 per cent.

Mayor McGeer recently estimated a general cut in interest rates to 3

CUT IN INTEREST.
(Continued on Page 2, Column 7.)

Industry Gets 3 Months

To Adjust Staffs for Eight-Hour Day

Gordon Tells Commons

Measure Given Second Reading After Just Three Minutes

Ottawa, March 11.

THE House took three minutes today to give second reading to the Eight-Hour-Day Bill, but ran into snags in committee stage after a three-and-a-half-hour discussion. It will be debated later in the week, when the Labor Minister has drafted two or three amendments.

Three Months' Leeway.

Canadian industry will have a period of three months in which to adjust staffs before the Federal 8-hour day and 48-hour week legislation becomes effective, Labor Minister Wesley Gordon announced tonight in the House of Commons. Although the act will become operative as soon as passed by Parliament, three months will elapse before penalties will be assessed for infractions.

Nine of the eleven clauses passed through committee stage, but those remaining were most important. The Labor Minister said he would redraft two clauses empowering the Government to exclude industries which would be impeded or penalized by the 8-hour day.

The Labor Minister turned down a suggestion from Liberal Leader Mackenzie King to use the three-month period to test validity of the legislation before the Supreme Court of Canada.

One Clause Stands.

At the request of Frank White (Conservative, London) a clause was allowed to stand in committee. It stipulated no person could employ a man or woman (in enumerated industrise) longer than eight hours a day. The Western Ontario member believed this should be redrafted because it would not prevent a man from working on a second job after completing eight hours on the first.

Fishing Industry.

Maritime and British Columbia members on both sides of the House urged the fishing industry be eliminated from the act. A. W. Neill (Independent, Comox-Alberni) and C. H. Dickie (Conservative, Nanaimo) said it was impossible to operate fish plants and canneries on an eight-hour day schedule. Hon. Peter Veniot, former Postmaster-General, suggested the fishing industry as a whole would be ruined if forced to observe an eight-hour day.

There weer clauses in the mbill, replied the Labor Minister, empowering the Government to exempt industries. Canneries, for instance, could be exempted because of their seasonal, intermittent work. His statement,

INDUSTRY.
(Continued on Page 2, Column 3.)

Woman Is Robbed By Mean Thieves

Chicago, March 11 (CP). — Two visitors at the Sheffield Avenue Police Station overheard Edward Markiewicz, who was held for disorderly conduct, complain that he couldn't get word to his wife to supply bond. They offered to help. Mrs. Markiewicz, several hours later, reported to the police that the two drove her to a dark alley and robbed her of the money for bond.

200 Massacred In Cuban Terror

Fugitive in Miami Tells of "Bodies Found Everywhere"

(See Also Page 11.)

Miami, Fla., March 11 (CP).—Carlos Hevia, who held the Presidency of Cuba for three troubled days in 1934, fled here by aeroplane today, and said: "About 200 persons have been massacred since Saturday morning."

The United States Navy Academy graduate who succeeded Dr. San Martin as provisional President in January, 1934, said: "Wildest confusion prevails over the Island."

"They are finding the bodies everywhere," he said, "and before I left Havana this afternoon I was told of the slaying of six or seven persons I knew.

"Men are being taken from their homes, presumably destined for prison, and their bodies are later found."

Hevia, who at 33 was the youngest man ever to hold the reins of Government in Cuba, said he came here because of threats against his life.

"There is no Government in Cuba," he declared. "Mendieta has not been in command for some time, nor has Batista (Colonel Fulgenico Batista, Commander of Cuba's army). I don't know who is telling them what to do."

Death Is Penalty Menacing Scores Of Rebel Officers

Generals Abandon Followers, Fleeing for Lives Across Border—Rebel Strongholds Fall to Loyal Troops—Mutinous Warship Surrenders—Venizelos Expected to Flee From Crete

INSURGENT ARMY IS IN RETREAT

Sofia, Bulgaria, March 11 (AP).

THE surrender of General Demetrius Kamanos, leader of the insurgents in Macedonia, together with eighteen other officers, including two colonels, was reported today by Bulgarian authorities at the border, near Okirdjalj.

Taken in Rear.

They are said to have crossed the border and placed themselves in the hands of Bulgarian authorities. Three other rebel officers surrendered at Nevrokop.

Among the Greeks crossing the border was the Governor of Thrace and another high civil official. The fugitive officers said the Government's vessels had succeeded in landing troops at Dede Agach, taking the rebels in the rear and making further resistance impossible.

One officer told of battles near Siderokastron and Seres, in which, he said, rebels of the Fourth Army Corps were overwhelmingly defeated.

The Fourth Army, they said, is now in general retreat. According to the fugitives, the majority of officers among the rebels are heading for refuge in Bulgaria.

Patrol Eluded

Sofia, March 11 (CP-Havas).—General Serait Kampnence, rebel commander, and his officers fled on foot through the snow to the Bulgarian border today, and escaped a Greek patrol by pretending to be Government officers, it was revealed here tonight.

Within two miles of safety, their automobiles bogged down in the deep snow and they had to continue on foot. Meeting a Greek Government patrol they represented themselves as a Government Commission sent to confer with the Bulgarian Government, and were allowed to pass unmolested.

Later the patrol became suspicious and arrested three officers who stayed in the automobile, one whom killed himself. The guards then dashed after the other officers who had reached Bulgarian soil, where they were halted by Bulgarian frontier guards.

Greek soldiers, the reports said, infuriated by the escape of the rebels, began preparations to fire at them across the frontier. At this moment the Bulgarian commander warned the Greeks his forces would immediately open fire if a single shot were fired.

The Greek soldiers withdrew.

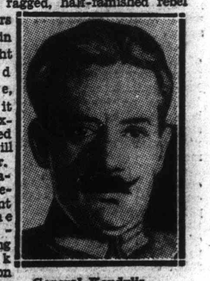
NAVAL CAMPAIGN YET MAY FOLLOW

Saloniki, Greece, March 11.

HOPELESSLY outnumbered by Government forces, General George Kamanos and eighteen rebel staff officers in command of the Macedonian campaign fled to Bulgaria today, and surrendered to military authorities of that country, bringing the revolution on the Greek mainland to an end after eleven days.

Rank and File Flee.

Kamanos surrendered at Petritian. Helpless and hopeless, several thousands of ragged, half-famished rebel soldiers are now in full flight toward Thrace, where it was expected they will surrender.



General Kondylis.

This dramatic denouement to the swift-moving Greek drama on land, came simultaneously with the surrender at sea of one of the rebels' principal battleships, the cruiser Helle, which is now en route to Salonika with a white flag flying from a mast under guard of Government aeroplanes.

What the aftermath of the revolution may be, even the Greeks themselves shrink from contemplating. Court-martial undoubtedly faces hundreds of rebel officers of the army and navy, and the firing squad is a possible penalty.

Former Premier Venizelos himself,

DEATH PENALTY.
(Continued on Page 2, Column 2.)

"RED" WARNINGS SHOCKING TO HOLDERS

(Special Despatch to The Globe.)

Goderich, March 11.

WHAT with scores of citizens holding red tickets in their hands, lined up at the registered-letter wicket at the Postoffice today, an amusing situation was created. Those in line laughed and nudged one another on the prospect of goods news—a remittance from a long-lost relative or notice that they had fallen heir to a goodly fortune.

But they stood in line and moved forward one by one, only to be disillusioned. Lower lips dropped as the red cards produced verification notices of tax arrears from the municipal auditors, who are now holding forth at the Town Hall. Every ratepayer shown in arrears on the books has already received one, or will receive one in the next few days.

Most of the ratepayers did not know what it was all about, and took off post-haste for the Municipal Building.

Prison Documents To Be Produced

But Certain "Reservations" Are Interjected by Guthrie

(By HARRY W. ANDERSON.)
(Editor of The Globe.)

Ottawa, March 11.—Patience—and persistence—have been rewarded. But with "reservations." The motion which Miss Agnes Macphail placed upon the House of Commons order paper on Feb. 22 last, and which has been "called" repeatedly, only to have the Government ask each time that it "stand," was finally passed at today's sitting.

The member for Southeast Grey secured an order of the House for "a copy of all papers, correspondence and reports of inspections made of the Kingston Penitentiary by Inspector Dawson, and interviews of Inspector Dawson with inmates of the same institution, between Feb. 1 and July 1, 1934."

There is, however, a string to it. Hon. Hugh Guthrie rose when the motion was put to interject: "But it will be subject to all proper reservations in regard to confidential documents and information in regard to prisons."

The Department of Justice evidently regards "reservations" as very necessary.

State Medicine Coming Nearer

"Practically Inevitable," Health Minister Tells Service Club

Ottawa, March 11 (CP).—The coming of State medicine was practically inevitable, Hon. D. M. Sutherland, Minister of Pensions and National Health, told a service club here today. State medicine had probably become more prominent today than heretofore because of the depression. Doctors had been put into the "bread-line in some cities during the depression," he said.

The Minister expressed the view that preventive medicine had not been taken advantage of because people could not afford it. Medical examinations every two years would be of great benefit to the population. He suggested that a study should be made by members of the club.

Shades of History

In Grecian Civil War Place Names

THE land associated with Hercules and Theseus, with the deeds of the Argonauts and Perseus and of the fair Helen of Troy; the City of Athens, home of the famous Acropolis and Parthenon, the city in which St. Paul preached his great sermon on Mars Hill, and the State of Macedonia, whither the Apostle travelled on his missionary journeys, are all in the zone of the Grecian Civil War fighting.

Thessalonica, Capital city of Macedonia, which received two letters addressed to the Church from St. Paul, is the modern Saloniki or Salonika, which has recently been bombed. Venizelos, former Prime Minister and now prime mover in the insurrection, is established in Crete, whither St. Paul journeyed on his way to Rome. Achaia and the Aegean Sea, famous in both Biblical and classical history, and Corinth, which inspired the Epistles to the Corinthians, are all in the scene of activities.

Amphipolis, Philippi and Neapolis are all close to the Struma River. The ghost of Caesar may once more haunt the combatants of Philippi, as the former scenes of peaceful preaching and thoughtful discussion become once more the arena of battle.

120757

Nazi Air Force Is Inaugurated, Defying Pact

Civil Planes Become Part of Germany's Regular Army

Berlin, March 11 (AP). GERMANY'S civilian "Air Sport" Association was placed under direct orders of the Reichswehr (regular army) Department today, thus becoming part of the Reich's defensive forces.

Treaty Ignored.

By this action the air clauses of the Treaty of Versailles were said on good authority to have been swept aside.

The change, effective as from today, became known in foreign official circles. Military attaches of signatory powers of the Treaty of Versailles, it was reported, will be called together on March 23 and informed of the change.

Germany is forbidden a military air defense corps under the treaty.

An official intimation was given in advance to British and Italian air attaches today that Germany now possesses such a defense.

Officials of the department of General Hermann Wilhelm Goering, Minister of Air, were represented in other quarters as believing the psychological moment has arrived for announcing the new development.

A non-German Government official said subsequent steps, as now planned, will be the naming of a complete corps of officials, the completion of a number of airfields throughout the Reich, the open training of aviators, whose previous drill has been sub rosa, and finally the purchase of whatever aeroplane parts Germany desires from foreign countries.

Airfields Planned.

One source said fourteen airfields are planned. This informant expressed the opinion that the changing of the civilian "Air Sports Association" was mostly one of names, since, to all intents, it is already a well-equipped and well-trained organization. Its members today adopted the Reichswehr salute, instead of the Nazi salute.

Estimates of the number of members of the Air League vary considerably, from a few hundred fliers to several hundred thousand. The latter figure includes untrained street collectors, boys who joined the Air League instead of another Nazi group which has no special qualifications, and ground men.

General Goering, it is believed, will continue to have complete but enlarged powers over the air plans of his pet office. His other Ministerial functions, which include the Premiership of Prussia, may be given over partially to others, to leave him freer for a fuller development of the air force.

League Debates Bolivian War

Argentina Pleads for Delay in Action Against Paraguay

Geneva, March 11 (CP-Havas).—An appeal for further delay in action by the League of Nations on the war between Paraguay and Bolivia, so that Paraguay might be induced to conciliate on new peace terms, was made by Argentina today.

The Argentine delegate confirmed previous reports that his country is acting with other American powers in efforts to halt the war and bring Paraguay back to the League. He suggested the committee hold in abeyance any drastic decisions, expressing hope that Paraguay could be brought to accept League arbitration if the original conciliation plans were modified.

The committee adjourned until tomorrow.

Teething Painful At Age of 75

Mrs. Sarah Berry, Hamilton, Cutting Third Set

Hamilton, March 11 (CP). — Mrs. Sarah Berry, 75, said today she is getting a third set of teeth. According to the aged woman, eight new teeth already are visible and apparently a complete new set is on the way. The new teeth became apparent a few days after Mrs. Berry's birthday in the latter part of December, she explained.

"Teething at the age of 75 is no fun," Mrs. Berry stated. "I have to leave my plates of artificial teeth out."

FILM STAR ARRESTED.

Yuma, Ariz., March 11 (AP).—Spencer Tracey, film star, and a companion, Hugh Tully, were arrested last night on charges of being "drunk and resisting an officer, cursing, and breaking up things in a hotel room," but were released after posting bond.

PAIN ACROSS KIDNEYS

IF you are miserable with backache, or getting up at night, bladder or kidney irregularities, you should heed the warning—it may be due to an over-abundance of uric acid in the system. Drink copiously of pure water and go to your nearest drug store and obtain Dr. Pierce's Anuric. Read what Mrs. Nellie Osborne of 366 Albert St., Stratford, Ont., says: "Cold settled in my kidneys and they became congested and sore. Dr. Pierce's Anuric Tablets drove the congestion from my kidneys and relieved me of the pain in my back. 'Anuric' is a stimulant diuretic."

Send 10c to Dr. Pierce's Laboratory, Fort Erie North, Ont., for a trial package.

Again the Vest Pocket

Also a Brief Case

And Printing Bureau Does Not Work Sunday

(By HARRY W. ANDERSON, Editor of The Globe.)

Ottawa, March 11.

THE Liberal Leader secured another "peek" at the memorandum in the vest pocket of the Secretary of State when the House of Commons went into supply on civil government estimates tonight. A vote for the Printing Bureau gave the opportunity, and Mr. King smilingly asked again how the printing of the voters' lists was proceeding.

Ready Again.

Mr. Cahan was ready, as usual. He fumbled in his vest pocket, delved into his brief case, looked in his desk, and from some one or the other produced a memo slip. "Up to today," he said, "some 4,447,199 names have been put in type out of a total of 5,807,577." "And," he added, "we are going ahead at the rate of 80,000 a day. If we have to work nights we can go to 110,000 a day."

"Admiral" William Duff had heard "shocking reports." He had been told that the Printing Department was working on the lists seven days a week. Mr. Duff, who is a militant Continuing Presbyterian, wanted to know all about it. "The Secretary of State," he said, "is a member of the kirk to which I belong, and, even if the election were delayed a week or two, I cannot imagine him countenancing working on the Sabbath."

No Sunday Work.

"The honorable gentleman and his right honorable Leader, Mr. King, are fellow-members of the Church to which I belong," replied Mr. Cahan, "and they may be assured that I shall see that due respect is given to the Sabbath. No work in the Printing Department is done on the Sabbath. The work ceases at midnight Saturday, and starts again at midnight Sunday."

"That relieves my mind concerning both the Minister and the work," observed the Nova Scotia Scot, with a smile, while the House applauded.

Death Is Penalty

(Continued from Page 1, Column 8.)

whom the Government regards as the arch-culprit, probably will escape punishment for treason, it was believed here, by fleeing from Crete in an aeroplane or a fast boat. His probable destination was believed to be Italy.

New Revolt Feared.

In case hundreds of rebel army and navy officers are put to death, Greeks and foreigners alike fear another revolution, this time among the Populists themselves (members of the Popular Party of Premier Tsaldaris), which probably would have grave consequences.

It was expected here that the powers, especially Great Britain, will counsel the Greek Government to use moderation and mercy in dealing with the insurgents, in order to prevent further bloodshed.

With the close of the revolution, it was thought foreigners now shut up in Greece upon Government orders will be allowed to leave the country.

Crete Next

Athens, March 11 (CP-Havas).—The Greek revolt in Macedonia and Thrace was shattered tonight, and Premier Tsaldaris announced that the Government would turn its attention to recapturing the Island of Crete, where former Premier Venizelos, rebel leader, is said to have set up an independent republic.

The three principal mainland rebel strongholds of Seres, Drama and Kavalla fell into Government hands, and the rebels, it was reported, were in full flight. General Demetrios Kamanos, rebel military chief in Macedonia and Thrace, escaped into Bulgaria, the semi-official Athens News Agency announced tonight. Despatches from Bulgaria said that a General (apparently Kamanos), two Colonels and nineteen lesser officers of the rebel army had requested asylum in Bulgaria.

The Associated Press, in a copyright despatch, said General Demetrios Kamanos had crossed the Bulgarian border with eighteen other rebel officers and the Governor of Thrace, and surrendered to Bulgarian authorities.

"It was said, although not confirmed, that former Premier Venizelos had accepted the defeat of his Macedonian and Thrace followers, and will proclaim Crete a separate State. The fate of M. Panayotopoulos, second in command of the rebels, remained obscure, although the Governor of Thrace reported that he killed himself.

Ship Surrenders.

At Kavalla, the 2,000-ton cruiser Helle, second largest ship of the Greek Navy, which had been in revel hands, was recaptured by the Government.

As her crew reported, after their officers fled, that they had been unwilling rebels and were ready to support the Government, loyal officers were put in charge of the warship, which was ordered to Kassandra, at the mouth of the Gulf of Saloniki, to await further orders.

A laconic despatch from General Chialistra, commander of the Government advance guard, told the War Ministry that the loyal troops were masters of Macedonia and Thrace, which meant the virtual end of the revolt on the mainland.

His message followed news of the successive surrenders of Seres, focal-point of the fighting for the past week; of Drama, and of Kavalla, rebel headquarters in the northern campaign.

Received at first with skepticism by the public, which had heard daily from the Government that the civil war was about to end, the news was confirmed when communication with Kavalla was restored late today.

Victory Announced.

Premier Tsaldaris reported the Government victory in a proclamation tonight, saying: "According to information received from the front the seditious movement has been completely suppressed in Macedonia and Thrace. As I had foreseen, the rebels dispersed as soon as the Government troops appeared.

"The Government's efforts will be directed now to suppressing the naval rebellion in the islands occupied by the rebels. (Besides Crete the rebels hold the Islands of Mitylene, Samos and Chios.)

"I am absolutely convinced that the Government, supported by the confidence of the entire nation, will impose law and order everywhere."

When last reported, the rebel fleet was at anchor in Suda Bay, Crete, and it is supposed that of necessity the warfare now will become a naval campaign. Reports that Venizelos had established an independent republic in Crete could not be confirmed here.

To take all three rebel positions mentioned in the reports, the Government forces must have advanced nearly fifty miles on a broad front during the day. Cavalry and infantry forces led the way, supported by artillery.

The victory was the culmination of a drive begun yesterday, when Government forces succeeded in crossing the Struma River, capturing three bridges, and moved on Seres from the west and from the north. Seres fell this morning, and General George Kondylis, Minister of War and Government Commander-in-Chief in the field, marched into the city at the head of his forces, but details of the capture have not been received.

Rebels Loot Bank.

Rebel officers in Seres took 60,000,000 drachmas (about $570,000) belonging to the local branch of the Bank of Greece, before fleeing to Kavalla, where they put to sea in ships manned by rebels, a report to the Government said tonight.

The Governor of Macedonia reported to Premier Tsaldaris he was installing new and loyal public officials throughout the reoccupied regions.

Kavalla was orderly this evening, and Government troops were moving into Drama and Kavalla and on to Xanthe and Dere Agach, lying to the westward.

(The Government announced that 3,000 rebel soldiers had been captured during the operations in Macedonia. Naval losses of rebel forces were also reported by Greek authorities, who claimed the light cruiser Helle was in Government hands at Kavalla.

(The Government declared General Kamanos, the rebel leader, had been overtaken and arrested while heading for the Bulgarian border. It was announced he had sent frantic radiograms to Crete asking reinforcements from former Premier Venizelos, leader of the rebellion in Crete, but that his pleas have been ignored.)

INDUSTRY

(Continued from Page 1, Column 5.)

however, did not satisfy Mr. Neill, who pressed for a specific exemption for fish plants.

The Labor Minister said he could not estimate how many Canadian workmen would be affected by the legislation. He believed about 35 per cent. would come within the act, but he was unable to say how many of them already worked eight hours. The act might need readjustment after a year's operation, and in time he hoped it would cover everybody in the country. For the present, however, it would be better "not to bite off more than we can chew."

Operations of blast furnaces and other special classes of work would have to be taken into account, said Colonel Thomas Cantley (Conservative, Pictou). He said there could be no doubt of the benefits of an eight-hour day. It had proved its value in many industries. There were cases, however, which would have to be adjusted.

Small Communities.

The law might work a hardship in small communities, said J. A. Parent (Liberal, Terrebonne). He referred particularly to sawmill towns where at the busy season all workers are employed for ten hours a day and in slack seasons have little or no work. Their aim was to work as much as possible when work was available in order to save money for the slack season.

Mr. White agreed with Colonel Cantley that exception might be needed for blast furnaces.

Replying to a number of such suggestions, Mr. Gordon said the House would be wasting its time to pass a bill if it was expected the Government and the people affected would all interpret it in a narrow spirit. The important thing was to get a bill which was broad enough to be of some value, constitutionally sound and yet susceptible of practical operation. It would be a disaster to make the bill so wide it would have to be narrowed down later. The only result would be confusion.

Wilson H. Mills (Liberal, Elgin West) said he was opposed to the bill, as it would work a hardship on many employers. It would drive the restaurant business into the hands of foreigners.

Thomas Reid (Liberal, New Westminster) said employers had had the same story when labor organizations sought to reduce the twelve-hour day to ten.

He wholly approved of the bill.

The bill should go further, said Mr. Mitchell. There was no use crying over the hardshipps of employes, because the bill would hit the unfair employer who was exploiting his help. Legislation would have to go a lot further in the not distant future if the problem of displacement of men by machines was to be solved.

Humphrey Mitchell (Labor, Hamilton East) protested because restaurant and hotel workers were not included in the legislation. He said hours of labor and general conditions in restaurants "are worse than in any other industry in Canada."

"I see no reason why they (restaurant and hotel workers) should not be included within this act," said the Hamilton Laborite. He told of one Ottawa restaurant waiter who worked ten hours a day for 365 days in the year.

ORGANIZERS NAMED.

Winnipeg, March 11 (CP).—Colonel Ralph H. Webb, former Mayor of Winnipeg, has been appointed Conservative organizer for Manitoba in the coming Dominion election campaign. John C. Davis, President of the Manitoba Liberal Association, has been appointed Provincial organizer for the Liberals.

Coughlin Calls General Johnson Political Corpse

Replies to Criticism Made by Former NRA Dictator

MAINTAINS HIS RIGHT

Detroit, March 11 (AP). THE Rev. Charles E. Coughlin, replying to General Hugh S. Johnson's characterization of him as one appealing "to the lunatic fringe," declared tonight that Johnson was a "political corpse"—the "first great casualty of the New Deal."

Made Radio Reply.

Father Coughlin made his answer to the former NRA administrator in a 45-minute broadcast address.

Johnson, in assailing the priest and Senator Huey Long as the two "mad pied pipers" a week ago, charged Father Coughlin was using his "priestly office" to head a "revolutionary party."

In answer to the former NRA chief, Father Coughlin defended his right to speak on political problems as a "citizen," and drew a distinction between his status as a citizen and as a Roman Catholic priest.

"While it was and always will be impossible for me to divest myself of my Catholic priesthood, nevertheless, in accepting the dignities which my religion conferred upon me, I sacrificed in no respect the rights identified with my citizenship," Father Coughlin said. "It is still my privilege to be interested in good government. It is still my duty as a common citizen to engage in a common effort for the preservation of our commonwealth, as chaos clamors at our doors."

Father Coughlin said he had been challenged with "the logic of a braggart" to divest himself of his priestly vocation if he wanted to participate in national affairs.

"Does our concept of Americanism instruct a teacher that his place is always in the classroom?"

In defending his Sunday afternoon speeches on matters of government and finance as a "common duty," Father Coughlin said:

Right of Citizenship.

"I regret sincerely that a man who once held such a high office in our nation, either ignorantly or maliciously has called into question this fundamental principle of citizenship."

The money changers "whom the Priest of Priests drove from the temple of Jerusalem have marshalled their forces behind the leadership of a chocolate soldier for the purpose of driving the priest out of public affairs." Father Coughlin said.

Recalling Johnson's reference to "cry-babies" among the populace, Father Coughlin said: "The 18,000,000 cry-babies to whom General Johnson referred have not concentrated our wealth, . . . for the destruction of small industry, nor did they force 22,000,000 hungry men and women to stand in bread lines. . . .

"I am characterized as a revolutionary for raising my voice against these palpable injustices. . . .

"Today he and the Wall Streeters whom he represents," said the priest in referring to Johnson, "become the distorters of history, perverters of logic as they, the unjust aggressors, garb themselves in the raiment of patriotism and cast upon those who have suffered from their misdeeds the scarlet cloak of the rebel.

"For a moment I plan to pause to answer the charges of insinuation which General Johnson so intemperately made against my birth. First, he said: 'This political padre may or may not now be an American citizen, but certainly once was not.'

"My dear General, I am as much—if not more—an American citizen as you are or ever will be. Your parents are but one generation removed from Ireland. My paternal grandfather's bones are buried in Lackawanna, New York. . . ."

Born in Canada.

(According to "Who's Who in America," Father Coughlin was born in Hamilton, Ont., of American parents.)

"Secondly, you categorically accuse me of breaking the religious vow of poverty. The truth is, as my religious superiors will testify, I never made a vow of poverty, and therefore could never break one. More than that, I never belonged to any religious order, although I was associated with a group of priests whose lives were dedicated to the teaching of Canadian and American students.

"Thirdly, you have cleverly insinuated that I was a modern tolerant who, as a Catholic cleric, was excommunicated by his Church because, among other reasons, he protested the plundering Bourbons. This word, in one breath, while in the next you praise the good Catholic laity. For what purpose, General? For none other than to turn, not the Protestants nor the Jews against me, but rather to confuse the people of my own faith.

"It is sufficient for me to say that up to the present date I have not been classified with the Talleyrand principles by those whose business it is to judge whether or not I am in good standing in the Catholic Church. . . .

"General, what insanity possessed you to say such things? What desperation forced you to utter such exaggeration?"

Harking back to a phase of the Johnson speech in which the latter asserted Father Coughlin broke with the Roosevelt Administration when the Treasury Department revealed the priest's Radio League had invested in silver futures, Father Coughlin denied the investment had brought him any personal gain. The league, he said, made the investment and gained $12,000.

Continuing the direct attack against Johnson, the priest said:

"I need not condemn you before the court of public opinion. . . . These cry-babies, which you so inadvertently called them—these cry-babies of yours whose tears have welled to their eyes because you and your kind have lashed them at the pillar of poverty, these brothers and sisters of Christ whom you and your masters have crowned with the charms of worry and insecurity—these starving Americans . . . will never forget you and your 'Wall-Streeters.'

"These people, so you have intimated, are rats led by a pied piper. Must that be the metaphor which you employ to describe the wreckage which you and your kind have created?"

Father Coughlin asked his audience "to bear no ill will against General Johnson."

"He has been cast out by the Administration because he said his plans were a failure. . . . Remember that he is to be regarded as a cracked gramophone record, squawking the message of his master's voice."

Johnson Makes Reply.

With characteristic vigor, General Johnson, after listening to Father Coughlin's speech, swung into him and Senator Long, who also had castigated the General following his attack upon them last week.

The General called them "economic shysters," and "political termites," disseminating "visionary promises backed up by phony statistics."

He accused the priest of using "absolute falsehood and distortion" of what he himself had said.

"There's less national harm in 100 worst gunmen than there is in these two political racketeers," he said of both Long and Father Coughlin.

"I feel so strongly on this subject," the General asserted, "that, without any strings of any kind, I should like to pledge myself to fostering a non-partisan, non-political, nation-wide movement to exterminate the influence of this pair of political termites.

"They should be met first on their own ground, the radio. I for one will have plenty to say. I invite the expressions of others who share these views. These expressions will determine my immediate course of action."

NIGHT SCHOOL

Matriculants and University graduates find our Secretarial and Business Administration Courses a preparation for executive positions. Free catalogue from Shaw Business Schools, Bay and Charles, Toronto. KI. 3165. 10

AGAIN ACQUITTED

SAMUEL INSULL, found, by a Chicago Jury, Not Guilty of Embezzling $66,000.

Bank of Canada Handles Millions On Opening Day

Branches Through Country Start Business Without Ceremony

NEW BILLS ARE ISSUED

Ottawa, March 11 (CP). CANADA'S first venture into central banking was launched today, when the Bank of Canada officially began operations throughout the Dominion.

There was no formality about the opening, and the modest quarters in an Ottawa office building where the youthful Governor, Graham Ford Towers, and his associates hold considerable sway over the financial and credit destinies of the Dominion, presented a calm and unruffled aspect.

Same Discount Rate.

Coincident with the formal start of operations here, Bank of Canada agencies located in every Province took over functions heretofore exercised by Assistant Receivers-General. The discount and rediscount rate was announced as 2½ per cent., the current rate for some time past. Any changes in future will be promptly announced. They are controlled by the Executive Committee of the bank and the Board of Directors.

Entry of the new bank into Dominion financial life was most apparent to the general public through appearance of its new paper money. Supplies of the new currency had been distributed among the Provincial agencies and were available to all chartered banks wishing to obtain them.

Many persons hastened to be the first to get the new small and brightly colored bills, which will gradually crowd out the Dominion paper currency, and eventually replace 75 per cent. of the chartered banknotes in circulation.

At the same time, some of the chartered banks paid their customers in new banknotes of their own making, cut down to the size of the Bank of Canada notes. It is expected that the chartered banks in general will reduce the size of their new notes to the standard set by the Bank of Canada in the interests of uniformity.

Boy Is Attacked By Big Police Dog

Owen Sound, March 11 (CP). — Buster, 11-year-old son of Mr. and Mrs. Joseph T. Brown, was resting easily today from wounds suffered when a large police dog attacked and bit him severely. The owner destroyed the animal yesterday soon after the attack. The lad received six inoculations at the hospital, one of them for lockjaw. The dog has been tied for a time.

Jean Harlow Gains Divorce

Los Angeles, March 11 (AP). — Jean Harlow, screen actress, today was divorced from her third husband, Hal Rossan, whom she accused of being surly and ill-mannered to her guests.

'Not Very Well,' Reads Bulletin About Bennett

Will Be Kept in His Room for Several Days Yet, House Learns

SYMPATHY IS EXTENDED

(By HARRY W. ANDERSON.)
(Editor of The Globe.)

Ottawa, March 11. THE Prime Minister is "not very well," and will, it is feared, "be confined to his room for some time," Sir George Perley frankly told the House of Commons today, when he read to the members the bulletin report of his physician, Dr. R. S. Stevens.

The Bulletin.

It read as follows: "The Prime Minister's recovery was uneventful until Thursday last, when he suffered a syncopal attack. Following this there was some disturbance of cardiac rhythm. This has now disappeared, and his general condition is improving. This, which is not serious in itself, necessitates further rest. The respiratory infection which appeared Feb. 24, with long-continued overwork and strain, undoubtedly precipitated his illness."

"The members on this side of the House learn with deep regret of the Prime Minister's continued illness," said the Liberal Leader, rising, "and we all hope, with honorable gentlemen opposite, that he may have a speedy and complete recovery.

"If," continued Mr. King, amid applause, "by arrangement or otherwise, I am enabled to do anything to expedite and assist in matters which are affected by his illness, I shall feel it a privilege to do so—and in so saying I know I voice the desire of all members of the Opposition."

"On behalf of the Prime Minister," Sir George Perley responded, "I thank the right honorable gentleman for his kind words, and shall see that they are conveyed to the Prime Minister."

Dr. Morand Chosen.

At the opening of the sitting, Hon. Raymond D. Morand (East Essex) was unanimously elected Deputy Speaker in succession to the late Armand LaVergne. When he took the chair as the House went into committee on the eight-hour-day bill, he was greeted with applause from both sides of the Chamber.

"I desire to thank the members of the House," he said, "for the cordial way in which they received my appointment. I trust when I leave the post, I shall still be able to enjoy the same cordiality and confidence."

The House then proceeded with committee discussion and passage of the clauses of the eight-hour-day bill, with Hon. Wesley Gordon, Minister of Labor, in charge of the measure.

Three Months' Delay.

At the night sitting the bill completed its committee stage, with the exception of two clauses, which Mr. Gordon asked should stand over for revision. The Minister also suggested the addition of a clause determining when the measure should come into force. He proposed, in view of adjustments which might be necessitated in certain industries, that the penal clauses should not be made operative for three months.

Mr. King suggested that the time be utilized to determine from the courts whether the legislation was intra vires of this Parliament.

William Duff called attention to the fact that Nova Scotia had just enacted a Provincial eight-hour day. Would there not be some confusion if the legislation differed from the Federal bill, he wanted to know.

The Minister of Labor expressed the hope that the bills would operate "without confusion and with co-operation."

The House then went into Committee of Supply on civil government estimates.

CLOT OF BLOOD

(Continued from Page 1, Column 1.)

for the speedy and complete recovery of Mr. Bennett. His illness has a retarding influence on the work of Parliament. The nation's business undoubtedly has been halted by his enforced absence from Parliament Hill. Important correspondence is accumulating in the East Block. Decisions affecting national policies are delayed.

Members of the Price Spreads Commission, now completing the final chapters of their report, are wondering whether they are laboring in vain. As one of the Liberal members of the Commission put it tonight: "What is the use of our making radical recommendations to cure the country's economic ills if Mr. Bennett is not in Parliament to implement them?" It is feared there is no one in the Cabinet who would venture to enact the necessary legislative measures in the absence of the Government Leader.

Mr. Bennett is anxious to represent Canada at the Silver Jubilee of his Majesty the King; and, while it is believed an ocean voyage would do him good, it is considered doubtful if he could stand the strain of the various festivities in London.

Moir's Limited To Show Surplus

Halifax, March 11 (CP). — A net operating profit of more than $18,000 will be shown in the annual statement of Moirs Limited, which will be presented to the shareholders on Thursday. "The two years' operation of Moirs Limited since its reorganization shows that the operating loss, which in 1932 was $308,000, has been changed to an operating profit in 1934 of $47,000, before losses at Bedford Shook mill," the report states. A net operating surplus of more than $18,000 thus is shown, the Bedford loss being $29,000.

MRS. JANE McCURDY.

Victoria, March 11 (CP).—Memories of the early days in British Columbia are recalled by the death in Seattle of Mrs. Jane McCurdy, pioneer of Victoria, at the age of 101 years. She died yesterday at the home of her daughter, Mrs. D. C. Conover. Born at Wilmington, England, on June 17, 1833, the then Miss Jane Parker came here to visit her sister in 1861. She travelled from England on the old sailing vessel Retriever, via Cape Horn, the voyage taking six months. She lived for many years in Victoria and later at San Juan Island and Seattle.

In Aid of Canadian Children

For the purpose of facilitating the correspondence effort involved in the forwarding of donations to the "Georges" Wedding Fund, to be devoted to necessitous Canadian children, The Globe offers intending donors the following subscription form. Already there have been numerous responses to the invitation for contributions—responses bringing in amounts varying from very welcome "pennies" to substantial sums. Contributors of 50c or more will receive a special souvenir portrait of the Royal couple.

THE "GEORGES" WEDDING FUND

The Globe, Toronto, Canada.

Enclosed please find the sum of . . . . . , being my contribution toward the "Georges" Wedding Fund, for necessitous children in Canada.

Name . . . . . .

Address . . . . . .

Please address letters: "Georges" Wedding Fund, The Globe, Toronto, Canada.

CUT IN INTEREST

(Continued from Page 1, Column 6.)

per cent. would save the city $850,000 annually.

Remedies proposed by Thomas Bradshaw, Toronto financial expert, to meet Vancouver's financial difficulties were criticized by the Mayor as the Council met to consider Mr. Bradshaw's report on the city's financial situation.

"It is not a practical, reasonable or available solution to our difficulties," Mr. McGeer declared.

With new capital banned for a period of years, the city is faced with an indefinite period of continued distress for property owners, taxpayers and unemployed, the Mayor said. Measures of relief far in excess of those proposed by Mr. Bradshaw must be given to the city, he declared. Education and social service costs must be financed from some other sources than land and business taxes, he added.

Must Be Changes.

If the city is to continue, Mr. McGeer declared the Province must recognize there must be redistribution of revenue to allow the city some benefit from sums collected by the Province in this city from such courses as gasoline tax, amusement tax, motor licenses, and licenses on such establishments as beer parlors.

"And there must be a readjustment of debt interest," he continued. "If there are bundles of new money ready for investment, surely there are bundles of money to refund our old debts on a more equitable basis."

He declared that if the Council had made a mistake in incurring past debts, then the citizens had also been wrong in endorsing them and the investors had been mistaken in putting their money into such securities. It must be recognized, he said, the equity of the obligations should govern what the creditor demands from the debtor.

"And I am going to see that an adjustment in our interest rates is made," he added.

Earlier in the meeting Mayor McGeer declared there must be a new deal in interest rates in Canada. He said there is a general move in Great Britain for civic financing at 3 per cent.

Mr. Bradshaw agreed, but declared that the British municipalities are obtaining the new rate on new borrowings or in cases where securities are callable. It does not apply, he said, where the debentures are not callable. This situation, he said would be just as applicable to Vancouver.

The Mayor replied that adjustments have been made in such British Columbia municipalities as Burnaby, North Vancouver, Prince Rupert, where the ability to pay was the gauge.

"We are rapidly coming to a time when the ability to pay will be the factor to be considered and not whether past interest rates were fair," he declared. "This report brings you to a place where you have to consider how to meet your debts. If the depression keeps on, your capacity to pay will be put to the test. But I'll meet that situation before the crash comes."

SENATE REJECTIONS.

Ottawa, March 11 (CP). — From 1921 to 1934, both years inclusive, the Senate rejected exactly fifty bills sent to it with the approval of the House of Commons, a return tabled in the Commons said today. The busiest year of the elder statesmen in rejecting legislation from the lower House was in 1924, when twelve bills were turned down. Among these were the famous branch lines bills, which, however, were adopted by the Senate subsequently. In the years 1931 and 1932 there were no rejections.

DIONNE BILL

(Continued from Page 1, Column 4.)

resulted in the appointment of guardians and prohibiting exploitation of the infants.

The Minister referred to press reports in which the parents, particularly the mother, are reported to have complained that the bill will split the family.

"I am sure," he said, "that the parents did not make the statements they are quoted as having made. It is some one up there behind the scenes. When the bill was being drafted it was suggested that Mrs. Dionne be named as a guardian, but the lawyer pointed out it might involve journeys which Mrs. Dionne might not be prepared to take and it was thought that naming the father would be sufficient."

"We have all adopted those children," the Minister went on. "The sole purpose of the bill is to stop exploitation; to stop the quick talkers and chisellers from their attempts to gain control of the children. They are unusual children and we should do everything possible, so that they will lead normal lives, in their own home, with their own family."

The bill, Mr. Croll stated, makes provision for ample allowance for the parents and the five other children from a financial standpoint. Questioned by the Hon. Leopold Macaulay, Mr. Croll declined to reveal the amount now held in trust for the children.

In conclusion the Minister said: "We are trying to treat the children as human beings and not as freaks. We want them to be home under the care of their mother and father, rather than exhibited between a sword-swallower and a bearded woman on a Chicago midway."

"Has any provision been made to reimburse the Province from earnings of the quintuplets?" asked William Duckworth (Conservative, High Park).

"No," replied Mr. Croll. "We regard what the Province has done as a whole-hearted contribution from all the people of the Province."

In the opinion of Colonel Price it would require "tremendous justification" to take the babies out of the control of their parents for eighteen years. He referred to the days when he introduced the Millar bill, and he was charged with an attempt to escheat this estate. The money, according to the Millar bill, will go to the Toronto mother giving birth to the most children in a ten-year period.

"I thought at the time," the former Attorney-General declared, "that this was bordering on the indecent. However, the bill was killed. I was called 'The Escheater,' and the race was on and is still on. As a matter of fact, at that time I urged that the money ($500,000) be turned over to the University of Toronto." He explained it was his idea to invest the money and provide educational grants.

Premier Hepburn expressed the view that, had not Attorney-General Roebuck stepped in to protect the children," they would have been dead today. That is the belief of Dr. Dafoe."

TAX PROTEST MEETING

to protest against increased civic taxes. Come and protest. Bring your friends.

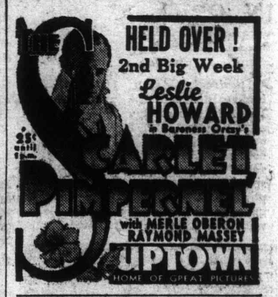
Jarvis Collegiate Tonight, 8 p.m.

TORONTO TAXPAYERS' LEAGUE

Amusements *Amusements*

ROYAL ALEXANDRA
TO-NIGHT at 8.15 sharp
To-morrow Mat. (2.15), Eve. (8.15)
No one seated during 1st scene
THE THEATRE GUILD presents
MAXWELL ANDERSON'S
MARY of SCOTLAND
WITH
HELEN HAYES
PHILIP MERIVALE
AND A NOTABLE THEATRE GUILD CAST
GOOD ORCH. SEATS AVAILABLE
Eve., $2.50, $3; Mat., $2, $2.50
(Plus tax)

CONSERVATORY CONCERT HALL
LOUISE
WESTMAN
PIANIST
TONIGHT AT 8.45 O'CLOCK
Tickets $1.00, Students 50c, plus tax, on sale at box office.
Management: Katherine Whetham
707 Kent Bldg. Telephone MI. 0232



LOEW'S Loew's Leads in Toronto NOW
RONALD COLMAN
LORETTA YOUNG
in "CLIVE OF INDIA"
—Coming Friday—
CLARK GABLE
CONSTANCE BENNETT
in "AFTER OFFICE HOURS"
—Also—
Todd-Kelly Comedy Oddity
Edwin C. Hill News

SHEA'S TODAY
GEORGE RAFT
CAROLE LOMBARD
in
"RUMBA"
STAGE
OLGA BACLANOVA
Heading All Star Bill

120768

Ottawa, Ontario.
April 16, 1935.

Dear Mr. Reid:

I have yours of 14th. I am going to see Mr. Guthrie and also going to try to attend Council. Do not think it is any matter of convenience to me. When I am absent from Committees they just cannot go on because someone has to be there to speak for the Government, so it is a matter of holding up the whole Senate.

With so many things of tremendous importance which the Prime Minister has to attend to even in his illness, I certainly have not the fortitude to ask to see him about an appointment to the Bench.

Enclosure returned.

Yours very truly,

Mr. R. A. Reid,
Barrister,
Kent Building,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120769

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Personal.

April 14/1935

Dear Senator Meighen:

You will, no doubt, have read about the death of Mr Justice Mackay on Saturday. This leaves two (2) vacancies at Osgoode Hall, one in the appellate Division and the other, the trial division.

Now, I think they should give me one of those. I feel perfectly qualified and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120770

2

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

competent to administer either of them, but I will be frank and say that, if I had to make a choice, my preference would be for the appeal Court, as it would give me more scope to apply my knowledge. Then, again, I have not forgotten what you advised me regarding the talk you had at one time with Mr Guthrie when he said he thought I might not succeed as

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

120771

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

a trial judge because of my having a bad temper.

I do not know where he got that information, as it is quite erroneous. Remember what Edmund Burke said, - "We are all born to be men, and when I find angels in judicial office" &c &c.

I would, indeed, feel that I was a poor specimen if I did not have any temper, and so, not human. But

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120772

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

I have never yet failed to control and govern myself, much better indeed than some other Judges with rash, bad, ungovernable, obstinate tempers like that of Judge Mabee, Hon R.M. & Sir Wm. Meredith, Wright and Latchford and Anglin. I also have sufficient common sense to know that any or all aggressiveness and scintillations of temper in an advocate or counsel must cease and be left behind,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5

120773

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

and to continue as a memory only when one becomes a judge.

As a matter of fact, there is nothing in that "Bad Temper" story at all Senator, regarding me; it is just the idle gossip of "knockers", and "no-foots", who must come out in the open and say it, because they probably realize what they might get, but one always

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

120774

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

ready to stab one in the back and under some cover of protection and darkness.

There is one thing I can say and that is, whenever I have been given a duty to perform, for the public or private clients, I have always "delivered the goods", and that is more than can be said for my traducers and knockers, whoever they may be or are.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

7 120775

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

I have dealt at greater length about this matter of "Tempor" in relation to myself than is probably necessary, but I suppose there can be no fault found in trying to defend oneself against unjust accusations.

I have no hesitation in saying that if I were appointed to one of those vacancies and the slightest

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

8

120776

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

suggestion were made, of any exhibition of bad temper, or any temper, on my part in the discharge of my judicial duties, my resignation would not be very long delayed, and I would allow you to be the judge of that fact.

Now, those two vacancies

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

9

120777

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

may be my last opportunity to reach the Bench, and I have always hoped that some day the wheel of fortune and good luck in turning during my life would stop at my number and thus enable me to draw a winning ticket. This may be my turn, so I must you to be good enough this time to put

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

10

120778

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

yourself to a little extra trouble, and, if necessary, temporary inconvenience in an endeavour to give me some real help on this occasion in every way you can, so that I may be certain of securing one of those vacancies.

See the "P.M." for me, if possible, before he leaves for England on Thursday, and if there is to be a cabinet meeting at which these vacancies are to be discussed and filled try and be present this time and say a word for me,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

11.

120779

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

and also ask Mr Guthrie to recommend me to Council for the appeal Court vacancy.

I take it, from what you say, that he is favourable to to me, and the "P.M." said he would speak to him on my behalf.

Sincerely Yours
Robert A. Reid

P.S.:- I was surprised on Saturday morning last to receive the enclosed

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

12

120780

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

letter from Professor Manley O. Hudson, of the Harvard Law School. He is Head of the Dept. of International Law and Foreign Relations there, and Assistant head of the whole Law School. He is the author of numerous law books, and is on the World Court at the Hague for the U.S.

What he refers to in his letter to me is a case in which I prepared the brief for some Buffalo and New York lawyers

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

13

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

and fought the case with them through all the federal District and Supreme court at New York city and at Washington before the U.S. Sup. court. in 1929.

It referred to questions of International Law and Treaties, in relation to the Immigration Laws of both the U.S. & Canada, and we beat the government at first. My name and fame, in this instance at any rate, seemed to have gone beyond the boundaries of Ontario, and Canada. Please return

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120782

14

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

the enclosed letter and its envelope when writing.

R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Personal

120783

Sunday
May 19th 1935

Dear Senator Meighen:

Reading through the newspapers of yesterday I came upon the enclosed news item which may interest you or, shall I say, amuse you?

If what Eccles got up said at the nomination proceedings of Dr. Morand last week, at Windsor, be a fair and accurate statement of the present political situation then, I think, it will be a

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120784

good thing to have Mr Stevens back in a re-organized cabinet, because after all, Senator, the Conservative Party has to win an election, and the personal prejudices, and the whims and caprice of certain elements, like Cahan, in the cabinet must be submerged in the public and party interest. I think it was the late Campbell-Bannerman, one-time Prime Minister of England,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120785

who said that, in forming a cabinet, one has to be more or less of a butcher, and by the same token it may become necessary for Mr Bennett to temporarily assume the role of a political butcher, very soon, in a reorganization of his own cabinet.

I stand by what I have already told you, and repeat that, some are on their way out now, and others are on their way in.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120786

Eccles got said last week, in the speech to which I referred to above, that he was asked as to how he stood on the question of Stevens and the Party, and he replied, -

"I am all for Stevens, because Stevens is for Bennett, and Bennett is for Canada".

There is the whole issue put in a nutshell, and so that any person can understand it.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120737

I met Col. W. H. Price K.C., former attorney-general, on Saturday and he mentioned that he had spoken to you on my behalf regarding the matter which I have asked you to interest yourself in on my behalf with Mr Guthrie and Mr Bennett. I did not ask him to speak to you at all, but he apparently has kept a promise he made when attorney-general that he would use his influence on my behalf in this matter.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

120788

I do not know if he spoke, or wrote, to Mr Guthrie. At one time he promised to do so but, as you have done so, I do not think he can do any more.

You will remember the Prime Minister told me he would speak to Mr Guthrie on my behalf, so the first time you see Mr Guthrie find out if he has done so. Mr Price told me that Gordon Shaver, Keilley Mackay, R.C.B. Cassels,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120788

and Norman Sommerville were some of those after the vacancies.

Now, just a word to say that some of those are Liberals, and others Drury — Peter Smith Government supporters, and legal advisers for those organizations.

Cassels is a rank Liberal, and Sommerville was one of those who helped Drury to try and ruin the Hydro at the time of the Gregory Com-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L20790

mission. He was also connected with the Drury Government Commission which was appointed to investigate the civil service and dismissed numerous conservatives from office during the reign of the Drury Government. Yet he manages to fish $35.000 out of the Conservative Government at Ottawa in the Price Speeds inquiry. He has, therefore been fairly well paid for

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120791

anything he has ever done for the Ottawa Government.

I am told Mr Burnett tried to cancell his selection at the time of the beginning of that inquiry but it had gone too far to deal with, ~~[illegible]~~ as he would have been entitled to payment owing to the manner of his appointment.

I noticed that ~~the~~ Senator Lewis passed away yesterday, ~~[illegible]~~ thereby creating another Senate vacancy.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

10. 120792

I also hear that it has been suggested that Mr Justice Riddell might be promoted to the vacancy at Osgoode Hall left by Davis, J., and that the Ottawa vacancy left by Hughes might be filled by a Roman Catholic judge from ~~the~~ Western Canada.

You will see that no greater political error could be made, as the Ontario R.C.'s

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120793

turned immediately raise a ~~the~~ row because of losing a seat on the Ottawa Bench from Ontario, whereas Quebec has full R.C. representation. It would cause the loss of a lot of R.C. support in Ontario at the coming election, as well as the loss of a lot in Quebec. It leaves the R.C.'s without

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120794

any representation from Ontario on the Bench at Ottawa. You had better point this out to Mr Fullerton and Mr Bennett as it is more serious than it appears.

It was at one time thought that Ferguson would be promoted to Ottawa, and again that he would replace Latchford here I merely mention

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

13

120795

these things for you use when these matters come up for consideration.

But in any event, I want you further to forward a recommendation for me to the Cabinet with Mr Bennett's support, and that of yourself it will go through.

Sincerely yours,

Robert Borden

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120796

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Sent June 27/35

June 26/1935

22 R

Dear Senator Meighen:

I notice by today's newspapers that Senator Dandurand has asked for copies of the legal opinions of Messrs Tilley and Johnson, re the Price Spreads Legislation.

I would like a copy of these opinions if available.

I enclose a couple of sheets from Maclean's Magazine of July 1st, in which your name appears.

Sincerely yours,
Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120797

Ottawa,
June 26, 1935.

22-R

Dear Mr. Reid:

I have yours of 24th. Am sorry but I really have not time to read the Standard article. Am afraid you do not appreciate the pressure under which I work here.

I cannot be continually pestering the Minister and the Prime Minister as it does harm instead of good. All I can do is be present, if possible at all, when the matter is under review in Council. I am anxious to be of help.

Yours very truly,

Mr. R. A. Reid,
156 Yonge Street,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120798

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Personal

Monday
June 24/1935.

Dear Senator Meighen:-

I have just been handed a copy of the "Montreal Standard", issued on Saturday in Montreal. It is the Sunday Edition, and on page 5 there is a Council meeting described at which the Prime Minister and his colleagues pass around various kinds of verbal bouquets.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

120799

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

As your name appears here and there in it, I thought you might like to read it. You should read it all through from the first line as I am sure you will get one hundred laughs out of it, and some of your brother senators may laugh also.

The last 5 or 6 paragraphs about Senator Massey are real good. You perhaps are not aware that before becoming Organizer

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

120800

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

he was in the advertising business, went broke and then turned over his expensive suite of Walnut panelled offices, under lease, to the innocent Conservative party. He wished that lease on them to the tune of $360 per month. So over some time to see Bill Clysdale and look around, - Sterling Towers Bldg. on Bay St at corner of Richmond, 9th floor. You'll be surprised.

If the House finishes its business this week you

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

120801

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

may not find it convenient to visit Ottawa as often, until after the election; and may not have as good an opportunity to see Mr Fortune or the Prime Minister because they will probably be busy campaigning or resigning.

I moved ask you, therefore, to see or speak to Mr Scott on my behalf about those present vacancies at Osgoode Hall, as it

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5

120802

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

may be my last chance for many years, if indeed at all, to land one of those places.

I may tell you frankly that my exchequer is being sadly depleted, and the revenue from practice is not what it used to be and, in addition, I am under heavy expense in assisting three sisters in Montreal and Nova Scotia, one of whom has had the good fortune

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

120803

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

to have had her boy just complete his education at Oxford, Eng. and pass his Surgical Exams. in London for the F.R.C.S. degree; he is also an M.A. from Oxford, and M.A. (McGill), and was a Quebec Rhodes Scholar.

This sister of mine is a widow now. I merely mention these personal matters to show that I would appreciate one of the Oxford Hall vacancies to ease my financial burden

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120804

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

7

for a few future years.

So do what you can. You know what I have done, as much or more, than any of this Government's appointees, the most of whom never did a day's work in their lives to help or assist the Conservative Party.

Sincerely yours,
Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120805

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

Private & Confidential

Keep this letter private in your pocket
R.A.R.

Monday
June 1st 1936

Dear Senator Meighen:

They say that a friend is one who knows all about you, and thinks just as much of you all the same. I trust you will still regard me in that light, notwithstanding the fact that I write this letter to tell you I am in dire need of some assistance in the way of legal or politics - legal work of some kind, so as to get enough money to live and keep going.

I feel glad that I never had occasion before to ask you

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

2 120806

for any help, and I would not think of doing so now except that I am in real need. I am not ashamed to confess that I am in what might ~~[illegible]~~ not improperly be described as, "financial extremis", temporarily at any rate. You must understand, however, that I am not asking you for money; I am afraid I would starve, or commit suicide first before so asking either you or any other friend.

If I could get some substantial legal or politico-legal work to tide me over

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

3

120807

TELEPHONE ADELAIDE 2[illegible]
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

for a few months I would come alright again, so that I could get a few hundred dollars ahead and pay my small obligations.

I saw the legal work declining, and my already slim exchequer being gradually depleted, and tried hard to avoid financial embarrassment, at the time I applied for one of those judicial appointments during the late government at Ottawa, and towards securing which you were good enough to lend your assistance, but which I failed to land.

I felt then that I had

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120808

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

4

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

to do something quickly, or be lost in financial worries and troubles. The point has now been reached where I am compelled to seek help temporarily.

I think and feel that few persons have tried harder to get along, and reach some top place in his career and life than I have, but I appear to have "missed the boat" as they say in the street, and all my efforts, to date at least, appear to have gone for naught.

I am beginning to think that I have had too many irons

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120809

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

in the fire, and if I had stuck with the old Bicknell firm, and counted the law exclusively all my life, as I started out to do, instead of mixing it up with Journalism and Politics, I would have been an "easy street" years ago. Such, however, is legal, political and journalistic luck and life. The mixture has made me, at present in any event, a mendicant, and, unless one has independent resources, is likely to permanently pauperize you.

I am also reminded that I have three sisters to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 20810 CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

help, so if you can direct something to me along the way suggested without any great delay, it will ease a financial burden already unbearable.

It may seem strange for me to say it, but the mere fact of writing you this letter has given me a feeling of contentment and satisfaction that I have tried to do something, even for a day, as to lift the cloud for that period at least.

I notice by the way, that the King Government is appointing

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

7

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 2633 CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120814

some Commissions, one an unemployment Commission, perhaps he may consider having some Conservative appointees on them also, and if you meet him, and think it wise, you might mention my name to him.

I had intended writing Mr Barnett, but, considering I got no recognition when he was in office, and, with others, received rather shabby treatment, I do not think he would pay much attention to me, now that he is out of office. "Office is very heady wine", so Lloyd George says. See in this regard re Lloyd George.

Thanking you for all your past consideration,

Sincerely yours
Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120812

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

8

Monday
6.30 p.m.
June 1/1926

P.S.: I have just noticed, in the evening papers, that the unemployment Commission members have been named. So that is OK.

I will be glad to share the legal fees on any work you can send me, half and half.

I need help very badly just now, and am willing to co-operate in any proper way to obtain it.

R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120813

Ottawa,
June 2, 1936.

Private and Confidential

Dear Mr. Reid:

I have read with real distress your letter of 1st June and have been puzzling myself to know just how I could be of assistance. Certainly I will be glad to turn some work to you. I know that there are certain classes of work which you are well qualified to perform, but they are not as a rule classes which come within the purview of the business I am directing.

As you know, I have not the faintest influence with this Government or any Government in Canada today. It would be utterly worthless for me to speak to Mr. King; indeed, it would probably be hurtful.

Possibly you will see some particular point at which I may be able to help you. If so, let me know. Meantime, I will certainly watch for an opportunity to turn something your way.

Yours very truly,

Mr. R. A. Reid,
Barrister,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

120814

CABLE ADDRESS, REIDLAW, TORONTO.
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

112 R

Copy

June 8/1936

Dear Senator Meighen:

I did not receive your letter of June 6th until this (Monday) morning, and I appreciate it.

My mental and physical condition made me write you about my private affairs as I did, and it was the truth.

Some kind of legal or political work will be of real assistance when you can send it along, or maybe direct it to me from some quarter. I need it now.

I was struck by your remarks regarding "stacks of notes

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

120815

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

for amounts large and small which you would like to sell at 5¢ on the dollar.

If you really mean that, I am your lawyer, and you can endorse them all over to me "without recourse", and I will undertake to collect them all without any expense to you whatever. Get them all together at once, with their names and addresses, and mail me the stacks or bundle. If they are easily collected I will make an even split with you on the amounts, better than 5¢ on the dollar. Maybe some of them have bank accounts, and the money can be garnisheed at once.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 2[illegible] 1 2 0 8 1 6 CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

In the meantime keep me in mind for a while regarding some substantial legal work, and I will be glad to divide the fees and remuneration.

Sincerely Yours,
Robert A. Reid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120817

Ottawa,
June 17, 1936.

Dear Mr. Reid:

I have yours of 15th. It comes though at a time when I am very pressed for minutes, and I have only been able to read very hurriedly what you have sent.

I believe the debate on Senator Casgrain's motion is still dragging its weary length along. It is possible we may be through here this week.

Yours very truly,

Mr. R. A. Reid,
Kent Building,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120818

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263
CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

June 15/1936

Dear Senator Meighen:

I noticed in the reports of the Senate Hansard for June 9th + 10th a speech by Senator Cosgrave on Privy Council appeals. He fires away his whole case and shows his venom and prejudice when he refers to the P.C. decisions on "minority rights". He would substitute "majority wrongs" apparently, in order to obtain

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

120819

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

assumed "minority rights", by winking at the "wrongs" and "cheering" for the pretended rights, under pretended forms of law.

His speech is simply eye-wash. A few years ago I dealt with Privy Council appeals in a series of 4 Globe articles which I am enclosing herewith. You will find a complete answer

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

120820

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

to him in these articles, at least in the main outline and principles.

In addition both Sir Allan Aylesworth and Sir Chas Fitzpatrick both former Liberal Ministers of Justice have said the Privy Council appeal should be maintained.

The Canadian Bar Review, Vol. 3. (1925) at pages 278 and 279 has a fine address by the present C.J. Sir Lyman Duff deprecating any attempt to abolish the P.C. appeal.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

120821

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

He says it will be many a long day before the Canadian people will demand that this be done.

Sir Allan Aylesworth in Vol. 34 of the Canadian Law Times for (1914) Vol. 34 gives the Privy Council a fine roast and says the appeal should be maintained. (See pages 138-145.)

Sir Chas Fitzpatrick a former C.J. of the Sup. Court of Canada and Liberal Minister of Justice, says in Vol. 34 (1914) Canadian Law Times, at page 1022, - "Just

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5.

120822

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

the result of ~~obtaining~~ this judicial tribunal has proved so eminently satisfactory that, were the opportunity afforded today, I do not believe the people of Canada would desire any amendment to their constitution in this regard". — and a page 1031 he says:— "it is not surprising that the right of appeal to the King in his Privy Council is one of the privileges most highly prized by the people of the Dominion."

Chief Justice Anglin made a similar reference to the P.C.,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

120823

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

in one of his addresses to the Canadian Bar Association, just I am not able to ~~tay~~ say my hooks on it at present.

Senator Cosgrain also sneers at the right to appeal in forma pauperis to the P.C.. In this regard let me draw your attention to the recent case of MacRanzie v Royal Bank of Canada, (1934) Vol. 103 of the English Law Journal at page 81 of the Privy Council cases division in that volume. That was an appeal in forma pauperis by Mrs Mackenzie with the help of a lawyer who took her case on a chance! It was alleged that she had been exploited by the Royal Bank

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

7

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, REIDLAW, TORONTO.
(ALL STANDARD CODES USED.)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120824

and her whole estate and all her money and Assets of nearly $50.000 had been so she alleged clandestinely pledged to guarantee her husbands debts and business. The original case was tried before the late Mr Justice Maclaren who gave judgment in favour of Mrs Mackenzie. The appellate Division of the Supreme Court of Ontario reversed Maclaren's judgment and dismissed her action against the Crown. Mrs Mackenzie then appealed in forma Pauperis to the Privy Council which tribunal reversed the appellate Division of Ontario and restored the trial judge's decision in Mrs Mackenzie's favour.

Of Senator Cosgrain has his

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

8

120825

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA

Only two hackmen were now on relief, or in the Poor House for food and shelter. The same thing you may remember occurred 20 years ago in the case of two Stewart v Bank of Montreal.

Now, just one more illustration to answer Lanston Cosgrain. In the case of the Toronto St Ry Co. v The King, Law reports (1908) a.c. 360, the wife and daughter of a delivery truck driver was killed by a street car in Toronto, and they obtained a judgment for a large amount against the Street Ry Co. On appeal to the Court of Appeal for Ontario a new trial was ordered, entailing great expense

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

9

120826

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

to the plffs., the widows and daughters. The Railway Coy took an appeal then to the Privy Council on the ground that the action should be dismissed.

The Privy Council, in addition to disallowing the Ry Coy's appeal, allowed the widows and daughters to appeal at once, then and there, notwithstanding some technical errors in procedure and the filing of petitions had occurred, and while the case was pending before the P.C. by the Ry Coy. against the judgment ordering a new trial, the Privy Council brushed aside all technicalities, all errors or delays in pleadings and filing of petitions, and then and there restored

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

10

120827

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

the trial judgment in favour of the widow and her daughter.

It is only a tribunal with such great powers and jurisdiction that would exercise them in this way in order that fairness and impartial British justice be meted out to litigants before that tribunal, as well as showing how swift decisive judicial action can wipe out red tape and juvenile objections instantly, in order that the appeal should be dealt with at once on its merits at the "foot of the throne" and so that "Justice and Right be done" as the first order.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

11

120828

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

The Privy Council in that case made the street Railway pay all the costs and expenses of the trial and of all the appeals as well. (Read the last paragraph of the judgment for an example of sweeping judicial powers and jurisdiction).

Now the point is, if Senator Casgrain views prevailed ~~too~~ this woman and her daughter would have become paupers, in addition to having her husband killed without damages for his death.

Whose judgments, opinions and authorities are we to accept,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

12

120829

ROBERT A. REID, LL.B., D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

in view of the references I have given of eminent Judges and Ministers of Justice, of the actual P.C. decisions leaving out the necessity for maintaining the appeal, those of Senator Casgrain, who is a Quebec Land Surveyor and Engineer, of the eminent men and decisions I have quoted.

In conclusion, ask Senator Casgrain this question, where would be the Senate and House of Commons and people of Canada to-day if Wolfe had been defeated at Quebec instead of Montcalm.

Sincerely Yours,
Robert A. Reid

See P.S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

13

ROBERT A. REID, LL.B. D.C.L.
Advocate, Barrister,
Counsellor at Law.

TELEPHONE ADELAIDE 263

CABLE ADDRESS, "REIDLAW, TORONTO."
(ALL STANDARD CODES USED)

KENT BUILDING, 156 YONGE STREET,
TORONTO, CANADA.

120830

P.S. I forgot to draw your special attention to the quotation I make in the printed articles from Sir Geo. Cartier, where he points out that the Privy Council appeal is one of the foundation stones of Confederation.

Also if Cassidy's views prevailed it would be possible to upset a long line of Privy Council decisions settling important legal questions for Canada, and start all over again making new decisions and new jurisprudence and throwing business and commercial interests into confusion.

R.A.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Globe.

TORONTO
CANADA'S NATIONAL NEWSPAPER
FOUNDED 1844

The Globe is published every week day at 64 Yonge Street, Toronto, by the Globe Printing Company, the Proprietors.
W. G. JAFFRAY . . . President
H. W. ANDERSON . . Managing Editor

The largest morning circulation in Canada built without the aid of premiums.

Net daily average circulation for the month of June 99,619

Member of the Audit Bureau of Circulations.

Cable address—TORONGLO.
TELEPHONES
Elgin 5161—Use this number to call The Globe. Private Branch Exchange connects with all departments.
After midnight week days or on Sundays or holidays call as follows:

Circulation and Mailing	Elgin	5160
Advertising Dept.	"	1501
Composing Room	"	1810
Editorial and Local News	"	1900
City Editor	"	2030
Financial and Commercial Depts.	"	2628
Sporting	"	3610

The subject who is truly loyal to the Chief Magistrate will neither advise nor submit to arbitrary measures.—JUNIUS.

SATURDAY, JULY 4, 1931.

WHEAT POOLS IN TROUBLE.

Co-operative grain marketing in Canada has always been under certain criticism, sometimes on principle, sometimes because of self-interest. When the Western farmers, goaded by what they believed to be sustained injustice, organized their pools in 1924, one for each Prairie Province, they were moved by something like spiritual zeal, and a desire to escape the burdens imposed by the grain trade. They believed they could make larger profits by simpler machinery, which, in turn, would divert all possible money to the grain growers themselves.

A crisis has been reached in the history of the pools, with the announcement that the co-operatives may be compelled to suspend operations owing to lack of financial backing. Several weeks ago it was announced that the Manitoba Pool had released its members from obligation to sell their grain only through its organization. This seemed to close observers a distress signal, and the present trouble, the extent of which is not yet disclosed, appears to be a logical sequel.

The pools have fallen victims to the depression which has struck the wheat business in many countries a colossal blow. If they stood alone in their distressing condition, the world might seek some weakness in management as the cause. But Western Canada has witnessed the same disaster overwhelm several outstanding leaders in the private grain trade, opponents of the pools, if you will. No less serious has been the position of the growers and marketing instruments in the United States, such as the Marketing Board at Washington, which, in an ineffective effort to stem the collapse of wheat prices, bought hundreds of millions of bushels, and still holds it for a better market.

If one finds and removes the cause of the wheat disaster, one may solve most of the world's troubles today. Europe in 1929 stopped importing wheat at prevailing prices, values tumbled, and still there was overproduction, or underconsumption, whichever one chooses to call it. Ocean ships were tied up in Montreal Harbor, lake vessels in the Welland Canal, wheat lay in the elevators at the head of the Lakes, and finally the stream of golden grain backed up to the country elevators, and the farmer had to stop hauling to the market. When buying ceased in Europe, prices went back to those of pioneer days, farmers' purchasing power dropped, business in Prairie stores fell off, and orders to the manufacturing East were cut to a minimum.

It will be said by some that the pools have mismanaged their job, that a better system would have brought better results. The policy of the pools to observe "orderly marketing" could not continue to prevail against world overproduction, with indifference of Argentina in 1928-29 and of Russia in 1929-30 toward high prices. It may be that the stream of wheat was dammed too tightly by the pools in 1929, but no single country, and certainly no single selling agency, can be charged with responsibility for the collapse which has overtaken wheat growing and selling in the world.

The pools are heavily in debt to the banks and the Provincial Governments which backed the pools' notes. It is said the Provinces stand responsible for $25,000,000 in this connection, the direct result of the calamitous slump in wheat prices, after the pools had made a preliminary payment of $1 and unsold wheat dropped to 60 cents. The pools were caught in the pinch, as other wheat dealers were caught with unsold wheat. The pools, however, have substantial assets in unsold wheat, in the ownership of 1,400 country elevators which cost from $10,000 to $15,000 each, and a substantial proportion of terminal elevator space at the Head of the Lakes.

Whatever the outcome of the present difficulty, those who know the temper of the West believe that, while co-operative marketing may suffer a setback, it is not destroyed, but will rise on a better basis in the not distant future.

HEAT'S DEATH TOLL.

Stark tragedy accompanied the recent spell of hot weather. Day after day the death toll mounted until there was created a general feeling of alarm and apprehension. Heat prostrations resulted in the loss of many lives, though drowning accounted for the greater number of fatalities. No doubt overexertion while in the water weakened many bathers and left them more susceptible to the enervating influence of the intense heat.

There should be for Canadians a lesson in all this. Intense heat never is long continued in this country, and there is a disposition to disregard its danger. For example, those who have dwelt in tropical or subtropical climes would be amazed to see men and women here going about bareheaded in the glaring sun of these hot periods. In hotter climes the white helmet, extending so as to protect the back of the neck, is an essential headgear; and violent exercise is absolutely taboo.

In the tropics caution against heat becomes a habit of thought. In this country, with its rare periods of torrid atmospheric conditions, little attention is paid even to care in the matter of diet; consequently there is greater danger of prostration. The death toll of this period of real heat should be a warning to all that precautionary measures, in the way of diet, suitable apparel and the minimum of physical effort, cannot be disregarded.

BRITAIN'S BOLD MOVE.

The determination with which the British Government is backing up President Hoover's moratorium plan suggests that there is more than a casual understanding between the two countries. Premier MacDonald denied that he had prompted the proposal in any way, but there is significance in the fact that it was to London the German officials went, and it was to London that Secretary Mellon went first. The British Government understands what is transpiring in Europe. Only the United States could take the initial step to meet the situation. The hesitation of France to co-operate in the relief movement has led Britain to offer to call a conference of the Powers chiefly concerned, if necessary. This has been described as a dramatic move. It is bold notice to France that, if she persists in holding out, she will find herself isolated from the other great nations; and no one knows better than France the danger of playing a lone hand.

It must be admitted that France is in a peculiar situation, both with regard to war debts and in her political relations. Her share in the German reparations is twice the amount she owes the United States. Her monetary sacrifice for a year under the Hoover plan would be second only to that of the States. Undoubtedly, also, it is felt that any act tending to help Germany will be but strengthening her greatest enemy. Many of the influential leaders in Paris, it may be believed, would prefer to keep Germany hopelessly down for years rather than give her a lift to her feet.

Britain and the United States are more concerned with the bigger question of putting new spirit into the world. Britain, at least, may be hoping that this is but the beginning of a better understanding, and that failure would stay the hand of progress for an indefinite period. In this case she sees much at stake. If both Governments pursue the course on which they have agreed so readily, it will be difficult for France or any other single nation to withstand the pressure.

THE GLORY OF FRECKLES.

At intervals the freckle-faced boy comes in for some special attention. Just now it is the Chatham Kiwanis Club that has taken him up. At a meeting in the fall—no doubt with a view to giving the summer sun a chance to look after its particular pet—each member must bring with him as guest a freckled youth. Of course, there will be plenty of food, and, while this banquet may not be the most elaborate of the season, it will at least be unexcelled in spots.

The Kiwanians do well to take a special interest in the freckled lads of the city. They will be the prominent citizens of a later day; make no mistake about that. There seems to be an inevitable association between freckles, red hair and pluck, and if a boy of this type isn't given a good chance he is very liable to make it for himself. The Kiwanians should secure a record of their young guests and watch their progress as the years go by.

It is quite a shocking thing to see a freckled boy dressed up and tidy. In order to do justice to his distinction, young "Red" should be barefoot, with trousers that bear evidence of being among the family heirlooms, one suspender, and with a tuft of shaggy hair sticking out through a hole in his hat. Then he is in his element.

There is a period in the life of the red-headed and freckled boy—generally from the eighth to the twelfth birthday—when he is at war with his fellows of the same age. He resents allusions to his complexion, and is angered by the nickname by which he is sure to be known. After that he loses all feeling of self-consciousness about the freckles, and, quite naturally, as befits his ability, assumes the rank of leadership in any mischief that may be under way.

Still later he passes out of this stage and tackles some kind of life-work. And, whatever it may be, look out for him. His energy will carry him through; and there is little doubt that in a decade or so one of these freckled lads whom the Chatham Kiwanians entertain this fall will be President of the club.

ORGANIZATION IS NEEDED.

The optimism of Premier Henry as to the availability of funds for unemployment relief has some justification in the seriousness with which the question is being approached at Ottawa since the return of Senator Robertson from the West. There is evidence that the Government now realizes that unemployment is a fact, not a theory; that the trouble is not lack of confidence, but lack of action to inspire confidence.

If funds are forthcoming by the end of July, it will be much better than waiting until fall. Millions of dollars are needed now to relieve distress. More to the point, however, is the manner in which the funds are to be used. The City of Toronto has a works program laid out, and it is possible many of the municipalities have made contingent provision in the same way. Relief work should have been fully organized weeks ago, through co-operation of municipalities, Provinces and the Federal Government. The number of people to be assisted in each community should have been listed and a careful compilation made of what is required, an understanding being reached at the same time that each municipality will look after its own people. This sort of preparation could be undertaken—and should be undertaken even now—without waiting for the money. It should be done before the money is voted, that the Provincial and Federal Treasuries will know approximately what the drain is to be.

An organized attack on the unemployment problem on a national basis, with the objective of Mayor Stewart generally adopted—to provide lodging and food for all in need—and to provide these in return for work, would avoid waste of time and money. The money is essential, but so is the organization for handling it to the best advantage.

FILLING THE PARTY COFFERS.

The Globe's Ottawa correspondent states that Parliamentary corridors have a report that "a gentleman who occupied a high place in the Conservative Party of Ontario received a campaign fund contribution of $150,000 from the Beauharnois Corporation," and that an effort will be made at the Beauharnois inquiry to learn whether there is foundation for it.

Since the law was changed at the 1930 session of Parliament, it is no longer illegal for corporations to make campaign fund contributions to political parties, but it will not be possible to convince the average intelligent voter that such contributions do not call, as a usual thing, for some return service, and therefore are subversive of good government. If the Beauharnois Corporation made contributions, it is to be hoped that the facts will be brought out, although nothing criminal is involved. The practice is wrong, and a shock of some sort is needed to restore the law to its original state.

Commenting on a previous reference of this sort in The Globe, the Vancouver Province recalls that the Customs Commission heard evidence in Vancouver from the head of one corporation who admitted giving to both parties and did not know it was an illegal act. The practice must be more general than is supposed when such an instance as this is found.

Says the Province:

> One of the sinister things about campaign funds is the secrecy with which they are raised. Another is that a quid pro quo is expected. Large sums of money are not put up out of pure good-will. Some return is looked for, in the way of policy, in the way of legislation, or in the way of administration. Policy, legislation and administrative tendencies, if in the public interest, should not have to be bought. If not in the public interest, they should not be for sale at any price. In either case, the campaign contribution—especially the secret contribution—becomes superfluous, to say the least.

Campaign funds are needed, and many of them are legitimate contributions from persons anxious to support their party. Corporation contributions cannot be placed in this class. It is certain that there should be no secrecy about any of them; detailed publication should be required by law. The Beauharnois committee can serve the public interests by recommending re-enactment of the law forbidding the receipt of funds from corporations and the publication of contributions from any source.

EMILY MONTAGUE'S DAY.

A faded and somewhat discoloured book was recently shown in a collection of Canadian literary material in Toronto, and the observer was convinced at once that it had a story. And so it had; for it was "The History of Emily Montague," written in 1769 and commonly described as the first Canadian novel. There were intelligent people in Canada long before that date, such as the official class at Quebec, and the Puritan migration in the Maritime Provinces, but it was left for Mrs. Frances Brooke, wife of the garrison chaplain at Quebec, to put the first attempt at Canadian fiction between covers.

Little progress in writing fiction had been made anywhere up to that time, and the style of "Emily Montague" might not be popular now. Mrs. Brooke at least had the advantage of the friendship of Oliver Goldsmith, Dr. Samuel Johnson and James Boswell before leaving London. By making her book something of a social document, through descriptions of life in the colony recently captured from France, she was following an obvious course, and one which probably appealed most to her readers.

Her descriptions of Quebec and Montreal and the prevailing social and military types have a substantial historical value, transcending our interest in the social tittle-tattle of dialogue. She refers to the women of Quebec as "gay, sprightly and coquettish," and pictures them as devoting their time to "playing at cards, playing the fool, making love, and making moral reflections." She describes the elaborate furs worn by both men and women in winter, furs which almost concealed the wearer from view.

In view of the appearance of the countryside between Montreal and Quebec today, the following description of this riverside road is pertinent as showing how little its character has changed:

> The road from Quebec to Montreal is almost a continuous street, the villages being numerous and so extended along the banks of the River St. Lawrence as to leave scarce a space without houses in view, except where here or there a river, a wood or mountain intervenes, as if to give a more pleasing variety to the scene.

And that is why we can call Quebec old Canada, and the form of this novel makes its own age no less apparent.

THE VALUE OF DIGNITY.

Recent physical encounters in the British House of Commons are deplored by all members with a sense of their responsibilities. Perhaps it is well that these scenes of disorder have been, as it were, brought to a head by the serious disturbances of this week, as official steps are to be taken to curb the pugnacious instincts of certain members who have little regard for the dignity and importance of their place in the Mother of Parliaments. The Speaker has made his report on the disgraceful incidents, and the Prime Minister intimates that on Monday he will ask that effective action be taken.

In quite another manner, but indicating the general desire to maintain the dignity of Parliament, reference may be made to a recent hot-weather incident in the House at Ottawa. Undoubtedly the members were suffering, and a suggestion was made that coats be removed. But the Speaker said no. In support of this attitude it was pointed out that, while in committees members of the British Parliament may remove their coats, this is not permitted during the regular sittings of the House. This seems an unimportant matter; but it is likely that after the hot wave has passed members will be glad the Speaker acted as he did.

In United States courts Judges and counsel may do business collarless and in their shirtsleeves, but this does not add to the dignity that should be associated with the administration of justice. After all, a certain decorum is called for in important deliberative assemblies. If there be a yielding on one point, other accepted regulations will be in peril. No one wants to see a legislative chamber resemble a section of the bleachers at a ball game. The Speakers at Westminster and Ottawa are right. Honorable members should not take off their coats—either for comfort or for greater freedom in physical combat.

HO! FOR THE FREE DIP.

During these stressful days one section of the community has retained its cheerfulness. It is comprised of the boys and girls who patronize the free bathing beaches. As the street cars furnished by a far-sighted city sweep through the main routes, gathering their human freight, there is a din of shouting, bathing suits wave in the air, and youngsters abandon all sense of suffering, at thought of the approaching dip.

Yesterday a Bathurst car which preceded the bathers' private "carryall" was hailed at every stop with the query, "When does the free car come?" To which the chaffing motorman, laughing as he recalled his own summer days in the old "crick," answered: "Oh, it will come some day." The boys laughed in derision, and the girls waved little cloth bags which probably contained bathing suits.

When the noisy passengers reach Sunnyside no time is lost in getting to business. "First in," is an old-time challenge, with plenty of answers. Two happy hours are allowed before the return trip. And then it may truthfully be said, in the words of the rural correspondent, "A good time was had by all."

NOTES AND COMMENTS.

Oh, what a difference a few degrees make!

When Mr. Bennett gives up the Finance portfolio, will he cease to be a superman?

A mosquito, says a scientist, can fly fourteen hours without settling. Perhaps it can; but why doesn't it?

A truckload of turtles has been taken from Oxford County to Chicago for turtle soup. This sounds like the return of prosperity.

Ottawa promises there will be no "whitewash" on Beauharnois. That is a good advance promise and the public will look for fulfilment.

It is to be hoped that all these children who crowd the free street cars on the way to the public baths make a good job of learning to swim.

Mr. Speaker Black is strong for the maintenance of dignity in the House of Commons. Then why not go the limit and have the Speaker don a wig?

Mussolini's one-time employer says he was useless as a shop assistant. Many a boy will agree that a fellow cannot show what is in him until he becomes the "big boss."

The terrible toll taken by the few days of hot weather indicates that the people of this country have not become accustomed to much of that kind of atmospheric condition.

It develops that Mussolini once was a bricklayer's assistant. Well, what about it? Wasn't a former Canadian Premier, Alexander Mackenzie, a stonemason? Nothing new under the sun!

The police games on Thursday indicated that Toronto's guardians of the peace are as efficient on the sports field as they are on the beat, on the roaring motorcycle, or on the plainclothes job. The sprint contests revealed why so many criminals are caught "on the run."

The Budget boost for the West, amounting to a Federal subsidy of five cents a bushel on wheat exported, has not provided either a crop or a market so far; nor will it buy bread for those who have nothing to sell. The job of rendering help has to be tackled in a much bigger way.

Bobby Pearce yesterday advanced another step toward the winning of the Diamond Sculls. This is the big day. The sturdy Hamiltonian has had a gruelling week in competition with the world's greatest amateur oarsmen, but his admirers are confident that he will pull through again today.

The farewell of Mr. Lloyd George to his former political lieutenant, Sir John Simon, was a bitter one, showing that these desertions are getting "under the skin" of the Liberal Leader. In the last analysis it must be evident that the wizardy of "the little Welshman" is losing much of its force.

This is the "Glorious Fourth" in the United States, the day which brings the annually recurring advice to "make it safe and sane." If an average could be struck between the restraint which marks Dominion Day celebration in this country and the excessive display of fireworks on July 4 across the line, it would be about right for each country.

Whatever the Canadian High Commissioner may be saying in his London addresses, he at least knows how to say it so as to get the big headlines in the papers of his own country. Mr. Ferguson should provide a key to his speeches, indicating, for example: "Serious," "facetious," "sarcastic," "straight humor," "with the knowing wink," and so on. That plan would save Parliament and people a great deal of speculation.

The Statute of Westminster And Privy Council Appeals

(By R. A. REID, Barrister, Toronto.)

ARTICLE I.

The long-expected resolution asking the Parliament of Canada to approve of what has become known as the Statute of Westminster came before the House of Commons at Ottawa on Tuesday, June 30, and, after a short debate, which did not indicate that the majority of those taking part in the discussion knew much, if anything, about the matter they were dealing with, it received the approval of that section of the Parliament of Canada.

Tending to further sever the few remaining links of empire, and the ties that bind us to the Motherland, Great Britain, with her thousand years and more of power, tradition, greatness and history, this Statute of Westminster purports to make startling and extraordinary changes in the relations and constitutional position of Canada.

It is right and proper, therefore, that before this resolution receives the final approval of the Senate of Canada, such amendments and changes should be made in it, and sent back to the Commons as amended, as will make it absolutely certain that the prerogative right of his Majesty to grant to any of his subjects in Canada his special leave to appeal, when desired, to the Judicial Committee of the Privy Council, is preserved intact beyond dispute, and express words to this effect should be inserted in the resolution before it is sent to England and the Imperial Parliament.

The people of Canada have never been given an opportunity, or a chance, to express their wishes in this matter, and their inalienable vested legal rights are being stripped and torn from them without one word of explanation or protest. This is the kind of action that has brought civil war and revolution to other countries, but here the people have become so used to being kicked about, and their rights trampled upon, that they seem to have been lulled into a false sense of security.

Time for Action.

The time for a clarion call to protect their legal rights under the Constitution has now arrived; the separatists and Empire-wreckers are beginning to see victory for their years of underhand work, and those who have for a decade endeavored to sever the last links of Empire are hammering down the last obstacles to the achievement of their sinister purposes of rending the Empire asunder.

It is the duty of all those who wish to protect their vested legal rights under the Constitution to rally now, and oppose, by their protests to the Senate, the Governor-General, the King himself and to the Imperial Parliament at London, the enactment into law of the Statute of Westminster, unless their rights are preserved and protected. It is their rights, not the rights of the Governments, that are to be vindicated. They should carry and deliver their protests by telegram, by cable, by letter, by delegations, and by all legitimate means within their power, in order to see to it that the Statute of Westminster and the resolutions relating thereto are withdrawn, so far as Canada is concerned, until such amendments are made to it and them as will make it certain that it in no way cancels, affects or abrogates, or authorizes any such cancellation, change, abrogation or abolition of the right of appeal to the Privy Council, or of the statutes, rules, orders and regulations governing same, and until such protection be assured the Senate of Canada should be asked to reject the resolutions and the Statute of Westminster, and the Governor-General should be requested to refuse his approval and be asked to forward the protests of the people to the King, and to the Imperial Parliament at London, showing that the resolution and statute do not express the wishes of the people of Canada, as they have had no opportunity to express themselves upon the present proposals, and that they wish the prerogatives of the Crown to be maintained in Canada unimpaired in the public interest.

If the resolution and the Statute of Westminster, now before Parliament at Ottawa, become law it will, in effect, tend to dethrone the King in Canada, in so far as concerns his prerogative right to grant leave to appeal to the foot of the Throne, to any subject or citizen in his Majesty's Dominion of Canada who desires to carry his legal rights, case or complaint for decision by the final court and highest tribunal in the Empire, the Judicial Committee of the Privy Council.

Difficult to Understand.

The resolution and Statute of Westminster are of such an inconsistent nature that it is next to impossible to understand exactly what they mean. No wonder there was not a bit of intelligent discussion of them in the debate this week. First, the Statute says that nothing in it shall apply to the amendment or alteration of the British North America Acts, the Constitution of Canada, and then right in the next paragraph they amend the Constitution of Canada by repealing the Colonial Laws Validity Act. Here, at once, are two absolutely inconsistent provisions, because they have already agreed to an amendment of the British North America Acts, the Constitution of Canada, by asking for the repeal of the Colonial Laws Validity Act, which latter act is a part, and a very important part, of the Constitution of Canada, because, by reason of Section 129 of the British North America Act, the Colonial Laws Validity Act is preserved in full force and effect for the benefit of the people of Canada, and which would apply to Canada, even if it were not so continued in force and preserved for us.

Under the proposals now put forward the result will be that one Province may do away with appeals, and other Provinces retain them, while the decisions in one Province may be entirely different from those in the other Provinces, the whole judicial system and the uniformity of laws being thrown into disorder and confusion. If the Privy Council appeals were abolished, as proposed, then all the Privy Council decisions and the system of jurisprudence built upon them would be of little use, as decisions directly contrary could be rendered, and it would be useless to cite a Privy Council decision to the contrary, as the court could say that decision is not binding on us now, just as Mr. Justice Martin of British Columbia said in a very recent case regarding a leading authoritative House of Lords decision on an important question. The truth is, those responsible for this Statute of Westminster and the resolutions referring to same, in so far as they apply to Canada, do not seem to appreciate the extent, effect and import of what they are trying to do, or where it is going to lead, or end.

Hearing of Appeals.

The hearing of appeals by special leave from all the Empire courts is made possible by two British statutes, one being of the year 1833, and a more recent and important one of the year 1844, both of which are in force today. The practice, so far as Canada is concerned, is regulated and governed by the Imperial Act of 1844, being 7 and 8 Vict., Chap. 69, under which the Crown-in-Council received the prerogative right to hear appeals, and which preserves for British subjects and Canadians the right of appeal to his Majesty-in-Council from, to use the words of the Imperial Statute, "any court of justice within any British colony or possession." The Crown-in-Council referred to means in practice the Judicial Committee of the Privy Council. These two Imperial statutes of 1833 and 1844 are the Privy Council appeals, Magna Charta of Canadians, securing for them, and protecting them in, their legal right to ask for special leave to appeal to the Privy Council at any time, and these two statutes, with the Colonial Laws Validity Act, were taken over by and continued in force in Canada, as an hereditary benefit, under Section 129 of the British North America Act when Confederation was formed.

It is now proposed by this new Statute of Westminster, and the resolution referring to same, to obtain permission from the Imperial Parliament at London to allow the Dominion Parliament at Ottawa and the various Provincial Legislatures to pass laws depriving all persons in Canada of their present inalienable vested constitutional right to ask leave of the Privy Council to appeal his or her case or rights if he or she so desires to that tribunal, and to prevent any such appeal being allowed thereafter from Canada. This is all being done, remember, without the people of Canada being given an opportunity to say whether or not they want this carried out, while the Legislatures of the Provinces, elected by the people, have never been permitted even to discuss the momentous proposal having such far-reaching consequences to the rights of British subjects in Canada. It is a grossly outrageous attempt to deprive them of what is now their just, constitutional and legal rights, to which they are now entitled and which they can demand at any time, and take them away by force of law, regardless of what the people of Canada may wish or desire.

Mr. King's Experience.

This was one of the proposals of former Prime Minister King and his Government, assisted by John S. Ewart, K.C., both at the Imperial Conference in 1926, and at the Sub-Conference Committee in 1929. The people of Canada resented this proposal among other issues of the campaign, at the general election of 1930, and the Government was summarily dealt with at the polls for attempting to take this course, among others, contrary to the wishes of the people of Canada. The defeat must b taken in part as including a declaration of the people of Canada denouncing this proposal, and that they did not want this course pursued, among other reasons for his defeat.

It surely cannot be the intention of the new Conservative Government at Ottawa to put the stamp of its approval on any of the constitutional changes proposed by Mr. King and his Government at the conferences of 1926 and 1929, because to do so would be a gross betrayal of those who have strenuously opposed and fought such proposals, and a reversal of the principles enunciated and fought for by the Conservative Party at all times.

One of the important changes proposed by the 1929 Conference Committee report was the repeal of what is known as the Colonial Laws Validity Act. It is pointed out by Professor A. B. Keith, D.C.L., of Edinburgh University, formerly of the British State Department at London, in his three-volume work on "Responsible Government in the Dominions" (second edition, page 1229), that the Colonial Laws Validity Act cannot be repealed and swept away without leaving the British North America Act and the whole Constitution of Canada without any protection from confusion and destruction.

This proposal if carried into effect would repeal and destroy the only protection we have in Canada by and under the Colonial Laws Validity Act for our Constitution and our Privy Council appeals.

Is it in this underhand, indirect and sinister manner that all the anti-Imperialists, anti-Britishers, anti-Englanders, pro-republicans and potential rebels in Canada propose to destroy our Constitution, take away our vested rights to our Privy Council appeal, uproot our British shipping laws and do away with British protection to our merchant shipping on the high seas? How are we going to protect our shipping, the valuable cargoes and our passengers and crews on our ships in foreign ports and on the high seas if we are going to change British laws now governing these matters?

Privy Council Appeals.

The proposal to abolish Privy Council appeals was not discussed at the Imperial Conference of 1930 in London, and the Subcommittee Conference of 1929 were told, in effect, that it was no part of their instructions or business and was not included in the agenda. The Imperial Conferences of 1923 and 1926 both left the right of special leave to appeal to the Privy Council unchanged and unaltered, and the Conference on Dominion legislation of 1929 was not empowered by the 1926 Imperial Conference to raise this appeals question at all.

Yet, now comes the proposal, concocted in secrecy and surrounded with an atmosphere of mystery, to abolish the Colonial Laws Validity Act, and, as a consequence, its repeal will allow and permit the Dominion Parliament and the Provincial Legislatures to take away the legal rights of its citizens to carry their appeals and cases to the foot of the Throne. It is the repeal and abolition of the Colonial Laws Validity Act, remember, which allows this to be done. It could not be done if that statute still remained alive. But, once the Imperial Parliament gives Canada and the Provinces permission to pass laws contrary to Imperial statutes extending to and in force in Canada, or in opposition and contrary to any order or regulation made under any such statute which the Colonial Laws Validity Act now prevents being done, then it can prevent the exercise of the prerogative right of the King to allow appeals, once the Imperial Parliament at London gives such power and authority to Canada and the Provincial Legislatures under the Statute of Westminster, as now proposed at Ottawa.

I do not intend going over all the reasons which have been advanced and referred to at various times for the last twenty-five years or more, and even before that, for the continuance of the appeal to the Privy Council. Prime Ministers of Canada, Ministers of Justice, the legal profession, the Judges and numerous public bodies, and citizens generally who have the interests of the Empire and their own just legal rights at heart, for their own protection and that of Canada as a whole, have invariably denounced any attempt to deprive them of this link of Empire, legal right and privilege now held and enjoyed by every one in Canada.

The late Chief Justice Taft of the United States Supreme Court at Washington, and former President of the United States, regarded the Privy Council as the finest judicial tribunal in existence, and when addressing the Canadian Bar Association a few years ago said:

> "The Judicial Committee of the Privy Council is a body that has grown up in that delightful way in which institutions are created in England and at the Bar, and I hope that it will long continue to exercise that world-wide jurisdiction, decisions under which have done so much to help the British Empire and therefore to help the world."

There is an unprejudiced and impartial opinion from the former occupant of two of the highest and most powerful offices in any country in the whole world."

The late Sir Wilfrid Laurier, former Prime Minister of Canada, when speaking of the Privy Council said:

> "So far as Canada has any concern, we have an appeal to the Judicial Committee of the Privy Council; and it has, as a general rule, given very great satisfaction. I do not know that all its decisions have been accepted.
>
> "There are few courts which have not their decisions criticized, within twenty-four hours, but as a rule the decisions of the Privy Council, so far as concerns Canada, have been eminently satisfactory."

The Prime Minister of Quebec, Hon. Louis A. Taschereau, K.C., when receiving the degree of Doctor of Laws at the University of Toronto in the year 1921, spoke on the Privy Council Appeal, and said:

> "I believe it is the general desire of my Province that, especially in constitutional cases, the right of appeal should be maintained.
>
> "To express my thoughts in a few words, I will venture to say that in a country such as ours, which is blessed with minorities, the Privy Council is the protection of those minorities.
>
> "The appeal to the Privy Council is a tie, one of the last ties, we are sometimes told, between Canada and the Mother Country. A tie may be broken by pulling any one of its ends; Quebec will not pull on her end, but let us hope there will not be too many unwise pullers on the other end."

An Austrian View.

And in October, 1929, when a report was circulated abroad that the British Government was willing to allow any Dominion desiring to sever its Privy Council appeal relations with the Mother Country, to do so and, if any such so desired, to abolish the privilege and right of appeal to the Privy Council, the Right Hon. Stanley Bruce, Prime Minister of Australia at the time, declared that no such move would be made while he was Premier, and he approved very strongly the attitude of the Province of Quebec on this matter, which considered as a direct insult to the Province any proposal or suggestion to abandon or abolish its right of appeal to the Privy Council.

Far more important, however, than anything that has heretofore been stated or given as a reason why the right of Canadians to be protected in their privilege of having the Privy Council appeal at their disposal when required, is the fact that it was, and is, definitely secured to them by the Fathers of Confederation, over 64 years ago, and was a right exercised by them even before that time for many years. When the Confederation of Canada was being discussed in the debates on Confederation in the Parliament of Canada in 1865, the question of establishing a Supreme Court of Canada as an appeal court for all Canada, was considered. That court was afterward created in 1875, but it was distinctly understood then, and before that time, that the Privy Council appeal was to continue as before.

Sir George Etienne Cartier, the Attorney-General of Lower Canada, in the debates of 1865, referring to this matter at page 576 of the Confederation debates: "As long as we keep up our connection with the Mother Country we shall always have our court of final appeal in her Majesty's Privy Council.

"But I do hold, and the spirit of the Conference at Quebec indicated, that the appeal to the Judicial Committee of her Majesty's Privy Council must always exist, even if the court in question is established."

If the foregoing extract from the views of the Fathers of Confederation does not settle all the agitators who want to abolish the Privy Council appeal, then nothing will, except the immediate withdrawal from the House of Commons of the resolution referred to and the Statute of Westminster, and the part of it in particular which declares for the repeal of the Colonial Laws Validity Act.

Regarded as Keystone.

Here it is shown, conclusively, and it is stated explicitly, that the Fathers of Confederation considered the Privy Council appeal as one of the basic conditions of Confederation, as one of the keystones of the whole structure, and as what the Quebec Conference understood at that time as to the continuance of the appeal, as a part of our judicial system. Who knew, or knows now, better than they did how Confederation was to be built up and worked out in every department of the new Governments of the Dominion and the Provinces? One would think that this should silence forever the agitators, the empire-wreckers and disrupters, and all those who wish to see Canada secede and separate from the Mother Country.

Both Cannot Be True

Stratford Beacon-Herald: At a political gathering in Hamilton Charles W. Bell, M.P. for West Hamilton, made the statement that when Hon. Charles Stewart and Hon. James Malcolm were members of the Cabinet of the late Government they stated they were out to smash the glass industry in Hamilton.

Since that charge was made publicly and published in papers all over the country, Mr. Stewart and Mr. Malcolm have denied it, and they are quite within their rights in so doing. We would much prefer taking it for granted that no responsible member of a Canadian Ministry ever made such a statement.

Attempts to use the tariff for establishing the glass industry in Canada have not left a very wholesome memory. It is easy to recall that a previous tariff change was immediately followed by a sharp upward revision in the price of glass by importers, many of whom desired to make the increase apply to stocks already in hand.

The public in Canada should be informed definitely regarding the statement by Mr. Bell. Such an affair can hardly be put aside by Mr. Bell saying that the threat to smash the Hamilton industry was made by Mr. Stewart and Mr. Malcolm, and then by having these gentlemen state they said no such thing. It is too much to expect the public to swallow both statements without having a sour stomach.

Embarrassing

To the Editor of The Globe: On the front page of your estimable paper this morning you have an article captioned "Strip Maps Urged for Ontario Roads. A.A.A. at Washington Will be Asked to Send Logging Car." The gist of the article is to the effect that Mr. Hart of the Rochester, N.Y., Automobile Club deplores the lack of detailed information available in Ontario to such an extent that he is calling on Uncle Sam to step into the breach with a logging car and a staff of cartographers to map our highways for the benefit of the tourists. As the honorable William Finlayson, Minister of Lands and Forests, was present when Mr. Hart made his utterance, imagine the embarrassment of the former.

Surely we Canadians in Ontario can attend to the proper logging of our highways and the furnishing of maps for tourists.

A. B.

Toronto.

The Globe.

TORONTO
CANADA'S NATIONAL NEWSPAPER
FOUNDED 1844

The Globe is published every week day at 64 Yonge Street, Toronto, by the Globe Printing Company, the Proprietors.
W. G. JAFFRAY . . . President
H. W. ANDERSON . . . Managing Editor

The largest morning circulation in Canada built without the aid of premiums.

Net daily average circulation for the month of June 99,619

Member of the Audit Bureau of Circulations.

Cable address—TORONGLO.
TELEPHONES
Elgin 5161—Use this number to call The Globe. Private Branch Exchange connects with all departments.
After midnight week days or on Sundays or holidays call as follows:

Circulation and Mailing	Elgin	5160
Advertising Dept.	"	1501
Composing Room	"	1810
Editorial and Local News	"	1900
City Editor	"	2030
Financial and Commercial Depts.	"	2628
Sporting	"	3610

The subject who is truly loyal to the Chief Magistrate will neither advise nor submit to arbitrary measures.—JUNIUS.

MONDAY, JULY 6, 1931.

A FINANCE MINISTER NEEDED.

Mr. Bennett's intimation that he purposes in the near future to relinquish the post of Minister of Finance will be received by business men in all parts of the country with a sigh of relief. The dual duties of Prime Minister and Minister of Finance are too onerous for one man. No one can deny that Mr. Bennett has worked hard at both jobs and given unstintedly of his time and energy in his effort to accomplish the impossible. But it is gratifying, in the public interests, that he is coming to the conclusion that it is more than time to pass the responsibility to other hands. Mr. Bennett was confronted by a difficult situation, and his experience has convinced the country, and doubtless also convinced himself, that he is not a Fielding, or a White, or a Robb.

The country was promised stability of tariff. Instead it has witnessed an on-again-off-again performance which has been most distressing and disturbing. One day a new imposition has been announced; the next, public opinion expressed itself, and, bowing to its force, off it came. This sort of thing has become almost habitual, with the result that there is now little confidence that anything as at first announced is going to stand.

Mr. Bennett must realize that all this is destructive of his party proclamations and his personal prestige, apart altogether from its serious affect on the country's business. He will be wise, accordingly, to make the change as speedily as possible.

These are anxious and serious days for business in all lines of endeavor. It is dangerous to experiment with tariffs and taxes like a curious child playing with strange toys. There is need for care, caution, thorough examination, understanding and leadership—for much more than can be given by one who has other grave Governmental responsibilities to deal with. Mr. Bennett is to be congratulated if at length he has decided to devote himself wholly to the high and the heavy tasks of the Premiership and to provide Canada with an efficient Minister of Finance.

SPENDING PUBLIC FUNDS.

As much as $50,000,000 is mentioned as a possible appropriation by Parliament for unemployment relief. This is a vast sum of money, and if this, or an amount approaching it, is to be expended, nothing is clearer than that the utmost precaution will be necessary to handle it to the best advantage. There is no doubt that the Canadian taxpayer is willing to foot whatever bill is necessary to prevent distress. It will be large, in any event, and the taxpayer is entitled to assurance that every dollar spent will provide 100 cents in relief.

There is no suggestion that Municipal, Provincial or Federal officials entrusted with public funds are lacking in discernment or in loyalty to the taxpayers' pocketbook. Every one realizes, however, that the handling of large sums of money requires careful administration. When distribution is to be over so large an area as the Dominion of Canada, it should be the business of some competent organization to direct it, free from other obligations.

Mr. Mackenzie King's proposal that an independent body of competent men be appointed to direct its use cannot be regarded as a reflection on administrative authorities. It is simply a business suggestion, important in proportion to the amount of money to be handled. The Federal Government does not wish to spend more than is necessary. It should, therefore, be anxious to make whatever is spent as serviceable as possible, and this cannot be done without assigning the responsibility to a committee or commission which will apportion the funds where and as they are required and check up their use.

Fifty million dollars should go a long way in providing work and relief, with the addition of Provincial and Municipal contributions. Yet the expenditures under the September appropriation, amounting altogether to $70,660,000, seemed relatively meagre in results. The Labor Gazette gives the total number of individuals receiving assistance as 291,735, the number of man days worked being 6,273,228, an average of a little less than 22 days for each individual. Expenditure, however, was at the rate of more than $250 per person helped, and at more than $11 per man day worked. No explanation is given for this. The public should be able to learn where the money really did go.

In any event, if it is necessary to spend $11 to give a day's work at $3, more or less, it would imply lack of competent administration, which should not be repeated. Every one concerned should be anxious to put the funds to the best use possible. In the nature of things, this cannot be done simply by [illegible] handing them out here and there, without having a central organization co-ordinating and systematizing both spending and employment. The Government should take whatever steps are necessary to see that the taxpayers get sufficient returns for whatever they are called upon to pay.

THE "SCULLS" COMING BACK.

Canada retains the Diamond Sculls. Never before has this famous trophy, considered by many as emblematic of the amateur rowing championship of the world, remained overseas for two successive years; and, in addition, this will be its fourth year of sojourn in the Dominion. Last week Bobby Pearce of Hamilton swept his way triumphantly through the qualifying heats, and in the final contest on Saturday emerged as victor—"an easy winner," according to the official report, which means that he was more than four lengths ahead of his opponent.

Thus Canada maintains her supremacy in this branch of aquatic sports. The record is impressive. In 1904 Lou Scholes brought home the Diamond Sculls. Joe Wright Jr. was the victor in 1928. Jack Guest won the honor in 1930, and now Bobby Pearce will return with the coveted prize.

Canadians are proud of these clean-cut young athletes. Rowing is a contest that calls for something approaching perfection in physical condition. To this must be added the skill attained only by long and consistent practice; and above all these there must be the stout heart that will carry an oarsman through the most gruelling trial that an athlete may endure. Only by decent living can these qualities be attained; and for this, as much as for their victory, are these successful scullers admired and honored.

This year's champion has had a remarkable career. He won the Olympic rowing title in 1928; the British sculling crown at the Empire Games in Hamilton in 1930, and now the Diamond Sculls. These victories establish Bobby Pearce as the greatest amateur oarsman of his time. He is an Australian by birth and a Canadian by adoption, thus having in his make-up the spirit that has made both these countries the home of champions in this line of aquatic sport. It has been said that the famous Edward Hanlan taught the world how to row, but it must be remembered also that in representatives of Australia this marvellous sculler found worthy opponents.

Bobby Pearce has been the recipient of congratulations from all parts of the world, and no doubt most acceptable of these were cables from former Canadian winners of the trophy. The Diamond Sculls should find in Canada a homelike atmosphere, and, judging by Pearce's impressive victories, their stay in this country may be somewhat prolonged.

LIFE-SAVERS ON GUARD.

Toronto is apt to take for granted the efficient and not infrequently heroic conduct of those who constitute her public services. This city is indeed fortunate in the character and calibre of the forces to whom—as a matter of duty—has been entrusted the protection of life and property. Policemen and firemen go about their tasks—tasks that often are arduous and hazardous—in such a quiet, unostentatious, matter-of-fact way that citizens generally do not realize the sterling worth of these public servants. It is well occasionally to note with appreciation and thankfulness what constantly is being done.

During the past ten days of meteorological drama—intense heat, sudden squall, cyclonic wind and heavy thunderstorm—another little-heralded organization has been giving noteworthy service. On the mainland and Island shores the corps of well-led experts who man the life-saving service have been having busy times. At all hours of day and night they have been summoned to duty, and the response has been prompt and eager under all conditions. The upset boat, the sinking swimmer, the bather beyond his depth—daily happenings in treacherous summer weather—contribute constant calls, sometimes accompanied by the demand for dangerous and daring effort. Several lives have already been saved this season under such circumstances. Little is said concerning it. All is taken for granted. But the fine fellows whose duty is life-saving and who perform that duty with rare efficiency and unproclaimed bravery should be told, once in a while, how highly they are esteemed and how gratefully their services are regarded.

THE LEMON "GETS EVEN."

Despite its lofty attitude and the misery associated with its ambitious course, the thermometer was not without friends on its recent upward journey. While it climbed the heights, the humble lemon, as indicated by soaring values, was a constant attendant.

It appears that, while the thermometer is strong on temperature, the lemon specializes in temperament. According to dealers, it is an emotional fruit, easily affected by unusual surroundings and conditions. For example, during periods of intense heat, when all eyes are on the excited thermometer, the lemon also becomes erratic; and, just as birds of a feather flock together, away they go into some upper stratosphere, from which the least imaginative folk may see them leering down at sweltering humanity.

There is some excuse for the lemon's conduct and for the company it is cultivating. It has been the subject of disparaging remarks. There has been the insult direct in describing any poor specimen of humanity as "a lemon." Such things cannot be done with impunity, and evidently the lemon has entered this alliance to see that it isn't done any more.

AMBITIOUS TEACHERS.

The school teachers of Ontario frequently provide evidence that their main ambition is to do well the important work entrusted to them. Just now proof of this is found in the announcement that summer courses arranged by the Department of Education are being more largely attended than in any previous year. Four thousand five hundred teachers are to take advantage of this means of improving their equipment for the work to which their lives are devoted. That is the tion. Young men and women who do not intend to remain in the teaching profession will not spend a month of their holidays in intensive preparation for the better performance of their duties.

These summer courses cover a wide range of study. They provide an opportunity for "brushing up" on familiar subjects and keeping abreast of the latest approved methods of teaching, and also open new fields for exploration. For example, year by year increasing attention is being paid to physical training in the schools, and capable instructors will enable teachers to keep up to date in this branch of school work. The most gratifying aspect of the large attendance at these classes is the indication that the teachers of the Province are eager to give of their best to the education of youth; and for this parents and the public generally should be grateful.

HOW BEST TO TRAVEL?

"If you want a quiet—and safe—journey, go by train," is the advice given by the St. Thomas Times-Journal in an interesting editorial dealing with holiday traffic. It points out that a St. Thomas man who journeyed home from Toronto on Dominion Day "almost had the train to himself." Moreover, he avoided all the dangers of congested traffic and reckless driving on the highways.

The comfort and safety in which this traveller made his holiday trip causes speculation as to whether another change in popular sentiment regarding transport may not be in the offing. Time was, as our St. Thomas contemporary observes, when holiday periods found trains everywhere thronged, railway employees busy, and the lines reaping a harvest in passenger traffic—in fact, those who did not travel comforted themselves that they were "escaping the crowds on the trains."

Then came the automobile. And, with it, all changed. No longer was the railway station the scene of thronging and jostling, and the problem of accommodation on the excursion train acute. Travellers poured into the highways on wheels and cluttered the roads. Gasoline supplanted steam as motive power, and chauffeurs, amateur and professional, reigned in the stead of engineers. The crowds and the commotion were transferred—and new discomfort and new peril resulted.

And now—what? Are other holiday travellers beginning to think as the St. Thomas man thought—that the quiet, comfortable, safe way to move from place to place is on a railway train?

WOULD MOBILIZE UNEMPLOYED

The Niagara Falls Review has published a letter from an "Ex-Service Man" who advances the view that if mobilization and national service at $1.10 per day were warranted in wartime they would be justified today to meet the national unemployment emergency. To this pay he would add separation allowances for wives and other dependents.

The suggestion has been made before, but interest is added in coming from a war veteran who would conscript all unemployed men and women and set them at necessary public undertakings, penalizing conscientious objectors or deserters by refusing them aid through other sources except regular employment.

"Unquestionably there is an emergency, in view of the thousands of men who are unemployed," comments the Review, "but whether the plan as suggested would solve the problem is open for discussion." One of the difficulties is in placing responsibility for unemployment relief. The Federal Government is taking the stand assumed by the late Liberal Administration, that unemployment is a first responsibility on the municipality, and then on the Province. It has to be acknowledged that the prevailing state of unemployment differs from the casual hard-luck period which grips a certain number of people in every municipality every year. Another difficulty certain to arise if the conscript idea at $1.10 per day were taken up would be the opposition from organized labor to the wage paid.

Nevertheless, there is a national condition of alarming proportions to be faced, and quibbling over jurisdiction or other points should not interfere with consideration of any constructive proposal.

MARKING THE LANDMARKS.

All over Canada there have been erected cairns of a standard form announcing that at or near each site some historic event took place. These marks, simple, dignified and inexpensive, have an enormous cumulative value in informing the Canadian people of the past of their country.

An important change has been announced in the membership of the Historic Sites and Monuments Board, which has charge of this work as an arm of the Dominion Government. Dr. James H. Coyne of St. Thomas has retired owing to advancing years, and has been succeeded by Prof. Fred Landon, Librarian of the University of Western Ontario, London.

Dr. Coyne has long been an interpreter of the history of Ontario, through numerous publications, and through his addresses at many public gatherings. He has been indefatigable in searching out the missing links of early history and presenting them to a widening circle of interested readers and listeners.

Professor Landon is a worthy successor, as shown by his eager service in the same field. He has many short publications to his credit, and in particular he has made researches into the migration of escaped slaves into Ontario before the Civil War. Joseph Howe long ago urged the people of British America to be wise and "gather up their muniments" as a service to posterity, and Dr. Coyne and Professor Landon have earned the gratitude of future Canadians.

Much yet remains to be done in marking historic spots in Canada, and the development of this work is the more desirable because of the increasing use of the highways. The roads of this country could be made vastly more interesting by greater use of local tablets and marks, giving to older Canada something of the charm which attaches to the old lands beyond the seas. Further, it is a work which should appeal to local historical associations.

A KINDLY GOVERNOR.

Unofficial Ottawa intimation that Hon. W. D. Ross will retire from the office of Lieutenant-Governor of Ontario at the end of a two months' leave of absence will bring a general feeling of regret among those who have observed the happy and unselfish manner in which his Honor has performed his duties during his four and a half years at Government House.

The public has little basis on which to estimate the formal services of a Lieutenant-Governor, but it may be assumed that a man of the high financial and business standing of Mr. Ross would not be lacking in the exactness and faithfulness which his office demands.

The people of Ontario, however, are in no doubt as to the kindly devotion of his Honor to the continuous duties which fall to him in connection with public functions. He has lent his patronage and support to hundreds of undertakings for the well-being of the Province, whether connected with welfare work, the promotion of sport, or the advancement of social and economic life.

These duties, doubtless, brought their own pleasures and rewards; but no one who has observed a daily round of entertainments and public meetings can be ignorant of the heavy drain it means on the vitality and good-nature of those in the limelight.

The good-will and hospitality of Hon. W. D. Ross place him well forward in the ranks of the honorable company of business men who have served this Province through the channels of Government House.

NOTES AND COMMENTS.

After all, Old Sol was just a little too zealous in prosecuting his job.

At the Zionist Congress in Switzerland it appears to be a case of Dr. Wise versus Dr. Weizmann.

It is interesting to note that during all its recent altitude flights the thermometer was closely pursued by the price of lemons.

Now that the Canadian strawberry, the cherry and the raspberry may be seen in company, life in this country should be brighter for a few weeks.

Another Parliamentary inquiry is in prospect—this time into the cost of Yukon administration. At least the weather is auspicious for such an undertaking.

And then, in proof of the saying that troubles never come singly, the excessive heat is baking the gooseberries in the Welland district before the pie crust is ready.

Evidently the time is not far distant when energetic and enthusiastic aviators may hop across Canada between meals, and vary the monopoly by week-end trips around the world.

Premier Bennett, having carried on the business of two Departments during the torrid weather, and celebrated a birthday, may be regarded as immune from the weariness that sometimes overtakes other men.

The reassembling of the Customs staff under one roof, after years of billeting in the neighborhood, will be an interesting and involved operation, and one in which the public will be deeply concerned.

Sir William Hart Dyke seems to have been a true John Bull. He was in Parliament for forty years, was friend of Disraeli, and his party Whip, a sport and landowner, and lived almost to 94. What more could an Englishman desire?

Some wise man has put a lot of Northern unemployed folk at work picking blueberries for distant markets. In view of the growing popularity of this wild fruit and the neglect with which it has been treated where it grows, the step is almost heroic in its significance.

Hon. H. M. Marler, Canada's Minister to Japan, sees prospects of a great market in China for Canadian products. This is good news, but there must be active effort to take advantage of the opportunity offered, as other countries are particularly wide-awake just now in their search for markets.

Four thousand five hundred Ontario teachers have enrolled in summer classes arranged by the Department of Education. This reveals the high character of those who teach the youth of the Province. When men and women devote their holidays to improving their status as teachers, it is a safe assumption that the schools of Ontario are in worthy and capable hands.

Canadian newspaper publishers and many others will regret the passing, at the age of 72, of Mr. H. P. Moore of Acton. Mr. Moore was for many years editor and publisher of the Acton Free Press, which was so neat and perfect in its typographical appearance that it was lovingly called a "dude newspaper." When Mr. Moore retired at length he was appointed Police Magistrate for his town, an office for which his high character and broad public spirit eminently fitted him.

The Natal (South Africa) Advertiser declares without a tremor that female labor in industry is responsible, more than any other cause, for the plight of mere man searching without avail for work. "Will the day ever come," it wonders, "when, surveying a world of empty cradles and overcrowded unemployed queues, some great woman will beckon her sex back indoors once more, promising a sane industrial world that it will be rationed with female labor if and when the need for that labor arises, and assuring meanwhile that man will at last enjoy a wage that makes it possible for him to offer wife and children better than a godless scramble for the pittances that are fought for in the world's market places today?" A call for woman to rise for the emancipation of

The Statute of Westminster And Privy Council Appeals

(By R. A. REID, Barrister, Toronto.)

ARTICLE II.

I referred in a previous article to the Colonial Laws Validity Act, which is an Imperial statute, passed and enacted into law by the British Parliament in the year 1865. That is the statute which safeguards British subjects in all the overseas Dominions of the British Crown, and protects them in their legal right to petition for special leave to appeal to the Privy Council, because it prevents any Canadian law being enacted which attempts to, or takes away, or interferes with the King's prerogative right to grant leave to appeal, or with the Imperial statutes governing same.

It was Sir George Etienne Cartier, one of the Fathers of Confederation, and Attorney-General of Lower Canada at the time of Confederation, who stated the considered decision of the delegates at the Quebec Conference regarding Privy Council appeals. Speaking on the question of Confederation, and the Quebec Resolutions in the debates on Confederation in the Canadian Parliament of 1865, at page 576 of the printed volume of the debates, he said:

"As long as we keep up our connection with the Mother Country we shall always have our Court of final appeal in her Majesty's Privy Council. But I do hold, and the spirit of the Conference at Quebec indicated, that the appeal to the Judicial Committee of her Majesty's Privy Council must always exist, even if the court in question is established."

Efforts to Retain Appeal.

And, as if to make doubly sure and certain that the appeal to the Privy Council should continue, and be maintained for every one in Canada who wished to avail himself of it, they saw to it that a provision or clause was inserted in the British North America Act to this end, and so Section 129 of that statute distinctly declares that all acts of the Parliament of Great Britain, and all laws in force in Canada at Confederation in 1867, shall continue until repealed or altered. This section has the effect of continuing in force in Canada to this day the Privy Council Statutes of 1833 and 1844, and the laws thereunder, which enable all Canadians to exercise their Privy Council appeal rights at any time, and govern the prerogative in this matter in all the Overseas Dominions of the British Crown. The case of Nadan v. the King, an appeal from Canada in 1926, explains the application of these two British statutes to Canada, and declares that no Canadian statute can interfere with them, or the rights conferred on all British subjects thereunder.

Section 129 of our Constitution, therefore, carries out the views of the Fathers of Confederation regarding the preservation of the Privy Council appeal, and proves it to be another of the foundation keystones, cornerstones and bases of Confederation.

Supreme Court Appeal.

Further, when the British North America Act was before the Imperial Parliament in London, reference was made to the setting up of a Supreme Court of Appeal for Canada, and it was suggested by one member that a court along the lines of the Supreme Court of the United States at Washington might be created. But, it was pointed out by Viscount Cardwell, who had been Secretary of State for the Colonies 1864-1866, that the delegates from Canada and the Provinces did not want that kind of tribunal in Canada, and said: "As matters now stand, if the Legislature acted ultra vires the question would first be raised in the colonial courts and would ultimately be settled by the Privy Council. No doubt it was a defect. But the point had undergone consideration by the delegates, who thought it would be better to leave things in this state." (See the British Hansard, House of Commons Debates for March 4, 1867).

Here again the Fathers of Confederation, through their delegates, prove that they intended the Privy Council appeal to be a perpetual right and an important part of the judicial system of Canada, open to all who desired to avail themselves of it.

Early Litigation.

Then, about the year 1869, litigation over important questions between the Dominion Government and the Provinces began to assume large proportions, and a movement was commenced for the establishment of a Supreme Court for Canada. Sir John Young, who was Governor-General from 1868 to 1869, wrote a letter to the Earl of Granville, who was then Secretary of State for the Colonies, again suggesting the creation of such a court, with powers similar to those of the United States Supreme Court. He said:

"It is worthy of consideration whether it would not be expedient to establish a tribunal with powers analogous to those of the Supreme Court of the United States, for the decision of all questions of constitutional law and conflict of jurisdiction."

The Earl of Granville replied in a letter dated May 8, 1869, in which he said:

"I see no reason for the establishment of such a tribunal. Any question of this kind could be entertained and decided by the local courts, subject to an appeal to the Judicial Committee of the Privy Council; and it does not appear in what respect this mode of determination is likely to be inadequate or unsatisfactory." (See Sessional papers of Canada, 1870, No. 35, 4-5.)

Catastrophe Averted.

The reply of Earl Granville, above set out, once more shows the true British statesmanlike view, based on sound knowledge, in the light of experience, of the proper judicial system suitable to and workable under British responsible Parliamentary government, as administered in the British overseas Dominions. What a catastrophe and calamity the people of Canada, as a whole, were saved from when such a tribunal as that suggested by Sir John Young was never created can be better judged by the experience of the United States judicial system, and the autocratic powers of its Supreme Court at Washington. The Supreme Court of the United States is only suitable for a republican form of government. It cannot be compared with a judicial system founded on a sovereign, monarchical form of Parliamentary and responsible government at all. It is sufficient to say that, if an autocratic and dictatorial tribunal of that kind had been established in Canada, the Provinces would have been reduced by now in their standing, authority and powers to the position of Municipal or County Councils. British statesmanship, British foresight and British fairplay saw the possibilities, and provided against it, in the interests of all the people of Canada, and the result is told by Lord Haldane, one of the members of the Privy Council, in the Cambridge Law Journal for 1922, where, speaking of the late Lord Watson, he says:

Service to Canada.

"Moreover, as he had had large political experience, he became invaluable just for the qualities that were required in the Judicial Committee of the Privy Council. Particularly, he rendered an enormous service to the Empire and to the Dominion of Canada by developing the Dominion Constitution. At one time, after the British North America Act was passed, the conception took root in Ontario that the Act was a compact between the Provinces and the Dominion, and that the Provinces were independent bodies within their sphere, not subordinate to the Dominion Parliament. This would have made the Dominion a mere aggregate of provinces, and would have made the Provincial Governments independent of the Central Government. Such a view would have made the Dominion the sport of every Province which had a grievance, and would have made it impossible for the Dominion to survive as a national entity. It was Watson who, by his judgments, established the true view that the Provinces were subordinate governments, with powers of legislation and administration, but that the Dominion was a unitary state, with the Provinces as its agents for local purposes, and that the Dominion was the senior partner, with the Provinces subordinate to it, and that it was intended that the Dominion should be the centre of government in Canada, so that its statutes and its position should be superior to the statutes and position of the Provincial Legislatures. That went so far that there arose a great fight; and, as the result of a long series of decisions, Lord Watson put clothing upon the bones of the Constitution, and so covered them over with living flesh that the Constitution of Canada took a new form. The Provinces were recognized as of equal authority, co-ordinate with the Dominion, and a long series of decisions were given by him which solved many problems and produced a new contentment in Canada with the Constitution they had got in 1867. It is difficult to say what the extent of the debt was that Canada owes to Lord Watson, and there is no part of the Empire where his memory is held in more reverence in legal circles."

In a case decided by the Privy Council in 1930 Appeal Cases, page 287, it is stated by Macmillan, K.C., that, "An appeal under the prerogative lies to the King, as the fountain of justice throughout the Empire, from every court throughout his Dominions and possessions, and the right so to appeal can be taken away only by an Imperial statute," citing for this the Canadian case of Nadan v. the King, 1926 Appeal Cases, 482, 491-493.

Present Proposal.

It is proposed now to take away this prerogative right, by having the Colonial Laws Validity Act repealed, and thus permitting statutes to be made law in Canada and all the Provinces abolishing appeals to the Privy Council. The right of appeal to the Privy Council thus being a prerogative right, held and enjoyed by the poorest citizen in the Empire, you could not deprive the King of his prerogative right to grant leave to appeal without in effect dethroning the King to that extent. You, in effect, dethrone the King when you take away his prerogative right to allow any of his subjects to appeal to the foot of the throne, and it could only be done by an act of the Imperial Parliament.

Did the Provinces know, or was it brought to their attention at the Dominion-Provincial Conference at Ottawa, in April, 1931, that, when they agreed to abolish the Colonial Laws Validity Act, they were hastening and making sure of the abolition of appeals to the Privy Council? I am satisfied that if they had realized the true import and consequences of what they were doing they would not have agreed to it for a moment.

Did the Provinces understand, realize or know that, by abolishing or repealing the Colonial Laws Validity Act, they were losing the benefit of one of their most important rights and legal decisions rendered in their favor, and as settled for them in 1896 by the case of Fielding v. Thomas, 1896 Appeal Cases, page 600, and giving them the legal constitutional rights and benefits supplementing the British North America Act, secured to them under section 5 of the Colonial Laws Validity Act relating to their Provincial Constitution and Legislature? I am satisfied they did not, and, had they known, would never have agreed to the repeal of the Colonial Laws Validity Act. It is not too late even yet to demand that the clause repealing this act be stricken out and completely deleted from the proposed Statute of Westminster, now coming before the Dominion Parliament at Ottawa and the Senate for approval, by a series of resolutions.

Defined Imperial Relation.

The Colonial Laws Validity Act is the Imperial statute which finally and systematically settled and arranged the relation of the laws of the overseas Dominions to Imperial legislation, and repugnancy thereto, when such Imperial statutes are in force in the Dominions, by reason of their importance in the public interest and for the benefit of the people as a whole.

The Colonial Laws Validity Act was expressly enacted in the year 1865, and declares that Dominion statutes shall be void and inoperative if they are contrary or repugnant to the provisions of any acts of the British Parliament, which extend to and have the force of law in the overseas Dominions, or are repugnant to the provisions of a law, order or regulation made under the authority of such acts, and having in any such overseas Dominions the force and effect of such acts.

Principle in Union Act.

It is of some importance to know that the principle or rule set forth and laid down in the Colonial Laws Validity Act of 1865 is the same as that contained in the Union Act of 1840, reuniting Upper and Lower Canada, Section 3 of the statute, 3 and 4 Vict., ch. 35; so that it has been in force in Canada for nearly 100 years, until now in the year 1931, the agitators and constitution wreckers want it repealed. It was law when the Dominion of Canada was formed in 1867, and has been continued and preserved by the British North America Act, and it was part of the terms of Confederation, and one of the corner-stones upon which Confederation has been built up, and upon the continued existence of which the Provinces joined the Confederation Union. It is the Colonial Laws Validity Act which maintains and continues for Canadians the King's right to grant and permit appeals to the Privy Council, and it is the proposed Statute of Westminster, and the resolutions approving it at Ottawa, which would repeal, cancel and render null, void and inoperative any such right hereafter.

No Excuse for Repeal.

There is not an Imperial statute in force anywhere in Canada which the Imperial Parliament would not willingly repeal at any time, upon request of the Dominion or Provincial authorities if they desired it, provided it did not imperil Imperial and Empire interests. There is not a shadow of necessity calling for the repeal of the Colonial Laws Validity Act in order to accomplish this purpose. There must be some other and a sinister purpose, or some secret influences at work in an attempt to undermine and upset our judicial and constitutional system. By repealing the Colonial Laws Validity Act it would be possible for the Government of Canada to establish, introduce and legalize slavery in Canada. At present Canada could not do this, because the Imperial statute abolishing the slave trade applies to Canada and all the overseas Dominions of the Crown. Does Canada want to pass laws governing the British Navy when in Canada, or to pass statutes contrary to the British Foreign Enlistment Acts? The mere mention of such things illustrates the preposterous nonsense of equality talk. How can there be equality when Canada does not contribute one dollar to the upkeep and maintenance of the British Navy, which protects Canada from invasion by foreign countries, and Canada's mercantile marine, and the protection of British subjects in all parts of the world, and makes her commerce safe from attacks on all the seas by any nation and pirates? Yet Canada sponges on the British taxpayer for her safety, and at the same time assumes, by talk, at any rate, to have as much to say as though she were running or governing the whole world. The British North America Act, popularly known as the Constitution of Canada, by Section 129, preserves this Colonial Laws Validity Act in full force in Canada for the benefit of British subjects in Canada. It is now proposed to repeal and abolish it, so as to do away with appeals to the Privy Council, in an indirect and sinister manner.

Importance to Canada.

Its importance to all Canada, and the commanding position it occupies in our system of Government, so as to prevent it being undermined or tampered with by political conspirators, bent on political intrigue, is conclusively shown by Mr. J. T. Thorson, M.P., the Liberal Winnipeg member at Ottawa, who addressed the International Relations Institute at Seattle, in the United States, in the month of July, 1928, and, referring to the Colonial Laws Validity Act, said:

"Canadian legislation which is repugnant to any statute of Great Britain, which has been made to extend to the Dominions, is void to the extent of the repugnancy. Therefore, Canada cannot effectively prohibit appeals to the Judicial Committee of the Privy Council."

The foregoing statement proves to a demonstration the absolute necessity for the Colonial Laws Validity Act being retained, if Canadians are to continue to have the right of applying for leave to appeal to the Privy Council, and it also shows that the Privy Council appeal was in view, among other things, when the Imperial statutes governing such appeals were continued by Section 129 of the British North America Act.

Confederation Foundation Stone.

Further, the Privy Council appeal is one of the important foundation stones of the Canadian Confederation. It is a part of the Confederation Treaty and agreement. This is shown by the Confederation delegates, prior to the Union, to which I have already referred, and Section 129 of the British North America Act now continues in force for the benefit of Canadians the two important Imperial statutes of 1833 and 1844 governing the King's Prerogative and the right of appeal by special leave to the Privy Council. It is now proposed to abolish these privileges and rights under the statutes mentioned, which the two Privy Council appeal cases from Canada, in the years 1926 and 1930, decided were part and parcel of our judicial system, and of our system of Responsible Parliamentary Government. The two cases which settled this for Canada are Nadan v. The King (1926) appeal cases, 482, a leading case, in which the Right Hon. R. B. Bennett, K.C., the present Prime Minister of Canada, was chief counsel before the Judicial Committee of the Privy Council; and the other, a later case, also from Canada, that of Chung Chuck v. The King, with the Attorney-General for Canada intervening, in (1930) appeal cases, Privy Council, page 244. This last case approved and followed Nadan v. The King, and the Privy Council therein pointed out that, the exercise of the Royal Prerogative, granting special leave to appeal by the Privy Council, can in no way, and does not in any way, derogate from or limit the supremacy of Dominion legislation within the borders of Canada itself in the matter of criminal law.

That being the latest and last word from the Privy Council on the matter, what more does Canada need or require, or should the Empire wreckers and potential rebels ask?

Perhaps they wish to associate themselves with the Woodsworths and Ewarts.

Even-Handed Justice

Halifax Herald: A belted Earl stepped out of his motor car in an English town the other day, showing signs of drink.

He was placed under arrest by a police officer; the case was given [illegible]; the Earl was convicted of operating a motor car while under the influence of intoxicants, was ordered to pay a heavy fine and costs—and "had his driving license suspended for five years."

It was his first offense.

That is the Old Country and Old Country justice. A duke or a dustman, it's all the same there, an earl or a costermonger—Britain comes down hard on them all in cases of this kind.

Aerial Police

To the Editor of The Globe: If bank bandits are going to fly away with their spoils, it looks as if police departments on the American continent will have to inaugurate air forces and have their own flying fields. Times and methods are changing vastly and rapidly every day and leave us staring with surprise and open-mouthed with astonishment at what is pulled off. The high-powered auto previously used by the bandit fraternity seems due for scrapping, judging by the recent "getaways" by aeroplane within the past few months. Will the flying police be an accomplished fact before we are much older?

A. Mann.

Toronto.

QUERY FOR ARCHBISHOP.

To the Editor of The Globe: As a student of Roman Catholic teaching of many years' standing, permit me to thank Archbishop McNeil of Toronto for his explicit explanation of Pope Pius IX.'s ex cathedra utterance on the doctrine of the "Immaculate Conception of the Blessed Virgin," which appears in Friday's issue of The Globe. May I now ask the learned and courteous Archbishop to favor your readers with the Scriptural basis upon which the doctrine rests, and at what time was it "revealed by God to the Church in the time of the Apostles?"

Paris, Ont. James H. Boyd.

So This Means Empire!

(An Editorial from the Stratford Beacon-Herald.)

Britain offered South Africa, New Zealand and Australia a year's holiday in the paying off of debts owing to the Mother Country. South Africa has declined to accept the offer, saying that Britain needs the payments to relieve, to some degree, the burden of taxation which her people are carrying.

General Smuts, Leader of the Opposition in South Africa, says that South Africa will cordially thank Britain for the offer, but will not accept it because [illegible] from Britain [illegible] tion, while South Africa is in comparatively good shape.

It is difficult at times to get a good definition of the British Empire, or to reduce to mere words what it is that holds the thing so securely together. South Africa's action in desiring to keep on paying her debts to Britain because the people there are heavily taxed illustrates better than words just what is meant by Empire.

And probably the most sincere tribute as to what Empire does is to be found in the fact that General Jan Smuts was in the field of battle against the British [illegible]

120833

The Globe.

TORONTO
CANADA'S NATIONAL NEWSPAPER
FOUNDED 1844

The Globe is published every week day at 64 Yonge Street, Toronto, by the Globe Printing Company, the Proprietors.
W. G. JAFFRAY . . . President
E. W. ANDERSON . . Managing Editor

The largest morning circulation in Canada built without the aid of premiums.

Net daily average circulation for the month of June 99,619

Member of the Audit Bureau of Circulations.

Cable address—TORONGLO.
TELEPHONES

Elgin 5161—Use this number to call The Globe. Private Branch Exchange connects with all departments.

After midnight week days or on Sundays or holidays call as follows:

Circulation and Mailing	Elgin 5160
Advertising Dept.	" 1501
Composing Room	" 1810
Editorial and Local News	" 1900
City Editor	" 2030
Financial and Commercial Depts.	" 2628
Sporting	" 3610

The subject who is truly loyal to the Chief Magistrate will neither advise nor submit to arbitrary measures.—JUNIUS.

TUESDAY, JULY 7, 1931.

A ROYAL ANNIVERSARY.

Yesterday, in many chief cities of the Old Land, bells pealed merrily in observance of the thirty-eighth anniversary of the wedding of King George and Queen Mary. The charm of these Royal anniversaries is that, while there is general rejoicing among the people, the real celebration is among the immediate members of the ruling family. The birthday of the Prince of Wales was marked by an intimate family gathering at luncheon and afterward a visit to Epsom Downs to see the running of the Derby.

On this wedding anniversary their Royal Highnesses and their children assembled at historic Holyrood Palace, Edinburgh, where the only public aspect of the occasion will be a reception today in this former home of Scottish Kings and Queens. The simplicity of their Majesties' family life has endeared them to all the people of the realm who honor the old domestic virtues and the purity of the home.

FRANCE HOLDS THE KEY.

The French Cabinet having agreed on a basis of negotiation with the United States for acceptance of the Hoover moratorium, the general understanding so greatly desired should not be far away. Doubtless, anxiety at Paris was relieved by the German undertaking to devote the saving in reparations payments to covering the Reich deficit and to refrain from any increase in armaments during the moratorium period. It is no secret that France has been anticipating another war with her traditional enemy and has been making preparations against it. The difficulties of the other Powers in getting her to agree to a plan helpful to Germany, therefore, are easily understood.

The attitude of France toward the Hoover proposal was clearly explained a few days ago by Mr. Adolph S. Ochs, President and publisher of the New York Times, on his return home after spending two months abroad. He said:

> France now has the largest standing army in the world and the best of modern military equipment. She is in an impregnable financial position, with 80 per cent. of her currency protected by a gold accumulation, with United States bonds in hand sufficient to pay the United States annuities for several years, and with billions of foreign exchange credit, principally in the United States and England.
>
> It seems to be the policy of France to take care of herself, if she cannot be assured by England and the United States of security from aggression. All this is causing doubt and suspicion toward France, and creating some ill will throughout the world that is becoming quite articulate and disturbing to the sincere friends of France in other countries.

This situation has not only cast obstacles in the way of Hoover's plan, but shows how deep set are the difficulties confronting a more permanent arrangement, without which the world's economic and political wrinkles cannot be ironed out. The moratorium is an experiment to be viewed with optimism, but its ultimate success will depend upon what it leads to. In reality a year is not long enough to give it adequate trial. Still, it should be long enough to show that more of the same sort of economic treatment will be correspondingly beneficial.

Relief of Germany is the immediate objective. Can France be induced to believe that assistance to her enemy calls for her co-operation and monetary sacrifice? She may concede it for a year; but what after that? While looking forward hopefully, the rest of the world cannot afford to take too much for granted.

THE CHANGING WEST.

In older and more blase sections of the world twenty-five years may not mean a great deal, but this period marks the life of many a live Western newspaper. Hence it is that the Independent, published in Stettler, Alberta, sends out a Pioneers' Edition to mark a quarter century of quite gratifying progress.

There is about this special number a breezy Western tone that makes it of more than ordinary interest. Only hard work and enterprise have made the Independent the excellent paper that it is today. Evidence of this is contained in accounts of early and original efforts to secure subscribers. On a November day in 1906 four canvassers, with horses and sleighs, set out in different directions. "The weather was cold and blustery," says the story, "but they secured a large number of subscriptions."

As justifying the title of this edition, the Independent devotes considerable space to the pioneers of the district. These sketches are racily written, and give vivid glimpses of the men who made the West what it is today. For example, Jim Summers: "We don't know any settler from anywhere who had less money and a greater physical equipment when he came to Union Hall in 1905. He had no money; he was 53 years old; he was over 6 feet 4 inches tall; he had a reach that was half a foot broader than his height, and he was as strong as a gorilla." Therefore it seemed quite natural that in 1917 Jim Summers realized $62,560 for his 1916 wheat crop.

Ed Barnett was another of the sturdy pioneers, "the first man ever to turn a sod on the Calgary-Edmonton trail." Previously Ed Barnett had been a member of the Northwest Mounted Police, and had suffered from the exposure and hardships these men frequently endured. He knew what it meant to be lost for days in midwinter, and was familiar with solitude and hunger. Now he is prosperous, but, as the Independent puts it in its delightfully personal way: "Ed claims that he has never really got over his experience of that time, and that it has affected him ever since. At any rate, while he was at one time calm and equable in temperament, he is now impatient, excitable, and a bundle of nerves." Little wonder; but the pity of it is that when prosperity came to these stout-hearted men the grim past began exacting its toll.

Thus the Independent goes on sketching one after another of the pioneers of the district. The comment is personal, but always kindly. The paper deals with incidents as well as personalities. For instance, when the first bank was opened, "the manager's safe was a suitcase." "The social life of the district was as free as the roaring forties in California. Every settler who built a barn or a house gave a dance, with a general invitation to all in the district to attend." "The pioneers did not care for money. They did not need money in abundance, but simply traded one thing for another." And all this only twenty-five years ago! Truly, the West has travelled far in that time.

COMMUNISM BREAKING UP?

The theories of communism, as evolved in Red Russia, it seems, are subject to change. They have been changed on several occasions, but the latest pronouncement of Joseph Stalin carries unusual significance. It implies a step toward class distinctions based on wealth, a reversal of the original idea. It is, indeed, a radical move from the basic thought that the community is one, the individuals to share alike in weal or woe, master and man of equal value to the State. Stalin is now exalting the individual, in the belief that "new conditions demand new methods of work and leadership."

Formerly wages were paid according to the needs of the worker. Some time ago piecework was introduced in industry, thus differentiating between competent and incompetent workers. Now a distinction is to be made between skilled and unskilled work when it comes to payment, and also between occupations. Stalin is quoted as saying: "It is unbearable to see the locomotive driver receiving the same wages as the bookkeeper."

Where the line is drawn is not so significant as the fact that the principle is recognized that services and individuals vary in value and are to be paid accordingly. This is not Russian communism as it was established. It is the principle accepted in so-called capitalistic countries. If its operation is continued, what is to prevent the skilled and the thrifty from accumulating more of this world's goods than their less fortunate comrades and wrecking the foundation tenets of Red Russia?

Of course, Russia remains an autocracy under the Soviet, and rules easily made can be abrogated as easily. The thrifty may have their accumulations seized by the authorities, as has been done before, and the worker may conclude that it is useless to try to improve his capacity and his earnings. In the meantime, however, Russia's "man of iron" is holding out inducements to the individual to better his lot without regard for his comrades. In the absence of information to the contrary, the logical conclusion is that the higher-paid workers can use their funds for their own advantage, and gradually climb to an enviable place in the community.

Human nature being pretty much the same everywhere, it is not easy to see how the Soviet authorities can continue to ride two horses without risking a fall. They cannot have communism and individualism side by side for an indefinite period. They may be able to restrict the grades of humanity being created by the same means which forced every one to a common level. The implication is, however, that the theoretical is giving way to the practical through force of necessity.

HOPE FOR THE WEST.

Talk of "famine" conditions in the Canadian West, requiring a great relief fund to avert starvation in an area of 5,000,000 acres, has an ominous sound, and it is well to remember certain facts. The stricken region is large enough to warrant anxiety, but it is, after all, a small part of the West, with its 250,000,000 acres of farm lands settled or awaiting settlers.

The section now suffering from near-famine conditions lies mainly in Saskatchewan, between the line of Regina and Moose Jaw and the border. This has always been known as part of the "dry belt," owing to the low rainfall, and in the early period of Western development it was not intended to cultivate this strip. It was for many years ranching country, where enormous herds pastured on the open range.

During the early years of this century, when immigrants entered Canada by hundreds of thousands yearly, it was perhaps natural the dry belt should be invaded. During the occasional years of adequate rainfall the crops were good, and before long settlers were so encouraged that they dotted the whole southern range to the Rockies. Irrigation was possible in the foothills, where enormous yields have been the ordinary result of farming.

Occasional dry years caused shifting of population, and the past three seasons, with crop failures, were capped by downright famine conditions. The soil began to drift, and years of heavy moisture may be needed to bring it back to condition. In the meantime, hundreds of farmers, as the Ottawa correspondent of The Globe says in his illuminating despatch in yesterday's issue, have pulled up stakes and moved to better land in the north.

All parties at Ottawa are agreed that this time of stress must be faced with courage and liberality. Canada in the past quarter century labored at great effort and cost to people the virgin lands of the West, and the lands have responded with abundance, enriching all Canada. It has so happened that this period of time finds first a collapse in wheat prices, and then a crop failure in the dry belt. There has been no previous double trial of this kind, and there may not be a repetition for many years to come.

The duty of Parliament is to organize and prevent distress as far as possible in the stricken area, to see that the money appropriated is adequate and that it is spent wisely. Mr. King has emphasized this by his proposal of a business board, and the Government, in its own condition of financial stringency, should welcome any plan which will ensure the proper use of every dollar spent.

Canada is still a wealthy country, rich in resources and in the hardy spirit of its pioneers. It is a time for sober thought in attacking the problems of the day, but it is not a time for despondency, or the abandonment of hope. The West has had its ups and downs over many years, but the balance has been largely on the side of the ups, or we would not have the wealthy country we have today.

ONTARIO'S "BLACK WEEK."

The successive harrowing lists of fatalities of recent days are a sad reminder of what is too often man's folly and futility. No wonder the Canadian Press correspondent referred to the "Black Week" through which Ontario had just passed, with its record of the loss of 112 lives. For once the motor car subsided, at least in its proportions, as an instrument for the death of man. Its toll was but 10 deaths, compared with 62 by drowning and 29 by heat prostration, while aviation, so new an element in man's peaceful life, accounted for 6 deaths.

It is easy to say the excessive heat was responsible for most of the fatalities, a cause for which man cannot be blamed, and the misery from which drove thousands to seek relief in the water. When all excuses have been made, however, does not the fact remain that man was not equal to the emergency, that scores of people lost their calm judgment or self-control, and that the newly found means of travel took many to unaccustomed points of danger, and that death conquered man in his weakness?

Medical men unite in urging mankind to treat excessive heat as a source of serious danger. Heat conditions call for calmness, coolness of mind, sober judgment, quietness of body and spirit, and for good sense in diet. How many Canadians remembered these warnings during the heat wave?

THE MARKSMEN BUSY.

Interest in Empire sports competitions has been transferred from the rowing at Royal Henley Regatta to the shooting at Bisley Camp. The Diamond Sculls are coming to Canada, and many sharpshooters representing the Dominion are ambitious to bring back the King's Prize, which is almost as familiar in this country as the famous sculling trophy.

The Bisley contest has for Canadians added interest this year because of the announcement that at the conclusion of the shooting this month a team of Britain's crack shots will accompany Canada's representatives on their home journey to take part in the Dominion of Canada Rifle Association's annual meet at the Connaught Ranges, Ottawa. These marksmen will be under the command of Sir Lionel Fletcher, Royal Naval Reserve, and will include a former King's Prize winner, the British Army champion, the silver medallist at Bisley last year, and many other riflemen of distinction.

The presence of this team should give to range shooting in this country a much-needed impetus. A few decades ago there were rifle ranges in many of the rural centres of Canada, and the annual contests excited general interest. Different explanations have been given regarding the disappearance of these ranges, the most likely being that wealthy men, able to provide themselves with the very best firearms, made the competitions rather hopeless for less fortunate marksmen. The strict regulations in effect today regarding the rifles to be used in contests would do away with this disparity, and there seems no reason why the former matches should not be restored.

The young men of the militia would welcome a renewal of contests in which all hands, and not only the experts, might take part. Rifle shooting calls for high qualities of nerve and eye, judgment of distance, and allowance for variable breezes; and because of this all eyes now are centred on the historic competitions at Bisley Camp.

THE NEIGHBORHOOD SPIRIT.

One fruit of these years of depression and economic suffering is a broadened realization that human welfare and happiness is a matter for Government concern. Hundreds of millions are being spent throughout the world to alleviate distress caused by unemployment, and the emergencies of the future are being faced with better organization than before.

Cincinnati is receiving credit for evolving a plan two years ago for the present situation, through which the city government, in concert with ten subcommittees, is co-ordinating welfare and planning work for those who need it. Among the objects sought are stabilization of employment, spread of work among more people through shorter hours, planning for a reserve of work to be done when it is needed, formation of a well-equipped employment bureau, with facts about labor needed and available, and co-ordination of all relief and welfare agencies in the city.

It is evident from this program that Mayor Stewart and his associates are working on enlightened lines in Toronto. Yesterday's conference by the Board of Control with local members of Parliament and the Legislature, together with representatives of labor and other classes of the community, led to frank and useful discussion. Mr. A. W. Laver, the new Commissioner of Public Welfare, was himself an evidence of the spirit of co-ordination Cincinnati has found so advantageous. Mayor Stewart had foreseen the probable difficulties of the coming winter and had been in conference in early spring with other cities and towns of Ontario. The Board of Control will shortly have at its disposal the knowledge of business men and other citizens anxious to meet the trying months ahead.

Out of yesterday's meeting came definite policies favored by the Mayor which should commend themselves to citizens at large. It is not intended to grant relief to those who are using liquor permits; nor are those who use a motor car for pleasure to be placed on the city's relief funds. The policy is to give "work, not the dole," and a comprehensive program of work which can be done will be planned. The city will aim to provide food, shelter and employment as far as necessary, so that distress may be removed without the loss of self-respect of those who need help.

It is apparent that assistance will go first to those who work with their hands, leaving large numbers of the "white-collar" class still uncared for, except in so far as their avenue of employment benefits as the basic industries are kept busy. There remain also those who are unable to maintain payments on their homes. Surely it will not be necessary to impose a moratorium for the protection of such people. The ordinary dictates of humanity should prevent undue pressure by all but the natural Shylocks of the community, who, it is hoped, will become fewer and fewer under the neighborhood spirit, which should spread and protect the city in its trying depression.

NOTES AND COMMENTS.

An "undertow" sounds like a new menace for these peaceful shores.

Gold may yet bring prosperity, confidence and a "good time" to British Columbia.

It would be a queer case of time's reverses if Mr. Bennett gets into trouble over his Australian treaty.

We know the days are getting shorter, but with 7 o'clock coming at 6 o'clock we are fooling Old Sol as much as we can.

A "Red" candidate is threatened in the East Hamilton by-election; which should give additional color to the campaign.

So far, the name of the Attorney-General has not been mentioned in connection with the Shrievalty of Ontario County.

The "safe and sane" Fourth of July has received a serious setback, as we read of nearly 500 deaths in the celebration.

Every change Russia makes in her economic system removes her further from the communism which was to remake the world.

The water has temporarily displaced the highway as the scene of tragedies. In both cases too great familiarity breeds costly contempt.

By the way, have the mosquitoes and flies customary about this time of year in the neighborhood of Toronto also been overcome by the excessive heat? If so, there are no regrets.

Sir Neville Cunliffe, visiting in Regina, expressed the opinion that dollar wheat would return within a few months. If so, it will be gratefully accepted where, not many months ago, it was scorned.

Fourteen Canadian cases are pending before the Privy Council at the present time, which seems to show that many people are glad to take advantage of this ancient privilege granted to seek justice at the foot of the throne.

The reapers are "reaping early" in among the wheat in Dover Township, and a wonderful crop is reported. Perhaps older Ontario is about to show the world what it can—and used to—do in the way of wheat production.

The population of England and Wales has increased by 2,000,000 in the past ten years. This comparatively light gain shows that if emigration had remained normal the dole question would not be a serious one in the Old Country.

There is a shock in the news that during one week 112 lives of persons in Ontario have been apparently needlessly lost by drownings and other preventable accidents. Surely this record will set people thinking over the need of more caution.

According to a recent census, there are throughout the world about 36,000,000 autos of various kinds. This, of course, means, among other things, a huge decrease in the number of pedestrians—not a good thing for the human race.

Amid all the improvements of modern times, it is odd that no one has found either "kill" or "cure" for the fish flies which invade our lakeside villages in midsummer. Perhaps their best use is to give notice that fishing time has come.

If it has required $11 to provide a man with a day's work at $3, little wonder there has been no great improvement in the unemployment situation. Plenty of warnings were sounded to the effect that most of the big fund voted by Parliament and municipalities would be "absorbed" on the way to the men in distress; and the taxpayers want to know where the money has gone.

England continues to provide the great sporting events of the day, and the eyes of the world seem to turn naturally from Henley-on-Thames to Bisley Camp, where the marksmen of the Empire have begun their annual competitions. In addition to the Diamond Sculls, Canada still has room for the King's Prize, both of which have spent some years in the Dominion.

The Statute of Westminster And Privy Council Appeals

(By R. A. REID, Barrister, Toronto.)

ARTICLE III.

The item of Privy Council appeals was the last on the list for discussion at the recent Imperial Conference held in London, England, on Nov. 10, 1930. It was not discussed, and the Dominion Premiers, including Premier Bennett, made no recommendation or report whatever regarding it. The Conference gave no expression of opinion on the subject, and the status quo was to remain as at the beginning.

That having been the disposition of the question of Privy Council appeals at the latest Imperial Conference of 1930, the Conference having decided that nothing was to be done toward interfering with or abolishing appeals, it will be interesting to learn whence comes the agitation now to again stir up the matter, and actually to introduce legislation and resolutions into the House of Commons at Ottawa to bring about the complete destruction of our present legal rights to appeal, and to bring our disputes, complaints and lawsuits for settlement to the Judicial Committee of the Privy Council?

It might be unkind to suggest that certain persons, suffering mostly from personal disappointment and pique, because of having been defeated and laughed out of court when they attempted to advance preposterous contentions and puerile arguments before the Privy Council in cases on appeal there in which they were interested, either as counsel or parties, and others whose decisions on appeal were reversed, are the chief agitators for abolishing Privy Council appeals. Mr. Woodsworth's dislike of the Privy Council may go back to the appeal case connected with the Winnipeg riots and strikes of a few years ago, in the Ivens, Heaps, Dixon and other cases. They received their just deserts from the Privy Council, and now, of course, want to abolish it.

Likewise, Mr. Ewart, K.C., has received a number of heavy rebuffs as counsel when he lost some very important cases before the Privy Council and in addition his clients were compelled to pay all the costs of the appeals and cases in all the courts, and, of course, he wants to abolish the Privy Council appeal.

The circumstances under which the proposed plan to bring about the abolition of Privy Council appeals has been engineered create an atmosphere of suspicion which needs a lot of clearing, in order to get at the facts and reasons therefor. There has been so much secrecy and star chamber proceedings connected with the matter, that an explanation is about overdue, particularly in view of the fact that the Imperial Conferences of 1923 and 1926 did not alter or interfere in any manner with the prerogative right to allow appeals by special leave, and the Conference on Dominion legislation of 1929 growing out of the Imperial Conference of 1926 was not even empowered to raise or deal with the question of Privy Council appeals at all. Nor did the 1930 Imperial Conference even discuss the matter. The records speak for themselves on this question.

Obstacle to Independence.

Mr. John S. Ewart, K.C., of Ottawa has written a series of printed pamphlets advocating complete independence for Canada and separation from Great Britain, and, in one of his latest, he says that the Colonial Laws Validity Act is one of the greatest obstacles to his object being achieved; and that while that act remains in existence and in force in Canada we cannot abolish Privy Council appeals, but after it is repealed Canada can do as it pleases about abolishing or retaining the Privy Council appeal. Mr. Ewart does not disguise his hopes for the final complete severance of all our attachment to and connection with the Motherland, and the destruction of all ties of Empire. As recently as March, 1931, referring to our ties of Empire, in Volume 2, No. 11, of his Independence Papers, he says that, "the history of our constitutional development is the record of severance of such ties, and that the recent Imperial Conferences of 1923, 1926, 1929 and 1930 have snapped nearly all of them." Again, speaking at Hart House, University of Toronto, in a debate on Jan. 22, 1930, Mr. Ewart further declared that: "Canada will be free of the Privy Council as soon as the Colonial Laws Validity Act is repealed. Whenever I sing 'God Save the King' I always add, sotto voce 'of Canada.'"

Declaring boldly for separation from Great Britain, Mr. Ewart, in his published Independence Papers for February, 1929, Volume 2, No. 3, says:

> The chief tie between Canada and the United Kingdom is a common Sovereign. For many years I advocated preservation of that tie. But protracted study convinced me that complete self-government for Canada was incompatible with its continuation. Having arrived at that conclusion, I had to reconsider my attitude. I determined, be the consequences as they might, to follow the path which would lead Canada to an honorable place among the nations of the world. Would anybody weep for that? The answer must be, yes; many will regret the separation. From me they will hear no word of disrespect."

Then, when in dealing with the question of Privy Council appeals, the Imperial Conference, in 1926, declared "that it was no part of the policy of his Majesty's Government in Great Britain that questions affecting judicial appeals should be determined otherwise than in accordance with the wishes of the part of the Empire primarily affected," Mr. Ewart lost no time in issuing another printed "Independence Paper," in August, 1930, wherein he referred to what the Imperial Conference had decided. He said in these words: "That declaration when implemented by the repeal of the Colonial Laws Validity Act, will enable us to do as we please with reference to appeals."

And again, in June, 1929, referring to the Colonial Laws Validity Act, Mr. Ewart said, in his "Independence Paper No. 4, Volume 2. "Because of the existence of the act, Canada has no power to declare final the decision of her own law courts. Canada's representatives on the new committee must see to it that a recommendation for the repeal of the act, so far as it relates to Canada, be adopted."

And in Queen's Quarterly for March, 1927, Mr. Ewart said: "The Colonial Laws Validity Act interferes with Canadian freedom with reference to the administration of justice." He then refers to the decision of the Privy Council in the case of Nadan v. The King, already mentioned by me, and says:

"The basis for that decision was the Colonial Laws Validity Act, there being an English statute providing that all cases might be brought to the Privy Council."

Again, in the Canadian Bar Review, for February, 1930, Mr. Ewart says: "When the Colonial Laws Validity Act shall be repealed (and the repeal is now recommended) Canada will be at liberty to abolish the appeals." Should any loyal British subject of the Empire pay any attention to the utterances or writings of such a man in Canada or anywhere else in the British Empire? Is his opinion regarding the Privy Council or the Constitution of Canada of any value or importance, or even worth the paper it is written on, or the breath it takes to voice it? The answer must be an unhesitating "No," from every truly loyal British subject.

All these statements by Mr. Ewart regarding the Colonial Laws Validity Act prove it to be a very great obstacle to the accomplishment of their one object of finally ending our connection with Great Britain, and show the strongest reasons why it should be maintained at all costs and hazards in full force, vigor and effect, and, if for no other reason, because men like Mr. Ewart wish to repeal and abolish it.

Up to Mr. Bennett.

I am certain Prime Minister Bennett would not want it thought that he proposes to give encouragement, support and countenance to views and opinions of that kind by allowing legislation to be enacted at Ottawa which will have the effect of carrying out, aiding and assisting in the nefarious work of disrupting the Empire, and severing one of the last remaining ties, by repealing the Colonial Laws Validity Act, and abolishing appeals to the Privy Council, to the accompaniment of loud cheers from John S. Ewart, K.C.

As further showing the trend of events in the House of Commons at Ottawa, I would point out that only a few weeks ago, during the month of May, 1931, a short debate took place regarding some of the effects of the proposal contained in the Statute of Westminster, which it is expected will come before the Senate for discussion during the present week. The effect of the proposed repeal of the Colonial Laws Validity Act on Section 1025, (now 1024), of the Criminal Code of Canada, which now prohibits appeals to the Privy Council in criminal cases, but was declared invalid and void by the Privy Council decisions in 1926 and 1930, before mentioned, was under discussion, when Hon. Mr. Lapointe asked if the effect of the repeal now proposed would be to revive and make valid and effective the said Section 1025, and in effect to abolish all appeals to the Privy Council in criminal cases from Canada. The Hon. Hugh Guthrie, the present Minister of Justice in the Bennett Government at Ottawa, answered, yes, he thought that would be its effect.

So, in that answer we see the beginning of the end. It is the entry of the thin edge of the wedge. The same thing will apply to all future appeals, but this is the first direct assertion of it.

Parliament [illegible] Polite

Winnipeg Tribune. Courtesy, co-operation and friend[illegible] be[illegible] the parties have fol[illegible] the [illegible]clusion reached at Ottawa th[illegible] something must be done to [illegible]ate the distress of Saskatch[illegible] farmers.

The fact that [illegible] Saskatchewan situation has [illegible]ted from a visitation of na[illegible] seems to have eliminated, temporarily, all political bitterness and political rivalry.

If a visitation of nature can call forth all this politeness and constructive co-operation, why cannot these very excellent and profitable qualities be called forth by crises that are in the nature of economic visitations?

Unemployment is caused by factors just as much beyond the control of Canadians as drouth. It is no more reasonable for political opponents to exchange recriminations about unemployment than it would be for them to bandy accusations in regard to the lack of rain.

Common sympathy and common convictions have raised Parliamentary discussion in the matter of the Saskatchewan situation to a very high plane.

Surely there is enough common sympathy and common convictions at Ottawa in the matter of unemployment and other distressing problems to secure, with an effort, the maintenance of that high, courteous and helpful level of debate.

Canada's Mercantile Marine

To the Editor of The Globe: May I make public, in this brief fashion, the suggestion that Mr. Rand of Canning, N.S., will be deeply stirred—or, if he be consistent, should be, perhaps, horrified—over the latest suggestion that the ports of Nova Scotia, along with other Canadian seaports, may once more be "violently torn from her (and their) natural environment—the sea," to use his own expression. I refer, of course, to the Thornton suggestion that Canada should dispose of her mercantile marine because it does not pay directly or indirectly.

These ships were built for war service. At the sudden close of the war they were put on trade routes; since when their maintenance has cost Canada $57,000,000, this deficit being added to the original cost of almost a hundred millions. They are now evaluated at ten millions of dollars, at present shipping market values. And [illegible] doubt much, even at that drop [illegible] values, if seawise Nova Scotians wo[illegible] consider them a profitable investm[illegible]

As I view the matter, the Thorn[illegible] proposal is based on the relativ[illegible] Canadian imports and exports, a[illegible] same factors in the world at larg[illegible] competitive sense. The cost [illegible] carriage to and from Canada, in [illegible] Nova Scotia, governs. It has co[illegible] than it has come to, to put it th[illegible] to operate a Canadian mer[illegible] marine.

If Mr. Rand's secession plans [illegible] stage of the Canadian game [illegible] brought about, and ships were [illegible]vided to carry on as of old, the [illegible] net result would undoubtedly [illegible] with respect to a disjointed Prov[illegible] ships and shipping, to deal with[illegible] aspect alone.

A Nova Scot[illegible]

A Land Plan

To the Editor of The Globe: Some weeks ago I wrote a letter to your columns suggesting that the present conditions of hardship could be greatly alleviated by utilizing some of our vacant land.

I maintained that if areas were marked out in sections, with some forest, the unemployed men could erect their own cabins and cultivate some land. Even growing only vegetables, a good start could be made, and some poultry, a cow and a pig or so could be acquired for each small holding.

Some supervision and help from the Government would be needed, but nevertheless $1 spent in this way would bring more return than $10 spent in direct hand-outs.

The reason is obvious, because the means for production would be placed in the possession of the unemployed.

The various details of such a scheme, e.g., how much land to a cabin, division of assistance between Federal, Provincial and Municipal Governments, arrangements for married and single men, etc., could all be worked out. The vital point is to get started.

I do not know how many concurred in the idea. Nothing in a general way was done. It is too late now for this season, as far as garden produce is concerned. But if bad conditions are to last for another year or two, then something could still be done. The men could be established in cabins this summer and wood could be cut for sale, the revenue from which would provide food and tide over the situation till the spring of 1932. This second alternative is not so good as the first, but is better than doing nothing or looking to indiscriminate charity for another winter.

When a war is declared greater undertakings than this are carried out. Guns and munitions of an army are vastly more expensive than food and shelter. People say: "It is a war emergency." This is a peace emergency.

May thought be given to this important matter before many people are driven to desperation.

Pearl, Ont. C. M. Kell.

A SWIMMER'S GRIEVANCE.

To the Editor of The Globe: During the heat wave I tried, like some others, to find a little relief. I started out for Hanlan's Point, stopping for a while to see the sports, then went out to the old bath houses and found the buildings there, but no one in charge. The dressing-rooms were in a broken and disgraceful condition. Unless you had some one with you to look after your clothes you would have to carry them on your head while in the water if you wanted to be sure that you knew where they were. What is the matter with the city or T.T.C. having a dressing-room there the same as at other beaches?

I then left there and came back to Sunnyside, expecting to have a good swim in the lake. When I got there I found the lake in front of the bathing pavilion filthy dirty and full of mosa, due to those concrete b[illegible] used as a breakwater leaving no [illegible] between the shore and the break[illegible] It would be far better to blow up [illegible] concrete blocks and so do away [illegible] just a stagnant pond where fresh, [illegible] water ought to be. If protectio[illegible] the shore is needful let them be [illegible] at about an angle of 80 degrees f[illegible] the shore line jutting out into the l[illegible] as at Coney Island. Hoping this [illegible] draw the attention of those in [illegible]thority to a much, very much, need[illegible] improvement.

Toronto. Bather

A Camp Praised

To the Editor of The Globe: Over the week-end I visited Bolton Fresh Air Camp, as I have been in the habit of doing for some years, and was again impressed with the almost dire necessity for such a camp. At Rotary Camp the boys benefited are not merely the underprivileged boys, but many "heart cases," who are as carefully looked after as if they were in a hospital; undernourished boys, who rally wonderfully under the influence of sunshine, fresh air, good food, long nights' rests, noonday rest hours and ample supplies of fresh milk. The magnificent Rotary pavilion, new this year, helps greatly to solve the problem of how to look after hundreds of boys in rainy weather.

The "counsellors," mostly university and other students, are marvels of unselfishness and efficiency, gladly sacrificing the weeks that they might have spent in gratifying desires for selfish amusements.

Nor are spiritual and intellectual aims lost sight of. I do not know when I have had more attentive and appreciative audiences than those that assemble on Sundays in the "Chapel," as the space is called under a glorious spreading beech tree on the side of one of the hills.

Toronto. James Edmund Jones.

CIVIC WINTER LABOR.

To the Editor of The Globe: The number of unskilled laborers who will have no regular employment next winter will be as large as last year.

What if the City Council suspended the by-law which requires householders to shovel and scrape sidewalks? If those compelled to ask for relief labor were given the whole breadth of the thoroughfares to keep clear, the cost of the rates would be compensated not only by the housekeepers being relieved of the task, but they would not be taxed by door-tappers, and their money would go more assuredly to those with the greatest need.

I suppose this would involve more petty foremen over small gangs fo[illegible] short areas. However done, it could b[illegible] "all round relief."

Men sent more than a mile fr[illegible] home, or employment depot, could [illegible] free transportations by T.T.C. Am[illegible] that relief measures are being co[illegible]ered early this time.

Toronto. A. W. Ro[illegible]

Off the Beaten Path

(An Editorial from the Jewish Standard.)

Modern journalism is made to order, and made to measure. So omnipotent is propaganda that the newspaper, once reflecting the personal convictions of its editor, is now compelled to put an edge on issues merely because they are fathered by the powers that be or the powers that would be, if these be powerful enough. Although harmfully arbitrary, such conduct of the public press can be justifiably condoned. Perhaps it is simply upholding Benthamism—the greatest good to the greatest number. Not all of us, certainly, have as much to gain or as little to lose by a revolutionary change. However, be that as it may, in the propagandistic scuffle for what is and what should be, the personal element has been hacked down to a vague shadow. One pattern with imperceptible variations rules the day. It is a lamentable condition, but apparently inevitable in an era of mass production. We cannot but resign ourselves to it. And yet we cannot but look hopefully everywhere for the last remnants of personal journalism which set the [illegible] Pulitzer on top of two [illegible] the same personal journal[illegible] decades later cut them f[illegible] feet of his sons. Prom[illegible] editorial page of the Ne[illegible] World there used to a[illegible] "The World's Window." [illegible] Pierre van Paassen, w[illegible]ronto Globe. He w[illegible] where he has been [illegible] affairs as they rela[illegible] not merely to pol[illegible] with sensitiveness [illegible] spirit. His style [illegible] He is the perso[illegible] such we await [illegible] assurance of co[illegible] behind the fr[illegible] statements o[illegible] correspondent [illegible] drawn to th[illegible] Jewish peop[illegible]ers of the [illegible]fident he [illegible] quality in [illegible] Europe fo[illegible]

The Globe.

TORONTO
CANADA'S NATIONAL NEWSPAPER
FOUNDED 1844

The Globe is published every week day at 64 Yonge Street, Toronto, by the Globe Printing Company, the Proprietors.
W. G. JAFFRAY . . . Presidents
H. W. ANDERSON . . Managing Editor

The largest morning circulation in Canada built without the aid of premiums.

Net daily average circulation for the month of June 99,619

Member of the Audit Bureau of Circulations.

Cable address—TORONGLO.
TELEPHONES
Elgin 5161—Use this number to call The Globe. Private Branch Exchange connects with all departments.
After midnight week days or on Sundays or holidays call as follows:

Circulation and Mailing	Elgin 5160
Advertising Dept.	" 1501
Composing Room	" 1510
Editorial and Local News	" 1906
City Editor	" 2630
Financial and Commercial Depts.	" 2628
Sporting	" 3616

The subject who is truly loyal to the Chief Magistrate will neither advise nor submit to arbitrary measures.—JUNIUS.

FRIDAY, JULY 10, 1931.

THE TARIFF BOARD AFFRONT.

The rough ride which the Prime Minister's Tariff Board bill has had in committee suggests the important part it is to play in future elections. Mr. Bennett's first act on taking office was to abolish the Tariff Advisory Board appointed by the Liberal Administration. He is now securing legislation to make it impossible for the Liberals, should they be returned at the next election, to take a similar course. He would have nothing to do with the Liberal Government's Board, but is attempting to compel the Liberals to continue his Board.

Mr. Bennett accused the Opposition of trying to read something sinister into this action. He declares he is insisting upon a ten-year tenure of office in order to get competent men to serve. He overlooks the fact, however, that if his term in office were productive of the service the people have a right to expect, he could reasonably hope to be sent back to Ottawa, and his appointees on the Tariff Board would be protected. If he does not win the confidence of the public it will be chiefly because of tariff policies for which his Board will share the responsibility. If the late Tariff Advisory Board was the creature of the Liberal Administration, and thus not to be retained by a Conservative Ministry, elementary political fairness would concede the same point of view to the Opposition. Although the original Board was created by Order-in-Council, and Parliament is to sanction the new one, and although there are to be some differences in methods of operation and authority, the functions of the two bodies will be essentially the same. The new one, as did the former, will act upon references from the Minister of Finance as a fact-finding organization, reporting back to the Minister.

If, however, as has been claimed by Conservatives, the former Board favored low tariffs, it may be urged with equal force that the new Board will be a high-tariff one. If the fact-finding in one case was prejudiced, it may be in another. An effort is made in the United States to overcome this charge by dividing the personnel between the two parties. There is no intimation at Ottawa that the Board to be named will be anything but Conservative in politics, or that its fact-finding will not be in accord with Conservative principles.

Legislation, therefore, which thrusts upon the country a Board created to serve Conservative policies will have a highly proper place in the next election campaign. There can be no object in seeking to extend the life of such a body beyond that of Parliament except to continue Conservative tariff principles in the event of the people rejecting them at the polls. The plan, therefore, becomes one to disfranchise the public so far as tariff views are concerned. It is an amazing challenge to responsible government, one which the Government would have done well to consider before pressing it through committee.

Had a Liberal Ministry attempted anything of this sort, a Conservative Opposition would have been justified in rising in indignation. The Liberal Opposition could do no less in this case.

PREMIER HENRY'S GOOD PLAN.

Premier Henry is said to have stated in an interview at Ottawa that the elimination of railway level crossings would have a large place in this Province's plans for the relief of unemployment. This is a common-sense suggestion, and Mr. Henry will be well advised to urge its adoption. The ever-recurring tragedies at these points drive home the need for prompt action in an effort to remove the death-traps.

More than that, elimination of level crossings will be of permanent benefit to the community. There is a vast difference between work of this kind and other undertakings of an ephemeral nature, meant merely to provide employment in time of distress. Whether there be prosperity or depression, level crossings are a menace to human life, and such work done at this time will have lasting value.

In carrying out this plan the Premier will have with him the public opinion of the Province. The taxpayers will realize that they are getting for the money expended something of a permanent nature—something that they want and have been demanding. It will be recalled that, following a tragic level-crossing killing at Oakville somewhat more than a year ago, Hon. W. L. M. King, during his campaign in the West, and in response to an appeal from the mother of the victims, declared that these danger spots should be eliminated as soon as possible, and as a means of providing needed work. And that is the general view.

In order to succeed with organized plans for the elimination of these level crossings, there may be necessary a new apportionment of the cost between the railways, the municipalities and the Grade Crossing Fund. This no doubt has been discussed during Mr. Henry's meetings with the Federal Minister of Labor and other members of the Government. This is a time for the planning of work, and it is gratifying to learn that in this connection Premier Henry's thoughts are turned toward the removal of one of the greatest perils to highway travel.

ONTARIO'S HYDRO GIANT.

It is worth looking back every now and again at the giant Ontario child, the Hydro-Electric System, to watch its growth. Yesterday the annual report for the year ending Oct. 31, 1930, was issued in blue book form, and the revelation of expansion in a time of depression is highly refreshing. The distribution of power, the report shows, was 1,145,522 horsepower in October, 1929, and 1,263,512 a year later, while by December last there was a further increase, to 1,286,278.

The investment of the Hydro-Electric Power Commission of Ontario in power undertakings and hydro-electric railways is $260,593,779, and the investment of the municipalities in distributing systems and other assets is $99,054,262, making in all a total of $359,648,041. The Commission collected from the municipal utilities and other customers $28,555,998. After expenses and fixed charges there was a net surplus of $1,262,456. At the end of the fiscal year the Hydro served 26 cities, 94 towns, 251 villages and police villages, and 297 townships.

Hydro has become almost commonplace in its service to nearly all parts of this Province. We turn the switch and start the factory machines, light the house, give power to the vacuum cleaner, or freezing temperature to the refrigerator. It is all so simple that we forget the colossal organization which makes it possible, and overlook the gigantic battle to assert a principle that, regardless of consequences, the people of a steadily growing part of Ontario shall have the comfort that science has designed for them, and shall have it without the obstructions or the financial toll-gates that men of less vision or more selfishness would impose upon them.

A SHOCKING PRACTICE.

The community has reason to be shocked by the information given the Toronto Board of Control regarding the use of instruments to hasten childbirth. While expressing the opinion that there had been exaggeration as to the extent of the practice, Dr. McIlwraith, Chairman of the Academy of Medicine Committee on Maternal Welfare, said he thought there were a number of cases where childbirth was hurried to the detriment of both mother and child.

The only explanation that could be offered, apparently, for such haste would be that the physician in attendance wished to get away to other cases. In other words, the rush for more business superseded carefulness and anxiety for the welfare of those whose lives were hanging in the balance. It is deplorable if even a section of the medical profession seeks thus to commercialize what should be, and is supposed to be, above all, a dependable and sympathetic human service. This reputation was given it by the old-time doctor, who was content to sit by the bedside all night, if need be, to care for his patient. Is it coming to the point where "cases" are to be checked off by the clock like so many pieces of metal passing through a lathe?

The medical profession has been given pretty much of a free hand to manage its own affairs, and if it wishes to maintain its credit in the community it cannot afford to depart from policies which establish confidence. It cannot permit the profession to become an industry. At the same time lack of specific information on such matters as the unwarranted use of instruments in childbirth indicates absence of that degree of administration needed to ensure a high standard of professional service.

Playing fast and loose with life for the sake of saving time, no matter how exceptional the instance, has to be stopped. Who is going to do it? Will it be necessary for the medical men to relinquish to Governmental agencies part of the authority for which they have fought so zealously?

UNITED AGAINST ATHEISM.

Charges that the professorial staff of the University of Toronto is tainted with atheism are revived by the action of an outstanding section of the Orange Order in Canada. At its June meeting in Hamilton the Grand Black Chapter, of British America, Royal Black Knights of Ireland, made its declaration of faith in the elementary tenets of Christianity, and called for an investigation of allegations to the effect that unbelief, active and unashamed, prevails in many of the universities and schools of the Dominion.

After recapitulating its belief in Christian doctrine, and declaring that it is "utterly opposed to atheism and agnosticism," the Chapter places itself on record in this definite way:

> Be it therefore resolved: That this Grand Black Chapter of British America express publicly our abhorrence of such pernicious teaching, and ask for the appointment of committees for the different Provinces to interview the Governments thereof to request of the same that investigations be commenced without delay in every Canadian university to learn definitely how far this poison has permeated the fabric thereof.

The resolution goes further, and would "compel every professor, teacher and instructor of every university and college to state in writing if he believes in a personal God, and all who decline to sign such declaration be forthwith discharged from the service of such university." And, again, that "if any university or college receiving Government grants decline to enforce these regulations it shall be debarred from all Government support."

In this connection, and as indicating an aroused spirit of apprehension that all is not right in the religious life of the universities, the Canadian Protestant, in a recent issue, produces some startling figures. Quoting from a report of Rev. F. J. Moore, General Secretary of the Christian Student Association, on the participation of students in the association's study and discussion groups, the Canadian Protestant says:

> Comparisons are often of doubtful value, and, as Mr. Moore points out, numbers alone cannot tell the story. One devoted enthusiast may be worth more than a hundred who are lukewarm. Yet the natural thing to size up against the 150-odd students in the S.C.A. Bible groups today is the number who used to attend similar groups.
>
> About twenty years ago—in 1909, to be exact—Torontonensis gave the following facts and figures for Varsity Y.M.C.A.: "At present there are 1,000 men engaged in systematic daily Bible study." In 1909 Varsity's total registration was 3,909. Excluding women and about 150 coming theologians, that would make about 3,200 ordinary male students, of whom at least 800 were in the Bible study groups, or one out of every four.
>
> Another interesting item in the Y.M.C.A. report for 1909 was that "every Friday nearly 100 men meet in the 'Y' to be trained for leadership." There is no such training class today. Obviously 100 leaders aren't required for 155 Bible students. Mr. Moore himself led ten of the fifteen groups this year.
>
> The 1909 report goes on to state that besides a Federal Y.M.C.A. executive of twenty-four, chosen from the whole university, there were eight other executive committees in as many faculties or colleges of the university, the total list of officers running well over a hundred, all of whom had definite organizing duties and all of whom contributed their share toward keeping the triangular activities—Spirit, Mind and Body—well before the male students as a whole.
>
> Has the Student Christian Association proved to be a worthy successor to the Y.M.C.A.? Is the falling-off in attendance at Bible study groups to be attributed to the system and personnel of the S.C.A., or merely to an ever-increasing indifference to Christianity on the part of the students? Is there no longer a need for Christian leadership among the undergraduates?
>
> For the past three years there have been no university sermons. Long before they were discontinued the attendance got steadily slimmer.
>
> Twenty years ago it was difficult to get a seat in Convocation Hall, with its seating capacity of 2,000, for the Varsity Sunday morning sermons. There were generally from 50 to 100 members of the staff on the platform.
>
> What is the reason for the falling-off in attendance?

Taken in conjunction, these statements and comments indicate that among the Protestants of this country there is general alarm over the alleged prevalence of atheism in the University of Toronto and other colleges throughout the Dominion. Thus Protestants and Catholics stand shoulder to shoulder in presenting to this evidently growing menace of bold atheism a united and determined opposition. It is not especially the business of Orangemen, or other Protestants, or of Roman Catholics. It is the concern of all Christians. If the faith of students at the higher educational institutions of this country is being weakened by the insidious innuendoes of atheistic members of the teaching staffs, action is called for on the part of all who hold to the ancient truths of religion; and the Royal Black Knights have indicated how this action may most effectively be taken.

A CHURCH AND ITS ORGANIST.

One of the most beautiful examples of early Ontario architecture is St. Andrew's Church, Niagara-on-the-Lake, which next month will celebrate its centenary. Its spire, columned facade and high pulpit give distinction and strengthen the ecclesiastical appearance of the relic of pioneer days. A few months ago a small model of this church was placed on view during the architects' exhibition at the Toronto Art Gallery, along with models of other notable buildings from the same period, and created so much interest it is hoped the group will find a permanent home in some Toronto museum.

It has just come out, from the church officials at Niagara, that one of the members of the congregation years ago was a young man called F. M. Morson, known in this part of the Province as County Judge in York for the past forty years. Young Morson had been a student at Trinity College, where he played the organ in the chapel, and when he returned to Niagara he was organist at St. Andrew's for one year. Judge Morson has informed the Niagara Centenary Committee that it is with great regret that absence in Nova Scotia will prevent his taking part in the celebration in the old church, where his little-known talents in another department of public usefulness were once displayed.

A GREAT MINING MAN.

Canada loses a mining man of first rank in the untimely death at Copper Cliff of John L. Agnew, Vice-President of the International Nickel Company of Canada. Mr. Agnew was chief officer in charge of the company's operations in Canada, which in late years have expanded on a tremendous scale.

The nickel industry at Sudbury and Copper Cliff derived its first main incentive from the demand for armor plate, and when the war ended, followed by the Washington treaty and consequent naval reductions, the bottom fell out of the industry. Mr. Agnew played a large part in its subsequent recovery through putting nickel on a peace basis. Many new ways of using nickel were found, and the market developed until "Inco's" production and sales reached undreamed-of levels.

With the new demand came the discovery and development of the Frood Mine, one of the most remarkable ore deposits in the world, the value of whose known resources is estimated at $2,000,000,000. The company's profits in 1929 exceeded $22,000,000.

It was the pride of Mr. Agnew's friends that he had risen from the ranks as a steel worker in his native Pennsylvania, that he remained unspoiled by his success, and that his workmen continued to regard him as a pal rather than a boss.

A COMMUNITY SPIRIT.

It becomes more apparent that the unemployment problem is not alone for the City Council or city officials, but in some measure the problem of citizens in general. Mayor Stewart is helping the public to this realization by his conferences with representatives of finance and industry. City, Province and Dominion may contribute all so liberally, but there will yet be much to do.

None of the Governments mentioned has a bottomless Treasury. Each may alleviate individual distress or authorize public works by which men will find employment. Individuals with factories, stores or other means of absorbing labor can yet do much by their policies and their actions, by their attitude toward the difficult situation in which we are placed. An employer was heard the other day to say: "I cannot leave town until I see my June statement and think what my duties are to those dependent on me."

Last winter revealed much distress, and it was bravely met. Another hard winter would find many homes with reserves depleted. That is the new condition which all must face, not as selfish or grasping individuals, but as members of a community. Each self-supporting individual can do something to make the lot of others easier.

There must be adjustment of standpoint in many cases, and the conferences between city representatives and the leaders in finance and industry will bring ideas to the surface which will ease the burden of the individual and the community as a whole in trying months ahead.

NOTES AND COMMENTS.

A reduced insurance rate for Hudson Bay ships sounds like endorsation in high circles.

The trans-Canada highway, the seaway project and the Peace River outlet are still in the realm of promises.

Beauharnois evidence shows that Big Business can still make ordinary people almost dizzy with its dimensions.

Judging by the Norfolk by-election result, Government prestige in these contests does not seem to be holding its own.

Nothing is to be learned at this session of Parliament about St. Lawrence seaway prospects. Did any one expect it?

Vision of thirteen aeroplanes touring the West on a good-will mission will not bring much cheer to prairie farmers, who would prefer vision of a wheat market.

Premier Bennett's Tariff Board is to have punitive powers for dealing with witnesses, presumably those who disagree with that body's long and autocratic tenure of office.

There has been a reduction in insurance for shipping using the Hudson Bay route—the most practical and convincing evidence that there is a future for the northern port.

So strong is the force of habit, especially in the performance of duty, that when members of the police force played ball at their Island picnic not even a base could be stolen.

Tonight the last touch must be put to the gay raiment to be worn in the big parade tomorrow; there will be no time in the morning to do more than get to the muster-place.

An eighty-page special issue by the Northern Miner is an encouraging sign that, whatever happens to wheat and newsprint, nature still has a lot of wealth stored underground.

What with the debt moratorium and the huge sums friends are handing her, Germany soon should be able to lead the way out of the prevailing mists of depression. And then look out!

The frost season being past, it is admitted that this year's peach crop is likely to establish a record. There will be hope that this season the flavor may be in keeping with the quantity.

The British Hull Committee has granted some concessions on insurance rates for shipping on the Hudson Bay route. Now what are needed are concessions which will get the grain out.

An ancient flintlock gun found buried deep in the earth of Algoma brings to mind the fact that it is a long time since the white man and his weapons first invaded the North country.

Chicago suffers its crowning humiliation when the city fails to repay loans of $38,000,000 advanced by citizens when the misgoverned community could not pay its school teachers in 1929.

Whatever else members of the Ontario Cancer Commission may achieve during their jaunt abroad, they will return with a better knowledge of the geography of Europe and neighboring points.

Sudbury is wondering where all the foreign-operated soup kitchens are receiving their support, and there appears to be a suspicion that there may be a little Red pepper flavoring in the food supplied.

In view of the "close call" in the Norfolk by-election, the Attorney-General's friends should remind him that there are two shrievalties vacant in the Province, and that he should secure one of these posts "while the getting is good."

If the Beauharnois inquiry gives the public some idea of the value of power rights, it will accomplish considerable. It is apparent, so far, that the power interests value them highly when a cool million is paid out to buy off a company with $2,500 capital.

There has been some comment on the fact that Hon. Pat Burns, the newly appointed Senator from Calgary, has been chosen despite the fact that he is a Liberal. The choice is to the credit of Premier Bennett's broadmindedness. There is also a legend that Sir John A. Macdonald once appointed a Liberal to office. Mr. Bennett and Mr. Burns were friends of many years' standing in Calgary, and, though differing in politics, it is said that Mr. Burns "always voted for his solicitor."

In its own dignified and scholarly style, the Toronto Conservative organ deals with "Mr. Motherwell, the loose-tongued ex-Minister from Regina." That is bad enough in referring to the member for Melville, Sask., but the worst is yet to come. After a severe criticism of Mr. Motherwell's speeches in the House, the organ declares solemnly that "his style steadily grows no better." The former Minister of Agriculture probably will make the retort in kind by saying that the organ steadily does not improve.

The Statute of Westminster And Privy Council Appeals

(By R. A. REID, Barrister, Toronto.)

ARTICLE IV.

The number of appeals taken in criminal cases from Canada to the Privy Council is so small, owing to the strict and severe rules and requirements which the Privy Council has laid down as a matter of policy in a series of decisions governing such appeals, that only in the most glaring cases of grave injustice or of a denial or miscarriage of justice does an appeal succeed or is taken across the ocean. What is to be gained by abolishing such appeals? If decided cases are any criterion by which to judge and answer this question, everything is in favor of such appeals being continued in the public interest, both on behalf of the prisoner or defendant, the appellant and respondent and the Crown, so that justice may be done and no mistake made, either by imprisoning or hanging innocent men or depriving litigants of their just legal rights, be they rich or poor.

Let me illustrate what I mean by a few outstanding recent examples.

Take the case of Lanier v. the King, an appeal to the Privy Council by a poor prisoner from the Supreme Court of one of the overseas possessions of the British Crown, the Seychelles Islands, in the year 1914. It is reported in (1914) Privy Council Appeal Cases (page 221). In that case the prisoner had been sentenced improperly and illegally to a term of eighteen months' imprisonment. The Judicial Committee of the Privy Council reversed the criminal sentence, quashed the conviction and sentence by the Chief Justice of the Seychelles constituted such an invasion of liberty and such a denial of the just rights of a citizen that their Lordships of the Judicial Committee felt bound to interfere. In this case on appeal the Privy Council said:

In Criminal Cases.

"In criminal cases the board does not lightly interfere. To use the language of Lord Watson in In re Dillet (1887), A.C. 459, at page 467: 'Such appeals are of rare occurrence, because the rule has been repeatedly laid down and has been invariably followed, that her Majesty will not review or interfere with the course of criminal proceedings, unless it be shown that by a disregard of the forms of legal process or by some violation of the principles of natural justice, or otherwise, substantial and grave injustice has been done.'

"Having carefully examined all the evidence, their Lordships are of opinion that the facts did not on any just or legal view of them warrant a conviction.

"In their Lordships' views justice has gravely and injuriously miscarried.

"Their Lordships will humbly advise his Majesty that the appeal be allowed, that the judgment and sentence appealed from be quashed, and that the appellant be declared not guilty of the offence charged. Looking to the exceptional nature of the case the Crown will pay to the appellant the costs of the appeal. There will also be restored to him the amount of the costs of the prosecution paid under the judgment of the court below."

And, again, in another quite recent case, that of Dr. Benjamin Knowles, appellant, v. the King, respondent, reported in (1930) appeal cases, Privy Council, page 366, Knowles had been found guilty of murder and sentenced to death, but the Governor of the Gold Coast Colony had commuted the sentence to life imprisonment. Knowles was found guilty in the Chief Commissioner's Court of Ashanti, his trial taking place at Kumasi, and his appeal was from the conviction and sentence by this court, to the Privy Council in London. He was granted special leave to appeal to the Privy Council, by virtue of the prerogative, and his life and liberty were saved for him, because the Privy Council quashed the conviction.

On March 10, 1930, the Privy Council gave its written reasons for judgment in favor of Knowles, setting aside his conviction, allowing his appeal, upon the ground that Knowles "had not the substance of fair trial and had suffered substantial and grave injustice."

Two Illustrations.

Here are two outstanding illustrations of the public benefits exercised and conferred by the Privy Council in the interests of right, British fair play and justice.

Suppose, for the sake of argument and further illustration, that in these two cases the persons found guilty and sentenced to be hanged, or imprisoned for life, had been Prime Minister Bennett, Mr. Mackenzie King and John S. Ewart, K.C., instead of Lanier and Knowles. Had they lived in the Seychelles Islands and Ashanti, they would have had an appeal to the Privy Council, and their lives and liberty saved for them, but, under the Canadian proposal to abolish Privy Council appeals, had the same crimes, circumstances and facts been presented in Canada against them, Mr. Bennett, Mr. King and Mr. Ewart would have been hanged or imprisoned for life, and there would have been no appeal from the courts in Canada. The proposed Statute of Westminster would have given the gentlemen referred to a practical dose and application of their own medicine. There would be no other recourse.

I would suggest, therefore, that they should communicate with Mr. Lanier and Dr. Knowles and ask them, being overseas Dominion brothers, how they like the Privy Council, and if they think that appeals thereto, so that justice and right may prevail over injustice and wrong, should be abolished.

The settled policy of the Judicial Committee of the Privy Council in the hearing of appeals in criminal matters was plainly laid down in the year 1914 in the case of Armour v. the King Emperor, in (1914) appeal cases, page 644, where it is said by the board:

"This committee is not a Court of Criminal Appeal. It may, in general, be stated that its practice is to the following effect: It is not guided by the appellant's own doubt or suspicion of his guilt. It will not interfere with the course of criminal law unless there has been such an interference with elementary rights of the accused as has placed him outside the pale of the regular law, or unless within the pale there has been a violation of the natural principles of justice so demonstratively manifest as to convince their Lordships, first, that the result arrived at was opposite to that which their Lordships could themselves have reached, and, second, that the same opposite result would have been reached by the local tribunal also if the alleged defect or misdirection had been avoided."

Policy Is Stated.

Once again, in two comparatively recent Canadian appeals to the Privy Council, in criminal cases, the committee has plainly stated its policy.

In the case of Nadan v. the King (1926) appeal cases, their Lordships say:

"According, however, to the well-settled practice of the Judicial Committee, his Majesty is advised to intervene in a criminal case only if it is shown that, by a disregard of the power of legal process, or by some violation of the principles of natural justice, or otherwise, substantial and grave injustice has been done."

In Chung Chuck v. the King (1930), A.C. 258:

"Their Lordships, however, would point out that the final words in the report of the case of Nadan v. the King (1926) A.C. 482, 495, 496, will make it very difficult to induce this board to advise the granting of special leave to appeal in a criminal case."

Then, regarding appeals in civil actions, the Privy Council has again laid down a settled policy for the guidance of all seeking special leave to appeal in civil matters. The Judicial Committee, in a long series of decisions, has said that appeals will only be allowed where the case is of gravity, involving matters of public interest or some important question of law as affecting property of considerable amount, or where the case is otherwise of some public importance, or of a very substantial character; and that they will not allow appeals where the judgment appears to be plainly right, or at least not to be attended with serious doubt, or for some abstract question only.

A recent case from Canada illustrates the principles laid down by the Privy Council in these matters.

In the case of Albright v. Hydro-Electric Power Commission of Ontario, Appeal Cases (P.C.) (1923), pages 167 to 169, their Lordships said:

"It is not the practice of the Judicial Committee to grant special leave to appeal from a judgment of the Supreme Court of Canada, where the decision depends upon the mere construction of an agreement, and does not raise either a far-reaching question of law or matters of dominant public importance."

Viscount Haldane's View.

Viscount Haldane: "In this case their Lordships are unable to recommend that special leave should be granted to appeal from the Supreme Court of Canada. It has been the policy of their Lordships' board not to entertain applications which will prevent the decision of the Supreme Court being final on general questions connected with the mere construction of agreements which do not raise either far-reaching questions of laws or matters of dominant public importance. Here there was an individual agreement; it may have been construed rightly or wrongly by the Supreme Court of Canada, but it is an individual agreement, and the decision turned upon a question of construction. The view taken is a view the effect of which may be obviated in future agreements by the employment of apt language. Under the circumstances their Lordships do not think that they would be justified in recommending the intervention of the Crown to entertain an appeal from the judgment of the Supreme Court. The petition will be dismissed with costs."

Then there is the more recent case of Mrs. Bethune Campbell v. Hogg, (1931) Appeal Cases, P.C., a case from Ontario, which went through all the courts here, and was fought by a lady in person as her own counsel. She obtained no relief or satisfaction from the courts in Canada, and thereupon pleaded her own case in person before the Privy Council in London, where she won. Had she not stuck to it and fought every inch of the way she never would have obtained justice in this world but for her own persistence, in the belief that she was right. The wisdom and large experience, coupled with the superior intellects and knowledge of the Privy Council, gave her the judgment which she did not get in Canada.

Under the circumstances, such being the settled policy of the Privy Council in granting leave to appeal, in order that justice may be done and right prevail, and so that injustice, miscarriage of justice or denial of justice is not suffered by any British subject or allowed to flourish, it can be only be on the assumption that these wrongs and injustices must be tolerated and winked at in Canada, that the appeal to the Privy Council is sought to be abrogated and abolished.

Argument Set Forth.

The whole argument against the repeal of the Colonial Laws Validity Act, and against the abolition of appeals to the Privy Council, or of the passage of any statute authorizing this to be done, is well stated by Professor J. H. Morgan, K.C., of the University of London, England, in a recent lecture on the subject, where he says:

"If there thus be a general confidence in the unimpaired jurisdiction of the Privy Council, what point is there in anything so otiose as an act of the Imperial Parliament enabling, and to that extent inviting, the whole of the Dominions to abolish its jurisdiction altogether? If you ostentatiously confer upon a person a license to do a thing which he has never thought of doing, you run a very considerable danger of thereby tempting him to do it. This, I submit, is particularly true of Legislatures in the modern world. A Dominion Government would think once, twice, thrice before asking the Imperial Parliament to abolish an Imperial prerogative in its regard, for the simple reason that it could only do so if backed by the whole opinion of the community. But if you can do it at any moment by a snatch vote in the local Legislature, regardless of the considered opinion of the Dominion electorate as a whole, it is only too likely to act in haste."

Before the Privy Council every person can obtain justice, even though he or she be a pauper. It is the most democratic and wise and intellectual court in the whole Empire. The great power and influence which it exercises and exerts does not consist only in the cases it hears and decides, but in the great moral influence, its existence, great authority, high reputation and supreme judicial expert authority, exert over all the courts in and of the Empire.

Trading With Russia

London Morning Post: M. Sokolnikoff boasts that the rise of the Soviet Union has "put the whole capitalist world in a dilemma." It is a very timely and timely warning; and it may be said that the dilemma is the worst for those countries and those traders who have given hostages to the Soviet Union by trusting to its good faith. For it is not only a defaulting debtor, but one on whose goods it is impossible to distrain.

A Practical Plan

To the Editor of The Globe: Many plans are being suggested to meet the unemployment problem. Here are some that deserve consideration, which, if added to by more mature thought, would be effective:

Standing on Bathurst or Spadina bridges, one must be impressed with the number of unpainted and disreputable-looking freight cars on the various railway sidings, and judging by the number in Toronto there must be thousands throughout the Provinces.

To paint these cars would add much to their value and life as well as give a prosperous appearance to our country, even if the railways are not paying dividends.

Canadian paint to be used, and thus further employment provided.

This suggestion also applies to the many boathouses along our waterfronts, and surely the fortunate owners of pleasure craft should welcome this proposal to help their less fortunate neighbors.

I would also include as very desirable the "whitewashing" of the dismal and dungeon-looking railway tunnels at York, Bay and Yonge Streets at once before Exhibition time.

Skilled labor would not be necessary, and squads of ten or more under a competent foreman could accomplish wonderful improvement to these properties.

I also suggest a scale or method of payment to these laborers, to be modified and improved as more mature experience may suggest.

A six or seven hour day—single men, $2 per day; married men, $3 per day; married men with one child, $3.25 per day; married men with two children, $3.50 per day; married men with additional children, 25 cents more per child per day.

One-half of these earnings to be paid at the week-end and the balance to be funded and paid in four equal payments during next January, February, March and April, when unemployment may be very much more in evidence than at present. "Helpful."

Toronto.

THE STEINBERG CASE.

To the Editor of the Globe: It is encouraging to note the increasing number of protests appearing in the press against the imposition of the death penalty in the Steinberg case. Particularly so was recent letter of the Rev. Dr. C. V. Pilcher, who, after a careful study, has stated logically the reasons against hurling a fellow human being into eternity while grave doubt as to his guilt exists.

Dr. Pilcher's statement of the relevant facts may be summarized as follows:

1. The disagreement of the jury at the first trial.

2. The final verdict of "guilty" at the second trial on circumstantial evidence aided by the testimony of a fellow prisoner.

3. Due to a technicality, the jury was not allowed to hear evidence to show that this fellow prisoner was mentally abnormal and previously connected with false testimony.

4. The statement of Chief Justice Sir William Mulock that in his opinion the summing up of the Trial Judge was not fair to the accused and may have caused a miscarriage of justice, and that the conviction should be quashed and a new trial directed.

It is also gratifying to hear that appeals for executive clemency are being made by the representatives of the Anglican, Presbyterian, United and Roman Catholic Churches.

It may be of interest here to note that the Jewish sages in the Talmud, over two thousand years ago, in interpreting the Biblical injunction that no man should be put to death on the evidence of only one witness, emphasized that human life was so sacred that the death penalty must not be imposed where there was the slightest possible doubt of the guilt of the accused.

According to the Jewish law, a man on trial for his life was brought before the Sanhedrin, or the Supreme Court, consisting of 23 Judges. At least two adult witnesses, of sound mind and unquestionable integrity, were necessary for a conviction. Both witnesses must have been the actual crime committed in the presence of each other. We still have a relic of this rule in our Wills Act, which requires a will to be signed by the testator in the presence of two witnesses and in the presence of each other. Surely, if such a principle is necessary to protect the estate of a dead man, how much more important is it to apply a similar principle to protect human life. Furthermore, circumstantial evidence of any kind was not admissible and a majority of at least two judges was necessary to secure a conviction, but a majority of one was sufficient for acquittal. A Judge once voting for an acquittal could not change his vote, but a Judge voting for a conviction could always do so.

The above are but a few of the many legal safeguards of the ancient Jewish law to prevent the possibility of the shedding of innocent blood.

There is unquestionably a great deal of doubt in the minds of many as to the guilt of Steinberg, and, as Dr. Pilcher says, every instinct of humanity cries aloud that he should be given the benefit of such doubt. It is not yet too late to write to the Minister of Justice at Ottawa appealing for the extension of executive clemency in this case.

Toronto. Hertzel Rotenberg.

THE AVIATION TRAGEDY.

To the Editor of The Globe: With regard to the regrettable, but preventable, accident to a passenger-carrying aircraft at Hamilton on the holiday, I have heard indirectly from a reliable source that this machine was in a "power dive" when the mishap occurred. This does not constitute a "stunt" in a military or sport aeroplane; but in a plane of this type it is certainly ill advised, particularly with a load of five passengers. Accidents to aircraft do not just "happen," nor are persons killed in that way any more dead than if they were killed by any land vehicle. There is a definite reason for every accident on land or in the air, and the press apparently fails to realize that there is a vast difference between a "mistake in judgment" and deliberate foolhardiness.

The Globe in its news story naively suggests that "there had been nothing gruesomely thrilling about this crash such as there might have been had the plane gone into a tailspin from an altitude of a mile or so." One would respectfully suggest that the accident at Hamilton in which a car ran into a rock-pile, killing five people, would have been vastly more entertaining if the car had jumped every second telephone pole for the last five miles before the crash. A. E. S.

Toronto.

A TAX SUGGESTION.

To the Editor of The Globe: I have just read an article in the London Spectator, June 6, in which the writer suggests taxing billboard advertisements, as he tells us that this tax is now in force in parts of Europe and tends to check the display of advertisements which at present are an eyesore all over the country, and would benefit the revenue. This tax would appear on all advertisements, whether in windows, shops or hoardings, and the tax should vary in amount according to the size of the advertisement. Even advertisements for employees are taxed, he says. Revenue stamps are used and can be got at postoffices, etc., where such tax is in force. He adds that "very little machinery would be needed to introduce such a scheme in England." Every ad must bear a revenue stamp wherever displayed.

Why did not our "great statesmen" here in Canada think of such a means of raising revenue? Another suggestion would be an apparel luxury tax—women's rich clothing, such as elaborately trimmed fur coats and cloaks, dresses over, say, $25, and all other women's and men's clothing over the figure that the smaller-income people can afford? There should be no sales tax on cheaper grades of clothing or whatever the poorer buyer uses. The ordinary buyer pays for the elaborate and extravagantly dressed persons' wearing apparel at present. Many cannot afford a "best" dress, according to their station as "genteel persons," costing more than $25. Indeed, that would have to last for several years among a large number of the class mentioned, and everything else is in like proportion with them. Argus Eye.

Toronto.

Memorandum to Mr. Hinds:

120835

Please put the attached correspondence on my desk. Also see if you can get any data ready for Thursday to enable me to answer Mr. Reford's letter more definitely.

Arthur Meighen.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120836

All data with respect to this subject is of record with the Preparatory Committee and will be available for the Conference Committee if asked for.

It will be for the Conference Committee on Tariff Policy to determine whether or not the subject will be considered.

It is not the intention to have outside interests appear before the Conference Committees.

A.H.H.

KEEP ON TOP OF FILE NO.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MORE WHARFAGE SPACE WANTED

D. B. Plunkett, M.P., to Ask For Better Berthing Facilities For Hydrographic Ship

D. B. Plunkett, federal member for Victoria, before leaving for Ottawa Tuesday to attend the session of the House of Commons opening October 6, said he would urge upon the Dominion Government the necessity of more adequate wharf accommodation for the new hydrographic survey steamer, William J. Stewart, at the marine department site on the Industrial Reserve, north of the Johnson Street Bridge.

Mr. Plunkett said he would ask for the erection of a wharf and storage shed at an estimated cost of $80,000.

Since she arrived here from the builder's plant at Collingwood, Ont., the William J. Stewart has been berthed at the Canadian National docks in the Inner Harbor.

Excellent wharfage and shore space exists at the marine depot in the upper harbor, where the Estevan and other vessels employed in the lighthouse service are docked when in port.

It is claimed there is not sufficient room for the berthing of hydrographic ships there at present.

For years the Lillooet, the hydrographic survey steamer which was built here, has made her base in Esquimalt Harbor.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

A. C. SKINNER, PRESIDENT.
LT. COL. M. W. MCA'NULTY, VICE-PRESIDENT.
H. H. WILLIAMS, SEC.-TREASURER.

W. L. REFORD STEWART, P.E.C. MANAGING DIRECTOR
W. L. MCGANNON, DIRECTOR
CHAS. E. HOWARD, M.P. DIRECTOR

125838

STEWART CONSTRUCTION COMPANY, LTD.

CONTRACTORS AND ENGINEERS

TELEPHONE: 2515.

LA TRIBUNE BUILDING - SHERBROOKE, QUE.

February 26th, 1932.

Robert W. Reford, Esq.,
230 Hospital Street,
MONTREAL, Que.

Dear Mr. Reford:

I was away when your letter of February 12th, was received, and therefore regret very much not being able to answer same before.

Unfortunately the unknown low tenderer on the Moncton Post Office, namely Harold N. Price turned out to be a Canadian instead of an American as I first thought, due to the fact that we had never heard of him before, nor had the Canadian Construction Association any record of him. He also turned out to be a relation (I believe nephew) of the local conservative member, Dr. O. B. Price.

However he is not financially, let alone any other qualification, capable of executing the work; but due to his political influence is having the job held open on the off chance that he can get somebody to go in and finance him or to buy out his influence, and with this in view has to my absolute knowledge approached, in addition to our firm, the Atlas Construction Company Limited, and the Saint George Construction Company Limited, both of Montreal, also I am told from very reliable sources that he has approached at least four other firms, none of which would entertain the idea due to his financial standing and poor previous record.

I assume his approach to the other firms was similar to his approach to me, i.e., he arrived in my office, together wish Dr. O. B. Price, M.P., and another man and wanted to know what we would be prepared to pay them if they would drop out of the picture and use their influence to obtain us the contract. I assume we were the first people approached, and on not getting satisfaction they then approached the others, and I know positively they are still doing so.

As I stated in my previous letter, normally the Government would have immediately called in the second lowest tenderer, namely ourselves, when the low tenderer could not finance the job or for any other reason was not prepared to proceed with same.

ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ACCIDENTS, DELAYS OF CARRIERS AND OTHER DELAYS UNAVOIDABLE OR BEYOND OUR CONTROL

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120839

Robert W. Reford, Esq. February 26, 1932.

The tenders as submitted and opened at noon Thursday, October 29th, 1931, were as follows:-

1st. -	$521,793.00	- Harold N. Price, Moncton, N.B.
2nd. -	$524,464.00	- Stewart Construction Co. Limited.
3rd. -	$543,922.00	- George A. Fuller, Montreal, Que.
4th. -	$579,812.00	- E. G. M. Cape & Company, Montreal, Que.
5th. -	$600,644.00	-
6th. -	$601,686.10	-
7th. -	$619,717.00	-
8th. -	$620,500.00	- John N. Flood,

Now since he cannot proceed with the contract, we are legally entitled to the work on the basis of the above tenders, and we are anxious to obtain same, and should we be awarded the contract, are prepared to immediately deposit an accepted cheque for 10% of the contract and proceed with the work.

We would therefore appreciate any assistance towards this object which you might be able to render and would especially appreciate if you could interest the Honourable Arthur Meighen sufficiently enough for him to grant me an interview.

Yours very truly,

STEWART CONSTRUCTION COMPANY LIMITED

R. R. Reford Stewart

WLRS:MB Managing Director.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

A. C. SKINNER, PRESIDENT.
LT. COL. M. W. McA'NULTY, VICE-PRESIDENT.
H. H. WILLIAMS, SEC.-TREASURER.

W. L. REFORD STEWART, [illegible] MANAGING DIRECTOR
W. L. McGANNON, DIRECTOR
CHAS. B. HOWARD, M.P. DIRECTOR

120840

STEWART CONSTRUCTION COMPANY, LTD.

CONTRACTORS AND ENGINEERS

LA TRIBUNE BUILDING - SHERBROOKE, QUE.

A FEW OF OUR CONTRACTS WHICH SHOW THE WIDE FIELD WHICH OUR ORGANIZATION COVERS.

ASBESTOS.	Mill Addition	—	**Canadian Johns-Manville Co.** A. G. Barrett, Chief Engineer, Asbestos, P. Q.
BEDFORD.	Factory Addition	—	**The Torrington Co., Limited.** Owner's Engineer, Bedford, P. Q:
CAP DE LA MADELEINE.	Silk Mill	—	**Canadian T. S. R. of Lyons Ltd.** Perrault & Gadbout, Architects, Montreal, P. Q.
CHATHAM, N. B.	School	—	**St. Michael's Academy.** Louis N. Audet, Architect, Sherbrooke, P. Q.
COATICOOK.	Factory	—	**Gilmour Chair Company.** Ewart, Armer & Byam, Engineers, Toronto, Ont.
COWANSVILLE.	Office Building	—	**Vilas Company Limited.** John S. Archibald, Architect, Montreal, P. Q.
DANVILLE.	Church	—	**St. Paul's United Church.** Sydney Comber, Architect, Montreal, P. Q.
DRUMMONDVILLE.	Wireless Station	—	**Canadian Marconi Company.** Ross & Macdonald, Architects, Montreal, P. Q.
GRANBY.	Gas Station	—	**Shell Oil Company.** Owner's Engineer, Montreal, P. Q.
LEVIS.	Railway Station	—	**Canadian National Railways.** T. T. Irving, Chief Engineer, Toronto, Ont.
LOUISEVILLE.	Silk Mill	—	**Associated Textiles of Canada Limited.** Chas. T. Main, Inc., Engineers, Boston, Mass.
MAGOG.	Church	—	**St. Paul's United Church.** H. G. James, Architect, Sherbrooke, P. Q.
MELBOURNE.	Dairy Buildings	—	**Eastern Dairies Limited.** Sydney Comber, Architect, Montreal, P. Q.
RICHMOND.	Bank	—	**Bank of Montreal.** Lawson & Little, Architects, Montreal, P. Q.
ROCK ISLAND.	Store	—	**Southern Canada Power Company.** Shorey & Ritchie, Architect, Montreal, P. Q.
SHAWINIGAN FALLS.	Railway Station	—	**Canadian National Railways.** T. T. Irving, Chief Engineer, Toronto, Ont.
SHERBROOKE.	Silk Mill	—	**Canadian Silk Products Limited.** William H. Wardwell, Engineer, Montreal, P. Q.
STANSTEAD.	School	—	**Holmes Model School.** Owner's Architect, Stanstead, P. Q.
TEMISKAMING.	Bank	—	**Bank of Montreal.** Lawson & Little, Architects, Montreal, P. Q.
VICTORIAVILLE.	Post Office	—	**Department of Public Works.** T. W. Fuller, Chief Architect, Ottawa, Ont.
YAMACHICHE.	Wireless Station	—	**Canadian Marconi Company.** Ross & Macdonald, Architects, Montreal, P. Q.

CANADIAN CONSTRUCTION ASSOCIATION

MEMBERS

CANADIAN CONSTRUCTION ASSOCIATION
MONTREAL BUILDERS' EXCHANGE

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120841

Ottawa, 2nd March, 1932.

Dear Mr. Reford:-

I have just received your letter of the 1st instant and have been able to have a talk with the Minister of Public Works on the subject and gave him the facts myself.

I am sure he noted them and I do not think he is disposed to have the second tenderer done an injustice. At the same time he intimated to me that he did not think it likely that the building would be gone on with as there is no provision for it in the Estimates, although it was the intention last Fall to go on with it.

Yours truly,

Arthur Meighen.

R.W. Reford, Esq.,
230 Hospital Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120842

230, HOSPITAL STREET,
MONTREAL.

First
March
1 9 3 2

Confidential

Dear Mr. Meighen:

I am writing to ask you if you can assist a cousin of mine, W.L. Reford Stewart, managing director of the Stewart Construction Company of Sherbrooke.

This firm tendered for the Moncton post office - $524,464, but unfortunately Mr. Harold N. Price, nephew of Dr. O.B. Price, M.P., put in a lower tender - $521,793, a difference of $2,671. For reasons as you will note in enclosed letter from Mr. Stewart, Price did not get the contract, but apparently has been allowed to shop it around. The Stewart Construction Company, being the next lowest tenderers, are, I think, legally entitled to the contract, and present is to ask if I could advise Mr. Stewart to call on you in Ottawa to see if you could not put him in touch with someone who would enable him to further his claim, as the firm are anxious to get the work and I understand fully able to handle it. They are presently working on a large Government building at Saint John, N.B. which would fit well in with this contract.

I had a sudden call to go to England on Cunard business, and we are all sailing next Friday by the "Berengaria".

With kind regards, I am,

Yours sincerely,
Robt. W. Reford

The Hon. Arthur Meighen,
The Senate,
OTTAWA.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

230 HOSPITAL STREET,
MONTREAL.

120843

3 r d
March
1 9 3 2

109

Dear Mr. Meighen:

Many thanks for your kind reply to my letter in regard to the Moncton post office. I am quite in sympathy with the view that a country as a whole can make better use of the $500,000 today than by putting it into a new post office at Moncton.

Thanking you, and with kind regards,

I am,

Yours truly,

The Hon. Arthur Meighen,
The Senate,
OTTAWA.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120844

109

Ottawa, 9th March, 1922.

Dear Eric:-

I have your letter of the 4th instant.

As regards Charles Hebert, I have heard nothing but good of this man. Mr. Lamarre, whom I heard was under consideration is J.A. Lamarre, former President of the Cartier-MacDonald Club. He is not a lawyer. I know of Mr. Gauthier being under consideration and, for my part, would be glad to see him recognized in some suitable way. The subject has not come before Council, as yet, in my presence.

Yours truly,

Arthur Meighen.

Eric Reford, Esq.,
230 Hospital Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120845

230, HOSPITAL STREET,
MONTREAL.

March
4th
1932.

Dear Mr. Meighen:-

My father and mother got away safely last night and are sailing this evening from New York by the "Berengaria".

When in Ottawa I believe Mother spoke to you about my friend, Charles Hebert, who has made application for a position as Commissioner on the Tariff Commission, which I believe is shortly to be appointed. She asked me to write you further on the subject, with particular regard to any other candidates there might be in the field.

A Mr. Sinai Lamarre has been proposed. He is a lawyer whose father stood several times for the Conservative Party in St. Hyacinthe. In 1924 or 1925 he is supposed to have had something to do with the Conservative organization in Quebec, but this I am not quite sure of. When I spoke to Mr. Rainville recently, who is Chairman of the Montreal Harbour Commission and was, I believe, Chief Conservative Organizer at the last election, he seemed unaware of Mr. Lamarre's candidacy, and did not appear to have any particular knowledge of him. By whom Mr. Lamarre is sponsored I was therefore unable to discover.

An interesting piece of information given me by Mr. Rainville was that Mr. Charles Duquette was a candidate, and he thought that his chances of being appointed were particularly good, since he was apparently offered a post on the Railways Inquiry Commission, later filled by Mr. Beaudry Leman, and the Government therefore owed him something. Since then, I am glad to hear, Mr. Duquette has been appointed to the Federal Farm Board, and he is therefore out of the running.

In my conversation with Mr. Rainville he also brought up the name of Mr. Gauthier, a lawyer who I heard was a possible aspirant, but Mr. Rainville thinks that while he is a clever and able man, other reasons will certainly prevent his appointment.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120846

My conversation with Mr. Rainville was satisfactory in that he seemed to think very well of my friend, Charles Hebert, and said he would speak about him on his next visit to Ottawa.

This, I trust, will supplement the information you already have, and I thank you very much indeed for taking an interest in the matter.

With kindest regards,

Yours sincerely,

Eric Ryford

The Right Honourable Arthur Meighen, K.C.,
The Senate,
OTTAWA, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120847

109

Ottawa, March 17th, 1932.

Dear Eric;-

Thanks for your letter of the 15th instant. The Exhibition will doubtless be a very interesting event and I wish I could get down for it, but I am afraid it will be impossible.

With kind regards, believe me,

Yours truly,

Arthur Meighen.

Eric Reford, Esq.,
220 Hospital Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120848

230, HOSPITAL STREET,
MONTREAL.

March
Fifteenth
1932.

Confidential.

Dear Mr. Meighen:-

I wish to thank you for your letter of March 9th.

On Saturday my friend, Charles Hebert, saw Mr. Arthur Sauve, the Postmaster-General, who had sponsored his application, and Mr. Sauve told him that the other candidate of consequence for the position was now Mr. Royer, General-Manager of the wholesale grocery firm of J.B. Renaud & Company in Quebec.

It is very kind of you to have interested yourself in this matter, which I hope will be decided soon.

Enclosed is an announcement which we have got out in connection with a project planned by Messrs. Anchor-Donaldson. The enterprise has met with a very successful reception both in Scotland, where 80 firms have already definitely signed up to take exhibition stalls, and here in Canada, judging by the numerous replies we have received from those circularized. Not only has Mr. Stevens been good enough to promise to deliver an address, but I think Mr. Bennett is also going to give us a short message for publication in the catalogue.

With kind regards,

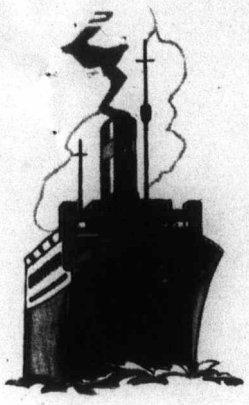
Yours sincerely,

Eric Reford

The Right Honourable Arthur Meighen, P.C.,
The Senate,
OTTAWA, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



THE

SCOTTISH TRADE MISSION EXHIBITION SHIP TO CANADA

T.S.S. "LETITIA"
ANCHOR-DONALDSON LINE

AT MONTREAL MAY 16TH TO MAY 20TH, 1932

230 HOSPITAL STREET
MONTREAL
P.O. BOX 2550
TEL. MARQUETTE 5651

THE CANADIAN ADVISORY COMMITTEE

F. W. FIELD
H.M. Senior Trade Commissioner

COL. W. L. McGREGOR
President, Canadian Chamber of Commerce

W. M. BIRKS
Vice-President of the Federation of Chambers of Commerce of the British Empire.

R. P. JELLETT
President, Montreal Board of Trade

L. J. TARTE
Président, la Chambre de Commerce du District de Montréal

J. HOMER BLACK
President, Toronto Board of Trade

A. O. DAWSON
Chairman, National Executive Committee, Canadian Chamber of Commerce

J. H. RAINVILLE
Chairman, Montreal Harbour Commission

GIFFORD LAFFOLEY
President, British Trade Association

W. B. STATON
President, British Agents' Association

ROBERT W. REFORD
President, The Robert Reford Co., Limited

Dear Sir:—

When the s.s. "Letitia" sails from Glasgow on May 5th it will not be merely another voyage of the regular service which we have maintained to Canada for years, but this time she will come carrying the representatives and products of present day Scottish industry.

Since the project was first conceived, appropriate as it is at this time when Inter-Imperial trade is occupying the minds of so many of us, it has met with the utmost enthusiasm, and definite promises already received from many firms of their intention to exhibit give every indication of success.

A Committee has been formed in Scotland to promote the Trade Mission. The Glasgow Chamber of Commerce is interesting itself in securing fully representative displays of Scottish manufactures, and the Corporation of the City of Glasgow is co-operating to the extent of lending exhibition booths from their Glasgow Fair and technical experience in arranging them.

The Exhibition will be opened at noon on Monday, May 16th. That evening the Honourable H. H. Stevens, Minister of Trade and Commerce, has kindly consented to be present at a dinner on board the steamer, when he will welcome the Scottish business executives in charge of the exhibits.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120850

After that the Exhibition will be open daily until Friday, May 20th, at 6.00 p.m. The mornings will be reserved for inspection by the trade, affording the best opportunity for Canadian buyers to inspect the sample goods and for the Scottish salesmen to interview prospective clients, while in the afternoon and evening the ship will be thrown open to the general public. It is thought that this chance for people to see what is made in Scotland will be generally appreciated.

The general plan set forth above has been approved by the Canadian Chamber of Commerce, the Montreal Board of Trade, the Chambre de Commerce and the Toronto Board of Trade. A distinguished Advisory Committee has been formed, and every effort is being made to ensure that the advantages of such a unique occasion of promoting Inter-Empire Trade be utilized to the full.

It is recognized that without the co-operation of Canadian business men and importers in particular the results would hardly warrant the expense of the undertaking, and the purpose of this letter is to invite your personal support. The best way in which this can be rendered at the present stage is by communicating with the firms in Scotland with whom you have previously done business, urging them to take advantage of this opportunity to send out a full display of their goods, accompanied by a representative of senior standing.

If you have not already had dealings with Scottish manufacturers, let us know in what lines you are interested, and we shall be glad to advise Glasgow of the possibility of such goods finding a market here.

We shall appreciate hearing from you as soon as possible, and any suggestions you may be good enough to make in regard to the Scottish Trade Mission Exhibition Ship will receive our most careful attention. We are anxious to do everything possible in a practical way to strengthen the old ties that bind Scotland and Canada.

We remain,

Yours truly,

THE ANCHOR-DONALDSON LINE.

Eric Reford.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Ottawa, March 23rd, 1932.

109

Eric Reford, Esq.,
230 Hospital Street,
Montreal, Que.

My present plans are to be in Ottawa only Wednesday and Thursday next week.

Chg. Hon. Arthur Meighen.
The Senate.

Arthur Meighen.

120831

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6123, replacing Form 1-TW

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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

STANDARD TIME

For Messenger
Call Canadian National Telegraphs
Phone - Local 298

24G WR 35

MONTREAL QUE 112P MAR 23 1932

RE HON ARTHUR MEIGHEN

OTTAWA ONT

FIND I SHALL NOT BE OTTAWA TOMORROW BUT AS GOING TORONTO NEXT WEEK AND YOU MAY POSSIBLY BE THERE WOULD MUCH APPRECIATE OPPORTUNITY CALL ON YOU PLEASE ADVISE IF CONVENIENT AND WHICH DAY ANSWER COLLECT

ERIC REFORD

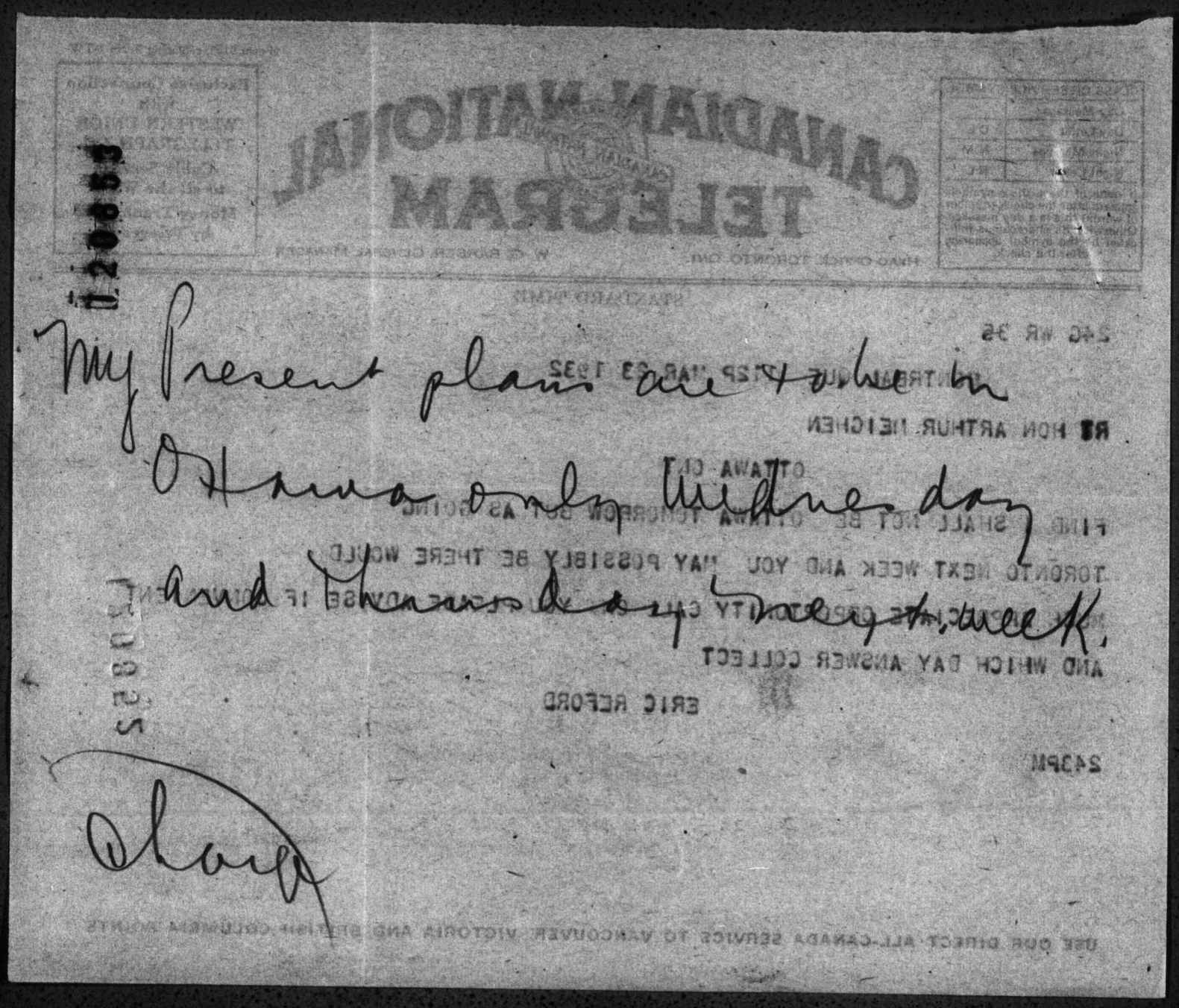
243PM

120062

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120854

Ottawa, March 23rd, 1932.

Dear Eric,-

I have just received your two letters. I do not expect to be here tomorrow, although I am not quite sure yet. You will know if you telephone.

I had heard the rumor about Mr. McConnell's sale but, personally, do not believe it. I think the "Star" is Mr. McConnell's chief interest and he wants the property for his sons. I have an idea why Lord Atholstan is trying to boom the "Herald" and will tell you when I see you.

Yours truly,

Arthur Meighen.

Eric Reford, Esq.,
c/o Chateau Laurier,
O t t a w a.

letter sent to his address in Montreal

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120855

230, HOSPITAL STREET,
MONTREAL.

March
21 st
1932.

Dear Mr. Meighen:-

It may interest you to know, if you have not heard of it already, that there is a rumour abroad in Montreal that Mr. McConnell has sold out his interest in the Montreal Star to the Southams. It is believed that Lord Atholstan has not taken at all kindly to this move, and certainly it is apparent that a vigorous effort is being put into building up the Herald. The steps which have so far been taken in this direction are that Mr. George Wright, who was for many years on the Star, finally achieving the position of Managing Editor, from which he was dismissed, has now been made Managing Editor of the Herald, and the City Editor of the Star has also been transferred to the Herald, besides which, extra staff has been engaged and the size of the paper is being enlarged.

Yours sincerely,

Eric Reford

The Right Honourable Arthur Meighen, P.C.,
The Senate,
OTTAWA, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120856

230, HOSPITAL STREET,
MONTREAL.

March
22 nd
1932.

Dear Mr. Meighen:-

As I find that I shall be in Ottawa for a few hours on Thursday, March 24th, I should very much appreciate it if I might call on you, and I shall plan to do so at about 2.30 p.m., taking a chance that you will be in.

I have just heard from my father and mother that they are going to Holland on Thursday, presumably to view the picture galleries once more, which they should thoroughly enjoy.

Yours sincerely,

L. Eric Reford

The Right Honourable Arthur Meighen, P.C.,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

109

Ottawa, March 23rd, 1932.

Eric Reford, Esq.,
230 Hospital Street,
Montreal. Que.

Glad to see you in Toronto Monday or Tuesday.

Arthur Meighen.

COLLECT

120857

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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

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

STANDARD TIME

For Messenger
Call Canadian National Telegraphs
Phone - Local 298

32G WR 17

MONTREAL QUE 441P MAR 23 1932

RT HON ARTHUR MEIGHEN

OTTAWA ONT

PRESUME YOU WILL BE TORONTO MONDAY AND TUESDAY MAY 1 SEE YOU THERE EITHER DAY ANSWER COLLECT

ERIC REFORD

457PM

120858

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120859

109

Ottawa, April 18th, 1932.

My dear Eric,-

I have your letter of the 16th and have read same with the enclosures very carefully.

I hope Mr. Haskett will take this matter up as it is only fair that your case should be fairly well presented, and his doing so will be the proper kind of introduction for presentation at the Imperial Conference. I will endeavor to speak to him on the subject very shortly.

Yours very truly,

Eric Reford, Esq.,
220 Hospital Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120860

230, HOSPITAL STREET/
MONTREAL.

April 16, 1932

Dear Mr. Meighen:-

Recently I approached Mr. Hackett and gave him an account of our difficulties, in compliance with the cabled wishes of Sir Percy Bates, Chairman of the Cunard Line, who wished to know the likelihood of Mr. Hackett being interested in the matter and seeing his way clear to bringing it up in Parliament as a private Member, with a view possibly of forming a background for any representations which might subsequently be made by the British Representatives at the coming Conference.

I do not think that Mr. Hackett is keen on pursuing the subject along these lines, but I found him extremely sympathetic, and he discussed the question with the Prime Minister. Mr. Bennett's replies to Mr. Hackett seem to me so singular, after what has passed, that I wrote out the attached comment for Mr. Hackett's information, which I am also sending you, because possibly you may be interested in this further development.

It seems fortunate to me that Mr. Bennett should base his views on rather narrower grounds than we discussed, because on this basis a rather better case can be made out as to why the Cunard Line should not be treated in the manner it has.

I am also enclosing copy of the Cunard Line's financial statement for the year 1931. In comparison with the results of the Canadian Pacific Steamships we have, I think, done very well, because, after depreciation without any material assistance from the Government, our loss amounts to £553,000 only, as against the Canadian Pacific's actual loss of $7,876,000., which would have been incurred if in the Balance Sheet a very substantial credit from the Allan Line Deposit Account in reserve fund had not been conjured into current earnings.

Yours sincerely,

Eric Reford

The Right Honourable Arthur Meighen,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120861

15th
April
1932

87805-II

Dear Mr. Hackett:

I wish to thank you very much indeed for the trouble you have taken in trying to assist us in our difficulties, and the very interesting report which you were able to give me over the telephone this morning on your conversation with the Prime Minister.

It might enlighten you if I presented our point of view in connection with the opinions expressed by Mr. Bennett.

In the first place, as regards the degree of harm which the Railways Agreement will do us, I can say that Mr. Burnap, Vice-President of Traffic of the Canadian National Railways, in a conference admitted that if instead of being guaranteed just a "fair share of traffic" an exclusive arrangement had been made with the Canadian Pacific Steamships, this would have meant "sudden death" to us. That is Mr. Burnap's point of view, and we know on pretty good authority that such an arrangement was originally planned whereby the Canadian National Railways would give all the ocean traffic controlled by them to the Canadian Pacific Steamships. This was later modified to the terms of the present Agreement, we believe out of fear of the C.P.R. being accused of monopoly. Nevertheless, the fact remains that the Agreement is exclusive insofar that the Canadian National Railways are not permitted during the next ten years that the Agreement remains in force, to make a similar agreement with any competing trans-Atlantic service, and, therefore, while the C.P.R. are guaranteed a "fair share" of the Canadian National Railways' support, we are not guaranteed anything, nor is the Canadian National Railways permitted to make any arrangement with us.

Moreover, in respect of the Railways Agreement, a circular was issued by both Railways calculated to give the impression that any old association between ourselves and the Canadian National Railways was superseded, and when we asked Mr. Burnap to have some sort of circular issued stating that on the contrary the old connection between the Canadian National Railways and ourselves was being continued, as everyone has endeavoured to make us believe, he refused flatly on the ground that this would be contrary to the spirit of the agreement with the Canadian Pacific Railway.

Secondly, Mr. Bennett stated that there was no danger of rail traffic being lost to the Canadian National Railways. This would, we imagine, be the case if the Canadian Pacific Railway and Canadian National Railway come under some form of joint management, but if the two systems continue in competition as heretofore loss of traffic to the Canadian National Railways through utilising the Canadian Pacific Steamships as their main ocean connection is inevitable. If it were otherwise, the managements of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120862

the Grand Trunk, Canadian Northern, Grand Trunk Pacific and Canadian National Railways in the past would have been guilty of a most serious error in trying to build up ocean connections independent of the Canadian Pacific Steamships, and I can only add that when on July 20th Mr. R.W. Reford interviewed Sir Henry Thornton he explained to him that while it might be necessary for him, under instructions from the Government, to work in conjunction with the Canadian Pacific ocean services, when we or his other allied lines could not supply tonnage, when a Cunard or Anchor-Donaldson boat was in competition the Canadian National Railways would always give us the preference. It has ever been our definite impression, gained from every official of the Canadian National Railways, high or low, that because of the competition with the Canadian Pacific Railway, the Canadian National Railways could not afford to utilise the Canadian Pacific Steamships, and from our own knowledge of the routing of passengers and traffic this view is entirely justified.

This disposes of the two main points, and as to Sir Percy Bates' recent cable message ~~in which the Prime Minister was concerned~~, I can only say that I fear Mr. Bennett did not quite understand the point of it, because while it was an endeavour to secure his intervention to have the Canadian Pacific Railway co-operate with the Cunard Line at the Conference of the steamship lines now being held in London, it indicated that such co-operation would really only be successful if the lines worked together harmoniously in other matters, and that it was particularly unfortunate that the Canadian Pacific should assume such an independent attitude in regard to the Railways Agreement, when the only way that the present very threatening situation to the steamship lines as a whole could be dealt with was by joint action.

If there are any other points arising out of this letter that you would care to discuss, perhaps you could let me know. In the meantime, I have written to Sir Percy Bates to acquaint him fully with what has passed.

Yours sincerely,

John T. Hackett, Esq., K.C.,
507, Place d'Armes,
MONTREAL.

P.S. As far as the interview of the Prime Minister with Sir Percy Bates in England is concerned, I do not think I can do better than attach a copy of Sir Percy Bates' letter written as a result of this conversation, for your confidential information.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE CUNARD STEAM SHIP COMPANY
LIMITED.

120863

DIRECTORS.

SIR PERCY E. BATES, BART., G.B.E., CHAIRMAN.

FREDERIC ALAN BATES, HERBERT WILLIAM CORRY, } DEPUTY-CHAIRMEN.

SIR ALFRED BOOTH, BART.
SIR T. A. L. BROCKLEBANK, BART.
A. C. F. HENDERSON.
S. J. LISTER.
MAXWELL H. MAXWELL, C.B.E.
ROBERT W. REFORD.
SIR THOMAS ROYDEN, BART., C.H.
SIR T. ASHLEY SPARKS, K.B.E.
WALTER P. TYSER.

SECRETARY.

H. J. FLEWITT.

BANKERS.

BARCLAYS BANK LIMITED.
THE CLYDESDALE BANK LIMITED.
MARTINS BANK LIMITED.
LLOYDS BANK LIMITED.
MIDLAND BANK LIMITED.

AUDITORS.

COOPER BROTHERS & CO.

REPORT OF THE DIRECTORS

To be submitted to the Fifty-Fifth Ordinary General Meeting on Wednesday, the 6th April 1932 at Eleven o'clock a.m.

The Directors submit to the Shareholders the annexed Statement of Accounts for the year ended 31st December 1931. The Accounts, which are rendered in an expanded form, and have been duly certified by the Auditors, show a gross profit for the year of £396,508 8s. 11d. After providing for full Depreciation, Debenture Interest, etc., there is a net loss of £553,204 5s. 1d.

The Balance brought forward from 1930 is	£278,867 5 8	
Deduct Dividends, less Income Tax, paid on the Preference Stocks for the half year ended 30th June 1931	67,500 0 0	
		211,367 5 8
Add amount transferred from contingencies reserve		350,000 0 0
		561,367 5 8
Deduct net loss for the Year		553,204 5 1
Leaving to be carried forward to 1932 the Balance of		£ 8,163 0 7

The transfer of £350,000 from the contingencies reserve has been fully offset by credits of a non-recurring nature available during the year which have been credited to reserve in accordance with the Company's usual practice.

As was anticipated in the Board's Circular Letter of the 10th December 1931 the Cumulative Dividends on the Preference Stocks due on the 1st January 1932, have not been paid.

On the 10th December 1931, and 27th January 1932, the Board issued Circular letters regarding Express Steamer No. 534. Work on the ship has not yet been resumed.

The Building known as Cunard House, being erected in Leadenhall Street, will be ready for occupation in September next. In addition to housing the London Staffs of the Cunard and Associated Companies, there will be several floors available for public letting.

The services of the Company have been satisfactorily maintained during the year, but owing to the reduced volume of business the number of sailings was curtailed.

Atlantic Passenger Traffic showed a marked falling off, even on the diminished returns of the previous year. This can be ascribed largely to the conditions prevailing both in the United States and Canada, resulting not only in a serious shrinkage in ordinary travel, but also in an almost complete cessation of emigration.

To minimise losses arrangements were made with certain of our Conference colleagues to avoid the operation of redundant tonnage.

Tourist Class travel having become such a marked feature of the North Atlantic trade, it was decided during the year with the object of adding to the amenities for this class to abandon the carriage of Second Class passengers on the Southampton service. The latter class of travel has now been abolished on all the Company's steamers.

The ships of the Company continue to make cruising voyages of varying duration, both from New York and the United Kingdom. The number of short trips of this character available on both sides of the Atlantic has been increased.

In the Atlantic Cargo trades, as well as in the Liverpool-Mediterranean and French trades, the depressed conditions of 1930 continued throughout the year and traffic all round showed a further decrease.

During the year the "VALACIA" was sold and since the date of the Accounts the sale of the "CARONIA" and "CARMANIA" has also been effected.

The Company's Australian and New Zealand services have been carried on satisfactorily, having regard to the adverse conditions prevailing generally. The favourable seasons in Australia and New Zealand, coupled with the depreciated currencies of those countries, have caused an increased volume of homeward cargo, in the carriage of which the Commonwealth and Dominion Line has participated. Unfortunately, the amount of outward cargo has fallen off, necessitating sending many vessels out empty, in order to fulfil the Company's obligations under the contracts effected by the Australian Overseas Transport Association, and with the Meat, Dairy and Fruit Boards in New Zealand. There have been no changes in the composition of the Australasian fleet during the year. It is hoped that trade to and from Australia and New Zealand will be increased as a result of the Ottawa Conference and that the Company will obtain its share of this improvement.

The Directors retiring by rotation are Sir Alfred Booth, Bart., Sir Thomas Royden, Bart., C.H., Mr. Robert W. Reford, and Sir Percy E. Bates, Bart., G.B.E., all of whom being eligible offer themselves for re-election.

The Auditors, Messrs. Cooper Brothers & Co., Chartered Accountants, also retire, and offer themselves for re-election.

By Order of the Board,
H. J. FLEWITT,
SECRETARY.

LIVERPOOL, 23rd MARCH 1932.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120864

THE CUNARD STEAM SHIP COMPANY LIMITED.

120865

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1931.

PROFIT AND LOSS ACCOUNT.

Dr.

	1929. £	1930. £	1931. £ s. d.
To Fuel, Wages, Provisions, Deck Engine and Passenger Stores, Port and General Charges, Charter Hire, Repairs and Renewals, Insurance, Office, Agency, Law and other Expenses, Superannuation Fund, Charitable Subscriptions, Taxes, etc.	7,573,083	6,948,791	5,217,802 14 11
To Balance—Gross Profit carried down	1,852,523	996,595	396,508 8 11
	9,425,606	7,945,386	5,614,311 3 10
To Depreciation of Steam Ships, and other Properties and Plant	778,047	732,664	704,779 8 5
To Directors' Fees	8,606	9,030	8,833 5 7
To Auditors' and Debenture Stock Trustees' Fees	3,350	4,250	4,050 0 0
To Interest 5% Mortgage Debenture Stock	200,000	200,000	200,000 0 0
To do. Loan, Freehold Property, Pier Head, Liverpool	22,050	22,050	22,050 0 0
To do. 4½% Gold Notes issued in U.S.A.	20,831	—	—
To Proportion of Discount and Commission on 5% Mortgage Debenture Stock	10,000	10,000	10,000 0 0
To Balance—Net Profit for Year	809,639	18,601	—
	£1,852,523	£996,595	£949,712 14 0

Cr.

	1929. £	1930. £	1931. £ s. d.
By Freights, Passage Moneys, Mail Moneys, Interest, Dividends, etc.	9,425,606	7,945,386	5,614,311 3 10
	9,425,606	7,945,386	5,614,311 3 10
By Balance—Gross Profit brought down	1,852,523	996,595	396,508 8 11
By Balance—Net Loss for Year	—	—	553,204 5 1
	£1,852,523	£996,595	£949,712 14 0

BALANCE SHEET, 31st DECEMBER 1931.

Dr.

	1930. £	1930. £	1931. £ s. d.	1931. £ s. d.
To Share Capital:—				
Authorised,				
£1,500,000 Five per cent. Cumulative Preference Stock or Shares	1,500,000		1,500,000 0 0	
£1,000,000 Six per cent. Second Cumulative Preference Stock or Shares	1,000,000		1,000,000 0 0	
5,600,000 Ordinary Shares of £1 each	5,600,000		5,600,000 0 0	
The Government Share	20		20 0 0	
	8,100,020		8,100,020 0 0	
Issued,				
Five per cent. Cumulative Preference Stock	1,500,000		1,500,000 0 0	
Six per cent. Second Cumulative Preference Stock	1,000,000		1,000,000 0 0	
5,570,241 Ordinary Shares of £1 each	5,570,241		5,570,241 0 0	
The Government Share	20		20 0 0	
		8,070,261		8,070,261 0 0
To 5% Mortgage Debenture Stock Secured on Steamships marked with asterisk overleaf	4,000,000		4,000,000 0 0	
To Interest accrued (since paid)	83,333		83,333 6 8	
		4,083,333		4,083,333 6 8
To Loan Secured by Mortgage on Freehold Property, Pier Head, Liverpool		420,000		420,000 0 0
To *Loans and* Balances due to Subsidiary Companies		822,577		12,337 2 8
To Creditors, Open Voyage Accounts, Deposits and Reserves		3,491,705	3,785,063 1 4	
Less amount transferred from contingencies reserve to Profit and Loss account			350,000 0 0	
				3,435,063 1 4
To Dividends on the Preference Stocks 6 months to 31st December 1930 (Paid 1st Jan. 1931)		67,500		—
To Reserve Fund	1,500,000		500,000 0 0	
Less amount written off Book Value of Shares in Subsidiary and other Companies	861,304		—	
Amount transferred to contingencies reserve	138,696		—	
		500,000		500,000 0 0
To Profit and Loss Account—				
Balance from last account	395,266		278,867 5 8	
Add amount transferred from contingencies reserve	—		350,000 0 0	
			628,867 5 8	
Add Profit for the Year 1930	18,601		—	
Deduct Loss for the Year 1931	—		553,204 5 1	
	413,867		75,668 0 7	
Deduct Dividends paid on the Preference Stocks—				
£1,500,000 @ 5 per cent.	75,000		37,500 0 0	
£1,000,000 @ 6 per cent.	60,000		30,000 0 0	
Carried forward to next account		278,867		8,163 0 7
		£17,734,243		£16,529,157 11 3

Cr.

	1930. £	1931. £ s. d.
By Steamships, at cost, less amounts written off, and payments on account of New Steamer	8,092,303	8,743,598 4 3
By Freehold and Leasehold Properties, at cost, less amounts written off	608,565	567,410 0 0
By Plant, Machinery, Spare Gear, Furniture, etc., at cost, less amounts written off	83,061	73,101 0 0
By Shares in Subsidiary Companies, at cost, less amounts written off and reserve	6,810,872	4,735,663 19 1
By Loan and Balances due from Subsidiary Companies	39,968	51,646 11 6
By Shares in other Companies, at cost, less amounts written off	126,889	126,888 15 5
By Ships' Stores, Coal, Fuel Oil, Provisions, Wines, Linen, etc.	312,354	265,679 1 5
By Debtors, Agents' Balances, Open Voyage Accounts and Deposits with Foreign Governments at cost less reserve	562,519	533,331 1 9
By Discount and Commission on 5% Mortgage Debenture Stock, less amounts written off	100,000	90,000 0 0
By Cash at Bankers and in Hand	997,712	1,341,838 17 10
	£17,734,243	£16,529,157 11 3

NOTE.—There is a liability on the Contract for the new Steam Ship and also under a Guarantee in connection with Cunard House Limited. Dividends on the Preference Stocks have been paid to the 30th June 1931.

PERCY E. BATES, H. W. CORRY, } Directors.

H. J. FLEWITT, Secretary.

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the above Balance Sheet with the Books and Accounts of the Company in Liverpool and with Returns from the Agencies. We have obtained all the information and explanations we have required. The Stocks of Ships' Stores, Coal, Fuel Oil, Provisions, Wines, Linen, etc., have been taken and certified by Officers of the Company. Losses of Subsidiary Companies have not been brought into the Profit and Loss Account of the Company but have been fully provided for out of the Reserves or undistributed profits of the Companies concerned. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

COOPER BROTHERS & CO., Chartered Accountants. } Auditors.

London, 23rd March 1932.

SUBSIDIARY COMPANIES.

Profits have been included in the above Accounts to the extent of Dividends received. Losses of Subsidiary Companies have not been brought into the Profit and Loss Account of the Company but have been fully provided for out of the Reserves or undistributed profits of the Companies concerned. The Cunard Company's Directors have received from Subsidiary Companies, fees totalling £5,323 : 15 : 7 which are not included in the above Accounts.

PERCY E. BATES, H. W. CORRY, } Directors.

H. J. FLEWITT, Secretary.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE

CUNARD STEAM SHIP COMPANY

LIMITED.

REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 31st DECEMBER 1931.

Notice is hereby Given that the Fifty-Fifth Ordinary General Meeting of The Cunard Steam Ship Company Limited will be held at the Cunard Building (Sixth Floor) in the City of Liverpool on Wednesday the 6th April 1932 at Eleven o'clock a.m.

1.—To receive and consider the statement of Accounts and Balance Sheet to the 31st December 1931 with the Reports of the Directors and Auditors.

2.—To elect Directors and Auditors in place of those retiring but who being eligible offer themselves for re-election.

Notice is Hereby also Given that the Ordinary Share Transfer Books will be Closed until after the Meeting.

By order of the Board,

H. J. FLEWITT,
SECRETARY.

Offices—Cunard Building,
Liverpool, 29th March 1932.

THE FLEETS OF THE CUNARD STEAM SHIP COMPANY LTD. AND ASSOCIATED COMPANIES.

31st December 1931.

THE CUNARD STEAM SHIP COMPANY LIMITED		COMMONWEALTH AND DOMINION LINE LIMITED		THOS. & JNO. BROCKLEBANK LIMITED		ANCHOR LINE (HENDERSON BROTHERS) LIMITED	
NAME.	Gross Tons.	NAME.	Gross Tons.	NAME.	Gross Tons.	NAME.	Gross Tons.
Aquitania ..	45,647	*Port Melbourne	9,142	Malancha ..	9,917	Caledonia ..	17,046
Mauretania ..	30,696	*Port Sydney ..	9,130	Macharda ..	9,785	Tuscania ..	16,991
Majestic ..	28,310	Port Hardy ..	8,653	Mangalore ..	9,751	Transylvania ..	16,923
(56,621) 32/64ths		Port Napier ..	8,491	Mathura	9,743	California ..	16,792
Berengaria ..	26,113	Port Hunter ..	8,430	Manipur	9,242	Cameronia ..	16,297
(52,226) 32/64ths		*Port Adelaide	8,422	Magdapur ..	9,237	Britannia ..	8,802
*Carinthia ..	20,277	*Port Nicholson	8,402	Matra	7,911	Elysia	6,757
*Franconia ..	20,175	Port Auckland	8,308	Mahout	7,880	Castalia	6,601
Caronia	19,782	Port Campbell	8,308	Mahronda ..	7,880	Tarantia	4,939
*Scythia	19,761	Port Brisbane	8,299	Mahseer	7,864		
Laconia	19,695	*Port Curtis ..	8,287	Maidan	7,861		
*Samaria	19,597	*Port Bowen ..	8,267	Markhor	7,835		
Carmania ..	19,566	*Port Caroline..	8,263	Matheran ..	7,653		
*Lancastria ..	16,243	Port Fremantle	8,072	Malakand ..	7,649		
*Alaunia	14,030	*Port Darwin ..	8,063	Mahsud	7,559		
Ascania	14,013	*Port Denison..	8,043	Maihar	7,556		
Aurania	13,984	Port Huon ..	8,021	Manaar	7,242		
*Andania	13,950	Port Gisborne	8,001	Malakuta ..	7,205		
*Ausonia	13,912	Port Alma ..	7,983	Mahanada ..	7,196		
*Antonia	13,867	Port Fairy ..	7,980	Masirah	6,836		
Bactria	2,402	Port Wellington	7,859	Makalla	6,781		
Bantria	2,402	Port Dunedin	7,463	Mahratta.. ..	6,690		
Bosnia	2,402	Port Hobart ..	7,448	Anchoria ..	6,112		
Bothnia	2,402	Port Pirie ..	7,316	Maimyo	5,819		
		Port Victor ..	7,280	Stockwell ..	5,757		
				Media	5,437		
				Mandasor ..	5,144		
				Holywell ..	4,867		
Total ..	379,226	Total ..	203,931	Total ..	210,409	Total ..	111,148

No. 534 (About) 73,000

Total Gross Tonnage of Cunard and Associated Companies.

904,714

120866

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120867

347 Bay Street,
Toronto, July 18, 1932.

My dear Mr. Reford:

I just received yours of 15th.

The continued and very serious illness of Mr. Evans has compelled my complete absorption in the business here. Consequently I have been at Ottawa only two days since the Session closed, and will not be able to take part in the Imperial Conference.

However, I purpose going down for next Thursday--somewhat as a matter of form. When there I will make what enquiries I can as to the probable course of the programme and see if I can get any information that will be of help to you as to when the subject in which you are interested will come up.

I think it would be wise for you to have a man on hand, but it may be I can get such information as will limit the period when he need be there, but will advise you after Thursday.

Yours very truly,

Arthur Meighen.

R. W. Reford, Esq.,
230 Hospital Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120866

260 HOSPITAL STREET,
MONTREAL.

July 15th, 1932.

Dear Mr. Meighen,

I had hoped to run up to Ottawa to find out if you thought it advisable for us to keep someone in Ottawa during the meeting of the Imperial Conference in case any question should come up as regard rice imports.

I am taking the liberty of sending you a copy of the brief we filed with the "Tariff Preparatory Committee" on the subject.

Briefly we are satisfied to have matters remain as at present but can see no objection to giving preference to Imperial grown raw rices as against American, Italian, Spanish and other foreign rices.

For cleaned rices coming from the United Kingdom we need the full protection we are now getting as even today the English millers are able to compete seriously with us on shipments to the Halifax and St. John, N.B., territory. Where they enjoy a low ocean rate as against our rail freights.

This would also apply to cleaned rices coming from British India and Australia, if the basis of the prefenential tariff was reduced in their favour below its present standard.

I am going to be at Metis for a week but would go up to Ottawa anytime if you think it desirable and our Manager, Mr. H.M. Wallis, holds himself in readiness to go at any time.

Trusting you will pardon my troubling you with these details, I am,

Yours truly,

Robt. W. Reford

The Right Honourable Arthur Meighen,
The Senate,
Parliament Building,
OTTAWA, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C O P Y

120869

May 30th, 1932.

R.W. Breadner, Esq.,
Tariff Preparatory Committee,
Ottawa, Ontario.

IMPERIAL ECONOMIC CONFERENCE

RICE MILLING INDUSTRY IN CANADA

Dear Sir,

We wish to place before you our views as regards the manner in which the Rice trade within the Empire may be best fostered insofar as Canada is directly concerned.

Estimate of origin of growth of Rice consumed in Canada, (average two years ended 31st March 1932).

(a) From Empire Rice-growing states	30%
(b) From United States and Mexico	37%
(c) From Japan	10%
(d) From China, French Indo-China, Siam and Sundries	18%
(e) From Spain and Italy	5%
	100%

The principal Rice growing states of the British Empire are,-
(a) Burma
(b) India
(c) Australia (exported to Canada 1931 for first time).
(d) British Guiana (Industry not yet in position to export substantial amounts of Uncleaned rices to Canada).

The Canadian Import duties on Rice are as follows,:

	Uncleaned	Cleaned
British Preferential	Free	50¢ per 100#
Intermediate Japan, Italy, Spain and Holland	"	90¢ " "
General U.S.A., Brazil and Argentina	"	1.00 " "

For comparision the United States Import duty on cleaned Rice, $2.50 per 100#

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120870

R.W. Breadner, Esq.,
Ottawa, Ontario.

May 30th, 1932.

It is our opinion that a considerable increase could be made in the consumption of Empire grown rices subject to the Preferential tariff if improved and regular steamship services from countries of origin and Canadian ports could be maintained. this, of course, would not be brought about with rice imports only but with an increase in all raw materials grown in the British Empire.

Our recommendation is that the following duties on Foreign grown uncleaned rices be imposed,-

Paddy	10¢
Brown	15¢

and that the duty on Foreign cleaned rice be increased proportionately by 25¢, making a total of $1.25. British grown Paddy and Brown rices to continue to enter Free; the duty on British grown cleaned rice, milled in British states, to continue as at present namely, 50¢, which would compare with the new General Tariff of $1.25

In advancing this suggestion of a duty on Foreign uncleaned rice we fully realise the extent to which it will militate against our freedom of purchase, but we believe that inter-Empire trade in rice will be fostered.

The effect of this tariff would be,-

1. Increase of consumption in Canada of Empire grown rices.
2. Increase in volume of ocean freight for Empire states to Canada.
3. Increase in revenue for Dominion Government.
4. Greater potential Canadian market for cleaned rice milled in British states.
5. Lower importations of Foreign grown rices.

A decrease in the Canadian Import Duty on cleaned rice milled in British countries enjoying extremely cheap labour would definitely adversely affect the old established Canadian Rice Mills, lessen their volume and correspondingly affect, their ability to compete against Foreign milled rices. The British miller would not derive benefits corresponding to the adverse effects on the Canadian miller.

As the Rice importing and milling industry in Canada is highly technical, we request that you consult us further before making a definite recommendation to the Canadian Government as regards a readjustment of tariffs on Rice.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120871

R.W. Breadner, Esq.,
Ottawa, Ontario.

May 30th, 1932.

We will be glad to cooperate with you by supplying statistics or discussing the whole matter with you in person, and Mr. H.M. Wallis, of the Mount Royal Rice Mills Ltd. Montreal, P.Q. is available at any time to go to Ottawa.

Yours very truly,

THE CANADA RICE MILLS LTD.

President.

MOUNT ROYAL RICE MILLS LIMITED.

Managing Director.

Address communications, requiring immediate reply or conference in Ottawa, to:-

H.M. Wallis, Esq.,
c/o Mount Royal Rice Mills Ltd.
5120 St. Patrick Street,
Montreal, P.Q.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120872

109

Ottawa, July 21st, 1932.,

Dear Mr. Reford,-

It is impossible yet to tell when any particular subject will be up before the Conference. In any event, none except delegates are admitted to the Conference meetings.

I think it would be well for you to send someone down in the course of a week and have him take up with Mr. Breadner, or anyone of his Committee whom he might name, the subject which you have especially at heart. You could probably ascertain then the view that is taken of it, and what Minister might be seen in order to present your argument further.

I do not think it would be worth while to have anyone here steadily.

Yours very truly,

(Arthur Meighen)

R.W. Reford, Esq.,
230 Hospital Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Copy

120873

Ottawa, 5th October, 1932.

Dear Senator Meighen,-

Further to my interview with you today concerning the property in the Inner Harbour at Victoria, B.C., and the enquiry of Mr. Robert W. Reford as to the possibility of the Hydrographic Survey service of the Marine Department requiring an additional or new site for wharfage and warehouse purposes, the situation is as follows.

The Department of Marine have at the present time a large area and site in the Inner Harbour upon which is erected a jetty and warehouse building for the storage of their smaller boats, repairing purposes, and other necessary material required by them. They have a large land area attached upon which they keep their life boats, storage tanks of supplies and much other material required by them for lighthouse purposes and marine signal services. Adjacent to this property there has been provided by the Government an area for the exclusive use of the Hydrographic Survey.

The Head Office for both these Departments for British Columbia coast points is at Victoria, and I am afraid it would not be possible to present to the Government at this time an additional site, where an added expenditure would have to be made, when they have already made provision by sustaining for all future purposes the site they now hold.

There is ample room to build a jetty and wharfage service on the present property owned by the Hydrographic Survey immediately adjacent to the Marine Department. The Department at Ottawa has gone over this site has plans drawn in perspective for the storage or warehouse which would be required by the Hydrographic

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120874

Survey. The Hydrographic Survey have many small boats and small motor engines with their equipment which, after their surveys and work of the summer and fall months are through, are brought to Victoria for overhaul and repairs there in the yards of the Marine Department.

By the added service projected, and which I contemplate to present to the Government, the facilities will be enlarged by a jetty sufficient to to take the new Hydrographic Survey boat "William J Stewart" and the building with all equipment necessary for the handling of their survey boats, engines, etc., which are stored and overhauled here at the Marine Department. Should the Government decide to enlarge, I can assure you I will give every attention to the proposition of Mr. Reford, as I quite know the advantages which the site he describes would have for the Marine Department or Hydrographic service.

While the property mentioned by Mr. Reford is further along in the Harbour, it would have the advantage of being on the Victoria side of the channel proper, that is, all wholesale houses and official buildings of the Dominion Government are on that side of the water, so should the government decide upon any further site, I can assure you I will be pleased to lay the representations of Mr. Reford before them.

Yours faithfully,

(Signed) D.B. Plunkett

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120875

230, HOSPITAL STREET,
MONTREAL.

15th
October
1932

Dear Mr. Meighen:

Could you give me any advice as to what would be the best way to approach Mr. Plunkett, Federal Member for Victoria, B.C.?

Before leaving Victoria he gave out that he would urge upon the Government the necessity of more adequate wharf accommodation for the new hydrographic survey steamer "William J. Stewart", at the Marine Department site on the Indian reserve north of the Johnston Street bridge in the Upper Harbour of Victoria. He stated that he would ask for the erection of a wharf and storage shed at an estimated cost of $80,000.

The Marine Department site is situated on the Indian reserve of the Harbour which is difficult of access, and further it is going to be a problem to increase the wharfage area of the property without encroaching on the main stream of the Harbour. It will mean always an increasing congestion of the wharfage area for the use of the entire Government fleet. I understand the Hydrographic Survey Department have two boats, the "William J. Stewart" and the s.s. "Lillooet", the latter boat being presently berthed at Esquimalt Harbour.

On the City side of the Harbour, directly opposite the Marine Department site, we have the Rice Mills' property with a wharf which could be made capable of accommodating both vessels. On the shore end of the property there are two large warehouses, a blacksmith's shop and a caretaker's house, the usual wharf sheds being on the dock.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

230, HOSPITAL STREET,
MONTREAL.

120876

Our warehouse is a most substantial stone building, three stories and basement, which we used for a rice mill and also a 200-barrel flour mill. The appraised value of the building in 1931 was $41,935.00. The other buildings are appraised at $26,470.00, not including the value for land. The whole property cost us some $125,000, but as we are not using the property we would be willing to dispose of same at a very much lower valuation.

The purchase of this property would give the Government an infinitely better site on the City side of the Harbour, a greater wharfage accommodation than it would be possible to develop by the use of their present property, and they would also have all the necessary storage accommodation they would require with the buildings now erected on the property, which are in good condition.

I enclose a small plan of the property taken from the Government chart of Victoria Harbour, 1918, but fuller details can be obtained if required.

I intend visiting Ottawa within the next day or two, but I would be very pleased if you could give me any advice as to whether Mr. Plunkett is the best man to take up the matter with.

With kind regards, I am,

Yours truly,
Robt. W. Reford

The Right Honourable Arthur Meighen, P.C., B.A.,
The Senate,
OTTAWA.

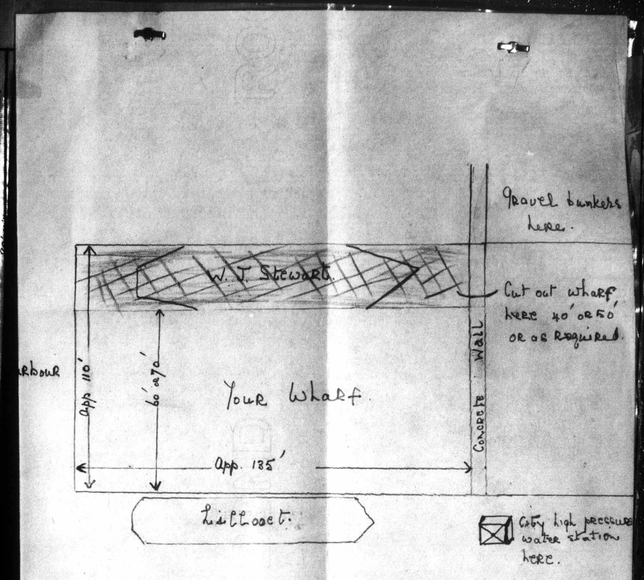
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120877

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

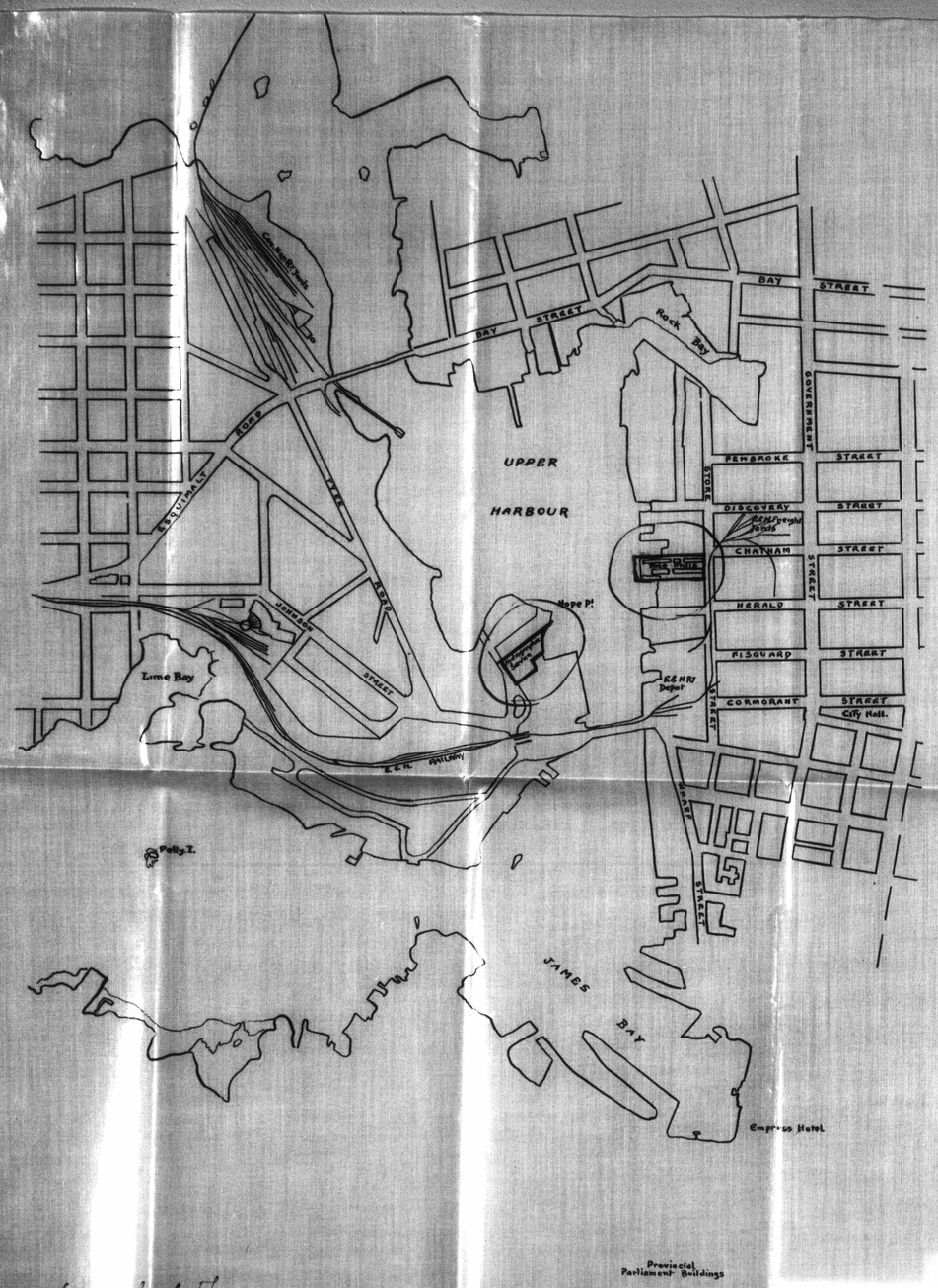


N.B.

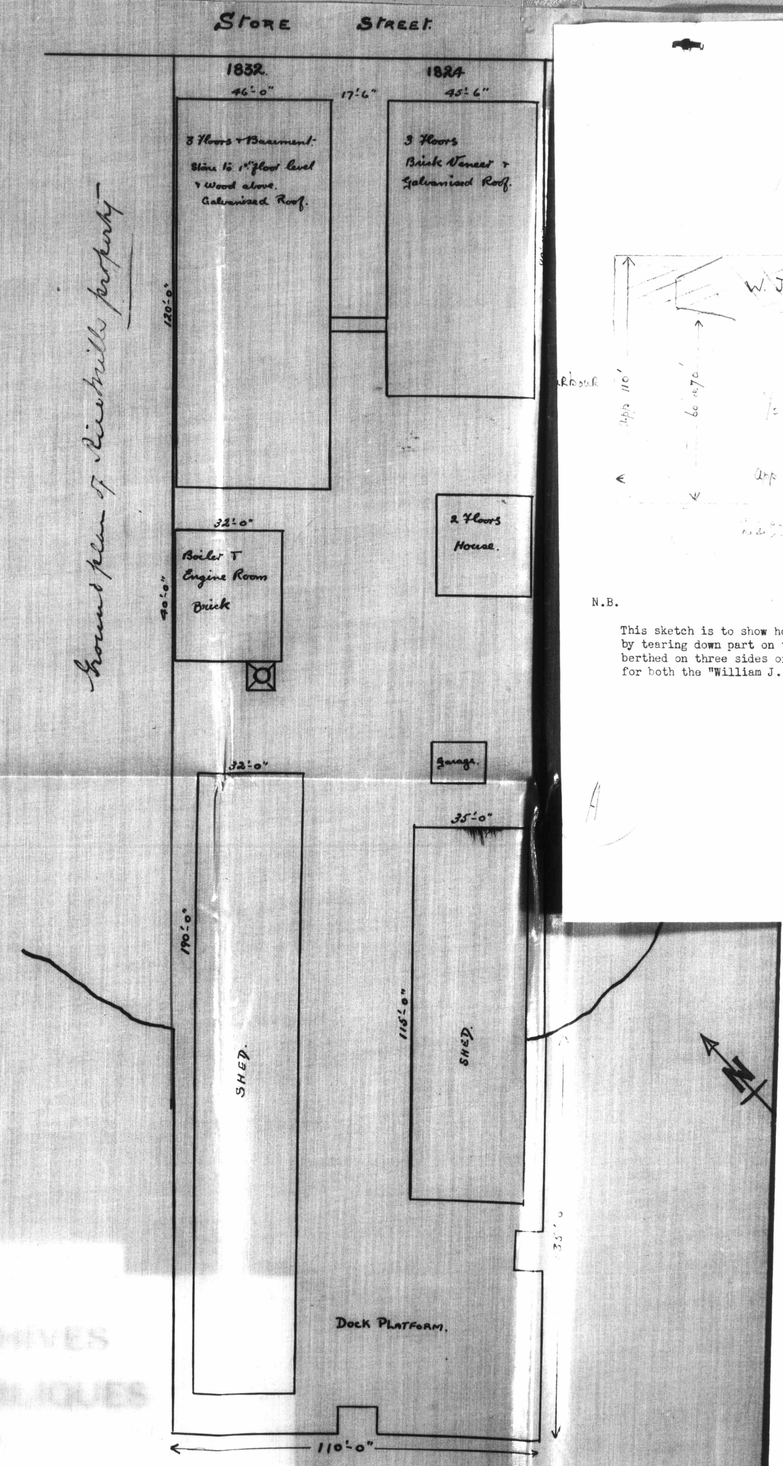
This sketch is to show how by reducing the width of the present wharf by tearing down part on the north side (marked in blue) boats could be berthed on three sides of the wharf and there would be ample space for both the "William J. Stewart" and the s.s. "Lillooet".

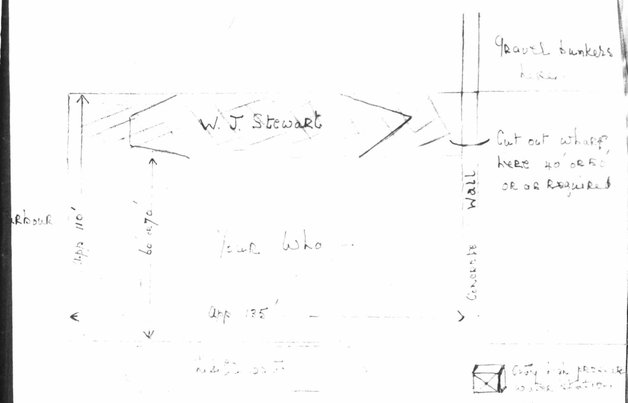
A

120077



Extract from chart of Victoria Harbour 1918.



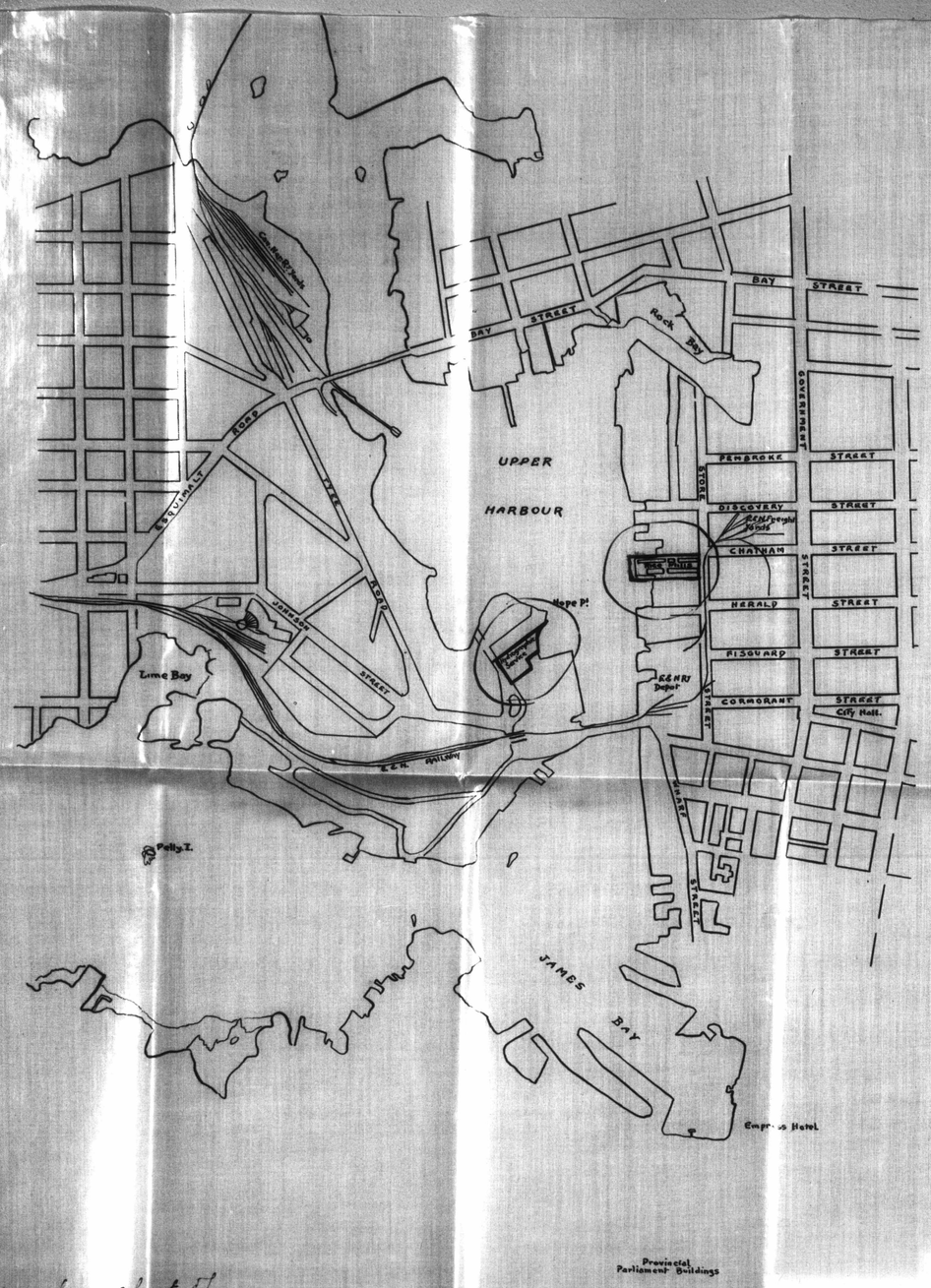


N.B.

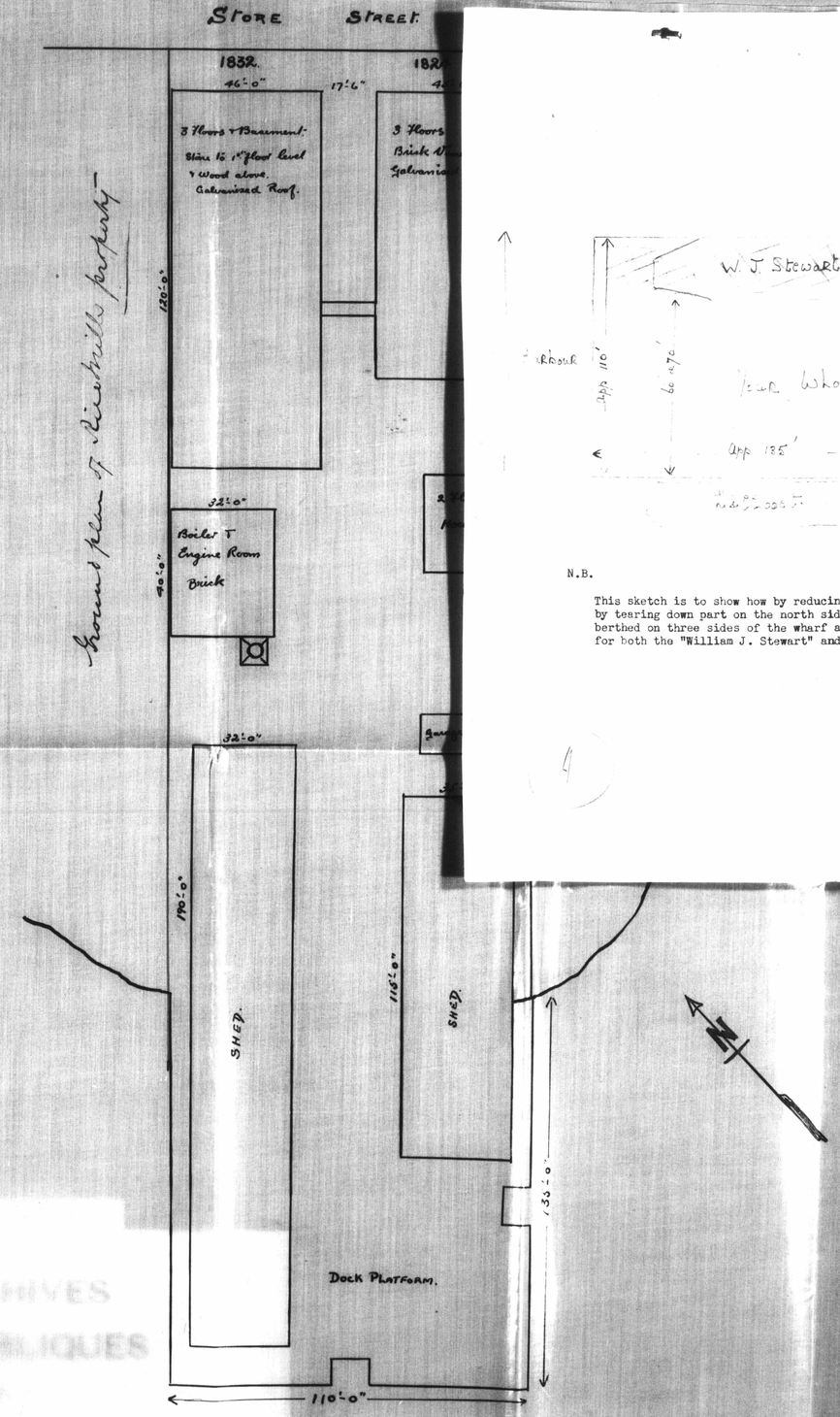
This sketch is to show how by reducing the width of the present wharf by tearing down part on the north side (marked in blue) boats could be berthed on three sides of the wharf and there would be ample space for both the "William J. Stewart" and the s.s. "Lillooet".

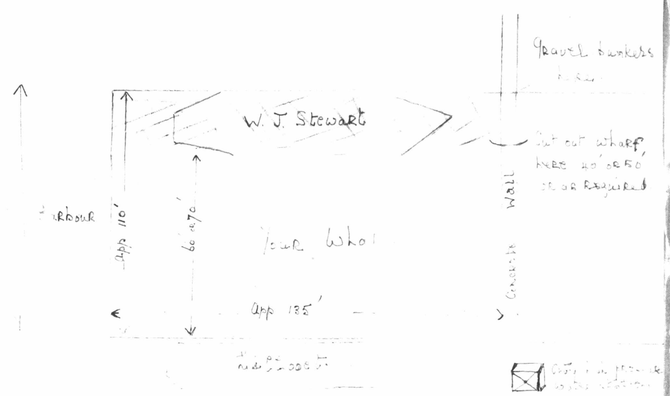
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120877



Extract from chart of Victoria Harbour 1918.



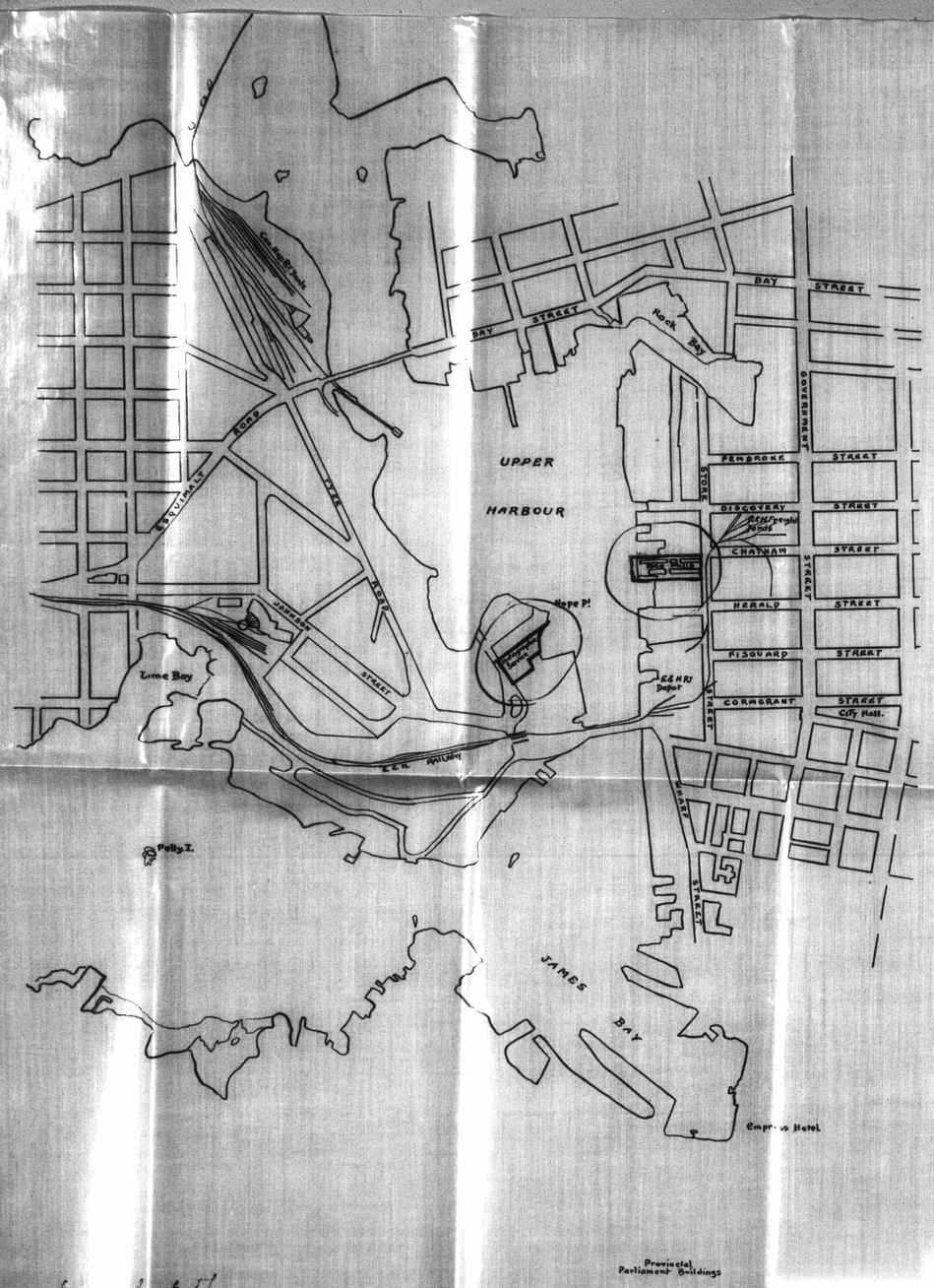


N.B.

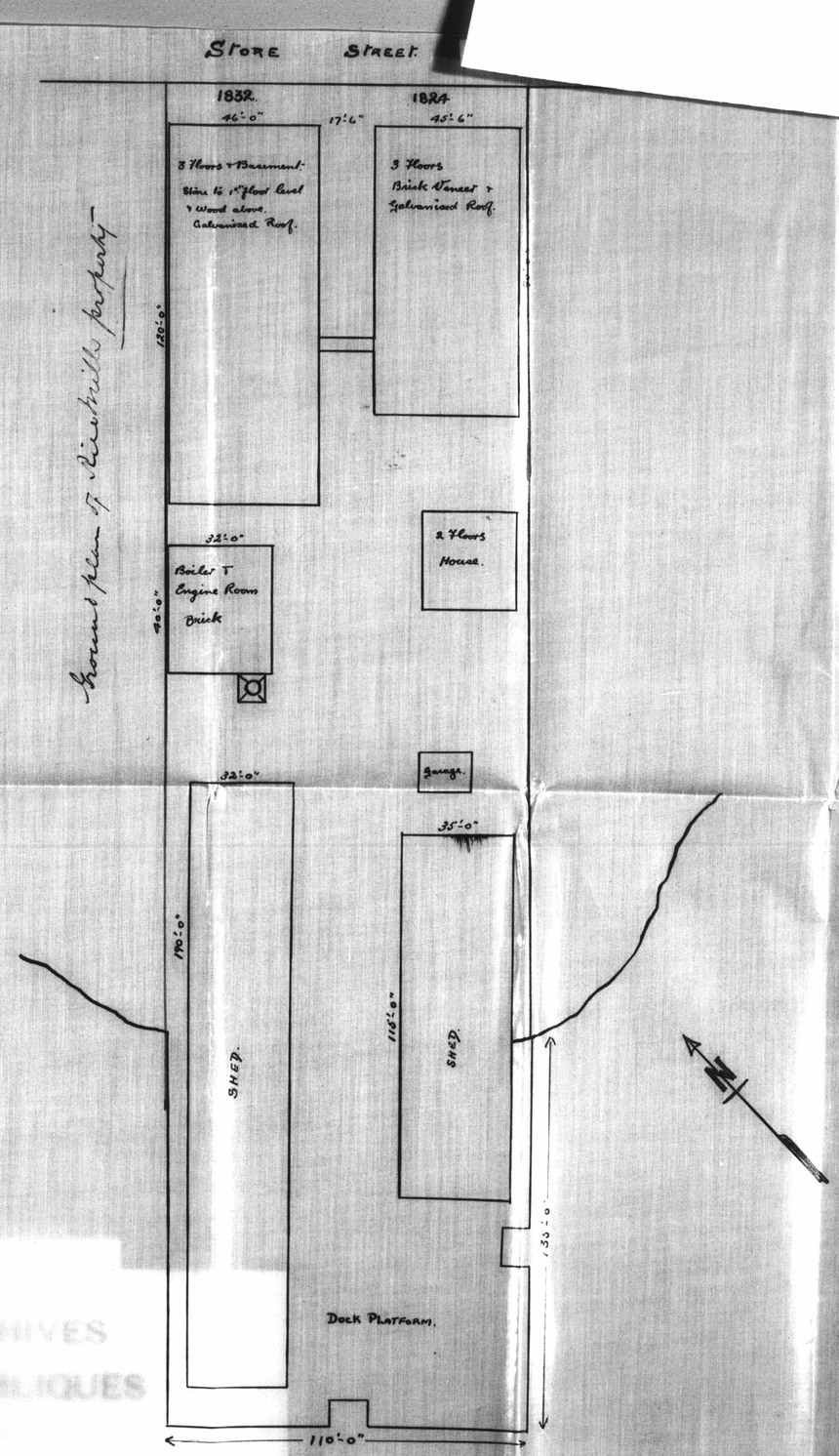
This sketch is to show how by reducing the width of the present wharf by tearing down part on the north side (marked in blue) boats could be berthed on three sides of the wharf and there would be ample space for both the "William J. Stewart" and the s.s. "Lillooet".

120877

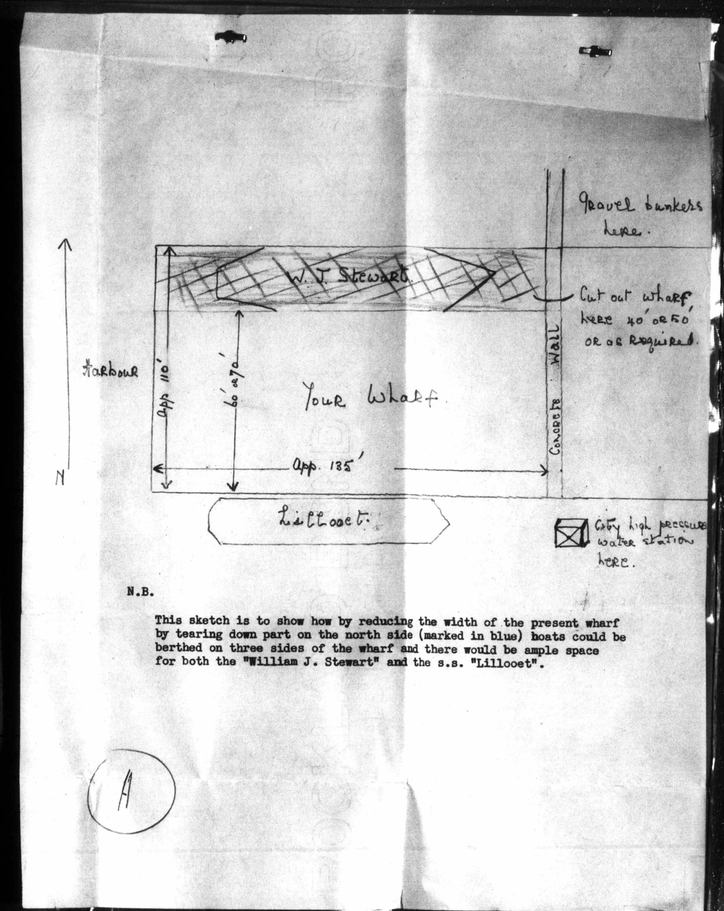
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
BC



Extract from chart of Victoria Harbour 1918.



120877



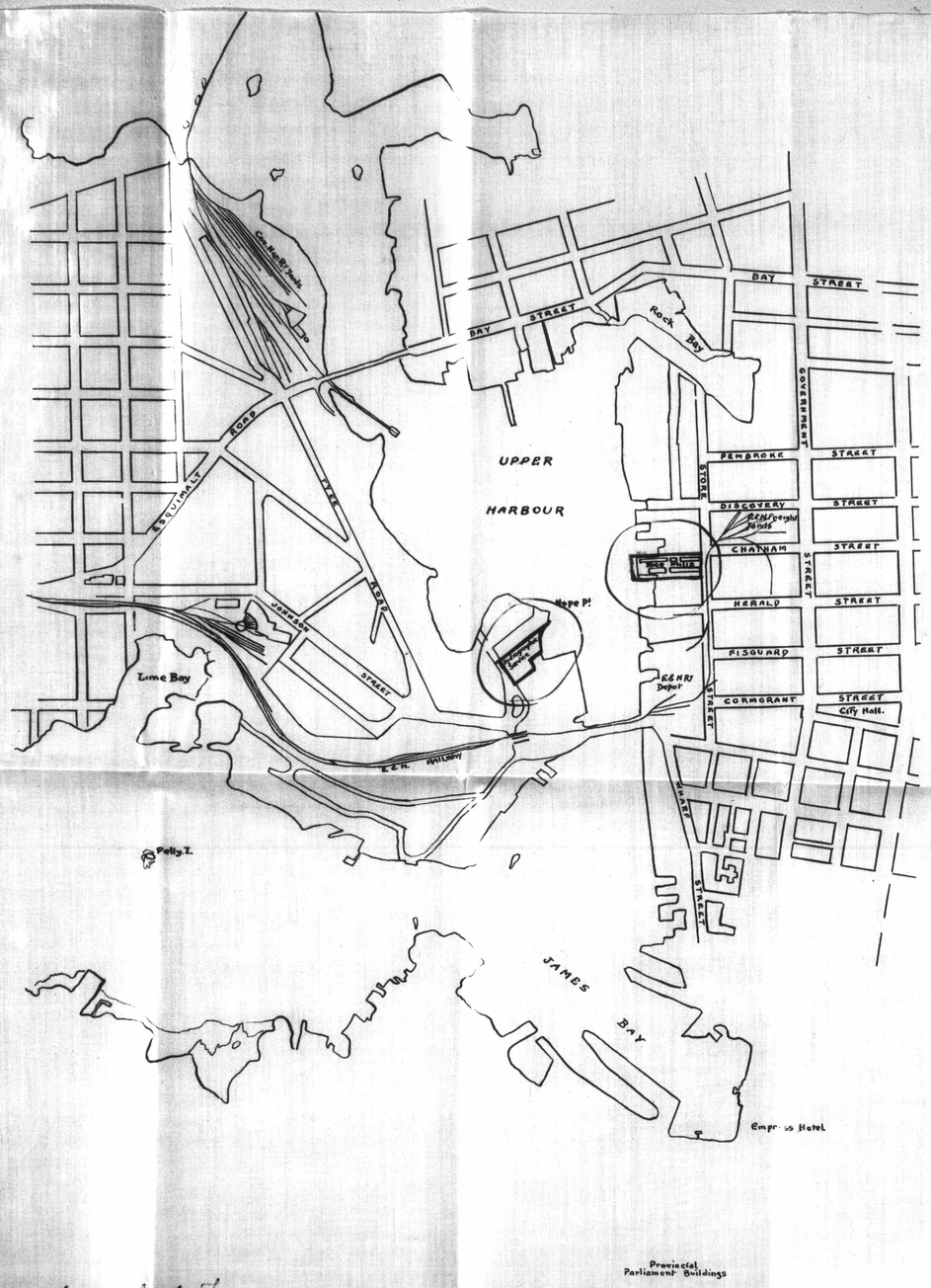
N.B.

This sketch is to show how by reducing the width of the present wharf by tearing down part on the north side (marked in blue) boats could be berthed on three sides of the wharf and there would be ample space for both the "William J. Stewart" and the s.s. "Lillooet".

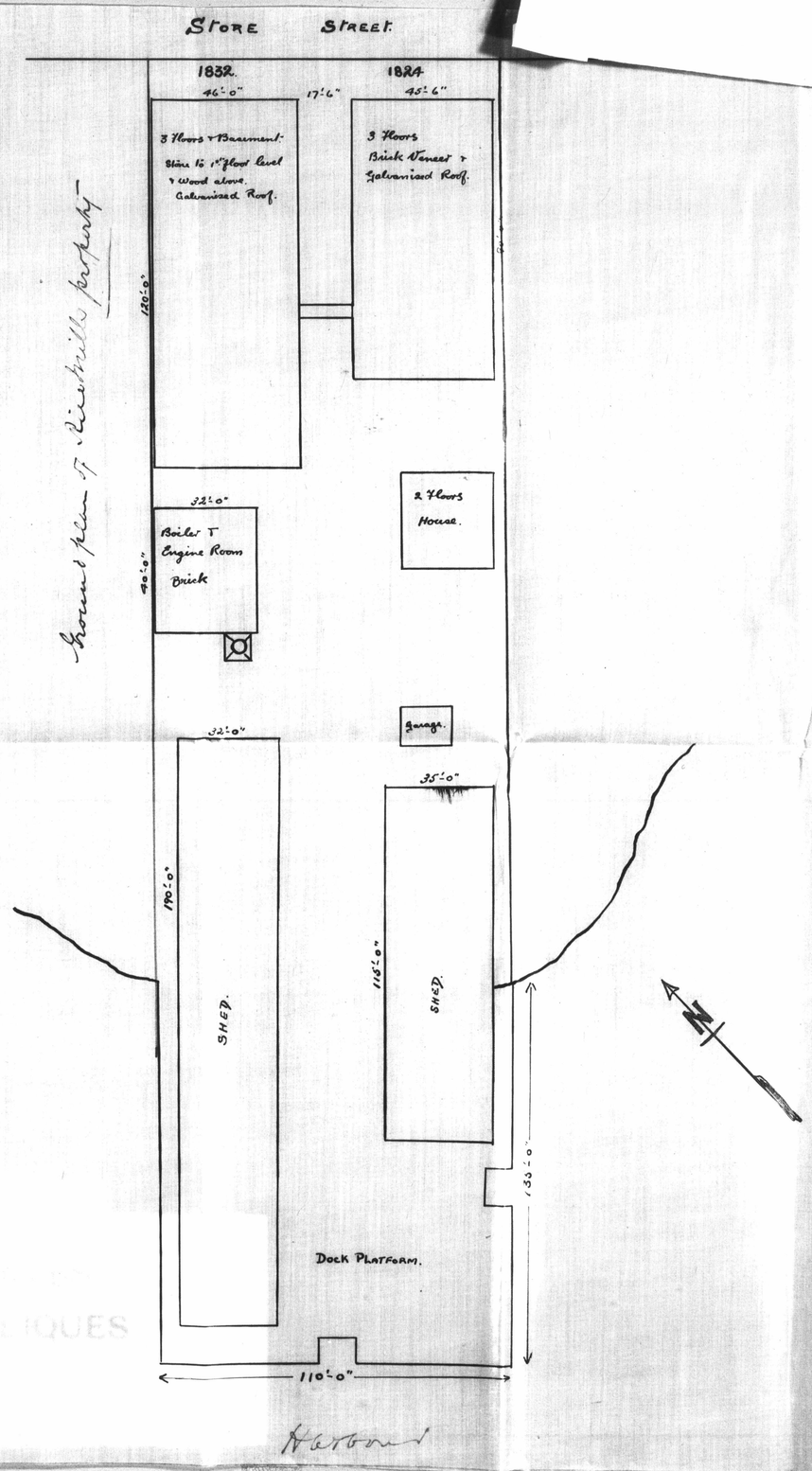
A

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120877



Extract from chart of Victoria Harbour. 1918.



120877

120878 109

Ottawa, Oct. 15th, 1922.

Dear Mr. Reford,-

I received your letter yesterday and immediately took the matter up with Mr. Plunkett. After having had quite a talk with him, I asked him to put his view in writing so that I could transmit them to you. His letter of today's date is enclosed.

If, after reading this, you feel that there is information which makes it worth while to press the matter further please write me fully. I will return the map if you desire it.

Yours very truly,

Encl:- 1

Robert W. Reford, Esq.,
230 Hospital Street,
Montreal, Que.

[redacted] Mr. Plunkett's letter sent.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120879

Ottawa, October 20, 1932.

Dear Mr. Reford:

I have your letter of 20th. I think I will ask Mr. Plunkett to come in again and look over this letter. It is hardly likely he will be convinced, but I will advise you as to his reaction.

Kindest regards,

Yours very truly,

Mr. R. W. Reford,
230 Hospital Street,
Montreal, Que.

P.S.--Have since seen Mr. Plunkett. He does not feel that his attitude should change, but has stated he will draw the matter in a very fair way to the attention of the Marine Department, and may be conferring with me later on the subject.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120880

230, HOSPITAL STREET,
MONTREAL.

October
20th
1932

Dear Mr. Meighen:-

Many thanks for all the trouble you have taken in seeing Mr. Plunkett in regard to using our wharfage site at Victoria, B.C. for the increased accommodation required for the Hydrographic Service. Mr. Plunkett seems to be so very definite in his opinion that the Government has ample space to build a jetty on their present property that I should hesitate to press the matter further. However, if later the Marine Department should find reasons for reconsidering their plans, I should like very much to have an opportunity of having the Rice Mills' property considered. I can assure you we shall not drive a hard bargain.

I am pleased to note Mr. Plunkett regards our site as a desirable one, and I think there are advantages to be considered that might so far offset the present location that it might be worth while to have the present plans reviewed before definitely deciding on the present site across the harbour.

For instance my advice is that in the building out of a jetty into the stream it will further congest the Inner Harbour, which even now is somewhat congested.

The main factor, however, is that if a new wharf with complete warehouses in a better situation can be secured at a lower price than it would cost to make the additional enlargements on their present property, is this not worth consideration?

Again thanking you, I am,

Yours truly,

Robt. W. Reford

Right Honourable Arthur Meighen,
P.C.,
The Senate,
Ottawa,
Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6123

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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

D. E. GALLOWAY, ASST. VICE-PRESIDENT, TORONTO, ONT.

Exclusive Connection with WESTERN UNION TELEGRAPH CO.
Cable Service to all the World
Money Transferred by Telegraph

STANDARD TIME

For Messenger
Call Canadian National Telegraphs
Phone - Local 298

20GMK 8

MONTREAL QUE 312PM 15/33

RT HON ARTHUR MEIGHEN

OTTAWA

THANKS LETTER ARRIVING OTTAWA TOMORROW 11 AM

ERIC REFORD

320P

109

120681

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120882

347 Bay St., Toronto,

May 13, 1933.

Dear Eric:

I have your letter of 11th. Will certainly see you very gladly. Will be in Ottawa Monday and Tuesday, and possibly Wednesday.

Sincerely yours,

Mr. Eric W. Reford,

230 Hospital Street,

Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120883

230, HOSPITAL STREET,
MONTREAL.

Thursday May 11th, 1933

Dear Mr Meighen

The purpose of my writing is to ask whether you could see me either in Ottawa or Toronto and what would be the earliest convenient date and time for such an interview. It would not take long for me to discuss with you what I have in mind. Perhaps half an hour would conclude the business.

I am glad to see that the Railway Legislation is a fait accompli as if properly administered I think the arrangement should enable the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

railways to carry on adequately and economically.

My father and mother are still in Italy and will not be back in Montreal till the end of the month.

Thanking you for your many kindnesses to me and hoping that I am not troubling you in asking for this interview

Yours sincerely

Eric Reford

120884

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120885 109

OTTAWA, May 18,1933.

Dear Eric:

I must apologize to you for having to cancel my engagement to have you to lunch on Tuesday. As you know, I completely forgot about having promised to attend a luncheon of Mr. Bennett's. What I was sorry for was not only missing a chat with you at lunch, but also not being able to get you directly to explain.

Very kindest regards,

Yours sincerely,

Mr. Eric Reford,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120886

Ottawa, May 26th, 1933.

Eric Reford, Esq.,
230 Hospital Street,
Montreal, P. Q.

My dear Eric:-

Thanks very much for your letter of the 24th instant. The representative of our Insurance organization in Montreal is Mr. Matheson. I am, however, writing the Toronto office and you may depend upon it Mr. Matheson will be advised to get in touch with you immediately. I know he has been following closely the Lake-of-the-Woods situation and knows Mr. MacInnes very well.

Yours truly,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120887

20, HOSPITAL STREET,
MONTREAL.

May 24th. 1933

Dear Mr Meighen

Thank you very much for your letter and I quite realized the situation.

Actually I was not left at a loose end as I lunched with my friend Charlie Hebert and also met Judge Sedgwick which was interesting so while I very much regretted not seeing you again my time in Ottawa was fully occupied and on the way home in the train I had the opportunity of a long conversation with Dr Black.

The point which you raised was one that had of course occurred to me but then one is always inclined to dismiss obvious objections and I believed that the matter would have to be considered otherwise than in the light of sectional politics. However please dismiss my application from your mind because I realize its unfeasibility only too clearly. Its only commendation would be originality and boldness — perhaps rather a "stab in the dark".

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

I shall be very much interested to observe the outcome and in this connection I wonder whether any three reasonably good men quickly, even if they were only appointed temporarily, would not be better than three very good men in say eight months time.

In regard to Mr Newman one of the comments I have heard is that he would certainly be competent to maintain the tradition of extravagance.

// Before leaving I had intended to ask you who the representative of the Canadian General Insurance was in Montreal because I might possibly be able to help in this connection if I knew your man on the spot. The Lake of the Woods I heard through another broker had changed a good many of their insurance policies last year and I think your representative should call on the Secretary of the Company, Donald MacInnes.

With kind regards

Yours sincerely

Eric Peterkin

120888

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

#112 R 120889

Ottawa, May 26th, 1933.

W. P. Fess, Esq.,
President,
Canadian General Insurance Company,
Richmond Street, West,
Toronto, Ontario.

Dear Mr. Fess:-

Mr. Eric Reford, son of R. W. Reford of Montreal, has written me and I extract the following from his letter, which I know you will follow up:

> " Before leaving I had intended to ask you who the representative of the Canadian General Insurance was in Montreal, because I might possibly be able to help in this connection if I knew your man on the spot. The Lake of the Woods I heard through another broker had changed a good many of their insurance policies last year and I think your representative should call on the Secretary of the Company, Donald MacInnes."

Yours truly,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120890

Ottawa, Ontario,
March 27, 1934.

109

Dear Eric:

I thank you very much for your letter of 24th enclosing copy of the announcement to shareholders of the Cunard Line and summary of the agreement lately entered into. Am quite interested to learn that the Prime Minister desired to have a copy of the complete agreement.

I have not given very much study to the Marketing Act, though I have read it carefully. There will probably be considerable difficulty in the working out of so comprehensive a plan. Our Federal system is what makes the complications.

With sincerest regards,

Yours very truly,

Arthur Meighen.

Mr. Eric Reford,
230 Hospital St.,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120881

230, HOSPITAL STREET,
MONTREAL.

March
24th,
1934.

Dear Mr. Meighen:-

I beg to enclose herewith a copy of the announcement recently made to Shareholders of the Cunard Line, which incorporates a summary of the Agreement lately entered into. This contains all the pertinent facts, among which I think the noteworthy are, that though the Treasury is a party to the Agreement, the Government has not arranged for any form of direct control of the new Company, which will have ten Directors, of whom six will be nominated by the Cunard Company.

While the Cunard Line is handing over its steamers on the North Atlantic, the Company will continue to retain its other interests, in the Anchor Line and through it in the Anchor-Donaldson, in the Commonwealth & Dominion Line and other shipping investments.

The full Agreement contained in a "white paper" published by the British Government does not really add anything to the facts, but you may be interested to know that while I lent this to Mr. John Hackett, the Prime Minister borrowed it from him, apparently on the ground that it was of interest in connection with the Canadian Government's attitude as regards the loan to the Canadian Pacific.

I hear that very extensive arrangements are planned to market all the natural products of this country, and I hope that when this is done there will not be any undue anxiety to favour the Canadian Pacific with a monopoly on the carriage of the traffic.

With kind regards,

Yours sincerely,

Eric Reford

Right Honourable Arthur Meighen, P.C.,
The Senate,
Ottawa.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120892

The Cunard Steam-Ship Company
LIMITED.

CUNARD BUILDING,
LIVERPOOL,
10th March, 1934.

TO THE SHAREHOLDERS.

DEAR SIR (OR MADAM),

The circumstances which led to the suspension of work on No. 534 were fully explained to the Shareholders in the Circulars issued on 10th December, 1931, and 27th January, 1932; and the Chairman of the Company also referred to the same subject in his Speeches at the Annual General Meetings held on 6th April, 1932, and 5th April, 1933.

The Company approached His Majesty's Government for assistance in completing No. 534, but in view of conditions in the North Atlantic trade, the Chancellor of the Exchequer announced in the House of Commons on 16th February, 1933, that it was a pre-requisite of such assistance being granted that this Company and The Oceanic Steam Navigation Company Limited should make arrangements to eliminate the competition then existing between them in the North Atlantic Trade.

As a result of this indication of the Government's wishes, protracted negotiations were entered into, which resulted, as announced in the House of Commons on the 8th February last, in an Agreement being concluded between the Cunard Company, the Oceanic Company and The Commissioners of His Majesty's Treasury, for the formation of a New Company (to be called "Cunard White Star Limited"):—

(1) for the purpose of obtaining Government financial support for the completion of No. 534 and subject to the approval of the Treasury an additional new ship or ships; and

(2) with a view to merging the North Atlantic businesses and relative assets of the Cunard Company and of the Oceanic Company in accordance with the wishes of His Majesty's Government as explained by the Chancellor of the Exchequer in the House of Commons.

Your Directors consider that this Agreement, the main provisions of which are for convenience summarised below, is of considerable advantage to all Cunard interests, including as it does, the amalgamation of the Cunard and Oceanic Fleets, with the benefit of Government finance for shipbuilding and working capital on favourable terms, and consequently the attainment of the best conditions that can be devised for restoring the profit-earning capacity of the North Atlantic assets. These assets will then be represented by the Cunard Company's holding of 62 per cent. of the Share Capital of the New Company.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120893

The Agreement is conditional on Legislation and on certain consents, including that of the Holders of this Company's 5 per cent. Mortgage Debenture Stock, and your Directors have already taken steps to invite their approval of proposals for an alteration in their security which (inter alia) will permit Atlantic ships, at present mortgaged to their Trustees, being released and transferred, free of all charges, to Cunard White Star Limited. This release is a cardinal point in the Agreement between the Cunard Company, the Oceanic Company and His Majesty's Treasury.

It is intended that the next Annual General Meeting of the Company shall be held on 11th April, 1934, and the progress which has by then been made in the carrying out of the Scheme will be fully reported to you.

By Order of the Board,

H. J. FLEWITT,
Secretary

SUMMARY OF THE MAIN PROVISIONS OF THE AGREEMENT, dated 30th December, 1933, between The Cunard Steam-Ship Company Limited, The Oceanic Steam Navigation Company Limited, and The Commissioners of His Majesty's Treasury.

---

1. The Agreement defines the arrangements to be entered into for the incorporation of a Public Limited Company, to be called "Cunard White Star Limited" to take over free from all mortgages and charges the under-noted Atlantic assets of the Cunard and Oceanic Companies, viz :—

(A) The North Atlantic Goodwill of both Companies, including the use of "Cunard" and "White Star" names and flags for all purposes when applied to North Atlantic ships.

(B) The existing North Atlantic fleets of both Companies, including tenders (or shares in Tender Companies), and other small craft used by both Companies in connection with their North Atlantic services.

(C) The unfinished Cunard ship No. 534 and by Agreement with Messrs. John Brown & Co. Ltd. the Contract for her construction.

2. The Agreement is contingent upon :—

(A) Legislation being passed by Parliament.

(B) The consent of the Holders of the Cunard 5 per cent. Debenture stock and of the secured Creditors of the Oceanic Company and any necessary consents from other interested parties.

(C) The consent of Messrs. John Brown & Co. Ltd.

(D) The revision of Mail Contract.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120894

3. The matters in connection with which legislation is required to implement the Agreement are :—

(A) Advances by the Treasury to the Cunard Company of not exceeding £1,000,000 ranking as to security after the Cunard 5 per cent. Debenture Stock, bearing interest at ½ per cent. under Bank Rate till January 1st 1940 and thereafter at the rate then appropriate to loans guaranteed by His Majesty's Government, and repayable in 1975 or earlier at the Cunard Company's option. These advances to be transferred to Cunard White Star Limited in accordance with the Agreement in respect of the first one-third of the cost of completing No. 534.

(B) Advances by the Treasury to Cunard White Star Limited of not exceeding £1,000,000 in respect of the second one-third of the cost of completing No. 534, on the same terms of interest and repayment as 3 (A) above. These advances to be secured by Debenture Stock of Cunard White Star Limited with a first specific mortgage on No. 534 when completed.

(C) Advances by the Treasury to Cunard White Star Limited of not exceeding £1,000,000 in respect of the third one-third of the cost of completing No. 534, secured by Income Debenture Stock, carrying interest at 3 per cent. up to the 31st December, 1939, and thereafter at 5 per cent. and having certain rights of participation in profits, with a second mortgage on No. 534 when completed. No interest is payable on this Income Debenture Stock unless a profit is, in the opinion of the Board of Cunard White Star Limited, available for distribution.

(D) Advances by the Treasury to Cunard White Star Limited of not exceeding £1,500,000 to provide working capital, as required from time to time, secured :—

(1) as to the first £750,000 on the same terms as the Cunard White Star Limited Debenture Stock mentioned in 3 (B) above.

(2) as to the remainder, not exceeding a further £750,000, by 5 per cent. Income Debenture Stock. No interest is payable on this Income Debenture Stock unless a profit is, in the opinion of the Board of Cunard White Star Limited, available for distribution.

(E) Power to the Treasury at their discretion to advance to Cunard White Star Limited the cost not exceeding £5,000,000 of an additional new ship or ships on terms analogous to those for the advances of not exceeding £2,000,000 referred to in 3 (B) and (C) above.

(F) Arrangements to enable Cunard White Star Limited to obtain the same advantages in respect of No. 534, and any other similar ship, as those now held by the Cunard Company by virtue of the Cunard (Insurance) Agreement Act, 1930.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120895

4. The consideration to be paid to the respective Companies for transferring to Cunard White Star Limited the ships, contracts, and assets referred to above, is to be shares of that Company credited as fully paid up, allotted as to 62 per cent. of the initial nominal Capital to the Cunard Company, and as to 38 per cent. thereof to the Oceanic Company.

5. The Board of Cunard White Star Limited to consist of ten individuals to be nominated six by the Cunard Company and four by the Oceanic Company in proportion to their shares of the capital.

6. It is to be a cardinal principle of Cunard White Star Limited that it is to be and remain British.

N.B.—This summary is printed for convenience only, and must not be regarded as an interpretation of the Agreement. For detailed information, reference should be made to the complete Agreement, copies of which may be seen during business hours at the Registered Office of the Company, Cunard Building, Liverpool, or at the Offices of the Company's Solicitors, Messrs. Hill, Dickinson & Co., 10, Water Street, Liverpool, and 88, Leadenhall Street, London, E.C.3, or may be purchased directly from His Majesty's Stationery Office.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120896

CUNARD LINE
ANCHOR-DONALDSON LINE
ANCHOR LINE

REGULAR SAILINGS BETWEEN
EUROPE, CANADA & U.S.A.
SINCE 1840

REPLY TO
P.O. Box 2550
230 HOSPITAL STREET
MONTREAL
P.O. BOX 2550
TEL. MARQUETTE 5651

June 19th, 1934.

109

The Rt. Honourable Arthur Meighen, P.C.,
The Senate,
Ottawa, Ont.

Dear Sir:-

We take the opportunity of the approaching close of the Session to suggest to you how a peaceful and yet interesting holiday can be enjoyed.

The enclosed folder conveys the information which we wish to lay before you. While the main feature of such a holiday of about three weeks is a complete rest, the visit to London or Paris included in this programme is not without its attractions. In emphasizing the advantages of the plan we have been guided by the experience of those who have taken this type of holiday.

A feature which strikes us very forcibly in regard to such a holiday is the benefit which will accrue to Canada as an exporting nation when more people in this country come to recognize the ease and convenience with which the Atlantic can be crossed, just as those who have travelled from one end of Canada to the other are no longer daunted by the distances in this country.

If you should prefer to arrange a trip on the basis of an inclusive price from Montreal back to Montreal, we can quote you a rate of £6.10.0 or 550 francs for six days in London or Paris, respectively, to which has to be added only the round trip steamship fare.

Yours truly,

THE CUNARD STEAM SHIP COMPANY, LIMITED

Lie Roford

General Manager.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120897

For the Health Benefit

OF A HOLIDAY AT SEA AND THE STIMULATING ENJOYMENTS OF LONDON OR PARIS IN LITTLE MORE THAN THREE WEEKS AT A COST UNDER YOUR OWN CONTROL

■

Fresh air, sunshine, good food, freedom from worry, are an old prescription and a very natural one. We all need, from time to time, just such a rest, which forms the essential introduction to any thorough holiday. Besides, we want to enjoy a change of surroundings, new experiences; in short, to live a little amid the attractions which the world has to offer.

■

Therefore, the perfect holiday must be a proper combination of these two elements—the passive and the active—so balanced as not to degenerate into dullness; affording interest and entertainment abundantly, no matter what the age and disposition, lest in seeking we make toil of a pleasure.

■

Such very individual requirements are perhaps most easily fulfilled by a sea voyage, and a visit to one of those great centres of population renowned for more than a thousand years—London or Paris.

■

The different aspects of such a holiday are described in the following pages, and an approximate idea of the cost in each case is given. That is just a suggestion, as the wide choice will indicate, but the feature which we hope readers will visualize is the real holiday which can be obtained in a little over three weeks away from Montreal.

Sail **CUNARD**

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120898

THE VOYAGE

Embarking at Montreal on Friday at 10 a.m., standard time, passengers immediately set forth on one of the world's most beautiful river trips.

By luncheon time they will have shed the routine and worries of their usual occupation, and with the enjoyment of their first meal on board they will realize that they have a whole week of easy quietness before them.

In the past the calm of the St. Lawrence route has been advertised to those fearful of sea-sickness, but on our modern steady ships that is a rarely known phenomenon of summer voyages across the Atlantic.

What is there to do on board? For the first few days probably most passengers prefer to bask on deck or repose in one of the several comfortable rooms available, with perhaps a book, light or serious, taken from the large stock in the ship's library, invigorated by an occasional walk.

Otherwise there is plenty to do. Apart from investigating the little world afloat, there are deck games of the traditional description, ping-pong, horseracing, dancing, and the other little entertainments arranged by the Purser for the pleasure of passengers. Not least is the companionship of fellow-travellers, and perhaps sea voyages are the last refuge of the art of conversation.

In the ordinary course arrival at Plymouth is on Saturday morning, and at Havre on Saturday evening, while London is reached on Sunday.

PLYMOUTH TO LONDON (Paddington). About 226½ miles, 4½ hours by train, passing through Dartmouth, Torquay, Newton-Abbot, Exeter, Ilfracombe.
FARES: £2/6/11 First Class. £1/8/2 Third Class.

HAVRE TO PARIS (Gare du Nord). About 3 hours by train along the route of the River Seine via Rouen.
FARES: $10.80 First Class. $6.20 Second Class.

At London disembarkation is sometimes at Tilbury, but generally at Surrey Commercial Docks. Passengers are conveyed to a point whence they can reach any part of London by taxi, bus or underground.

For the return journey, steamers sail from Southampton at 1 p.m. on Saturday and Havre the same evening about 9 p.m. Special trains in connection with these departures are operated from London and Paris.

MINIMUM ROUND TRIP FARES:—

Cabin Class $234 in the off season.
$247 in the summer season.
To and from Havre $9 additional.*

Tourist Class $188 in the off season.
$198 in the summer season.
To and from Havre $2 additional.*

Third Class $144.50 ($5.00 extra to and from Havre).
*French Port Taxes also assessed.

While the following detailed information in regard to prices in London and Paris has been specially compiled for the purposes of this folder, it cannot be guaranteed.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

LONDON

N0899

Of the innumerable hotels, the following provide a choice in type and rates:—

GROSVENOR HOUSE—situated on Park Lane, facing Hyde Park, in the most exclusive and central district. In the same building are located an ice rink, swimming pool and the headquarters of the International Sportsmen's Club. Double room and bath 31/6; Single room and bath 21/-; Suites including sitting-room from 2 to 5 guineas. Charges for meals are: Luncheon 6/6 to 7/6; Theatre Dinner 8/6 to 10/6; Dinner and Cabaret 12/6; Supper and Cabaret 10/6, or à la carte in the Restaurant or Grill Room.

PARK LANE HOTEL—on Piccadilly, between Park Lane and Bond Street, also in the best district; Double room and bath 25/-; Single room and bath, 14/6.

CUMBERLAND HOTEL—the newest hotel of the Regent Palace group, with a thousand rooms; Double room and bath 19/6; Single room and bath 11/6.

VICTORIA and METROPOLE HOTELS—on Northumberland Avenue off Trafalgar Square; Single room 10/6.

THACKERAY and KINGSLEY HOTELS—Single room and breakfast 8/6.

Most of the famous hotels in London include much frequented restaurants, as at the Berkeley, Carlton, Ritz, Claridge's, and of the newer ones Grosvenor House and the Mayfair. In addition, there are numerous establishments in the West End and in Soho, where every variety of food is served in attractive surroundings. Among restaurants of historical interest where food of the traditional English type is served are: The Cheshire Cheese; the Cock in Fleet Street; Dirty Dick's in Bishopsgate, founded in 1745, from which time its ancient wine vaults still exist; and Rule's in Maiden Lane.

Of theatres there are about 40 in London, besides a large number of moving picture houses presenting every imaginable type of entertainment. Price of seats from 9d. to 14/6.

The points of interest, from the Tower of London to the Parliament Buildings and Westminster Abbey, are so many and so well known that they need not be recounted, except to remark that facilities are readily available for a comprehensive tour occupying one whole day, visiting the old city area in the morning and the West End in the afternoon, accompanied by a guide-lecturer, at a cost of 18/- including all admission fees and luncheon. If desired this tour can be taken in two sections.

A new diversion is flying over London (21/-), and the old enjoyment of a visit to the wonderful Zoo is still at hand.

Among the museums are the British Museum, the London Museum, the Victoria and Albert Museum, the Science Museum, the Imperial War Museum, the Natural History Museum, and the Royal United Services Museum in Whitehall, the collections of which contain many of the treasures and relics of almost all man's activities on earth. The National Gallery and the National Portrait Gallery, both in Trafalgar Square, and the Tate Gallery, are the most important picture galleries.

Excursions out of London are also readily available, to Windsor Castle, Stratford-on-Avon, Oxford, Cambridge and Canterbury. Any of these can be performed in a day at a cost of anywhere from 21/- to 36/6.

At the time of writing the English pound is worth about $5.12

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120900

PARIS

Among the many hotels which can be recommended the following have been selected to illustrate costs:—

	ROOM, BREAKFAST, LUNCHEON AND DINNER				ROOM AND BREAKFAST ONLY			
	With Bath		*Without Bath*		*With Bath*		*Without Bath*	
	Single Frs.	Double Frs.	Single Frs.	Double Frs.	Single Frs.	Double Frs.	Single Frs.	Double Frs.
ROYAL MONCEAU 35, avenue Hoche (*nr. Arc de Triomphe*)	100	82.50	..	..	60	50	..	..
ST. JAMES & ALBANY 202, rue de Rivoli	75	65	60	55	41	28.50	26	42
HOTEL DE PARIS. 8, bld. de la Madeleine	90	80	..	..	60	40	..	..
Left Bank HOTEL LUTETIA 43, bld. Raspail	80	70	70	65	55	45	35	30
Left Bank TRIANON PALACE 3, rue de Vaugirard	62	47	52	42	41	26	31	21

Excelling in its restaurants, Paris offers the widest choice of these, from Larue, renowned uniformly, to such specialty houses as La Tour d'Argent (for duck in every shape and form), and Prunier (specializing in fish). The prices are generally à la carte and vary considerably. Table d'hôte meals are served at a great many restaurants, for instance at the Delmonico on the Avenue de l'Opéra, where lunch is priced at 20 frs. and dinner at 25 frs. The innumerable boulevard cafes are also a charming feature, and a pleasant half-hour can be spent on the terrace of the Café de la Paix at one of the busiest intersections of Europe.

The theatre-goer may witness performances of opera and the great French dramas, or, in lighter vein, visit the theatres and "Music Halls" of every description which exist in Paris more than anywhere else to distract and amuse. The prices vary from 10 frs. to 70 frs.

Among the Museums are the Louvre, containing a most extensive collection of paintings and sculpture; the Luxembourg; the Musée de Cluny; and others. The usual entrance fee is 2 frs.

Historical and architectural points of interest in Paris are numerous, including as they do the famous scenes of Royalist, Revolutionary and Napoleonic France. A comprehensive sight-seeing tour can be arranged for one part in the morning—25 frs. —and for the other half of the city in the afternoon—25 frs. also—all entrance fees paid.

Some of the interesting and beautiful motor excursions from Paris are those to Versailles, which is a half-day trip, 25-45 frs.; to Barbizon and Fontainebleau, occupying a whole day, for 60 frs.; and to the Battlefields as far as Rheims, leaving early in the morning and taking a whole day, for 150 frs., while the famous Chateau Country can be visited in three days, including accommodation and all charges, for 650 frs.

Strangers to Paris need have no fear of difficulties or embarrassment. English is spoken or at least understood everywhere they are likely to go, and they will find all most ready to serve and assist them. Paris is a very simply planned city, but if any distance is involved, the easiest method is to take a taxi—2 frs. for the first 500 metres and 2 frs. per kilometre (5/8 mile) thereafter.

At the time of writing the French franc is worth 6.63 cents, or in other words $6.63 would be required to purchase 100 francs

CP 1037—5M-5-34—AP-1285

Printed in Canada—Montreal, May 22, 1934

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120901

PRIVATE.

OTTAWA, 20 January, 1937.

Dear Mr. Reford,

I received your letter of the 18th instant.

Have had no letter from Frank Meighen. This is the first I have heard of any movement to provide private funds for the purpose indicated. Am wholly in accord with the conviction that definite steps should be taken in a wise way to meet communism, but really I cannot see that private funds should be expected to undertake the task. It is fundamentally a Government responsibility. Furthermore, I do not believe the source of the funds can very long be concealed. In any event the communist orators will proclaim from the beginning that it is a capitalistic attack that is being made upon them financed by big interests. They will say this whether they believe it or not.

I do not like throwing cold water on a plan so eminently patriotic and for a purpose so necessary, but the above outline represents my view.

Yours very truly,

R.W.Reford, Esq.,
230 Hospital Street,
MONTREAL.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120002

1230, HOSPITAL STREET,
MONTREAL.

January
18th
1 9 3 7.

Private.

Dear Mr. Meighen:-

Regarding the enquiry that Frank Meighen was to send you, I find it was the following.

If you remember, in your address to the Canadian Club you stated that there is a more or less strong communistic feeling throughout the west which will have to be carefully watched. I understand that the bankers and trust companies have been trying to formulate a plan to combat this and that they have asked the various industries in the east to subscribe to it. Some of the propaganda is, I understand, to be put through the papers and some over the radio. I believe that Colonel Metz(?) is to be given charge of the matter.

They have asked the milling industry to subscribe, I think, $30,000. in twelve monthly instalments. Our proportion would probably be $500. a month if we agreed to the amount.

Objection might be raised to a company like ours with large selling interests through the western provinces joining a scheme of this sort. There is a feeling that the west is very jealous of any action taken by eastern companies, and if we should subscribe and the others did not, we might be subject to a boycott, though Mr. Henwood, who put forward the suggestion to General Meighen, stated that no names whatever would be given out as to who subscribed. However, as you know, these things are bound to leak out at times.

As this matter has probably been brought to your attention and you are probably better acquainted with the facts than we could possibly be here, if you can give us your views they will be most useful.

With kindest regards,
Yours sincerely,

Rt. Hon. Senator Meighen, P.C.,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CABLE ADDRESS "WINDREAL"

120903

THE Windsor
ON DOMINION SQUARE
Montreal

April 19/32

Dear Mr Meighen,

I have written you on almost every subject. Now it is the Beauharnois. Bennett - wrong. Trust deals or no trust deals. Let them figure out promotion profits. Why pay the underwriters unless they can show results. Just the fact they had money means nothing! I disagree with everything Bennett has said on Beauharnois. A great friend of yours in the senate, Senator C.W. Robinson of Moncton, a Liberal believes in you. Fight the Beauharnois project as planned - and in the words of Bennett in (4)

Any other steps might be necessary to make the project of greater advantage to Canada

Hit hard as ever

R.M. Rice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120904 112

Ottawa, April 19th, 1922.

Dear Mr. Rive,-

I am glad to hear from you again. I am not quite clear as to just what you object to in Mr. Bennet's statement. It seemed to me to be a pretty good statement, being a recital of what had taken place to date.

I can assure you when one gets in the middle of these things he sees the difficulty of alternatives much better than at a distance. There is no reason in the world for this government to do anything for the company unless it is clearly called for in the interests of the country.

Yours very truly,

R.M. Rive, Esq.,
Windsor Hotel,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Pd- Gen 120905

Ottawa, Ontario,
April 19, 1934.

Dear Mr. Rive:

I have your letter of 17th and write only to acknowledge same.

It is worth while though to add that there is no thought of any amendment to the B. N. A. Act so far as I am concerned in the respect in which it is either a treaty or a compromise. What has been impressed upon thinking people though is the necessity of re-considering the division of powers in relation to industry generally, so as to bring the Constitutional situation into line with the developments of nearly seven decades. That is all.

Yours very truly,

Arthur Meighen.

Mr. R. M. Rive,
Wilson Publishing Co.,
73 Adelaide St. W.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Personal

THE
WILSON PUBLISHING COMPANY
OF TORONTO, LIMITED.
PRINTERS AND PUBLISHERS OF CANADIAN WEEKLY NEWSPAPERS.
SEVENTY-THREE ADELAIDE STREET WEST,
TORONTO, CANADA.

120906

April 17th-34

Dear Mr. Meighen,

You belled the cat on conscripteon amdd you belled the cat on the C. N. R. As a persoal friend of yours please leave thd B. N. A. Act out. Let Bennett sing his swan song if he wants tpo. I agree with you that amendments should be made to the Act. I consider a treaty not a compromise. An absolute promise. We do not want to make it a political issue. I am absolutely of the opinion that if we can amend the Act that you are the one to do it, but only after being asked. Sir John MacDonald was liked by the French Canadians because they trusted him. I believe today that regardless of politics the French Cnadaians believe in you.

We have come to a stage where it is necessary that we have a leader, that people have faith in. You are elected.

Rive

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120907

Ottawa, Ontario.
May 28, 1925.

112-R

Dear Mr. Rive:

I have your very interesting letter of 22rd. Am afraid the experiences of many years have rather driven this particular ambition from my mind. However, I will always try to do my duty wherever I may be.

Yours sincerely,

Mr. R. M. Rive,
Wilson Publishing Co.,
73 Adelaide St. W.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE BROCKVILLE HOTEL
COMPANY LIMITED
OWNERS

OPERATED BY
FEDERATED HOTELS
LIMITED
H. D. DUBY, MANAGER

120908

Hotel Manitonna

Brockville, Ont.

May 23/35

Dear Mr. Meighen,

I was in Ottawa today and was very sorry not to have seen you even if I had to button-hole you on your way out of a Committee room.

I was in Quebec. I will practically cover all of Ontario during the next two months and from what I can judge a National Government would carry the Country. The big obstacle is that the Liberals are sure they can win. My bet would be (and I do not flatter) you as leader, Rhodes as your first lieutenant, because he is a diplomat and politic as well as being sane, and a good

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

THE BROCKVILLE HOTEL
COMPANY LIMITED
OWNERS

120909

OPERATED BY
FEDERATED HOTELS
LIMITED
H. D. DUBY, MANAGER

Hotel Manitonna

Brockville, Ont.

Frenchman (where will you find him in the Tory ranks, since they passed up Paterson de) Dupres is too light, and too Oxford. Hoade is a hooligan. Duplessis has no national reputation.

I am making this statement without fear of the future proving me wrong in my prediction. Canada will win out provided they have the right railway policy and stick to a protective tariff neither high nor low but adequate.

Beatty's speech as I read it in the Gazette was one

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

THE BROCKVILLE HOTEL COMPANY LIMITED
OWNERS

OPERATED BY
FEDERATED HOTELS
LIMITED
H. D. DUBY, MANAGER

120910

Hotel Manitonna

Brockville, Ont.

of the finest pronouncements of a man that I believe is sincere, than any of its kind I have read. His introduction was not so good, neither his reference to the Export of Gold. Solve the railway problem, cut out the frightful interest charges we have to pay on our railway indebtedness guaranteed by the Dominion Government, even if we have to sacrifice some of our natural resources to do so and I will stake my life with the right protective tariff you will solve the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

THE BROCKVILLE HOTEL COMPANY LIMITED
OWNERS

120911

OPERATED BY
FEDERATED HOTELS
LIMITED
H. D. DUBY, MANAGER

Hotel Manitonna
Brockville, Ont.

our present problems. The C.P.R. deserves the government's help if only to undo the damage that Thornton did to it, with his unfair competition. The C.P.R. saved the country shortly after confederation and will do so again whether it is taken over through bankruptcy or on a fair square deal. Mr. Meighen, I have great faith in Beatty. He could have been one of Canada's greatest lawyers, he could have been head of McGill University but he preferred to stick

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5

THE BROCKVILLE HOTEL COMPANY LIMITED
OWNERS

OPERATED BY
FEDERATED HOTELS
LIMITED
J. O. DUBY, MANAGER

120912

Hotel Manitonna

Brockville, Ont.

by a ship that they were trying to scuttle and nearly succeeded.

I am going to give you what I think will happen in the N. B. Provincial elections:

Gloucester	4	Liberals
Northumberland	4	"
Kent	3	"
Westmorland	4	"
Restigouche	3	"
Victoria	2	"
Carleton	2	"
Madawaska	3	"
	25	

Liberals elected in N.B.

I do not believe that the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

THE BROCKVILLE HOTEL COMPANY LIMITED
OWNERS

OPERATED BY
FEDERATED HOTELS
LIMITED
H. D. DUBY, MANAGER

120913

Hotel Manitonna

Brockville, Ont.

Conservatives will have a Corporal's guard.

This letter is personal. Get me the right Frenchman to join up with you and I will carry the country. You would have carried it if Hugh Graham had not Dulcifered.

Rwl

My permanent address is
13 adelaide St W.
of Wilson Publishing Co.
Toronto

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120914

112-A

Ottawa,
June 16, 1936.

Dear Mr.Rive:

I have read your cautionary letter of June 12th. It is the constant struggle of my life to avoid error, but you know that for many thousands of years humanity has been afflicted with fallibility, and I am no exception. Will continue to do the very best I can not to forfeit the confidence of friends.

Yours very truly,

Mr. R. M.Rive,
Willson Publishing Co.,
72 Adelaide St. West,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Hotel Simcoe

V. S. HAMBLY, PROP.

Barrie, Jan 12 1936

Dear Mr. Meighen —

Watch your step — Do not take a back one — You have the Liberals on the run. There is no question in my mind about your attitude on the railway question. The Sales tax is absolutely wrong

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

Hotel Simcoe 9 1 6

V. S. HAMBLY, PROP.

Barrie, ... 193.....

but do not name any particular Province. You can lick the Parts off of Key on the Central Bank Change. If Sir Thomas White's health was good

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

209117

Hotel Simcoe

V. S. HAMBLY, PROP.

Barrie, ... 193.....

He would be the best leader of the Tory Party. Is there a chance of E. L. Paten and resigning from the Bench and becoming a French leader. Duplessis looks a good bet

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Hotel Simcoe

V. S. HAMBLY, PROP.

Barrie, ... 193 .....

Incidentally I would consult a senator Antoine Legere, N.B. He has the best legal mind, but modest, of any lawyer I have met. He is very backward but has real good judgment.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5

Hotel Simcoe

V. S. HAMBLY, PROP.

120919

Barrie, ... 193

Watch C. W. Robinson.
He is very shrewd.
For Heavens' sake
tell Rowe not to
talk too much
about repeal-
The $100 exemption
is a crime. It's
of goods coming into
Canada.
There is no possible
hope of reform

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

Hotel Simcoe

V. S. HAMBLY, PROP.

Barrie, ... 193.....

on abolishing the
senate. The French
will not allow it,
and as I always
have claimed the
B.N.A. act is
our constitution.
I am not a Tory,
altho' you might
think so, but
I still insist

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

7

Hotel Simcoe

V. S. HAMBLY, PROP.

Barrie, ... 193.....

insist it, the Tory Party, is the greatest bulwark against Commission and patten nutz fool nostrums.

I wish you luck but weigh everything you say as it may be misconstrued

Rowell

[illegible] the Senate tell them [illegible]

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Hotel Simcoe

V. S. HAMBLY, PROP.

120922

Barrie, ... 193 .....

I have stuck
by you
though your
political
vicissitudes
because I
believed you
were right
and honest.

Yours is the ability
to make Beatty
a real big man.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120923

320 Bay Street, Toronto,

February 14, 1938.

Mr. R. M. Rive,
The Biographical Society of Canada,
New Brunswick Division,
Saint John, N. B.

Dear Mr. Rive:

I received your very interesting letter of February 8th and still more interesting enclosures. You and I see things of national importance anyway pretty much in the same light. I feel indeed concerned over the attitude of official Liberal candidates in the Province of Quebec. The suggestion that Canada can be defended independently and is not interested in the stability of the British Empire is not only childishly short-sighted, but exceedingly perilous. No doubt I will be speaking on the subject again this Session. One cannot do very much, though, with a population who are under the influence of a one-sided press which is reaching them two and three times a day.

I have noted carefully what you say about the Rowell Commission. I have a lot of confidence in Mr. Rowell, and can hardly think that any Commission of which he is the head can be useless. At the same time I am afraid the Commission idea was probably not the best, and certainly a one-party Commission such as this one is was an indication of blind selfishness on the part of the present Administration. No change can be made in the B. N. A. Act on a party basis, that is certain.

I have never been one of those who think very fundamental changes are necessary. What is needed chiefly is correction of a profound mistake which I think was made in the Judgments of the Privy Council as well as of the Supreme Court of Canada with regard to the legislation of the Bennett Government based on Treaties, and with regard to the Social Insurance Act. The Judgments of Messrs. Duff and Davis were as sound as they could be, and the other view which got the concurrence of the Privy Council was totally unnecessary and just a catastrophe.

Sincerely yours,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

New Brunswick Office
48 Prince William Street
Saint John, N. B.

AFFILIATED PUBLISHERS OF
"PROMINENT PEOPLE
of QUEBEC"

"PROMINENT PEOPLE
of SASKATCHEWAN"

NOW IN PREPARATION
"PROMINENT PEOPLE
of ONTARIO"
of
MANITOBA, ALBERTA
and BRITISH COLUMBIA

The
Biographical
Society of
Canada

1.2.0.9.2.4

Approval of
THE LIEUTENANT-GOVERNOR
OF NEW BRUNSWICK
THE HONORABLE MURRAY MACLAREN
C. M. G., V. D., LL. D., M. D., M. R. C. S.

"PROMINENT PEOPLE"
New Brunswick Division

SAINT JOHN, N. B.
February 8, 1938

Right Honourable Arthur Meighen,
Senate of Canada,
Ottawa, Ontario

Dear Mr. Meighen:-

The Comservatives of New Brunswick, the rank and file, are walking around with their tail between their legs. A defeat means nothing. Quitting is bad in the face of defeat, and I do not believe we would have been beaten.

I am going to tell you a little story. You wonder why I am a Conservative. I was going down with George W. Fowler to see George B. Jones, now a Senator. I asked Mr. Fowler, of "the Wine, Women, and Song speech," what secret societies he belonged to. He named every society from the P.P.A. to the Knights of Pythias, and wound up with all of them except the Knights of Columbus. He said to me, "What secret societies do you belong to, Rive?" "The best in the world," I said, "the Union Club of Saint John and City Club of Moncton." He said, "Those are not secret societies." I said, If the married women knew what was going on between the walls of the Union Club of Saint John and the City Club of Moncton, there would be 'no peace on earth, and good will to all men.'" He said, "What's your other secret societies?" "The Catholic Church." Fowler said, "The Catholic Church is not a secret society. How do you explain that?" I said, "They have the secret of confession." Fowler's next question was, "What is your third secret society?" I said, "The Conservative Party." Fowler said, "Stop the car, the Conservative Party has no secrets." I said, "Senator, the Conservative Party has the secret of the science of good government." He said, "Start

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120925

New Brunswick Office
48 Prince William Street
Saint John, N. B.

AFFILIATED PUBLISHERS OF
"PROMINENT PEOPLE of QUEBEC"

"PROMINENT PEOPLE of SASKATCHEWAN"

NOW IN PREPARATION
"PROMINENT PEOPLE of ONTARIO"
of
MANITOBA, ALBERTA and BRITISH COLUMBIA

The Biographical Society of Canada

Approval of
THE LIEUTENANT-GOVERNOR OF NEW BRUNSWICK
THE HONORABLE MURRAY MACLAREN
C. M. G., V. D., LL. D., M. D., M. R. C. S.

"PROMINENT PEOPLE"
New Brunswick Division

SAINT JOHN, N. B.

the car. I never realized that from boyhood I belonged to a party that was a secret society. Now I understand, Rive, why you are a Conservative."

Mr. Meighen, this is just a preamble to what I am sending you and the last article I will ask you to read and comment on, unless you give me encourment. I am giving you my reasons why I believe in the Conservative Party. It is more or less a religion to me because it is broadminded and fair. I am asking Senator Leger to make a speech in the Senate and I hope you will re-iterate what you said last year. I intend to get even with the Winnipeg Convention. When I heard the choice made then, I said "they would rue the day that R.B. was chosen leader." I admit you could have stayed and I always believed you made a mistake. I am only a poor Caraquet Fisherman but let them try and put anything over on R.M. Rive or Arthur Meighen.

Sir John McDonald, by accident, laid down the National Policy. By premeditation and careful study I hope, expect and trust that you will in this coming session lay down the policy of what Canada's defence and offence should be in time of War. To be sure that it can carry it out, it will have to prepare in time of peace. As I wrote you before, your speech last year in the Senate was a Classic. Another thing I am going to ask you to do during this session is to lay out the Rowell Commission in the morgue with candles and flowers which the electorate of Canada will be only too glad to furnish in the next election. The farther it probes, the worse it gets. As an example in Nova Scotia when the question of taxation came up, Mr. Rowell made the statement, "It is all very well to give Nova Scotia a greater subsidy, but where is the money coming

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120926

New Brunswick Office
48 Prince William Street
Saint John, N. B.

AFFILIATED PUBLISHERS OF
"PROMINENT PEOPLE
of QUEBEC"

"PROMINENT PEOPLE
of SASKATCHEWAN"

NOW IN PREPARATION
"PROMINENT PEOPLE
of ONTARIO"
of
MANITOBA, ALBERTA
and BRITISH COLUMBIA

The Biographical Society of Canada

Approval of
THE LIEUTENANT-GOVERNOR
OF NEW BRUNSWICK
THE HONORABLE MURRAY MACLAREN
C. M. G., V. D., LL. D., M. D., M. R. C. S.

"PROMINENT PEOPLE"
New Brunswick Division

SAINT JOHN, N. B.

from?" What authority has Mr. Rowell to ask or answer that question?

Quebec can be taught, and should be, that its future lies within the folds of the Union Jack. The trouble is that outside of Sir John A. McDonald, Quebec has never trusted Politicians. They did not even trust Laurier. If Le Devoir had not been the gold mine that it became by its attitude, Bourrassa would not have been the "rantor" that he proved to be, and even Bourrassa was not a prophet in his own country, as was proved in the last election in LaBelle. As Sir Hector Langevin said about Sir John A. McDonald, "Quebec loved him becuase they trusted him," and Quebec trusted Sir John A. McDonald more than they loved him and he was deserving of their trust.

In the event of amendments to the B.N.A. Act, in my opinion, I think it would be advisable that the Legislation should be initiated in the Senate instead of the House of Commons, although promoted by the House. In that way, all question of partisanship would be avoided. The Senate as a Quasi Judicial-Legislative body would have more weight in convincing the people of Canada that any amendment is necessary than any other Legislative or Judicial body that I know of.

With very kind regards, and not believing a word of what you say that you are out of active politics, I remain

Yours sincerely,

R.M. Rive

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120827

320 Bay Street, Toronto,
April 15, 1930.

Mr. R. M. Rive,
The Biographical Society of Canada,
New Brunswick Division,
Saint John, N. B.

Dear Mr. Rive:

I am just in receipt of your telegram. Have not as yet made any statement because many of the Members don't want me to make any. I will give consideration to your request as well.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM 6122

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	D L
Night Message	N M
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAPHS

D. E. GALLOWAY, ASSISTANT

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Single Service to the World Transferred Telegraph

CNT 6296
5-36

CONFIRMATION OF TELEGRAM

Telephoned

TO BE.....

STANDARD TIME

1938 APR 12 PM 9 22

JBA225 9=SAINTJOHN NB 12 1010P

RT HON ARTHUR MEIGHEN=

1912 TOR=

STAND PAT STOP MAKE NO STATEMENT PREVIOUS TO CONVENTION=

RIVE.

120928

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120929

320 Bay St. Toronto,
May 16, 1938.

Mr. R. H. Rive,
Biographical Society of Canada Ltd.,
48 Prince William St.,
Saint John, N. B.

Dear Mr. Rive:

I have your letter of 15th. The book has not come, but I will be glad to receive it, and thank you for it now very much indeed.

Am sending you the Senate Debates of last Wednesday. You will see from my speech of that date that I was discussing solely the matter of Constitutional law. I believe you have had legal training, and if so, you will quite readily see that my argument was sound.

When you come to the subject, however, of a Party platform, you are on a topic which you know all about and I know very little.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120930

NEW BRUNSWICK OFFICE
48 PRINCE WILLIAM STREET
SAINT JOHN, N. B.

The Biographical Society of Canada Ltd.

"PROMINENT PEOPLE OF NEW BRUNSWICK"

Saint John, N.B., May 13, 1938

Honourable Arthur Meighen
The Senate,
Ottawa, Ontario

Dear Mr. Meighen:

I am sending you a complimentary copy of a book that Colonel McLean published with my feeble assistance, known as "Prominent People of New Brunswick". You will find among them pretty near all Tories.

This may not be very refined, but I will send it anyway. "Why fine-comb for a louse, that does not exist in the head of Canada's Constitution? It is only an itch that can be cured, without decapitation."

I still do not believe that Canada, in spite of what Cahan and Bennett say, should have the right to amend its own Constitution, and that the Supreme Court of Canada should be the last Court of Appeal. Politics are bound to creep in, as they have done in the United States, if it had not been for Hughes.

For the first time since I have followed your career, I do not agree with you on the matrimony question, if you are properly reported by the Canadian Press, that it is not a question of Civil Rights. It may be another case where you have been misquoted, as you were in your Hamilton speech. Personally I favor that the Provinces (territorially) should have the right to decide what are Civil Rights, and I would think marriage is one of them, and the incidents of marriage, and should not be made National. There are two examples that I can quote you. The Province of Quebec has theatres open on Sunday, and base ball. The other Provinces do not allow it. Draw your own conclusions.

Unless the Party at the Convention decides on a policy that will not only fit the National needs as well as insure the rights of the Individual units, I cannot see how Confederation can ever be a success.

Re: Railways. I noticed what Fairweather said in the Senate Committee about the C.P.R. and the C.N.R. If the C.P.R. would co-ordinate, amalgamate, unify from Montreal to the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW BRUNSWICK OFFICE
48 PRINCE WILLIAM STREET
SAINT JOHN, N. B.

120931

The Biographical Society of Canada Ltd.

"PROMINENT PEOPLE OF NEW BRUNSWICK"

Saint John, N. B., May 13, 1938

Honourable Arthur Meighen 2

Maritime Provinces, the Railway situation would be settled as far as the Maritime Provinces are concerned.

The next question is the tariff. No matter what the Maritime Provinces have suffered through a protective tariff, I still believe and will always believe that if we are to keep Canada, Canada, we must have a protective tariff, if we are to have a united Canada with Canadian ports and transcontinental lines. Otherwise, if the Maritime Provinces do not agree to a protective tariff, and they want to buy goods elsewhere, why should not Quebec, Ontario, and the rest use the following ports: Portland, Boston, New Haven, New York, instead of Saint John?

You may have noticed where Australia is undertaking to make news-print out of Eucalyptus trees. I notice the plan of putting tariff on all news-print imported. A fine Imperial gesture! and remembering that Canada sold 95% of its news-print to Australia.

My idea of a policy to lay down at the Convention is --

(1) A tariff, protective, not necessarily high, but adequate.

(2) A defense policy that would assure Great Britain that New Brunswick and British Columbia must be considered the out-posts of the Empire just as the Rhine is where we may have to fight. (When England is at war, Canada is at war. Sir Wilfrid Laurier).

(3) Amalgamation, unification, of the C.P.R. and the C.N.R., using the transcontinental as the out-posts to the Atlantic Coast.

I have done this hurriedly, but it may help you in your stand, and you are the only one that can convince the Canadians that is the solution of a Canadian nation under the Union Jack.

Yours very truly,

R. W. Rice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW BRUNSWICK OFFICE
48 PRINCE WILLIAM STREET
SAINT JOHN, N. B.

120932

The Biographical Society of Canada Ltd.

"PROMINENT PEOPLE OF NEW BRUNSWICK"

Saint John, N. B., May 22, 1938

Dear Mr. Meighen:

After the Convention is over, I would suggest that you and Mrs. Meighen, and Teddy, if you can get him to come, would visit New B runswick, and I am offering you the hospitality of our home up in Caraquet for a few days. There you will meet the real French Acadians.

It is a spot where poets are born, and the only place I know of where the sun rises and sets over the water. The roads are good, and the holiday will do you good.

As ever

Rive

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120933

Ottawa,
May 24, 1938.

Mr. R. M. Rive,
The Biographical Society of Canada,
New Brunswick Division,
Saint John, N. B.

Dear Mr. Rive:

I duly received your telegram.

Please keep in mind that what I was discussing was the actual existing law. What I stated was in my humble but very firm opinion the law as it stands. The base of that law is the B. N. A. Act--an Act which it is going to be very hard to change.

I have already advised you as to where I stand on the leadership matter.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120934

FORM 6125

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	D L
Night Message	N M
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ONT.

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

STANDARD TIME 1958 MAY 22 AM 3 06

JBA11 80 NL=ST JOHN NB 21

HON ARTHUR MEIGHAN=

TORONTO ONT=

1814

READ YOUR SPEECH STOP DO NOT AGREE WITH YOU STOP CONSTITUTIONALLY YOU ARE RIGHT STOP PRACTICALLY WRONG STOP AMEND THE BNA AND GIVE EACH PROVINCE THE RIGHT IN MATRIMONY AND DIVORCE AS YOU HAVE ALMOST DONE WITH LIQUOR STOP THE MAJORITY IN NB IS OPPOSED TO DIVORCE OF ANY KIND STOP I AM LOOKING FORWARD TO YOU AS LEADER OF THE PARTY AND WOULD RATHER GO DOWN UNDER DEFEAT WITH YOU THAN WIN WITH SOMEBODY ELSE AND WE CANNOT LOSE=

RIVE.

O/K am

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120935

50-R

Ottawa,
May 26, 1938.

Mr. R. M.Rive,
Biographical Society of Canada Ltd.,
Saint John, N. B.

Dear Mr. Rive:

I just received your letter of 23rd May. It is refreshing to hear occasionally from a real Canadian who is able to look with a clear eye on Canada as Canada, and peer past the boundaries of his own Province.

I see nothing new in the Rt. Hon. Mackenzie King's statement on foreign policy. It is a repetition of the purely negative attitude he has assumed for years, and is all right as long as nothing happens. Negative attitudes are always harmless while nothing big occurs. Am afraid something big will occur, though, but we are doing very little to encourage our real friends and strengthen our only line of defence.

I do not think you have any idea of the amount of work I have to overtake between Toronto and here, and I simply cannot contemplate a visit now to New Brunswick or anywhere in the future at present within range.

Very many thanks for your very kind offer of hospitality.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW BRUNSWICK OFFICE
48 PRINCE WILLIAM STREET
SAINT JOHN, N.B.

120936

The Biographical Society of Canada Ltd.

"PROMINENT PEOPLE OF NEW BRUNSWICK"

Saint John, N.B., May 23, 1938

The Right Honourable Arthur Meighen,
Senate of Canada,
Ottawa, Ontario

Dear Mr. Meighen:

Your letter received. Your book has been forwarded today, and I would ask you to look at Page 200. In its pages you will renew acquaintances with many of your political friends.

I read your speech carefully and still cannot agree. You are absolutely right from the point of view of the Constitution. I will never agree that the B.N.A. Act is wrong. There should be amendments, but nothing more.

I expect to be in Ottawa on July 5th, and I am hoping against hope, that we can surround you and force you to be the next leader, win or lose. Hanson, George B. Jones, and all your other friends in the Maritimes hope that you will accept. It is our only hope for victory, and even if defeated, your prestige will not be hurt.

The Rowell Commission is a fiasco, as I have predicted. Dafoe et al have no business coming to the Maritime Provinces and telling us what we should do, or not do. The enquiry already has caused more or less disruption.

I am out and out for a tariff. The Maritime Provinces can thank their stars that they are part of the Confederated Sovereign States. If I had my way, and the Maritime Provinces had theirs, I would make Portland, New Haven, and New York, the summer and winter ports of the C.N. Railways. The only reason Saint John and Halifax are considered, is because they are a part of Canada.

I am going further and telling you this, that a Commission appointed by the British Government, came over to North America, visited the United States with the idea of establishing aeronautic plants in North America. The question of neutrality came up. The Commission voted against investment in the United States on account of the question of neutrality, which proves

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120937

NEW BRUNSWICK OFFICE
48 PRINCE WILLIAM STREET
SAINT JOHN, N. B.

The Biographical Society of Canada Ltd.

"PROMINENT PEOPLE OF NEW BRUNSWICK"

Saint John, N.B., May 22, 1938

Right Honourable Arthur Meighen 2.

conclusively that when England is at war, United States is not necessarily at war.

Why not have the English Government invest its money in British Columbia and New Brunswick for purposes of defense and establish conclusively, as Sir Wilfrid Laurier said, "When England is at war, Canada is at war." "The jingle of the penny will heal the hurt that honour feels," and once that England invests its money for defense purposes in Canada, regardless of what McKenzie King may say, "When England is at war, Canada is at war."

I told you some time ago in conjunction with the building of the Quebec Bridge and Sir Wilfrid Laurier's policy, that trade must flow "east and west like water through a Mill race", and from Montreal east. If we intend to keep our country one, under Sir Edward Beatty's plan there should be unification or amalgamation, or anything else you may call it, of the C.N.R. and the C.P.R. We will make the I.C.R. and the C.P.R. through Maine branch lines and use the National transcontinental as the main line.

Dear Mr. Meighen, we intend to surround you on July 5th and force you to be leader of the Conservative Party, win or lose.

Yours truly,

R.M. Rice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120938

NEW BRUNSWICK OFFICE
48 PRINCE WILLIAM STREET
SAINT JOHN, N. B.

The Biographical Society of Canada Ltd.

"PROMINENT PEOPLE OF NEW BRUNSWICK"

50-R

Saint John, N.B., June 6, 1938

The Rt. Hon. Arthur Meighen,
The Senate,
Ottawa, Ontario

Dear Mr. Meighen:

Thank you very much for your letter.

I was at Denton Massie's meeting, and as usual raised a disturbance on the question of Railways. Denton Massie has about as much chance of being a leader as McBride when he challenged Borden's leadership at the Ottawa Convention.

There are only two men that can lead the Conservative Party to victory, one is yourself and the other is E.L. Patenaude, the present Lt. Governor of Quebec. Now that Hugh Graham is out of the picture, I am so satisfied that you have the right policy on tariff, the right policy on railways, and the right policy on the defense of the Empire that you are the natural choice, whether you like it or not, of the Conservative Party.

You are the only one outside of Sir John McDonald and Sir Wilfrid Laurier that came down to the Maritime Provinces and understood them. In spite of the fact that Bennett was born in the Maritime Provinces, he did not understand them. He was a Westerner. I am laying down the law, and I intend to have it carried out, that New Brunswick and British Columbia are the out-posts of the British Empire, regardless of where our defense is, whether it is on the Rhine, Czechoslovakia, Russia, Japan, or anywhere else.

With Sir Wilfrid Laurier I will say "When England is at war, Canada is at war" and with Sir John McDonald, I will also add, "A British subject I was born. With my last breath and my utmost effort will I oppose the veiled treason that tries to ~~oppose~~ stray us from our alleigence.

Dear Mr. Meighen, I have the greatest faith in you. You are sincere, honest, and decent. Good day.

R. M. Ray

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120939

Ottawa,
September 6, 1939.

Mr. R. McRive,
Moncton, N. B.

Dear Mr. Rive:

Just received your wire. There will be no shillyshallying on my part--you can depend on that.

Yours very truly.

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

CANADIAN NATIONAL TELEGRAM

TELEGRAPH CANADIAN NATIONAL AND CABLE

D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ONT.

120940

Exclusive Connection with WESTERN UNION TELEGRAPH CO.
Cable Service to all the World
Money Transferred by Telegraph

STANDARD TIME

1939 SEP 6 AM 8 26

MOA13 14

MONCTON NB 6 905A

SENATOR ARTHUR MEAGHAN 028

OTTAWA ONT

NO SHILLY SHALLY STOP BACK THE UNION JACK THE COUNTRY IS BACK OF YOU RIVE.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120940

Ottawa,
May 22, 1940.

Mr. R. M.Rive,
New Carlton Hotel,
907 Windsor St.,
Montreal, Que.

Dear Mr. Rive:

I have read carefully your letter of 20th.

Mr. Hanson has had a lot of experience, and I think will guide the Party very well in the Commons.

Just now events are of such a destructive and crashing character that it is difficult to think in the terms of our former life. Anything almost may happen any time.

Yours very truly.

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

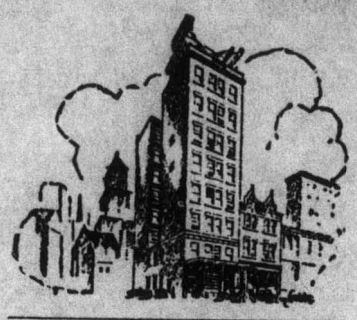
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120942

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

May 20th/40

Dear Mr. Meighen,

I have completely recovered from the shock to my nervous and political system caused by the debacle of March 26th last. My recovery was hastened by what happened in North Bellevue and by the action of the 38 tried and true Tory representatives at Ottawa. Hanson's speech was more like old times, if he had omitted the personal reference to Mr. Gov. Clark. I was wrong in my

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

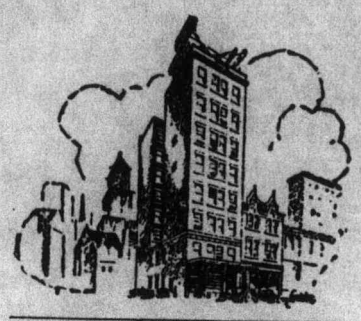
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2-120943

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

my selection for Premier. I was completely fooled by Ontario, but when I was over his hindsight instead of his foresight, the result is easily explained. Marcon made a mistake of it. As I wrote to you once, "Quebec gave him her plaudits and Lapointe her votes". In the same way as Quebec's welcome to the King & Queen was the most vociferous, so her voice for participation in the war was the most faint.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

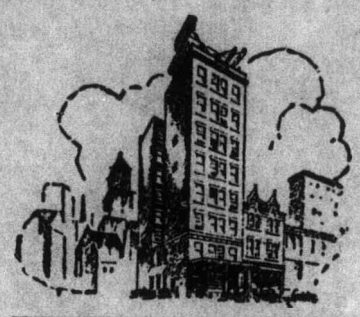
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3 120944

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

I do not blame the voters. I blame their leaders. I actually read in "Le Canada" a statement by Lapointe that by voting for the Liberals Quebec would be assured of the minimum of participation.

When I insist on my key for the 4th time I was going to make the period till you became premier, and if I had been sure you would have accepted, I would have made that date the blow up. I entered

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

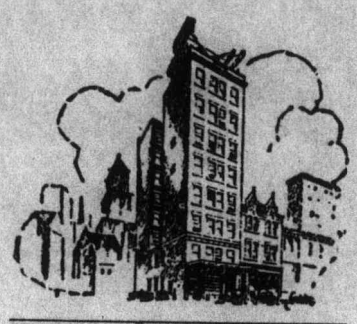
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

I made it till 1941. Without any flattery, adulation or sycophancy, as I have written day or so often, you are the party's only hope. We need the fighting spirit that you can instill. Hanson has blocked out well. He makes a fair did stop-gap.

This is all preliminary of what I am writing about. I can see Mackenzie King's tactics in the House of Commons. They are as plain as the nose on Angel's the weather's face. He intends to talk Co-operation in the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

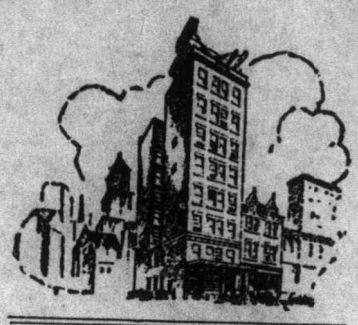
5

120946

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Borden, as he started it entry in the country and then blame the Borden for abstaining Canada's efforts in the war.

I am going to suggest a method of spiking his guns, and unmasking his hypocrisy on the question of participation - whether it is parliamentary, constitutional or not I am writing it to you in any case.

Abbot ~~Elliot~~, who ran against R.S. White and the other youth who ran against Sir Carter, would lose their deposits if there was an election today - the feeling is running high.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

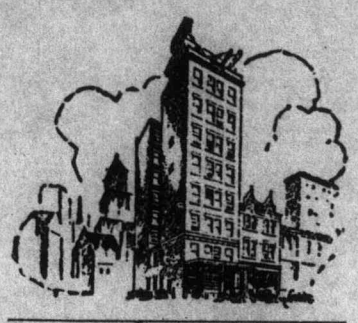
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6 120947

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

My question is that an amendment be moved to the motion to adopt the answer to the Speech from the throne (whatever it is not to be done) to read as follows-

Whereas the present Government, lacked foresight in preparing the country for a war That even every Child knew 3 years ago was inevitable,

And whereas the Government should have known that the German attack would reach such hideously unfair cruel and colossal

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

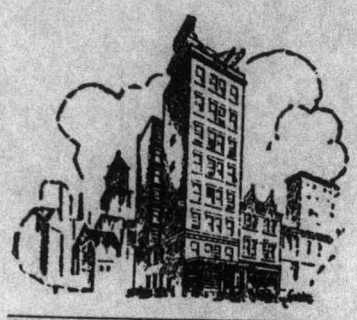
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

7 120948

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

proportions that it would take all the resources of the Empire in resources both material and human to meet that attack

Be it therefore resolved that the House condemns the Government for its lack of preparedness, initiative, forcefulness and capacity in directing Canada's war efforts in doing its share as part of the Empire to carry the frightful burden

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

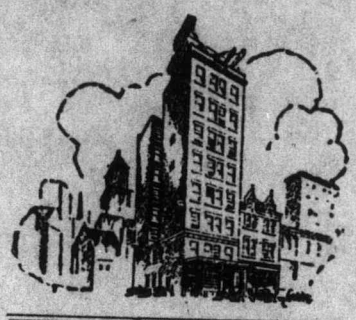
8

120949

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

this war has directly imposed on the people of Great Britain in waging this war

And whereas this was done in defiance of the acknowledged sentiment in Canada that this Country's contribution should only be limited by offering its full co-operation & the extent of its resources both material and human,

Now be it resolved that this House of Commons condemns emphatically

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

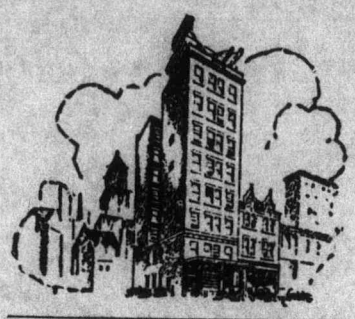
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

1 120950

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

and unequivocally the government conduct of Canada's war effort; that the government has lost the confidence of the Canadian people in its capacity and ability to carry on, and that it should forthwith resign and ~~reorganize~~ be organized a National Government.

Be it further resolved that the first steps to be taken is classification of Canada's man power

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

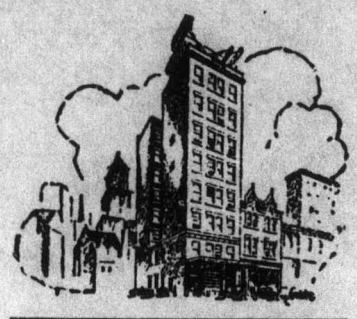
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

10

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

for active service and war-like industrial services, so that we would be in a position to raise an army without delay either by voluntary methods or by conscription enforcement, those qualifying to be immediately trained."

So forever bury the ghost of conscription I would further add to the resolution, "And if the need arises as it

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

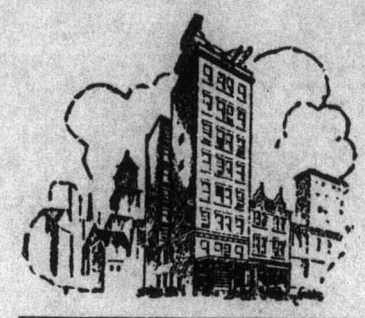
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

11

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

becomes necessary Conscription should be put into effect."

I believe I am right. No more kowtowing. Bring McKenzie King and Lapointe out in the open and let them suffer for their most unfair tactics in the last election.

It is the only way we will ever get Quebec back in line. Give in

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

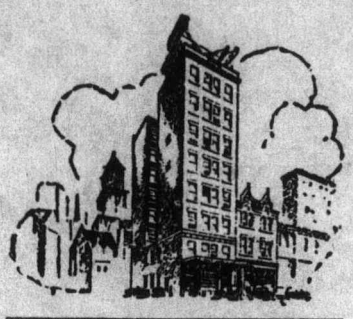
12

120953

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

how and ~~you gone~~ you did done.

If P.D. Ross kept the letter I wrote him on my interpretation of "The Address from the Throne" I think you would ask him for it.

We were never in a better position to revive the Conservative party without adopting new fangled ideas & insert in the platform. The Country never needed the guidance of the Conservative party more than it does.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

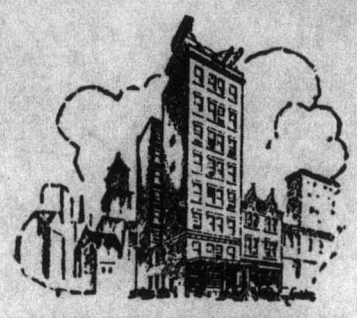
13

NEW CARLTON HOTEL - - MONTREAL

120954

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

today.
I am looking forward to some of your speeches in the senate. Mackenzie King will have to take his medicine this time. There will be no dissolution except for the purpose of kicking him out which he so richly deserves.

Yours

Address
1243 Stanley St
Montreal.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

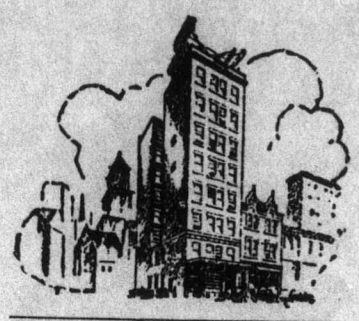
14

120955

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

I know my resolution is all cock eyed in parliamentary form - But it represents my views as to what ought to be done, regardless of what the Government may offer to do now. Repentance and recantation have come too late.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

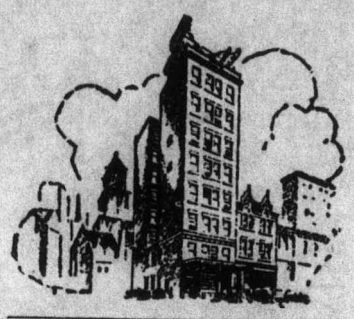
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120956

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

May 24/40

Dear Mr. Meighen,

Is there not something that the Senate can do, so that it would or could be put up to Parliament to choose a new Premier and a new Minister of Justice or we will wreck the whole thing. I would give up my own seat near St Peters, on account of being such a good Tory, to see King and Lapointe get the gate - With them where they are, I feel like I feel, and like the majority of Canadians must feel, when I was in a ship

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

120957

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

and dis that have confidence in the captain or mate.

But this is not what I was writing to you about. In my work I ran into two Germans, a shoemaker and his wife. He was a bricklayer by trade. This will interest you. They had been reading Hitler's book and were laughing about it. The woman is a very clever woman. The husband served in the last war on the German side, and was in Latvia at the time.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

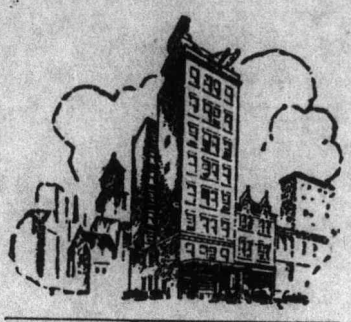
3

120958

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

He worked in Russia, saw service in Poland, worked in Roumania Jugoslavia, Croatia, was in Bulgaria - in the shoemakers.

I was there the day the German showed up in Norway.

First of all about the bank - Know Hitler as he did, he said "Hitler was not a fool. He used the bank to camouflage what he intended to do. Do you think if Hitler was going to rob a bank, he would ring up the manager and tell him he intended to rob the bank at 10 a.m. the next day"

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

120958

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

He said the Germans were at their last ebb when Hitler appeared. He was like the piece of chaff to which the drowning man clings. He claims the Germans think he is almost a God and that there is not a chance of a revolution. There is also no chance of STARVING Germany as there was in the last war. He predicted before it happened, Germany going into Denmark without a fight. He said Holland would be taken in 2 days, Norway in a week. The English he claimed

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

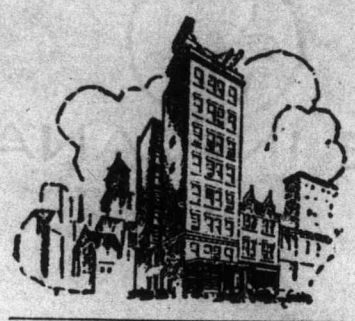
5

120960

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Mr Hanway,
Could not hold on, He gave Belgium 10 days resistance: Roumania, one week if they resisted. He thinks The Danes, Dutch Norwegians Swedes, the finest people in the world, industrious peace loving, well educated and with a good democratic government. The Roumanians he claimed were the lowest class in Europe. I pooh-poohed most of what he told me but now I realize how right he was and how much he predicted has come true

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

120961

In the last war he told me his father-in-law went from 180 lbs to 115 and was a walking skeleton at the end of the war. He is still living at 73. There was a place for orphan girls (This is the wife's story) just back of her place. At the end of the war there 10 & 12 funerals a day, deaths from starvation. Energy quit because the whole nation was starved to death. He seems to have become a good Canadian but I have my doubts. I do not know whether to notify the R.C.M.P. or not. I think I will. He says the Germans work 16 hours a day and the Canadians play at work.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120882

Just across from the Remake Shop, there is an aeroplane factory going up. He said if that were in Germany it would have been finished long ago.

What a hell of a Government we have had since the Ottawa Convention. Nothing may happen, but when one thinks of what may happen or might happen, it makes one's blood boil even to listen to McKenzie speak or read his speeches. Laporte's treatment of the Ex Gov Bruce was the height of impertinence — we are missing the greatest opportunity of making the a great Country,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120963

as it (this war) should
awaken a national
spirit, which we sorely
lack, unite us all as
one without dissentions,
in spite of our diversity
of races creeds and languages
& uphold our British
Connection, our British
system of Government,
our abiding faith in
the empire, our allegiance
to the Crown. The French
Canadians would share
our views if we could get
rid of Sir Lafontaine Cardin
and others of their ilk. I
believe if Bourassa were
active to day he would be on
our side - I would like to know
his views -

Rwl -

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120964

Conn Party

30-R

320 Bay Street, Toronto,
June 3, 1940.

Mr.R. M. Rive,
New Carlton Hotel,
Montreal, Que.

Dear Mr. Rive:

I have your letter of 31st May which I have read carefully, as I always read your letters. Certainly it would be a good thing to have someone do just as you suggest. A great big truth is this:—The Union Government formed under dire necessity and certainly without selfish purpose, had the result of paralysing the Conservative press as a Conservative press. From that day, newspapers formerly Conservative steadily became independent, feeling that such was their duty at the time. The Liberal press, having a Liberal party to support, remained Liberal. We have suffered from this condition ever since and suffer from it today, and the lot of a Conservative Leader is, as a consequence, exceedingly unenviable. We were defeated in the last election overwhelmingly and are now expected to act just as if we had won.

Furthermore, I am not Conservative Leader. I have gone through that mill. I do not know of funds to take care of even the work you feel so essential. The condition of affairs is a very unhappy one so far as I am concerned. Canada is suffering heavily as a consequence, and is going to suffer more.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

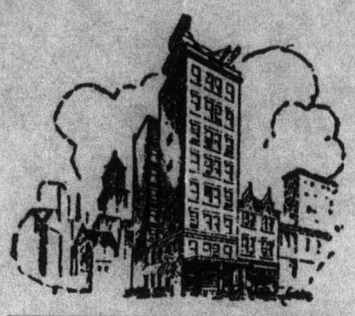
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120965

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Mar 31/40

Dear Mr. Meighen,

I wish you would put me on the list to receive the Senate Hansards. In Montreal we only get garbled reports of the speeches, and generally spoilt by headlines and over-emphasizing the dramatic part of a debate.

I am making an suggestion for the establishment of a branch

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

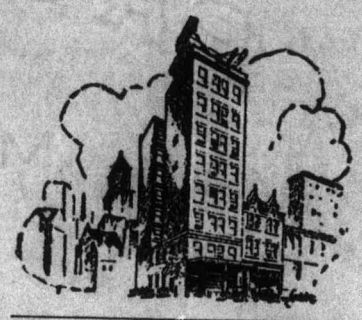
2

120960

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

the possibility here are of the Tory party, if there is such a thing, and I am applying for the job as I consider myself in every way qualified. I have quite alcoholic liquor completely for the duration of the war as I consider that everyone, no matter how small a part he plays in helping the country win the war should keep his

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

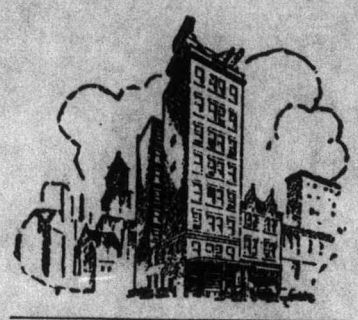
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

mind and body fit. And I mean it. It has now lasted 2½ months. I started with one month extended it to six then to 1941 and now for the duration of the war, which certainly looks as if it will extend beyond that time.

The Tory party, and you particularly, have suffered tremendously from the lack of newspaper support. It is no good yelling one's

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

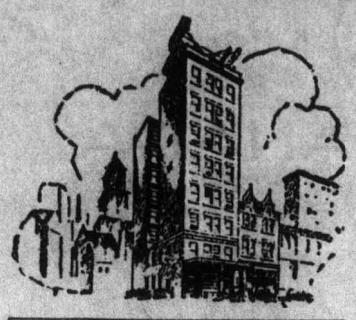
4

NEW CARLTON HOTEL MONTREAL

120968

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

head off if the newspapers will not give the space that the speech deserves. We have suffered cruelly from the attitude of the French Canadian newspapers and what they write. The editors are so sure that what they say and allow to be published by special writers and as news will never be read by the great majority of the English, that they feel at liberty to feed their readers

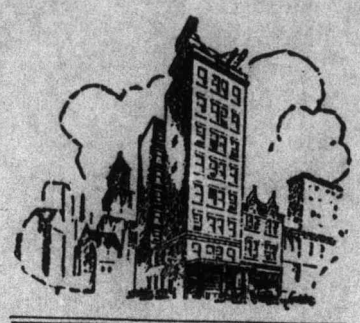
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

with the most damning articles anti-Tory & anti-imperial. I have been in a number of English newspaper, news offices, and the French papers are not even glanced at, except for some news item of morbid interest or with news value. Le Canada is the worst offender.

Now my plan is this, to get the Ottawa Journal the Moncton Times, the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

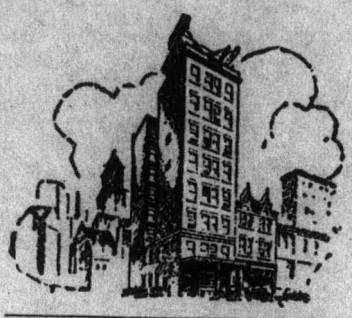
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6 1.26970

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Toronto Telegram, the Hamilton Spectator, and other leading Tory newspapers to run once a week a full page of what the Quebec French Press says. Every French Daily and weekly should be gone over with a fine tooth comb. I know if that had been done previous to the last federal election and the last Quebec Provincial election, the French newspapers would not

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

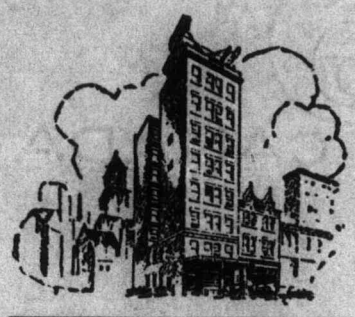
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

7

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

be so free with their written word. They would put a check rein on the bridle of the pen. I will guarantee if that were done for a month, you would better notice the difference, or the more they sinned the greater would be their punishment. I would like you to put it up to the powers that be. I will undertake any test to find out if I am qualified

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

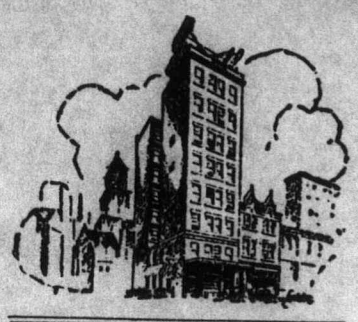
8

NEW CARLTON HOTEL MONTREAL

L20972

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

for the job. I know I am qualified. If they want comments I will make them without offending the susceptibilities of the decent French of which there are legion.

Once we reach power we can put on ~~the~~ a 'blitzkrieg' that will break the unreasonable and unpatriotic hold the Liberal party has on the French vote.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

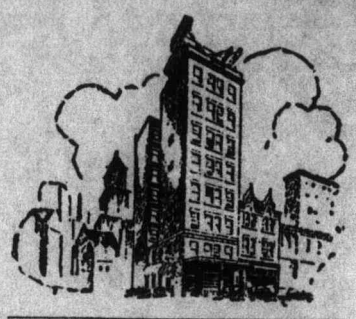
9

NEW CARLTON HOTEL - MONTREAL

L20973

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

I can quote a dozen instances where if the French press had known (the real press) that what they said would be translated and broadcast as I may get, the articles would never have reach the press-room.

think it over.

A M Rae

1243 Stanley St
Montreal P.Q.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120974

#30-R.

Ottawa,
June 27, 1940.

R. M. Rive, Esq.,
New Carlton Hotel,
907 Windsor St.,
Montreal, Que.

Dear Mr. Rive:

Answering yours of 26th re Unemployment Insurance, I cannot do better than send you copy of Senate Debates of yesterday and today, containing my remarks on the subject.

Yours very truly,

AM/E.

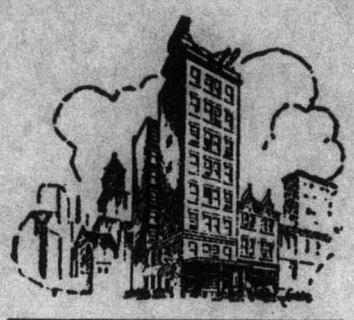
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

20975

June 26th/40

Dear Mr. Meighen,

As I wrote to you to you some two years ago re unemployment Insurance, why should not the Dominion pass an Act first, subject to ratification by the different Legislatures - Pass it at the begining of the Federal Session. Then let the Provinces offer amendments, if

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

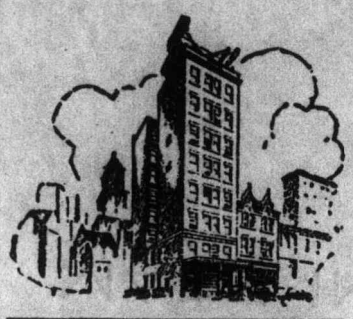
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
P. D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

which there would be fixed, if considered beforehand. Some it seems simple, even including Quebec. As you say, "If Quebec is taxed and does not get the benefit, then it will not be long till Quebec agrees."

Then you would get unanimity of opinion or better "unity" a la Mackenzie King -

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

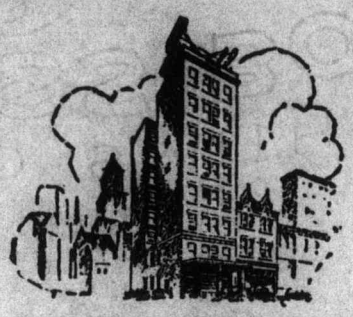
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
P. D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

I still believe you should rain hell about Canada's war effort. It is putrid.

I notice how they are still fooling Quebec on the conscription issue, saying "it does not apply to overseas service".

Ever yours
Riel

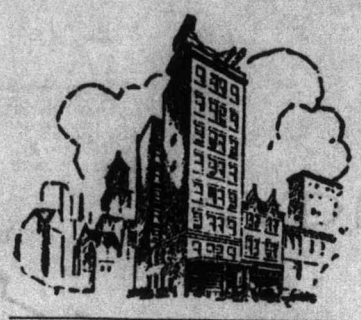
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Armistice Day
Nov 11th

Dear Mr. Chamberlain,

Neville Chamberlain

I have never agreed with the abuse heaped on Chamberlain over Munich. Let us take what preceeded Munich. Austria has gone taken without a struggle. Czecho-Slovakia threatened although her integrity guaranteed by France,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

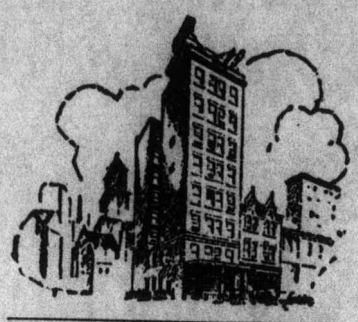
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

NEW CARLTON HOTELS - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

with France being able to give as much aid to that Country as England and France could to Poland.

Hitler, the arch devil, then only asking for the return of what had been taken from Germany in the last war.

Chamberlain realizing, and knowing, France was not prepared, also knowing that England

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

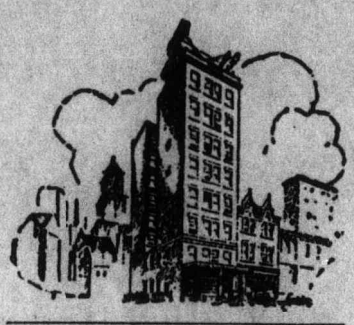
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

NEW CARLTON HOTELS - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

with France being able to give
as much aid to that
Country as England and
France could to Poland.
Hitler, the arch devil,
then only asking for the
return of what had been
taken from Germany in
the last war.
Chamberlain realizing,
and knowing, France was
not prepared, also
knowing that England

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

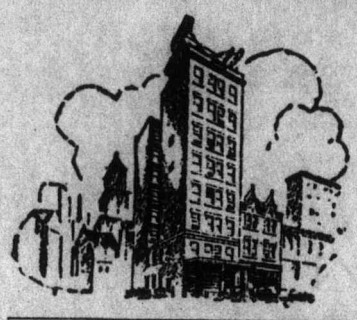
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
PERCY D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

was not either played for time, and although Lord Baldwin and that fool Labor leader Ramsay Macdonald were responsible for England's unpreparedness, knew what war was inevitable played for time. He did not trust Hitler, took his word, which was no good, and Chamberlain knew it was not,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

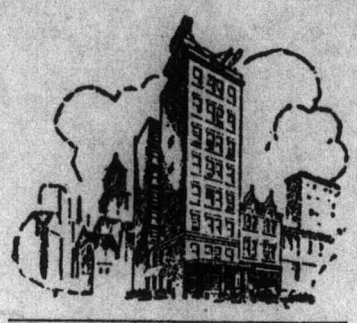
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
PERCY D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

and he got the Extension of time that England needed. In that respect Chamberlain deserves lasting memory. Eden would have gone to war. Inspections Eden would have thrown England into a rear, when she was not ready, while Chamberlain got the respite.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

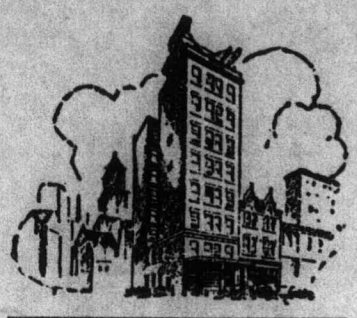
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
PERCY D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

and he got the Extension of time that England needed. In that respect Chamberlain deserves lasting memory. Eden would have gone to war. Inspections Eden would have thrown England into a rear, when she was not ready, while Chamberlain got the respite.

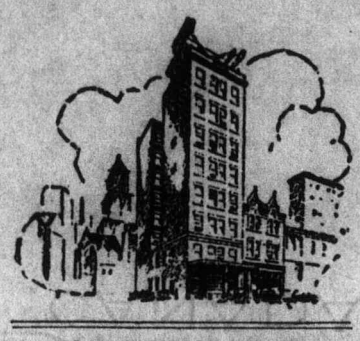
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Chamberlain was right
Eden was wrong.
Chamberlain was the
right man at the head at
that time and retired
at the right time to
give place of Winston
Churchill -
Chamberlain was one
of England's great
Chancellors of the
Exchequer and the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

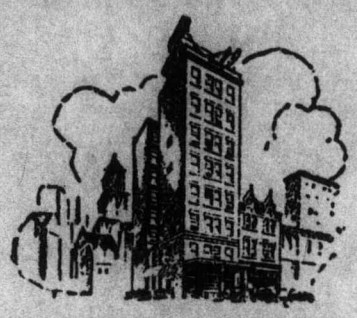
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

7 120984

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

a dumbbell but as
a son of Joe he was
given good posts.
Joe was the cleverest
one of the lot, but on
account of his
roughness and
disloyalty to anybody,
he never could
attain the Premiership
of England.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

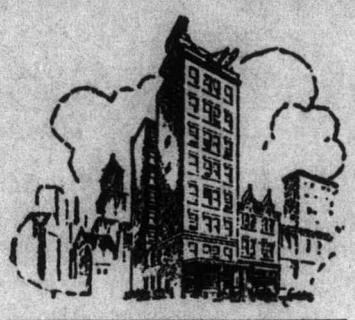
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

NEW CARLTON HOTEL 20983 MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

man that carried England through the greatest financial crisis the world has ever known. He made Englishmen balance their budget and he made them like it. That is to his credit.

He was not a war man. Neither was Asquith - Asquith was

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

8

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Joseph Chamberlain was a great imperialist.
I often wonder whom he married, when I think of Austen and Neville-
She must have been a very mild woman and a lover of peace instead of war. It shows in Neville.
What makes me so confident of the final

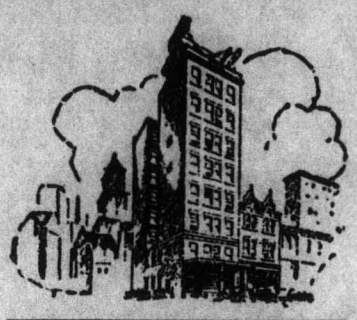
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

result is Churchill.
He was the grand-son
of Marlborough, the
greatest military strategist
of all time, the only
one that surpassed
Napoleon in military
genius —
As for Chamberlain
("Neville") may he rest
in peace, there is

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

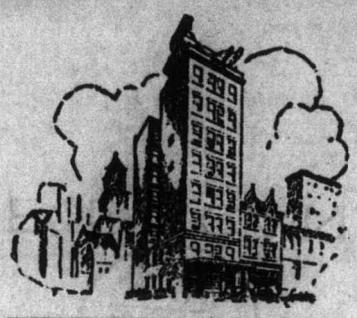
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

10

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

one person that will always think he did his work nobly and well, and sacrificed everything, especially to be allowed to be misunderstood, for the good of his Country

as that is

R M Rae

Same address
Winter James & Rondeau.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

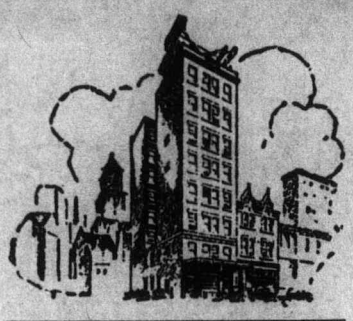
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

120988

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
PERCY D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

no R

Dear Mr Meighen,
My quotations are in Quebec records "Lion from the Lion Report" the greatest anti Lang publication ever issued and I can prove it.
Straight isolationist

Rice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120989

30-B

Ottawa,
April 2, 1941.

Mr. R. M. Rive,
James-Rondeau Printing Co.,
Lagauchetorie St.,
Montreal, Que.

Dear Mr. Rive:

I duly received your note and have taken steps to have same placed before Mr. Ross.

Yours very truly,

AM/R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120990

Mo-R

O t t a w a,
April 2, 1941.

Mr. Grattan O'Leary,
"The Journal,"
Ottawa, Ont.

Dear Grattan:

Herewith is a letter from our old friend, R. H. Rive, which he wants placed before Mr. P. D. Ross--why, I am not quite certain. Anyway I leave it to you.

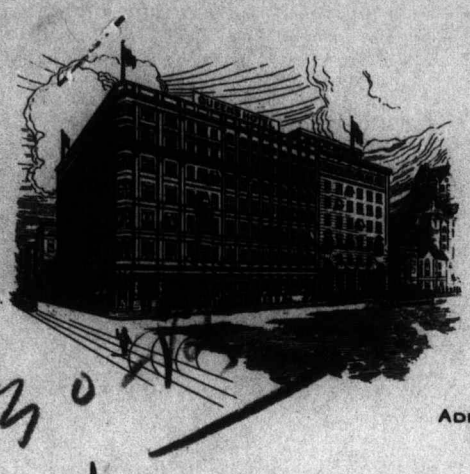
Kindest regards,

Yours very truly,

AM/E.
Encl.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



CABLE ADDRESS "QUENSOTEL"

120991

The Queen's Hotel

MONTREAL, CANADA

ADELARD RAYMOND
VICE-PRESIDENT

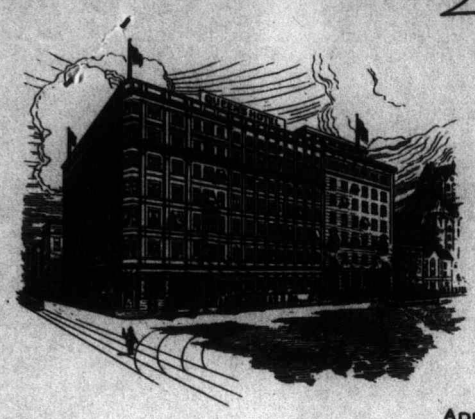
No

Dear Mr. Meighen,
They have a translation of Winston Churchill's statement
"Give us the tools and we will finish the job"
Mine is
"Donnez-nous les outils et nous finirons la besogne"

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2



CABLE ADDRESS
"QUENSOTEL"

120992

Queen's Hotel

MONTREAL, CANADA

ADELARD RAYMOND
VICE-PRESIDENT

all the other translations are tommy rot. Mine is correct

Rice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

120993

May 9/41

Dear Mr. Meighen,

The following is the address of "Life" of which we have heard so much about and is quite a "live" issue.

Time Inc.
330 East 22nd St
Chicago, Ill.

All good things come from Chicago including Al Capone - Will you please see that the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2

NEW CARLTON HOTEL - MONTREAL

120994

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Letter I enclose goes to the Conservative Organization if there is such a thing. Personally I believe it is as non-existent as International Law and with about as much sanction.

I may last letter the party said the salary to you should be $20000 a year. I omitted "the year".

Yours truly
R. McKenzie

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

R. M. Rive

May 10/49

120995

Dear Mr Meighen,

I read part of Halston's appeal for recruits 20,000 badly needed - Volunteers - We have had regulation at great cost to the country - Why recruiting? Why Volunteers? Why not Conscription? The latter, the only fair reasonable and proper way to raise an army in my opinion.

I claim it is up to you, the only man that can tell them, and the country will believe you that Conscription is the dry method.

The argument ~~[illegible]~~ against the Volunteer system is that a lot of Volunteers under their system (the government's) should be conscripted to stay at home.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120996

No married man should be allowed to enlist with children. Go to Eaton's shoe department and you will conscript all the clerks there and put them in uniform. They will not voluntarily enlist. Take the boys that run elevators, the clerks in jewellery stores, the taxi drivers, all unmarried, and should be in uniform.

Why then call for volunteers? Call up first the unmarried men and then the country will not be saddled with a big pension debt after the war.

You, and only you, can do it. You were drafted for conscription in the last war, and if you could put through for it now the country will bless you

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

and thank you. No Kow
towing. I know I am right -
I am positive.

Yours very truly

R. M. Rice

Address to
R. M. Rice
Parker House
Montreal P.Q.

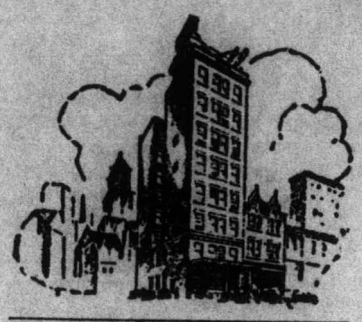
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Dear Mr. Meighen, May 12/40

Every day in every way I believe I am becoming ~~the~~ a prophet and the father of a prophet, to contradict the saying "that I am neither a prophet nor the son of a prophet."

Hammer on Conscription. The country is back of

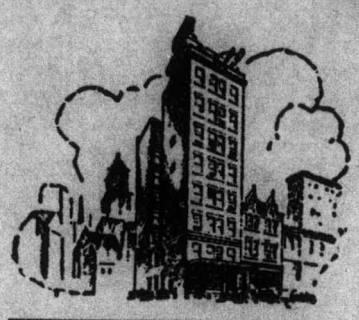
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

Dear Mr. Meighen, May 12/40

Every day in every way I believe I am becoming ~~the~~ a prophet and the father of a prophet, to contradict the saying "That I am neither a prophet nor the son of a prophet."

Hammer on Conscription The country is back of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

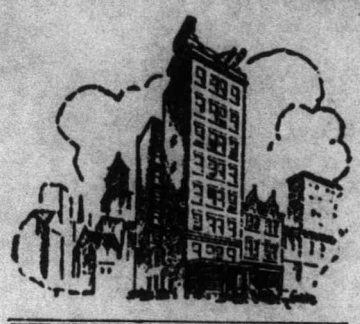
2

NEW CARLTON HOTEL MONTREAL

120999

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Gen. Ralston is all wrong. Voluntary enlistment was easy in the war because people were alarmed. The French enlisted for the $1.30 a day and a full belly and the assurance that they would not go "overseas" why must? 2

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

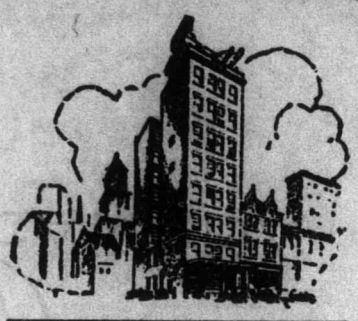
3

121000

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Nothing beyond the 12 mile limit with the British Navy standing in between.

What was the cry:—
"A man was safer in the army than anywhere else as long as he did not go beyond the 12 mile limit."
$1.30 a day, clothes and good food.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

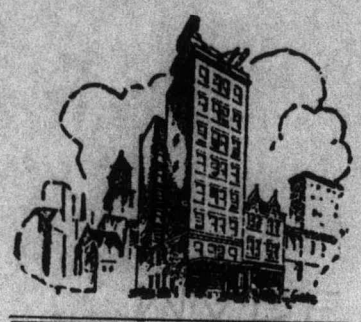
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4 121001

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Unity be damned —
To hell with unity
if we have to know
Tom —
I would rather have
a divided Canada
than a Government
that is afraid to
Call up the men

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

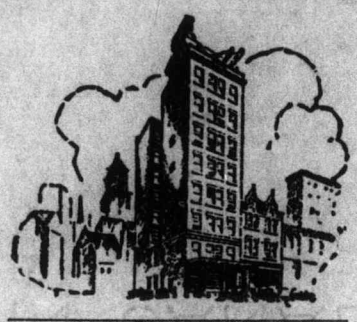
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

That should be called up for the Empire's defence and offence not Canada's. I entirely disagreed with Lord Milner when he said "Canada's first duty was to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

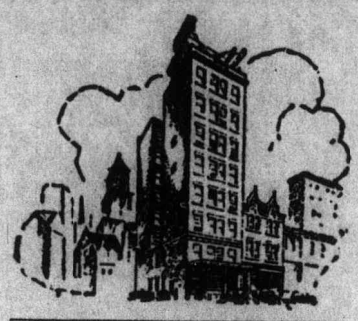
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Canada."

There is only one loyalty - Loyalty loyalty & The Empire. It is not two-fold. If you are not loyal to The Empire you cannot be loyal to Canada

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

This is your chance to get even for the 1917 slap, which was right. I said the Liberals sowed the wind but then reaps the whirlwind. The country is back of you

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

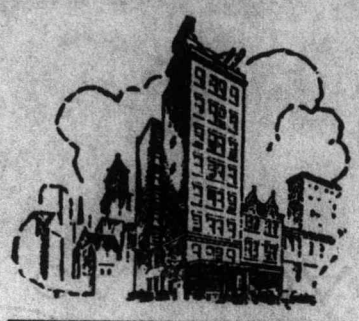
8

12,005

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
PERCY D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

but get somebody besides Dr. Bruce to preach. As I told you get Quebec Jagnon to do it, if he has the guts. Hammer hell out of them. Voluntary recruiting in my opinion is a crime.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

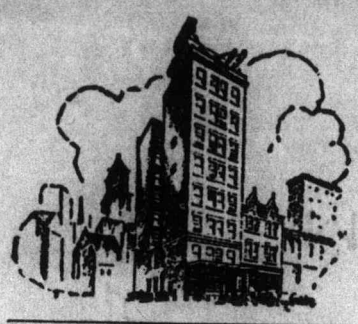
9

NEW CARLTON HOTEL MONTREAL

L 2 1 0 0 8

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

I know I am right
I am positive.

Rice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121007

Ottawa,
May 13, 1941.

Mr. R. M. Rive,
Hotel Laurier,
Dorchester St.,
Montreal, Que.

Dear Mr. Rive:

Referring to yours of 12th. Of course, you are right about conscription. One nation after the other has invited and insured its own destruction by fearing to divide its people. The last was Yugoslavia. The United States are now labouring with the same delusion and are perilously near the brink. Canada copies every weakness of the United States.

I have spoken on this subject so often that there is no one who does not know where I stand. Dr. Manion's position in the last campaign on the subject of military service was his gravest error.

The article you refer to from "Life" was copied in the Toronto Telegram. I am sending your message to Conservative Headquarters as requested.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL - MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

121008

40-R

May 17/41

Dear Mr Meighen,

In case you missed the editorial I am enclosing the Gazette's on Menzies. It pretty well agrees with our conception of the man's character. The editorial came a little late. It should have preceded his arrival.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

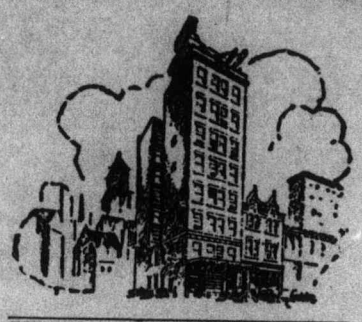
2

P21000

NEW CARLTON HOTEL — MONTREAL

UNDER THE MANAGEMENT of
Mrs. A. R. MARTIN
President
PERCY D. MARTIN
Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

Even in that editorial the Gazette is scared to come out openly. That is why I call its editorial page "Wishy washy". I underline the point that is "pure unmendo" when it should be a straight blow from the shoulder

Riel

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121010

30-R

Ottawa,
June 2, 1941.

Mr. R. M. Rive,
Queen's Hotel,
Montreal, Que.

Dear Mr. Rive:

I have yours of 30th May.

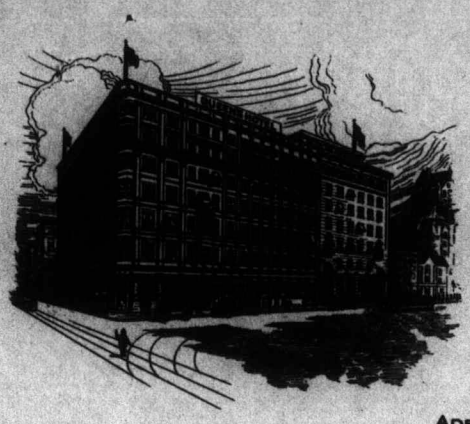
The only objection I have to what you say as being quoted from me is that, put in the form you have it, it would be held to indicate that I would predict and even justify the loss of presently safeguarded Constitutional privileges enjoyed by French-Canadians, if the B. N. A. Act is so altered as to enable Canada to amend its own Constitution. You can see that such a wrong interpretation would be immediately promulgated by political opponents, particularly in Quebec. I might advise all those enjoying advantages which they value under the Act to be satisfied with things as they are and not lightly remove the safeguards which have proven so dependable.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



CABLE ADDRESS
"QUENSOTEL"

021010

Queen's Hotel

MONTREAL, CANADA

ADELARD RAYMOND
VICE-PRESIDENT

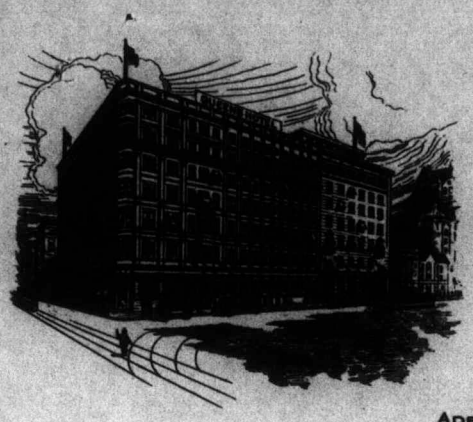
May 30/41

Dear Mr. Meighen,

At McKenzie King's invitation (that is a good word) Canada will celebrate on June 7th the commemoration of the 50th anniversary of John A Macdonald death. I have written an article, which is good, "Sir John A.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



CABLE ADDRESS
"QUENSOTEL"

021010

The Queen's Hotel

MONTREAL, CANADA

ADELARD RAYMOND
VICE-PRESIDENT

May 30/41

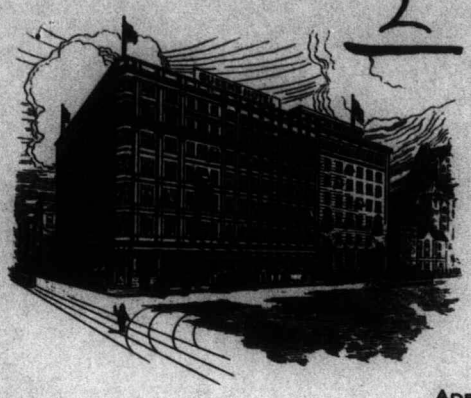
Dear Mr. Meighen,

At McKenzie King's instigation (that is a good word) Canada will celebrate on June 7th the commemoration of the 50th anniversary of John A Macdonald's death. I have written an article, which is good, "Sir John A.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2



C21012

CABLE ADDRESS
"QUENSOTEL"

The Queen's Hotel

MONTREAL, CANADA

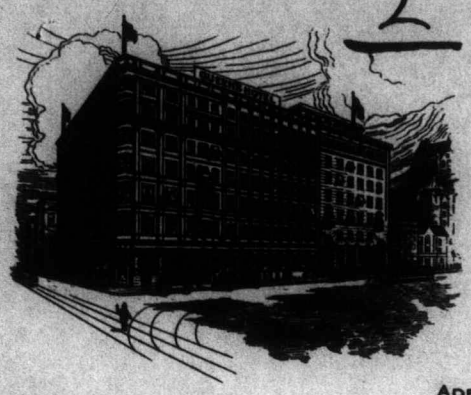
ADELARD RAYMOND
VICE-PRESIDENT

MacDonald and the C.P.R.
It has been okayed by
R.S. White and will
be published, if I
have to print it in
pamphlet form.
I quote you as
saying, which
you did not say,
but which I gathered

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2



121012

CABLE ADDRESS
"QUENSOTEL"

Queen's Hotel

MONTREAL, CANADA

ADELARD RAYMOND
VICE-PRESIDENT

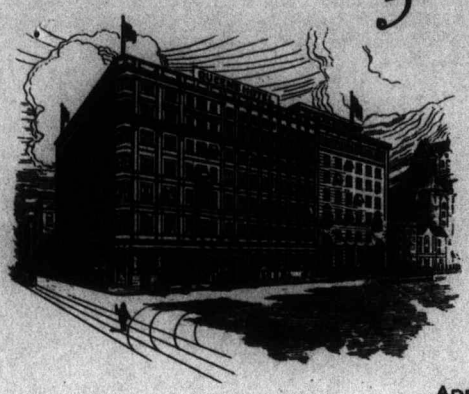
MacDonald and The C.P.R.
It has been okayed by
R.S. White and will
be published, if I
have to print it in
pamphlet form.
I quote you as
saying, which
you did not say,
but which I gathered

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

3

121013



CABLE ADDRESS
"QUENSOTEL"

Queen's Hotel

MONTREAL, CANADA

ADELARD RAYMOND
VICE-PRESIDENT

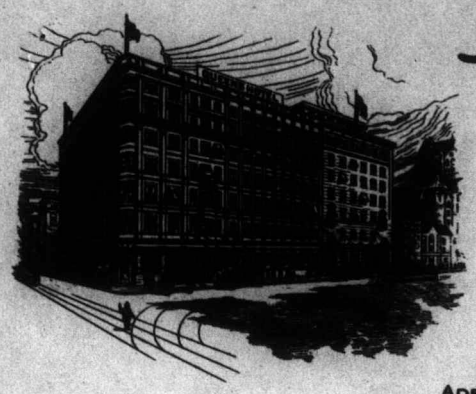
from you telling to me
the following:—
"Keep your sacrilegious
hands off the fundamentals
of the B.N.A. act, because
those will suffer most,
if Canada is allowed
to amend its own
Constitution, are
the ones that in fact the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

4

L2 10014



CABLE ADDRESS
"QUENSOTEL"

The Queen's Hotel

MONTREAL, CANADA

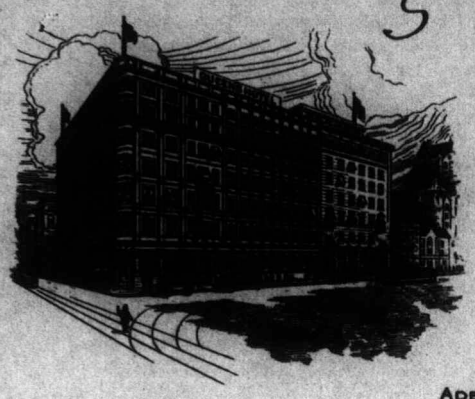
ADELARD RAYMOND
VICE-PRESIDENT

act were given their laws, the use of their language and the free exercise of their religion." You did not say that in so many words. It is my interpretation of what you wrote to me. If you did not mean, what I thought you

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

5



CABLE ADDRESS "QUENSOTEL"

121015

Queen's Hotel

MONTREAL, CANADA

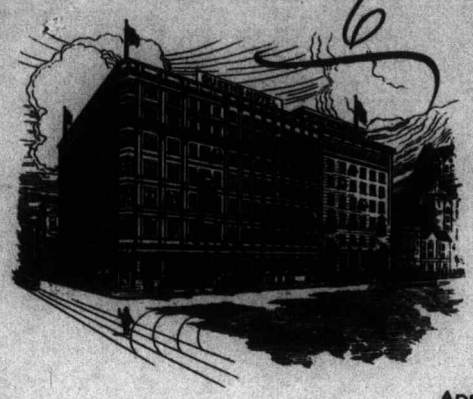
ADELARD RAYMOND
VICE-PRESIDENT

wrote to me I will delete it from my article - I will stand with you on any platform in Quebec and defend your attitude towards the province of Quebec, in spite of the shilly shallying of the Gazette, the Row

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

6



CABLE ADDRESS
"QUENSOTEL"

021016

The Queen's Hotel

MONTREAL, CANADA

ADELARD RAYMOND
VICE-PRESIDENT

town, of the Montreal "Star" and the unfair tactics of the "Le Canada" and "Le Devoir".

Stand by your guns.

Rice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121017

W.B. ROLLASON COMPANY LIMITED

TELEPHONE 2480 — INSURANCE AND REAL ESTATE — POST OFFICE BOX 34

66 ST. PAUL STREET
ST. CATHARINES, ONTARIO

March
twenty-second
1932

Senator the Rt. Hon. Arthur Meighen
The Senate
Ottawa, Ontario

My dear Senator:-

I thank you for your letter of March 10th. and on your recommendation I have placed a large automobile fleet policy with the Canadian General Insurance Company in the name of Hill and Sibbald Limited, one of the Contractors on the canal - I showed them your letter and after reading same they were quite satisfied with the Company.

Again thanking you for your courtesy in this regard and with my very kindest regards.

Yours very sincerely,

W. B. Rollason.

WBR.J.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121018

Ottawa, 10th March, 1932.

Dear Mr. Rollason;-

I have your letter of the 8th instant. You need have no hesitancy whatever in accepting an Agency of the Canadian General Insurance Company. This company is in excellent condition and well managed. The principal men engaged in its management are W.P.Fess and Paul Horst. These men are thoroughly trained insurance men, dependable and know the business.

I am a director of the company and, while I am of course no insurance specialist, I think I know them after two or three years experience with them.

Yours truly,

Arthur Meighen.

W.B. Rollason, Esq.,
c/o W.B. Rollason Company Limited,
66 St. Paul Street,
St. Catharines, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121019

W. B. ROLLASON COMPANY LIMITED

TELEPHONE 2480 INSURANCE AND REAL ESTATE POST OFFICE BOX 34

66 ST. PAUL STREET
ST. CATHARINES, ONTARIO

March
eighth
1932

Senator The Right Honourable
Arthur Meighen, P.C.
The Senate
Ottawa, Ontario

My dear Senator:-

The Canadian General Insurance Company of Toronto have approached me with reference to taking over an Agency and I have been somewhat careful in putting this Company into my office, and on talking to one of their Representatives they told me of your close association with the Company, and knowing you and accepting your judgment, I would appreciate very much if you would give me your opinion.

I was speaking to our mutual friend J.D. on Saturday and had asked him to speak to you but he did not do so, but said that you would be only too willing to reply to my letter.

I regret causing you any trouble and with my very kindest regards; hoping to have the pleasure of seeing you again in the near future.

Yours very sincerely,

W. B. Rollason.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121020

OTTAWA, 7 June, 1932.

Dear Sir,

Since the receipt of your letter of the 26th ultimo Mr. Meighen has been absent from Ottawa.

On his return to Ottawa within the next few days your communication will be brought to his attention.

Yours faithfully,

A.H.Hinds.
Private Secretary.

W.B.Rollason, Esq.,
St. Catherines, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121021

W.B. RODDASON COMPANY LIMITED

TELEPHONE 2480 INSURANCE AND REAL ESTATE POST OFFICE BOX 34

66 ST. PAUL STREET
ST. CATHARINES, ONTARIO

May
twenty-sixth
1932

The Right Honourable Senator Arthur Meighen,
The Senate,
Ottawa, Ontario

My dear Senator:-

The Honourable J.D.Chaplin mailed to me an item that appeared in the Ottawa Journal and it is, in my opinion, mighty good so I had our local newspaper have it inserted, also yesterday the Editor made his comments which I enclose.

The sentiments contained therein are exactly as mine, but of course I have been one of your admirers and strong supporters at all times - the question of being misunderstood in my mind was only wretched liberal propoganda.

With my very kindest regards.

Yours sincerely,

W.B. Roddason.

P.S. - I was wondering whether you would send me one of your photographs - I have the Chief; J.D. and Dr. Manion all framed and I would like to add yours if you feel so disposed to send me one.

W.B.R.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121022

rder for two pai of ected hourly.

d a half million trees hipped from the govern- eries at Midland. It is ing for the people to be- minded.

ork votes on Saturday if the Henry government retain this seat, the prov- surely be in for consid- epburnitis in the months

s in New York stole a ll 30 feet long and six feet ne theory is that they pro- gild the bricks and sell parately in the metropolis.

a Journal: Honestly we'll to see Mr. John Aird, Jr., s $125,000 off the front He and "Jafsie" have got bit of a bore.

mains for our esteemed con- ary to point out that young ge, baby nephew of Premier t is a mighty intelligent ster when he starts reading editorials so young.

cientist says that a trip to oon is quite possible, but that uld cost at least $2,00,000,- Under the circumstances we stick to our trip to the North summer.

nited States newspapers are he- ing to give a lot of attention to coming Ottawa Economic Con- ence. It may be that in time n Congress will become inter- ed.

"Washington Plans Two Billion oost for Business," says a head- ne. In other words, it is proposed lend money to manufacturers ho cannot sell what they have ready produced.

Chancellor Bruening of Germany stated recently: "I am firmly con- vinced that from the day all polit- ical debts are cancelled, the econ- omic existence of everyone, every- where, whether employer or em- ployee, will be improved."

The Canadian racing season ed on Saturday with the runn- the historic King's Plate. of the great throng do much depression spirit race, no doubt there hurt

The New Meighen, As Seen By Writer In American Paper

Frank Bright, in the Detroit News.

Arthur Meighen has come back; back to Parliament, the scene of his triumphs and defeats; back to thrill his friends and confound his foes by the magic of his word; back with his intellect grown to full stature, with the fires of fierce party zeal less in evidence; back with his powers ripened, more tolerant, more likeable, and still the best brains parliamentary government in Canada ever has produced, and that's taking in quite a bit of territory. ..

Now he's Government leader in the Senate, a sort of junior member of a Conservative administration, where twice he held sway as Prime Minister.

In his place in the Senate a few days ago he rose to new heights of oratory when he spoke in support of the report of the committee which condemned Senators Wilfrid Laurier McDougald and Andrew Haydon for besmirching the dignity and honor of their office by their connection with the Beauharnois scandal.

Terrific Indictment.

It was the most terrific indictment of wrongdoing in high places ever heard in legislative halls in Canada. For three hours he thundered against them, without a note to guide him. The words flowed from his lips easily and smoothly, sometimes in measured tones and again like a torrent, but always in natural, logical sequence, as slowly but surely he built up his case.

"Arthur made a great speech, but he could have made just as effective a one on the other side," said a friend when the former Prime Minister had finished. ..

That's Meighen. His analytical mind sees every angle of his subject, but like the skilled advocate, he presents only the side that suits his purpose. ..

As a visitor in the gallery listened to his searing sentences there came to his mind the memory of the great orators of the United States— Borah, Bryan, Woodrow Wilson, Bourke Cockran, Pat Harrison, "Jim" Reed, Caraway and all the others, past and present, and the conclusion was that Meighen in top form, as he was that night, was just a little better than any of them.

Directness Counts.

One speculates as to the source of his power. His language is simple; there is no striving for epigrams, no attempt to work up nicely rounded periods. Perhaps it is his fluency and directness. There is no switching fro mthe main track, no wandering into bypaths. Each word means something, each sentence fits into the one that preceded and the one that follows. Always his objective is before him clearly.

"When did you discover that you outranked other men as a public speaker?" he was asked later in his office. ..

"I never have discovered it," he replied modestly. "What I know of public speaking I learned in the House of Commons. I simply realized that I grew better with practice, as most men do."

"What is the secret of oratory?"

"Ask someone who knows more about it than I. When I am to make a speech the first thing I do is to master my subject thoroughly. Then I arrange in my mind the sequence of presentation. A good memory is a great asset. I never use notes—don't know how to use them—and resolve ruthlessly to be myself, never to make a statement that later I will have to correct or apologize for."

The Reason Why.

Mr. Meighen left Parliament nearly six years ago when his government was defeated and he suffered a personal reverse in his own constituency.

"Why have I come back?" he asked. "Well, I'm afraid my one passion in life is for public affairs. If I have any talent it lies in that direction. I agreed to lead the Senate, to try to make of it as useful a body as possible."

There was conversation about public men. Mr. Meighen spoke in high terms of the Prime Minister, R. B. Bennett.

"A very remarkable man," he said.

Also he spoke generously about his old political foeman, former Prime Minister W. Mackenie King.

The talk drifted to the two political campaigns in which Mr. Meighen had led in the Conservative party unsuccessfully.

The Question.

"Wasn't your failure partly your own fault?" suggested the visitor. "You were very bitter both in Parliament and on the stump. People got the idea you were simply an intellectual machine, utterly void of humor and with ice water in your veins, and you didn't do much to correct this impression."

"Probably you're right," he answered. "In one respect the people of Canada have been too kind to me and in another they haven't been quite fair. They exaggerate my intellectual powers but they're all wrong in saying I'm cold and void of humor. Honestly, when I make speeches I have to restrain myself from speaking in jocular fashion of matters that should be treated seriously, and I have been too intense a partisan but I'm cured now."

"And what of the future?"

"I wan to do all the useful work I can before I die."

"And you will never come back to the Commons?"

"Never," said Mr. Meighen with a smile, "is a long time."

Biss
QUALIT
ST
Come ton
celebrating t
go
Suits—
For
$
High-S
Each with two pair
Ages 14 to 20 years.
$12.00—
Boys' 2-K
For Boys Age
from $7.50
See these Wonderful
FLANNEL SUITS—COA
Ages 7
FIRST COMMUNION S
Ages 7 to
Hats, Caps, Underwear, Sh
article of Wearing Appar
Largest Selection of Quality
Always L
Bissonnette,

That Body

GOOD NEWS
BUILT ON A

when wing, battered old automobile under its wing?

At any rate Patrolman F. K. Dashnow acted promptly when he espied an ancient touring car laboring under the strain of nine high

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121023

The Standard

The St. Catharines Standard Limited
Proprietors and Publishers
Published at Nos. 17-21, Queen Street,
St. Catharines, Ontario

WEDNESDAY, MAY 25, 1932

Monday's Circulation 10,559

BIBLE THOUGHT FOR TODAY

Redemption:

God will redeem my soul from the power of the grave; for he shall receive me.
—Psalm 49: 15.

Y.W.-Y.M.

"Standing the test in the days of unrest" is the fine slogan of the campaign which will be launched tonight by the Y.W.-Y.M.C.A. of this city when an effort will be made to raise $16,000.

These two magnificent institutions like many other enterprises throughout the world have decidedly felt the wave of depression, but there has been no lack of faith in the future, no lack of confidence but a spirit of "Carry On" and to keep both Y.W. and Y.M. functioning in high gear. St. Catharines is blessed with one of the finest association buildings in America; it reaches far out and serves a large number of people. Necessarily the problem of finance is no small one and there must be a measure of public support for efficient maintenance.

Over 100 workers will spend their time voluntarily in meeting the subscribing public. Their task is not an enviable one at any time, let alone in the present period. But their task can be made much easier by a full appreciation of the needs of the hour.

"Standing the test in the days of unrest" is just what the Y.W.-Y.M. are doing. There is an assurance that the public will respond. The highest institutional life of the community is more or less in the balance, carrying on a most essential work, and one which surely redounds to the welfare of the entire community.

Churchill

The New York Sunday Times pays a tribute in its latest issue, to Rt. Hon. Winston Churchill, who seems to be out of the big swim in British politics these days, but by the sheer force of commanding [illegible] in the swi[illegible] de[illegible] and one of omission. Perhaps that might be the reason for Mr. Churchill's general rancor. The R[illegible]t Honorable gentleman's sp[illegible]nes amused everyone, but the[illegible] influenced no one.

With characteristic [illegible]lf-possession, in view of his ow[illegible] wande[illegible]gs and returnings, Mr. Church[illegible] said that Mr. Runciman, Pre[illegible]ent of the Board of Trade, [illegible]once the vestal virgin of free t[illegible]de, had by many years of impeccable behavior succeeded in living down his past." Nobody twitted the twitter. Nobody recalled the young Conservative free trader of nearly thirty years ago who, with Lord Hugh Cecil, pursued "Joe" Chamberlain from meeting to meeting, denouncing tariff reform. That earlier Mr. Churchill thanked God for the Liberal party and joined it. On one occasion, when Mr. Churchill rose in the House to speak, the whole Conservative party, Prime Minister Balfour at their head, walked out. Mr. Churchill had his revenge later. Of Mr. Balfour, hanging on to office a year or more after his party was split in two, Mr. Churchill said: "Queens never abdicate."

There is no reason to doubt his sincerity, though his enemies have often done it. He has had a free-trade conscience. Now he has a protectionist conscience. In altered circumstances he has a right to alter his views. When Mr. Snowden called him "an authority" on change, Mr. Churchill calmly replied, his notebook of quotations at his elbow: "To improve is to change often."

The Kreuger Bubble

Before his death in Paris, two months ago, Ivar Kreuger, the Swedish match king, was a "Napoleon of finance," a "genius of industry," a "superman of business." Today he stands revealed as one of the most colossal impostors that ever won the confidence of bankers, statesmen and public.

When he snuffed out his life in Paris, the press of Europe vied in extolling his virtues. The London Times said he was a victim of a "world-wide condition simultaneously afflicting every financier," and that "least of all does personal suspicion light upon him in his last day." L'Illustration called him a "great Swede, and a great European, who has paid with his life for the profound faith he held in the possibility of reviving the economic harmony of the world." The London Economist called him "a great force for good in the world."

On Saturday the i[illegible]vestigating [illegible]re un[illegible]lthy, he says, well, thrift gard[illegible] will be weed eradicators, to[illegible]

Oratory

In an article on Rt. Hon. Arthur Meighen in The Standard of Monday, the following was asked.

"What is the secret of oratory "Ask someone who knows more about it than I. When I am to make a speech the first thing I do is to master my subject thoroughly. Then I arrange in my mind the sequence of presentation. A good memory is a great asset. I never use notes—don't know how to use them—and resolve ruthlessly to be myself, never to make a statement that later I will have to correct or apologize for."

There is wisdom in the above to those who aspire to be public speakers, the keynote of which is the complete mastery of any subject to be discussed, the marshalling of facts with their sequence of presentation. It is now a recognized thing that Mr. Meighen is one of the outstanding speakers of the American continent.

There is an old rule for beginners which is also useful:

Begin low, go slow,
Rise higher, catch fire;
Be most possessed, when most impressed.

The article on Mr. Meighen written by a Detroit man was an excellent portrayal of how Mr. Meighen really stands in the estimation of his fellow countrymen even today. He is a bigger, broader and a better Meighen all round than he was thought of a few years ago, although to those who have known him well, he is just the same man as before. But he has been misunderstood, deliberately and otherwise.

War Debts

Here are words of wisdom [illegible]rom a statement by a New York financi[illegible] house to its clients: "Probabl[illegible]e most encouraging developm[illegible]t at the moment, would be so[illegible] indication that the Lausanne Conference, which is to be held in June, is going to result in a satisfactory adjustment of war debts and reparations. It would not seem too much to expect that United States influence might be brought to bear to bring about such an adjustment in view of the fact that debt payments are extremely small as compared to what the depression is costing us and that these debts in themselves are recognized as a major cause of the depression."

It is reported that the Bank of [illegible]

him of Port Weller, on[illegible] est harbors on the Gre[illegible]

When we think of [illegible] we think of a man of [illegible] structive ability. In th[illegible] the late Mr. Weller was [illegible]ing. He originated and i[illegible] things in his profession w[illegible] always stand to his name [illegible] credit.

One of the wonders of t[illegible] today, although familiarity [illegible] the appreciation, is the Shi[illegible] and Mr. Weller is given fu[illegible] for that development in the [illegible] of survey, design and lock c[illegible]tion. He remained in full [illegible] until 1917, when work ceas[illegible] the close of the war.

He was a graduate of t[illegible] Military College, standing [illegible] his year, 1883, in civil engi[illegible] physics and artillery. He [illegible]uted to Canadian progress i[illegible] real way and the magnifice[illegible]bor at the Ship Canal term[illegible] Lake Ontario should alway[illegible] as named, Port Weller, a tri[illegible] a Canadian who showed [illegible] genius in his profession.

Cat Nuisanc[illegible]

The Mail and Empire [illegible] trite remark on Tuesday w[illegible] stated that there are about a[illegible] cats which own househol[illegible] households owning cats. Th[illegible]gestion is made that if cats [illegible] be taxed or licensed, they [illegible] wear a small bell, as a mat[illegible] precaution for the bird life [illegible] community.

It is a well-known fact [illegible] where cats ab[illegible]nd, ther[illegible] birds. And [illegible]s all rat[illegible] di[illegible]ing. On[illegible]ome in [illegible] city [illegible] robins [illegible]re won[illegible] nest yes[illegible] year [illegible]eemin[illegible] same love [illegible] is [illegible]thout [illegible]est this year, i[illegible] cat[illegible]rom the surro[illegible] neigh[illegible]hood.

[illegible]se feline creatures [illegible]e their good uses in a [illegible]ested wharf district, bu[illegible] should not be encouraged in [illegible] residential district. They [illegible] good for children and are [illegible] to carry germs. They destr[illegible] life in plenty, and without b[illegible] human race could not exist.

The cat nuisance, as eve[illegible] reported, is one demandin[illegible] public action.

Brief Comm[illegible]

It was a great holiday [illegible] Queen's Birthday.

"T[illegible]

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121024

Ottawa, June 27th, 1932.

Dear Mr. Rollason,-

Thanks very much indeed for your letter of May 26th. I have read the enclosures with appreciation.

It will be a great pleasure indeed for me to send a photograph, and it is probable that you will receive one within a week or so.

Yours very truly,

W.B. Rollason, Esq.,
St. Catharines, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121025

W. B. ROLLASON COMPANY LIMITED

TELEPHONE 2480 INSURANCE AND REAL ESTATE POST OFFICE BOX 34

66 ST. PAUL STREET
ST. CATHARINES, ONTARIO

July
fourth
1932

The Right Honourable Arthur Meighen, Senator
The Senate
Ottawa, Ontario

My dear Senator:-

In this morning's mail I received your photograph for which please accept my many thanks; I am having it framed and hung on the wall in my office with the other Celebrities of Our Party, and appreciate your sending it to me.

With my kindest regards.

Yours sincerely,

W. B. Rollason

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121026 Def? Munitions? Ross Rifle?

QUOTE No. 683-1-30

CANADA

Department of National Defence

Ottawa, Canada,

13th October 1932.

File 112 R.

Dear Mr Meighen,

For inclusion in the Official History of the Canadian Forces in the Great War, I have compiled from various Departmental files and documents the enclosed tentative draft monograph on the Ross rifle. It seems inevitable that this subject must be adequately covered to make the story complete: knowing that you were closely informed as to the relations between the Government and Sir Charles Ross, I shall be very grateful for your criticism of the general presentation, and for correction or elaboration of any of the statements made.

Yours very sincerely,

A. Fortescue Duguid.

The Rt.Hon.Arthur Meighen, P.C.,K.C.,
The Senate Chamber,
Houses of Parliament,
OTTAWA.

File here
Can

N.D.A. 168a
100M—1-25
1723-39-370

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121026—A #3

CONFIDENTIAL.

THE ROSS RIFLE

COMPILED BY
HISTORICAL SECTION
(GENERAL STAFF)
OTTAWA
12-10-32.
DEPARTMENT OF NATIONAL DEFENCE

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121027

THE ROSS RIFLE

Prior to the advent of the Ross rifle the arms and equipment for the Canadian forces had usually been obtained from surplus British ordnance stores, partly by purchase and partly as gifts. Orders for clothing, necessaries, boots, harness and vehicles, often not of British pattern had frequently been placed in Canada; the Government Arsenal at Quebec had been manufacturing small arm ammunition since 1882, but there was no arms factory in the country, and all the weapons in the hands of the Militia were of English manufacture. Direct purchase had however been made of 40,000 Lee-Enfield, Mk.I rifles in 1896 and with these the Militia was armed. Two or three years later the Hon. Sir Frederick Borden, Minister of Militia, when in England, tried to get the Birmingham Small Arms Co. to manufacture the Lee-Enfield rifle in Canada, but failed. He was in a quandary; there was difficulty in placing orders with the War Office for delivery within a reasonable time, to deal directly with English armament firms meant increase in cost; and on the other hand there was a strong feeling that, although prices might be better, orders should not be placed with foreign manufacturers. In 1900 he tried to place an order in England for 15,000 rifles but failed to secure a single rifle. The Prime Minister of Australia, Mr. Deakin, protested against this intolerable predicament of the Dominions at the Imperial Conference of 1907 when he told the Secretary for War, Mr. Haldane, "You are always ready to execute orders when neither of us is under pressure. That is what has driven us outside. We know the value of War Office criticism, but we also know that the War Office looks after itself before it looks after us, and when it is eager for arms or ammunition we have to wait." A remedy was sought in the installation of factories in the overseas dominions.

In such circumstances the policy was adopted, and generally approved by the whole country, that Canada should make

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121028

its own rifles, "assuming of course that the rifle to be manufactured is a satisfactory rifle and is worth the money paid."

At this critical time Sir Charles Ross, 9th Baronet of Balnagowan, an Etonian Light Blue and an ex-Major of Lovat's Scouts, had a rifle breech mechanism which he said he had invented, and Ross sporting rifles with this straight bolt action were being manufactured at Hartford, Conn., by his agent Joseph A. Bennett. Early in 1901 he brought several .303 rifles so manufactured to Ottawa and submitted them to the Minister of Militia. These rifles were in fact modifications of the Austrian Mannlicher (Model 1890) the principle of the mechanism being identical, and the defects subsequently found in them were the same as those recorded against the Mannlicher in the Report of the U.S.Chief of Ordnance for 1892; but the Minister was so impressed that by 28th June 1901 an agreement with Sir Charles Ross had been drafted for the manufacture in Canada of 12,000 rifles during the calendar year 1902 and 10,000 more per annum for the next five years at a cost of $30.00 per rifle. On that same day a departmental committee, appointed by the Minister of Militia, met to "enquire into and report upon the merits of a rifle invented and submitted by Sir Charles L. Ross." The president was Colonel W.D. Otter, C.M.G., and the members Colonel the Hon.J.M.Gibson, M.P.P., Chairman of the Dominion Rifle Association, Lieut.-Colonel W.P.Anderson, Engineer of the Department of Marine and Fisheries, Lieut.-Colonel Sam Hughes, M.P., the best known militiaman of the day, and Major F.M. Gaudet, R.C.A., the Superintendent of the Government Cartridge Factory. It was remarked that Lieut.-Colonel R.Cartwright, C.M.G.(R.C.R.) Inspector of Musketry, and Commandant of the School of Musketry, was not named as a member.

At their first meeting, after the inventor had explained the action and parts of his rifle, the Committee proposed six changes, in the extractor, backsight, magazine and bolt, and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121029

agreed with him that a series of twelve comprehensive tests should be carried out on three new rifles made up on the lines suggested, simultaneously with the same tests on the Lee-Enfield rifle, Mk.I. The trial took place in August 1901. The results, as reported, show that in ten of the tests the performance of the two rifles was similar. In the test for excessive charges the Ross rifle, after firing a charge calculated to produce a pressure of 22 tons/sq.inch in the chamber, had to be hammered with heel to open breech, and after two rounds had been fired the inventor declined to allow the rifle to fire further excessive charges; the Lee-Enfield, not designed for pressures over 20 tons, fired the cartridges officially specified without any casualty. In the endurance test, when 1,000 rounds were fired from each rifle, the Lee-Enfield worked easily and satisfactorily throughout, whereas the Ross worked very stiffly at the conclusion of each 50 rounds and misfed and jammed repeatedly; "After the 300th round the heat of firing melted away foresight, which was fastened with common solder." The inventor explained that the stiffness was due to his having carried out all previous experiments with cartridges of Austrian or American manufacture, and that "the standard called for in the manufacture of British .303 cartridges is not of the same precision and quality of material hence greater limits have to be allowed." His statement that "the trouble is only a small detail of manufacturing owing to the difference in the shells" was accepted by the Committee who recorded the finding, later proved to be erroneous, that the objection was not inherent but dependent upon details of mechanism, and assumed that, in the event of the Ross being adopted, due "precaution and provision" would be taken with reference to this objection. They concluded, after discussion with expert machinists and experienced marksmen, that on the whole the Ross had features which afforded advantages over the Lee-Enfield, and drew attention to the straight pull and lightness of the former, to the strength of the breech mechanism which was built to withstand a higher chamber pressure,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121030

and to the fact that it could be taken apart and put together again with a pocket knife.

The Canadian Government, considering that it was in the general interests of Canada that the rifles required for purposes of Militia and Defence should be manufactured in Canada, adopted the rifle on the recommendation of the Minister of Militia, and on 27th March 1902 entered into a contract with Sir Charles Ross, who undertook to establish and operate a factory near Quebec for the manufacture of such rifles and to supply, during the calendar year 1903, twelve thousand rifles there manufactured and equal to a standard sample to be approved by the Minister, at a cost not greater than that of similar rifles in the English market. This cost was placed at $25.00 at the time, and increased to $28.00 after December 1912. The price of the long Lee-Enfield was $25.00; that of the S.M.L.E. in 1915 was $17.46. The Government was bound and entitled to purchase from Sir Charles Ross all rifles required for the use of the Government during the continuation of this contract. The pattern might be changed on 12 months notice. Among other stipulations pertaining to rate of production in times of peace or war, Government protection against actions for infringement of patent, rates of payment, subsequent readjustment of price in the event of modifications of pattern or the adoption of "a new rifle to be invented", was the proviso that "no member of the House of Commons shall be admitted to any share or part of such contract or to any benefit to be derived therefrom." The party of the first part was "Sir Charles Ross, Bart. of Balnagowan hereinafter called the contractor," for such he was and continued to be. There was in fact no Ross Rifle Company; although The Ross Rifle Company Act (2 Ed.VII Cap.96) authorised the incorporation of a limited company of that name with a number of eminent Canadians as directors, incorporation was never effected. The contractor, who had privately found $1,000,000 for the project and was also sole proprietor and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121031

general manager, corroborated this himself in a letter to the press; "there is no joint stock company, there are no shares, nor has anyone in Canada any interest in my business."

Although the proceedings of the Committee were signed in September 1901, it was not until 24th April 1902 that a copy was sent for report to the Major-General Commanding the Militia, Major-General O'Grady Haly, who had been present during a considerable part of the trials carried out at Quebec in August. He noted that only two of the members had any experience of a rifle on active service, that two of the members had been absent from all the official tests, and that "the Committee was practically composed of only two members, Colonel Otter and Major Gaudet." He said that the straight pull was a disadvantage which, by sacrificing mechanical advantage, conduced to the great difficulty in extracting the cartridge when the rifle became heated after continuous rapid fire; he said that the feature of being able to take the breech mechanism apart with a pocket knife was "a direct incentive to tamper with the breech action;" he advised that the contractor should be called upon to prove his contention that the difficulty of extraction was "a small detail of manufacturing," and not a defect inherent in the mechanism, by submitting rifles of an improved type which should be subjected to the same "endurance" test as the former ones in competition with the Service Arm. He had no doubt that the Ross was a very good rifle, but he thought that the superiority of the untried Ross should be conclusively demonstrated before discarding the Lee-Enfield, a proved weapon. He strongly endorsed the recommendation that the contract should be "under a strict specification, detail drawings, as well as a sealed pattern." But the contract had been signed a month ago.

Two months after the signing of the contract, Mr. Joseph Chamberlain, the Colonial Secretary, at the instance of the Secretary of State for War, Mr. Brodrick, to whose notice it had been brought by the Director-General of Ordnance,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121032

expressed by cable to the Governor General the misgivings of the British Government. He submitted "the very great importance of adhering to absolute uniformity of pattern in the weapons with which the forces of the Empire are armed," and that "it is only by maintaining such uniformity that in time of war, when Imperial and Colonial troops are fighting side by side, as at present in South Africa, the efficient maintenance of supply in the field can be guaranteed. This is a principle of such importance that it is hoped the Canadian Government will accept it, and arrange that whatever arms are made for them in Canada shall be identical with the arm with which the Imperial troops are equipped." At the Colonial Conference held later in the year there was general agreement on this subject, but no formal resolution was passed. Lord Dundonald, General Officer Commanding the Militia of Canada from June 1902 until relieved of his appointment two years later, also thought that there was a great advantage in Canadian and British troops having their arms similar in every respect.

Particular reference was made in subsequent correspondence between the Governments to a trial of two Ross rifles on Mayday 1902, at Hythe, in comparison with two Lee-Enfield rifles, the result of which was reported to be that "the inferiority of the Ross rifle was very marked;" but Sir Charles Ross' London agent swore that the alleged trial was carried out on two carbines, not on the Canadian Sealed Pattern Ross, and that "no trial or test was every asked for nor had the rifle every been submitted to any test or trial, official or unofficial, of any kind whatsoever." The shooting was hurried, on a bad day, and did not consist of a proper series of tests; he treated the whole affair as informal, although it was carried out for the information of Lord Roberts, the British Commander-in-Chief. When Sir

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121033

Charles Ross in October 1901 had submitted to the War Office for competitive trial "a .303 Magazine Rifle fitted with my patent Straight Pull Breech Mechanism, which has successfully passed the severest and most exhaustive tests a military rifle has every been subjected to by a Government," he received immediate reply that "the principle of the rifle was understood but that the question of adopting a new type of magazine rifle for His Majesty's Service was not under consideration at present, and therefore no useful purpose would be served by submitting the rifle to firing trials."

The basic reason for not adopting and manufacturing the British arm was given by the Minister of Militia in the House of Commons on 14th January 1907. "Now I may say here without any hesitation that I would have been very glad if we could have secured the manufacture in Canada of the Lee-Enfield rifle. There are many reasons why it would have been desirable. It is a good rifle and has stood the test of many years. It was the rifle which was in the hands of the Militia and it was the service rifle of the British Army. In that view I took the trouble to approach some of the Birmingham people to see whether they would not establish a factory in Canada. As long ago as 1898 or 1899 I had some conversation with leading proprietors of the Birmingham Small Arms Company. They took the matter up but after giving it consideration they said they could not and would not do it, and I received an answer in the negative."

The construction of the Ross Rifle Factory proceeded in 1903 on a portion of the Cove Fields, adjoining the historic Plains of Abraham, leased by the Canadian Government for 99 years at a nominal rent of one dollar a year subject to renewal, and this in spite of the protests of the Major-General Commanding the Canadian Militia that a site which obstructed part of the glacis of the Citadel was dangerous for tactical reasons, and that every consideration of military prudence pointed to a more central locality, e.g. Hull. It is recorded that the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121034

machinery was in operation five weeks after the first sod was turned, but not until August 1905 was any delivery made to the Militia, 1,000 rifles. The delay was attributed to "difficulties in manufacture," some of which are traceable to the scruples of the newly appointed Inspector of Small Arms, Lieut.-Colonel F.M. Gaudet, who was charged with analysing and testing materials and gauging and proving the weapons produced, others were due to the insistence of the Master-General of Ordnance, Colonel W.H.Cotton, on having some reliable check on the quality of the work; the difficulty of finding skilled operatives in Quebec could not be altogether overcome by importing expert mechanics from England or the United States.

The hasty condemnation by the War Office marks the beginning of a controversy which lasted for a quarter of a century; in Canada few topics received so much attention in the press, in Parliament, on the ranges and in the Militia throughout the country. The inventor, who was at the time negotiating with the Australian Government to manufacture 100,000 Ross rifles for the Federation forces at $20.00 each, and half that number for New Zealand, could not afford to allow such a "grave and serious libel" to pass unchallenged and took steps to set the matter right. He pointed out that the British forces were armed with five different patterns of Magazine Rifle, and proposed that the simplest way to achieve "absolute uniformity" would be to adopt the Canadian mechanism through the forces of the Empire.

These facts, or interpretations of them, found their way into the newspapers, and by 1906 anything relating to the Ross rifle was good copy. A flood of questions led to extravagant statements in Parliament and increased the disposition among the public to believe that there was something mysterious with regard to the Ross rifle concern. A member of the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121035

original committee, who had served in South Africa and who was also a member of the House of Commons, astonished some of the Hon. Members by asserting that he possessed a rifle whose bullet, strange to say, sometimes found its billet although it had not been cleaned once in four years; the Minister of Militia argued that the Lee-Enfield was also defective in some respects because several barrels had burst or bulged due to obstructions in the bore, one of them when "endeavouring to blow out pull-through;" a member of the Opposition said of the Mk.I Ross "it kills as many in front as behind sometimes," and his statement was supported by another, but there is only one authentic case of fatal casualty to the firer of a Ross military rifle. Another member, who had served in three campaigns, in two of which the Lee-Enfield was used entirely, advised the Minister not to take the opinion of sappers, gunners and marines but to submit the rifle to a thorough practical test that will forever silence the adverse criticism of the public and will so far perfect this rifle that there will be no further subject for criticism. This advice was given in 1907. But Sir Frederick Borden needed no such advice, for by the time it was given twenty of the men best qualified in Canada to advise upon rifles had been so employed.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121036

MANUFACTURE AND MARKS.
1902 - 1914.

In April 1902 the sealed pattern approved for the Militia was handed to Sir Charles Ross, and the Mk.I. Ross was made according to it, excepting that in 1903 the leaf of the backsight was shortened to range up to 2,200 instead of 2,500 yards, although the War Office had advised the adoption of the S.M.L.E. sight. In June and July 1902 boards were appointed from the Royal North West Mounted Police to test the accuracy of the rifle and to report upon its adaptability for service in that force, and in February 1903 another board investigated the working of the bolt action after exposure to extreme cold. The members were Asst. Commissioner J.H. McIllree, Superintendent W.S. Morris, and Inspectors A.C. Macdonell and E. Gilpin Brown. A number of tests were made, in one of which Commissioner A. Bowen Perry, in two minutes firing, scored 26 hits in 30 rounds at 200 yards. The findings were that there was no recoil or fouling, the sights were readily picked up, action worked smoothly and well, even after exposure to a temperature of 47 degrees below zero, the general feel was all that could be desired, it balanced well when carried on the horn of the saddle, and was "a decided improvement upon the Lee-Metford." Rifles with 25" and 28" barrels were tested, the former went out of action when the receiver fractured because it was of cast instead of wrought steel; the long barrel was preferred, and it was recommended that an arrangement should be fitted to secure leaf of backsight when down and that the butt should be strengthened at the small.

The first delivery of Ross Mark I, 1,000 in number, was made to the R.N.W.M.P. in 1904, and 500 for the Deaprtment of Marine and Fisheries. The first complaint recorded is in February 1906, when the Commissioner reported that the piling swivels were unsatisfactory, in March a number

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121037

of the small springs were breaking, and he found one as soft as stove-pipe wire, defective bolt stop springs caused bolts to be lost on the prairie, the stock was weak at the small, the sight delicate and easily put out of repair; many weak points were found in both design and manufacture, he expected many complaints as soon as target practice began. Assistant Commissioner McIllree wrote of the annual practice that the rifles were very unsatisfactory, particularly the magazine action, extractors failed to work, in rapid fire jams were frequent even in the hands of experienced men, and he did not think they were safe for rapid fire. One marksman had his eye injured by the bolt flying back. As a result rapid fire was eliminated pro tem from the regulations; and in the autumn of 1906 the use of the rifle was discontinued by the police, who resumed their Winchesters, Lee-Enfields and Lee-Metfords, pending the supply of serviceable rifles by the Ross Rifle Company.

The early experience of the Militia, who received their first issue in June 1906, was equally disconcerting. Adverse reports upon it came from the O.C., Western Ontario, from Sussex Camp, N.B., and from the O.C., Royal Canadian Regiment, Halifax. But long before this it had become evident that all was not well with the Mk. I rifle; a Militia Order of 11th November 1904 appointed a committee to report upon a modification of the sealed pattern of the present (Mk.I.) Ross rifle; the Chairman was Colonel W.H. Cotton, Quartermaster-General, the members were Lieut.-Colonel W.P. Anderson, Lieut.-Colonel R. Cartwright, C.M.G., A.A.G. Musketry, Lieut.-Colonel A.P. Sherwood, C.M.G., A.D.C., and Captain T.E. Naish, R.E., a rifle expert on loan from England.

The Mark I rifle, of which 10,500 were delivered up to 1st January 1906, cocked on the front stroke, the cartridge was extracted by means of a hammer blow imparted to the extractor by the smart withdrawal of the bolt sleeve, and it weighed approximately 7½ lbs. The modification, which

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121038

produced the Mk.II rifle included, among others, cocking on the back stroke, and enlarged chamber which made it dangerous for Gallery Practice, a different back sight, extraction by camming action of the bolt on being opened, and increase in weight of about one pound due to thickening the barrel. Changes were also made in the bayonet and in the method of attachment; models were manufactured in Ottawa and consideration was given in achieving interchangeability, to reducing loose motion, and to developing a method of attachment which would hold the bayonet parallel to the line of the barrel without subjecting the muzzle and small to undue strain. Colonel Sam Hughes, who participated in these deliberations, had "little use for a bayonet; that is for practical purposes; but it serves a useful sentimental object."

The Mk. II pattern was not sealed until 18th February 1905, although 3,000 of them had been delivered on the original contract for 12,000 rifles, and a new order for 20,000 was placed with the Company on 27th March 1904. This pattern was not yet perfect, so many defects showed themselves that the Company was asked to submit a rifle containing "all the small changes lately effected;" and on 28th March 1906 a board composed of General Otter, Colonels Gibson, Hughes, Anderson and Major R.A. Helmer, D.A.A.G., Musketry, was assembled "to report upon a Ross rifle submitted by the Ross Rifle Co., embracing modifications to the sight and other parts and to report how far such modifications are in their opinion improvements on previous patterns and to submit any recommendations which may seem to them desirable in a military rifle." The findings did not go far enough to satisfy the Militia Council, so the Board was ordered to reassemble on 17th May 1906, and called upon "to report as to whether the Ross rifle Mk. II is in all respects a suitable weapon for the Canadian Militia." To aid in the deliberations four other experts were detailed in an advisory capacity, Lieut.-Colonel Cartwright, Major J.B. Pym

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L21039

Pym of the Royal Marines, on loan as Inspector of Small Arms from the Royal Small Arms Factory, Enfield, Captain A.E. Swift and Mr. H.L. Bock, Manager of the Ross Rifle Factory. Within a month they recommended eleven alterations or modifications which the Militia Council considered, and which, added to defects reported from the Maritime Provinces and Toronto, led to the decision that some radical changes must be introduced into the system of inspection, and that pending an investigation no more rifles of either mark would be accepted by the Department. This suspension was effective for two months, until 10th September, when the Company was notified that the restriction was removed provided that the Inspector of Small Arms was satisfied that defects reported on rifles then on trial were "in minor detail only and not such as to endanger life or limb," and that he should have free passage to all parts of the factory and be permitted to examine during manufacture. At this time the first reference is made to a proposed Mk. III pattern, but the designation Mk. II persisted until from one to five stars had been added and over eighty changes had been made which altered the weapon almost beyond recognition. As a precaution against further damning of the model in the eyes of the Militia by the frequency of these changes, the Minister ordered that amendments to the Ross should not be published in the periodical Canadian List of Changes in War Materiel. It was the Mark II***, which had a long and heavy barrel, that brought fame to the Ross as a target rifle in both Canada and England.

The manufacture of Mk. III began in November 1911 by which time the weight of the Mk. II rifle had increased to 9½ lbs, the length of barrel to 30½ inches and the rifling had been changed from right to left hand. The Military Members of Council, Major-General Sir Percy Lake, K.C.M.G., C.B., Major-General W.D. Otter, C.V.O., C.B., Colonel F.L. Lessard, C.B., A.D.C., Br.-General D.A. Macdonald, C.M.G., I.S.O., and Colonel R.W. Rutherford had pointed out that this was a pound

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121040

or more heavier and seven or eight inches longer than the British Short L.E. or the U.S. Springfield rifle, and they thought an attempt should be made to produce a rifle of equivalent performance without increase in length or weight. Such attempts were made, and, as expressed in a Departmental Report, the defects and shortcomings which developed were "the subject of much thought and earnest endeavour to rectify."

A cavalry rifle with 26" barrel and 45" over all, the maximum length recommended by the Inspector of Cavalry, was built with the Ross mechanism and tested in the autumn of 1910; it weighed about 8¼ lbs and developed a muzzle velocity slightly greater than the S.M.L.E. Major-General C.J. Mackenzie, Chief of the General Staff, suggested that it should be adopted as the service rifle for all arms in Canada, and 500 were to be ordered from the factory; but Colonel Hughes had not endorsed the recommendation, because he had no use for a short barrel, the Ross Rifle Company experts advised against it, the Master-General of Ordnance objected that the chamber was too small for standard service ammunition, and the model was discarded.

The body chiefly concerned with the many modifications was the Standing Small Arms Committee, authorised 2nd March 1908, and then consisting of Colonel Hughes, Lieut.-Colonels Anderson, J.H. Burland, C. Greville-Harston, Majors Helmer, A.O. Fages, (R.C.R.), J.B. Pym, W.H. Davidson, J.E. Hutcheson, and as technical advisers or Associate Members, Lieut.-Colonels Gaudet (R.C.A.), J.W. Harkom, and two scientists, Mr. A.E. McIntyre, Ph. D., and Mr. A.H. Walters, M.A. This committee reported to the Master-General of the Ordnance, Colonel W.H. Cotton, succeeded by Colonel R.W. Rutherford, R.C.A., 1st April 1908. It was soon found to be somewhat unwieldy, and in June 1909 a sub-committee was constituted consisting of Lieut.-Colonel Greville-Harston, Majors Helmer and Hutcheson and Captain Swift, with Major Pym

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121041

as adviser; they were entrusted with the task of finding and investigating alleged defects and of devising remedies; they reported to the Chairman of the S.S.A.C., who passed on their findings with his own comments but without reference to the main committee, some of whom were decidedly adverse to the Ross, so the main committee was abolished at the end of 1910. The sub-committee now became the S.S.A.C., and the original chairman became Minister of Militia with the accession of the Conservative Government in 1911; others who served on it prior to the Great War were Lieut.-Colonel E.W.B. Morrison, D.S.O., Major S.S. Weatherbie and Captain J.A. Peters.

The new Minister continued to be the ardent and active champion of the Ross, he had been on the original committee of 1901 whose investigations caused its adoption and he had followed every change in it; in 1907, when Mk. III was under searching investigation he wrote that with the proposed modifications it would be "the most perfect military rifle in every sense in the World today" and in 1908 he considered the proposed Mk. III "unequalled in the world;" he retained these views until the end of his career. The other members of the committee were not so easily satisfied: Major Pym thought the possibility of jamming too great and the weight and balance not equally suitable for service purposes and at least one of the committee appreciated the importance of "holding the Contractors up to the mark." In an effort to achieve perfection in specifications, particularly as to gauge limits and tolerances, the pattern, although Sir Charles Ross was unofficially authorised in 1908, on the advice of Colonel Hughes, to apply some of the changes, and although the Committee, after experiments on different parts in Toronto, was in agreement as to the main features of the design, was not yet sealed when war broke out. In spite of this the Mk. III pattern was officially ordered to be manufactured in November 1911 and authorised for issue in February 1913; in the same month Sir

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121042

Charles Ross was given the honorary rank of Colonel in the Canadian Militia as "Consulting Officer, Small Arms, Ammunition and Ballistics." The new pattern differed in many respects from the Long Ross Mk. II; it had an interrupted screw bolt head which travelled horizontally instead of vertically and locked in corresponding lugs in the receiver, a double pull trigger mechanism had been introduced, the magazine had been altered to admit of charger loading, and the entrance cuts were modified to accommodate the pointed bullet of the Mk. VII ammunition.

The sights had also been changed; the original Mk. I sight was fitted to the 10,500 Mk.I rifles, which were later fitted with the Mk. II sight, as supplied with the first 19,300 Mk. II rifles manufactured; the Mk. III sight was fitted to the next 44,700 Mk. II rifles; the Mk. II** pattern of rifle was issued from the factory without sights, then 8,650 were temporarily equipped with L.E. sights; in May 1909, the new Harris sight was fitted to 700 of the Mk. II rifles; the Sutherland sight, Mk. I, was fitted to the 15,000 Mk. II[5*] rifles, manufactured in 1910 and, between 1910 and 1912, the Sutherland sight Mk. II replaced the Mk. III sight on 15,000 Mk. II rifles. After extensive trials, over a long period, of the Swift; Improved Swift; Parker, Improved Parker and Negative Angle sights, a new pattern screw elevating rear aperture back sight with wind gauge, vernier and battle-sight mounted on a charger guide sight base was finally adopted in February 1914 for the Mk. III rifle.

The Snider rifle had been withdrawn from the Militia in April 1907, on replacement by the Ross Mk. II. Instructions were issued in January 1912 for withdrawal of the Long Lee-Enfield on replacement by the Ross. In the autumn of 1913 Canada sold to New Zealand 15,000 Lee-Enfield rifles Mk. I for the sum of £3,125; or $1.00 per rifle. The Ross having been found an unsuitable weapon for active police service, one

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121043

thousand Lee-Enfield carbines were bought in August 1914 from the Militia Department by the R.N.W.M.P., also at $1.00 each. These replaced the Mk. II Ross rifles with which the force had been rearmed in 1909, and 800 of which had been destroyed in a fire at the Regina barracks.

The Ross rifles on charge of the Department of Militia and Defence on 31st July 1914 were as under:-

Mk. I.

Mk. II.

Mk. III.

The Ross Rifle Factory operated at an increased rate after 30th July 1914 when the M.G.O. sent a telegram to the Company -

> "Increase immediately to your utmost capacity manufacture and delivery of Mark three rifles and bayonets already ordered. Turn over at once to Inspection Branch all complete Mark three rifles and bayonets."

In September the British Government placed an order with Sir Charles Ross for 100,000 Mark III rifles, after thirty months only two thirds of these had been delivered. Deliveries for the Canadian Government were made more quickly, the demand was urgent and incessant. The publication of the details of transactions in Canada involving the sale in 1915 to the British Admiralty of 500 Mk. III Ross rifles through Hon. Colonel J. Wesley Allison the chosen "adviser, counsellor and guide" of the Minister of Militia, together with 3,000,000 rounds of S.A.A. were not published because in 1916 Sir Charles Davidson, Chairman of the Royal Commission on the Purchase of War Supplies and Sale of Small Arms Ammunition, thought it was in furtherance of the public interest that the information should be treated as confidential.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121044

VALCARTIER and SALISBURY PLAIN

The troops mustered at Valcartier for the Canadian Contingent were armed with the Ross, 22,128 Mk.III were in use there, and all target practice, for which 4,138,700 rounds of Mk.VI and 450,340 rounds of Mk.VII ammunition were issued, was carried out with it; only one minor casualty is recorded, from a blow-back. The P.P.C.L.I. went into camp at Levis on 31st August and there they spent much time on the ranges in thoroughly testing the Ross rifle. The results were such that Lieut.-Colonel Farquhar immediately urged a change to the Lee-Enfield, because all his men, except fifty, were used to it and because their experiences could hardly fail to have shaken the confidence of the men in the Ross. For these reasons, and because the regiment prior to going to France was brigaded with British troops, the change was authorised in November 1914 and the Ross rifles Mk.III thus released were issued to the 15th Bn. which had carried the long Mk.II.

Complaints about the Ross from the Contingent on Salisbury Plain were soon forthcoming, back sights were being damaged by catching on equipment and broken during bayonet instruction; bayonets were found to jump off during firing and there were many weak striker and magazine springs. The rifle was too long for artillery vehicles so General Alderson cabled to Canada in November for 1,400 Short Mk.III, only to find that as none were made, 1,400 Short Mk.II had been shipped in lieu. He cabled to cancel the shipment, as the Short Mk.II would not take Mk.VII ammunition, and requested that the 1,400 Short Mk.III required should be ordered from the factory, and 1,200 more for the two Cavalry regiments; he was informed by Ottawa "cannot be provided," although Sir Charles Ross, who was sponsoring his weapon by lectures and personal examination of every Ross rifle on Salisbury Plain, stated that they could be supplied from his factory at the minimum rate of 100 per day. General Alderson they applied to the War Office for

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121045

an issue of S.M.L.E. for the Cavalry and Artillery of the Contingent, but the Army Council decided, on 5th February, that the change should not be made, that the troops should take the field with the Ross rifle which had been provided by the Canadian Government, and orders were issued to the Corps and Army concerned that the change was not to be effected in France without sanction of the Army Council.

During the period at Salisbury Plain the armourers, of whom there were nine in each battalion, reamed the muzzles, enlarged the peep sight apertures, chamfered the magazine retaining springs, bored holes in the bottom of magazines, and made repairs and adjustments; and when the Division crossed to France the only unit not armed with the Ross rifle was the Divisional Cavalry Squadron, which, contrary to the Army Council decision recorded above, had been issued with 175 Short Lee-Enfield rifles by War Office authority. Of the various patterns of Ross rifle, only the Mk.III was allowed to be taken to the front, and after the necessary redistribution there remained but 500 of that mark serviceable at the base depot in England, so a hurried order for 2,000 more for issue to reinforcements was cabled to Ottawa for immediate attention.

The news that the Divisional Cavalry had discarded the Ross reached the ears of the Minister of Militia as a "rumour that Canadian cavalry are to discard Long Ross." He having "for thousands of miles in the saddle, often in brush, carried a Long Lee-Enfield without any trouble," was satisfied that a short rifle had no advantages, and he cabled to Lord Kitchener on 22nd February "We are preparing a new rifle carrier which is most perfect and removes any inconvenience to rider carrying a long rifle. I respectfully request that Long Ross rifle should not be discarded;" next day he received reply "Your telegram about Canadian Cavalry rifles. There is no such intention." But Lord Kitchener no doubt thought

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121048

that "Canadian Cavalry" meant the R.C.D. and L.S.H., and he could not have guessed that the commanders of these two regiments, while he was writing that reply, were in the act of preparing reports "regarding irregularities of the Ross rifle" on instructions of their brigadier, Br.-General J.E.B. Seeley. He had taken command of the new Canadian Cavalry Brigade on 1st February; finding that the Ross was not a suitable weapon for cavalry, and that the regiment had not proper means for carrying it, he took steps to secure an issue of S.M.L.E. by communicating with the War Office, through the G.O.C. Eastern Command, under whom he was then serving, without reference to the Canadian authorities. The rearming was carried out at Maresfield in March and April, and the discarded Ross rifles were turned in to Canadian Ordnance, Ashford.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121047

FRANCE.

Feb. - July 1915.

The supply and maintenance of a rifle not of British pattern became more serious when the Division took its place in the line; there were only 500 available in England for reinforcements, but the provision of four workshop motor lorries, one for each infantry brigade, and attached to the Divisional Supply Column, and specially fitted to carry artificers and spare parts for the repair of M.Gs, Ross rifles, bayonets and pistols, disposed of that difficulty. Before the troops had been long in the line some of the old troubles became more important; a man could not now recover his bayonet dislodged while firing without going over the parapet, he must wait for darkness and search for it in the mud and wire of no-man's land. The Divisional Commander, being doubtful of the performance of the Ross with the various makes of S.A.A. then on general issue or taken over as trench stores, called on his brigadiers early in March to make report. That of Br.-General A.W.Currie was prophetic of what was to happen to the troops within six weeks. "They find, after firing a few rounds, that the shells seem to stick in the bore and are not easily extracted, in fact, more than the ordinary pressure must be applied....This seems to me to be a point where the most rigid investigation is necessary, as a serious interference with rapid firing may prove fatal on occasions."

By this time every infantryman in the 1st Canadian Division had had six months experience of the Ross: he had fired over 200 rounds from it on the ranges at Valcartier and Salisbury, he had carried it on the march and in the trenches, he had tested its capacity when delivering rapid fire on the left flank at Neuve Chapelle, he had taken advantage of many opportunities to compare it with the S.M.L.E. of his comrades in the British line; and on the 14th March the Divisional Commander found it necessary to publish the following Routine Order -

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121048

"Rifles - It is to be noted that with the exception of the Divl. Mtd. Troops men are not permitted to be in possession of M.L.E. rifles." The sum of the experience and trials up to date were at the same time summarised by the Division in the statement "Ross rifles - these are giving good satisfaction;" a list of the modifications already applied and others recommended, including strengthening of the stock and shortening of extractor cut to prevent sticking of bolt head, was forwarded to Ottawa and passed to the Standing Small Arms Committee for report and to the Ross Rifle Co. for their opinion.

The first gas attack was delivered on 22nd April, 1915, the 1st Canadian Division was relieved on 4th May, and two days later the Divisional Commander called upon all brigades and battalions to report at once on the behaviour of the Ross rifle in the operations, and on the number of S.M.L.E. rifles and bayonets in possession. Twenty six replies are on record. For the 1st C.I.Bde., Br.-General M.S.Mercer reported at once "I consider the Ross Rifle a satisfactory weapon," a week later he recommended "that the rifles be chambered out to exactly the same dimensions as the Lee-Enfield;" Lieut.-Colonel D. Watson of the 2nd Battalion, reported "Majority of opinion strongly in favour of Ross rifle." Br.-General A.W. Currie said "The rifle is not as satisfactory as it should be;" Lieut.-Colonel L.V. Lipsett of the 8th said "Difficulty has been experienced in extracting" and one of his men had been killed by the blowing back of a bolt, the only such casualty recorded for the battle; Lieut.-Colonel G.B. Hughes, then brigade-major of General Turner's 3rd Brigade, signed the statement that "Enquiry seems to develop the fact that the Ross rifle is not a perfect mechanism," but that in British units "complaints of the working of the Lee-Enfield are just as serious as those now made of the Ross;" Lieut.-Colonel F.O.W. Loomis of the 13th Battalion was more specific "After firing 15 to 30 rounds rapid fire the rifles jam. To loosen the bolt it was necessary

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121049

to use the boot heel or the handle of an entrenching tool. The men have lost confidence in the Ross rifle as a service arm." Another commander strongly objected to taking his men into action again unless the jamming was rectified, and still another respectfully submitted that "it is nothing short of murder to send our men against the enemy with such a weapon."

These reports were rendered by officers who had been in the battle, they were prepared in consultation with junior officers who spoke for their own companies. The Minister of Militia had two reports made independently by Hon.Lieut.-Colonel J.J.Carrick and Major J.E.Mills, who explained that much of the trouble was due to British ammunition, a fact corroborated by tests carried out by the infantry brigadiers. The direct verdict of the men is contained in the fact that 1,452 of the 5,000 Canadian infantrymen who survived the ordeal had picked up the Lee-Enfield, having thrown away the Ross.

General Alderson enumerated the complaints received, twelve in number, which applied to the mechanism, the bolt, the sights, the magazine and the chamber, and forwarded a statement with copies of the twenty six replies which duly reached the Commander-in-Chief through the Quartermaster-General, G.H.Q. In a personal letter he wrote "This matter is as delicate as it is important. . .You will see that the reports, as such reports always do, vary considerably. . . . .Canada will no doubt be extremely annoyed if fault is found with the rifle, this, however, cannot be allowed to stand in the way when the question may be of life or death, and of victory and defeat."

Action followed immediately. G.H.Q. decided that it was quite out of the question to replace the Ross at that time for although the Ross with bayonet and scabbard cost $33.25 and the S.M.L.E. complete cost $17.64 the supply of the latter was far short of the demand for the New Armies then being raised. A committee of seven officers, headed by Colonel C.M.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121050

Mathew, D.D.O.S., "the best small-arm expert we have in this country," and containing two Canadian representatives, was assembled, by order of the Commander-in-Chief, at the St.Omer rifle range on 5th June to test the performance of both Ross and S.M.L.E. with various makes of ammunition. They dealt with each of the twelve complaints and arrived at the unanimous finding that D.A.C. 1914 Mk.VII ammunition only of those tried was suitable for rapid fire with the Ross rifle, and they recommended that "the Ross rifles should be employed on the Lines of Communication and that if possible the Canadian troops should be armed with the British rifle." The Q.M.G., G.H.Q. endorsed the finding on 7th June and submitted it to the Commander-in-Chief, remarking that "The Canadian Government will be greatly disturbed if the Dominion rifle is taken from the Canadian troops" and that a supply of Canadian ammunition, if made available, could be arranged for the Canadian Division but not for the L. of C.

The Commander-in-Chief ordered the Ross rifles of the 1st Canadian Division to be exchanged for S.M.L.E. forthwith, and notified the Secretary of the War Office of his action:-

From: - The Field-Marshal Commanding-in-Chief
British Army in the Field.

To : - The Secretary,
War Office, London, S.W.

General Headquarters,
12th June 1915.

Sir: -

In continuation of my telegram No.Q/37 dated 11th instant I have the honour to transmit for the information of the Army Council a copy of a report submitted by a Committee appointed to make certain tests in order to ascertain whether repeated complaints which had reached me regarding the Ross rifle were justified.

It will be seen from the Report of the Committee that while this rifle works smoothly and well with ammunition of Canadian manufacture it is very liable to jam when using ammunition of English make.

I intend shortly to employ the Canadian Division in offensive operations and, as there is no supply of Canadian ammunition immediately available,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121050

I have decided that, in view of the definite statements made by the Committee and of the reports I have received of a want of confidence in their rifles on the part of the Infantry of this formation, it is necessary immediately to re-arm the Canadian Division with the Lee-Enfield rifle. Instructions have been issued for this to be done at once; utilising for the purpose the rifles referred to in my letter No.O.A.2-99 G. dated 8th June 1915.

It will not be necessary to re-arm the 2nd Canadian Division if the necessary supplies of Small Arm Ammunition of Canadian manufacture become available by the time this Division is sent to France.

It is understood that the trouble with the English ammunition is due to the fact that the cartridge case fills the chamber so tightly as to cause a jam. It is possible that by a slight alteration in the chamber it may be found possible to remedy this defect.

I have the honour to be,
Sir,
Your obedient servant,

Sgd: J.D.P.FRENCH,
Field-Marshal

Commanding-in-Chief,
British Army in the Field.

On the same day Hon.Lieut.-Colonel J.J.Carrick cabled to the Minister as follows:-

"Owing to lack of ammunition of Canadian manufacture and to the fact that the rifle jams when fired with British made ammunition, the Ross rifle is being temporarily withdrawn from the Canadian Division. I was informed that this step was absolutely necessary for above reasons, when I protested strenuously on your behalf. Have discussed matter fully with Sir John French. Leave of absence has been granted to me to proceed home and lay matter before you, and I return next Tuesday or Wednesday by first boat. This question is entirely within jurisdiction of Military authorities in France, so wire me here until my departure.

Please acknowledge receipt."

Two days later the 1st Canadian Division reported "The infantry and engineers of this Division are now completely rearmed with S.M.L.E. rifles;" by this time the Division had been engaged in the Battle of Festubert and, by the day before Sir John French wrote his letter, the men had already possessed themselves of 3,050 Lee-Enfield rifles on the battle-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121052

field; the number of Ross rifles turned in was 5,372.

Next day one of the infantry brigadiers and an infantry officer both wrote secretly to inform the Minister's Special Representative in London, Br.-General J.W.Carson, but he had already heard the news both from Colonel Carrick and from Lord Brooke, whom Sir John French had sent to see Major-General S.B. Steele, then commanding the Canadian troops in England. He had been warned by the Army Council through the Eastern Command that drafts for the 1st Canadian Division should be armed with the short Lee-Enfield, but that no alteration was contemplated in the arming of the 2nd Canadian Division.

The War Office was evidently taken aback at the high-handed action of the Commander-in-Chief, and took him to task at once, informing him "that the Army Council had carefully considered his report and that they were not of the opinion that there was sufficient evidence to justify the sweeping condemnation passed on the Ross rifle," and in pardonable ignorance of the history of the previous fourteen years added "In view of the very favourable character attached to the Ross rifle by the Canadian Government the Army Council would be glad to have some independent opinion of a few selected Canadian officers on the general serviceability of this rifle as compared with the Lee-Enfield." The Commander-in-Chief replied as follows:-

CONFIDENTIAL

From: - The Field-Marshal, Commanding-in-Chief
British Army in the Field.

To : - The Secretary,
War Office, London, S.W.

General Headquarters,
19th June, 1915.

Sir: -

I have the honour to acknowledge receipt of War Office letter No.77/15/5209 (A.5) dated 16.6.1915, regarding the action taken by me in the matter of the Ross rifles of the Canadian Division.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121053

2. The circumstances are as follows:

I had heard rumours that there was a growing want of confidence in this rifle, as evidenced by the fact that the Infantry of the Canadian Division were taking every opportunity of exchanging their rifles with those of the Lee-Enfield pattern from casualties on the battlefield.

3. To satisfy myself whether there was any real justification for this state of affairs, without at the same time lending encouragement to the idea that the Ross rifle was unsatisfactory, such as might have resulted from an investigation by the Divisional authorities, I gave instructions for the assembly of a small Committee at my General Headquarters to test the rifle with the various natures of ammunition in use, including ammunition of Canadian manufacture, of which a small supply was obtained from England for the purpose, none having been sent out to this country for use with the rifle.

4. The proceedings of this Committee were laid before me on the eve of a serious offensive operation in which the Canadian Division was to take part, and I was at the same time informed that over 3,000, or more than one third, of the Infantry of this Division had already succeeded in re-arming themselves with the Lee-Enfield rifle without any authority having been given for them to do so.

(i) Looking to the unanimous opinion of my Committee that the Ross rifle could not be relied upon to work smoothly and efficiently in rapid fire with any ammunition other than that of Canadian manufacture.

(ii) to the fact that no ammunition of this nature was available in this country, and that sufficient supplies could not be obtained from England, and

(iii) to the want of confidence in the rifle which a large number of the infantry evidently felt, as evidenced by the fact that over 3,000 had without authority, exchanged their rifles for those used by their British comrades, and taken from casualties on the battle field.

I did not feel justified in sending this Division into battle with the Ross rifle, and ordered the re-arming of the Infantry of the Division with the Lee-Enfield rifle, which was carried out before they went into action on 15th instant.

5. As regards the suggestion made by the Army Council that the opinion of one or two selected Canadian Officers should be obtained, I submit that this is a difficult and complicated question which can only be satisfactorily settled by the best expert opinion, and that the views of a few selected Canadian Officers, who may or may not be prejudiced in the matter, will not be of any material assistance.

6. I would therefore suggest that the Army Council should send to this country one or more of the most highly qualified experts obtainable to make the necessary tests under service conditions and report whether ammunition of British manufacture is or is not suitable

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121054

for use with the Ross rifle. For this purpose a supply of ammunition of Canadian manufacture should be brought out for comparison.

The Army Council can then decide whether, looking to all the circumstances, it is advisable to restore the Ross rifle to the Canadian Division.

7. In conclusion I would observe that in my reports I have never condemned the Ross rifle, nor have I any sufficient data to justify me in doing so.

I have expressed and acted on my opinion that, so far as I can judge, the ammunition of British manufacture is not suitable for use with the Ross rifle, and that there is a large and growing feeling of want of confidence in their rifle on the part of the men in the Canadian Division, which is amply justified by the Report of the Committee.

8. Owing to the difficulty at present experienced in turning out rifles in sufficient numbers for our requirements, I shall most heartily welcome an authoritative statement which will carry conviction to the men that their apprehensions are unfounded, or what may possibly be found more easy of attainment, viz. a slight alteration to the chamber of the rifle which will better adapt it for use with our British ammunition.

I have, etc.,

Sgd: J.D.P.FRENCH.

This correspondence was forwarded to the Minister of Militia by the War Office on 6th July, with the explanation that "in deference to the wishes of the Commander-in-Chief the Army Council have had no alternative but to confirm his action," and with the request that further supplies of ammunition of Canadian manufacture be despatched so that the necessity for rearming the 2nd Canadian Division might not arise.

By this time the Minister, "a warm admirer and defendent of the Canadian Arm," was on his way to England and shortly after his arrival there he appointed Lieut.-Colonel J.W. Harkom, a rifle expert, and Sir Charles Ross "to look into this matter and fix it up." The public was informed of the trouble through reports of a question asked in the British House of Commons on 8th July "whether the Canadian Division had been armed with Lee-Enfields and whether the Canadian Government had been asked to discontinue the manufacture of the Ross rifle?" Because these matters were of very considerable delicacy as between the Dominion Government and the British Government, the Under Secretary for War did not think

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121055

it desirable to make direct reply, and the public was not reassured by the unchallenged statement of his question, that "all the Canadian soldiers say the Ross rifle is a first class target rifle, but that the sights are very delicate, and that the rifle jams." The Dominion Parliament was not then in session, having risen in mid April, and the condition of affairs was common knowledge before it met again in January 1916.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121056

RECHAMBERING OF ROSS MK.III.

July - August 1915.

On 4th February 1911, when the chamber of the new Mk. III Ross rifle was under discussion by the Standing Small Arms Committee, they had finally agreed with the M.G.O. that it was more important to have a chamber suited to standard British Mk. VII ammunition than to gain M.V. by reducing it, and in May they recommended that the dimensions of the short L.E. chamber (.462", .404", .343", .339") should be adopted; but because the long Ross Mk. II chamber (.460", .4005", .3429", .338") gave higher M.V. in tests, the Committee in August changed their recommendation of May and it was authorised for Mk. III with the alleged concurrence of the M.G.O.

When the Minister called for "a thorough and immediate inspection into the question" of the chamber, Sir Charles Ross admitted reducing the dimensions and erroneously blamed Colonel Harkom. Colonel Greville-Harston was also questioned, he had evidently forgotten having signed his committee's amended recommendation of 4th August 1911 and referred to that of May; he said that the long Ross Mk. II chamber was authorised at the urgent request of Sir Charles Ross and explained that the change was unknown to him at the time because the Ross Rifle Co. had supplied the chamber gauges but had failed to meet repeated requests for dimensioned drawings; he did not explain why he had not taken the precaution of obtaining a set of L.E. chamber gauges from the War Office. The Mk. II chamber therefore continued to be used until 9th July 1915, when the Ross Rifle Co., because of the failure of the rifle in the field, was ordered by the M.G.O., as instructed by the Militia Council, to adopt the dimensions of the S.M.L.E. chamber, which accommodated the high limit Mk. VII cartridge (.460", .401", .340", .338").

The Minister of Militia, then in England, cabled on

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121057

16th July direct to the Ross Rifle Co. to "try enlarging chamber by two thousandths at neck increasing to four thousandths at base and report result by cable. Try maximum cartridge." On the same day he also cabled to the Acting Minister in Ottawa that the chamber "must be enlarged four thousandths at base tapering to two thousandths at neck. This is imperative. This size will be .464" at base to .341" at small end." When the order was communicated to the Ross representatives, they recommended .463", and there was much investigating, testing and gauging at Ottawa, at the Rockliffe Ranges, and at Quebec, of rifles chambered .460", .462", .463" and .464". In one test 36,000 rounds were fired from 72 rifles; the results of all the trials confirmed those found at the front, even to kicking open the breech. Minor distortion was detected in some chambers, and attributed to nipping in the vice during breeching up, that is, after final gauging. The behaviour of D.A. and D.C. ammunition was tested and compared, and also that of the famous "B", specially obtained for the purpose, although that make had been withdrawn from the field by order of the Commander-in-Chief several months before.

The Ross Rifle Co. objected that it was impossible to make the chamber as ordered by the Minister because it would be bell mouthed, but they would do their best; ammunition manufacturers protested that cartridges of L.E. dimensions would split because of inadequate support to the shell, ballistic experts showed that the escape of gas allowed would reduce M.V.; later the first was put down to a misunderstanding and the two last were shown to be negligible. But it was brought to light that the Ross Rifle Co. had always assumed that their chamber would not be required to accommodate the high limit cartridge; in 1908 they had announced that the contract permitted them to decide what tolerances should be allowed; and the simple result, though hitherto enexpressed,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121058

was that a high limit cartridge introduced into a low limit chamber would inevitably give a driving fit, which the straight pull mechanism could not extract. Prior to rechambering, about 15% of properly gauged ammunition caused properly gauged Ross rifles to jam.

Eventually the size (.464", .4025", .343", .341") was adopted on 14th August 1915; all rifles already made were reamed out to this, and all subsequent rifles were so manufactured. At that time the War Office contemplated no changes in the chamber of the S.M.L.E., but on 4th January 1916 an increase was made to .464".

On the day after the dimensions of the new chamber had been agreed upon, the Minister of Militia cabled to his Deputy in Ottawa that long Ross Mk. II chamber and present Mk. III, is .459", .401", .341" and .338"; L.E. chamber is .462", .404", .343", .339"; proposed new Ross chamber .464", .406", .345", .341"; that "these are British dimensions therefore it appears more than probable a change has been made in recent years in the Lee-Enfield chamber without the Canadian Government being aware of it." These figures for the Ross chambers and the conclusion drawn were wrong; the dimensions of the L.E. chamber and cartridge had remained unchanged throughout the previous fourteen years.

With a view to restoring confidence the Minister ordered that the troops should be instructed that the Lee-Enfield jams worse than the Ross, but it is doubtful whether this had the desired result, for all ranks in England, including the 2nd Canadian Division then preparing to go to France, had been consistently forbidden to use the vernier, the wind-gauge or the battle aperture of the somewhat complicated rear sight and no amount of argument or instruction could obliterate experience or adjust faulty balance or reduce dead weight.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121059

By August 5th Lieut.-Colonel Harkom had begun to take the necessary steps to adapt the chambers. There was delay in procuring 40 reamers and other necessary tools from The Royal Small Arms Factory at Enfield Lock, but between 24th August and 9th September he with his staff of 50 "Ross Rifle Details" rechambered all the rifles of the 2nd Canadian Division, and so the transfer of the Division to France had to be postponed for only one week. The rechambering was continued, over 44,000 rifles were so treated in less than ten weeks and 7,280 rifles had also been fitted with the improved pattern of magazine. This workshop at West Sandling was also called upon to make other adjustments. Badly tempered bolt heads, varying from glass hard to dead soft made their appearance, even to 80% of receipts from Canada, and an extemporaneous method of case hardening was introduced which was not altogether successful: cracking, shearing and chipping of locking threads was not uncommon; the Minister was "utterly amazed" that the Ross Rifle Details had been permitted to interfere with the bolts. As with the peep-sights of the first contingent, it was found desirable to enlarge the aperture to 1/10" diameter, screws were working loose and had to be rim punched, it was decided to remove the unnecessary trigger guard swivel, and a number of foresight sleeves and single trigger pulls required attention. The work at first was carried on under the Director of Supplies and Transport at Shorncliffe,(Lieut.-Colonel A.D.McRae), who reported to the Minister's Special Representative, and from November 1915 under the Deputy Assistant Director of Ordnance Services, Canadians, at Ashford,(Lieut.-Colonel B.C.White). The Corps Troops which went to form the 3rd Canadian Division in December, also went to France with rechambered Mk.III. Subsequently the rifles turned in by the 1st Canadian Division were returned to England and similarly treated. All rifles rechambered in England were marked "L.C.", to distinguish

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121060

them from those rechambered in Canada which were marked "N", and those received direct from the factory with the larger chamber were marked "E".

Sir Charles Ross, by special permission, visited France in August 1915, but by that time the only Ross rifles in the Canadian line were a few retained for the use of snipers. On his return to London he discussed with Mr. Auckland Geddes whether there was any objection to opening negotiations for Russian orders for rifles; the reply was that neither Russia or any of the Allies should negotiate for the output of the Ross Rifle Factory. There was a serious shortage of rifles in the autumn and winter of 1915, so many were required to arm the new Canadian battalions then being raised that none could be sent direct to England for the maintenance of a proper supply in France; it became necessary to arm men in the Training Division with Mk.II although the return of that mark to Canada had been urgently demanded, some were reamed and adapted to Mk.VII ammunition; one battalion, the 73rd, arrived unarmed in England in April 1916, and this was six months after the Minister's Special Representative in London had feelingly written to the G.O.C. Canadians "How the devil they expect us to get along without rifles rather beats me, but the whole Ottawa situation is enough to drive anybody crazy." The situation in England was not above criticism, for there were approximately 7,000 unserviceable rifles lying in Canadian Ordnance stores at Ashford which, after reconditioning, furnished some 6,000 "perfectly good rifles" although the feature of interchangeability of parts had practically disappeared.

In Canada, after the size of chamber had been settled, the most important discussion arose in December 1915 when the Master-General of the Ordnance laid the question of further provision of rifles for the C.E.F. before the Militia Council and submitted the following proposals: -

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121061

"(i) To compel the Ross Rifle Co. to increase their output to comply with the rates of delivery stipulated in the orders placed with them, and to inquire whether the War Office was willing to transfer their contract for rifles to the Department of Militia and Defence.

(ii) Failing (i) to expropriate the Ross Rifle Factory.

(iii) As a last resource, purchase rifles from Great Britain or United States."

At the end of March 1916 the Prime Minister cabled to ask Sir George Perley whether Lee-Enfield or some other improved rifle could not be obtained for the troops, and received the reply that the British Government could not spare any at that juncture.

In France there were occasional cases of jams in the rechambered rifles of the 2nd Canadian Division. As early as 21st October 1915 a test of rapid fire with the Ross rifle was carried out by the 6th Canadian Infantry Brigade which convinced the brigadier that they were caused by defective or over gauge ammunition; the makes tested were B,N,G,K and E, the last two of which, like the D.A. ammunition, did not jam; to eject the"B14" and"G14" makes it was "necessary to use the foot on the bolt." Within a week another test of the same makes of ammunition was fired by men of the Corps Troops from both the Ross and S.M.L.E. in the presence of Major-General Carson, Hon.Colonel Sir W.M.Aitken, and the Corps Commander. The "B" ammunition caused the bolt of the S.M.L.E. to stick slightly in 3 rounds out of 125; on the 26th round the firer of the Ross "had to use his foot to open it," and on the 40th the bolt jammed and his rifle was out of action. The "E" and "K" makes caused no trouble in either the Ross or S.M.L.E. The "N" and "G" makes fired without jam or misfires in the S.M.L.E.; with the former the Ross bolt had to be forced open with a stick from the 45th to 50th, and the series was discontinued; with the "G" make after the 29th round the firer of the Ross had to use his foot to force

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121062

the bolt open.

In consequence of these tests, which gave results similar to those found at St.Omer in June 1915, great care was taken to see that only makes of ammunition which were suited to the Ross were accepted by the 2nd Canadian Division. This precaution made it possible for the G.O.C. of the Division to report confidentially in February to the Minister's Special Representative that he "had absolutely no complaints," but in the same letter he asked for a set of reamers, he noted that all rifles were not uniformly marked, he suggested larger numerals on the sight, commented on soft bolt heads being received and asked "Would it affect the shooting of the rifle very much if the barrel was cut down two inches?" But the results of these tests and experiences in the unfortunate fighting at the St.Eloi Craters became known to the troops, and to meet their reaction it was considered advisable to publish 2nd Cdn.Div.R.O.2052 of 17th April 1916 which reads as follows:

> "For the future, Company Commanders of Infantry and Officers Commanding other Units of the 2nd Canadian Division will be held personally responsible that there are no unauthorised Lee-Enfield rifles in the possession of their units. All salved Lee-Enfield rifles will be immediately returned to Ordnance Stores.
> Neglect of this order will be treated as a direct breach of discipline."

The Armament Officer of the 2nd Canadian Division, who frequently corresponded with the Minister's Special Representative, and also with the Minister himself, made known in March his discovery that in the 3rd Canadian Division a number of the men were in possession of S.M.L.E. rifles and that some had exchanged their Ross with the approval of company officers. When this was brought to the attention of the Minister of Militia he directed one of his representatives, Colonel G.P.Murphy to demand a full report. Major-General Mercer replied that a large number of L.E. were rightly in possession of certain specialists in the line, including machine gunners and grenade throwers, and that all men rejoining

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121063

from hospital in France brought L.E. rifles with them; he assumed that all concerned knew the P.P.C.L.I., one of the battalions of his division, to be armed with the S.M.L.E.; for the rest he declared that his men had little or no confidence in the Ross, his regimental officers had reported overwhelmingly against it, even with the best ammunition in the field it jammed to such an extent as to weaken offensive and defensive power, and the only conclusion he could arrive at was that "to longer withhold the issue of the L.E.rifle and compel the men of this Division to use the Ross rifle, would be criminal in the extreme." Within three weeks after this reply his two mile front at Mount Sorrel was heavily attacked, and over 9,000 casualties were suffered before the position was restored.

Meanwhile three letters on the subject of the Ross rifle had been written and their contents widely circulated. The first, which rekindled the matter, set out the position as seen by a United States citizen, an "amateur expert" then serving as a subaltern in the Canadian Ordnance Corps at Shorncliffe; it was written in December 1915; a copy found its way into the hands of Major-General W.G. Gwatkin the Chief of the General Staff at Ottawa, and he forwarded an extract to Lieut.-General Alderson commanding the Canadian Corps in France as a document which he ought to see. General Alderson replied, and extracts from his letter, reproduced below, were printed, to the embarrassment of the Government, in an Ottawa newspaper of 17th May, 1916 -

6th February, 1916.

My dear Gwatkin:

Many thanks for sending me those extracts from a letter regarding the Ross rifle. Presumably the writer is, or was, at Shorncliffe? Apparently, too, he has some knowledge of the manufacture, etc., of rifles.

I will not go into any of the details, as regards soft bolt-heads, faulty sights, rifles being re-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121064

built at Ashford, etc., etc., as he does, except to say that all these things seem to me to be against, and not for, the Ross rifle?

The two main points in this letter seem to be:-

(a) The writer says that 85% of the men do not like the Ross.

(b) He says that the Enfield rifle jams with "B", "G" and "N" ammunition after 15 rounds!

In (a) he is right, in (b) he is very wrong indeed.

I will now take these points in detail.

(a) The men like the Lee-Enfield for the following reasons.

1. It is lighter.
2. It is shorter.
   This means:-

   Firstly, it is more suitable for trench work.
   Secondly, it comes up and is on the target at once, like a shot gun.
   The advantage of this for rapid firing and snapshooting, and most of the shooting at present is that, is obvious?

3. It has a longer bayonet, which the men like.
4. The magazine holds 10 rounds instead of 5.
5. The magazine is much easier to charge than is the case with the Ross, as the clips go in straight and at once. Hence the Enfield rifle will fire any given number of rounds over 5, a good deal quicker than the Ross will.
6. The magazine of the Enfield is much stronger than that of the Ross. It has two grooves in it. This means that you may dent the magazine to the depth of the grooves and it will still allow the cartridges to pass up. The Ross has no grooves in its magazine and a small dent puts it out of order.
7. There is no doubt that the Ross is much more sensitive to dirt, mud, or dust in its mechanism, than is the Lee-Enfield. In the trenches both men and rifles are often covered with mud. It is natural, therefore, for the men to prefer the rifle which is least sensitive to dirt?
8. The sights of the Lee- Enfield are more simple, and stronger, and less liable to damage than those of the Ross.
9. There seems no doubt that the turn given by the striking up of the bolt in the case of the Lee-Enfield favours the easy extraction of a fired cartridge more than does the straight pull back of the Ross?
10. And this accounts for the whole thing! The Lee-Enfield is an old experienced man as a service rifle, while the Ross is a baby.
    To put it in other words, the Lee-Enfield is the outcome of years of experience with rifles on active service, while the Ross has not (as far as I know) been on active service before.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121065

It is small wonder that the men, who are good judges in these matters, should prefer the Lee-Enfield?

I may say that, very soon after we got out here with the 1st Division, I found that the men were picking up Lee-Enfields whenever they could and throwing away the Rosses. I issued an order that this was not to be allowed and, prior to the 2nd Battle of Ypres, that order was carried out. The experience of the battle showed that the Ross jammed so badly that I was obliged to let this order die a natural death. When the Division was rearmed with the Lee-Enfield the men cheered loudly on hearing the news, and it was found that there were already over 3,000 of the rifles in the Division.

I hold no brief for the Lee-Enfield (the Martini was still the rifle when I commanded a company) and I did, and still do, as regards the 2nd and 3rd Divisions, discourage any crying down of the Ross, although I know, as does everyone else, that the Lee-Enfield is out and out the best active service rifle.

I believe the Ross to be a closer shooting rifle and I think, and I often say so, that, with teams of equal shots on the range, and using the rifles as single loaders, the Ross would win.

Now I take the second main point in the letter you sent me.

(b) "...with the same ammunition (i.e. 'B', 'G' and 'N') the Lee-Enfield cannot be relied upon to fire 15 rounds."

This is an absolute invention.

I attach a copy of a report on a test of ammunition we had when Carson and Max Aitken were last here together. From this you will see that the Lee-Enfield fired from 100 to 125 rounds, as rapidly as possible, with all the three marks of ammunition named, while the Ross jammed from the 25th to the 50th round.

This report (which, as you will see, was signed by both Carson and Aitken) does not state, as it should that the Lee-Enfield, although handled by men not trained to it, fired (owing to it being, as I have before said, much easier to charge the magazine) its 100 rounds in about one third less time than the Ross. Nor does the report state, as was the case, that the hands of the men using the Ross were cut and bleeding owing to the difficulty they had in knocking back the bolt.

None of those present, and there were many Commanding and other officers there, could have failed to notice these important points.

As regards what the writer of the letter says about "B", "G" and "N" ammunition having "again in some mysterious way found its way to the Canadian trenches." That, too, is against the Ross, moreover it emphasises what we have been told officially, viz. that, while we are stationary it will be possible to keep this ammunition away from units armed with the Ross, but that when we get on the move it may not be possible.

I should be glad to know where the "here", referred to by the writer as where there is, "more or less organized attempt to discredit the Ross rifle", is? I have heard nothing of any such attempts in France and if I did I should stop them.

What I shall not stop, however, is a bonafide report against the Ross rifle should it come in after any future serious action that any part of the Corps may take part in.

I should not be fit for my position if I passed over

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121066

anything which endangered men's lives or the success of our arms.

I have no more to say, except that, all through this letter I have merely stated facts and nothing else. I do not, therefore, mind to whom you show it.

Yours sincerely,

Sgd: E.A.ALDERSON.

Major-General W.G. Gwatkin,
Chief of the General Staff,
Department of Militia and Defence,
OTTAWA.

The Minister of Militia having been shown this letter by the C.G.S., wrote on 7th March to the Corps Commander as follows:-

Minister's Office,
OTTAWA.

March 7th, 1916.

Dear General Alderson:

General Gwatkin has shown me a copy of a letter from you of recent date on the question of the Ross rifle.

I had hoped that this matter had long ago been settled, but from the tenor of your remarks it seems that "the music is still in the air." I am well aware that very few Officers, British or Canadian, know much about any rifle, especially a new one like the Ross. Each naturally get accustomed to the one he used, and after a time seems wedded ot it. I, therefore, fully appreciate the liking that all those who have never before used the Ross rifle have for the old Lee-Enfield.

It is, also appreciated that those who have never used the Ross excepting, casually in practice, will not readily understand the manner in which the bolt should be opened. The L.E., as you know, for loading has four motions, an upward pull, a backward pull, a forward drive and a downward push. The Ross has but two.

Let us suppose the two rifles jammed, and that it will require a direct pressure to say two hundred pounds each to extract the jammed cartridge case. With a slow heavy pull the Lee-Enfield may be opened, but the Ross requires a smart snap with the fingers and the hand combined with a quick action of the elbow, to exert the necessary pressure.

The Lee-Enfield chamber, proof charge -- I enclose herewith a diagram -- was .459 at the base, or practically .460. The chamber, after proof charge and when finished, was .462 &c. The Ross being much stronger steel, and having proof chamber of .459 resisted fifty-one thousand pounds proof charge, and was finished at about .460.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121067

It is true that the Ross rifle, with certain ammunition, jammed. It is doubly true that the Lee-Enfield also jammed. The late Colonel Farquhar warned me, after his first action, about the jamming of the L.E., and begged me to instruct all the Canadians to carry oiled rags to clean the bolt every time, &c., &c., or it would jam. The Gordons, the Fortysecond, the Munster Fusiliers -- in fact every Battalion in the British Service -- was, from time to time more or less cut to pieces by the jamming of the Lee-Enfield, due to bad ammunition, to dirt, to rust, etc. As an observing Officer you must have know this, or at least you should have know it.

At St. Julien, two British battalions sent in to reinforce on the left of the Second Brigade -- I think they were the Durhams and Yorks -- had their L.E. rifles jam so badly with the bad ammunition that the poor fellows were shot to pieces and retired in confusion and disorder. The same held true of other Battalions armed with the L.E. at St. Julien, at Festubert, and at Givenchy.

You seem to be strangely familiar, juding from your letter with the list of ten suggestions intended to prejudice the Ross rifle in the minds of the Canadians. These suggestions were first worked out at Salisbury. The insidious whispering went on in France. The Questions took definite form just before St. Julien, and were continued till after Festubert. At Givenchy our fellows had the L.E. and got a most infernal trimming, whereas at both the other places, where they carried the Ross rifle, they had been very successful.

It is not worth while, with men who know little or nothing about rifles, to take up these ten points in details, but some of them are so absolutely absurd and ridiculous that no one excepting a novice or for an excuse, would be found seriously advancing them. For example:- The question of the open, as against the hooded foresight protector; the ten round magazine versus the five; the lightness; etc. In fact each and every one, to anyone informed on the expert aspect of rifles, carried its own condemnation on the face.

However,to meet the conditions of bad ammunition, mud, dirt, etc., we enlarged the chamber of the Ross to .464, etc. I am assured by Official Authorities that the British Government have followed suit and have adopted our size.

But the aspect, which borders on criminality, is the permitting of soft case ammunition, abnormally large ammunition, in short, bad ammunition, being placed in the hands of soldiers who are risking their lives in defence of the liberties we all hold so dear.

There might have been an excuse at the beginning that some routine Officer had passed the ammunition without detecting its faults, but over and over again in spite of the loss of thousands of the boys, this defenctive ammunition was placed in their hands.

To have one round of any defective ammunition again found with a soldier will be regarded as criminal, not only on the part of the authorities issuing it but on the part of the Officers in immediate command.

I shall not here refer to the "it is and it is not" aspect of the case, nor shall I produce hundreds of documents in the form of letters, etc., to show that, from the very outset, the expert British soldier, whenever he found an opportunity, invariably slipped off with the Ross rifle leaving the L.E. instead. This occurred long before St. Julien, as well as since.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121068

So far as concerns your amateur test with experts like yourself, Sir Max Aitken, Sir George Perley and General Carson, I happen to have the records of this test and of official tests both in England and at the Front, and with the exception of this instance of yours, in every other case the advantage with the bad ammunition was considerably in favour of the Ross. I am, of course, speaking of the enlarged chamber.

You are, of course, familiar with the superiority of the Ross in the rifle grenade tests, in which the range of the Lee-Enfield with the same length of barrel, and the same charge was considerably less than the range of the Ross.

I have before me at the present moment, a report from one of the best experts in the British Empire, Captain Ackerman, late of the First Division, Canadians and he states: -

> "since the enlargement of the chamber I consider the Ross rifle the most perfect of the four rifles that I had the opportunity of trying, viz.: Mauser (German with no protection for foresight and with open back sight.) Lebel (French - with same sighting apparatus), and Lee-Enfield (British - with partially protected foresight.)"

Will you kindly permit me to suggest to you that it would be advisable that the Canadian Force should not find any of the bad ammunition in their pouches or on their persons?

With good ammunition the Ross rifle has never been known to jam and I presume to be absolutely fair, that the jamming of the Lee-Enfield rifle in the early periods of the war and up to the present time is, also, due, almost entirely to bad ammunition.

Your emphatic energy concerning what your intentions are, if you will pardon me, might better be directed to having your officers of every grade responsible in the premises to make sure that none of the defective ammunition again finds its way into the Canadian ranks.

Thanking you for your frankness in the memorandum to General Gwatkin, and wishing every success to the forces.

Faithfully,

Sgd: SAM HUGHES.

Lieut.-General Sir E.A. Alderson,
General Headquarters, Canadians,
FRANCE.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121069

On his instructions, copies of the Minister's letter were sent direct by his Special Representative in London to all Major-Generals, Br.-Generals and Os.C. units both in England and France. A number of them acknowledged receipt, one, whose battalion was armed with the S.M.L.E. volunteered the opinion that the Ross with the enlarged chamber is the best rifle in the world today; another hoped that something would be done to restore confidence in the Ross before rearming the 1st Canadian Dividion with it, another who held a staff appointment in Enfland, thought he "could work out a dandy case that will be find ammunition for the Minister."

General Alderson did not make direct reply, but after the Action of the St.Eloi Craters, two cases having been specially reported wherein a number of Ross rifles jammed in rapid firing against an advancing enemy, directed "that a definite and independent opinion be obtained from every Brigade, Battalion and Company Commander" in the 2nd and 3rd Canadian Divisions as to whether -

"(a) Any similar instances have occurred, giving particulars.

(b) The men under their command have every confidence in the rifle in their possession.

(c) The rifle works well when delivering or repelling an attack when men are excited."

Although the questionnaire was marked "Strictly Confidential," two senior officers sent copies by "reliable messenger" to the Minister's Special Representative in London, one offered to furnish direct his personal experiences "if capital is to be made for this;" the other advised that the men's replies should not be considered, and feared that "action is being delayed too long as regards Alderson." The blow fell on the 28th May, when General Alderson to his

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121070

surprise and intense regret was appointed Inspector-General of Canadian Forces in England. His successor, Major-General Sir Julian Byng, forwarded to Second Army the original replies from the 126 officers concerned; they were laid before the Commander-in-Chief who thereupon wrote as follows to the War Office:-

General Headquarters,
British Army in the Field.

28th May 1916.

Sir: -

I have the honour to inform you that I have satisfied myself, after extensive enquiries carried out throughout the Canadian Corps, that as a Service Rifle, the Ross is less trustworthy than the Lee-Enfield, and that the majority of the men armed with the Ross rifle have not the confidence in it that is so essential they should possess, the enquiry on which these conclusions are based, was the outcome of an urgent application from a battalion of the 3rd Canadian Division for re-armament with the short Lee-Enfield rifle, in consequence of a high percentage of jams experienced with their Ross rifles during a hostile attack on the 1st May, 1916.

2. I am accordingly of opinion that the 2nd and 3rd Canadian Divisions should be re-armed with the short Lee-Enfield rifle. It will be remembered that the 1st Canadian Division was so re-armed on 12th June, 1915.

3. I am not in a position to effect this with the means at my disposal in France. I have the honour to enquire therefore, whether the necessary number of rifles can be supplied from home sources, without interfering with, or delaying the arrival and arming of the Divisions due from England and Egypt on which I am relying.

I have, etc.,

Sgd: D. HAIG,
General,
Commanding-in-Chief,
British Armies in the Field.

The Canadian Government was duly informed, and the Duke of Connaught sent the following message: -

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121071

"Secret June 6th Following from Prime Minister for Chief of General Staff, War Office.

Begins: On account of rumoured dissatisfaction with Ross rifle I held a consultation on May 15th with General Hughes and sent unofficial message to Commander-in-Chief saying that we were prepared to leave the matter to his judgment after making all necessary tests of both rifles under such conditions as are experienced at the front. We suggested that the men carrying out the tests should be of equal experience. The Ross rifle is the only arm we are at present equipped to produce in Canada and we believe it to be efficient if properly handled but are content to abide by the Commander-in-Chief's judgment after thorough investigations and adequate tests. We realize the absolute necessity of two conditions, viz. (1) that our men shall be armed with thoroughly efficient rifles, and (2) that their confidence in such rifles shall be unshaken. Please favour me with your judgment as to the proper course of action to take.

ARTHUR."

Two days later a Privy Council order was passed authorising Br.-General C. Greville-Harston, C.I.A.A. to proceed overseas to organize an Inspection and Repairs Department for the small arms and machine guns in possession of the Canadian troops both in Britain and in France, and to report to the Minister of Militia and Defence directly, and also to the M.G.O. (Canada). Simultaneously the Prime Minister, Sir Robert Borden, through Sir Max Aitken and the Canadian Representative at G.H.Q. asked for information from Canadian Corps concerning the behaviour of the Ross rifle in the recent fighting. The call for reports reached the 2nd and 3rd Canadian Divisions while the Battle of Mount Sorrel was still in progress. Simultaneously too the Army Council asked the Commander-in-Chief for his opinion on the points raised in the Governor General's cable, and asked that, if the tests already carried out were not sufficient, further tests should be at once made in order that there might be no delay in dealing with the question.

There was no delay. As soon as the battle was over the Corps Commander informed Second Army that the G.O.C., 2nd Canadian Division reported in favour of the rifle whilst all

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121072

units of the 3rd Canadian Division reported adversely particularly the 7th Canadian Infantry Brigade, commanded by Br.-General A.C. Macdonell, whose battalion commanders were clear and emphatic in stating that the Ross was a serious danger to the troops and that they absolutely lacked confidence in it. Sir Douglas Haig replied to the War Office as follows:-

SECRET.

From:- The General Officer Commanding-in-Chief,
British Armies in France.

To:- The Secretary,
War Office, London, S.W.

GENERAL HEADQUARTERS,
21st June 1916.

Sir,

In reply to your letter No.77/15/5307 (M.G.O.) of 10th June, 1916 forwarding copy of a telegram dated 7th June, from the Governor General of Canada, I have the honour to inform you that the efficiency of the Ross rifle has been thoroughly tested by actual fighting in the field, and the application conveyed in my O.B./174 of 28th May, 1916, was made after very careful consideration of all the evidence available.

2. I have again consulted the General Officer Commanding Second Army in case any fresh points have come to light during the recent heavy fighting by the Canadians near YPRES. He tells me that his experience of the working of the Ross rifle during the last fight has only confirmed him in his opinion that the Canadians in the 3rd Division at all events, have lost confidence in their rifle and he recommends that the rifles in this Division be exchanged.

3. Although the reports from the 2nd Division are not to the same effect, I am of opinion that the Lee-Enfield rifle should be issued to all three Divisions of the Canadian Corps.

I must therefore adhere to my recommendation that the 2nd and 3rd Canadian Divisions should be re-armed with the short Lee-Enfield rifle, and I would urge that the necessary steps to give effect thereto be taken without delay.

I have, etc.,
(Sgd) D. Haig,
General,
Commanding-in-Chief,
British Armies in France.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121073

The decision of the Army Council was conveyed to the Governor General in the following cablegram -

"Mr. Bonar Law to the Governor General.

LONDON, July 11, 1916.

With reference to my telegram June 10th. Report from General Officer Commanding-in-Chief in France has now been received by Army Council recommending that Second and Third Canadian Divisions should be re-armed with short Lee-Enfield rifles and Army Council have approved this. They hope to be able to utilize Ross rifles released and also those now in possession of Canadian troops in England for other purposes connected with the war but ask that no more Ross rifles should be brought to England. Army Council will be responsible for supplying necessary rifles to Canadian troops on arrival in England. If your Government desire to undertake manufacture of different rifles suitable for use during war, Army Council think that rifles now being produced in America for British Army on lines of Lee-Enfield Mark III but with improvements would be best.

Despatch follows by mail.

No objection to publication of all the above information after 15th July.

(Sgd.) Bonar Law."

The 2nd and 3rd Canadian Divisions were rearmed with Lee-Enfield rifles in August; the 4th Canadian Division, although handicapped by a great shortage of serviceable rifles, could not be rearmed until after arrival in France where the exchange was effected in September; the 5th Canadian Division, then in England, was issued with 300 S.M.L.E. per battalion in November and subsequently all Canadians in France carried the Lee-Enfield, except a few snipers. The Ross rifles returned from France, together with those in England, numbered about 100,000, and after 60,000 of these had been reconditioned by the 393 men employed in the Greenwich shops of the Canadian Arms Inspection and Repair Department, they were handed over to the British Government in exchange for the Lee-Enfield issued; they were subsequently used by British units not leaving England, and by the Royal Navy.

The position in Canada is reflected in the decisions

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121074

taken by the Militia Council in September 1916 while the Minister was in England; that there should be a service rifle, of universal pattern for use throughout the Empire, and that the production of rifles for the Canadian Government showed be in a federally owned plant, that the present contract with the Ross Rifle Company should be terminated "if same can be legally terminated," that arrangements should be made at once for the production of the new Enfield pattern in place of the Ross Mk. III and that approval should be given to the proposal to transfer 100,000 Enfield rifles as a loan to Canada from an existing British order in the United States.

The first of these decisions is an echo of the recommendation of the British Government in May 1902. The acquisition of the factory by the Canadian Government had been proposed in December 1915, it was effected when a Privy Council order authorising expropriation was assented to on 23rd March 1917. By that time only 16,170 of the 100,000 rifles contracted for by the Canadian Government on 17th February 1916 had been delivered, whereas 96,000 should have been completed.

After July 1916, when the shipment of Ross rifles to the Canadian forces in England ceased, strenuous efforts were made by the Department of Militia and Defence to find an outlet for the 100,000 surplus rifles; however in no instance did such efforts materialize, for the delegates of Allied Governments in London stated they did not require rifles of this type, and the suggestion that China might make use of them led to nothing. The United States purchased 20,000 Mk. II short pattern complete with bayonets and scabbards, and 4,629,470 rounds of ammunition in November 1917 for training purposes.

On the British contract, dated 15th September 1914, for 100,000 Mk. III rifles, there had been greater delay and to the expressed dissatisfaction of Mr. Lloyd George, who was then Minister of Munitions, only 66,590 had been delivered;

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121075

the contract was subsequently cancelled and the pattern was declared obsolete for the British service in November 1921.

The manufacture of the new Enfield pattern instead of the Ross was projected in 1917, machinery was to be sent from Enfield, and five selected rifles, examined at Enfield, were received in January 1917 and two of them were delivered to the Ross Company as a sealed pattern and sealed sample. It was not proceeded with, however, as manufacturing drawings and specifications were not received until 11th April 1917, after the expropriation of the factory, and so were not delivered to the Company. The declaration of war at this time by the United States coupled with the fact that sufficient Lee-Enfield rifles for the Canadian forces could now be had in England and the probability that two years must elapse before completed rifles of the new pattern could be produced, led to the abandonment of the plan.

The settlement of the compensation to be paid on expropriation was complicated by the fact that $15.06 per rifle had been paid to the Company when the order for 100,000 rifles was placed in February 1916, a total sum of $1,728,680.76, inclusive of progress estimates, had been advanced to the Company and it was difficult to appraise the value of the buildings, rifle parts, uncompleted rifles and materials on hand and on order. Under the direction of the Hon. Arthur Meighen, Solicitor General of Canada and representing the Crown, all contracts and engagements of the Company were taken over by the Government, a financial adjustment was made, and the ill-conceived, burdensome and disadvantageous contract of 1902 was finally disposed of when the Ross Rifle Company accepted $2,000,000 in settlement on 22nd January 1920.

The Ross Rifle Factory became the Dominion Rifle Factory at noon 28th March 1917 and for six months the assembly of unfinished rifles to the number of 9,890 was continued under

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121076

the direction of the Master-General of the Ordnance, Br.-General H.M. Elliot; by Order-in-Council passed in November the disposal of all surplus machinery and material, except that required for producing 100 rifles per day, was authorised; and another order on 4th March 1918 gave authorisation for entirely dismantling the factory and disposing of all the machinery and material therein. From October 1917 the buildings were for a time used as a barracks; meanwhile schemes were in hand for renting the factory to various companies manufacturing arms, and on 1st September 1918 a lease was granted to the North American Arms Company, Limited, for 18 months at a rental of $450,000; they were razed to the ground in 1931 and the site was transformed into a public park.

The total number of Ross rifles purchased by the Canadian Government was 342,040, of these 129,780 were in use overseas by the Canadian Expeditionary Force. The Ross was introduced as a military arm in 1906, for twelve years it was used by the Militia and found to be an excellent target rifle, on active service it was found to be defective either in design, material, manufacture or inspection, or all four; it was superseded in the Canadian Militia by the S.M.L.E. brought back from overseas after the war, and since 1927, primarily because of inherent defects in design which made it unsuitable as a service weapon, it has been held for emergency use only.

COMPILED BY
HISTORICAL SECTION
(GENERAL STAFF)
OTTAWA
12-10-'32
DEPARTMENT OF NATIONAL DEFENCE

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 4 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121027A — 121076A

REPEAT

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Reg. ~~7210277A~~

FRIENDS OF THE SOVIET UNION

NATIONAL COMMITTEE — CANADIAN SECTION

OFFICIAL ORGAN
"Soviet Russia Today"
$1.00 per year

ADDRESS
G.P.O. Box 322
Toronto, Ont.

May 25,1934

The Honorable Member of Parliament,
Ottawa, Ontario.

Sir:

The Friends of the Soviet Union, an organization the purpose of which is to disseminate knowledge of actual conditions and progress in the Soviet Union, recently closed a campaign of public meetings among all classes of the Canadian population from coast to coast.

The purpose of these meetings was:

To explain the anomalous position of our country in regard to diplomatic and trade relations between the Soviet Union and Canada, despite the fact that the Soviet Union has normal diplomatic and trade relations with forty countries, including Great Britain, the United States, and every other country of politico-economic importance.

To explain the commercial disadvantages to Canada due to lack of normal diplomatic and trade relations between these two countries.

To explain the beneficial effects of diplomatic recognition and trade relations with the Soviet Union on the security of world peace in general and in the Far East in particular.

To pass resolutions urging the Federal Government to establish normal relations diplomatically and commercially; to remove embargoes at present in force; to establish a Canadian Trade Commission in the Soviet Union and to grant such facilities to the Soviet Trade Delegation as all other countries accord her where normal relations exist.

Six hundred of such resolutions were passed, signed by hundreds of thousands of Canadians from coast to coast, and sent to the Right Honorable R.B. Bennett for consideration by the government. The Friends of the Soviet Union has many other proofs that the general opinion of the Canadian people is favorable to such recognition and that large numbers of our industrial and agricultural population will benefit from such relations. Many industrialists and traders are awaiting such action on the part of the Canadian government thereby opening for them a vast absorbing market, immediately and for the future.

In view of the above and also considering the unblemished and by no other country duplicated record of the Soviet Union to meet every obligation incurred by them for the past sixteen years, there is no valid reason why Canada persists in her refusal to establish normal diplomatic and trade relations with the Soviet Union.

The purpose of this letter is to request on your part the taking up during the present session of Parliament on the floor of the House or Senate the question of the urgency of such recognition and exerting your influence upon the government to that end.

Very truly yours,
FRIENDS OF THE SOVIET UNION

M. Lydney
Secretary National Committee

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121028 A

RESOLUTION

In favour of Full Diplomatic and Trade Relations between Canada and the Union of Soviet Socialist Republics

WHEREAS: There are in Canada to-day, hundreds of thousands of industrial workers who are unable to obtain employment, who are living on a bare subsistence basis, and who are unable to keep themselves, their wives, and their children from starvation; and

WHEREAS: A large proportion of Canadian farmers are being reduced to destitution because they are unable to find a market for their crops, or are obliged to sell their produce at less than the cost of production; and

WHEREAS: The U.S.S.R., as a result of socialist construction, has entirely abolished unemployment, is raising the standard of living of the citizens of the Soviet Union at an unprecedented rate, and is, as a result, the most rapidly expanding market in the world; and

WHEREAS: The U.S.S.R. has, in recent years, purchased more than four billion dollars' worth of goods on the world market, and has promptly met every trade obligation; and

WHEREAS: Canada is the only important industrial and trading country in the world which has no direct diplomatic or trade relations with the U.S.S.R., and has in recent years shown itself antagonistic to any proposals leading to trade with the U.S.S.R.; and

WHEREAS: Hundreds of thousands of Canadian workers, farmers and other sections of the Canadian population have repeatedly gone on record and expressed their desire for this trade; and

WHEREAS: It has been estimated that there is an opportunity for an immediate trade between Canada and the U.S.S.R. which might total eighty to one hundred million dollars a year, which would result in giving employment to thousands of Canadian workers, and would provide a market for much of our surplus farm products;

THEREFORE BE IT RESOLVED:

That this meeting of .....held on .....

at ..... with .....present

goes on record in favour of the establishment of Full Diplomatic and Trade Relations between Canada and the U.S.S.R.; for the removal of the Canadian embargo which is at present in force against many of the important commodities of the Soviet Union; for the establishment of a Canadian Trade Commission in the U.S.S.R.; and the granting of every facility for the establishment of a Trade Commission of the U.S.S.R. in Canada; and

FURTHER: That copies of this resolution be sent to the Prime Minister of Canada, the Premier of the Province, and the Member of Parliament of the constituency that this meeting is held in, in order that they take suitable measures to carry out this Resolution.

.....
Chairman

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121029 A

RESOLUTION

In favour of Full Diplomatic and Trade Relations between Canada and the Union of Soviet Socialist Republics

WHEREAS: There are in Canada to-day, hundreds of thousands of industrial workers who are unable to obtain employment, who are living on a bare subsistence basis, and who are unable to keep themselves, their wives, and their children from starvation; and

WHEREAS: A large proportion of Canadian farmers are being reduced to destitution because they are unable to find a market for their crops, or are obliged to sell their produce at less than the cost of production; and

WHEREAS: The U.S.S.R., as a result of socialist construction, has entirely abolished unemployment, is raising the standard of living of the citizens of the Soviet Union at an unprecedented rate, and is, as a result, the most rapidly expanding market in the world; and

WHEREAS: The U.S.S.R. has, in recent years, purchased more than four billion dollars' worth of goods on the world market, and has promptly met every trade obligation; and

WHEREAS: Canada is the only important industrial and trading country in the world which has no direct diplomatic or trade relations with the U.S.S.R., and has in recent years shown itself antagonistic to any proposals leading to trade with the U.S.S.R.; and

WHEREAS: Hundreds of thousands of Canadian workers, farmers and other sections of the Canadian population have repeatedly gone on record and expressed their desire for this trade; and

WHEREAS: It has been estimated that there is an opportunity for an immediate trade between Canada and the U.S.S.R. which might total eighty to one hundred million dollars a year, which would result in giving employment to thousands of Canadian workers, and would provide a market for much of our surplus farm products;

THEREFORE BE IT RESOLVED:

That this meeting of .....held on .....

at ..... with .....present

goes on record in favour of the establishment of Full Diplomatic and Trade Relations between Canada and the U.S.S.R.; for the removal of the Canadian embargo which is at present in force against many of the important commodities of the Soviet Union; for the establishment of a Canadian Trade Commission in the U.S.S.R.; and the granting of every facility for the establishment of a Trade Commission of the U.S.S.R. in Canada; and

FURTHER: That copies of this resolution be sent to the Prime Minister of Canada, the Premier of the Province, and the Member of Parliament of the constituency that this meeting is held in, in order that they take suitable measures to carry out this Resolution.

.....
Chairman

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121030 A

RESOLUTION

In favour of Full Diplomatic and Trade Relations between Canada and the Union of Soviet Socialist Republics

WHEREAS: There are in Canada to-day, hundreds of thousands of industrial workers who are unable to obtain employment, who are living on a bare subsistence basis, and who are unable to keep themselves, their wives, and their children from starvation; and

WHEREAS: A large proportion of Canadian farmers are being reduced to destitution because they are unable to find a market for their crops, or are obliged to sell their produce at less than the cost of production; and

WHEREAS: The U.S.S.R., as a result of socialist construction, has entirely abolished unemployment, is raising the standard of living of the citizens of the Soviet Union at an unprecedented rate, and is, as a result, the most rapidly expanding market in the world; and

WHEREAS: The U.S.S.R. has, in recent years, purchased more than four billion dollars' worth of goods on the world market, and has promptly met every trade obligation; and

WHEREAS: Canada is the only important industrial and trading country in the world which has no direct diplomatic or trade relations with the U.S.S.R., and has in recent years shown itself antagonistic to any proposals leading to trade with the U.S.S.R.; and

WHEREAS: Hundreds of thousands of Canadian workers, farmers and other sections of the Canadian population have repeatedly gone on record and expressed their desire for this trade; and

WHEREAS: It has been estimated that there is an opportunity for an immediate trade between Canada and the U.S.S.R. which might total eighty to one hundred million dollars a year, which would result in giving employment to thousands of Canadian workers, and would provide a market for much of our surplus farm products;

THEREFORE BE IT RESOLVED:

That this meeting of .....held on .....

at ..... with .....present

goes on record in favour of the establishment of Full Diplomatic and Trade Relations between Canada and the U.S.S.R.; for the removal of the Canadian embargo which is at present in force against many of the important commodities of the Soviet Union; for the establishment of a Canadian Trade Commission in the U.S.S.R.; and the granting of every facility for the establishment of a Trade Commission of the U.S.S.R. in Canada; and

FURTHER: That copies of this resolution be sent to the Prime Minister of Canada, the Premier of the Province, and the Member of Parliament of the constituency that this meeting is held in, in order that they take suitable measures to carry out this Resolution.

.....
Chairman

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

RETURN IN FIVE DAYS TO
CANADIAN GENERAL SECURITIES LIMITED
AT POINT OF MAILING

ST. LAWRENCE WATERWAY

121031A

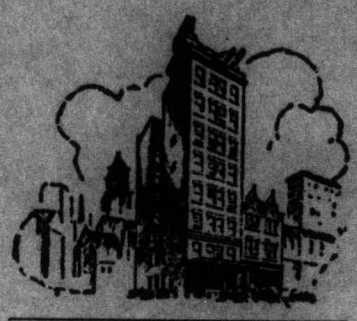
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NEW CARLTON HOTEL MONTREAL

UNDER THE MANAGEMENT of Mrs. A. R. MARTIN President
PERCY D. MARTIN Managing-Director

RATES
Single — $1.50 - $2.50
Double — $2.00 - $3.50
No Higher



907-915 WINDSOR STREET
Opposite Windsor Station — One Block from C.N.R. Stations

NEW CARLTON FEATURES

ACCESSIBILITY
COMFORT
CLEANLINESS
POPULAR PRICED
MODERN-FIREPROOF
GARAGE

9

Dear Mr. Meighen,
Mr. Wendell Wilkie
Comes to Town. "Veni, vidi
vici" - "Goodbye
St Lawrence Waterways" -
I leave you to figure
the influence. Show this
& P.S. Ross.

Pierre

Who can afford it now?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121033 A

#9

ROOSEVELT'S GREAT BARGAIN

by

Watson Griffin, F.R.G.S.

There has been for many years a tendency on the part of both British and Canadian governments to assume that the only way to remain on friendly terms with the United States is to grant anything its government asks for. This is no compliment to the American people. Although they are astute bargainers Americans will be just as friendly and respect us all the more if we refuse to agree to anything that would lessen our independence or our power.

Canadians learned with stunned silence that the British Government had leased to the United States for 99 years harbors and air bases in Newfoundland, Bermuda and the British West Indies in exchange for fifty out-of-date destroyers.

The exact details of the agreement have not been made public at the time of this writing, but the United States is said to have been given the choice of harbors and air bases, and, according to one report from Washington, American experts sent to make a selection chose a harbor at the northeast of Newfoundland and another at the southwest of the island, giving the United States command of both Belle Isle Strait and Cabot Strait, while another Washington report said the United States Navy Department had announced that the United States had been given twenty-two acres on the south side of St. John's harbor with a wharfage of 1,250 feet, two square miles of ground at a harbor on Placentia Bay, a site of about 160 acres north of Quidi Vidi Lake for an army defensive force, and a base at St. George Bay at the southwest of Newfoundland, close to Cabot Strait.

Placentia Bay almost divides Newfoundland into two islands, creating a peninsula connected with the main island by a neck of land about three miles wide. St. John's, the capital of the island, is on this peninsula.

Belle Isle Strait at the north of Newfoundland and Cabot Strait at the south of the island are the entrances to the Gulf of St. Lawrence, the St. Lawrence River and the Great Lakes. These two straits are more important to Canada than the strait at Gibraltar is to England. Control of these straits would give the United States the power to dictate what ships shall leave and what ships shall enter the St. Lawrence waterway.

The British West Indies are the natural complement of Canada, which, having vast expanses of northlands, has no tropical or semi-tropical territory. The United States has large areas in the southern states and California where tropical and semi-tropical products can be grown. It also owns in the West Indies Puerto Rico, acquired from Spain, and the Virgin Island colonies St. Thomas, St. John and St. Croix, purchased from Denmark, while it controls Hawaii and the Philippines in the Pacific. Now Winston Churchill has given the Americans domination over all the British West Indies.

For a long period there were British garrisons in all the British colonies, but when I visited the British West Indies in 1914, before the outbreak of the last world war, as special commissioner of the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121034A

Canadian Government in connection with the development of trade under the Preferential Trade Agreement there were no British military forces in the West Indies and no modern fortifications excepting those in St. Lucia, which, having been abandoned for military purposes soon after completion, were in charge of caretakers. A small force of Canadian soldiers guarded them during the last German war. With no British forces in the West Indies, and American soldiers, airmen and warships everywhere the people of the British West Indies will soon become Americanized. Socially and economically their relations will be far more intimate with Americans than with the British or Canadians. Long before the 99 years have expired they may be actually annexed to the United States.

The Feeling of Canadians

The friendship between Canada and the United States, which has lasted for considerably more than a century, has been based on equality, To place Canada in a position of inferiority will not make for good understanding. The fact that the United States took advantage of the perilous situation of England to secure in exchange for a few out-of-date destroyers naval and air bases in Newfoundland, Bermuda and the British West Indies giving domination over North America, Central America and South America, will rankle in the minds of Canadians for generations.

Without expressing any opinion myself I asked a Newfoundlander who was decorating an apartment in a building of mine what he thought of the gift to the United States of naval and air bases in Newfoundland and the British West Indies. He replied: "It is criminal." I put the same question to a young officer of the Canadian army whose father during his lifetime was an active Liberal and held a very high position in Canada. He used exactly the same words as the Newfoundlander in reply: "It is criminal." Of course they did not use the word "criminal" correctly. What they both meant by the expression was; "It is an outrageous betrayal of Newfoundland, Canada and the British West Indies."

Slices of The Empire

Hitler said to Mussolini: "Rejoice with me. The United States has joined us in slicing up the British Empire."

"Yes," said Mussolini, "but I wish we could get our slices as easily."

"Never mind," said Hitler. "The United States has paved the way for us by making a mockery of two old British sayings that have been quoted everywhere in British possessions throughout the seven seas."

"What are they?" said Mussolini.

"You mean, 'What were they?'" said Hitler. "One of them was, 'The British Empire is one and indivisable'. The other was, 'What we have we'll hold'. Do you suppose that all the peoples of the far-flung British Empire will be ready to stand by Britain through thick and thin when they realize that the English think they have the right to give away, lease or sell any part of the Empire?"

Did Premier King Recommend It?

It is almost inconceivable that the British Prime Minister could make a decision so vitally affecting Canada without consulting

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121034A

Canadian Government in connection with the development of trade under the Preferential Trade Agreement there were no British military forces in the West Indies and no modern fortifications excepting those in St. Lucia, which, having been abandoned for military purposes soon after completion, were in charge of caretakers. A small force of Canadian soldiers guarded them during the last German war. With no British forces in the West Indies, and American soldiers, airmen and warships everywhere the people of the British West Indies will soon become Americanized. Socially and economically their relations will be far more intimate with Americans than with the British or Canadians. Long before the 99 years have expired they may be actually annexed to the United States.

The Feeling of Canadians

The friendship between Canada and the United States, which has lasted for considerably more than a century, has been based on equality, To place Canada in a position of inferiority will not make for good understanding. The fact that the United States took advantage of the perilous situation of England to secure in exchange for a few out-of-date destroyers naval and air bases in Newfoundland, Bermuda and the British West Indies giving domination over North America, Central America and South America, will rankle in the minds of Canadians for generations.

Without expressing any opinion myself I asked a Newfoundlander who was decorating an apartment in a building of mine what he thought of the gift to the United States of naval and air bases in Newfoundland and the British West Indies. He replied: "It is criminal." I put the same question to a young officer of the Canadian army whose father during his lifetime was an active Liberal and held a very high position in Canada. He used exactly the same words as the Newfoundlander in reply: "It is criminal." Of course they did not use the word "criminal" correctly. What they both meant by the expression was; "It is an outrageous betrayal of Newfoundland, Canada and the British West Indies."

Slices of The Empire

Hitler said to Mussolini: "Rejoice with me. The United States has joined us in slicing up the British Empire."

"Yes," said Mussolini, "but I wish we could get our slices as easily."

"Never mind," said Hitler. "The United States has paved the way for us by making a mockery of two old British sayings that have been quoted everywhere in British possessions throughout the seven seas."

"What are they?" said Mussolini.

"You mean, 'What were they?'" said Hitler. "One of them was, 'The British Empire is one and indivisable'. The other was, 'What we have we'll hold'. Do you suppose that all the peoples of the far-flung British Empire will be ready to stand by Britain through thick and thin when they realize that the English think they have the right to give away, lease or sell any part of the Empire?"

Did Premier King Recommend It?

It is almost inconceivable that the British Prime Minister could make a decision so vitally affecting Canada without consulting

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121035 A

the Premier of this Dominion; especially at a time when Canada was fighting side by side with Britain while the United States held aloof, even refusing to allow its ships to carry to England the war supplies paid for with cash. It must be assumed that Winston Churchill acted with the approval of Mackenzie King.

If President Roosevelt at the Ogdensberg conference asked the Premier of Canada to recommend this deal to the British Prime Minister, Mackenzie King might have replied as follows: "The strategic bases you ask for have been a part of the heritage of British citizens for generations. The British Empire should not be asked to relinquish control of them; but Canadians will gladly welcome American warships to our harbors and American planes to our airdromes, and I have no doubt that the British Government will do the same in Newfoundland and the British West Indies. Canada will offer to construct the necessary equipment to accommodate American warships in Newfoundland and the British West Indies as well as in Canada. Instead of offering the out-of-date destroyers to the British in exchange for harbors and air bases make a trade with Canada, exchanging the destroyers for the railways of the Canadian National Railway in the United States owned by the Canadian Government. The destroyers will be sent overseas as part of the Canadian navy. You have the warships; we have the strategic bases, Canada's geographical position in relation to Europe, Africa and South America being superior to that of the United States. British North America extends into the Atlantic ocean much farther east than the United States, bringing it not only much closer to Europe and Africa, but also nearer to the chief cities of South America. Thus St. John, Halifax, Sydney and Louisburg in Canada, as well as St. John's, Newfoundland, are nearer to Rio Janeiro, Brazil, Buenos Aires in Argentina, and Dakar in Africa than Boston, New York, Philadelphia, or New Orleans, while in the far north Greenland, Iceland, Faroe and Shetland make easy stopping places between Canada and Europe. Then large warships can come up the St. Lawrence River to Quebec and Montreal, over 900 miles from the ocean. If Canada's financial position will not permit us to provide fortifications, wharfage and other facilities as fast as your warships require them you can lend us the necessary amount and we shall repay you in 99 annual installments. This will enable you to put some of your buried gold into useful action."

May Not Be Too Late

It may not be too late for Canada to offer to buy from the United States the harbors and air bases in Newfoundland and the British West Indies acquired in exchange for out-of-date destroyers. The railway lines in the United States owned by the Canadian Government and their terminals in American cities, which we might offer in payment, cost Canada more than the out-of-date destroyers cost the United States. These railway lines were built by the old Grand Trunk Railway Company before the whole system was taken over by the Canadian Government. They include the railway from Port Huron to Chicago, a number of shorter lines in Michigan and the old Grand Trunk line from Norton, Vermont, to Portland, Maine.

Every effort should be made by the Canadian Government to bring Newfoundland and Labrador into the Confederation as soon as possible.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L21038 A

When this is accomplished the Canadian Government should ask the United States to make over to Canada the naval, air and army bases in Newfoundland leased to the United States by the British Government. If this is not accomplished by the present government of Canada the Conservatives should undertake to bring it about as soon as they come into power. The United States did not hesitate to ask Britain for these bases. Why should Canada be more backward in asking the United States for them?

Not only will Canadians, in proportion to population, vie with Americans in manufacturing munitions, tanks, and warplanes for service overseas, but Canadian airmen, soldiers, sailors, warships and merchant vessels will be active in fighting the Germans and convoying American as well as Canadian war supplies to England, while American men and American ships stay at home. It may be that the achievements of Canadian fighting men with Canadian airplanes, ships, tanks and munitions, although small compared with the total achievements of the British Commonwealth of Nations, will nevertheless turn the scale against the Germans, and if they do it will be immensely advantageous to the United States because if the Germans win the United States will be in grave danger, as the great majority of Americans now realize. Thus, it is evident that Canadians are fighting for the United States as well as for Canada, and it will be a strange reward if after the fighting is over the United States has command of the entrances to Canadian waterways, which Canadians as United Empire Loyalists had a right to expect would remain British for all time. In view of this fact if Canada earnestly urged now that the naval, air and military bases in Newfoundland and the British West Indies recently leased to the United States for 99 years should be transferred to Canada at the end of the present German war, with the understanding that Canada would pay the United States fairly for the out-of-date destroyers, would the United States refuse? The Canadian Government should not wait long before asking or the idea that these bases belong to the United States will become firmly fixed in the American mind. Does anyone suppose that if the Americans hold these bases for 99 years they will ever give them up?

Domination Replaces Co-operation

In the year 1850 an understanding was arrived at between Nicaragua, Great Britain and the United States that any canal that might be constructed connecting the Atlantic and Pacific oceans by way of the River San Juan de Nicaragua and either or both of the lakes of Nicaragua or Managua should be under the joint protection of Great Britain and the United States. The agreement between Great Britain and the United States was embodied in the Clayton-Bulwer treaty concluded April 19, 1850. It was agreed that neither Great Britain nor the United States would ever obtain or maintain for itself any exclusive control over the said ship canal; that neither would ever erect or maintain any fortifications commanding the same or in the vicinity thereof, or occupy or fortify or colonize or assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito coast or any part of Central America, and that neither of them should by any means obtain rights or advantages in regard to commerce or navigation through the said canal which would not be offered on the same terms to the citizens or subjects of the other.

After that treaty had been in force over fifty years the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121037 A

United States Government asked the British Government to cancel the agreement which prevented the United States from having exclusive control over any canal that might be constructed through Nicaragua. Britain, always ready to agree to anything asked for by the United States, yielded and the Hay-Pauncefote treaty concluded November 18, 1906, provided that the canal referred to in the Clayton-Bulwer treaty might be constructed under the auspices of the United States either directly at its own cost or by gift or loan of money to individuals or corporations or through subscription to or purchase of stock or shares, and that the United States should have the exclusive right of providing for the regulation and management of the canal and should be at liberty to maintain such military police along the canal as might be necessary to protect it against lawlessness and disorder.

Thus, while the United States owns and absolutely controls the Panama Canal it has the right to exclusively control a canal through Nicaragua, probably the only other practical route for a canal connecting the two oceans.

The British Empire has in Canada and Newfoundland a larger area of North America than the United States. It has in Central America British Honduras adjoining Nicaragua and in South America British Guiana, a country larger than England, Scotland and Wales together. It has in the Atlantic Ocean a number of important islands, which are near neighbors of Panama and Nicaragua, including the Bahamas, Jamaica, Trinidad, Tobago, Grenada, Barbados, St. Lucia, St. Vincent, the Grenadines, Dominica, Montserrat, Antigua, St. Kitts, Nevis, Barbuda and Anguilla, besides thrity-two small islands in the Virgin group. The British Empire has also very extensive and highly important possessions in the Pacific Ocean.

Why were the British so ready to satisfy the American desire for domination instead of co-operation?

American Money For Canadian Canals

Now it is proposed that Canada shall sell to the United States a half interest in our St. Lawrence canal system by an agreement providing that the United States shall pay half the cost of the Canadian canals already constructed, half the cost of future enlargement, and half the cost of St. Lawrence water power development in the international section.

The Canadian Government may declare that there is no sale of an interest in our canals to the United States, but if the United States pays half the cost of both past and future canal construction the Americans will certainly feel that if they have not half ownership they ought to have, and this may cause future unpleasantness. It is a case of selling our birthright for a mess of pottage, and we have not the excuse that Esau had when he sold his birthright to his shrewd brother Jacob, who found him starving after an unsuccessful hunting expedition.

The United States has two independent entrances to the Great Lakes by way of the Erie and Hudson River canal and the Chicago and Mississippi canal. The St. Lawrence canal system is Canada's only entrance to the Great Lakes.

When Canada had less than half of its present population and a mere fraction of its present developed wealth it was able to build and own its canal system without any help from the United States.

The joint development of waterpower in the international section of the St. Lawrence, which belongs equally to the two countries,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121038 A

is quite another matter. The United States and Canada should equally share the cost, but any engineering plan agreed upon should protect Canada's navigation rights so that whenever we are ready for the enlargement of the St. Lawrence canals to the Welland scale the whole system will be in Canada, under Canadian control and unquestionably owned by Canada. However, as a matter of friendliness we should continue to allow the Americans to use our canals on the same terms as Canadians.

Neither Canadian canal enlargement nor development of power in the international section of the St. Lawrence river should be undertaken in war time as there is likely to be a scarcity of both expert workmen and materials in Canada and the United States. The cost would be much greater in war time than in peace. The work could not be completed in time to supply power for war purposes. There are other sources of power in Canada that could be developed more quickly and at much less expense. To undertake those great works in war time would seriously hamper war industries in both Canada and the United States, and if these St. Lawrence river works cannot be carried on during the war no agreement between Canada and the United States should be made now. It will be better to wait until the war is over when we shall know how everything stands financially and otherwise before making an agreement.

There is no urgent necessity for canal enlargement until Canada can afford to pay the cost without assistance from the United States. The only Canadian demand for it comes from Toronto, which vainly hopes to rival Montreal as a seaport. Undoubtedly many ocean ships would pass Montreal if all the St. Lawrence canals were enlarged to the Welland scale, but very few of them would end their voyage at Toronto. There would be delays and expenses going through the canals, and the voyage in open lake water from the canals to Toronto would be too short to compensate for canal delays. Rates would necessarily be higher at Toronto than at Montreal. On the other hand ships going on to Detroit, Chicago, Duluth and Fort William would have quite a long voyage in open lake water, and many ocean ships might find it worth while to go to upper lake ports. This would mean a loss of freight to Canadian railways and Canadian lake vessels.

The railway rates from all points west of North Bay are the same to Toronto as to Montreal. Draw a line from Belleville to North Bay and all railway rates in Ontario east of that line will be found more favorable to Montreal than to Toronto. Even from many points west of Belleville it would not pay to ship backward to Toronto and pay the extra rates charged there for ship space. The extra time taken for delivery of shipments would also be taken into consideration.

Warships In The Great Lakes

President Roosevelt expects that his announcement that large warships will be built along the Great Lakes if the St. Lawrence waterway is enlarged as he proposes will win the support of all the American lake cities for his plan.

For over one hundred years there has been an understanding between Canada and the United States to the effect that for the sake of peace there shall be no fortifications along the Canadian-American boundary line or on either side of the Great Lakes. This peaceful policy has been referred to frequently as an example for European nations.

Canada has not the financial means to compete with the United

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121039 A

States in building great warships, each of which would cost millions of dollars. Consequently the building of large warships with big guns at American harbors of Lake Ontario, Lake Huron, Lake Superior, and Lake Michigan would be the same in effect as building great fortifications with big guns on the American side of the Great Lakes while the Canadian side remained defenceless.

With American naval, air and military bases in Newfoundland commanding entrances to the St. Lawrence waterway and big American warships in the Great Lakes the United States could dictate to Canada for 99 years. It is almost certain that the Americans never would attack Canada, but in some future war when England badly needed Canadian help they might say: "We will not permit you to take part in any European war or allow your ships to cross the ocean for fear that the United States may become involved in the war."

The determination that the United States must keep out of European wars dominates American minds even now and there is no telling how much more strongly it may dominate in the future. In the last presidential election both candidates, recognizing the popular sentiment against participation in the war, promised emphatically wherever they spoke that they would keep the United States out of the European war. We cannot tell what popular sentiment may lead to in the future if the United States controls the entrances to Canadian waterways and can dictate what ships may come in and what ships may go out.

The Americans might never exercise their power to dictate to Canadians, but the fact that they could do so would make Canada a dependency and militate against hearty, friendly, permanent co-operation in the defence of North America.

Shall the United States Get Greenland?

The next expansion move of the United States may be to buy Greenland or secure naval and air bases there. This is already being advocated in the United States. With the development of airplanes in the future the shortest route from Europe to Asia will be over Greenland and Canada's Arctic islands. If there is any change in the ownership of Greenland Canada should be the purchaser.

Robert Bartlett, who has made thirty exploratory trips to Greenland in the last fifteen years and is regarded as an authority by the Smithsonian Institution, says that the snowfields of the Greenland icecap provide excellent landing fields for airplanes and several other well known explorers who have used airplanes in visiting islands of the Canadian Arctic have declared that the Arctic ice and snow is an advantage rather than a drawback in air navigation.

With Alaska on one side of the continent and Greenland on the other Americans would feel that they owned the most important air route between the Atlantic and the Pacific as well as the only waterway, although to strengthen their position they would not object to a gift of some of Canada's Arctic islands and might be willing to exchange a few out-of-date tanks for an air base commanding the entrance to Hudson Strait.

There should be a great air base at the entrance to Hudson Strait to which American airmen would be cordially welcomed but it should be owned by Canada.

Strategic Position of Hudson Strait

It is a remarkable fact that Port Burwell at the entrance to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121040 A

Hudson Strait is almost exactly the same distance from St. John's, Newfoundland, as from Port Churchill and Port Nelson on the west side of Hudson Bay, although St. John's and Port Churchill are about 1,800 miles apart. Port Nelson and Port Churchill are exactly the same distance from Port Burwell and St. John's is only about ten miles farther away, Montreal 66 miles farther, and Halifax 75 miles farther. Thus if airmen at Port Burwell called for help airplanes starting from each of these six centers at the same time would reach Port Burwell within a few minutes of each other. It is also interesting to note that New York city is only about twenty-eight miles farther from Port Burwell than Winnipeg is.

If there were a great Canadian air base at Port Burwell or some other point commanding the entrance to Hudson Strait Canadian airplanes could go to Norway by short steps as follows:

	Miles
Port Burwell to Sydproven, Greenland.	657
Sydproven to Reykjavik, Iceland.....	797
Reykjavik to Faroe Islands.....	488
Faroe to Shetland.....	225
Shetland to Bergen, Norway.....	225

Canada should not fail to keep control of the entrance to Hudson Strait.

Airway To Alaska

It is announced that the Canadian Government is about to establish an airway through Alberta and the Yukon Territory to Alaska. If this is constructed, owned and controlled by the Canadian Government it will be wise policy, and American airmen should be cordially invited to use it on the way to Alaska. When the Canadian Government can afford to construct a highway for motor cars, trucks and tanks the United States should be allowed to send troops over it to Alaska so long as Canada and the United States are in friendly alliance, but Canada should have complete ownership and absolute control.

What About The Future!

How will the fact of the United States having naval, air and military bases with great fortifications in Newfoundland dominating the entrances to the St. Lawrence waterway affect Canada's future?

With Roosevelt or Wilkie as President of the United States Canada would have no reason to fear interference with Canadian shipping, but we do not know who may be President of the United States twenty years from now or how the two houses of Congress may be constituted at that time. The attitude of the United States 99 years from now is still more uncertain. If Lindbergh were President he would forbid Canadian participation in any British war. He has said so. He argues that if Canada sends forces to aid Britain against Germany there is danger that in retaliation the Germans may attack Canada and that this might drag the United States unwillingly into war.

The United States, as represented by President Wilson, was more directly responsible for the establishment of the League of Nations than any other country, but the next President repudiated it. If the United States had faithfully co-operated with the British Empire

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121041 A

in making a success of the League of Nations it is probable that there would be no war today.

Several months ago an American magazine published an article by Mr. Hoover, who preceded Mr. Roosevelt as President of the United States, which was by no means favorable to Britain. Since then he has been carrying on a campaign to raise a huge fund by subscription to send food to the countries now under German control. He has even urged that Congress should vote millions of dollars for this purpose. He declares that Germany would agree not to take possession of such food supplies although he knows perfectly well that Hitler has again and again flagrantly broken his positive agreements. But even if Hitler did not touch the American food it would make it easier for him to steal the food produced by the conquered peoples without arousing rebellion.

I well remember the days when Canadian newspapers were as lavish in their praises of President Cleveland as they now are in praise of President Roosevelt, but there came a time when Venezuela made claim to a large part of British Guiana and when Britain refused to yield to this unjust demand President Cleveland interfered and almost threatened war unless Britain yielded to Venezuela. Britain finally eased the situation by making a compromise with Venezuela, giving that country a part of the area claimed although it actually had no title to it.

Henry Ford, who has made many millions in the manufacture of motor cars and employs many thousands of men in his industries, is decidedly hostile to American aid of any kind for Britain and has even expressed emphatically the hope that England will not win.

At a recent convention of American manufacturers General Wood, one of the most active opponents of aid for Britain, gave an address arguing against any relaxation of the restrictions against giving credit or help of any kind to Britain. When he finished speaking the whole audience stood up and cheered him.

The American Youths' Congress, a nation-wide organization, which includes representatives of a number of young people's societies and was until recently under the special patronage of the wife of President Roosevelt, at a recent convention passed resolutions against the lend-lease bill and other measures designed to help England. A year ago Mrs. Roosevelt was very active in support of The American Youths' Congress but she now regards it as "a transmission belt for Stalin intrigues". The investigations of the Dies Committee of Congress have shown that Stalin's emissaries have been working assiduously to get control of this organization and other societies of young people in the United States. Students of several American colleges have passed resolutions against aid to England. These young people may grow wiser as they grow older, but their future attitude is very uncertain. When the Young Republican National Federation opened its biennial convention at Des Moines, Iowa, on January 31 no less than six resolutions condemning the lend-lease bill were offered and not one in favor of it. A number of the delegates thought Wendell L. Willkie, the Republican Presidential candidate in the last election, should be read out of the Republican party on account of his support of the measure, but there was sharp division of opinion on this question.

It should be noted that very few Americans of British descent now have large families although they did during the first century of the republic's existence. Couples whose grandparents had ten or twelve children now have one or two. On the other hand many foreigners and descendants of foreigners have large families.

Until about twenty years ago the negroes of the United States

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121042 A

were nearly all in the Southern States and in many cases were prevented from voting in elections, but during the last two decades there has been an immense migration of negroes to the north and it is likely to increase in future. In the north the negroes have far more freedom to vote, and no one can tell how Russian Communists or Nazi organizers may work among them in future.

Knowing so little about the future attitude of the American people should Canadians approve of American control of the St. Lawrence waterway by the establishment of navy, air and military bases in Newfoundland and a canal enlargement policy designed to give Americans control of the Great Lakes?

It should be noted that while President Roosevelt was fervently declaring that he would give Britain "all aid short of war" the United States government was notifying airplane manufacturers that the most up-to-date American bomb sights must not be put in any planes sold to Britain and if any had already been placed in them they must be taken out and second-rate sights installed, even if it caused delay in delivery.

The present effect of the lease to the United States of harbors and air bases in Newfoundland, Bermuda and the British West Indies is to strengthen the forces in the United States who argue that it is not necessary to go across the ocean to defend America. With control of these bases American isolationists will feel doubly sure that they are safe against invasion.

Most Astonishing Real Estate Deal

Suppose that instead of Britain being in peril it were enjoying peace, prosperity and possession of an unprecedented accumulation of gold while the cities of the United States were being destroyed by bombers of Japan, Russia, Germany and Italy, Britain would not say: "We have fifty small out-of-date warships, relics of the last world war, and as we wish to give the United States 'all aid short of war' we will exchange these out-of-date ships for a 99 years' lease of naval and air bases commanding the Gulf of Mexico, the Panama Canal, Puerto Rico, Nicaragua, Alaska, Hawaii and the Phillipines. We will also permit our manufacturers to sell to you for cash any air planes, tanks, and other supplies that they can produce in excess of our own requirements, but you must send your own ships to take them away as we cannot allow any of our own warships or merchant vessels to go into the danger zone." If Britain did adopt that attitude when the United States was fighting desperately for existence would the American people meekly thank the British for their sympathy and generosity?

If Americans will consider this comparison they may realize that President Roosevelt persuaded the British Prime Minister to agree to the most astonishing real estate transaction in the history of the world.

Grocer Green's Generosity

Mrs. Susan Shopwith of 943 Noname Street, Toronto, has for many years bought groceries from William Green, the nearest corner grocer. When she went to the grocery one day some weeks before Roosevelt asked the United States Congress to authorize a change of policy Mr. Green said: "Mrs. Shopwith it is exactly twenty years today since you first came to me for groceries, and I shall be proud

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121043A

to tell all my customers that I have been aiding you with groceries for twenty years."

"Aiding me!" said Mrs. Shopwith, "Why, I have always paid you cash for everything I got from you and what is more I have carried everything home myself."

"That is right," said Mr. Green, "Cash and carry. "That is the meaning of 'aid' now. Every day I see in the newspapers that the Americans are giving the British 'all aid short of war', but I have learned that this means that the British must pay cash for everything and carry home what they buy in their own ships. I am thinking of advertising that I shall be glad to aid any family in Toronto with groceries on condition that they carry home anything I supply."

When British Dollars Were Spent

President Roosevelt did not ask Congress to change the cash and carry policy until the late Marquis of Lothian, British Ambassador, returning to Washington after a visit to London, revealed that the British resources that could be converted into American dollars would be exhausted or almost exhausted when the war supplies already ordered were paid for. It was learned that the British Government had expropriated all American investments of British citizens believed to be readily saleable for American dollars or accepted as security for American dollars at the present time, including American branches of British industries, British investments in American stocks, bonds, mortgages and real estate. Henry Morgenthau, Secretary of the Treasury, was asked to investigate, and after interviews with two directors of the Bank of England, Sir Edward Peacock and John Coldbrook Handbury Williams, who came out from England to make financial arrangements, reported that it was estimated that Great Britain had gold and dollar assets amounting to $1,811,000,000 available for payments in the United States, nearly all of which would be required for present contracts. Evidently all American industries working on British orders would have to shut down as soon as present orders were completed unless some new arrangement could be made.

President Roosevelt then announced that he would ask Congress to authorize the lease of war supplies to Britain to be returned after the war if still in good condition or paid for in kind if destroyed or damaged. For instance if an American plane were destroyed or damaged Britain would be expected to give the United States after the war an equally good one. In some cases, he said, he would ask the British to pay after the war with raw materials required by the United States, such as tin which is not produced in the United States. He made it plain to interviewers that he would see that the United States got back every dollar's worth after the war, and declared positively that he would keep the United States out of the war.

Roosevelt's Great Speech

On December 29, 1940, President Roosevelt made one of the greatest speeches ever delivered in the United States, setting forth so clearly that every citizen could understand how necessary a British victory is to the United States. The opening paragraphs of that great speech ran as follows:

"Never before since Jamestown and Plymouth Rock has our

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121044 A

American civilization been in such danger as now; for, on September 27, 1940, by an agreement signed in Berlin, three powerful nations, two in Europe and one in Asia, joined themselves together in the threat that if the United States interfered with or blocked the expansion program of these three nations---a program aimed at world control---they would unite in ultimate action against the United States. The Nazi masters of Germany have made it clear that they intend not only to dominate all life and thought in their own country, but also to enslave the whole of Europe, and then to use the resources of Europe to dominate the rest of the world. The Axis not merely admits but proclaims that there can be no ultimate peace between their philosophy of government and our philosophy of government. At this moment the forces of the states that are leagued against all peoples who live in freedom are being held away from our shores. The Germans and Italians are being blocked on the other side of the Atlantic by the British and by the Greeks and by thousands of soldiers and sailors who were able to escape from subjugated countries. The Japanese are being engaged in Asia by the Chinese in another great defense. Some of our people like to believe that wars in Europe and in Asia are of no concern to us. But it is a matter of most vital concern to us that European and Asiatic war makers should not gain control of the oceans which lead to this hemisphere.

"Does anyone seriously believe that we need to fear attack while a free Britain remains our most powerful neighbor in the Atlantic? Does anyone seriously believe, on the other hand, that we could rest easy if the Axis powers were our neighbors there? It is no exaggeration to say that if Great Britain should go down all of us in the Americas would be living at the point of a gun---a gun loaded with explosive bullets economically as well as military. The Axis is an unholy alliance of power and pelf to dominate and enslave the human race. The British people are conducting an active war against this unholy alliance. Our own future security is greatly dependent on the outcome of that fight. Our ability to keep out of war is going to be affected by that outcome.

"In a military sense Great Britain and the British Empire are today the spearhead of resistance to world conquest. They are putting up a fight which will live forever in the story of human gallantry.

"There is no intention by any member of your government to send an expeditionary force outside our own borders.

"As planes and ships and guns and shells are produced your government with its defense experts can then determine how best to use them to defend this hemisphere. The decision as to how much shall be sent abroad and how much shall remain at home must be made on the basis of our over-all military necessities. We must be the great arsenal of democracy."

The Foreign Affairs Committee of the House of Congress was afterward addressed by members of the President's cabinet, all of whom declared that a German victory would be disastrous to the United States.

Frank Knox, Secretary of the Navy, said: "I know that if England is defeated we will be attacked. I think the only chance we have of staying out of this war is by helping Britain to win. If Germany won and conquered Britain she would have immediately available shipbuilding facilities seven times greater than ours."

Harold Ickes, Secretary of the Interior, said: "The British are fighting for self-preservation to be sure, but their self-preservation is essential to ours. The consequences to us of a Hitler victory or of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121043 A

a negotiated peace are dreadful to contemplate. Either one would destroy our economy."

Cordell Hull, Secretary of State, said: "Were Britain defeated and were she to lose command of the seas Germany could easily cross the Atlantic---especially the South Atlantic---unless we were ready and able to do what Britain is doing now. We are in the presence of forces which are not restrained by considerations of law or principles of morality, which have fixed no limits for their program of conquest, which have spread over large areas on land and are desperately struggling now to seize control of the oceans as an essential means of achieving and maintaining their conquest of the other continents."

Henry L. Stimson, Secretary of War, stated at length that any assistance sent to England would be "solely in the interest of the defense of the United States."

In short the speeches of President Roosevelt and his cabinet showed that the British were fighting for the United States as well as for themselves. Yet the President and his colleagues think the British should not only fight alone against the common enemy, but should be responsible for the return in good condition of any war supplies lent by the United States or their equivalent.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CONFIDENTIAL MEMORANDUM

12 1047A

ST. LAWRENCE SEAWAY PROJECT.

The NATION'S BUSINESS, February 1933, published the brief of Chairman Aishton, of the Association of Railway Executives, entitled "The Case Against the St.Lawrence Seaway Project;" this publication has a very wide circulation among Americans influential in industrial, financial and political circles.

Mr.Aishton's Association comprehends the whole of the Railroad systems of the United States and Canada with all the powerful political support which these railways command; backing them are the principal banking interests of both countries which hold their securities, as well as the local interests of the important Atlantic seaports comprising the seaboard termini of the U. S. railroads,-Baltimore, Philadelphia, New York and Boston.

Mr. Aishton, with many other opponents of this project, had been heard exhaustively by the former Committee on Foreign Affairs of the U. S. Senate,- before which was then pending for ratification the treaty between the United States and Canada establishing this proposed Seaway- at different hearings held during 1932 and early in 1933. This Committee brought in a favorable report before March 4th,1933, but too late for favorable action by that Senate before its existing powers terminated.

The new Senate, at its present special session, has received a similar favorable report from its Committee, and the purpose of this recent publication is evidently to excite contentious argument in the new Senate against the ratification of the treaty in the special interests of the U. S. railroads.

Since the original negotiation of this treaty-- successfully promoted by a powerful combination of mid-western States-with the support of Ontario and the Prairie Provinces of Canada--the railroads of the U. S. have suffered such devastating losses in their operations that their condition and their future operation has become one of the most serious economic problems now facing solution by the U. S. Government. Their opposition is gaining rapidly in influence with that Government, and it seems likely that if the treaty is not ratified during the present special session of the Senate at Washington, it will be defeated at the next regular session.

Mr. Aishton's published plea is evidently intended to delay action at the special session, and it is suggested that the Canadian Government should exert all proper influence in Washington in furtherance of action at this session.

This memorandum is a criticism of Mr. Aishton's brief from the viewpoint of Canadian interests. He defends these two propositions: first, that the outlay will vastly exceed the estimates of the Joint Board of Engineers,-and second, that this new artery of commerce is unnecessary and therefore uneconomic.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121047A

1. The estimated cost by the Joint Board of Engineers, $543,429,000 is founded on exact engineering studies, surveys and soundings, conducted by engineers of the highest rank and widest experience, selected by the two governments; the cost basis of materials and labor is on the scale of 1926, while contracts for construction could probably now be let at 25% reduction. These costs have been computed from the experience and engineering records of similar constructions carried on by the two governments in the gradual development of the St.Lawrence-Great Lakes system of navigation covering a period exceeding fifty years.

The Canadian share of the total cost for new construction according to the treaty and the estimates of the Joint Board of Engineers, will amount to $142,204,000 on the scale of prices for materials and labor adopted.

The comparisons made by Mr. Aishton with the under-estimates of costs in Panama and Suez canals are unfair; after the first estimates the Panama original designs were changed in important particulars, increasing its capacity and consequent cost, while the tremendous landslides which were not anticipated,added greatly to the total cost of the Canal. The Panama Canal is located in the Torrid Zone where preservation of the health of staff and work people required large expenditures; all equipment had to be especially built and supplied from long distances; much was lost, and no experience with similar undertakings was available to guide the estimating engineers.

There are no such unknown contingencies involved in the route of the St.Lawrence Seaway; the excavations necessary are either through firm rock or rocky shoals where the channel once excavated will permanently retain its fixed form, with occasional dredging of materials which may drift in. Many competent contractors, with experience in identical under-takings in the same locality already possessing all the necessary equipment, will compete for this work.

The size and depths of the locks as now laid down are based on passage for ships of the largest size which can safely navigate the Great Lakes, and no alteration will be necessary as construction proceeds.

The estimates of Cooper,Moulton and Goodrich, engineers retained by opponents to contradict the Government engineers, are too extravagant to accept seriously,- they are not credible witnesses against the testimony of the Government employed experts whose only instructions were to make correct surveys and return an honest estimate of the cost of the proposed constructions. This was the conclusion of the Committee of the U. S. Senate after hearing the evidence and cross-examining the witnesses in person.

2. The original estimate of seven years time of construction can be reduced to five years, by carrying the work in double shifts; In construction involving large capital outlay

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

the interest charges must be accounted for; besides this object there is also the accepted advantages to be secured to commerce using the Seaway, which justify its earliest possible completion.

The major constructions will be in Sections 4 and 5 of Mr. Aishton's illustration,- Sections 1,2,3 and 6 are largely completed; any competent engineering authority who is instructed to inspect the plans for this improvement and the present status of Sections 4 and 5 will pronounce five years ample time for their completion.

The original estimate of seven years for the completion of this waterway was made several years ago, since when both governments have proceeded with much of the construction which this waterway involves.

Accepting five years as the period of construction and the Government's engineers' estimates of cost as substantiated, the interest charge against capital will be, at the rate of 4% per annum for 2½ years on $142,204,000, the new Canadian Capital required, $14,220,400.

But Canada may decide to finance its investment in this Seaway by the issue of tax free perpetual Debenture Stock, at the rate of 3% per annum; in that case the total construction interest charged to capital would be $10,665,300; the annual interest charge at 4% would be $5,688,160 and at 3% $4,266,120.

Following Mr. Aishton's discussion of his subject in serial order we reach his additional costs to the U. S. taxpayer arising from the improvements required in seven U. S. harbors on the Great Lakes, which he arbitrarily estimates at $175,000,000. This is an evident exaggeration of the moderate requirements necessary at each of the ports named to supply facilities for ships of 24½ foot draft. The railways at each of these ports will certainly need to provide terminal dockage, with suitable warehouses for the economical exchange of merchandise traffic; these will be joint terminal facilities, as in use at Montreal, and new elevators and merchandise warehouses will be constructed; these docks will need to be dredged to the proper depth, but they will be few in number; to attempt to rebuild all docks in the Lake ports to receive deep sea ships, while the major part of their commerce will continue to be transported in the existing lake fleet, would be a ridiculous waste of capital. Fifty millions of dollars would be a more reasonable estimate for the necessary harbor improvements at the U. S. ports.

This comment is offered since there are several harbors on the Canadian side which will require to be improved to take advantage of the new Seaway; these comprise, besides extensions at Montreal, Toronto, Hamilton, Windsor, Sarnia, Sault Ste.Marie and Fort William; as Mr. Aishton claims, these necessary outlays should be included in estimating the total costs of the Seaway if it is to be useful to the whole country. The Sum of $25,000,000 - based upon the well known costs of the harbor facilities already provided at Montreal and Fort William - would seem to be an adequate sum to allow for these purposes.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Following is a comparison of Aishton's tables of U. S. costs with the foregoing for Canada: 127049A

	Canada	Aishton A	Aishton B
Construction	$ 142,204,000	272,453,000	544,906,000
4% Interest	14,220,400	43,592,480	87,184,960
Harbors	25,000,000	175,000,000	175,000,000
Total,	181,424,400	491,045,480	807,090,960

3. Mr.Aishton next proceeds to estimate the annual operation costs of the Seaway at $ 2,500,000 and the maintenance at $ 1,500,000.

There is available precise information as to the cost of operating similar locks and canals under like conditions in the records of the U. S. canals and locks at Sault Ste.Marie, which are of record from, and including the year 1882, to, and including, the year 1931.

There are three large and one small lock on the U. S. side besides one large lock on the Canadian side; in 1929 there passed through the U. S. canals 92,622,017 tons of freight; the total cost of operating these four locks and their approaches for this year amounted to $ 161,389.36, while the outlay for repairs and maintenance amounted to $ 94,109.22, the total expense amounting to $ 255,498.58; if the operation of thesmall lock be disregarded and the whole expense be charged against the three large locks which are comparable with the largelocks on the proposed Seaway, the sum of $ 85,166.19 will bechargeable annually against each lock for operation, repairs and maintenance, including upkeep of canal approaches.

There will be twelve locks on the Seaway, including seven now operating on the Welland Canal, and the total annual outlay for operation, repairs and maintenance, if operated as economically as the Sault Canal, will be $1,021,994.18, or about one-fourth of Mr. Aishton's estimates.

In addition to Mr. Aishton's overcharge of 300% as carrying charges, his next table includes $ 350,000 annual maintenance for seven U. S. improved harbors, which is self-evidently an improper charge against the St.Lawrence Seaway, since all such harbors have to be maintained in a condition for navigation, according to the commerce which they invite. So Mr. Aishton's second table of operating and maintenance charges compares with Canada 's as follows:

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

	Canada	Aishton A	Aishton B
Annual interest Charge 4%	$ 5,688,160	24,552,274	40,354,548
One-half Operating Cost	510,997.09	1,250,000	1,250,000
Maintenance of Channels	0	750,000	750,000
Maintenance of Harbors	0	350,000	350,000
Total,	6,199,157.09	26,902,274	42,704,548

It is true that Aishton's figures include the total of past outlays with his estimate of future outlays, while Canada's figures include only the new capital to be expended on new construction, which is the only logical manner in which to present the case to the interested taxpayer; his present concern is in the money to be spent and in the benefits expected to result from the expenditure.

The Canada table also omits costs of maintenance of channels and harbors,- this for the justifiable reason that the channels and harbors which now exist and are in use by commerce must be maintained if the Seaway be not built, and that the difference in maintenance costs due to new construction will be negligible.

The cost of improved terminal facilities at the various Lake ports is omitted from Canada's figures for the reason that when developed these will be made at the cost of the individual ports and not by the expenditure of public monies; their cost will be met by funds supplied by the various Boards of Harbor Commissioners, and the port dues will provide for the necessary interest payments. The experience of the Board of Harbor Commissioners at Montreal has shown that essential port facilities pay their own way without burdensome charges on navigation.

Mr. Aishton gives no credit to the Seaway when completed for any revenue; there is no reference in the treaty to the collection of tolls or income from hydraulic power created by the dams. But the U. S.- Canada treaty of 1909 by Art.I, expressly provides to each party the right to levy tolls for passage through the canals, and if this right be exercised by Canada in Canadian waters, a large part of the fixed charges could be met from this source.

The power rental charge for hydraulic power developed by the dams to be built will be another substantial means of revenue, and from both sources the moderate annual fixed charge of $6,199,157. ought to be met soon after the canal is opened to traffic.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Of course the fixed charges shown in the Aishton estimates could never be met from any possible source of revenue. If they are well founded, the project had better be abandoned; it is believed that the Aishton estimates are fictitious, and that the contrasting estimates of the Joint Board of Engineers as analyzed in the foregoing are dependable.

. . . . . .

J2 105 1A

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

This belongs to a Mr. Morgan who visited Senator Meighen March 9th 1952

121052 A

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121053 A

MEMORANDUM May 1-1924

on the

PROPOSED WATER POWER DEVELOPMENT ON THE ST.LAWRENCE RIVER BETWEEN LAKE ST. FRANCIS AND MONTREAL.

- - - - - - - - -

The Transportation & Power Corporation Limited have put forward the only economic solution of the problem of utilizing under the maximum efficiency possible the water now running to waste in the St. Lawrence River, and at the same time provide a deepwater canal for the use of the largest vessels, when required.

This project will combine the small heads created by the Coteau, Cedars, Cascades and Lachine Rapids, between Lake St. Francis and Montreal, into one large power development utilizing the water under the maximum head possible i.e. 120 feet, by constructing a power canal about 35 feet deep.

This development can be made without interfering with navigation on the existing canals, as regulating dams would be constructed at the foot of Lake St. Francis and Lake St. Louis to maintain the present water levels. The canal would pass almost entirely through farm and pasture land, thereby causing the minimum damage to private property.

In order to provide the required supply of cheap power for many years to come for Western Quebec and Eastern Ontario, under this plan it will be necessary to expend between $150,000,000 and $200,000,000, during the next five or six years, and which expenditure will give steady employment to thousands of workmen and many industries for several years.

In addition to bringing many new industries to the country, Canada will receive a steadily increasing income from the water at present running to waste.

Further, the investment of such very large sums of English, Canadian and American Capital in the construction of this large public work at the present time, would materially assist in restoring public confidence in the future of Canada as a safe and profitable field for investment.

Due to the project being located entirely within the Province of Quebec, there are no international complications by this plan, and nearly two-thirds of the deep waterways canal can be built in Canada, without expense to the Canadian people. 370

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121053 A

MEMORANDUM May 1-1924

on the

PROPOSED WATER POWER DEVELOPMENT ON THE ST.LAWRENCE RIVER BETWEEN LAKE ST. FRANCIS AND MONTREAL.

- - - - - - - - -

The Transportation & Power Corporation Limited have put forward the only economic solution of the problem of utilizing under the maximum efficiency possible the water now running to waste in the St. Lawrence River, and at the same time provide a deepwater canal for the use of the largest vessels, when required.

This project will combine the small heads created by the Coteau, Cedars, Cascades and Lachine Rapids, between Lake St. Francis and Montreal, into one large power development utilizing the water under the maximum head possible i.e. 120 feet, by constructing a power canal about 35 feet deep.

This development can be made without interfering with navigation on the existing canals, as regulating dams would be constructed at the foot of Lake St. Francis and Lake St. Louis to maintain the present water levels. The canal would pass almost entirely through farm and pasture land, thereby causing the minimum damage to private property.

In order to provide the required supply of cheap power for many years to come for Western Quebec and Eastern Ontario, under this plan it will be necessary to expend between $150,000,000 and $200,000,000, during the next five or six years, and which expenditure will give steady employment to thousands of workmen and many industries for several years.

In addition to bringing many new industries to the country, Canada will receive a steadily increasing income from the water at present running to waste.

Further, the investment of such very large sums of English, Canadian and American Capital in the construction of this large public work at the present time, would materially assist in restoring public confidence in the future of Canada as a safe and profitable field for investment.

Due to the project being located entirely within the Province of Quebec, there are no international complications by this plan, and nearly two-thirds of the deep waterways canal can be built in Canada, without expense to the Canadian people. 390

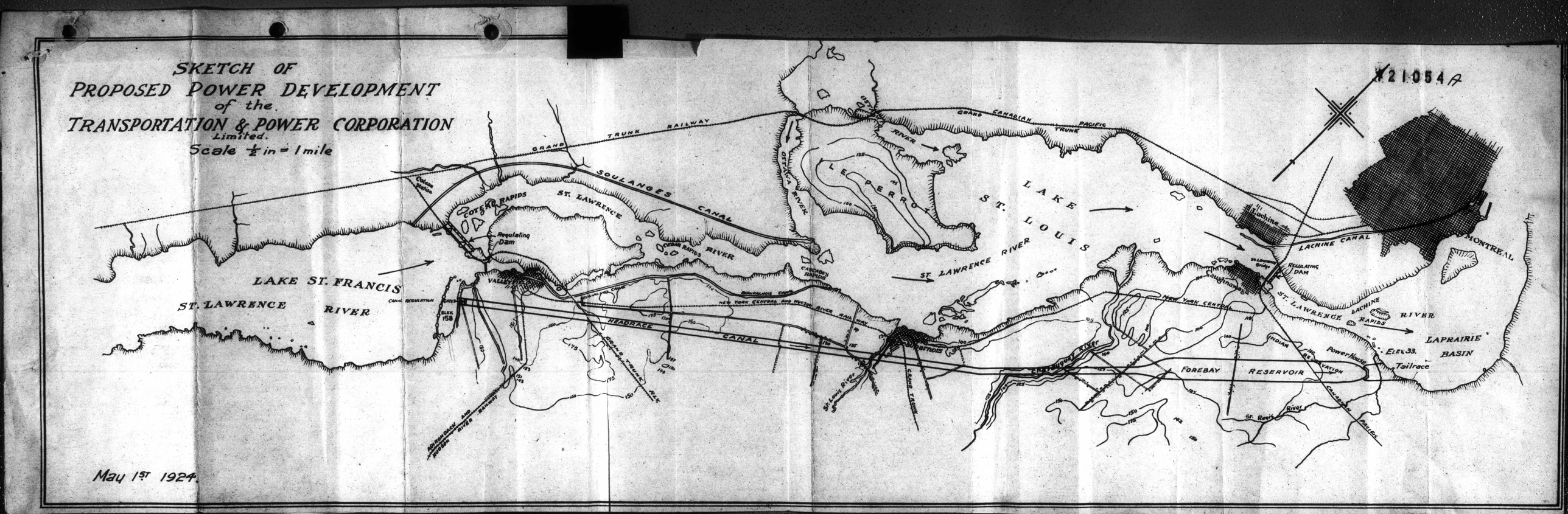
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

391

Memo prepared by Mr Edwards of the Canadian British Corporation

Rockell



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

0.21055

RETURN OF THIS PLAN IS
REQUESTED AS IT FORMS PART
OF A FILE.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121055A

Toronto, October 27th, 1932.

CONFIDENTIAL - FOR THE USE OF MEMBERS ONLY

Circular No. 452.

"THE ST.LAWRENCE SEAWAY" - ADDRESS BY MR. GUY TOMBS.

The accompanying address delivered by Mr. Guy Tombs, President, Guy Tombs, Limited, Montreal, before the meeting of the Quebec Division held in the Queen's Hotel, Montreal, on October 13th, is reproduced as it is felt that all our members are interested in the subject matter and will desire to have a copy of this address in their records.

Respectfully submitted,

T.F. Rahilly,
President,

A.R. Trolear,
General Secretary.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121057 A

THE ST.LAWRENCE SEAWAY

Guy Tombs

Mr. Chairman and fellow members of the Canadian Industrial Traffic League:-

I have been summoned before this talented body tonight on very short notice to address you for a few minutes on that colossal and complex question the proposed St.Lawrence Seaway. A task over which I might well have hesitated had I been given the option.

The question under discussion is the St.Lawrence Deeper Waterways, so if I say a great deal about water transportation I am not necessarily belittling the benefits of rail, truck, aeroplane, knapsack or other formsof transportation, to say nothing of camels, elephants and donkeys.

I mention this because there is always a danger in discussing one particular phase of a subject of being either misunderstood or of some captious fellow pointing out, possibly for lack of something else to say, that the speaker was prejudiced or said nothing about such and such.

It is fairly well known that I have been a consistent supporter of the railways, where I obtained all my early training and that up until the past two years I was probably instrumental in giving them more business than any other person in Canada. In fact I have thought so much of the railways that for ten years I have been telling them what they should do to be saved, to which they have not paid the slightest heed.

The St.Lawrence Deep Waterway is the creation of a through ship channel of 27' in depth from Montreal to Lake Superior withh the object of improving and cheapening transport for a large part of the North American Continent. Vessels commonly operating on the Great Lakes are to be enabled to reach tidewater and larger ocean vessels are to be enabled to reach inland ports as far westward as Fort William, Duluth and Chicago.

A large part of this work has already been done, namely the Beauharnois Power Canal and the new Welland Ship Canal, which latter is actually in operation, leaving as the main problems a new ten mile Lachine Canal along the edge of the river at Montreal and the International Rapids Section of 48 miles. Improvements to existing channels in parts of the St.Lawrence River, in Lake St.Clair and St.Mary's River have been under way for some time. Compensating works in Niagara and Lake St.Clair to offset the diversions of water now authorized, are contemplated.

The St.Lawrence Seaway is not a new subject. From time immemorial the River St.Lawrence has been the natural gateway of North America.

I wish there were time to comment upon the early French explorers and devoted missionaries who penetrated far into the wilderness by way of the Ottawa and the Great Lakes, down the Ohio and Mississippi to the Gulf of Mexico, and north up the Saguenay and towards James Bay, or of the l'Abbd de Casson who began the first Lachine Canal in 1669.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121058 A

There were no roads in new France and but one highway, the great river.

In 1674 some 800 canoes from the Upper Country arrived here for the annual trading. In 1931 Montreal received 4000 inland vessels with a net registered tonnage of 3,770,753. Business was quiet but Montreal also received 1150 ocean vessels of a net registered tonnage of 4,069,421 tons and innumerable river vessels. Had not the merchants of Montreal gone ahead and deepenedd the ship channel between Montreal and Three Rivers or if Laurier had weakened and not carried out the deepening of the St.Lawrence Canals to 14 feet Montreal would not now occupy the proud position of the first City of Canada and the second ocean port of North America.

Canada has been digging waterways for many years. The first lock canals in North America were completed by the Royal Engineers between lakes St.Louis and St.Francis in 1783, 120 feet long, 9 feet wide and 6 feet of water on the sill. The Lachine Canal was opened in 1825 being only 4½ feet deep.

The Erie Canal also opened in 1825 between New York and Buffalo, was originally only 4 feet deep, now between 9½ and 11. The banner Province of Ontario was settled by means of the waterways, in fact by 1848 a 9 feet waterway existed between Montreal and all the Great Lakes except Superior. The Grand Trunk, the first railway between Montreal and Toronto, was not opened until 1855.

The first ship Canal at the Soo was built on the American side of St.Mary's River, between 1853 and 1855.

The first record of wheat passing through the Sault Canal is 1870 when the total was 49,700 bushels. By 1925 the quantity had reached 292,832,673 bushels. In an average year I suppose 400 million bushels of grain American and Canadian move forward by water transportation on the Great Lakes.

There is not time to discuss in detail the various Canals, comprised in the St.Lawrence system but the opening of the new 27 ft. Welland Ship Canal is so recent and has so important a bearing on the whole scheme that I must take a few minutes to discuss it, and also because its development illustrates the growth and progress of the last 100 years.

The first canal was completed in 1829 as a private enterprise by the Welland Canal Co. There were 39 wooden locks, 110 x 22 and 8 ft. of water on the sills, the canal being 27½ miles long.

In 1841 it was purchased by the Legislature of Upper Canada and gradually deepenedd to 9 feet and rebuilt in stone; the number of locks being reduced to 27.

A third canal 26¾ miles long was soon started between Port Colborne and Port Dalhousie and opened for 14 feet navigation in 1887. Its freight tonnage increased from 620,209 tons in 1901 to 7,439,617 tons in 1928.

Last summer the latest Welland Canal 25 miles in length was officially opened.

I had the good fortune to pass through these magnificent locks on

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121059A

a lower lake freighter last August and was much impressed with their immensity, the massive lock gates 82 feet high and the almost uncanny efficiency. The third Welland Canal locks measured 270 feet in length 45 ft. width and 14 feet deep, whilst the present one has a usable length of 820 feet, a usable width of 79 feet and 30 feet of water over the sills. In the reaches between the locks the depth of water is actually 25 feet. The largest vessel at present on the Upper Lakes is the "Lemoyne" which is 633 feet long, 70 foot beam and 22 foot draught. As a matter of fact low water in the St.Mary's and Detroit Rivers prevented the "Lemoyne" from loading deeper than 17 or 18 feet last year. On October 1st, 1932, the depth at the Soo was 18 feet 6 inches. The United States are figuring on deepening the American Soo to 27 feet.

I must not leave the Welland Canal without acknowledging the distinct feeling of awe as one enters at twilight the huge damp chamber and is shown a faint red glow away up on the top of the hill and told "That is where we are going". A lift of 325½ feet between the levels of Lake Ontario and Lake Erie is surmounted by 7 locks of 46½ foot lift each. Vessels took 16 to 18 hours to go through the old canal, sometimes 36 hours. One of the Paterson grain boats locked through the new canal recently in 5 hours and 25 minutes. The rebuilding of the Welland Canal is rightly considered one of the great engineering feats of the world and was the first step in the St.Lawrence Deep Waterways project.

Agitation for a St.Lawrence Ship Channel was initiated in February 1826 when a petition from Montreal merchants was read before the Legislative Assembly of Lower Canada, urging the necessity of improving the means of communication between the Canadas and Europe. Stress was laid upon the enormous losses to the trade of Lower Canada resulting from lighterage over the shoals of Lake St.Peter. (It used to take two or three weeks to go from Quebec to Montreal, now one goes from Montreal to England and back in that time.) There is no time to go into the delays, objections, jealousies, neglect and disappointments. The progress was exceedingly slow, the population of the Canadas small and scattered, and it took almost 100 years of continued effort to get the channel deepended from 11 to 30 feet.

When I was obliged to restudy the development of the great Port of Montreal last spring I was impressed time and time again by the striking increases in trade and commerce which had accompanied every improvement to navigation either above or below Montreal. In 1854 for example the tonnage arriving at the port from the sea was 72,305 and the harbor revenues $64,000.00 whereas in 1874 the tonnage had grown to 956,837 and the revenue to $280,021. One naturally expects an increase in commerce to result from deeper channels and larger ships and the records of the Port of Montreal have shown a continued increase until we come to this present depression.

Many of us, however, seem to have considered ourselves as living in a seaport rather than also at a great inland port, not realizing that there are often more Lake boats than ocean vessels in the Harbour of Montreal.

To be successful, a world port requires extensive feeders, flexible and workable communications, as well as access to the sea, and all directed by keen minds. Listen to these two brief extracts from the report of an engineering commission appointed in 1875 to study the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121060 A

complete subject of Montreal harbour improvement; 1st: "The construction of the Lachine, the Ottawa, the St.Lawrence and the Welland Canals was a marked step in the development of Montreal Harbour. These canals with locks 100 feet in length, with 20 feet in width and 5 feet in depth, gave the first outlet westwards, and opened a water communication with the Upper St.Lawrence and the Ottawa. Narrow and insufficient as the dimensions of these first locks now appear, the commercial results attained were of great importance. Without these works Montreal could neither have received the products of the Western country, nor been able to supply it with imports."

"The traffic of the country on Lake Ontario would have taken the Canal at Oswego, and the districts above Niagara Falls would have found an outlet to the ocean by Buffalo and the Erie Canal, and by the United States railways. Thus, New York would have been the commercial emporium of Western Canada as a matter of necessity." There was also a long paragraph on the railway lines, especially the Grand Trunk, which, with those extending through the North Western States, were, it was stated, of immense advantage to Montreal.

Such testimony as this and the tremendous increase in commerce resulting from these channel improvements convinced me that there was nothing fundamentally wrong in digging or dredging west of Montreal as well as east, in fact there has not been a time in the past hundred years and there will not be one in the years to come when dredges will not be working somewhere in these rivers and harbours, widening, deepening and improving them for new and greater ships, unless which is unthinkable, the progressive character of the people of this country undergoes a tremendous change.

About the time I was studying this old engineering report I received a copy of the programme, aims and ambitions of the new deepsea port of Albany, Montreal's old rival for the Western fur trade. This boldly announced Albany to be the "Nearest all year seaport to the Great Lakes", with the world's largest grain elevator. Reference was made to our ice bound conditions, tortuous and dangerous channels. Albany boasted incorrectly of the same ocean rates as the Atlantic Coast range, and claimed to have lower inland water rates than Montreal via Buffalo or Oswego, both of which may eventually come true as the new port becomes established.

Now Canada began the deepening of the St.Lawrence at the wrong end, I refer to the Welland, and the big upper lake carriers which serve Buffalo can now reach Oswego also, and will be doing so for years before they can come to Montreal, Albany is therefore a new and potential competitor for the Western trade.

The deflation process has been unevenly applied. Landlords, laundries, legislatures and land transport have not contributed their share. Ever since the War the continent has been groaning under railway rates which no longer bear a reasonable relation to the value of the goods offered for carriage or of the service performed. Under the changing conditions we must have cheaper transportation costs to compete with seaboard countries now enjoying unprecedented low water rates, or abandon the export business and much of the country.

The United States have therefore been developing their inland waterways and making exhaustive studies of possible routes for a Great Lakes seaway. Propagandists of various shades of mendacity have made many wild

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121061A

and misleading statements as to benefits, dangers and costs.

It is my firm belief that a deep waterway connecting the Atlantic with the Great Lakes is inevitable, and that Montreal and Canada stand to gain rather than lose if the St.Lawrence route is chosen and that, on the contrary, if the New York State route is preferred, it will be a very serious blow indeed.

For the past eight months I have therefore been firmly of the opinion that the benefits to be derived from the construction of the St.Lawrence seaway far outweigh the only possible objection, which is that of expense, and that now is the accepted time.

Now for the project itself. The possibility of an unbroken passage for ocean freighters from the Atlantic to the centre of the Continent has appealed to the imagination of many able men during the past century. To put the matter in a nut-shell successive national governments of the two countries concerned have been in full accord with the principle. The details only have been in question. The International Waterways Commission was created in 1895 and instructed to report upon the feasibility of a deep channel between the Great Lakes and the sea and many other boards, committees and commissions have since reported upon the problem.

In 1921 the International Joint Commission, a permanent body created in 1909 for the investigation of international water problems, reported strongly in favour of the construction of the deep waterway.

In 1926 the Joint Board of eminent engineers, which was formed on the recommendation of the International Joint Commission, reported on the engineering features, finding the project entirely feasible from that viewpoint.

The Canadian engineers on this Joint Board were Duncan McLachlan of the Department of Railways and Canals; our own fellow citizen, Dr. Olivier O. Lefebvre Chief Engineer of the Quebec Streams Commission, and Brig. Gen. Charles H. Mitchell C.B. C.M.G., Dean of the Faculty of Applied Science, University of Toronto, and their signatures along with those of the American representatives are affixed to unanimous findings and recommendations dated at Montreal April 9th, 1932.

After some 8 years of investigation, the original recommendations of the Canadian engineers have been largely adopted and been broadly incorporated in the proposed treaty between the two countries.

The St.Lawrence Deep Waterway treaty was signed at Washington on July 18th, 1932, by Henry L. Stimson, Secretary of State for the United States and the Honorable Wm. D. Herridge, Canadian Minister to the United States.

The construction of the waterway, if carried out, must so far as one can tell, be on the lines of the treaty so in spite of protests or statements made by interested bodies or individuals in public or private, either in favour or against the project, the treaty is the official document before us. I cannot read it all but the basic consideration for the construction of the waterway and the declarations of the respective governments are well summed up in the preamble which is as follows:

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121062 A

"His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of the Dominion of Canada, and the President of the United States of America.

Recognizing that the construction of a deep waterway, not less than twenty-seven feet in depth, for navigation from the interior of the Continent of North America through the Great Lakes and the St. Lawrence River to the sea, with the development of the waterpower incidental thereto, would result in marked and enduring benefits to the agricultural, manufacturing and commercial interests of both countries an
Considering further that the project has been studied and found feasible by the International Joint Commission, the Joint Board of Engineers, and by national advisory boards, and
Recognizing the desirability of effecting a permanent settlement of the questions raised by the diversion of waters from or into the Great Lakes System and
Considering that important sections of the waterway have already been constructed, and
Taking note of the declaration of the Government of Canada of its intention to provide not later than the date of the completion of the deep waterway in the international section of the St.Lawrence River, for the completion of the New Welland Ship Canal, and of canals in the Soulanges and Lachine areas of the Canadian section of the St.Lawrence River which will provide essential links in the deep waterway to the sea, and
Taking note of the declaration of the Government of the United States of its intention to provide not later than the date of the completion of the deep waterway in the international section of the St.Lawrence River, for the completion of the works in the Great Lakes System above Lake Erie which will provide essential links in the deep waterway to the sea,
Have decided to conclude a Treaty for the purpose of ensuring the completion of the St.Lawrence Waterway project, and for the other purposes aforesaid, and to that end have named as their respective plenipotentiaries", so on and so forth.
Article 1 deals with the international section of the St.Lawrence River and specified certain works in accordance with the final report of the Joint Board of Engineers which will be undertaken by Canada, independently of the United States. This is estimated to cost $17,394,000.00 and include a side canal with lock opposite Crysler Island. This, as you will see from the map which was prepared by the Department of Railways and Canals is about half way between Morrisburg and Aultsville. About one-half of the amount will be for rehabilitation works on the Canadian side because it is likely that the eastern part of Morrisburg and almost all of Iroquois will be submerged.

Article 2 specified certain works to be undertaken by the United States, including a side canal with locks opposite Barnhart Island, which is going to cost about $26,000,000.00. Barnhart Island you can see is about three miles west of Cornwall and is in the United States.

Article 3 deals specifically with the International Rapids Section and specified certain works which will be constructed by a temporary commission of ten, 5 from each country, to be known as the St.Lawrence International Rapids Section Commission, which will be empowered to construct all the works in this section not provided for in Articles 1 and 2 to which I have just referred.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121063A

The power-house superstructures and machinery required for the development of power are also entirely excluded. The United States is to furnish funds as required by the progress of the works. It is estimated that these two pools which will be formed by the dams at Cryslor Island and Barnhart, including the superstructures, will cost $152,592,000, and it is provided that insofar as possible the part of the works situated on the Canadian side or an equivalent proportion of the total, shall be executed by Canadian engineers, Canadian labour and with Canadian material which will involve an expenditure in Canada of $54,718,000. of what is sometimes called "good American money". The works situated on the U.S. side of the boundary are naturally to be executed by American engineers, materials, etc. Subsection 'C' of Article 3 provides that each party may arrange for the construction in its own territory of the power-house superstructures and power machinery at the power sites. So far as the Dominion is concerned the financing of this portion of the Canadian power undertakings will be done independently by the Province of Ontario at such time as the power demand requires.

Article 4 deals with the International Rapids Section and provides that each country is entitled to half of the total flow available for future purposes, also provides for the regulation of the flow of water so that the navigable depths for shipping in the Harbour of Montreal and throughout the Ship Channel below Montreal as they now exist or may hereafter be increased, shall not be lessened or injuriously affected.

Article 5 provides that each of the High Contracting Parties shall maintain complete ownership of and complete legislative, administrative or other jurisdiction over all works lying on its own side of the international boundary.

In view of the fact that the treaty provides for certain of the work in the river section being carried out by the International Commission from funds supplied by the United States, this proviso is inserted to ensure that there is no question as to there being complete Canadian sovereignty maintained over all structures lying on the Canadian side of the International boundary.

Article 6 provides that either of the High Contracting Parties may at any time construct wholly within its own territory alternative canal and channel facilities for navigation along the entire Great Lakes and connecting waters and including the St.Lawrence River to the point where it enters the Province of Quebec. This will enable Canada to proceed at any time and without reference to the United States with the development of an All-Canadian waterway.

The objective of Article 7 is to maintain the rights of navigation under the treaty already in effect between His Majesty and the United States. Since the Treaty of Versailles 1783 the use of the waterway has been of equal interest to Canada and the United States. The right of American vessels freely to enter that part of the St. Lawrence which flows entirely within British territory was included first in the Reciprocity Treaty of 1854. In 1866 this right was suspended but at the Treaty of Washington 1871 the right of navigation in the St.Lawrence was conceded forever, restricted only by the coastwise laws of the two countries. The declaration in this Article was designed to ensure that there should be no possible doubt first

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121084 A

that British shipping shall have the rights of navigation in the Great Lakes - St.Lawrence Waterway and secondly that each of the High Contracting Parties shall each have the use of canals and locks now existing or which may hereafter be constructed in connection with the Waterway.

Article 8 deals with the Chicago diversion and allied matters and restricts the abstraction of water from the Great Lakes through the Chicago Sanitary Canal to the limits established in the decree of the United States Supreme Court of April 21st, 1930, which provides that the abstraction shall be reduced by December 31st, 1938, to an amount not exceeding an annual average of 1,500 cubic feet per second, which can only be increased as an emergency measure with the concurrence of Canada, and it also provides that hereafter other than the specific diversion permitted at Chicago no abstraction from the Great Lakes System to another watershed shall be made except by authorization of the International Joint Commission.

Canada and the United States shall each retain exclusive rights to the use of any waters diverted into the Great Lakes System from watersheds lying wholly within the borders of either country. This proviso was made because there is a suggestion that some northern waters might be diverted into Lake Nipigon, thence Lake Superior and the St. Lawrence System. If this water were so diverted Canada would retain the power rights of this additional flow.

A further point of importance is that if this diversion were made it would practically balance the abstraction which is permitted through the Chicago canal.

Article 8 also provides for the construction of compensation works in the Niagara and St.Clair Rivers at the expense of the United States whereby the Great Lakes levels will be restored and maintained at their natural range.

Care has been taken to protect navigation interests all down the Great Lakes System to tidewater.

Article 9 covers the limitation of damages and responsibilities and Article 10 states that the Treaty shall be ratified in accordance with the constitutional methods of the High Contracting Parties, as soon as practicable, and the Treaty shall come into force on the day of exchange of ratifications.

There are two pages describing the duties, the powers and restrictions in connection with the proposed St.Lawrence - International Rapids Section which we do not need to go into.

I am devoting all this time to the international section of the seaway because that has been the section which has created most interest and aroused most comment in both countries because of the joint control which was inevitable and also because there are 2,200,000 hydraulic H.P. available in the International Rapids Section of which each country is entitled to half. In the purely Canadian portion of the river, entirely in the Province of Quebec, there are almost 3,000,000 H.P. which of course belongs solely to Canada and judging by the records of the past will all be required by us within the next generation.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121065 A

By the way one of the most important sections and of great interest to the citizens of Montreal and Verdun is the proposed 10 mile canal through the river. Control dams and a canal with three locks from the foot of Lake St.Louis to Montreal Harbour with a power house at the foot of the Lachine Rapids with a final installed capacity of 923,000 horse power. You will note as planned it skirts the shore cutting through the edge of Ville La Salle and the northwest point of Nun's Island.

Now what everyone wants to know is what is this gigantic undertaking, which may affect our whole conditions, going to cost. The fears of joint control and American usurpation of our birthright seem curious when one considers that the whole waterway from the Head of the Lakes to within a few miles of Montreal acts as the boundary and is therefore International.

Great concern is being manifested by the Ports of Albany and New York and a few of the eastern American railways over the "tremendous" cost of the proposal. The President of the New York State Waterways Association says that the St.Lawrence Canal will be an expense to the people of Canada and the United States of $162,000. per day every day for 50 years and that the "Canadian Canal" as he calls it, is unnecessary as all that is needed for a larger outlet from the Great Lakes is to expand the present New York State Canals which will serve the people of the United States and the people of Canada alike and that if the Canadians want the Americans to pay half the cost of the St.Lawrence River the Canadians should be required at the same time to agree to pay half the cost of the New York Barge Canalaand has quoted authorities to the effect that the total expense for navigation and power development including harbour improvements would make the total cost $1,350,000,000. Other estimates have run from $250,000,000 to $500,000,000. (The Joint Board of Engineers estimates the cost of the International Section alone as $274,742,000 including the complete power installation). I cannot do better however than quote from a statement on the costs which has been issued by the Department of Railways and Canals: here it is -

"All costs presented herewith are based upon estimates of the Joint Board of Engineers made as of the year 1926. The figures represent capital cost without interest during construction.
The net new capital cost to Canada for the Waterway Project is $38,071,500. This total is made up of $22,320,000 required in the International Rapids Section on account of property damages: rehabilitation works and the lock navigation canal at Crysler Island, plus $82,954,000 for the locks and canals in the wholly Canadian section lying within the Province of Quebec, less $67,202,500 paid by Ontario to the Dominion on account of power works in the International Section - giving a total net cost to Canada, as stated above, of $38,071,500. This total may be decreased by $4,233,000 if the necessity for a guard lock in the Beauharnois Canal is eliminated. This would reduce the total cost to Canada to $33,838,500.

Canada has been credited with the cost of the new Welland Ship Canal - a total of $128,000,000."

If these figures turn out to be reasonably correct Canada has made a very good bargain indeed, particularly to be credited with the enormous cost of the New Welland Ship Canal which took so long to build on account of war and other conditions.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121066A

This is not an engineering body so there is no need to go into the Dominion-Ontario agreement whereby Ontario agrees to assume the costs of the works solely for power, the superstructures and power-house machinery, at Crysler and Barnhart Island developments in the event of the treaty being ratified and the seaway being constructed.

The capital cost of the deep waterways project as now estimated by the Government is $38,000,000. Ottawa undoubtedly means the new capital cost and which will be spread over a construction period of 7 to 10 years. This figure is very small as compared with the expenditures of other undertakings on the part of the Dominion Government in our profligate past.

The total capital cost of the comparatively idle Transcontinental Railway was about $165,000,000. The total expenditure on the Hudson Bay adventure is around $50,000,000. Halifax Harbour has cost $20,000,000, Saint John $22,000,000, Vancouver $22,000,000, Montreal Harbour $61,000,00, Quebec Bridge cost more than $21,000,000 and the Montreal Harbour Bridge about $19,000,000.

The capital account of the Canadian National was increased about $50 millions a year on an average for 10 years and no notice taken of it.

If therefore the additional capital expenditure required by the Dominion of Canada to complete the St.Lawrence Deep Waterway is $38,000,000, spread over ten years, it is apparent that the waterway project places a much smaller relative burden upon the Dominion tax-payer in proportion to the interests benefited than any of the projects I have just mentioned and many others.

I have done my best to reconcile the various estimates and costs and as far as I can learn the principle established is that the total navigation costs, as distinct from hydraulic power, from Fort William to the sea, i.e. including the deepening of the Ship Channel beyond Montreal to 35 feet, are to be divided 50-50 between the United States and Canada. The monies spent and being spent by the United States for removing shoals, deepening and widening channels in the Thousand Islands and Lake St.Clair, the $128 millions spent by Canada on the new Welland Ship Canal, which can hardly be considered productive at present, and the amounts spent by Canada in channel work around Brockville and below Montreal are all to be taken into consideration.

The United States in the adjustment of the costs therefore allows Canada $54,718,000 for work done in Canada as already explained. Canada's cash expenditures are reported to be as follows: Share of International Section in round figures, $22 millions: improvements in Lake St. Francis $2 millions: Two lift locks in the Beauharnois Canal $25 millions: and $55 millions or so for the new Lachine Canal, totalling $105 millions, less $67 odd millions from Ontario for the use of the power, leaving a net cash expenditure of new capital by the Dominion of $38 millions. The total actual cost of the undertaking is therefore a matter of bookkeeping, depending on the items considered, my guess is that the Dominion Government's share would be around two hundred and fifty millions.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121067 A

I have given you a brief history of the development of navigation from tidewater at Three Rivers to the Head of the Lakes and the benefits which have been derived up to the present; and dissected the treaty covering the purely International Section of the River, which with the new Lachine Canal remain the chief tasks yet to be accomplished, Beauharnois and Welland being manifestly very important links in the chain. The international character of the route is very evident to anyone who has watched the manner in which the channel goes from one side of the St.Lawrence to the other. In the Detroit and St.Clair Rivers the channels vary, at Sault Ste. Marie many of the Canadian vessels prefer the locks on the American side because of deeper water on the sills. It is therefore absurd for those people in the State of New York who may be more interested in their local ports than in the benefits to the country at large, to describe this route as "All-Canadian", and it is equally so for Canadians to say that we are turning our river over to the Americans because it is not ours to give. The facts are that for many years Canada and the United States have in harmony pursued as a cardinal policy the improvement of the St.Lawrence-Great Lakes System by progressive steps to accommodate the growing commerce, and the channels provided are mutually available without tolls.

Canada has had no definite general transportation policy. We have had a senseless conflict between economics and politics which is prolonging the depression, but we have always realized the value of deep water.

I shall bring this hurried and of necessity somewhat sketchy study to a close with a brief reference to some of the benefits to be derived by Canada, many of which are fairly obvious and here I must be careful because I think more wild statements have been made about the wonderful things deep water can do than were ever made in even the periodic crazes of railway extension. The cheaper the transportation, the wider the circle in which business may be transacted.

The waterways were the only cheap means of transport before the advent of the railways which destroyed them without mercy as they also did the road transport. Both of these forms of carriage are coming back strongly and are playing as important a part in the life of many a citizen as any other form of transportation. One has changed the whole attitude of the countryside. The other has assisted the West to become a great granary. But what of the St.Lawrence seaway itself? Will its benefits outweigh the cost and incidental destruction of property.

1st - considered on the basis of unemployment relief, our greatest problem, the total expenditures in Canada are estimated at $196,923,000, a tidy sum.
2nd - It will bring into productive use the capital investment in the New Welland Canal and indirectly make the United States a participator in its cost. Instead of raising the bogey of Joint Operation we should be grateful for the unusual circumstances which have caused the United States to come to our help.

President Hoover had of course two excellent reasons for choosing the St.Lawrence route, - first, the cost would be only about half that of the so-called All-American route and second the valuable hydro-electric power available.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121068A

3rd: Canada secures a 27 foot deep waterway from the Head of the Lakes to the sea with all the attendant benefits associated with low cost deep water navigation.

4th: A basic principle is established governing the flow of water necessary for the full protection of navigation in the Harbour of Montreal and the channel below.

5th: An immense block of low priced power, some 4,000,000 H.P. will be ultimately developed in Canada, on one hand directly connected with the markets of the world through ocean navigation; and on the other with the vast resources of mine, forest and field through the inland seas, which offers an opportunity for industrial and commercial development which cannot be equalled elsewhere. The St.Lawrence Valley is destined to become one of the great industrial centres of the world, which ought to place us in a favoured position in the approaching commercial struggle.

6th: Many sacrifices have been made to carry on our production of Canadian wheat and more will be required. The new waterway will avoid congestions and delays en route and ought to reduce the normal grain rates 2 to 3 cents per bushel. Several of those mysterious persons styled economists have predicted savings as high as 5 and 10 cents a bushel on through cargoes. The large upper lake vessel will undoubtedly seek to deliver its cargoes in Montreal rather than at an intermediate lake port, if additional elevator storage is provided and now five years overdue. More and more ocean vessels will seek through cargoes avoiding costs of transhipment. There will be a marked saving in the cost of moving grain, coal, lumber and other bulk commodities.

7th: The deep waterway will provide access to the sea to a population of some 40,000,000, occupying 21 or more of the inland states, now suffering from the competition of their sister states on the seaboard particularly since the completion of the Panama Canal. It brings the Atlantic to their back door. If Montreal is on the alert, a share of the normal, in addition to the potential, incoming and outgoing commerce of this vast territory, much of it now quiescent, will be diverted from purely United States channels to the international St.Lawrence route. It will need a lot of it to offset the vast stream of Canadian wheat which has been pouring into Buffalo. One thing is sure, traffic, like water, seeks and ultimately finds the lowest level. British Columbia lumber will reach Ontario at lower costs, the Prairie Provinces will benefit by lower rates on grain, Ontario and Quebec receive the deep water shipping facilities and a new industrial development, and the Maritimes better access to the markets west of Montreal.

In short the whole Dominion stands to benefit, especially the great port and City of Montreal.

What this country seems to need just now, is a good self-starter. Much of the progress in the world was initiated during times of depression.

The great discoveries of Spain and Britain: the utilization of steam which restored Britain and Europe after the Napoleonic Wars: the immigration movements; railway construction: development of the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121069A

gasoline engine and other inventions played successive parts in the advancement of the Continent.

An early start on the completion of the seaway would undoubtedly have a similar stimulating effect on the affairs of Canada and the United States.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

St Lawrence Waterway

COPY

121070A
112 S.

McKINNEY, LYNDE & GREAR
105 WEST ADAMS ST.
CHICAGO, ILL.

March 15th, 1933.

Hon. Key Pittman,
Chairman, Senate Committee on Foreign Relations,
Senate Office Bldg.,
Washington, D.C.

Dear Sir:-

As suggested in my conversation with you last Monday and in accordance with the specific direction of the Governor and Attorney General of Illinois, I submit the following for your consideration in connection with certain harmful results to the State of Illinois if the pending Great Lakes - St. Lawrence Deep Waterway Treaty be adopted in its present form. The situation here presented has not been heretofore outlined in testimony or in any other way of which we are advised before the Senate Foreign Relations Committee.

Article VIII (a) 1 provides:

> "That the diversion of water from the Great Lakes System, through the Chicago Drainage Canal, shall be reduced by December 31st, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of April 21st, 1930".

The decree referred to was entered in suits brought by the adjoining states on the Great Lakes seeking to permanently enjoin further diversion from Lake Michigan through the canal. The court sustained the right to injunction but held specifically immediate relief would seriously endanger the health of the inhabitants of Chicago. The court found that a program for the construction of works designed to artificially treat sewage would, when completed, eliminate the pollution of the Chicago River and the consequent danger to the water supply of Chicago; further found this program the best available and within the financial capacity of the Chicago Sanitary District and directed in the injunction decree above referred to successive reductions in the diversion to be safely made on the dates specified on the assumption that certain definite progress in the program designed to safeguard the successive reductions would be completed on the dates specified. In other words, and this is not a controverted statement but definitely apparent from the court's opinion and the effect of the decree, protection of the water supply depends upon the required progress and definite completion of the construction program by the date specified in the decree.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

U21071A

Due to the depression, there has been almost complete interruption in the process of collecting taxes in Cook County, as a result of which the bonds of the Sanitary District went into default a year ago in December and all construction work stopped more than a year and a half ago. As soon as conditions approach normal, revenue will inevitably be available, bonds can be sold and the construction program taken up and vigorously pushed. But we now confront at least a two years' delay in the program. It would be easily demonstrable this delay was occasioned by causes entirely beyond our control.

On the application of the complaining states in the proceedings before the Supreme Court, there is now pending a Master's Report which will be argued before the court on April 17th next, dealing with the present situation. Without regard to what disposition the court may make of the various suggestions for additional remedies to spur on completion of the program, the court will, we believe, certainly recognize the same controlling factors as guided its original decision. It will not under any circumstances compel such a reduction in the diversion as will produce serious danger to the health of four million people in Cook County and, therefore, the court is bound on the facts above stated to postpone the ultimate date of the final reduction.

If the treaty with the above provision in the meantime should be ratified by the Senate, it becomes the controlling law on this subject. The Supreme Court would no longer possess any authority to modify the original decree by extending for any period at all beyond December 31st, 1938, the time when the ultimate reduction of the diversion would take place. The citizens of Chicago, therefore, by mere force of the Treaty would have to undergo for at least two years a situation where their water supply would be subject to grave pollution and the city would confront serious danger from typhoid fever and other water born diseases.

If, on the other hand, ratification of the treaty be postponed, the court will, as suggested, modify the decree to postpone the ultimate reduction to such a date as will allow the completion of the construction program, thus safeguarding the health of the citizens of Chicago. But if such modification occur before the treaty is ratified, it would seem clear that some modification of the treaty would be required. As the Committee is aware, there are other factors which press for consideration in this connection. In the first place, it will be suggested in opposition to the claim that this situation requires a modification of the Treaty, or at least a postponement of its ratification, the plea that the provisions of paragraph 2 of sub-section (a) of Article VIII of the Treaty provide a remedy sufficient to deal with this necessity.

Paragraph 2 provides for a possible arbitration designed to authorize a modification of the requirement of the treaty concerning the Chicago diversion based upon an "emergency". There is, we insist, no certainty or security in this provision. The arbitral tribunal shall consist of three members, one to be appointed by each country and the third to be selected by the countries jointly. The personnel of the tribunal, therefore, is within control of Canada. The City of Chicago and its inhabitants would have no feeling of security or certainty before such a tribunal. The Committee needs no information as to the drastic effects of the depression upon the State of Illinois. The mere fact that

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021072 A

municipal bonds, as above stated, are in default, indicates the financial difficulties not only existing locally within Cook County and the City of Chicago but, we regret to state, seriously affecting the State government itself. The very foundations of social organization have been shaken by the experience of the past three years. The public is well acquainted with the practical details of this problem, and the great degree of public alarm which would result if the relief we ask be not accorded would, in our settled opinion, prove an additional grave handicap to the measures for reconstruction and rebuilding which we are now earnestly seeking to carry out in accordance with the program of the President.

These considerations and others which will occur seem to us sufficient to justify our most earnestly pressing for the relief suggested. And this would be true even though there were not immediately available a fair and equitable adjustment of all difficulties which would, as we shall point out, completely safeguard every Canadian interest.

The Chicago diversion injures Canada in two ways; first, by lowering the levels of the Great Lakes less than 6 inches; second, by permanently diverting from the St. Lawrence watershed water which would otherwise flow over Niagara Falls and down the St. Lawrence and thus be capable of utilization for development of power. The treaty itself proposes a practical remedy to cure not only the lowering of levels caused by the diversion at Chicago but an additional lowering of at least the same amount caused by other diversions or by the enlargement of the outlet channels of the Great Lakes, which enlargement has tended to increase the outflow and thus lower levels. The Treaty specifically provides for the immediate construction of compensating works in the Niagara and St. Clair Rivers which, as shown by engineering reports before the Committee, can be constructed at relatively small expense and without interference with navigation. When constructed, a matter possible easily within two years, the levels would be restored within from two to four years, thus achieving a complete elimination of the damage caused by the Chicago diversion to the levels of the Great Lakes at a period much sooner than could be accomplished by carrying out the decree of the Court. The treaty itself, therefore, completely eliminated any possibility of damage from the diversion at Chicago either to navigation rights of Canada or to riparian rights along the shores of the Great Lakes.

The maximum power at Niagara has not yet been developed. All of the water available is not used nor is all of the head possible utilized. There is no power development on the St. Lawrence. It is, therefore, clear that at present no actual damage to the power rights of Canada results from the diversion at Chicago and no such damage can occur until after the construction of the necessary works not only on the St. Lawrence but also at Niagara.

These facts are not controverted, and we, therefore suggest by way of modification of the treaty, the following:

That paragraph (a) 1 of Article VIII be modified to provide that diversion through the Canal for the local purposes of either the State of Illinois or the Sanitary District shall not exceed the amount permitted by the decree of the Supreme Court, or as such decree may be modified by subsequent order. This suggestion is clearly necessary to permit the court to accommodate the decree to the actual interruption of construction work. Second, that the United States will not divert for navigation pur-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121073 A

poses, until the compensation works called for by the treaty are completed, any amount exceeding the amount authorized by the decree as at present or as subsequently modified. Third, that upon completion of the compensating works the United States reserves the right to divert for navigation purposes such amount as it may require subject to its agreement not thereby to materially injure or affect the natural or restored levels of the Great Lakes. Fourth, either country reserves the right to submit to arbitration in such manner as may be agreed upon, any problem, arising from the effect of the diversion upon power development.

I have discussed these modifications with the Chief of Engineers and I am authorized to state that they meet with his approval from the standpoint of navigation interest of the War Department which is now engaged in completing and opening for navigation the waterway from Chicago by way of the Illinois River to the Gulf.

I should perhaps add that if there are any other damages to navigation which are claimed by Canada to result from the navigation, I am informed by engineers - and this is supported by statements in the Commission Report submitting the Treaty - that the same engineering remedies suggested for use in the Niagara and St. Clair Rivers are available elsewhere and if Canada should desire, the treaty could require such remedies.

This solution of the controversy is, we submit, fair in that it recognizes every Canadian right, furnishes a practical remedy for every existing damage in the speediest possible way consistent with avoiding danger to the health of the people of the State of Illinois and leaves for future determination the question of power as above suggested. If may well be that by that time there will be neither local demand for the water at Chicago nor any necessity for it for the navigation purposes on the Lakes-to-the-Gulf Waterway beyond a minimum amount for lockage.

This matter is so immediate and pressing and presents a source of such great concern that we have necessarily dealt with it in a speedy and summary way. If the Committee needs further enlightenment as to any of the suggestions herein submitted we most respectfully ask for an opportunity to present this in more detail.

In view of the grave possibilities of injury to the health of four million people residing in Cook County and the hundreds of thousands of citizens of other communities who travel through that locality in the course of their business, we earnestly request that the Committee, above all things, avoid any hasty action in the premises.

Respectfully submitted,

Special Assistant Attorney General on
behalf of the State of Illinois,
acting with the express approval
of the Governor.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

117

TORONTO, March 17, 1933

MEMORANDUM

Re: St. Lawrence Development - Relative Cost to Ontario and New York of Developing Power in the International Section

Comparing the amount which Ontario is called upon to assume as her share of the cost of the development in the International Rapids Section under the agreement with the Dominion, with that mentioned as the State of New York's share, according to available information, we have the following figures:

	Canadian	American
Common Works	$ 37,907,000	$23,500,000
Power House Substructures, Head and Tailrace Excavation	29,295,500	29,295,500
Power House Superstructures, Equipment, Etc.	36,930,500	36,930,500
Total	$104,133,000	$89,726,000

The agreement between New York State and the United States, which is quoted, has not yet been signed, but is mutually agreed upon by representatives of both Governments, subject to approval by Congress. It is understood that this approval will not be given until such time as the Treaty between Canada and the United States, dealing with the St. Lawrence improvements, is ratified.

The figures arrived at in the agreement are based on

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121075A

the estimated cost of the development as given in the Final Report of the Joint Board of Engineers and, as such, represent New York State's share of the estimated capital expenditure for the work. No indication is given when or how the obligations of the State are to be met, and no mention is made of the State assuming any of the carrying charges, such as "Interest during Construction". The agreement states:

> (Clause 2) That "New York shall assume $23,500,000 as its share of the cost of the works designated under division C" (Common Works).
>
> (Clause 3) "New York to assume responsibility for $29,295,500 as the estimated cost of its power house substructures, head and tailrace excavation, as set forth in division B".
>
> (Clause 4) "It is understood that New York may elect to defer certain works under this division, not essential to navigation, in which event New York will be responsible to the United States only for that part of the costs covering works actually constructed".
>
> "New York to assume responsibility for the actual cost of its power house, superstructures and equipment, estimated under division B of the above report at $36,930,500".
>
> "If, during the progress of the work, the United States at the request of the State of New York undertakes to construct any portion of the items mentioned in this paragraph, the same will be installed at actual cost".

It is also agreed that if the cost of construction of the works mentioned in clauses 2, 3 and 4 is less than the estimated cost given in the report, the amount for which New York is liable will be reduced by the amount of the savings. It is to be noted that this part of the agreement deals with savings only. No provision is made, if the costs exceed the estimated amount, that New York State shall assume this additional sum.

It is also set out in the agreement that it is

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

0.27075 A

assumed that New York State shall have the right to utilize for power all the flow in the St. Lawrence River in the International Rapids Section allocated to the United States by the Treaty, other than that required for navigation. Included in New York State's allotment is the 23,000 c.f.s., which is diverted by the St. Lawrence Power Company of Massena, and, according to the exchange of notes between the Canadian and United States Governments, the question regarding this diversion is left to the United States and, by the foregoing agreement, to the State of New York for adjustment.

In the Report of the New York State St. Lawrence Power Commission, the status of the St. Lawrence Power Company of Massena is dealt with (page 168). The opinion is expressed that "the State may in the exercise of its sovereign right impair or destroy the granted right without compensation", and it is also believed that it may revoke the entire franchise. The State also has a paramount right to use the flow of the stream for power (page 158) - "If the State owns the bed of the stream, it has the exclusive right to use the flow of the stream". The riparian owner may, in general, divert the flow of the water on his own land, but must return it to the stream on the same premises, but "where the State owns the bed, the riparian owner is prohibited from exercising this general right if and when the State wishes to utilize the flow of the stream ..... irrespective of the question whether the flow is used to improve navigation, to develop power, or for any other purpose".

It can be argued from the foregoing that the State of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121077

New York can secure for its own use for the production of power the present diversion to Massena, and that without compensation.

While, as a matter of law, the State may be entitled to extinguish the rights of the Company without compensation, it is not contended that such would be the course followed. The Company has certain vested rights and, as a going concern, such action on the part of the State would prevent them from carrying on their business as a distributor of power quite apart from the development of power. The State might, and possibly would, refuse to compensate for causing the scrapping of the power plant, on the grounds that the Company was aware that their rights might be cancelled at any time, and hence should have protected their investment by the provision of a proper sinking fund account out of the earnings. The plant has been in operation now for over thirty years, so this fund should be ample for the purpose. As compensation for disturbance to the Company, it would appear that a reasonable method might be the supply of a block of power to the Company's lines to replace that formerly obtained from their own plant. As it is extremely probable that the State of New York will dispose of its whole power output from the river to the parent Company, the Niagara Hudson Power Corporation, an adjustment of this kind, or compensation in the way of a scaling down of the power rates, would likely be made, rather than the contribution of a capital amount.

The capital sum for which New York State is committed ($89,726,000) may be taken as the maximum for which it is responsible. The practice of the United States Government is

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121078

not to charge anything for interest during construction on public works, for, when any project is approved, the money is made available and the interest is charged against "Consolidated Revenue"; also, the State of New York will be in a position to dispose of the power as soon as it is available, so carrying charges will be eliminated.

In clauses 2 and 3 of the agreement, it is provided that, if any savings are made in the actual cost of the work over the estimated cost, New York's share of the cost will be reduced proportionately. Again, as the work referred to under clause 4 may be done by the State of New York, the State will derive the full benefit of any savings made. These possible savings have been variously estimated at from 20 to 25 per cent of the estimated cost. The figures would appear to be a maximum. However, it would seem to be a reasonable assumption that a saving of 12 per cent may be secured, having in mind the probable improvement in conditions during the next eight or nine years, which will include the construction period. The saving on the items would then be as follows:

	New York's Share	Saving 12%
Under Clause 2	$23,500,000	$2,820,000
Under Clause 3	29,295,500	3,515,500
	Total Saving-	$6,335,500

No estimate has been made of the possible saving in the items under clause 4, which covers superstructure of power houses and equipment, as it is considered that since, in both the case of Ontario and of New York State, the work would be done by the respective power authorities, any saving effected

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121079

by each would be similar, and the comparative total costs would be unaffected. Using the total saving of $6,335,500, New York State's share would be $83,390,500, as against Ontario's commitment of $104,133,000.

To summarize:

(1) New York State may, according to legal advice, terminate the franchise of the St. Lawrence Power Company of Massena without compensation, and repossess the 23,000 c.f.s. diverted by that Company.

(2) Any compensation paid for the property of the St. Lawrence Power Company will likely be in the way of a scaling down of power rates, rather than a capital contribution.

(3) On account of the policy of the United States in regard to public works, there will be no charges to cover interest during construction.

(4) The State of New York will, in all likelihood, be able to dispose of the power as it becomes available, and hence there will be no accumulated carrying charges.

(5) Because of the foregoing, the capital contribution by the State of New York will not be increased.

(6) Savings accruing to the State on account of the sums mentioned in clauses 2 and 3 of the agreement are estimated to be 12 per cent, which is equivalent to $6,335,500.

(7) Any savings accruing on account of capital cost under clause 4 of the agreement are considered as likely to accrue to Ontario as well, since both Province and State make these expenditures.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021000

(8) Total cost to New York State - $ 83,390,500

Total cost to Ontario - 104,133,000

Excess cost to Ontario $ 20,742,500

BETT-LAW21 BOND

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121081

OTTAWA, 5 February, 1934.

Dear Madam,

In the absence of the Right Honourable Mr. Meighen I beg to acknowledge receipt of your letter of the 27th ultimo, and to send you, under separate cover, a copy of the proceedings of the Special Committee of the Senate on the development and improvement of the St. Lawrence River.

Yours very truly,

A.M.Hinds
Private Secretary.

Miss Winnifred A.Kirk,
Kerrobert, Saskatchewan.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Herrobert Sask.,
Jan 21 22, 1934.

Hon. A. Meighan
c/o. The Senate, Ottawa.

Dear Sir,

I am in search of material concerning the St. Lawrence Waterways Project, for a debate on that subject between two Young People's clubs of this town.

I have been advised that you might assist me in securing the necessary information — and I assure you any help you might be able to render would be greatly appreciated.

With thanks for your kind attention,

Yours truly,

(Miss) Winnifred A. Kirk.
—Teacher—

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121083

117

Ottawa, Ontario,
March 8, 1924.

Dear Mr. Robert:

Many thanks indeed for sending me your booklet on "The St. Lawrence Waterway Scheme", which I shall find useful when the subject is up for review.

Yours very truly,

Arthur Meighen.

Mr. W. H. Robert,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121084

Presented with
the Compliments
of the Author

C 61 V 59 01x

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121086

THE ST. LAWRENCE WATERWAY SCHEME

BY

W. H. ROBERT

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121088

TO
THE INTEREST OF CANADA AND TO
THOSE WHO HAVE HELPED ME
IS THIS BOOKLET
DEDICATED

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121087

FOREWORD

The writer of this article has broadcast on two previous occasions, May 2nd, 1933 and July 18th, 1933, his findings and ideas on the St. Lawrence Waterways Scheme, and he is sending out these additional pages to the people of Canada in the hope and confidence that the information therein contained will help them to realize the stupendous folly of proceeding at this time with an undertaking which will be so detrimental to the country of which we are so justly proud.

It would take volumes of written material to deal adequately with the numerous misconceptions which have accumulated around the gigantic plan for deepening the St. Lawrence Waterways. Were it possible for the sponsors of the project to give it proper consideration, divorced from all political exigencies, we might hope for a sound settlement of the question. As this cannot be expected, increased vigilance on the part of the people, through their representatives, is urgently desirable.

Montreal, Que.
February 15, 1934

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121088

THE ST. LAWRENCE WATERWAY SCHEME

By W. H. ROBERT

Because of the urge with which the Deep Waterways project is being presented to the Senate of the United States, we in Canada shall be compelled to reach an early decision in regard to our attitude as proposed partners in this undertaking. The Canadian Parliament will undoubtedly debate the question, but there are "indications" that the present Government at Ottawa intend entering into an agreement with the United States Government to proceed at an early date with the building of the Deep Waterways.

To economists and engineers there is abundant evidence to prove that the present St. Lawrence Waterway provides ample means for the traffic volume of today and for some time to come.

It is admitted that the enormous cost of the enterprise, together with the maintenance, will amount to more than the present cost of transporting wheat from the head of the Lakes to the Port of Montreal.

Chicago Drainage Diversion

Apart from the engineering and economic factors, there is the outstanding, and to Canadians most irritating, factor concerned with the diversion of water from Lake Michigan into the Chicago Drainage Canal to the Mississippi. This constitutes such a glaring case of violation of international ethics as to arouse in every Canadian a feeling that Canada is unwarranted in considering any plan for the proposed new Deep Waterways until this vexed problem has been satisfactorily solved.

Lake Michigan, though wholly within the boundaries of the United States, is on the same level as Lake Huron, which lies largely within Canada. The differences in levels from Lake Michigan and Lake Huron to the sea are obviously the same via the Mississippi or the St. Lawrence, so that, to a certain extent, the water diverted from the St. Lawrence to the Mississippi, after fulfilling the first object of its diversion, becomes of benefit to the United States in supplying additional flow for power purposes and navigation during the low water period on the Mississippi.

Water Power on International Section

The outlet of Lake Ontario furnishes about 220,000 cubic feet per second, which, developed under the eighty-four feet of head available on the international section, would safely carry 1,826,000 horsepower. The United States half of this becomes 913,000 horsepower. Because of the Chicago diversion the United States should be bound to construct efficient remedial works for the maintenance of level on the Lakes—as much for the benefit of navigation in lake harbours as for the maintenance of flow in relation to water power.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121089

Effect of Chicago Diversion on Canadian Water Power

The writer is not opposed to Canada agreeing to a certain clearly defined and well regulated diversion into the Mississippi via the Chicago Drainage Canal, but compensation by the United States is necessary, not only in the form of remedial works in relation to lake levels, but the division of water for power purposes should take into account the fact that the United States has already been credited with the portion of water diverted from the Great Lakes through Chicago.

The fact is that the Chicago Mississippi diversion, made illegally from the Great Lakes, has the effect of diminishing Canada's share of water power on every foot of head available over the 577 feet of drop from Lake Michigan to sea level. This is another way of explaining it. The diversion of 11,000 c.f.s. if utilized over a head of 577 feet would give some 634,700 h.p. This is what Chicago diversion is stealing from the St. Lawrence project.

On the other hand, the water turned into the Mississippi becomes available to a certain extent for additional power productions on the Mississippi route. Should the water be preferred for use in navigation, it is a problem for the United States to decide, and of course it should be manifest to anyone that the diversion of some 11,000 cubic feet per second at Chicago affects adversely every other power site on the St. Lawrence and on the Niagara Rivers. The diminution of the Canadian share of power thus becomes 623,737 horsepower, besides losing the height of water for ports on the river and lakes. Is Canada going to meekly accept this diminution without adequate compensation?

This is another way of explaining it:—

Eleven thousand c.f.s. as diverted at Chicago in relation to the head available to the sea should in equity become instead 11,000 divided by 577, or a sum of 190 c.f.s., to which may be added 1,950 c.f.s. as the amount that Chicago is said to return to the lakes. Thus they may be said to be entitled to take 2,140 c.f.s. instead of the 11,000 c.f.s. now taken.

Canal Tolls

The writer would suggest here that the Dominion Government should not allow the vessels of the United States free passage through Canadian canals, or should negotiate the free passage of Canadian vessels through American canals, or, if a toll is charged, let the rates be the same to the vessels of both countries.

In this regard Canadian and British vessels are now paying toll through the American-owned Panama Canal, and as the bulk of Alberta grain now goes via the Pacific, the effect of this toll bears an important relation to shipments from the Canadian West. This argument is perhaps one which should be in favour of charging tolls on Canadian canals in keeping with the tolls on the Panama Canal, otherwise, how are we to ever get our country out of its appalling debt when we are told that we must find one million dollars a day to carry our debts in the United States alone.

121090

Should be a Canadian Project

Instead of allowing the United States to pay any part of the costs of the proposed St. Lawrence Seaway, Canada should, in due course, carry out the undertaking, but tolls should be charged commensurate with the cost of the project, and such tolls should provide for amortization of the capital cost over a period of, say, forty years. But obviously the undertaking should be entered upon only after a thorough investigation had determined that the project can prove economically sound. If the money were not available on such a basis, the soundness of the scheme could then be seriously questioned. Let us do this job in Canada with Canadian funds, only if and when needed, and in keeping with equitable trade relations.

It should be borne in mind that it is the United States who are keenly anxious to proceed with this gigantic and expensive project. They are to benefit immensely more than Canada, but they only pay for a small portion of the cost. But even if the division of cost were reversed it would still be economically unsound for Canada to proceed with the project at this time when our facilities, both as to hydro-electric power and canal capacity, far exceed our needs.

The power available in connection with this project should only be developed as and when needed in Canadian industry. The part of the water power to which the United States is entitled, should be developed by Canada for the account and cost of the United States. Considering that the greater part of the entire project lies within Canadian territory, there would be more sense in this method, rather than have the United States undertake any portion of the work on the Canadian side.

In entering into a treaty with the United States Canada should ever be mindful of the fact that we are apparently dealing with three separate entities, viz.: The Federal authority, the War Department and Separate State authority. It would appear that a certain independence of action by anyone of these three can and does effectively nullify the main factors of any treaty. On the other hand, Canada becomes irrevocably bound by the signature of its Ministers. We must continue to pay our share though Constitutional red tape may deter our American friends.

The great deterrent to Canada's proceeding with this costly project at this time is found in the unsoundness of not properly charging canal tolls and water with their full share of cost in the form of adequate sinking fund and interest.

At the present time it is well known that the Lachine Canal is handling traffic only to two-thirds of its capacity, with the other canals on the St. Lawrence scarcely exceeding one-half of their present capacity for traffic.

It is unthinkable that Canada should enter into an agreement with the United States to anticipate power and navigation requirements so far ahead, leaving ourselves in the position of submitting to domination by the United States over such an important part of a transportation route, which has hitherto always been under our own Canadian jurisdiction. With the lesson of the Chicago and other diversions before us we have no right to thus place ourselves at the risk of future interpretations of agreements which may destroy our sovereignty over the St. Lawrence River and its navigation facilities.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121091

Other United States Canals

The American people are preparing to build a ship canal down the Mississippi; a second one from Pittsburgh through St. Louis to Kansas City, and a third shipway through New York State, connecting Duluth and the Lake Ports with the sea. Vital to this three-fold system they must have a larger and larger amount of water. Mr. Hoover said there would be improvement of laterals, such as the upper Mississippi, connecting Minneapolis and St. Louis; the upper Missouri, connecting Sioux City and beyond; as well as the Cumberland, Tennessee, Arkansas, Red Rivers and lesser streams. When all these canals are finished there will be a fight between the different sections involved, of the U.S., with the desire to further drain the St. Lawrence, and menacing navigation thereon, threatening to leave us the use of the bed of the St. Lawrence in much the same way as the bed of the Nile in Africa.

What of Future Interpretation?

Involved as we may become in our projected partnership with the United States in this project, we may find ourselves so much further indebted to the United States as to give us serious concern in the future. One may recall that when Mr. Kellogg went to the Allies after the War, suggesting that they ought to cancel all the German debts, and that the United States would cancel theirs, and, coupling this with the known subsequent attitude of the United States, we should hesitate to rely on such good will for future security. One American newspaper recently, commenting on the St. Lawrence River and the Chicago diversion, said to Canadians, "We have made a big hole in the Chicago River; if you want it come and get it."

Conflicting American Views

At the present time wheat is moving from Fort William to Montreal at a rate as low as three cents a bushel. Usually eighty-five percent of the exportable Canadian wheat is shipped before the first of December. Could the rate be made any lower short of carrying it for nothing? There are not lacking in the United States opponents to the present consummation of this scheme, and Senator Copeland (United States), objecting to this treaty, says, "It is proposed to take from the United States funds, money for the payment of Canadian engineers, Canadian workmen, Canadian material." He estimates that more than three hundred million dollars will be spent on the project, most of it in Canada.

Senator Dickenson (United States), supporting a resolution in opposition to the treaty, says, "It proposes to internationalize and surrender our sovereignty over it." Why? Is it not because of the United States' desire to continue the Chicago diversion from Lake Michigan into the Mississippi and the Illinois Rivers? What measures do the proposed treaty accord us for controlling such leakage? Are Canadian members of Parliament not aware of how passionately Canadians resent this Chicago diversion of international waters?

President Roosevelt early in January was quoted as being "convinced that the building of the Seaway would not injure the railroads, nor interfere

121092

with the proper use of the Missouri and Mississippi Rivers for navigation." He was satisfied that "the treaty contained adequate provision for the needs of the Chicago Drainage district." The President again pointed out that "power on the international section of the St. Lawrence could not be developed without a treaty with Canada." He said: "The treaty makes ample provision for the needs of Chicago drainage canal, even going so far as to hold the water of the Great Lakes watershed is the mutual property of Canada and the United States and abstraction cannot be made in justice without a treaty". . . "That it is better economics to send grain or other raw materials from our North West via the Great Lakes and the St. Lawrence than it is to send them around the three sides of a square." . . .

Again some days ago the President is quoted as saying that as to Chicago's interest in the project through the diversion of water from the Great Lakes, he indicated that he stood behind the War Department's report that the treaty in existing form provides for enough water for that city, both for sewage purposes and for navigation to the Mississippi. Mr. Roosevelt further substantiated his position as against heavy diversion from the lakes by citing that the water was "only half ours," and that the other half belonged to Canada. He said "I call your attention to the simple fact that Canada can alone, if desired, build locks at Lachine and the International sector. . . This, however, would be a reversal of the policy of co-operation which the U.S. and Canada have continuously maintained for generations."

The writer would like President Roosevelt to explain to him the somewhat ambiguous statements referred to above, viz: that "the U.S. own half the water in Lake Michigan, that they also own half of the International sector and that he stood behind the **War Department's** report that the treaty in existing form provides enough water for that city, etc.", and "that it would not be good neighborliness to take more than 'our share'." . . . "The Seaway would not injure our railways" . . . and "that Canada could alone build the Canals, but it would be a reversal of the policy maintained by the two nations for generations." What about the Eastern boundary, and the Alaskan Boundary questions, fishery rights and privileges, the servitude on the Canadian portion of the St. Lawrence River, and last but not least, the revocable privilege to use our Canals on equal terms with ourselves?

Would we not also like to know if the U.S. when they have some work to do in their country ask Canada to come and help them on the same terms that Canada has built and maintained the St. Lawrence Canals, without charge to the U.S. for the use of these Canals. How can the President substantiate his statement that the railways will not be injured by the Seaway, especially as the railways pay taxes and the ship owners do not. Then if the ship owners pay taxes after the Seaway is built, they would have to charge enormous prices for their freight rates. The whole amount of it is that the 3,720,000 workers in Canada would have to pay it all.

It is hard to see how with that temperament the United States money can be made available for such expenditure in Canada. Would we not probably see instead American materials and American labour forced upon this work on the Canadian side, particularly as so many large projects in

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121093

Canada already have a large percentage of American engineers and material dominating the picture? And who is there in Canada simple enough to believe that the estimate of three hundred million dollars, or, for that matter, any other Government estimate, would be adequate to carry out the work?

Experience shows that a large public work of this nature costs from two to three times the estimates. It is clear of course that the Americans want if possible an all-American route to the sea, but they are particularly anxious to acquire their share—or more—of the water power on the International section of the St. Lawrence. It is clear also that they desire to increase the diversion from Lake Michigan into the Mississippi for navigation purposes, and, incidentally, for power.

The following dispatch from Albany, N.Y., appeared in the Montreal Star on January 18th, 1934:—

> Regardless of the St. Lawrence Treaty provisions "logical and actual practice" dictates that the United States must prepare to exercise control of its investment in Canada, if the treaty should be ratified. Peter G. Ten Eyck, Chairman of the Executive Committee of the New York State Waterways Association said in a statement today:—
>
> "Canadian interests are revolting from the project on the same grounds as their American opponents that it will lead to American acquisition of Dominion territory and probably trouble," said Mr. Ten Eyck, who is an outstanding leader in the fight against ratification of the treaty.

The Montreal Star on January 19th, 1934, contained an editorial dealing with the difficulties of the railways because of various kinds of new competition. The editorial in part says:—

> It is of great interest to note that the Commission in its latest report has executed a complete volte-face from its stand in 1931 when it declared that competition from waterways and motor trucks was comparatively unimportant. It finds that the situation has changed in the last two years and that diversions of railway traffic to such rival carriers "have now attained such proportions, and threaten such further expansions, as to constitute a serious menace to the future integrity of the railways." That is a candid admission, and the same state of affairs may be said to exist here, though the situation has not been sufficiently clarified in some directions to permit of actual public financial analysis.

The following dispatch appeared in the Montreal Star from Washington, D.C., on January 18th, 1934:—

> Senator Clark, Missouri Democrat, a leading opponent of ratification, which President Roosevelt has urged, said an organization which he did not name had spent $500,000 in the last few years in behalf of the St. Lawrence Waterway plan.

121094

Appalling Canadian Debts

Since writing the Supplement of July 18th, 1933, the writer has imbibed a good deal of knowledge of our debts, and has obtained information from the Right Honourable R. B. Bennett concerning this. He secured his figures from Honourable H. H. Stevens, which were collected from an address to be delivered in Montreal, and which show that Canada's debt, through its various Governments, amounts to some ten billion dollars. There is a deficit of sixty million dollars per annum on the Canadian National Railway alone. We have just loaned the Canadian Pacific Railway sixty million dollars. The fiscal year ending March 31st, 1933, shows us suffering a deficit of two hundred and twenty million dollars. This makes a deficit for next year of three hundred and forty million dollars, plus others of which we do not yet know. Add to these figures the thirty-six million dollars for Dominion Relief, and one hundred and seven million dollars for Provincial Relief, and we are faced with the appalling total debt of nearly ten and one-half billion dollars. At 5% interest and 1% sinking fund charges, our annual fixed charge would thus become some six hundred and thirty million dollars. With the prospect of still further increasing this for some time, what right have we to enter upon an unneeded deep waterway transportation system in a country already so heavily burdened with transportation systems.

Can we believe that there is a Canadian who would vote for such a project if he understood the significance of our appalling debt? If the Seaway is proceeded with, Canada will have to assume at least seventy-five percent of the further burden, which will probably exceed estimates by from one hundred to two hundred percent, or at least one billion dollars more.

At the present time Quebec Province has developed approximately 2,300,000 h.p. and Ontario about 2,000,000 h.p. There remains undeveloped in the two provinces some ten million horse power of easily accessible sites.

At the present time, with 750,000 people unemployed in Canada, there remain but three million working people to bear the avalanche of a national debt of ten and one-half billion dollars. Well may we pray for sanity and restraint.

Our railway problems are of themselves sufficient to occupy the best brains in the country in their solution. Would our legislators not be better advised to devote their mental and physical efforts towards solving our present transportation problem instead of creating new ones?

Conclusion

Why does the present government want a larger seaway when the old one is already too large and at the same time the government is doing its best to have less grain sown by the farmers?

How is it that the U.S. propose building the canal in the Mississippi 9′ x 20′ and they want Canada to enlarge theirs to 27′ x 500′ or more?

The writer has examined the Treaty thoroughly and has not been able to find anything in it that binds the U.S. to return the water into the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121095

St. Lawrence after using it. They can, however, divert that same water through New York state to the Hudson River. There are several diversions between Chicago and Lake St. Peter all by the U.S. Will these diversions be deducted from the U.S. share or the Canadian share?

Article 8 of the Treaty of July 18, 1932, provides that the U.S. are to reduce the diversion of water from the Great Lakes through the Chicago Drainage Canal by September 31, 1938, to the quantity decreed as of that date by the Supreme Court of the U.S. of April 21, 1930, to 1500 c.f.s. in addition to domestic pumpage of the City of Chicago, (about the same amount viz. 1500 c.f.s.). Of the total 4,000 c.f.s. from the Ogoki watershed, apparently the U.S. has half.

In Article 3 it provides that the U.S. and Canada can use workmen and material one from the other. Will this prove satisfactory?

The writer considers that it would not.

The following extracts of editorials and news articles which have appeared in recent years should prove of interest to a student of the St. Lawrence Waterway question. The quotations which follow are selected from hundreds which are available. Even the cursory examination of "public opinion" as reflected in the daily press shows a decided hesitancy to enter into the irrevocable obligations which would follow the execution of a treaty.

121096

CHAPTER I

RAILWAYS

A-1—Letter from Edmund Gordon to the Editor "The Montreal Star"—July 25th, 1932.

"Sir,—

"I desire to take exception to some of the statements made in your editorial, 'Quebec and the Waterways.' Your editorial claims that the work will only cost $40,000,000; but the Welland Canal cost three times its estimate which was also about $40,000,000. Many other enterprises such as the Montreal Harbor Bridge have cost more than their original estimate. What reason is there to suppose that the same will not hold good for the waterways? Furthermore for another $40,000,000 we could complete the C.N.R. Terminal at Montreal, and yet some time ago you published an editorial claiming that we could not afford it. You maintain that, 'The Montreal Harbor will be guaranteed for all time against any lowering of the water level.' This guarantee is meaningless. The United States Government has no power at all to enforce the provision. The U.S. Constitution does not give the Federal Government the necessary authority. The power to take action would rest with the State of Illinois, which would not be willing to do so. Any treaty which conflicts with state authority is, according to the Constitution, null and void. Therefore Canada will be no better off than at present in spite of this clause in the treaty. You say that the Waterway will not compete with our railways; but it will certainly compete with the Hudson Bay line which has been built for the ostensible purpose of transporting grain to be shipped to Europe.

"I disagree with your argument regarding power. You say that the Provincial Government of Quebec should provide power as cheap as that in Ontario. But how can Quebec do this when her power companies are privately owned and cannot compete with the tax-free Ontario organization which is Government owned. It would cost the Quebec Government $300,000,000 to purchase the private companies. Why can we not develop power in Quebec instead of paying taxes to develop it in Ontario to benefit the U.S. power trust? The American capitalists will buy power from Ontario owing to the lower cost. The United States does not care about the Waterway. The Americans want power, and this plan will allow them to take it out of Canada when at present they have to develop it in Quebec.

"EDMUND GORDON."

A-2—Editorial in "The Montreal Gazette," December 20th, 1933.

"The Hudson Bay route is still a long way from realizing the expectations of those who for so many years agitated for its development. This is not because of any unforeseen conditions. Advocates of the route were warned many times that because of the hazards peculiar to navigation in Hudson Bay and Hudson Strait, the cost of operation, and more especially the insurance charges, could not be brought down to the level prevailing on the St. Lawrence. The sinking of the steamer 'Bright Fan' last year, although, fortunately, an isolated mishap, proved that apprehensions as to the safety of the route were not without foundation, notwithstanding the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121097

fact that special aids to navigation had been provided by the Federal Government at the public expense. The loss of the 'Bright Fan' was not permitted, however, to interfere with plans for the development of traffic to and from the United Kingdom by way of the northern route, and this year ten cargoes went out of Churchill, to be carried across the ocean in safety. Low rates prevailing on the Great Lakes were a factor in diverting traffic which might otherwise have passed through Churchill, but perhaps the most important consideration was an insurance rate of one cent per bushel from Churchill as against one-quarter of a cent from Montreal, with Liverpool as the destination in each case. The fact that the principal grain exporting agencies have their own elevator and shipping facilities on the older route has militated against a northerly diversion of the grain movement, but its influence would have been less if the advantages of the Hudson Bay route had been equal to the promises made when the railway was being built and the port facilities provided."

Mr. W. A. Urton, a director of the Saskatchewan Wheat Pool, has been quoted in western newspapers as having made the statement to the Prince Albert Board of Trade that the Pool has 100,000,000 bushels of wheat in preferred areas available annually for shipment out of Churchill in normal years, provided the shipping costs can be reduced to a point permitting competition with the Montreal route. These preferred areas are located where advantage can be taken of the rail haul to Churchill at a rate equal to or less than to Fort William, and one-third of the Pool elevators are in these areas. The Board of Trade was informed that the Pool is doing everything possible to encourage development of the Hudson Bay route and has now 2,400,000 bushels of wheat in storage at Churchill besides many more millions in interior elevators which can be shipped next year if conditions are favorable. In Mr. Urton's opinion, the time will come when shipment via Hudson Bay will be the basis of wheat trading, and savings then effected will find their way to the pockets of the farmers. This is a survival of the hardy optimism which led to the construction of the railway to the Bay, the creation of the port at Churchill, the provision of navigation facilities and aids and the subsequent efforts to lower insurance charges; but it must be regarded as a hope rather than an expectation.

A-1 The writer does not think that there ought to be any unification or joining of the two Railways. There ought to be a working arrangement whereby the two railways can do their best to make each railway a success and save money at the same time. To do this, it may be necessary to make lighter equipment, examine the new cars and engines at present building in the U.S., but always keeping in mind the saving of time and money in running the line and buying the equipment. The writer thinks also that the building and keeping up of hotels ought to be stopped. Then reduce a certain number of the lines where they compete one with the other and where that particular line is not making money it should be stopped and reimbursed by the other railway to a reasonable amount for the loss incurred. The railways ought to pay no taxes for their lines and bridges, but the writer thinks they ought to pay for stations alone and the land absolutely necessary for the stations. In the event of a

121098

bridge being needed for city or town purposes, if it is possible to build an attachment to the present railway bridge, provided it is cheaper than building a new bridge it should be built on the railway bridge and at the expense of the city or town or otherwise. If it is too expensive, the city, etc., shall build it elsewhere. Diminishing the price charged by railways shall be lowered or increased according to the percentage of money they are earning, the eye of the Government being always on the alert to see that no amounts are wasted and charging more for it. Why do we work to build this seaway at an enormous cost when Canadian canals are already too large and the Canadian railways have a heavy deficit every year and all the governments in Canada, Federal and Provincial, have to make up the deficits, and if they do not pay up their debts, they are hurting the credit of the country. Of course we have not got to borrow the money, millions of dollars, as we have large deposits of gold lying all over the country and all we have to do is take a shovel and pick it up! The passes giving free transportation to passengers on the railways should be stopped at once. It is all very well to think out ways and means to pay the country's debts but the only way to do it is that followed by any sane man, i.e., to keep expenses within the budget, the less expenses the better. Canada is charging no toll on shipping, after having spent 3½ billions of dollars on the rivers and canals and they are forcing the two railways in competition with the shipping. When one railway pays taxes on all its property and lines whilst the other pays no taxes of any kind, and they are both in bad condition, the Governments have still been obliged to help them out. Japan felt they needed more land and decided to cross over to China and finally ousted the Chinese from Manchuria, the finest part of China. If Canada passes over the St. Lawrence Waterway little by little, we will be forced into the Arctic regions with the Esquimaux.

The writer is pleased to note that the Rail and Truck situation is up for settlement.

A-2 The Hudson Bay route may not be the success it was promised, but as a help to the wheat and other freight commodities it is bound to become a success after the knowledge of the route is better known.

A-3 The writer believes that irrigation is the most urgent public work in Canada. The irrigation would be in the southern part of Alberta and Saskatchewan, and not like most of the public works would pay for itself. It would also allow the farmers to arrange for mixed farming and rotation of crops in the best land and with the possibility of leaving cattle out grazing most of the time in the two provinces.

All the Canadian Governments have spent an average of $134 for every $100 received since 1918, the Provincial Governments being the worst offenders in this regard, having spent $152 for every $100 received from taxation. High taxes tend to produce a people that is administered but not consulted. Canada shows considerable evidence

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121099

of this during the recent Federal session. When a 40% duty was put on sugar, were we consulted? High taxation increases the instability of property and forces the more burdened to sell to the less burdened. High taxation produces a vast increase in bureaucracy, both in numbers and strength. In the United States one out of twelve employed persons is a Government official, and it is supposed there are about the same in Canada. All Governments should balance their budget. An honest effort should be made to repay and reduce the debt. It would be a good idea to have tax commissions on how to reduce taxation and Government expenditures.

On October 12th, 1933, Mr. R. B. Bennett made the statement in Edmonton that the Canadian people owe over $8,000,000,000. To this huge sum should be added the farm mortgages which would carry the total well up to ten billions. We must find nearly a million dollars a day to carry our debts in the United States alone. We must balance our budget.

121100

CHAPTER II

HIGH COST OF GOVERNMENT IN CANADA

B-1 "The Toronto Saturday Night" of September 3rd, 1933, contains an article by W. A. Lincoln, M.D., F.R.C.S., on High Cost of Government in Canada.

"In a democracy at any rate the success of a community depends upon the support and strength its component citizens bring to it, not on how much they can get from it. Autocracies can be made to function by force if necessary, but democracies must succeed or fail by the amount of interest and effort put into them by their individual citizens. Excessive reliance upon government is a modern tendency and may be extremely demoralizing to any people. If our business is sick we ask the Government to do something about it. If our competitor's business is too vigorous again we seek protection from a beneficent government. When interest rates are too high, some expect the government to lower them, and when they are too low, others demand assistance in getting them up again. If crops fail, the government is blamed by some for the high prices. If they are abundant, others expect the government to keep the prices up. If we get into debt, we ask the government to protect us from the consequences of our acts. If we cannot get into debt, we ask that credit facilities be extended or taken over by the government so that we may contract debts. If we are unable to earn the average wage,we ask for a minimum wage law, and if any earn more than the average wage, we ask that the government take away some portion of it, and so on, *ad infinitum*. Whither are we drifting in Canada in regard to government finance? Federal, provincial and municipal expenditures in 1914 amounted to about 300 million dollars, and the national wealth was about 11 billions. In 1922 our expenditures rose to 589 millions and the national wealth to 22 billions. By 1929 our expenditures rose to 732 millions, and our national wealth to 29 billions, and our net national income to 4 billions. Our expenditure for government in this, a very prosperous year, was 18.5 per cent of our national income. After two years of depression, namely in 1931, our expenditure for government rose to a little over a billion dollars while our national income shrank to somewhere in the region of 3 billions, so that in that year we spent one-third of our total income on government. The figures are not available for 1932 but it is known that the costs of government decreased very little while our national income was markedly lower, so that the proportion of our income taken from us was still further increased.

Or take it in another way. If all the income, above statutory exemptions, of those assessed for income purposes was taken instead of the percentage that is taken, it would not pay the cost of government. Or again, the value of all the field crops in that year would not pay the cost of government.

What can we do about these evils? I suggest several things which appear to me to be necessary.

(1) The cost of governments, federal, provincial and municipal, should be reduced. By far too large a proportion of our income is going for this

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121101

purpose, thereby raising the cost of living and generally impeding our proper progress.

(2) All governments should balance their budget and live within their income. It is impossible to go on increasing public debt much further without bankrupting the whole country. It is practical and possible to estimate what a reasonable tax will bring in and base our expenditures on this.

(3) An effort should be made to reduce interest and so-called fixed charges. This can be brought about not by repudiation or legislative enactment, but by an honest effort to repay and reduce the debt and by proper economies and the elimination of waste and extravagance. If we live within our income and meet our obligations, we can establish better credit and thus obtain lower rates of interest.

(4) More attention should be given to the limitation and safeguarding of our borrowing powers. In municipalities these are largely based on assessment figures, which vary in their method and in their application and also in times of prosperity or depression. There is at present no check on provincial and federal expenditures.

(5) More attention should be given to sinking funds and provisions for the repayment of our public debt. Cities and smaller communities usually borrow with definite provisions for repayment, although the regulations are by no means uniform nor strictly observed. Our provincial and Dominion governments plan to refund and hand their whole debt on to posterity. This makes for extravagance and lack of care in spending and accumulating debts. Some definite provisions for repayment should be made by all governments with some definite amounts contributed for this purpose from each year's revenue.

(6) More intelligent studies of taxation and public finances should be made. How much of our national income should be so used and how best obtained with least cost and injury to initiative and business development. How various taxing powers should be apportioned to our different governments, instead of a mad scramble to see who can get the greatest stranglehold on the poor defenceless taxpayer. This ought to be an appropriate subject for our universities and economists. Most tax commissions endeavor to find new methods of taxation. I suggest that we have one to investigate how to reduce taxation and government expenditures."

B-2 An editorial appearing in "The Montreal Star" of October 13th, 1933, speaks of the huge debt owed by Canada.

A Telling Diagnosis But No Prescription

Mr. Bennett has been making some important and courageous speeches in the West. He has been telling the people bluntly how very much they owe, and how much it costs them to pay the interest on their debts. In Edmonton yesterday he said that the Canadian people owe $8,000,000,000. You will rub your eyes as you read that appalling row of figures—if you stop to realize what it means—and you will wonder if we have not added a few additional ciphers by mistake. But it is no mistake. It is, if anything an under-statement. Mr. Bennett doubtless secured his figures before he

121102

went West from Hon. H. H. Stevens, who had been collecting them for an address to be delivered in Montreal. Here they stand in all their naked menace:—

Unmatured funded debt of Canada March 31, 1933	$2,715,910,607
Guaranteed debt of Canada March 31, 1933	996,148,354
Gross direct liabilities of Provinces	1,363,382,464
Indirect liabilities of Provinces	215,977,011
Total direct liabilities of all Municipalities	1,584,000,000
Corporations—	
C.P.R.	620,000,000
C.N.R. (unguaranteed)	229,000,000
Other railway securities	70,000,000
Other corporations	1,178,000,000
Grand total of debt	$8,972,418,436

To this huge sum Mr. Stevens, in his careful estimate, added $700,000,000 for farm mortgages, which would carry the total well up towards ten billions. It is figures like these that Mr. Bennett is presenting to the West and to the country. He wants our people to realize the gravity of the problem and the weight of the burden. He furthermore tells them with the authority of an expert in finance that inflation does not offer Canada—of all nations—a way out.

B-3 Another editorial in "The Montreal Star" of October 31st, 1933, deals with the same Canadian debt.

Our Eight Billion Debt

"The Vancouver Sun" quotes Premier Bennett, when in the West, as saying "Canada owes a lot of money, eight billion dollars; half of it, four billions, is owed to the United States," and adds that the Prime Minister indicated that the only way for Canadians to meet this debt was to "go back to the mode of living of their forefathers."

B-4 An article in "The Montreal Star" of November 30th, 1933, tells of the large increase over last year of Canadian debt.

Canadian Debt Increased By $220,604,653 Last Year

"A very substantial amount was added to the Canadian debt last year. Official figures, being gazetted today, place the addition at $220,604,653. This was for the fiscal year ended March 31 last. Of this amount $104,273,752 was the deficit on administrative operating account; $53,422,661 was for Canadian National, now charged directly to the consolidated account. Then, railway advances from previous years, written off from active to non-active assets, amounted to $41,121,216, while, added to the debt on account of harbor boards was $21,817,023."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121103

B-5 In "Barron's Weekly" of November 27th, 1933, an article appears on "White Coal" and the St. Lawrence by Edgar A. Van Dusen and A. J. P. Wilson, two Consulting Engineers with extensive experience in public utilities. They say in part:

"The St. Lawrence, as a source of power, has been widely heralded as the greatest undeveloped hydro-electric resource in the country, which, when developed, would release to the homes, farms and industries of New York 5,000,000,000 K.W.H. a year of the cheapest electrical energy on the Continent."

"What the public does not understand is that this power project calls for a tremendous expenditure of capital on the part of New York State; that the 'White Coal' of the St. Lawrence is not so cheap as its friends would have us believe; that under certain conditions coal-burning power plants are more economical; that the St. Lawrence development, *per se*, could have little effect on the rates now charged residents electrical consumers of the Empire State; and finally, that after being placed in operation, the St. Lawrence power plant would most likely incur huge annual deficits for many years."

"Estimated St. Lawrence power available for U.S.A., capacity 7,200 mill K.W.H. firm 4,650 mill K.W.H. To fit this tremendous block of new power into the picture without detriment to present generating facilities and the capital investment they represent, will be a most delicate and difficult task. One of two things is likely to happen. Either the St. Lawrence will replace present equivalent facilities, with the result and loss to investors, or the new plant must operate for many years at a deficit until the market for power catches up with the capacity of the plant."

"The probable cost of the entire St. Lawrence Project, Navigation and Power, is immense, and may well approach a $1,000,000,000 before the job can be called complete. True, the official estimate is only $543,000,000. . . . The Muscle Shoals overran the estimate by 134%. The New York Barge Canal by 73%. The Panama Canal by 134%. The Suez Canal by 167%. The safest procedure hence, would be to double the estimated cost of constructing the St. Lawrence power project. Nevertheless, the official figure of $89,726,000 will be used here as the basis upon which to estimate the cost of producing electricity. . . . The project contemplates for New York State an installed capacity in hydro-turbines and electric generators of 1,100,000 H.P. The actual firm power, available 24 hours a day and 365 days a year, is estimated at 710,000 H.P. The annual output then becomes, at a 100% load factor (i.e., 100% use of capacity), 4,650,000,000 K.W.H. of firm power and 2,550,000,000 K.W.H. of surplus. Comparative steam plant costs using 5% interest rate a total of 6.89% for fixed charges, and annual plant operating costs of $66,000, all as developed in the 'Marketing Board Report' of the St. Lawrence Power Development Commission, We arrive at the following figures; Interest 5.00%; amortization 1.00%; renewal 0.89%; total 6.89%.

121104

"Cost per firm K.W.H. at the Busbar (including fixed charges).

Load Factor	Mills per K.W.H.
100%	1.46
80	1.83
60	2.44
50	2.92
40	3.65
20	7.31
10	14.62

"Modern steam plants today are producing electricity at the following figures:

Cost per K.W.H. at the Busbar
(Including fixed charges)

Load Factor	Mills per K.W.H.
100%	3.5
60	4.6
20	9.5
10	20.0

"The fact must not be overlooked, however, that the cost of producing electricity in coal-burning stations is being lowered year by year. . . . . It will be noted that in 1919 the average consumption of coal per K.W.H. was 3.2 pounds, while in 1932 it was 1.5 pounds. Many of the modern plants today are producing power at the rate of one pound of coal and even less per K.W.H. and the ultimate efficiency has not yet been reached.". . . . "A fair load factor for a utility system is 50%, which means that its total production capacity is in use only half the time or, conversely, that a utility is required to carry a plant twice the capacity of the average demand upon it. In other words, the huge investment in plant and equipment stands idle, but ready to serve, the equivalent of six months in every year. But fixed charges continue unabated and operating costs are only partially reduced. Resident consumers have the lowest load factors of all utility consumers, varying between 15% and 25%. If St. Lawrence power were used solely for this class of consumer, between 75% and 85% would be wasted, and the unit generating cost would be many times greater than costs based on 100% load factor usage. Actual load factors as experienced by operating utilities are far below the theoretical 100%. The average for steam plants in all New York State was only 25% in 1931, and even less in 1932. The experience for hydro-electric plants for New York State is considerably better, averaging 51% in 1931 and 49% in 1932."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121105

CHAPTER III

CANADIAN CONTROL OVER ST. LAWRENCE WATERWAY

C-1 An article appeared in "The Montreal Star" of January 22nd, 1928, on

Canadian Control Over St. Lawrence Waterway Urged.

Speaker at Rotary Club Against Acceptance of U.S. Proposals
Added Liability
Says Project Undertaken Now Would Jeopardise
National Stability

"Our relationship with the United States insofar as treaties are concerned has always been to our disadvantage, as per the Eastern boundary, and the Alaskan boundary questions, fishery rights and privileges, the servitude on the Canadian portion of the St. Lawrence river, and last, but not least, the revocable privilege to use our canals on equal terms with ourselves," James H. Hunter, general manager of the Canadian Starch Company, said in an address on the St. Lawrence Deep Waterways project, at the weekly luncheon meeting of the Montreal Rotary Club in the Windsor Hotel today. Canada, Mr. Hunter pointed out, financed and built the canals, and operates them. Canadian citizens pay the interest, maintenance and operation costs, which amount annually to $3,600,000, or a cost of 60 cents a ton on the total tonnage which passed through the canals in 1926, and double that amount on tonnage which passed through in 1920; and approximately two cents per bushel on grain which passed through the canals in 1926. "Insofar as the use of the canals is concerned, we are today on an equal footing, but nevertheless we are subsidizing American tonnage to this extent to our own national disadvantage." The speaker added that the United States was not satisfied with this most favorable treatment, but wanted something more. They wanted another treaty whereby they would get some extra privilege whenever Canada agreed to bargain. And in only one case in the history of the two countries had we ever obtained anything from them, he said. The one exception was in the Reciprocity Treaty of 1854, which they terminated at the end of 10 years because we had somewhat bettered our exports of produce to them. It is, therefore, up to us to see that no further rights or privileges were granted to them in the Canadian portion of the river. "There is no objection to an agreement being arrived at between the two countries in connection with the development of power and the improvement of navigation on the international part of the St. Lawrence as and when Canadian requirements demand," he said, pointing out that the upper or Morrisburg part of the project could be put through immediately and the 300,000 H.P. which would be the Canadian portion, could be readily absorbed by the Hydro Electric Commission of Ontario. The second development at the Long Sault Rapids should only be undertaken when Canada can utilize the power to which the country was entitled, about 700,000 H.P. These two developments with some dredging in the river would improve navigation as far as

121106

Cornwall or throughout the international section of the river. At this point the United States control of the project in any way, shape or form should terminate, he stated. "The strictly Canadian section should not be undertaken until we are ready to absorb sufficient of the power available to pay for the cost thereof and it should be controlled and paid for by us. Canada has no responsibility for the present proposals and is under no obligation to accept them," he declared.

C-2 An Editorial appears in "The Montreal Gazette" September 20th, 1933.

The Cost of the Seaway

The renewed activity in the United States looking to the early ratification of the St. Lawrence Waterway Treaty is already provoking opposition which will no doubt be concentrated on the Senate when the time comes for that body to take up the report of its Foreign Relations Committee. Canada, as was said yesterday, is not called upon to deal with the treaty until after its ratification by the United States Congress, and in the United States itself such ratification is considered by many people as being extremely doubtful. The New York Trust Company, in its monthly publication, The Index, contains a brief but accurate summary of the St. Lawrence seaway movement, going back to the early post-war period when a temporary shortage of railway facilities gave rise to a belief that the development of the St. Lawrence would lower transportation costs and thus afford relief to the Middle Western States. The various official and unofficial contributions to the agitation which ensued, and to the studies of navigation and power development possibilities, are reviewed and the recommendations set forth. It is pointed out that notwithstanding the favorable reports which have been made, there exists a conflict of opinion as to the desirability of embarking upon so formidable an enterprise. For example, against the estimate of the Great Lakes-St. Lawrence Tidewater Association that 400,000,000 bushels of grain would pass through the improved waterway at a saving of $44,000,000 in transportation costs and with an attendant price increase on domestic sales of $196,000,000, there are set the findings of the Brookings Institution, which, in 1929, limited the available grain traffic to 238,800,000 bushels, and stated that the gains to the farmer would be the merest fraction of the amount usually claimed and would be obtained, in part, at the expense of other groups. The decline in American wheat exports in 1929 is regarded as strengthening the position of the Brookings Institution, as do the present attempts by the Government to secure a reduction in wheat acreage.

The principal bait which has been dangled before Canadians as a means of obtaining their consent to this enterprise has been a division of cost which, upon its face, bears much more heavily upon the United States than upon this country, although it includes the cost of the Welland Canal, a purely Canadian undertaking, within all-Canadian territory. That division, however, is based upon an estimate which is only one of several and which, as pointed out by The Index, have ranged from $543,000,000 to $1,350,000,000, including both navigation and power works. So widely

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121107

do these estimates differ that the New York publication reports the question of cost to be altogether speculative. The Brookings Institution, whose estimate was $1,000,000,000, cautioned its readers that "experience shows that great waterway projects have practically never been completed within original estimates of cost." This statement is borne out by the record of the Panama Canal, that of the Suez Canal, the Chicago Drainage Canal, and the Welland Canal; in each of these instances the actual costs exceeded the original estimate by well over 100 per cent.

121108

CHAPTER IV

SEAWAY

D-1 "The Montreal Star" of January 31st, 1933, contains the following article:

Taschereau Note Issued on Seaway

Objections Cited in Letter to Bennett Tabled at Ottawa

Benefits Denied

Dominion Premier Hopes Consideration of Treaty will Alter Views

"Quite a volume might be written on this subject," Mr. Taschereau states near the beginning of his communication to Mr. Bennett. He then proceeds to summarize his objections as follows:

(1) The cost of the undertaking. It will be enormous; remember that Panama, Suez and Welland have each cost three times what the engineers estimated. Is our country, where there are so many things to be done, really in a state, in this period of financial crisis, to add to the burden which is oppressing it, for an enterprise the results of which are very problematical?

(2) These works will benefit neither Quebec, nor British Columbia nor the Maritime Provinces, very little the Western Provinces, which appear decidedly indifferent, and nevertheless they will be called upon to contribute, as well as Quebec in particular, which contributes to Canada a third of its revenue.

(3) As to navigation, the American Middle West will very probably profit by it, but should we make this sacrifice for a country other than our own and one which practically closes its markets to us?

(4) How do you think the river route can pay and even meet its expenses when it will be closed during five months of the year. The capital being therefore unproductive for five-twelfths of its value?

(5) If this route serves to transport the resources of the West, you will create a ruinous competition with our railways, whose actual situation must be a source of the greatest anxiety for you and for all Canadians.

Further, much of the grain of the West now goes by Vancouver and a certain amount by Hudson Bay, the railway which has cost Canada $50,000,000. Is it your intention to turn these shipments from these new outlets after the sacrifices that we have made to create them?

(6) The United States, it has been said, would be ready to finance a part of the development on Canadian territory. Our national pride is opposed to this. If, alone, we have not the means of carrying out the enterprise ourselves, do not let us consider it further. And besides, do you not fear future dissensions by giving our neighbors more than a servitude, the assertion perhaps of a right of property on our great national artery, right in Canadian territory?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121109

(7) Are you quite sure that these immense works will not change the course of the river and will not diminish its level at Montreal and below our national port so as to injure it considerably? Engineers seriously fear this. It will be too late realizing this when the works have been carried out and the expense incurred.

(8) What our neighbors specially want is electric power of which they have urgent need.

"In the Province of Quebec alone we have 10,000,000 horsepower, which is only awaiting development," continues Mr. Taschereau. "Why not begin on our behalf and in our own land? These 2,000,000 h.p. that you wish to create in the international zone, would stop our development for a number of years and deprive us of the revenues which we would draw from them." "Besides the United States makes no secret of it. The river route is only a camouflage; what they want is electric power," continues Mr. Taschereau. He discusses the plan of construction, and disapproves of it. "We are to commence, you told me at the conference," he writes to Mr. Bennett, "by the international section between Ontario and New York. Canada and the United States would construct this section at their common expense, and the Province of Ontario would reimburse the Canadian Government the expense occasioned by the development of the hydraulic power as and so far as they had need of it. That, if I understood rightly, is the proposal submitted to Ontario.

"Permit me to say, in the first place, that you are beginning at the wrong end. After this section there remain two others, Beauharnois and Lachine. Suppose that this last part is not made, you will have a break of continuity in your river route and the works, in the upper part, will be useless. It will take eight to ten years before the Lachine section can be constructed, you said. Will you still be in power at that time? Will the then Government, whatever it may be, continue your undertaking? Will public opinion be favorable to it? Will it not be abandoned like the Montreal terminals, for reasons perhaps excellent. But there is more than this. I have no hesitation in saying that the contribution of the whole of Canada and, consequently, by Quebec and the other provinces which are not interested, for the purpose of giving 1,000,000 h.p. to Ontario, is a supreme injustice to us. Practically, you give to that province, at our expense, electric power cheaper than we can produce it because all this energy will go to the Ontario Hydro, which pays no tax, whilst the Quebec companies are heavily burdened, and you place therefore the Quebec industry and that of the other provinces on a footing of inferiority to that of Ontario."

D-2 In the "Montreal Gazette" of January 16th, 1928, the following letter appears written to the Editor by B. K. Sandwell.

"Surely it is somewhat absurd of Mr. Burnham to say that the United States 'has rights' in the St. Lawrence river 'for the same reason that we have.' Does he recognize no difference whatever between 'boundary waters' and waters which are entirely within the territory of a single nation? Because, if he does not, the United States does. Geographical conditions certainly make the St. Lawrence an international river. But geographical conditions without treaties to formulate them do not give to any country

121110

rights in those portions even of an international river which are wholly within the borders of another country. Mr. Burnham might read a couple of recent American authors on this point. I suggest P. M. Ogilvie, 'International Waterways,' New York, 1920, and C. C. Hyde 'International Law, Chiefly as Applied and Interpreted by the U.S.', Boston 1922. His idea appears to be that a geographically international river is automatically subjected to certain laws imposed by some authority outside of and above that of the nations in whose territory it flows, and creating rights for one nation in another nation's territory. This closely resembles the doctrine which has been preached by American statesmen for over a century, and which was embodied a hundred years ago in the claim that American citizens had 'natural' rights to navigate the St. Lawrence through purely Canadian territory. Needless to say, there are no such laws and there is no such authority, and the United States does not even practise the doctrine that its statesmen teach. Let me quote three short paragraphs from Cheney on the practice of the United States in this matter:

"(1) No right of navigation is known to have been exercised in foreign territory or permitted in American territory except by virtue of a treaty.

"(2) No treaty has declared it to be a principle of international law that international navigable rivers are generally open to navigation by vessels of foreign riparian or non-riparian states.

"(3) Notwithstanding the principles advocated by its statesmen, the United States, as the upstream sovereign, on at least one occasion accepted a treaty the terms of which afford some basis for the contention that the right of navigation secured thereby was conferred as a grant by the sovereign downstream; and on another occasion substantial concessions were yielded for the privilege of access to the sea. Thus, we see that the rights of the United States in the Canadian St. Lawrence and its canals do not arise naturally out of the international character of the river, but depend upon treaties. As regards the river proper, they are established for all time by the Treaty of 1871. As regards the canals in the Canadian part of the waterway, they are not established at all; for the Treaty of 1871 imposes no obligations and the Treaty of 1909 refers to boundary waters and canals connecting them only, and is revocable on a year's notice."

D-3 Another article by B. K. Sandwell appears in "The Montreal Star" of January 29th, 1929.

"Bernard K. Sandwell, former professor of Economics at McGill University, speaking before the Canadian Club here (Toronto) yesterday, declared he was uncertain as to whether it was possible to organize a joint international waterway project for the development of the St. Lawrence as a through international waterway without granting to the United States additional rights to those which she now possessed. Mr. Sandwell emphasized that any right that Canada might grant was one of enormous importance and value and she should make sure she was getting value in return. 'We have to make sure that anything the United States undertakes to give us,' he said, 'is something that she can deliver without our having to go into the United States Supreme Court and sue for it'."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Speaking of press reports that negotiations between the United States and Canada were nearing the final stage concerning the joint improvement of the St. Lawrence waters, the speaker stated that he was neither an advocate nor an opponent to the scheme. The existing rights of Canada and the United States in that portion of the St. Lawrence waterway that lies wholly within the Dominion of Canada was the key to the whole proposition, he said, and there had been very little discussion of these rights. Any treaty right to the use of any canals lying alongside the river in purely Canadian territory was a new right, he proceeded. Any treaty right which Canada might grant to the United States in that regard was a new right and a right of the most tremendous importance. He pointed out that the United States do not possess any key section of the river. No section of the waterway was national to them. They had nothing of that kind they could offer to Canada. In 1871 they granted privileges on the Yukon, the Porcupine and the Stikine rivers for advantages they received, but these, he said, were not an adequate consideration for any perpetual or even limited additional safeguarded franchise for American navigation in the lower St. Lawrence. Referring to the difficulty of selling things to the United States by treaty, the speaker remarked that Canada possessed in its constitution a clause giving it absolute sovereign right to execute any legislation which may become necessary for the implementing of a treaty. In all other respects the sovereign power of the Dominion is divided very carefully between the provinces and the Dominion. The United States have no such sovereign power and any treaty obligation which governed the rights of a state had no lasting force. "So," commented Mr. Sandwell, "we have to be sure anything the United States undertakes to give us is something that she can deliver without our having to go into the United States Supreme Court and sue for it."

D-4 Another article by B. K. Sandwell appears in "The Montreal Star" of February 14th, 1929.

"Before Canada concludes any treaty with the United States for the joint construction of the St. Lawrence deep waterway, Canadians should see to it that the best terms possible are secured for this country," said B. K. Sandwell, formerly a McGill professor of Economics, at a luncheon meeting of the Montreal Kiwanis Club in the Windsor Hotel today.

The construction of the deep waterway from Lake Ontario to Montreal can only be completed by the co-operation of the two countries, which in itself is not an objection, said the speaker. However, Canadian statesmen should see to it that certain Canadian rights are forever guaranteed. By a treaty made in the last half of the 19th century, it was stated that the United States shall forever enjoy equal rights ascending and descending the St. Lawrence River. By this clause in the treaty Canada renounced any right to exclude navigation of the United States from that part of the river running through purely Canadian territory. However, through the astuteness of Sir John A. Macdonald, said the speaker, there was added a secondary clause which states that Canada should prevail upon the British Home Government to give United States equal rights with the Dominion in Canadian canals on the St. Lawrence system. Had this clause not been inserted the Dominion today would have no lever which she could use

in securing certain desirable terms in a new St. Lawrence treaty, said Mr. Sandwell. It had been recognized by a high official of the United States Government in negotiations since the last treaty was made, that Canada had the right by international law to exclude United States shipping from Canadian canals if she so desires, in order to protect her sovereign rights. This principle should be recognized to the full by all Canadians, said the speaker, insisting, before a new treaty is made, that certain terms be inserted which would be highly advantageous to Canada, declared Mr. Sandwell. The speaker said a high brand of salesmanship should be used to get at least two rights; *firstly, that Canada should have the same rights through the United States waterways connecting the Dominion to the sea that the United States would enjoy, under the terms of the new treaty, in Canadian waterways. This principle might be applied in securing equal rights by way of any proposed Mississippi system from the Great Lakes to the Gulf of Mexico.*

The second principle upon which Canadians should be unanimously agreed, urged Mr. Sandwell, was that Canada should demand and be guaranteed that the supply of water in the St. Lawrence system shall never again be interfered with by the United States. These two terms should be included in the treaty. It was necessary that Canadians recognize their favorable position before signing away certain recognized Canadian rights.

D-5 The following article on the St. Lawrence as a navigable route appears in "The Montreal Standard," January 28th, 1928.

Evidence of the fact that any proposed St. Lawrence waterway from the Great Lakes to the sea will be pre-eminently Canadian can be obtained by a brief study of the international agreements between Canada and the United States dealing with navigation rights. Any citizens of the United States and, indeed, any Canadians who have been misled into thinking that the St. Lawrence waterway project is a 50-50 responsibility and that the cost and the subsequent rights should be equally shared will receive a great surprise. For international agreements between the two countries reveal that within 12 months Canada could stop all United States navigation from the Great Lakes to the sea by announcing that the Dominion no longer agreed to the agreement of 1909. This agreement, in brief, states that either country has a right to free and open navigation on Canadian canals; but that this right can be withdrawn on 12 months' notice by Canada.

This means that United States vessels, which do so much business on this waterway could be prevented passing through the Welland Canal when it is constructed, the Soulanges Canal and the Lachine Canal, which Canada could if she wanted keep open solely for the passage of vessels flying the Red Ensign. That the agreement will never be nullified is almost certain; but the fact that it is contained in the international treaty is evidence that the St. Lawrence waterway is pre-eminently Canadian and that the United States' rights to it are confined to the international section, and to no other part. This is a fact very rarely mentioned by Canadians, and never so far as can be ascertained, by the United States; but it should form a very vital factor in any future agreements between Canada and the country to the south, and indeed, might well be brought to the fore during the conduct of whatever negotiations come between the two nations.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121113

It is the fact that Canadian sovereignty is so widespread over the St. Lawrence, and that Canadian money and foresight have been solely responsible for building a great highway from the Great Lakes to the sea, that makes the present proposal of the United States worth watching all the more carefully.

For their proposal is that Canada and the United States should unite and do the job as a joint project, although the joint project need only to apply to one portion of the job, namely navigation and power works in the international section between Kingston and Cornwall. The matter of Canadian sovereignty over Canadian canals cannot be too strongly pressed. In the Treaty of 1871, which gave the United States perpetual free navigation on the St. Lawrence river, the term "St. Lawrence River" means exactly what it says, including rapids, and lakes, but it does not mean canals. And without these canals navigation to United States vessels is impossible. And, it might be mentioned, Canada is similarly situated with regard to any American canals. The United States could stop Canadian vessels using any of them in one year. But the United States are unimportant so far as the St. Lawrence is concerned. It is the Canadian canals, built by Canadian money, that make the St. Lawrence a navigable waterway.

The right of Canada to do what it liked with its own canals was recognized as early as 1871 when the Dominion was not considered as an autonomous state and could not make treaties. Then the British Government negotiating with the United States on the St. Lawrence urged Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence, and other canals in the Dominion on terms of equality with the inhabitants of the Dominion. This treaty was signed by the United States which in doing so recognized that the power to grant such rights was in the hands of the Canadian Government. Canada has given the United States this privilege, much to the detriment of its own shipping at times, but it has the right to withdraw it. Canada built the Welland Canal with Canadian money, and could prohibit the United States ships entering it, and the United States could do nothing about it, if Canada stood her ground. The Welland Canal is the link in the deep St. Lawrence waterway which will permit big lake freighters, American as well as Canadian, to come from Lake Erie to Lake Ontario. Thus a work financed and done by Canada will allow United States vessels to operate on a far more economic basis than they have done heretofore. In discussions of the St. Lawrence project, especially emanating from Toronto it has been stated that the United States will allow payment for the Welland Canal in considering the total costs of the deep waterway project. But the Welland is a Canadian canal. Any payment for its construction would give the United States a right over it, and the National Advisory Board on the deep St. Lawrence waterway scheme, has declared against such a principle, so that for perpetuity Americans will use a Canadian Canal. In fact, the more the project comes to be examined the more it appears that the St. Lawrence, especially as a navigable waterway, is a Canadian river, with the United States sharing one of its banks for a short distance. The United States really uses the route on sufferance. That is the sum and substance of the whole matter,

121114

and any Canadians who talk about sharing the river with the country to the south are in effect talking about giving away half of their greatest national heritage for a mess of pottage, which will probably be sour.

D-6 "The Montreal Star" of November 29th, 1928, quoted Senator Lynch-Staunton as sounding a warning note in the Senate Debate on the St. Lawrence Waterway Scheme.

Senator Lynch-Staunton resumed the discussion of the St. Lawrence waterways project which was brought before the Senate by Hon. F. L. Beique. He said that Canada had sovereign rights over the navigation of the St. Lawrence and trusted that for all time this country would retain these rights. He agreed with the Hon. George P. Graham that Canada should not rush into any agreement but should carefully consider every phase of the problem. He thought the Government should not make any bargain with the United States without first submitting it to Parliament. And in the question of such national importance it should not be brought in as a measure on which the fate of the Government depended, but members should be left free to vote according to the dictates of their conscience and their judgment as to what they deem proper for the welfare of this country. "So far as the development of this power is concerned we should not make any agreement until the United States have the power and authority within the laws of the Union to carry out their agreement—in other words, until they own the property and agree to construct the works themselves.

D-7 "The Montreal Standard" of February 9th, 1929, contains an article regarding a New York Scheme which throws new light on the St. Lawrence Waterways Plan.

What many Montrealers have maintained for years in connection with the proposal to develop a deep St. Lawrence waterway is borne out in the press dispatches on Governor Roosevelt's scheme. One of the chief objections to building the waterway in co-operation with the United States has been the difficulty in raising the necessary capital at this time in the history of the Dominion, and the possibility that Canada would have to go to the United States for the hundreds of millions of dollars necessary. Once Canada became indebted to the United States, it has been suggested, water power development from the St. Lawrence would be handed over to the United States as a security, and once power was imported to the United States it would be impossible to get it back. Such, in brief, has been the argument of Canadian opponents to the suggested international scheme for the development of the waterway.

Now comes the statement that Governor Roosevelt urges negotiations with the Canadian Government to permit New York State to assist the provinces in their share of the development under an international treaty that would contain a clause for their recapture of half the development at any time they choose to reimburse the State of New York for sums advanced. The cat is out of the bag. New York State proposes to develop the waterway for us, and hold the water powers until Canada can pay New York State for the development. This very suggestion has for years been one of the main arguments against going into an international treaty for the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121115

development of the St. Lawrence. It has been recognized that once the power was exported it would be practically impossible to get it back. On the international section of the river, Canada would be entitled to 1,744,500 horse power developed from the St. Lawrence, as industrial development in Canada at the present time would not be able to absorb this amount—i.e., as repayment to the United States of the moneys for development could not be made at once, the State of New York proposes that she shall take over this portion of the power as well. Electric power unless it is used is worthless. Either the power developed from the river is used at once or the water flowing must run to waste. It is impossible to store millions of horse power. Thus the power would be used to develop industries on the United States side of the boundary, and industries attract population, towns grow up about industrial centers, and soon where there was nothing would be thriving industrial communities.

What would happen when Canada wanted her power back?—the power being used to drive the engines at this and that industrial undertaking on the United States side of the border. If the power was given up the industry would perish, thousands of people would be thrown out of work, millions of dollars invested would be irretrievably lost. Faced with such a catastrophe it is unlikely that the people on the other side of the border would let the power be taken by Canada, and an international situation that could only be settled by war or by Canada giving in to the United States and submitting to the loss of her power would be created.

It is doubtful whether power exported across the border as suggested in the published report of Governor Roosevelt's proposals, would ever be returned. The Public Service Commission of the State of New York has condemned the proposals—as far as Canada is concerned—out of its own mouth. Discussing the subject it said: "We have nothing before us but the suggestion that the Dominion of Canada may, at some time, forbid this exportation of power. This Commission must assume that international relations affecting so important a subject as the means of continuing great industries which have grown up in reliance upon the use of exported power, and as well, the interests of the Canadian-producing companies themselves, have become fixed and subject only to such changes as will fully protect the great commercial and industrial interests and rights now served by this power brought from Canada. The time has long since passed when Governments proceed ruthlessly from pure national rashness or anger to destroy the settled accepted commercial relations and formally vested rights of persons and corporations.

"In other words," says the State of New York, "if Canada once exports power she will not dare to take it back."

121116

CHAPTER V

MISSISSIPPI RIVER

E-1 In "The Montreal Star" of December 31st, 1928, appears the following extract re the Chicago River to the Gulf of Mexico Channel.

"Completion of a nine-foot channel from the Chicago River to the Gulf of Mexico was termed yesterday by Representative William E. Hull, Republican, Illinois, the most important river legislation that will come before Congress 'because it affects the whole inland water system.' Congress will probably be asked this session to complete the waterway lying between a point 4½ miles from Lake Michigan on the Chicago River to Utica, Illinois, which in reality would mean the completion of the Illinois waterway, he said, and then to develop 29 miles of the Mississippi River into a channel from the mouth of the Illinois River to the northern boundaries of St. Louis." "The completion of these two projects by the Government," he said, "will make an adequate channel nine feet deep, 20 feet wide from Lake Michigan to the Gulf of Mexico which will establish a water freight rate in the central west."

E-2 In November 1927, an editorial in "The Montreal Star" contains the following re "Congress and the Chicago Steal."

"Charles Evans Hughes, who has won an international reputation for the profundity of his legal knowledge and the essential sanity of his opinion, has published his finding in the action instituted by the States of Ohio, Minnesota and Pennsylvania against the Chicago Drainage Canal Commission seeking to enjoin them from diverting water from Lake Michigan and thereby lowering the water levels of the ports of these states. Canada, while not directly a party to the suit, since the comity of nations prevented her from being joined in the issue, is vitally concerned in the action and its findings, since the loss suffered by the Lake Michigan ports is endured, although in slightly lesser degree, by Montreal and the ports of the St. Lawrence. The finding therefore has an especial interest for Canadians who for years past have made official and unofficial protest to the United States without effect against what the Dominion rightly regards as the high-handed action of Chicago.

"Three years ago the Supreme Court of the United States, after a hearing which extended over many years, handed down a decision which heartened those citizens of Canada who had labored with such persistence and determination to stay this diversion which costs Canada millions of dollars every year. Their satisfaction was short-lived, for not only did the Chicago Drainage Canal authorities flout the decision of their own Supreme Court but their defiance was given official approval by the action of the Secretary of State for War, who permitted the continuance of the diversion and even raised the amount of water which the Canal Commission could purloin from 4,167 cubic feet to 8,500 cubic feet per second. It would have been fairer and less irritating to Canadians if the Secretary for War had specifically stated that the license which he granted was only a temporary expedient issued solely to protect the health of several millions of people

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121117

until such time as other methods of disposing of their sewage could be put into operation by Chicago. Such a statement would have relieved Chicago of the suspicion which is now transformed into a certainty by Mr. Hughes' findings that the real reason for the diversion is not for sanitation purposes primarily, but for the development of inland water transportation in the Mississippi Valley. Mr. Hughes now finds, and there will be no criticism of the equity of his judgment, that the Secretary of War has full power to legalize this deliberate theft regardless of the loss suffered by Montreal and the St. Lawrence ports. In so doing and in other salient features of his exhaustive report Mr. Hughes has cleared the air and by stating emphatically that this license is revocable and that the ultimate authority rests with Congress has indicated the line of action which the Dominion may pursue in a further effort to abate the condition so seriously affecting our trade.

"It has always been Chicago's claim that the diversion of this large amount of water was absolutely necessary for sanitary purposes. Yet in its defence of the action it declared that 'Congress had authorized the city and state to promote inland water transportation by diversion of the waters of the lake.' In this paragraph Chicago tacitly admits that apart from questions of health this diversion is of direct benefit to the Mississippi watershed and is so intended to be, at the expense of the Great Lakes watershed and hence also to the detriment of Montreal and St. Lawrence ports. This lets the cat out of the bag and Mr. Hughes punctures the Chicago claim of the water being needed exclusively for sanitation by his finding that 'if the work of sewage purification by modern methods is efficiently carried on and additional measures taken for water purification it appears to be possible largely to reduce or altogether to terminate the diversion from Lake Michigan.' This finding is clear and convincing. If Chicago will adopt modern methods for the disposal of her sewage there need be no diversion and no theft of water to which we in Montreal have a rightful claim, and the only excuse for such diversion will be the desire of Illinois to stimulate her trade by cheaper water-hauled freight to the Mississippi Valley at the expense of Montreal. Mr. Hughes says that Congress has full power to order the ending of this scandalous misuse of rights, a share of which is vested in this Dominion. Congress can cancel the license granted by successive Ministers of War. This places the main issue on clear and comprehensible grounds. The Congress of the United States has power to put a stop to a condition which is an irritation to Canada and a serious check to the development of neighborly relations. Will Congress act?"

E-3 An editorial in "The Montreal Gazette" of September 25th, 1933, on the Waterways and Railways is as follows:

"An effort is now being made in Washington to co-ordinate two waterway projects which if not mutually antagonistic, have at least very little in common; they are the St. Lawrence seaway proposal and the projected Lakes-to-the-Gulf waterway via the Mississippi. Mr. Hoover, when President, gave his approval to both these undertakings, having, no doubt, an eye to certain supposed political advantages, whereas he could with equal safety have declared his opposition to both of them. President Roosevelt is also taking up both schemes with the idea of including them in his public works programme as part of his national recovery effort.

121118

Mr. Roosevelt has been in conference with supporters of both projects and the prospect as depicted in Washington despatches now is to provide a continuous, safe inland water route from the Gulf of Mexico to the Atlantic via the Mississippi and the St. Lawrence, and alternately from the Atlantic down to the Gulf. It is represented that by the combination of the two systems shippers in the central and northern Mississippi Valley will be provided with two waterways to Europe. Each of these projects involves an enormous expenditure of public money; combined they make a staggering total and this without taking into account the fact that estimates are bound to be very largely exceeded in actual outlays, as has been demonstrated in the experience of all similar enterprises. The matter is one of great concern to the taxpayers and to other forms of transportation.

"Canadians are interested in these Washington plans in several respects. In the first place, the majority of them are strongly opposed to the principle of international development in the St. Lawrence River, having regard to the fact that the St. Lawrence is primarily a Canadian river and one of this country's important resources from the standpoint of both actual and potential use. Upon this aspect of the question it is not necessary to enlarge at this late date. But Canadians have also a direct interest in the Lakes-to-the-Gulf plan because an essential feature of that plan is the continued diversion of a large volume of water from the Great Lakes into the Mississippi by way of the Chicago Drainage Canal. This diversion has been the subject of acute controversy between two sets of states, those on the Great Lakes and those on the Mississippi, and there has been more or less constant litigation over a long period of years, resulting in a judgment of the Supreme Court which provides for the progressive reduction of the volume of water diverted, down to the minimum authorized in the original permit. Even this amount was never authorized with the approval or consent of the Dominion, though it affected Canadian water levels, and Canadian governments have exerted what influence they could command in an effort to rectify what has always been considered by this country an unwarranted use of international waters. In negotiating the treaty which now awaits ratification, the present Government of Canada stipulated that this country's interest should be protected in the matter of this diversion and there is a somewhat loosely drawn clause in the treaty itself purporting to provide the necessary security. There appear to be rather commodious loopholes in this clause and there is good reason to suppose that every use will be made of any latitude thus afforded on the part of the promoters of the Lakes-to-the-Gulf project which, as already stated, is dependent upon the abstraction of a very large volume of water from Lake Michigan and, of course, from the other lakes as well.

"Then there is the effect which these waterway enterprises will have upon other forms of transportation if the predictions of their proponents are realized. So far as the St. Lawrence is concerned, practical shipping men do not believe that the primary producer will derive anything like the benefits in the way of cheapened transportation that are set forth in the prospectus, but this does not alter the fact that both countries, having already expended vast sums in the development of water transportation, involving no cost whatever to the carrier, are now contemplating additional huge outlays in the same field. This is what is meant by subsidized competi-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121119

tion, the term being equally applicable to free waterways and to free highways, and it seems an extraordinary thing that in Canada, where the railway problem is so acute, any additional heavy expenditure for the purpose of transferring traffic to other services should be in contemplation. In a recent discussion of this subject, C. D. Morris, assistant to the chairman of the Western Railways Committee on Public Relations, made this statement: 'With an entire misconception of the actual costs of water transportation we began to expend millions on the improvement of our interior rivers, the purpose being, as we then announced, to reduce the cost of transporting the farmer's wheat and cotton to the sea. Notwithstanding the disastrous results of this experiment there are those among us who are still advocating the expenditure, not only of millions but of billions, on waterways without offering us a reasonable excuse for so doing. Experience so far has conclusively shown that the ultimate cost of water transportation in this country is more than the same service can be furnished by the railroads, which have suffered from this subsidized competition to the extent that it has robbed them of traffic which would have otherwise been theirs, thus raising the ton-mile cost of their total traffic, making necessary the retention of rates that otherwise might be reduced. As tonnage decreases, the unit cost of transportation increases.' This is a summary of the situation which might just as accurately be applied to conditions in Canada."

E-4 On November 24th, 1928, the following article is found in the "Montreal Star."

Lake Diversion Fight Continues

Congressional Action against Chicago Sanitary District will be taken.

Federal Control.

Played Large Part in Decision of Special Master, C. E. Hughes.

"Congressional action to reduce Chicago's diversion of Great Lakes water through the sanitary canal is to be sought this winter, as a result of Charles Evans Hughes' recommendation to the United States Supreme Court for dismissal of suits to attain the same end. Hughes, as special master, reported to the court that the matter, a question of vital importance to a half dozen lake states and Canada, was entirely within Congressional jurisdiction. James M. Beck, Congressman-elect from Pennsylvania and counsel for Chicago in the case said today that he was 'gratified' at the decision. Particularly important, he said, was the ruling that the Federal Government, not the lake states, control the lake waters. It was on this that Hughes based his conclusion that the War Department's permit authorizing Chicago to take out 8,700 cubic feet of water a second was legal, inasmuch as Congress has not acted. The only point on which Chicago lost in Hughes' report had to do with the lowering of lake levels because of the drainage, which actually has averaged 9,700 cubic second feet in recent years, according to official records. Hughes reported Lakes Michigan and Huron were lowered six inches and Lakes Huron and Ontario five inches. Chicago contended the decline was about four inches. Hughes' report

121120

applied to all three suits against the state of Illinois and the Chicago sanitary district. One was brought by Wisconsin, Ohio and Pennsylvania; another by Michigan, and the third by New York. Four southern states, Louisiana, Kentucky, Tennessee and Missouri supported Illinois in the first suit."

E-5 Another article is found in "The Montreal Star" of December 27th, 1928, headed

Michigan Opposes Chicago Diversion.

Files Exception to Hughes' Recommendations in Supreme Court Temporary Permit

Challenges Permanent Authority of War Secretary and Congress

"Michigan's exceptions to the recommendations of Charles Evans Hughes, who heard testimony in the lake diversion case, were filed today in the Supreme Court, showing the state disagreed with Mr. Hughes on 39 points. The state's exception was filed by Attorney-General Potter, who stressed the contention that the diversion by the Chicago sanitary district was for sewage disposal and power development and not for navigation purposes. He took issue with Mr. Hughes on the power of the Secretary of War to issue the permit under which water was being diverted, insisting that Congress alone had the power to authorize diversion for navigation purposes. He insisted that former Justice Hughes was in error in finding that the diversion would aid navigation on the Mississippi and insisted that Congress itself had no power to authorize diversion from the Great Lakes to the Mississippi valley watershed. Michigan held that the present permit under which the Chicago drainage district is diverting the water had been 'grossly and wilfully' violated by the taking of 'unlimited quantities in defiance of the federal government' and the Great Lakes states. The Hughes report was further condemned as it had not found that the lowering of the lake levels, due to the diversion, had injured the municipal water supplies of all cities on the Great Lakes. The exception insisted that as the permit had been granted temporarily, conditional upon diversion not interfering with navigation, the Secretary of War should now cancel it."

E-6 From the "Ottawa Citizen" of January 16th, 1929.

Chicago Canal Decision

"The Supreme Court of the United States has decided unanimously that in increasing the diversion of 4,167 cubic feet a second of the water of Lake Michigan to 8,500 feet per second, the drainage district of Chicago has defied the authority of the national government. The court, thereupon, orders the reduction of the diversion to 'a point where it rests on a legal basis,' which, presumably, means 4,167 feet, and tells the Chicago district to proceed without delay with the construction of sewage disposal plant and so make lake diversion for sanitary purposes unnecessary. Canada was not, of course, represented in the case just decided. But she was as interested in its outcome as the American lake states which fought the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121121

diversion on the ground that it tended to lower the levels of the Great Lakes, and for the same reason. The United States Supreme Court's judgment automatically solves the problem for Canada—provided the instructions of the Supreme Court are carried out. A wrong beginning was made in the whole business of Chicago drainage canal diversion when it was decided to rely on the Illinois River to carry away the city's sewage. The polluted stream flowed into Lake Michigan. And as the city grew, the shores on each side of the river began to suffer. The solution of this difficulty seemed at the time to be quite a clever one—it was no less a defiance of nature's original scheme of things than to up-end the Illinois River and make it flow the other way, so that instead of emptying itself into Lake Michigan, the stream should flow into the Mississippi. This had the unfortunate result of diverting Lake Michigan water into the Gulf of Mexico. Had the original permissible flow not been exceeded, all might have been well. This diversion of 4,167 cubic feet per second was sanctioned by Congress. But it was permitted for the purpose of maintaining navigation, not for disposing of sewage. Because it was in fact used for the last-named purpose, the Supreme Court says it was without legal basis. The diversion of 8,500 feet per second is now maintained under a permit of the Secretary of War, issued in March 1925.

"As already suggested, Canada will probably be satisfied if the order of the Supreme Court is carried out. There is only one solution to the drainage canal difficulty—that is the acquisition by Chicago of more modern means of disposing of sewage. Even had the Supreme Court decided in Chicago's favor it is inconceivable that the city and district could continue long getting rid of its sewage in the present manner. But Chicago has a way of doing things in its own good time and of sometimes defying authority in the process. The Citizen's Washington correspondent reports that Chicago claims the court's decision as a victory, and that it expects Congress to renew its permit to divert lake water. In which case, there will be some interesting developments. It may even happen that Canada will be compelled to carry her case to the one tribunal which seems competent to adjudicate the matter on an international basis—the International Joint Commission. For the drainage canal not only affects Canadian shipping—it violates an international agreement between Canada and the United States."

121122

CHAPTER VI

THE ST. LAWRENCE RIVER

F-1 The following is taken from a resolution passed by the Montreal Board of Trade re the St. Lawrence Waterway Project on November 26th, 1930.

"THEREFORE RESOLVED THAT, while the Montreal Board of Trade favours, in principle, the ultimate deepening, widening and general improvement of the St. Lawrence Waterway when circumstances warrant, and although it believes that the Port of Montreal will greatly benefit thereby, it nevertheless, considers that the whole vast project should not be undertaken at one time, nor, indeed, that any substantial part of it should be undertaken immediately, THAT the development of power in both the international and national sections of the river be proceeded with as and when required, and that approval by the Dominion Government under the Navigable Waters Protection Act should be given only to those projects which are conformable to the best solution of the navigation aspects of the Waterway Project, to the end that where possible the power projects will be such as will provide navigation channels, THAT, save as indicated in the preceding paragraph, the costs of development for power and navigation should be separated and the former financed by the users of power, THAT neither the power 'generated in the Canadian section, nor Canada's proportion of the power generated in the international section of the river, be exported, and THAT when the improvement of the St. Lawrence System is proceeded with, the United States, which, according to traffic estimates, will reap by far the greater share of the benefits, should contribute proportionately in such manner as will not alter or qualify the sovereignty of the Dominion."

F-2 An article entitled "C. H. CAHAN, M.P., SOUNDS WARNING ON WATERWAYS PLAN," appeared in "The Montreal Gazette" of January 19th, 1928.

"Canada should hesitate to negotiate the permanent alienation and transfer to a foreign government of any national rights and interests which are now vested in the governments of this country, either Dominion or provincial, C. H. Cahan, K.C., M.P., told a large audience at the Electrical Club luncheon in the Queen's Hotel, Montreal, yesterday, during a brief but comprehensive survey of the St. Lawrence waterway plan and Canada's relation to it. His advice, strongly emphasized, came at the end of his address, and after he had referred to the fact that 62 years ago a measure was introduced in the American Congress which offered Canada certain inducements in regard to the waterways in return for Canadian membership in the American Union. The promoters of that measure, Mr. Cahan observed, had a very meagre appreciation of the enormous value of the natural resources which they then proposed to develop; and Canadians of this generation, who have an equally inadequate appreciation of Canada's commercial and industrial requirements, should hesitate to barter away its waterway. 'The River St. Lawrence, the Great Lakes and the connecting

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121123

rivers together form one of the longest and most important routes of inland navigation in the world,' Mr. Cahan said at the outset. 'Ever since the Treaty of Paris, in 1783, which recognized the independence of the United States of America, there have been persistent efforts on the part of the Government of the neighboring republic to obtain increased rights in relation to the navigation of the River St. Lawrence and the Great Lakes, and their connecting rivers. One need only refer to the provisions of the Jay Treaty of 1794, the Treaty of Ghent of 1814, the Ashburton Treaty of 1842, the Reciprocity Treaty of 1854, the Treaty of Washington in 1871 and the Waterways Treaty of 1909 as indicating the progressive stages of these international negotiations.' In order that his audience might have a clear picture of waters now involved in so much discussion, Mr. Cahan described them as being the 116 miles of water extending from Lake Ontario, on the west, to Cornwall, Ontario, near the head of Lake St. Francis. 'Throughout this international section,' he continued, 'the citizens of the United States, owning the southern bank of the river, have always had the free and undisputed right of navigation.' The present situation is, therefore, as follows:

"1. From Lake Ontario eastward to near Cornwall, the River St. Lawrence is international, the United States and Canada having practically equal rights to navigation therein.

"2. By article 26 of the Treaty of Washington, 1871, 'the navigation of the River St. Lawrence, ascending and descending from the forty-fifth parallel of north latitude, where it ceases to form the boundary between the two countries, from, to and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States, subject to any laws and regulations of Great Britain or of the Dominion of Canada, not inconsistent with such privilege of free navigation.' By this treaty of 1871, Canada is forever bound to concede to the citizens of the United States free and open access to the waters of the St. Lawrence River, in its natural state and condition, from Cornwall to the sea, for the purposes of commerce.

"3. Article 1 of the Waterways Treaty, 1909, which was accepted and confirmed by the Canadian Parliament in 1911, further provides that 'the navigation of all boundary waters (which include Lakes Ontario, Erie, Huron and Superior, and the connecting rivers, but which do not include Lake Michigan) shall forever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels and boats of both countries equally, subject to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation, and applying without discrimination to the inhabitants, ships, vessels and boats of both countries. So that, by these provisions of the Treaties of 1871 and 1909, from the head of Lake Superior to the sea, the citizens of the United States have the free right of navigation.

"4. Article 1 of the same Waterways Treaty of 1909 further provides that so long as this treaty shall remain in force this same right of navigation shall extend to the waters of Lake Michigan, and to all canals connecting boundary waters and now existing or which may hereafter be constructed on either side of the line on terms of equality in the use thereof. 'But this

121124

article of the treaty,' Mr. Cahan noted, 'is subject to termination on one year's notice, at the option of either party; so that the right of American citizens and American shipping to the use of our Canadian canals is not a permanent provision.'

"5. The respective rights of the United States and Canada in and to the boundary waters from the head of Lake Superior to Cornwall on the St. Lawrence River are expressed in Article 8 of the same Waterways Treaty of 1909, which provides that the United States and Canada 'shall have, each on its own side of the boundary, equal and similar rights in the use of the waters constituting the boundary, for sanitary, irrigation, navigation or power purposes.' Such are the respective rights of Canada and the United States today, as we enter upon the consideration of recent proposals for the joint control, by the two countries, of the St. Lawrence Waterways for purposes of navigation and for the development of hydro-electric power. The New Welland Canal, which is being constructed through the Niagara Peninsula, between Lakes Erie and Ontario, will, in 1930, enable large grain freighters to carry loads of from 400,000 to 500,000 bushels of grain in bulk from Fort William to the eastern outlet of Lake Ontario. From this point near Cornwall, where the St. Lawrence becomes a Canadian river, the international section, for a distance of 116 miles, lies between the State of New York, on the south, and the Province of Ontario, on the north." After describing the electrical power available along this stretch of the river, Mr. Cahan pointed out that the United States, under the terms of the treaty of 1909, is entitled to one-half the power which may be developed on this international section. Of the total fall of 92 feet, a net head of 82 feet may be utilized to produce about 1,700,000 horse-power of primary continuous power, necessitating for its complete utilization an installed equipment of about 2,200,000 horse-power, which would be divided equally between the two countries. From three miles below Cornwall to Montreal, the speaker continued, the St. Lawrence flows through the province of Quebec, a distance of about 68 miles, with a total fall of 127 feet, of which it is estimated 113 feet may be utilized for electrical development to the amount of at least 3,500,000 installed horse-power. These hydro rights along the Canadian section of the river are the exclusive property of Canada and of the province of Quebec. The recommendations contained in the report which Herbert Hoover, chairman of the United States St. Lawrence Commission, made to the President of the United States under date of December 27, 1926, seemed to imply that the United States, in consideration of its undertaking a share of the cost of improving the St. Lawrence River from Lake Ontario to Montreal, by deepening the channel where necessary and by constructing new canals to a depth of 25 or 30 feet, would secure for the United States an equal participation with Canada in the power rights thereby created throughout the length of the river. Mr. Hoover, to use his own words, proposed to utilize the St. Lawrence River as a joint undertaking with Canada. 'The whole St. Lawrence undertaking,' he said, 'is, of course, a joint one between the United States and Canada,' and he asserted that the development of huge water power for stimulation of industry and commerce in New York and New England shall add to the prosperity of the country as a whole and thereby benefit every citizen and every city."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121125

Mr. Cahan also quoted from a more recent speech of Secretary Hoover, in which he said that this waterway from the lakes to the sea has been the dream of many men for a generation, and dwelt on the amount of electrical power that could be secured by its development. The reaction of public sentiment in Canada to the proposals of the United States was varied, Mr. Cahan continued. Though there are people who believe that the time is approaching when a waterway from the head of Lake Superior to the sea from 25 to 30 feet in depth will be an economic necessity, yet many are equally convinced that the proposed expenditure of $430,000,000 upon the first partial development of this undertaking is premature and at present inadvisable because:

1. The annual saving in freight rates from Port Arthur to Montreal, on grain, which is the chief Canadian commodity now available for transhipment, will not be commensurate with the annual fixed charges upon the cost of the undertaking.

2. Though the demand for hydro-electric power is increasing in Ontario and Quebec, there is no immediate necessity in Canada for the development of the St. Lawrence water powers to the extent now proposed. At present the average time for water-borne grain freights from Fort William to Montreal is from 6½ to 7 days, though the voyage has been made in about five days; and the average freight rate per bushel is about nine cents; yet during the past year at times, when shipping was competing for the small quantities of grain freight then available, the freight rate was as low as 4½ cents. For this and other reasons, the large saving in wheat rates from Fort William to Montreal, which the more ardent advocates of the undertaking foresee, are more or less problematical. Moreover, the wheat of Alberta is now largely transhipped through the Pacific ports of Vancouver and Prince Rupert, and the wheat growers of Saskatchewan and Manitoba anticipate that the Hudson Bay Railway to Fort Churchill will provide a new outlet for a considerable portion of their grain products. But if the St. Lawrence River is now to be developed along the international section, there is a strong body of opinion that the problem should be resolved if possible, by the Ontario Government in co-operation with the Dominion Government, developing on the Ontario side of the river one-half of the available hydro-electric power; and by the American authorities, federal or state, within their respective jurisdictions, developing their one-half of the power on the American side of the river. This would leave the problem of navigation along the international section of the river to be resolved by an international agreement between the Federal Government of the United States and the Federal Government of Canada.

5. The engineers of the two Governments do not appear to have sufficiently studied this problem, but rather to have directed their efforts toward providing for the joint control of the river for both navigation and power purposes. But if the Government of the United States and the Government of Canada are to undertake negotiations for the joint development of the international section, public sentiment in Canada is pronounced on several phases of the question. The people of Canada would like to be assured, Mr. Cahan intimated:

121126

(1) That competent authorities in the United States shall guarantee that the diversion at Chicago of water from the Great Lakes into the Mississippi River through the Chicago Sanitary Drainage System, shall cease, so that these lakes may be restored to and maintained at their normal levels.

(2) That the citizens and governments of the United States shall not be conceded any measure of title to or interest in or more permanent control over the Canadian canals which lie beyond the international section of the river than they now enjoy under existing treaties.

(3) That the hydro-electric power rights on the St. Lawrence River, in the part from near Cornwall to Montreal, which lies wholly within the Province of Quebec, shall forever remain the property of the Canadian people, and under the sole control and disposition of the government of Canada and of Quebec.

(4) That in respect of any joint agreement which may be consummated for the improvement of navigation on the international section from the eastern end of Lake Ontario to Cornwall, the improved channel for shipping shall forever be free, under all conditions, to the ships of both nations, whether such a channel shall lie on one side or the other of the existing international boundary.

(5) That the site or sites for the power houses to be constructed for the development and generation on the international section of the 850,000 horse-power of primary continued horse-power, or 1,000,000 installed horse-power, to which Canada is entitled, shall be forever vested in Canada; so that the Canadian power stations shall be located on Canadian territory and be solely subject to the legislative control of the Canadian Parliament, or of the Ontario Legislature, according to their respective legislative jurisdictions.

(6) That the regulation of the navigation of the international section alone in which both nations have equal rights and privileges, shall be placed under the control of any joint international authority, commission or board; and that the extent of such regulation shall be clearly prescribed in the terms of the new treaty.

(7) That neither the United States Government, nor any governmental authority of the United States, nor any joint international authority or commission or board shall have any control whatever over Canada's disposition of her own share of the hydro-electric power, which is to be generated in Canadian power houses on the international section. Canada's vested interests in the St. Lawrence River constitute one of our most valuable assets, and must be conserved for future generations of the Canadian people, and no one can now clearly foresee the conditions which will exist in the future. Mr. Cahan closed with his reference to the bill passed through the American Congress in 1866, and with his warning to the people of Canada to hesitate before signing away their heritage."

F-3 The following extracts are taken from the Editorials in "The Montreal Star" of February 4th and 7th, 1928, on "The St. Lawrence Waterway—do we need it, and what will it cost?", written by J. Lambert Payne.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121127

"In 1903 Canada blundered most disastrously in seeking increased transportation facilities in the Western provinces. . . . Canada must be on her guard against mass emotion in this instance, and in the meantime should yield to the chastening influence of the 1903 experience. . . . It is therefore significant that not a single complaint has ever been uttered as respects the adequacy of the St. Lawrence Canal System or any part of the inland waterway system between Montreal and the head of Lake navigation. . . . . The plain and indisputable truth is that the St. Lawrence route has not been used up to 50% of its capacity. . . . There has been no increase whatever in Canadian Canal traffic during the past quarter of a century. . . . . Taking the averages between 1908 to 1917 and 1918 to 1926, there was an actual falling off in freight tonnage of 21.2 percent. Could any fact be more significant? . . . . Yet the new Erie Canal in 1926 did not move a freight tonnage one-third as large as did the old Erie thirty years ago. This led Governor Smith to solemnly suggest to the Legislature last year that the new canal should either be closed or passed over to private interests. The annual loss on capital investment has been enormous . . . . The engineers . . . . reported that the cost of the combined canal and water power scheme would be $252,728,200. That was in 1924. Under date of November 16th, 1926, this second board reported, and now the probable cost was raised to a maximum of $650,000,000. There the matter rests.

"The estimate for the Panama Canal was $100,000,000 and cost $430,000,000.

"The New York Barge Canal estimate was $55,000,000. The cost was $115,000,000.

"The Chicago Drainage Canal was $16,000,000; cost $90,000,000.

"The Manchester Canal Estimate $37,000,000; cost $78,000,000.

"The New Welland Canal estimate was $55,000,000; cost $115,000,000 (at this date it was not finished). . . . .

"The final capital outlay (of the St. Lawrence Seaway) would probably reach a Billion Dollars as a joint undertaking. It is a fair assumption that each nation would bear an equal share. . . . But neither the United States nor Canada has come to a decision on that point. . . . Very little wheat is moved by rail anyway. The movement in that way is negligible during the season of navigation. 85% of all export grain comes down by water before the middle of December. Of that volume two-thirds go out every year to New York by way of Buffalo. I am speaking of both Canadian and American Western-grown grain. Why does it take that route? Not because it cost less to ship it in that way. It actually cost from one to three cents per bushel more. But every bushel of such grain is somebody's property, and that somebody dictates the route it shall take to the foreign market. . . . Bottoms are available in large volume on the New York Marine Exchange, and that is not true in the same degree if at all in Montreal. . . . All shippers want their cargoes off the inland route as soon as possible. They fear it with its sudden storms and the possibilities of other hindrances. They dread Canals in particular. The third reason is insurance both inland and seagoing. The rate from New York is low and constant.

121128

The Canadian rate is higher to start with, and rises progressively after the early part of November. But the chief reason is the certainty of making delivery abroad. . . . The Erie proposition of 1902 was on all fours with the St. Lawrence Scheme now under consideration. The conditions are identical in every respect. New York State has been overburdened by an agitation for a Ship Canal, and the propagandists carried everything before them, including the Legislature. But when Colonel Symmons got through, the scheme was not only dead, but has never been even hinted at since. In particular the idea of making ocean ports on the Great Lakes perished beyond resuscitation. We ought not to want to go into a similar costly undertaking blind to incontrovertible facts. . . .

"Canada owns and administers every foot of canal in the St. Lawrence, as it does up to the northern end of Lake Huron. At that point the United States has several locks. We have one. Thus a ship may now pass from Montreal to the head of Lake Superior without for a moment being in American water. Under treaty rights, dating back to the forties, American vessels have had the use of our canals on equal terms with our own vessels, although the United States contributed nothing to the cost of our inland waterway nor to its maintenance. Our sovereignty in the St. Lawrence is therefore absolute. Our position would be vitally changed the moment we entered into the proposed international pact. Not only would the United States become joint owners of the St. Lawrence Waterway, but would also become joint administrators of it. The same thing applies to the Water-power rights. More than that, under the scheme as revised in the final report of the Joint Board of Engineers and Commissioners, some nine miles of the New Waterway would be in American territory. That fact is pregnant with sinister possibilities. It leaves no doubt to the nature of the change which would be brought about, leaves no doubt as to the completeness of our surrender of our national and important rights we now hold . . . . looking ahead. It is clear that equality of ownership and administrative powers is the only basis which could be adopted. At all events it is the only one which has been suggested or considered. What would be our position after the agreement in that regard had been executed? In the event of a dispute, either one party or the other would have to compromise or a deadlock would result. Every sensible and prescient Canadian ought to clearly realize what that means—whatever a deadlock might mean. . . . At present canals hold a sovereign position in the St. Lawrence. Once the river and its improvements had passed under International control, that position would be vitally changed . . . . Even if the need for increased transportation facilities by water were genuine and urgent, no man who has calmly thought about our heavy obligations would feel that we could afford the outlay. We cannot."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

PRINTED IN CANADA
SOUTHAM PRESS
MONTREAL LIMITED

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121129

117

THE ST. LAWRENCE WATERWAY SCHEME

by

W. H. ROBERT

Montreal, 1933.

The Writer of this Article, W.H. Robert, is the son of Joseph B. Robert, of Beauharnois, the originator of the Beauharnois Light, Heat & Power Company, who foresaw as far back as 1860 the immense possibilities of the Power Scheme and for many years, until his death, together with the Writer of this Article, worked to make it a success.

His children were so enthused by him with the advantages of this scheme that at his death they continued his work, until, with the help of Mr. R. O. Sweezey in 1927 it was brought to a successful conclusion.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121130

Montreal, 1452 Bishop St.,
May 2nd, 1933.

The following Article contains more complete information regarding the proposed St. Lawrence Waterways.

I understand that the C.P.R. pays taxes in every Province and Country District, whilst the C.N.R. pays very little, being owned by the Dominion.

I think that the C.N.R. ought to be taxed at the same rate as the C.P.R., at least as long as the depression continues, but as the railways are run for the benefit of the country, a certain percentage of the taxes ought to be dropped until they get settled on a better basis. The two railway systems ought to be run separately, but with a management including both Companies, and arrangements should be made to run only one train between any two points at the same time. A non-political committee should also be named to decide upon the different points.

Within the last few years, busses and trucks have started to carry passengers and freight throughout the country. They have picked up the bulk of the traffic belonging ordinarily to the railways, and to the great disadvantage and loss of the latter. These trucks and busses to my mind ought to be bought by the railways and incorporated in their system at a fair valuation as stock. But the railways and busses will suffer beyond repair if the Seaway is allowed to go on. Most of the owners of the boats are of the opinion that the Seaway is a great mistake. The cost to Canada would be stupendous. The usual ultimate cost of canals is always two or three times the estimated cost. Besides which, all the cities along the route would require to deepen their harbours.

I understand at the present time that United States ships have the right of free passage through Canadian Canal Systems as long as a reciprocal right exists for Canadian vessels to ply the American Canals, but either Country can terminate this agreement at will. No such similar arrangement is provided in the Seaway Pact. I think it would be advisable for a similar provision to be so inserted if unfortunately the Seaway were carried to a finish.

(1) The "Kingston Whig Standard" in an article of August 7th, 1932, gave an account of the Steamer Lemoyne arriving at Kingston with 500,000 bushels of grain, and the ovation they made to W.H. Coverdale, the President of the Canada Steamship Lines, and his response, was featured by a clear cut pronouncement on the proposed deep waterway. He declared that Canadian rights on the St.Lawrence River should be preserved for Canadian Trade. He claims the advantages would be more than offset by the disadvantages incurred in the cost and insurance rates. He said that American interests which are advocating construction of the deep waterway, claim that a saving will be made to the Western Farmers of approximately six cents per bushel, whereas Mr. Coverdale announced that the present transfer costs from the head of the Lakes to Montreal were less than five cents per bushel. He held that the St.Lawrence deep waterway scheme was premature insofar as transportation is concerned, and also insofar as power is concerned, as we have, and will have for years to come a surplus of Power. Mr. Coverdale was more or less pessimistic of the St.Lawrence ever providing the facilities for ocean liners to ply back and forth.

"The products of Canada should be transferred in Canadian ships and by Canadians," said Mr. Coverdale, "and what the Canada Steamship Lines has done can be carried on for all time."

Mr. Coverdale said that the only advantage to be gained by the deep waterway would be avoidance of one cargo and transfer, but pointed out that the cost of transfer is approximately three-quarters of a cent per bushel, and that this cost is practically negligible compared to the cost involved in the construction of the waterway.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121131

(2) In an editorial of the "Toronto Star" of August 10th, 1932, there appears the following:-

"The Hydro report shows that the Hydro generated "947,426,690 fewer Kilowatt hours in 1931 than in 1930, "which is a falling off of 22 per cent; the figures, "omitting the Dominion Power and Transmission Company's "output for both years are:-

1930 - 4,198,922,630 K.W.H.
1931 - 3,251,495,940 K.W.H.

"The quantity of purchased power rose sharply however owing "to the growing obligations to buy new power, the increase "for the year being 257,437,364 K.W.H. or 29 per cent.

"The figures for purchased power:-

1930 - 897,374,610 K.W.H.
1931 -1,154,811,964 K.W.H.

"While the quantity of purchased power was going up "29 per cent, the amount paid for purchased power increased "by $1,333,608. or 50 per cent. The explanation of this may "be that the Hydro had to pay for considerable quantities of "power that it could not market. The amounts paid for pur-"chased power were:-

1930 - $2,645,916.
1931 - $3,979,524.

"The Ontario Government has just undertaken to pay at "some time in the future 104 million dollars for St.Lawrence "Power, an amount equal to the total capital investment of "the Provincial Hydro during the last twenty years."

(3) In the "Montreal Star" of March 2nd, 1933, there appears a notice of the death of Senator Walsh of the U.S.A. who was most assiduous in pushing through the Seaway with Canada through the Foreign Relations Committee to the floor of the Senate at this Session of Congress. He it was who arranged that the New York Power Authority should pay $89,000,000. which New York should contribute for the power development in the International section.

In fact it was Senator Walsh's enthusiasm for the Seaway Treaty which clinched Mr. Roosevelt's decision to speak vigorously for it as part of the new deal, even in the face of strong opposition from Senators Wagner and Copeland of New York,from the States whose port interests are affected, and from the States represented in the Mississippi Valley Association who are mapping a plan of attack on the grounds of insufficient diversion from Lake Michigan to provide suitably for the Illinois Canal.

(4) In the "Montreal Star" of February 28th, 1933, the following appears:-

"The New York Legislature was asked today to pass a "resolution against the proposed St.Lawrence Ship Canal pro-"ject now in the treaty stage between Canada and the U.S.A., "and to transmit it to the Federal Government. The resolu-"tion was sponsored by Senator F.G. Hendel, N.Y. Democrat."

At the same time Senator Hendel presented a separate resolution calling for a survey of the State Barge Canal System by a legislative committee with a view to determining what improvements are needed and to seek the Federal Government's aid in bringing them about.

The first Hendel resolution says "the proposed St. Lawrence Ship Canal route is inimical to the best interests of New York State."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021132

In the Assembly a resolution against the proposed St. Lawrence plan was presented by Assemblyman Arthur L. Swartz, Erie Republican.

(5) In an article of March 4th, 1933, the following also appears:

"As his final act before leaving Congress, Representative "William E. Hull, Republican of Illinois, leading spirit of the "Mississippi Valley Association, yesterday gave warning that he "and his organization with representatives from 28 States are "determined to defeat the St.Lawrence treaty as now written, "'and we can do it too,' he declared, 'unless Canada will con- "sent to a change in the treaty so as to give us enough water "from Lake Michigan to operate the Illinois Canal as the "crucial link in the Lakes to the Gulf waterway. There is no "reason on earth why Canada should not consent to this,' he "went on; and says it will only mean a lowering in lake levels "of not more than three inches."

In view of the foregoing I contend:-

1st. That the new waterway would be too expensive and would have no advantage over the present system. The advantages would be more than offset by the disadvantages incurred in the cost and in insurance rates.

2nd. The St.Lawrence River should be kept for Canadians and Canadian Trade.

3rd. American interests claim that the new seaway will save approximately six cents per bushel to the Western Farmers whereas the present cost from the head of the Lakes to Montreal is less than five cents per bushel.

4th. The St.Lawrence Deep Waterway scheme is premature insofar as transportation is concerned and also insofar as power is concerned as we have and will have for years to come a surplus of power.

5th. That the Hydro Electric has plenty of power for at least twenty years to come.

6th. The underlying principle of the Americans seems to be to try and get more diversion from Lake Michigan into the Mississippi and increase their present State Barge Canal from Oswego to Albany.

7th. The Americans claim that the lowering of Lake Michigan using the amount they now use with an extra five thousand C.F. per second, would not be more than three inches, whereas in the year 1910 J.L. Michaud, Chief Engineer in the Public Works Department in Montreal, found that it would lower the lake at least eight and one-third inches.

8th. That it would be impracticable to build a Seaway to have ocean vessels go up the Canal, because the ships are very expensive and they have to run at high speed and could not run at high speed on account of washing away the Banks, and they could only run seven months in the year at an enormous cost.

In view of our past experiences with treaties with foreign countries and more especially with the American treaty dealing with diversions of water from the Great Lakes and the attitude of the City of Chicago in respect thereto, I think it would be erroneous on the part of Canada to open up our rivers and canals to foreign nations, especially if we should ever be unfortunate enough to be at war with a neighbouring country.

I am of the opinion that the above are very good reasons for delaying the Seaway plan until it can be more adequately justified, and surely no Canadian will hasten into such a project until it can be further justified.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121133

The following extracts were taken from the book written by Harold G. Moulton, Chas. S. Morgan and Adah L. Lee in 1929:

Chapter 1.

P. 9. "In addition to economic considerations, sentiment plays an important part in the St.Lawrence Waterway project. The imagination of the 'land-locked' Middle West has been captivated by the prospect of seeing the flags of all nations unfurled before the breezes of our great inland seas.

P.11. "New York and other seaboard cities oppose the project for various reasons. In the first place, they naturally oppose any diversion to traffic to Canadian ports. The economic history of these Eastern Cities is a long record of struggle for controlling trade and development. New York, with Buffalo, has opposed the improvement of the St.Lawrence whenever it has been proposed, while at the same time carrying on a fight with its neighbours - Boston, Philadelphia and Baltimore - first for supremacy and then against the insistent efforts of these ports to retain an important share of the Nation's foreign commerce. These Cities are united, however, in their persistent efforts to prevent diversion of traffic through Canadian ports.

P.12. "The New York Barge Canal is a second factor in the situation. Since 1905 this enterprise has cost the State some $230,000,000. and yet the benefits anticipated when its enlargement at an estimated cost of $101,000,000. was decided upon in 1903, have in no sense been realized. The admitted failure of the project creates strong doubts in the minds of those who have followed the experiment as to the practicability of any other large inland waterway projects, while on the other hand the construction of a Rival Water route would effectively extinguish any hope that there may be of the State's salvaging even a part of its outlay on the Barge Canal. Accordingly New York interests contend that if a deep waterway route from Lakes to Ocean is to be constructed, it should utilize the Barge Canal route from Oswego on Lake Ontario to a point above Albany and thence down the Hudson to New York Harbor. A short Canal around Niagara Falls within U.S. territory would complete this as an All-American route. However, successive reports by the U.S.Army Engineers, the latest dated December 1926, point out that the cost of constructing such a route would be much greater than the cost of the St.Lawrence, and they therefore endorse the latter alternative.

P.13. "On the Canadian Side, the International Joint Commission found that 'Anything like general approval of the undertaking was confined to the Province of Ontario.' Toronto and Hamilton, like Chicago and Detroit, wish to become ocean ports and to handle a part of the Canadian import and export trade, which now breaks cargo at Montreal. Likewise Fort William and Port Arthur anticipate a more flourishing export trade in grain, and hope for a share of the general commerce which is expected to develop between the prairie provinces and overseas markets. Only in that section of Ontario which borders along the Ottawa River is enthusiasm for the St.Lawrence development lacking. This section expects to benefit by the construction of a Georgian Bay Canal, a deep water channel via the French and Ottawa Rivers to Montreal. The deepening of the St.Lawrence would, of course, sound the knell of this long discussed project which still has its staunch supporters. In Manitoba and Saskatchewan there is general indifference to the St.Lawrence project. Indeed in certain sections there is open hostility to it, notwithstanding the enormous grain exports from these provinces. The explanation in this difference in attitude between grain producers of Middle West Canada and the U.S. is found in the proposed Hudson Bay route to Europe which for a generation has been held up to the Canadian Middle West as the logical outlet for grain and livestock. The Hudson Bay route calls for the completion of the Hudson Bay Railroad, and for the development of Fort Churchill as a grain exporting point. When completed the Hudson Bay R.R. will extend from Le Pas, a branch of the Canadian N. R. on the Saskatchewan River 50 miles north-west of Lake Winnipeg to Fort

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021134

Churchill on the Hudson Bay, a distance of a little over 500 miles. From Fort Churchill the traffic would move by boat to British or Continental ports via Hudson Bay, Hudson Strait, and a northern steamer route across the Atlantic, the distance via the Hudson Bay route from the heart of the grain-growing area to Liverpool is approximately one thousand miles shorter than the all-water route by the Great Lakes and the Atlantic. The steaming distance from Fort Churchill to Liverpool is 3460 miles, the all-water route from Fort William to Liverpool 4422 miles, the rail haul from the heart of the grain area to Fort Churchill would be 700 miles; the rail haul from the wheat fields to Fort William would be fully as great. The route has the disadvantage
P.14 that the season of Navigation for the Bay and Straits is only from ten to fifteen weeks and ice would always be found in the Straits. The Western provinces look to the Pacific as the natural outlet for their export grain. Grain shipments out of Vancouver vary markedly from year to year. In 1924 a peak of 60,800,000 bushels was reached; in 1925 the amount was only 27,100,000; but in 1928 it reached a new record of 94,200,000. Shipments to the United Kingdom amounted in this year to 49,500,000. Alberta is, therefore, no longer vitally interested in either the St.Lawrence or Hudson Bay route but is more concerned in securing lower rail rates to the Pacific Ports. In Eastern Canada opposition to the project comes from two sources. The first consists of Commercial, Railway and Port interests at Montreal who stand to lose by any lessening of the importance of that City as a transportation Terminus. The second consists of those interested in the Hydro-electric Power development. Private Power interests, both in Quebec and Ontario, oppose the creation of vast amounts of small competitive Power along the St.Lawrence River. They allege that Power now exists in this region in excess of all present requirements and that when additional Power is needed it can be obtained elsewhere at a very much lower cost than by the project under consideration, that Hydro electric Power Commission of Ontario, foreseeing a future need for more power in that Province, expresses itself as not unfavorable to the future development of Water Power in the International Section of the St.Lawrence; but it is fearful of the Power users being saddled with the cost of constructing and operating a deep waterway mainly intended for navigation.

P.17. "In 1920 the International Joint Commission was asked to make a report on improvements necessary (1) for Navigation interests alone and (2) for the Combination of Navigation and Power interests 'to obtain the greatest beneficial use of the waters of the river.'

"The International Joint Commission submitted a report in December 1921, recommending the improvement of the river, the estimated cost of which was placed at $252,000,000. In 1924 a Joint Board of Engineers was appointed on the St.Lawrence Waterway project, consisting of three Americans and three Canadians to review the Engineering report of 1921 and consider certain further questions submitted to it. This Board in their report of 1927 agreed on the whole with the earlier Joint Board as to the Engineering feasibility of the project. The Joint Board estimated the total cost of improving the St.Lawrence between Ontario and Montreal at $625,000,000. to $650,000,000. for a 25 foot channel
P.19 and fully developed Power resources. In addition the cost of improving the restricted Great Lakes Channels to a depth of 25 feet was estimated at $45,000,000. The Welland Ship Canal is estimated to cost $115,000,000., the improvements which are recommended for immediate development, namely the creation of a Navigation Channel and the Construction of Power Plants in the International Rapids section of the river with an installed capacity of approximately 25% of the ultimate possible development, are estimated to cost from $350,000,000. to $385,000,000.

P.20. "The St.Lawrence Commission made a report in 1926 favoring the immediate improvement of the St.Lawrence for Navigation and Power purposes, provided a suitable agreement could be made with Canada for the joint undertaking.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121136

P.22 "The findings of the Canadian National Advisory Committee and the views of the Dominion Government on the Waterway Project in general were transmitted to the Department of State on January 31, 1928.

"This note said (1) Canada Rail Transportation facilities have been developed in advance of her needs.

(2) Railway rates in Canada are generally lower than they are in the United States.

(3) The C.N.R. being owned by the Dominion necessarily alters Canada's viewpoint as regards the St.Lawrence proposals.

P.23. "The Dominion Government expressed the view that negotiations would be premature at this time.

Chapter 2.

P.28. "Fifteen to seventeen lockages would be involved for vessels using the St.Lawrence Route. The distance from Chicago to Montreal is 1244 miles; of this total about 296 miles are in restricted channels and canals; 183 miles in the St.Lawrence River; 25 miles in the Welland Canal; 31 miles in the Detroit River; 41 miles in the St.Clair River; and 17 miles in Lake St.Clair. This leaves about 947 miles of open Navigation between the two cities.

P.29. "The distance between Montreal and Liverpool is 3207 miles through the Straits of Belle Isle. The Southern route below Newfoundland is 170 miles longer, namely, 3377 miles. The distance between New York and Liverpool over the Winter route is 3578 miles; over the Summer route 3707 miles.

P.34. "Distance is only one element affecting the cost of transportation and the determination of the route by which shipments will go. Such factors as speed, the amount of cargo offered, the probability of cargo both ways, Port charges, loading and discharging expenses, etc. are often of great importance.

Chapter 3.

P.39. "Lake vessels could not operate on the High Seas because of technical considerations. The Naval Architect, Herbert C. Sadler, of the University of Michigan states that:

'The Lake freighters are the last word in a type of 'vessel especially developed to do the business of carrying 'bulk commodities, such as iron ore, coal, etc. in the most 'economical way between the different Lake ports. Their 'business is on the Lakes, not on the ocean ..... To alter the 'design to allow them to go to Sea would be suicidal, and al- 'most as absurd as to suggest putting a passenger vessel of 'the Hudson River Day Line into the North Atlantic trade when 'the Summer excursion season was over.'

P.41. "A special type of vessel for Lake and Ocean Navigation is not feasible. Major Symons wrote in 1897:

'However a vessel may be designed for service on both 'lakes and ocean, she must necessarily be a compromise between 'two widely different types and inferior to each on its own 'water. She can neither carry cargoes on the lakes as cheaply 'as the lake ships nor on the ocean as cheaply as the ocean 'ships.'

P.42. "A 27-foot channel would be of practically no value for combination passenger-cargo ships engaged in the overseas trade of the U.S.

P.43. "A 27-foot channel would exclude 62 per cent of the tonnage and 85 per cent of the faster cargo vessels now entering American Ports.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121136

P.46. "Only 13 per cent of the tonnage operating on regular schedule out of Montreal and Quebec could navigate a 27-foot channel.

P.47. "A 27-foot channel would exclude 60 per cent of the aggregate net tonnage of Montreal grain tramps.

P.48. "A 27-foot channel would exclude 81 per cent of the Cargo vessels and all the tankers engaged in the inter-coastal trade.

P.50. "In brief, a 27-foot channel limited to vessels drawing less than 24 feet, 6 inches would, broadly speaking, accommodate only boats of the type now engaged in the local coastal trades and the smaller steamers, mainly the war-built U.S. Shipping Board boats and tramps. Moreover, as we shall presently see, the trend in ocean shipping is steadily toward larger and deeper draft vessels.

P.52. "A 30 foot channel would not accommodate ...
First, 173 combination passenger-cargo vessels engaged in the U.S. foreign trade, representing 80 per cent of the total tonnage of this class.
Second, the cream of the cargo tonnage - 336 large freighters - including practically all of the refrigerator ships.
Third, large passenger-cargo vessels and some of the larger freighters engaged in the Montreal trade.

P.53. "The trend in ocean shipping is toward larger and deeper draft vessels.

P.55. "The primary factors leading to the increase in draft of Trans-oceanic Vessels are the economies in operation that the larger vessels afford and the increasing demand of shippers for speed in the delivery of goods.

P.57. "A channel depth of 33 feet is a minimum requirement if the St.Lawrence Waterway is to serve the purposes for which it is advocated. Such a depth would permit the passage of loaded vessels with salt water drafts of approximately 29 feet 9 inches. However even with a depth of 33 feet, the St. Lawrence Waterway would not be what might be called a genuinely first class shipping route.

P.58. "The Suez Canal, originally constructed to a depth of 26 feet, has been subsequently deepened to 35 feet and plans are now under way to increasing its depth to 42 feet 8 inches. Manchester Ship Canal has a depth of 28 feet. The Kiel Canal had a depth of 29 feet but has been since enlarged to 36 feet. The Panama Canal has a depth of 40 feet.

Chapter 4.

P.62. "The practical season of navigation for Ocean Vessels would be limited to about six and one-half months. It would require 18 to 20 days for a boat to make the trip from Montreal to Duluth or Chicago, load, and return to Montreal. This figure allows 13 days for the trip and about a week for the turn-around. Accordingly boats leaving Montreal as late as November 6 would be working on the narrowest of margins, and there would be the danger of being frozen in. Insurance rates would also be naturally increased.

P.67. "Ships would have to operate between Montreal and Lake Cities at about three-quarters their normal rate of movement.

P.68. "Delayed movement is involved both in the passage of the locks and in navigating the Canalized river and the restricted connecting rivers. Roughly an hour must be allowed for the passage of each lock. Allowance must also be made for accidents and delays in entering the locks. Passage of the locks will thus involve a total delay of about 17 hours each way.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121137

"In the canalized section of the river a speed would be reduced from, say, 12 miles an hour to about 4 miles an hour, and in the improved connecting channels to about 8 miles an hour. The delay thus incurred works out at about 20 hours each way, in all retardation of sailing time would amount to approximately 37 hours each way, or 74 hours for the round trip. Stated another way, it would take a ship over twelve days to make the round trip from Montreal to Duluth, whereas under conditions of unrestricted navigation the same boat would make the distance in about nine days.

P.70. "The liners and the industrial owned vessels are steadily gaining at the expense of the tramp.

P.73. "As regards the point of view of the ship owner the following questions were submitted to some of the largest shipping companies of the world as to the practicability of operating first class cargo liners over the St.Lawrence Route assuming that a 33 foot depth were provided and that potential traffic were available.

First, assuming that adequate channels were constructed, that harbor facilities comparable to those available at the better seaports were provided. Would it be practical to operate regular liners out of the Great Lakes during the summer months and shift the vessels so employed to regular services on other trade routes during the winter months?

Second. Would it be feasible to operate ships over the St. Lawrence route as regular liners during the summer months and then place them in tramp service during the closed season of the St.Lawrence?

Third. Would it be practical to operate vessels over this proposed route during the summer months and lay them up idle during the Winter Season?

"The view is practically unanimous that first class cargo service would not be established.

P.74. "Replies were received from most of the leading Companies of the World and there was a surprising unanimity in the opinions expressed. In the light of the replies received, it is clear that first class cargo liners could not operate over the St.Lawrence route even if a channel depth of 33 feet were provided and potential traffic were available. We are therefore forced to the conclusion that the character of shipping services of the St.Lawrence Route could, under no circumstances, be made to compare favorably with those established at the leading North Atlantic ports.

P.78. "We must now enquire whether the considerations which rule out the navigation of a 33 foot channel by the cargo liners would operate to prevent the utilization of, say, a 27-foot channel by smaller vessels. It is doubtful whether any regular liner service would be established. It is difficult to see wherein the handicaps to the smaller liner would on the whole be less than to those of the larger liners.

P.79. "The retardation of speed between Montreal and the lake cities would matter somewhat less to the smaller than to the larger vessels; but, on the other hand, between Montreal and foreign ports, the smaller vessel would be at a distinct competitive disadvantage for most traffic.

"An important handicap to the establishment of a second class cargo liner service is the fact that the slow service involved would make it impossible to compete for the remunerative mail, express and parcel post traffic, for high value merchandise, and for the refrigerator trade in Meats, Vegetables and Fruits.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121138

"Some of the answers received expressed doubt as to the feasibility of the 27 foot route even for the chartered vessel.

"We quote below from one of these answers as follows: 'I do not think the Great Lakes trade would prove profitable to tramp tonnage. A tramp vessel in order to earn money must keep in position to take advantage of the best charters available.' .....

P.84. " ... The conclusion is that a channel depth of 33 feet is not required for the only type of shipping service that might, under any circumstances, be expected to develop from lakes to tidewater. ..... "

"If, therefore, the St.Lawrence Waterway is to be constructed, it does not need to be of a greater depth than present plans call for. Such a route would not, however, make the St. Lawrence a great thoroughfare for Ocean Commerce and it would not make Cleveland, Detroit, and Chicago maritime rivals of the Great Atlantic ports.

Chapter 5.

P.85. "The figures for the cost of improvements required in the St.Lawrence and in the Great Lakes channels are derived from the Report of the Joint Board of Engineers. The cost of works jointly for a 27 foot channel for navigation and power in the international rapids and Soulanges sections total

International Rapids	$106,500,000.	
Soulanges	34,686,000.	$141,186,000.
50 per cent of joint costs for U.S. and Canada each		$ 70,593,000.

The costs of works solely for Navigation:

Thousand Islands	$ 1,532,000.	
International Rapids	22,506,000.	
Lake St. Francis	1,330,000.	
Soulanges	32,859,000.	
Lachine	55,839,000.	$114,066,000.

P.87. Total Navigation Costs:

Thousand Islands	$ 1,532,000.	
International Rapids	75,756,000.	
Lake St.Francis	1,330,000.	
Soulanges	50,202,000.	
Lachine	55,839,000.	$184,659,000.

The above table is based on a single stage improvement for the International Section. A 27 foot project with a two stage development in the International section as recommended by the Canadian engineers is estimated to cost $188,613,000.

The interest will now need to be added to the above cost of $184,659,000. allowing for 8 years at 4 per-cent, making approximately $ 29,600,000.

Will bring the total estimate for Navigation cost up to $214,259,000.

Cost of improvements in Great Lakes channels to make the Great Lakes a coordinate part of a deep waterway system, it is necessary to:
Complete the Welland Ship Canal; deepen and widen connecting channels between Lake Erie and Huron; deepen and widen the approach channels to the Sault St.Marie Canals; construct a new lock on the St.Marys River; and provide compensating works for

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

127136

P.88. the control of lake levels. The estimated costs of these improvements other than expenditures required to complete the Welland, are summarized below:

Channel elevation Lake Erie to Lake Superior	$54,900,000.	
Lock in St.Mary's River	6,500,000.	
Compensating Works Niagara and St.Clair Rivers	3,700,000.	$65,100,000.
To this interest must be added, amounting to		10,400,000.
which would bring the cost of improvement up to		$75,500,000.

P.89. "Experience shows that great waterway projects have practically never been completed within original estimates of cost, namely, The Manchester Ship Canal, The Chicago Drainage Canal, The Suez Canal, and the Panama Canal all cost on an average over 2½ times more than the estimated cost. The inclusive cost of the Navigation project, exclusive of harbor development, would be not less than $347,000,000. allowing 20 per cent for overrun. Of this amount approximately $257,000,000. would be for the development on the river and $90,000,000. for improvement of the Lake channels.

P.91. "We have omitted from the cost of the river development one-half of the cost in the International Rapids and Soulanges Sections on the theory that the cost here should be evenly divided between Navigation and Power.

P.97. "There is at least 10 Lake Cities which would have to be included in the plan of harbor and port development, if the route were to serve adequately the Commercial interests of Canada and the U.S., making a total cost of $250,000,000. for the 10 cities, Fort William, Port Arthur, Toronto, Kingston, Duluth, Superior, Chicago, Milwaukee, Detroit, Toledo, Cleveland, Buffalo.

Improvements in the St.Lawrence River	$257,000,000.	
Improvements in Lakes (Channels)	90,000,000.	
Provision of harbor and Port facilities	250,000,000.	
Total estimated cost		$597,000,000.

P.98. To this must be added the estimated cost of the Welland Ship Canal $115,000,000. making a total outlay for Navigation of $712,000,000.

"This computation assumes that Navigation would bear its share of certain costs which would have to be incurred jointly for Navigation and Power in the International Rapids and the Soulanges Sections of the river. If these joint costs were charged wholly to Power, the total Capital outlay chargeable against Navigation would be reduced by $98,265,000., making the total cost for Navigation approximately $614,000,000.

"The next step is to estimate the annual expenditures on account of transportation, which would have to be met by the U.S. and Canada for a 27 foot waterway to cover interest on the Capital investment, the annual costs of maintaining and operating, Canal locks in the St.Lawrence, the Welland at the Soo; the annual maintenance and dredging costs for the restricted channels in the St.Lawrence and in between the Great Lakes; and annual maintenance and upkeep costs for the principal Great Lakes harbors. Interest on $712,000,000. at 4 per cent would amount to $28,500,000. annually. Depreciation of 1 per cent would amount to about $7,100,000 annually, making the total annual overhead charges thus equal about $35,600,000.

"Estimated cost of the 16 or 17 locks in St.Lawrence would seem to be $2,500,000. taking the cost of the Soo locks as an example.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121140

P.101. "If therefore, we set down only $1,000,000. for maintenance of the inter-connecting channels between the Great Lakes; and $500,000. to cover the upkeep of the St.Lawrence Channels, repairs to compensating works, removal to obstructions to Navigation, etc., it would seem that we have made a conservative estimate for these items of cost.

P.102. "For the 5 years ending June 30, 1927 the average annual expenditures incurred by the Federal Government of the U.S.A. for the maintenance of some of their ocean harbors were as follows: Boston $37,927.00; Baltimore $357,700.00; Washington $121,583.00. Average annual expenditures during the same periods for some of the lake harbors may be indicated: Chicago $55,219.00; Milwaukee $95,346.00; Toledo $113,752.00. Allowing $50,000. for maintaining each of the ten ports, namely 3 in Canada and 7 in the U.S.A., adds another $500,000. to the annual charges for the St.Lawrence System. In addition to these charges large additional outlays are required in connection with general administration, for example, at Panama there is an outlay of about $500,000, annually and there can be no question that the administration of the St.Lawrence system would cost the Canadian and U.S. Governments not less than $500,000. annually. Adding together these very conservative estimates, we reach a total of something like $5,000,000. annually as the cost of maintenance and operation of a 27 foot waterway of the St.Lawrence Great Lakes System.

"Adding $5,000,000. (maintenance and operation) to $35,600,000. (overhead charges) gives a total annual outlay of $40,600,000. - in round numbers $40,000,000., representing the
P.103. annual financial cost of the Navigation project to people of the U.S. and Canada.

Chapter 6.

P.108. "The total volume of traffic classified by commodity groups which might be expected to move over the St.Lawrence Waterway is presented in summary form indicates that about 10,500,000 tons of traffic might utilize the route, of which roughly 5,500,000 is credited to the U.S.A. and 5,000,000 to Canada.

P.111. "Excluding the grain exports which would in chartered vessels, and such import commodities as would also utilize tramp steamers,we have,roughly, 360,000 tons each of outbound and inbound traffic of sufficiently varied character to be adaptable to liner service.

"This volume of traffic would require about two boats a week during the season of navigation, say, one boat from Milwaukee and Chicago, and one from Detroit and lower lake ports. The lower lake traffic would probably be divided between Canadian and American ports. It needs also to be pointed out that these boats would have to go to different destinations - to
P.112. Great Britain and the Channel ports to the Baltic, and to the Mediterranean. Thus a fortnightly service between any given lake port and any given European destination would be the most that could be expected. Such a shipping service would be in no wise comparable to that between New York and European ports, and would in itself be a factor militating against the use of the St.Lawrence Waterway.

P.113. "Liner service, operating on regular schedule between given ports, or a series of ports is therefore not likely to develop.

"The bulk of the grain traffic would moreover be carried in lake boats down to Montreal even though the route were open to ocean vessels.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Chapter 7.

P.116. "Of great importance to the trade of the St.Lawrence are the heavy exports of meats, lard and other packing house products, which now exceed two billion pounds annually. .... Based on production, 73 per cent of these exports originate in the States tributary to the Great Lakes-St.Lawrence Ship Channel.

P.117. "There has been a sharp decline in meat and animal fat export during recent years. The two billion pounds of packing house exports referred to above was approximately attained in 1923 and slightly exceeded in 1924 but since that time has been cut almost in half.

P.123. "Dairy products likewise present little prospect of furnishing an important item of traffic.

P.124. Section 2.

"Grain traffic from the U.S. the wheat territory chiefly tributary to the Great Lakes is one of declining rather than increasing importance as an export area. And the amount diverted annually to the St.Lawrence might be estimated at

	45.2	million	bushels	annually
Corn	1.0	"	"	"
Rye	11.7	"	"	"
Barley	6.7	"	"	"
Oats	12.2	"	"	"
	76.8	"	"	"

P.133. Section 3.

"Of the grain traffic for Canada in 1922, there were 240.4 million bushels of the principal grains exported to the U.S. and other countries.

"In 1928 there were 385.2 million bushels of the principal grains exported to the U.S. and other countries.

"The opening of the St.Lawrence deep waterway would not draw away the movement of grain from the Pacific Coast as the route is open year around.

"The construction of the Hudson Bay route will only divert from 16 to 24 million bushels of grain annually as the route will only be available for a short period - somewhere from 10 to 15 weeks.

P.138. "Should a further increase of 20 per cent in grain production take place in the next few years, the total grain movement over the St.Lawrence Waterway would be a possible 162 million bushels.

P.142. "The approximate cost of water transportation from Montreal to Great Britain is 9.5 cents. This plus 9 cents is the generally accepted water rate from Duluth to Montreal gives us 18.5 cents as the comparable Montreal rate. From New York to Great Britain 8 cents is a roughly accurate figure plus a lake-rail rate of 11.1 cents would give 19.1 as the present cost through New York.

P.145. "Quotations are given from Fort William to Montreal as 5 cents per bushel.

P.147. "During the summer months many of the lake boats have to lay up for part of the time waiting for freight,which means that the peak period of 6 or at most 8 weeks from the latter part of September to about the middle of November, would present the only profitable opportunity for ocean vessels to enter the Great Lakes and supplement the capacity of Lake fleet in moving such portion of the crop as it is commercially desirable to move abroad, before winter sets in.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C2DC42

Agricultural Traffic

P.157. "The conclusion at which we arrive from the analysis in this section is not that the grain farmers of the interior North West would receive no benefit if the St.Lawrence Waterway reduced freight rates.

"When a count is taken of all factors, it is clear, however, that the gains to the farmer would be only the merest fraction of the amount usually claimed, and such gains would in no small part be at the expense of other groups, including the farmers of the rest of the country.

Chapter 8. The Waterway and Traffic Congestion

P.170. "Is a waterway deep enough to accommodate ocean vessels essential for the movement of grain traffic? If it is desirable to eliminate the Railroads altogether from the carrying of the grain traffic during the autumn season and to carry the entire load by water, this can be done, as we have shown in the preceding chapter, more economically in lake than in ocean vessels. Similarly, if it is important to move a larger portion of the total Canadian grain crop east to seaboard ports before the closing of Navigation, a better alternative than a waterway for ocean ships is to deepen the St.Lawrence sufficiently to permit lake boats drawing 19 or 20 feet to pass down to Montreal.

"It is, however, by no means clear that any great economic significance attaches to a quicker movement of the Canadian grain crop to tidewater. In recent years as much as 70 per cent of the Canadian grain is moved east from Fort William and Port Arthur during the period of open Navigation, an acceleration of the marketing process by means of more adequate shipping facilities during the late autumn would work at cross purposes with the efforts of farm groups who, by means of grain pools and better facilities, are hoping to market their grain in a less precipitate and more 'orderly' fashion. It should also be noted that such of the grain traffic as is now carried by rail in the late autumn is not without adverse effect upon the revenues of the Canadian railroads.

P.171. Section 2. The St.Lawrence as an agency for Traffic Relief

"Not only would the waterway not adequately relieve traffic congestion on through hauls between the Middle West and the Atlantic seaboard, but it would still be necessary to provide the additional rail facilities required in originating and delivering the great part of the traffic which might move over the water route. Moreover the Waterway would not provide relief for that vast total of traffic which moves elsewhere than between lake ports and the Atlantic seaboard.

Section 3. A Comparison of the traffic capacity of the St. Lawrence and a freight railway.

P.180. "From the analysis in this chapter we arrive at 3 conclusions: first, that in the normal course of development there is not likely to be any serious traffic congestion during the next decade or so; second, that the St.Lawrence Waterway is not well adapted for the relief of traffic congestion; and, third, that in any event, possible traffic congestion could be much more economically relieved by means of the construction of the double track railroad than by the construction of the St.Lawrence Waterway.

Chapter 9. Relation to Railway Rate Control

P.201. "Now if the construction of the St.Lawrence route by diverting traffic, or by forcing reduction in rates on certain commodities, should materially reduce the earnings of the C.P.R. in Eastern Canada, the railway would naturally seek to increase

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

12 DEC 43

its earnings by higher rates in that part of the Dominion where the railways are not subject to water competition, that is, in the Canadian Northwest. What would be sound policy for the C.P.R. would also be sound policy for the nationally owned system. It is conceivable that an increase of rates in the Prairie Provinces might enable the railways to recoup themselves for losses on account of the waterway sustained in the Provinces of Ontario and Quebec.

"The difference in rate levels between Eastern and Western Canada, particularly the farther West, has, however, long been a source of grave complaint in the Western provinces. In fact, the matter has been a subject of political controversy and much consideration has been given by the government to the demands for equalization in rate levels between the various problems. Concessions have been made to the demands of the West in a long line of decisions by the Board of Railway Commissioners, each of which has tended to lessen the 'spread' between Eastern and Western rates. The needs of relieving agriculture and of equalizing Eastern and Western rates have also frequently found expression in statements of policy by the Privy Council. If, in the interest of recouping railway losses occasioned by diversion of traffic to the waterway the rate should be raised in Western Canada, the difficulty of obtaining ultimate relief for the railroads through an increased population and an enlarged volume of traffic would be increased.

P.203. "To raise the level of rates in Western Canada would tend to check the flow of immigration into the undeveloped lands of the Western provinces. Such a development would thus make more remote the improvement in the railway situation that is ardently hoped will result from an ultimate increase in the agricultural population of Canada.

Chapter 11. Summary and Conclusions

P.228. "In analyzing so comprehensive a problem as that presented by the St.Lawrence Navigation and Power Project, it has been necessary to divide the discussion into a number of more or less separate parts. In this final chapter we must, therefore, draw together the various threads of our analysis and present the conclusions to which the investigation as a whole appears to lead. It will be necessary to indicate certain general conclusions with reference to the project conceived as a single enterprise, and also to consider it separately from the point of view of Canada and the United States respectively.

1. Costs.

"The cost of the project summarized in round numbers incurred jointly for Navigation and power is shown to be approximately $999,000,000.

"In addition, the development of the potential power available in the lower St.Lawrence wholly within Canada would cost, according to tentative estimates submitted by the Joint Board of Engineers, approximately $225,000,000.

2. Power.

"Our analysis indicates that although the development of the St.Lawrence hydro-electric energy will in the course of time doubtless be economically profitable, its exploitation at present would be premature.

P.229. "The United States share of the energy to be developed in the International Rapids Sections could not be disposed of in existing markets at a price sufficient to cover its cost of production and distribution, as profitable marketing in the future will depend primarily upon an extensive industrial development, particularly in electro-chemical and electro-metallurgical lines, along the American side of the river.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121144

"The conclusion with reference to Canada's enormous power resources in the St. Lawrence is similar, the profitable sale of this energy will depend upon great industrial expansion on the Canadian side of the river. Canada has great additional power resources which many believe should be developed before tapping those of the St. Lawrence. The power project should not be expected to subsidize navigation. In discussions of the proposed St. Lawrence development, it has frequently been stated that the revenues derived from the sale of hydro-electric energy would be sufficient not only to cover the cost of the power development but also to meet the capital costs for navigation as well. We have seen that such a conclusion is quite unwarranted. Even were there excess returns from the sale of water power, it by no means follows that such revenues should be used to support navigation. The navigation project must stand on its own feet, at least to the extent that costs have to be incurred solely for the purposes of navigation. With the so-called joint costs allocated entirely to power, the navigation costs, as we have seen above, still amount to a total of $614,000,000. The Governments of Canada and the U.S. will be justified in incurring these costs only provided they will lead to a reduction in the costs of transportation.

3. Shipping.

P.230. "The investigation has shown that a 27-foot channel would limit the use of the route to vessels of the type engaged in the Coastwise trade and to the smaller trans-oceanic freighters, chiefly tramps and the war-built United States Shipping Board boats. A depth of 33 feet would be necessary if the route were to accommodate first class steam and motor-driven cargo vessels of the type which proponents of the waterway have ordinarily assumed would use it.

"Our analysis of the shipowners' problem indicates that first class cargo liner service would not be established between lake ports and world markets, even if an adequate depth of channel were provided. This is primarily due to the difficulty that ocean vessels would encounter in finding remunerative employment during the five and one-half months that the St. Lawrence route would be closed to Navigation each year. At the most we could expect coast-wise vessels and tramp steamers to utilize the route and possibly a second class liner service to develop between lake ports and Europe. Our analysis of the character of traffic available lends strong support to this conclusion.

4. Traffic.

P.231. "Our traffic analyses have shown that the total traffic likely to make use of the proposed St. Lawrence Waterway would probably not exceed 10,500,000 tons a year. This figure includes certain local traffic along the River as well as that which would pass between lake cities and coast or overseas ports, and it makes extremely liberal allowances for the expected growth of traffic. Grain would comprise over 60 per cent of the total and two-thirds of the grain would be of Canadian origin. American export traffic in grain from the territory tributary to the Great Lakes is in fact destined practically to disappear in the not distant future. The bulk of the remaining tonnage would consist of fertilizers, sugar, petroleum, coal and pig iron.

5. Tax-Payers' Burden.

"The annual overhead charges against the waterway, that is, interest and depreciation on the capital investment and maintenance and operation of the route, would amount, when figured on the most conservative basis, to approximately $40,000,000. a year. If the so-called joint costs common to both navigation and power were allocated entirely to power, the charges against navigation would still be as much as $36,000,000. a year. These overhead costs are not to be covered out of the rates charged to shippers, nor are they to be met by the levy of tolls for the use of the waterway. They are to be paid out of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121145

P.232. the National treasuries of the two governments, which means that the tax-payers are to contribute about $3.50 a ton for the benefit of such shippers as would use the route.

"Since grain constitutes over 60 per cent of the total traffic, and is fairly typical of the tonnage which might use the route, this commodity may be used to illustrate the fallacy in the argument that the Canadian and American people as a whole would realize great economic advantages from the St.Lawrence project. The overhead charges of $3.50 a ton are the equivalent of about 11 cents a bushel on wheat and rye, the principal items of grain traffic. The inclusive cost of transporting wheat over the St.Lawrence Waterway from Duluth to Montreal would be 5 cents - the actual water rate - plus 11 cents subsidy contributed by the taxpayers, making a total of about 16 cents a bushel. Existing wheat rates from Duluth to Montreal average 9 cents a bushel, and from Chicago to New York about 11.3 cents a bushel. The reductions in grain rates that would be effected by enabling ocean carriers to enter the Lakes or lake boats to move down to Montreal would be at the most 4 cents a bushel. Thus, in order to effect a reduction of 4 cents a bushel in the cost of moving grain, tax-payers in general would have to contribute approximately 11 cents a bushel. The conclusion is therefore inescapable that the proposed 27 foot Navigation project cannot be justified on economic grounds. The inclusive costs - to taxpayers and shippers - are much greater than present transportation charges.

"It remains to consider certain aspects of the project as they relate to the United States and to Canada separately.

A. The United States

P.233 "Our analysis has shown that the congestion of railroad traffic immediately after the war which played so important a part in promoting interest in the St.Lawrence Waterway Project has completely disappeared and that there is no great likelihood that railway service will prove inadequate during the next decade or so. It has also been demonstrated that the St.Lawrence waterway, because of its seasonal closing and relatively restricted carrying capacity, would not constitute the most satisfactory or most economical means of relieving traffic congestion should it develop in the future. Similarly, we have found that the contention that the waterway is necessary to control railroad rates is quite without foundation. Not only would it be a relatively ineffective agency for the regulation of railroad rates but it would constitute an unscientific method as compared with that afforddd by regulation through the Interstate Commerce Commission. If, in the interests of the general welfare, it is deemed necessary to reduce freight rates on certain commodities
P.234 moving between the Middle West and the Atlantic Seaboard, the Commission can reduce them directly. Specially low schedules on certain export traffic have in fact been established, and the railroad revenues as may be involved could be compensated by slight rate advances in the rates on other traffic or otherwise at a social cost that would be negligible in comparison with that involved in constructing a waterway as a potential competitor. In considering the St.Lawrence Waterway from the point of view of the United States, a word must be said with reference to the alternative 'All-American' route. It has been suggested that the interests of the United States would be best served if a route were constructed from Lake Ontario via New York State Waterways to the Hudson. Such a route would according to the United States engineers who have investigated the problem, involve costs substantially greater than those for the improvement of the St.Lawrence. It follows that the annual charges to be met by the United States tax payers would be very much larger for the All American route - not merely because of the greater total costs but also because the United States would have to bear the entire expense instead of sharing it with Canada. Whether such a route might have naval advantages is for others to determine.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121146

"The United States has another possibility to which attention must be directed. The Canadian Government is, as we have seen, constructing a new 27 foot Welland Canal and as a result it will shortly be possible to bring into Lake Ontario the larger lake boats which draw around 19 feet of water, and even down as far as Ogdensburg on the St.Lawrence River, thus extending cheap lake transportation eastward a distance of as much as 250 miles. This development will supplement milling and trans-shipping facilities at lower lake ports in a desirable way. Oswego has a good lake harbor and already has a connection for export grain with New York City via a branch of the New York State Barge Canal. Both Oswego and Ogdensburg have rail connections with the ports of New York, Boston and Portland, and through these connections serve the dense consuming area of Central and lower New York State and New England. This is of particular importance for feed grains which are used in large quantities in this intensive dairy and poultry region.

B. Canada

"Canada's interest in the proposed 27-foot St.Lawrence development is in certain respects essentially different from that of the United States. The outstanding fact in the Canadian transportation situation is that existing transportation agencies do have a sufficient volume of traffic. The need is for additional tonnage for the railways rather than for the
P.235. relief of any congestion present or potential. Not until the railroad traffic of Canada shows a substantial increase will the . . . Canadian National Railways be in a sound financial position, and not until a much denser traffic develops will it be possible for Canadian railroads generally to give the low rates which are de-
P.236 sired. For the Canadian Government to incur enormous expenditures for the construction of a waterway designed to divert some of the traffic from the existing railways is clearly unsound National policy; for not only would railroad rates on other traffic have to be increased, but as we have seen, the Canadian people would find their taxes increased by many millions annually in meeting the capital and operation charges incident to the waterway. Certain shippers would benefit from the reductions in transportation rates of a Government subsidized water route; but the added taxes and higher rail rates that would result would much more than counterbalance these gains.

"Canada has, however, committed herself to the construction of the New Welland Canal 27 feet in depth, at an estimated cost of $115,000,000 (exclusive of interest during the period of construction). While the authorization of this 27 foot link prior to a decision as to the Great Lakes-St.Lawrence development as a whole was premature, now that the new channel has been virtually completed it has to be reckoned with as an accomplished fact. With the opening of this Canal, lake boats will be able to carry Canadian grain and other produce an added distance of 191 miles, from Port Colborne to Kingston at the lower end of Lake Ontario, or 250 miles to Prescott on the St.Lawrence River across from Ogdensburg, N.Y. where a new grain elevator with a capacity of 5,400,000 bushels is now being constructed by the Canadian Government at an estimated cost of $4,000,000. The question may, therefore, be raised whether it would not be desirable for Canada to improve the St.Lawrence to a depth of 22 feet down to Montreal which would be a sufficient depth to enable the lake boats to move all the way down to that ocean port. Our investigation has shown that the lake carriers are more economical than the ocean boats, and that even were a deep channel available, ocean boats would find it difficult to compete with lake boats except during the peak season when rates are at the maximum. All the transportation economies between the upper lakes and Montreal that can be effected could be realized by means of a 22 foot channel. Such a depth of channel would involve no substantial improvements of existing inter-connecting lake channels or of lake harbors. While no detailed data are available as to the cost of providing a route for ocean going vessels, we are not prepared to express judgment

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121147

P.237. upon the desirability of Canada's improving the St.Lawrence to a depth sufficient to permit lake boats to extend their run as far as Montreal. The wisdom of such a development depends in part upon its possible effects upon the quantity of power that could be developed along the river and also upon its relation to Canadian transportation policy as a whole. A comprehensive National policy should be well evolved by the Canadian Government - a policy that will embrace considerations of Government finance, railroads rates and earnings, present waterway facilities, power development, and the general economic interests of the country.

P.238. "In concluding this discussion of the St.Lawrence Waterway it is desirable to point out why waterways generally have come to common widespread popular support. The movement for waterway improvements is based on the conviction that transportation over Canals and Canalized rivers, like that on the high seas, is very much cheaper than transportation by rail. This conviction is, however, the outgrowth of a wholly fallacious comparison of transportation rates supposed to show that a dollar will carry a ton of traffic many times as far over a canal or river as it will over a railway. The fallacy lies in the fact that the water rates cover only a portion of the costs. In the early days of inland water transportation in the United States, tolls were charged which were usually sufficient in amount to cover the overhead expenses incident to the construction and the maintenance of the waterway. The total cost of waterway transportation was then measured by the tolls plus the rates charged by the owners of the boat lines. But, after the development of the railroads, it became necessary to abolish tolls in order for the boat lines to compete with any degree of success against the railroad carriers. This was true not only in the United States, where privately owned and operated railroads resorted at times to cut-throat competitive methods, but it was equally true in European countries where the railroads were owned by the government and where rates were rigidly controlled. Since the abolition of tolls, the rates charged to the shipper include only the so-called direct costs of moving freight a given distance; and they need be merely sufficiently high to provide a return to the boat owners operating on a toll free waterway. The enormous overhead costs incident to the construction and the maintenance of the waterway have thus been shifted from the shipper to the taxpayer. These taxes are costs of transportation quite as much as were the tolls which the shippers formerly paid. The railways, on the other hand, have to make rates sufficient to cover much more than the cost of moving trains over a given route. They must also cover maintenance and upkeep of the railroad tracks and terminals, interest and depre-
P.239 ciation on the capital investment, provide revenues for the payment of taxes to the government, and yield sufficient dividends on the stockholders' investment to attract additional capital into the railway business. Thus a citation of rail and water rates as evidence of comparative transportation costs is a pure fallacy. If a railroad were freed from all interests, dividend and maintenance charges and from taxes as well, rates to shippers
P.240. could obviously be greatly reduced. Such a subsidy from the taxpayers would not, however, decrease the inclusive cost of shipping goods; it would only shift the burden of a large part of the cost, from those who receive the direct benefits of the transportation service to the taxpayers in general. In connection with waterways this fundamental fact is commonly completely ignored.

"Only when all elements of cost, whether contributed by the taxpayers or by the shippers, are included in cost computations will it be possible to determine what transportation projects are economically justifiable and what ones are economically wasteful."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L2 11 48

The conclusions are:-

1. Population of Canada 1933 10,200,000

36% are workers, viz: 3,720,000

25% of 3,720,000, viz. 930,000 are unemployed,

leaving a balance of 2,720,000 working, costing for the Dominion $35,603,000. and costing the provinces three times $35,603,000., viz. $106,800,000., equalling 153.12 per capita per annum.

The debts of the Dominion March 31st, 1933, are estimated at $2,990,315,000. After deducting active assets the net debt is $2,599,089,000. Guaranteed for C.N.R. $1,000,000,000.

As Moulton has added 20% on estimates, and he admits that the prices will be at least two to one of the estimates. Of course, the U.S.A. cost will be the same as Canada, but at the moment we are only counting up for Canada. We see that Canada's share as of below is $398,367,500., which added to $104,000,000. will form a total of $502,367,500. which multiplied by two gives the total cost of the Canadian half of Seaway.

Total $999,000,000.	International Rapids power paid by New York	$ 98,265,000.
202,265,000.		
2)796,735,000.	Ontario for power	104,000,000.
398,367,500.		$202,265,000.

U.S. and Canada,
one-half of above.

P.89. The Welland Canal was estimated to cost $55,000,000., cost really $155,000,000. Other canals the same way.

The Dominion owes	$3,599,089,000.
The Seaway will cost Canada another	1,000,000,000.
	$4,599,089,000.

$4,599,089,000. at 4½% =	$206,959,005.	
Direct relief for Dominion alone	35,603,000.	
Ordinary expenditures for 1933-34	369,429,000.	$611,991,005.
The gap between assets and expenditures for Canada 1933-34 is $82,000,000. at 4½%		3,690,000.
		$615,681,005.

Costing each worker of Dominion 226.35 per annum, not counting the taxes, etc. from the provinces.

House of Commons Debates of March 21, 1933.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120049

1. Moulton states on page 170 that 70% of the grain on the Canadian side has passed down the river before frost stops navigation on the St. Lawrence, and in order to move the 100% of grain it would be necessary to stop the railways.

2. As a matter of fact the farmers find that keeping their grain over till spring, they have a better market and as soon as a farmer has a little money he keeps his grain over till spring.

3. The U.S.A. is taking to-day at Chicago from Lake Michigan 8500 c.f.s. I understand that they propose to diminish this amount to 7000 c.f.s. and to take 5000 c.f.s. for the Illinois Canal.

P.41.
4. Lake vessels could not operate on the High Seas nor could ocean vessels operate on the Lakes.

5. Surely Canada will not open up her country for 2000 miles to let other nations pass through when and where they like. I know of no other country that does it.

At the present time the Eastern States in which are situated large centres, such as New York City, Boston, etc. develop their power with steam and they do so at a cost much less than we could furnish power from Quebec or the developed Seaway. We cannot hope to go on developing power for sale unless we can do so at a cost which would interest large American centres to purchase the same from us.

The cities on the Atlantic Seaboard, viz. New York, Boston, Albany, Washington, etc., as well as such inland water cities as Buffalo and Detroit, are against the Seaway for two reasons, i.e. it is of no advantage from a shipping standpoint over present shipping arrangements and facilities and it is of no advantage from a power standpoint because they realize the cost of development is too great for the advantages and power to be gained thereby.

In the "Montreal Star" of May 3, 1933, an article appears on the United States action on the St. Lawrence Seaway, wherein the Mississippi Valley Association demands that the United States Supreme Court have final jurisdiction over the diversion from Lake Michigan rather than the International Commission set up by the treaty.

Should Canada surrender its sovereign rights and control over the St. Lawrence River and the Great Lakes to a foreign nation rather than to retain the control for itself through the International Commission?

In Chapter 5, Page 85 of his book, Moulton intimates that the joint engineers of United States and Canada estimated the cost of the Beauharnois Project (Soulanges Section) at $32,859,000., whereas the real cost of the said project when finished will approximate $218,000,000.

If Moulton condemns the project as being too costly at $32,859,000. how much more then would he condemn it at a cost of $218,000,000.

Our railways, which we admit to be vital to us, are in extreme financial difficulties at present, and we should not invest new capital in any transportation facilities which will ruin the railways, and this is exactly what the Seaway will do if completed, i.e. diminish the earning capacity of the railways.

W. H. ROBERT

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

E2DC50

OTTAWA, 23 September, 1935.

Dear Sir,

In the absence of the Right Honourable Senator Meighen I beg to acknowledge receipt of your letter of the 14th instant.

Pending Senator Meighen's return I will make inquiry as to the reports you desire and you will receive a further reply within a few days.

Yours faithfully,

A.H.Hinds
Private Secretary.

Professor Fred W.Trexise,
Department of Engineering,
Lawrence College,
206 N.Meade Street,
Appleton, Wis., U.S.A.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

R.B.
121151

ASSISTANT DEPUTY MINISTER AND SECRETARY
DEPARTMENT OF RAILWAYS AND CANALS
OTTAWA, CANADA

THE SENATE OF CANADA
SEP 27 1935
COMMITTEES BRANCH

September 26, 1935.

Dear Sir,

Your letter of the 23rd instant was received in the absence of Mr. Yates, who has left the city for a short holiday.

Regarding the request of Professor Trezise, I am advised, on inquiry, that the best information available on lake levels, etc., is contained in Appendix "B" of the report of the Joint Board of Engineers on the St. Lawrence Waterway Project of 1926, a copy of which may be obtained from this department, on payment of the nominal fee of $5.00 which is attached to its distribution.

I return herewith Professor Trezise's letter, as requested by you.

Encl.

Yours very truly,

R. M. Hennessy

A.H.Hinds., Esq.,
Chief Clerk of Committees,
The Senate,
Ottawa.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121152

THE UNIVERSITY OF WISCONSIN
MADISON

DEPARTMENT OF HYDRAULIC AND
SANITARY ENGINEERING

Appleton, Wisconsin.

September 14, 1935.

Rt. Honorable Arthur Meighen,
Senate Chamber,
Ottawa, Canada.

Dear Senator Meighen:

I have been making a study at the University of Wisconsin during the past two years upon the hydrology and levels of the Great Lakes, particularly Lakes Michigan and Huron. This study is an effort to correlate the factors causing the changes in the lake elevations.

The press some time ago carried considerable news upon the discussion of the problem as related to Canadian shipping, Georgian Bay and other points along the Canadian boundary.

Since I am very anxious, Senator Meighan, to secure all the information possible upon and related to the subject, I shall greatly appreciate indeed receiving a copy of the reports and the material which was presented to the parliament, which concerns the problem in which I am interested.

There are so many rather indefinite factors involved in the study, it is somewhat of a task to bring together available information however I shall be grateful if arrangements could be made to permit my use of reports or other material. Should you desire, I shall be glad to forward copies of the study as it progresses.

Very sincerely and respectfully,

Fred W. Trezise

(Professor) Fred W. Trezise
Department of Engineering,
Lawrence College

Present address:

Lawrence College
206 N. Meade St.,
Appleton, Wis.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121153

117

OTTAWA, 30 September, 1935.

Dear Sir,

In the continued absence of the Right Honourable Mr. Meighen I beg to refer again to your letter of the 14th instant.

I am advised, on inquiry, that the best information available on lake levels, etc., is contained in Appendix "B" to the report of the Joint Board of Engineers on the St. Lawrence Waterway Project of 1926, a copy of which may be obtained from The Secretary, Department of Railways and Canals, Ottawa, on payment of a fee of $5.00.

Yours faithfully,

A.H.Hinds
Private Secretary.

Professor Fred W.Trezise,
Lawrence College,
Appleton, Wis., U.S.A.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121154

Miss Edmondson.

If Mr. Meighen would prefer that I convey this information to Prof. Trezise pls return.

A.H.H.

THE SENATE OF C
SEP 30 1935
COMMITTEES BRANCH

Please reply, saying are doing so in Mr. Meighens absence

E.M.E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121155

Robert

Montreal, 1452 Bishop St.,
February 4th, 1937.

TO WHOM IT MAY CONCERN:

Few citizens of Canada realize the import of the diversion of water from Lake Michigan which commenced in the year 1899 and has continued without interruption to this day. The word "diversion" correctly indicates what is taking place, because the water is diverted from the St. Lawrence River to the Mississippi River. It is not a case of water being used and returned but of water lost to its natural course, the St. Lawrence.

The importance of this diversion may be appreciated by considering two facts:-

1. The level of the St. Lawrence River suffers, to the injury of shipping and every port between Lake Michigan and Three Rivers and perhaps below. The extent of this injury is stupendous and will increase as commerce grows;

2. Chicago by means of the diverted water creates 1,000,000 H.P. which at $10.00 per H.P. has an annual value of $10,000,000.

The purpose of this memorandum is to examine the legality of the "diversion".

FIRST: In all civilized countries it is unlawful to divert permanently running water from its natural channel. Authority to do so must be obtained from the law making power.

SECOND: The rules of Public International are founded upon those rules which have been generally accepted by civilized nations as right and proper for the regulation of similar matters in internal affairs.

THIRD: Treaties between the United States and Canada imply that the waters of the Great Lakes and of the St. Lawrence River are to be used freely for the joint benefit of both countries and this implied covenant is broken when one country permanently diverts these waters from their proper channel.

The first treaty I will mention is the "Treaty of Paris 1783". The point here is that the "boundary line" between the two countries from the point where the 45th. degree of north latitude strikes the St. Lawrence River to the head of the Great Lakes, is declared to be a line through the middle of the River and Great Lakes.

This provision undoubtedly establishes joint ownership in these waters and from this flows the proposition that water cannot be permanently diverted from these waters without a joint consent.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121156

The second treaty is the "Treaty of Amity, Commerce and Navigation, 1794". Here it was agreed that the citizens of both countries should have the right to navigate freely all boundary lakes, rivers and waters and freely to carry on trade and commerce with each other.

In the Treaty of 1783 is found the basis of joint ownership. In that of 1794 joint use of all parts.

The third is the "Ashburton Treaty of 1842". Channels in the river and between the lakes which might lie within the territory of either country were declared equally free to the shipping of both countries. This provision helped to make more effective the joint use of the waters.

The fourth is the "Treaty of 1854-5". The United States was given the right to navigate freely the St. Lawrence below the point where it ceases to be the boundary and also the Canadian Canals forming part of the water highway between the Lakes and the Atlantic. Here again the effectiveness of joint use is augmented.

The fifth is the "Treaty of Washington 1871" reaffirmed the free use to the United States of the St. Lawrence below the international boundary line.

The sixth treaty is the "Boundary Waters Treaty 1909" wherein it is provided among other things:-

1. All navigable boundary waters shall forever CONTINUE free and open for the purposes of commerce and to the shipping of both countries;

2. The diversion of waters running into boundary waters resulting in any injury shall give rise to the same rights as would arise from a diversion of water lying wholly within either the United States or Canada.

Here we find reaffirmed the joint use of all navigable boundary waters and a recognition of the universally recognized rule that water shall not be diverted from its natural channel.

Pending cases or cases covered by special agreement are not covered by this provision for compensation. Thus the Chicago diversion from Lake Michigan is left where it was. The treaty however goes on to provide that no further diversions, permanent or temporary shall be allowed except by mutual consent of Canada and the United States. Thus the illegality of a diversion of boundary waters is fully recognized.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121157

The diversion at Chicago injures United States interests as well as Canadian Interests. The Supreme Court of the United States decreed on April 21st, 1930, that the diversion at Chicago over and above domestic pumpage (then 11,435 second feet) should be reduced by the 1st July 1930, to 6,500 second feet; by the 31st December, 1935, to 5,000 second feet and by the 31st December, 1938, to 1,500 second feet.

The question arises how has this decree been obeyed?

Since 1899, this diversion has been going on. What has Canada suffered in that time? Various estimates have been made some whereof were startling.

Inasmuch as the question of ratification of the Treaty between Canada and the United States covering the Sea Way Project will in all probability be brought forward in the near future and, inasmuch as the Treaty as signed by the plenipotentiaries of both countries practically accepts the Chicago diversion to the extent allowed by the decree of the Supreme Court of the United States, the writer has thought it opportune to outline in this letter certain reasons in support of the illegality of such diversion.

The writer is opposed to the Treaty in all its aspects, but if it is to be ratified, it should be amended to provide for just and proper compensation to Canada for the loss of water which has been diverted since the year 1899. There will never be another opportunity because the Treaty will settle the rights of the two countries in so far as the use of the boundary waters are concerned for all time.

W. H. ROBERT.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121158

117

1452 Bishop St.,
Montreal, March 22, 1937.

TO WHOM IT MAY CONCERN:

I would suggest that before reading this letter, you refer to pages 1-2-3 and 4 of my open leter of February 22, 1937, so that you will understand why I am putting these further facts before you.

I have read with much interest the radio address given by Mr. G.W. Kyte on January 5, 1937, on reading which the following occurs to me:

How does it happen that at the instance of the U.S. the Commission took up the trouble between the Smelter Co. at Trail, B.C. and the United States which was only of a few years duration, and finally gave Judgment for $350,000 to the Complainants.

I cannot see anything in the booklet that helps Canada re the Chicago diversion. You remember what one American newspaper said some time ago to Canadians - "We have made a big hole in the Chicago River, if you want it, come and get it." I see nothing in the pamphlet to show that they found any necessity for asking indemnity from the U.S. for Canada, regarding the Chicago diversion, though this has gone on since March 3rd, 1899.

Senator Casgrain stated some time ago that Col. Hugh L. Cooper said under oath that the Chicago diversion injures navigation on the St. Lawrence to the extent of $7,360,000 yearly.

The Gazette of November 23, 1936 contained the following:-

"The Associated Press declared, 'The United States and Canada now have a good neighbor record of more than one hundred years, during which all disputes between the two nations have been settled AMERICABLY!' A great many Canadians recalling the Alaska Boundary, Bering Sea and Maine Boundary awards, will be inclined to think that the Associated Press has stumbled upon a very happy euphemism in describing these and other settlements between the two countries."

St. Lawrence Deep Waterway

In a letter of January 13, 1933 from the United States Secretary of State to the Canadian Minister in the U.S. the following appears:

"A suggestion has been made that an indirect effect of the terms of the Great Lakes-St.Lawrence Deep Waterway Treaty signed July 18, 1932, might be to commit this Government or the State of New York, or other authorities concerned, if any, to the continuance of the diversion for the private power installation now using the Massena Canal and the Grasse River."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C21159

The Canadian Minister replied as follows:-

"My Government shares the views of the United States Government that it was not the purpose of the Treaty to fix, in any respect, the policy to be pursued in regard to the maintenance of such diversion. It is the view of the Canadian Government that the continuance or discontinuance of that diversion is a purely domestic matter for determination by competent authorities in the United States."

"The Canadian Government therefore joins with the United States Government in a declaration of the following principles:-

1 - "The effect of the Great Lakes-St.Lawrence Deep Waterway Treaty, signed at Washington, July 18, 1932, is not, in any respect, to recognize, confirm, or establish any rights or claims of any person or corporation, in respect to the diversion of water for power purposes through the Massena Canal and the Grasse River, or to limit the freedom of the United States or the State of New York, or other competent authority, to treat the question of the continuance, control or elimination of such diversion as a domestic question."

2 - "The Canadian Government does hereby and will, upon request, formally consent to the modification or elimination of the works provided for in the report of the Joint Board of Engineers, in connection with the said diversion through the Massena Canal."

3 - "The Canadian Government recognizes that the competent authorities in the United States are free to eliminate the diversion of water for power purposes through the Massena Canal and Grasse River, and to use the water so released through the main works in conformity with the provisions of Article IV of the said Treaty."

I notice with much pleasure the amount of good that the different ideas that have been suggested from time to time, have accomplished. They have been taken up with vim and vigor by the Canadian Government.

Canada loses a tremendous amount of money and trade every year because of the fact that the level of the St. Lawrence Waterway is too low, due to the diversion at Chicago and other causes.

Chicago makes money every year from the power that she develops with the water that she diverts from the St. Lawrence System.

CANADIANS SHOULD WAKE UP AND REALIZE THAT ALL THIS MONEY THAT CHICAGO IS MAKING, AND HAS BEEN MAKING FOR MANY YEARS, IS MADE FROM THE USE OF WATER THAT BELONGS TO CANADA, AND WHICH CHICAGO IS ILLEGALLY DIVERTING. EVERY CANADIAN, THEREFORE, SHOULD DO ALL IN HIS POWER TO SEE THAT CANADA GETS HER DUE.

Canada should start a programme of Dominion-wide reforestation and any deforestation programmes carried out in future should not be allowed unless new trees are planted to replace the ones cut down.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121160

The reason for this is that the trees hold moisture in the ground longer and draw the rain.

The perusal of the report on the organization and work of the International Joint Commission, by George W. Kyte, K.C., one of the Canadian members, proves that Canada did all she could to make arrangements between Canada and the United States legal, and the United States has done nothing to meet Canada half-way, because the Americans have advantage of three sets of Laws, viz: FEDERAL AND STATE LAWS AND THE SECRETARY OF WAR. The Act of the Canadian Parliament confirming this treaty states that, "The laws of Canada and of the several provinces thereof are hereby amended and altered so as to permit, authorize and sanction the performance of the obligations undertaken by His Majesty in and under the treaty, and so as to sanction, confer and impose the various rights, duties and disabilities intended by the said treaty to be conferred or imposed or to exist within Canada."

"Boundary waters are defined in the preliminary article of the treaty and control and supervision over them are delegated to the Joint Commission by Article III which provides, 'That no further or other uses, obstructions or diversions whether temporary or permanent of boundary waters on either side of the line shall be made except by authority and with the approval of the International Joint Commission.'"

"The treaty had a threefold purpose: First, to prevent disputes regarding the use of boundary waters; Second, to settle all questions which were then pending between the United States and the Dominion of Canada, involving the rights, obligations and interests of either in relation to the other along their common frontier; and Third, to make provisions for the adjustment and settlement of all such questions as might thereafter arise between the two countries. In this manner was created an International Court, not limited in its jurisdiction to deal with one particular matter, such as that which dealt with the fisheries dispute or the tribunal appointed to settle the Alaskan Boundary, but for the adjustment and settlement of all such questions as might arise between the United States and Canada. There is no precedent for it in the history of international relations."

"Over a period of twenty-five years, notwithstanding the complicated and intricate character of many of the problems referred to, some of them calculated to arouse serious national antagonisms, ITS DECISIONS IN ALL CASES WITH ONE EXCEPTION OF MINOR IMPORTANCE HAVE BEEN UNANIMOUS."

W. H. ROBERT.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C21164

117

1452 Bishop Street,
Montreal, March 25th, 1937.

TO WHOM IT MAY CONCERN:

Without doubt there are some experts who point to other things as being the major cause of lowering the levels of the river, but their views are supported by arguments rather than results of any actual test.

Against these views is the fact that the level of Lake Superior has hardly changed during the last fifty years.

However, the diversion at Chicago is, at all events, a contributory cause. This diversion has been going on for close to forty years now and Canada has received no compensation whatever for the injury to her water way.

In the St. Lawrence Deep Water Way Treaty of 1932, it was provided that compensation works in the Niagara and St. Clair Rivers, designed to restore and maintain the lake levels to their natural range, should be undertaken at the cost of the United States for the diversion through the Chicago drainage canal, but no provision was made in the Treaty for compensation for past injury. Ratification of this Treaty, which I hope will never happen, is now more uncertain than ever.

I take it for granted that the Lake levels can be restored to their natural range by compensation works, in view of the provision in the treaty just referred to. Such being the case, the question arises whether the restoration of the lake levels to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121162

their natural range is of sufficient importance for Canada to employ every available means to prevail upon the United States undertaking the necessary compensation works. There is also the additional question of compensation to Canada for past injury.

I need not enter into any details as to the extent of the injury we are suffering, as I know you are fully informed in this respect. But I do wish to point to, as some indication of the extent of the injury to this country, the great benefits Chicago is reaping and in this respect it is sufficient to mention the power development on the Ilinois Water Way which, it has been stated, will add $100,000,000. a year to the volume of Chicago's business.

When we realize that this huge advantage is obtained at the expense of the waters of the Lakes and St. Lawrence River, the justice and necessity of our receiving adequate compensation and of the compensation works being undertaken by the United States without delay, is clearly demonstrated.

I trust that you will find time and opportunity to urge with all your power the rights of Canada in these matters.

W. H. ROBERT.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121163

The following pages contain quotations from various sources and which I consider are well worth perusal by the Canadian people:

From Stephens book: "The St. Lawrence Waterway Project."

"The Chicago drainage canal, width 162 to 300 feet, uniform depth 24 feet. Designed to carry out of Lake Michigan 14,000 cubic feet of water per second."

"Channel was to be of a size sufficient to dispose of the sewage and drainage of Chicago as the increase of population might require. With a capacity to maintain an ultimate flow of not less than 600,000 cubic feet of water per minute, and a continued flow of not less than 20,000 cubic ft. for each 100,000 of population, within the sanitary district. In addition it was to improve canal navigation between Lake Michigan and the Mississippi River and provide a source of water power for Chicago."

It was afterwards increased to bring in the Illinois River.

"The City of Chicago has an area of 437 square miles, it contains 49 towns and villages outside of Chicago, with a total population in 1923 of 3,213,000. The last official report of the Chicago Sanitary district estimates the total population for sewage purposes by merging the industrial wastes of the stock yards and Corn Products Co. with the living population and calling it 4,800,000, so many cubic yards of offal being equal to so many citizens! By including in this estimate all the industrial wastes of the stock yards and other industries, Chicago established enormous population figures as a justification for taking a tremendous quantity of water per minute from Lake Michigan. From Chicago's point of view this was a simple method of enhancing the value of the city's water power development and the waterway to the Mississippi. The annual profit from power alone, is said to reach $1,000,000 and over per year in Chicago."

This was also increased in order to bring in the power on the Illinois river, increasing the profit $2,000,000 and over for power annually.

"In order to understand how this gigantic diversion came about it is necessary to go back to the beginning. May 8, 1899. The U.S. Secretary of State, Russel A. Alger, issued a permit to the sanitary district of Chicago to take 5,000 cu. ft. per second from Lake Michigan into the drainage canal. In April 1901, the Secretary of War, Elihu Root, issued an order to have this reduced to 4,167 C.F.S., but the amount of water withdrawn during the years that followed was approximately 10,000 C.F.S. and sometimes considerably more."

"The obvious deduction from all this is that the part is greater than the whole, that the authority of an individual State is greater and more powerful than the authority of all the United States. To legalize the withdrawal of excess water, over and above the limit fixed by the Federal power, Chicago made many appeals to Washington without

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121164

result. Five Secretaries of War declined to grant the necessary permission, viz: Messrs. Taft, Stimson, Garrison, Baker and Weeks. Notwithstanding this, the Chicago Sanitary District has gone on just the same, taking the water she wanted in defiance of Washington."

"In 1906 Washington took out an injunction in the Federal Court of Chicago to restrain the Sanitary District from diverting more than the legal limit of water fixed under the permit."

"It was six years before any arguments were presented. In 1913, notwithstanding legal proceedings in process, Chicago appealed to Washington for a further increased flow, which was refused. The Federal Water Dept., thereupon notified the Chicago Sanitary District that it was drawing more water than was allowed, and was violating Section 10 of the Act of March 3, 1899. Chicago replied that bound by the State Law and in obedience to it, the District had been flowing 20,000 cubic ft. per minute for each 100,000 of population (including the Stock yard wastes, classified as living beings) and could not reduce the flow. It took eleven years to reach the first court decision in 1923, which was against the Chicago Sanitary District."

"On June 19, 1920 Judge Landis rendered an oral opinion, finding in effect that the withdrawal in excess of 4,167 C.F.S. by the Sanitary District of Chicago was without authority of Law; that the withdrawal then made reduced the level of Lake Michigan, and other of the navigable waters of the U.S., to such an extent as to be an interference with navigation; that the Secretary of War, acting within his powers, had never given consent to such excessive withdrawals; that the diversion by the Sanitary District was, therefore, unlawful, and that an injunction should be issued."

"Three years later in 1923, in the U.S. District Court at Chicago, Judge Carpenter cited the oral opinion of Judge Landis, 'The evidence shows Judge Landis found, and I find, that the waters of Lake Michigan, and other navigable waters of the Great Lakes, have been reduced in level by the water in excess of 4,167 C.F.S. withdrawn from Lake Michigan by the defendant.'"

"Thereupon the whole matter was sent to appeal in the U.S. Supreme Court where, on January 5, 1925, a decision was rendered against the Sanitary District. In this decision from the most august Judicial Body, the highest Court in the U.S., the pronouncement was made that any abstraction of waters from the Great Lakes 'affecting the natural level or flow of boundary waters is especially provided against by the International Treaty with Great Britain, of January 1909, without the consent of Canada or the U.S., within their jurisdiction.'"

"It was obviously impossible to cut off all at once the disposal of sewage through the canal and, conditional on an immediate scheme of sewage disposal and other remedial works, by the City of Chicago, which are now being carried out, a temporary permit was issued granting the right to divert 8,500 C.F.S."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121165

"Notwithstanding a legal battle between the two for 23 years, with the decisions always against the Sanitary District, the law of the individual State had held at bay the law of the Federal power. The judgment of the Supreme Court changed all this."

"Among other things the Supreme Court of the U.S. pointed out in its judgment that the Sovereign power of the United States to remove obstructions to commerce was superior to that of an individual State in acting for the welfare or necessities of its inhabitants, and it ordered the Sanitary District to provide by 1929 sewage works sufficient for a population of 1,200,000. The Sanitary District was to install meters to reduce the waste of water for domestic use, without unreasonable interference with navigation. It was to construct control works; to deposit a bond as a guarantee of the payment of the cost of regulating or compensating works to restore the lake levels. The permit was to be revocable at will, without notice, if the sewage works or the metering programme were not carried out."

"Chas. E. Hughes, Master in Chancery for the Supreme Court, reported in October 1927: 'That the diversion lowered the waters of Lakes Michigan and Huron by approximately 6 inches and Lakes Erie and Ontario by approximately 5 inches;'

'That substantial damage was caused to the navigation, commercial and other interests of the complainant States by that portion of the fall attributable to the Chicago Diversion;'

'That the diversion was an aid to navigation in the Illinois and Mississippi Rivers.'

'That the Joint Engineering Board had shown that the levels could be restored at reasonable cost by compensating works and dredging;'

'That the State of Illinois and the Sanitary District of Chicago have no authority to make or continue the diversion in question without the consent of the United States;'

'That Congress has power to regulate the diversion;'

'That the permit of March 3, 1925 is valid and effective according to its terms, the entire control of the diversion remaining with Congress.'"

"The Sanitary District of Chicago has conceived a plan for improving the Illinois River as a waterway which will cause much larger continuous diversions than are necessary for navigation purposes, the plan of said Sanitary District being to continue to pollute the Chicago River and thus to require diversions larger than are needed for navigation in order to purify or immunize the pollution which the Sanitary District intends to continue to create."

"The records of the litigated cases plainly show that one inducing reason for this plan and intention of the Sanitary District is the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121166

large profit derived by the Sanitary District for the use of water diverted from the Great Lakes for power purposes at the expense of a much larger power development by the use of the same water at the eastern end of the lakes after all the purposes of navigation have been served and which does not involve any diversion from the watershed."

"The idea of using the waters of Lake Michigan for Sewage disposal first occurred in 1889. Canada had all along been taking steps to protect her rights and interests. In March 1912, the Canadian Government sent four representatives to Washington to oppose any proposal which would result in lowering the level of International boundary waters. In February 1913, a formal and substantial protest was forwarded through the British Ambassador. Protests were made during the War, but they were renewed in 1921, December 1923 and February 1924. These protests by Canada had the effect of causing to be included in the terms of reference to the Joint Engineering Board appointed to report on the St. Lawrence Waterway project, instructions to consider the effect on Lake levels of diversions from the St. Lawrence Watershed, and possible means of restoring the levels."

Opportunity should be sought for reaching a comprehensive settlement of all outstanding problems affecting the Great Lakes and St. Lawrence River.

"The Drainage Canal from Lake Michigan to the Mississippi River is much deeper than 9 feet, in fact it is 22 feet and more, with a width of 162 to 300 feet. If the Sanitary District or the State of Illinois can be authorized to divert water into the Mississippi watershed, a precedent is established for other and increasing diversions with peril to Great Lakes navigation which now can only be dimly foreseen."

We have done a great deal of work in the last few years, writing about the Chicago Drainage Canal, but we do not know whether it has done any good.

I would propose that we should charge the U.S. a fair price for the water they use from Lake Michigan for the whole length of the Mississippi. The following are the profits that Chicago claims to be making on the water diverted into the Chicago Canal and also the Illinois River, namely $100 per day and more for the water they are using in Chicago, and $200 per day and more for the water they are using in the Illinois River. I propose that we charge them all the profits that they claim to be making, retroactive from May 8, 1899 to the date that we settle this question with them. I would also charge them $10 per horse power per year for the full amount of water that they take, calculated under a head of 547 feet, and the only other charge I think they should pay, is a small charge for the use of the water in the drainage canal and the Mississippi River.

I do not know how much water the Americans use from Lake Michigan, and I do not believe that any Canadian knows either; so that before making a bargain with the U.S. it would be necessary to find out exactly how much water they use. First it would be necessary to find out from

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121167

the American Engineers what information they have on this subject. They never would show their figures to the Canadians, so it is very hard for us to know just how much water they divert without their figures.

1st. I do not believe that we ought to make an arrangement with the U.S. to improve the St. Lawrence River. 2nd, I believe that we ought to make an arrangement to furnish them a certain amount of water from Lake Michigan at a certain price, including all expenses for meters and any salaries for Engineers required to regulate the diversions, and after we arrange with them about this, the U.S. will pay those who sued them, and won their cases. Canada will, in the meantime, bring down more water from the Northwest to help the water in the St. Lawrence, and Canada will also do certain things to furnish the water to the St. Lawrence and to the Chicago Drainage Canal, this latter amount will be the amount that we arrange upon beforehand, as in the 2nd suggestion. The following item is taken from H.L. Cooper's Report to the Aluminium Co. of America, of December 28, 1920:

"What the Canal needs in order to handle a tonnage that will make an asset of it to the State of New York is a multitude of sound industries using CHEAP POWER etc." Every word about the New York Barge Canal proves that the St. Lawrence is large enough to do all the necessary work, EXCEPTING PERHAPS FOR ONE OR TWO MORE LOCKS. The only thing that I think would be advisable WOULD BE TO ADD ANOTHER LOCK TO THE PRESENT NO. 15 AT CORNWALL. Some may also be needed elsewhere, but I am not sure.

The U.S. have been using our water for many years without paying anything for it. I CAN SEE NO REASON WHY A WEALTHY COUNTRY WITH SUCH A LARGE POPULATION SHOULD USE THIS WATER WITHOUT PAYING FOR IT.

In the Montreal Star of Feb. 8, 1928, and also on page 3 of my open letter of Feb. 22, 1937, there appeared the following: "Senator Thomas J. Walsh of Montana took occasion to controvert arguments used by Bernard K. Sandwell of Montreal in an article in the 'Atlantic Monthly.' IF CANADA BELIEVES THE GOVERNMENT OF THE UNITED STATES CAPABLE OF ANY SUCH BASENESS SHE IS WISE IN DECLINING TO ENTER INTO THE TREATY PROPOSED OR ANY OTHER TREATY;.....and secondly she could not do so without the consent of Canada, and the Constitution forbids a State from entering into a treaty with a foreign power."

I understand they have no right to do these things without the consent of Canada or the U.S. Congress, but if they have done it time and time again, what are we to do?

From the Montreal Star, March 16, 1937.

"An Advisory Committee and two working Committees have been set up under the Prairie Farm Rehabilitation Act." .....

From Montreal Star, March 15, 1937.

"Mr. W. M. Neal, V.P., C.P.R. Western lines, told members of the Canadian Forestry Association, that their work had always been divided

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121168

into 3 main classifications:"

1.- In the east, problems of conservation of the existing forests,
2.- In the Pacific area and large portions of Alberta and Northern Saskatchewan, fire hazard which is accentuated in the Western Region.
3.- In the great Prairie Belt straight forestation to establish shelter belts to conserve moisture, to halt ruinous soil drifting, and to bring into being a new and finer agricultural condition on the Western plains."

From Montreal Star, January 26, 1937.

Hon. John R. McNichol, Conservative member for Toronto, Davenport, charged yesterday, "That the Chicago Sanitary and Ship Canal was responsible for lowering the water levels of Lakes Michigan and Huron. He declared in a Service Club address at Hamilton that Chicago was responsible for ocean-going vessels being forced to make a one-quarter to one-third reduction in cargoes before journeying over the St. Lawrence - Great Lakes route; he also said that CHICAGO CAN GET ALL THE WATER IT NEEDS IN THE UNITED STATES WITHOUT ROBBING THE INTERNATIONAL GREAT LAKES-ST.LAWRENCE NAVIGATION SYSTEM. As solutions for restoring lake levels, he advocated INTENSIVE REFORESTATION OF THE ST. LAWRENCE WATERSHED, construction of regulation works in the St. Clair and Niagara Rivers at Niagara Falls, and in the St. Lawrence, and the tapping of the Wisconsin and Wolf Rivers "to fill water demands now supplied by the Lake Michigan diversion."

They take water from Lake Michigan and deliver it into the Chicago Drainage Canal.

There are many people who believe that the damage by floods in the U.S. has been caused by the large amount of water diverted from Lake Michigan which finally reaches the Mississippi River.

In Senator Casgrain's speech of March 1932, he says that "Col. Hugh L. Cooper stated on oath before Charles E. Hughes, Special Master appointed by the United States Supreme Court, that the Chicago diversion injures navigation on the St. Lawrence to the extent of $7,360,000 yearly. He estimated that the diversion was "causing an international hydro-electric loss to New England and nearby States of $134,000,000" and considered that the withdrawal of 10,000 cubic feet of water per second would result in an annual loss of 300,000 horse power at Niagara Falls."

The U.S. receive more profit from the St. Lawrence. Therefore they should pay far more than Canada, as well as Canal tolls.

Canada should not enter into any dealings with the U.S. as regards the Waterway, as the St. Lawrence ought to be kept for Canadians.

From St. Lawrence Waterway, by G.W. Stephens.

In an address by William G. Bruce, he refers to the Chicago Canal as the Most Gigantic Engineering Blunder in America.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121169

The following notes are taken from Report to International Joint Commission by Hugh L. Cooper.

"The creation of a VAST POWER ZONE WILL ATTRACT GREAT CHEMICAL AND FERTILIZER PLANTS, that will give to all our people the necessities that cannot otherwise be obtained. The distribution and enjoyment of these necessities will THROUGH CHEAP NAVIGATION AND RAILROAD RATES, BE FELT ALL OVER CANADA AND THE UNITED STATES. In addition to the benefits above mentioned, any one of which is STARTLING in its dimensions, it should be here stated that while the installation of 6,625,000 horse power will cost, IN ROUND NUMBERS $1,300,000,000, the final installation of this horse power will carry along with it in the way of NEW INDUSTRIES AT LEAST $2,000,000,000 more of investment values for taxable purposes, IF THE PAST HISTORY AT NIAGARA FALLS AND ELSEWHERE IS TO BE USED AS A GUIDE. In other words, between the eastern end of Lake Erie and Montreal there are undeveloped water power resources upon which there can be sensibly founded more than $3,300,000,000 OF MUCH NEEDED NEW INDUSTRY, and this vast project can be undertaken in such steps and in such sequence of development as the best needs of the people in Canada and the United States require."

We certainly understand the above facts, but what should we do about them? I certainly think that we ought to advertise and try to get factories built near Montreal, especially electro-chemical and electro-metallurgical plants.

The estimated final cost of the St. Lawrence Waterway would be $1,450,000,000.

"Forty thousand cubic feet of water per second has hitherto been considered an excessive amount of water to handle at the time cofferdams were being placed. The depth to foundations on the St. Lawrence is more than 65 feet for an average of 15,000 lineal feet of masonry work. The length of time required for the work will be at least 5 years, THUS NECESSITATING THAT TEMPORARY CONSTRUCTION, INCLUDING THE COFFERDAMS, MUST, AS A MATTER OF FACT, HAVE THE STABILITY OF PERMANENT STRUCTURES IN ORDER TO SUSTAIN THE LABOR OF FIVE UNKNOWN SEASONS IN A GREAT RIVER. This depth of 65 feet and this 15,000 feet of width call for the unwatering of an underwater area six times as large as any work of this class hitherto accomplished."

"The estimated cost of the Panama Canal in 1906 and the result in 1918, if the Panama Canal had been charged 4% compound interest for the money it has cost up to date, including the recent vote of $25,000,000 for Colombia, including fortifications and all costs incident to the work, exclusive of maintenance and operation, the total levy against the U.S. Treasury becomes in excess of $625,000,000."

From Gazette, November 23, 1936:

The Associated Press declared, "The United States and Canada now have A GOOD NEIGHBOR RECORD OF MORE THAN ONE HUNDRED YEARS, during which all disputes between the two nations have been settled 'Americably.'

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C2 11170

A great many Canadians, recalling the Alaska Boundary, Bering Sea and Maine Boundary awards will be inclined to think that the Associated Press has stumbled upon a very happy EUPHEMISM in describing these and other settlements between the two countries."

Canadian National Railways Debt.

From the Montreal Star, January 26, 1937.

Hon. C.D. Howe, Transport Minister, gave W.K. Esling (Cons. Kootenay West) in the House of Commons, yesterday, the following figures on the indebtedness of the Canadian National Railways:

Total Indebtedness Dec. 31-36	$1,184,612,248.00
Annual Interest on Debt	49,184,622.00
Due Government from C.N.Rlys.	1,468,611,114.00
Made up as follows:	
Loans to C.N.R. (including former privately owned companies on which interest is accrued but not paid	645,527,455.00
Investment in Can. Govt. Rlys.	388,880,002.00
Stores and open accounts	15,748,921.00
Supense accounts:	
Temporary loans (Interest paid annually)	36,390,204.00
Expenditures under Unemployment Relief Act of 1935	5,068,081.00
Balance covering all deficits, subsidies and other items absorbed in the net debt of the Dominion,	376,996,447.00

After reading these figures, do you think that the Government is justified in adding another two billions to them, for the development of the St. Lawrence Seaway?

The Transport Bill

Montreal Star, March 19, 1937.

"It appears that the Transport Bill failed because of the B.N.A. Act."

Canada is losing money with the Railways, and in order to stop these losses something has to be done. As far as I can see there is only one way to accomplish this; that is for the Provinces to band together and give the Federal Government the right to regulate the truck and bus traffic. If the Railways make money the whole Dominion will benefit. Is it not worth something to have the whole country prosperous? Are we not all tired of furnishing money to the Canadian National Railways?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121170

It is sure that if it were not for the truck and bus traffic the Railways would make money.

Memorandum of W. H. Robert

1. The Province of Quebec should be operated by the Legislature along the same lines as private business, namely, it should not spend more than it earns, and when finding itself in a none too liquid position it should do as private business does, - cut down its expenditures and get itself back into a liquid position.

2. The Old Age Pension Scheme should be brought in at the earliest convenience and be put upon a sound actuarial basis.

3. The policy of the Provincial Government should ever be to check excessive spending on the part of the cities and municipalities. The Charters of the various cities should not be altered from time to time granting them the right to borrow large sums of money without the purposes of such borrowing being adequately examined and looked into by the Province.

4. A sound and fair Election Act should be brought into force so that illegal practices as heretofore carried on will be absolutely prohibited and stopped.

5. Proper irrigation should be undertaken in the Province wherever necessary to assist in the productivity of the soil.

6. Reforestation should take place as often and wherever deemed essential or beneficial.

7. It might be advisable to create a free Port near Montreal similar to the Free Ports of Europe.

8. In all Provincial and Civic affairs there should be more co-operation between members of the Legislature, Aldermen and Councillors, and petty politics should be forgotten for the time being in order that every one might co-operate to settle the very numerous pressing problems that affect both the province and the municipalities.

9. The Senate should be reduced to a quarter of the present number.

10. The position of Lieutenant Governor should be abolished.

11. Montreal should be governed by a Commission of not more than 4 Aldermen, out of which they would name a City Manager.

THE ALUMINIUM CO. OF AMERICA

The Aluminium Co. of America have established themselves in the Long Sault Rapids of the St. Lawrence River with a power dam, near Massena.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121172

They start with a canal, from the upper end of Long Sault Island in the St. Lawrence River, which is about three miles long and this canal runs through the State of New York from the St. Lawrence River to Massena, N.Y., where it runs into the Grasse River.

The Grasse River takes the tail water from the Massena dam and throws it into the St. Lawrence River just above Cornwall Island, about six miles from Massena. Elevation of water surface in the St. Lawrence River just above the weir at Massena in April 1936 was 202.64 ft. Elevation of water surface immediately below weir at Massena in April 1936 was 9-10 ft. lower, which is approximately 193 feet.

This proves that the Aluminium Co. undertook to make the Long Sault Rapids better for navigation; on the contrary they blocked up the South channel and put in a jetty 205 feet high and a weir 200 feet high, for the purpose of having more water pass through their power canal.

The elevation of the water surface on the lower side of the weir or jetty drops 9 to 10 feet.

G.W. Stephen's Book:

"As a War measure before the International Joint Commission on August 28, 1918 an order was granted, stating that, 'As an interim measure the construction of the said weir and its maintenance until the expiration of the term of five years from the date hereof, or until the termination of the present war, is hereby approved.'"

Canada is spending a lot of money with the U.S. beautifying Niagara Falls. The Ashburton Treaty binds the Aluminium Company not to interfere with Navigation in the North or South Sault channels of the St. Lawrence River. The weir that they received permission to build as a war measure, they promised to remove as soon as they stopped making munitions, but to-day it is still standing in the river. They obtained the right to build dams and canals to help the powers and make it better to navigate the St. Lawrence. Instead of making it better they have made it MUCH worse.

This Company uses about 500,000,000 Kilowatt hours per annum, after which there would be 4,380,000,000 Kilowatt hours for the New York Metropolitan area and has installed capacity of 87,000 H.P. at Massena. I also understand that the Cedar Rapids Mfg. Co. exported 59,743 H.P. to the U.S.A. which was mostly for the Massena plant.

From Moulton's Book:

"The St. Lawrence Navigation and Power Project."

"The St. Lawrence Power project should not be expected to subsidize navigation."

The revenue derived from the sale of hydro-electric energy would be sufficient not only to cover the cost of the power development, but

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120673

also to meet the capital costs for navigation as well, but we have seen that such a conclusion is unwarranted. The annual overhead charges against the waterway, that is, interest and depreciation on the capital investment and maintenance and operation of the route, would amount when figured on the most conservative basis, to approximately $40,000,000 a year.

Our investigation has shown that the Lake carriers are more economical than the ocean boats, and that even were a deep channel available, ocean boats would find it hard to compete with lake boats except during the peak season when rates are at the maximum.

The movement for waterway improvement is based on the conviction that transportation over canals and canalized rivers, like that on the high seas, is very much cheaper than transportation by rail. This conviction is, however, the outgrowth of a wholly fallacious comparison of transportation rates supposed to show that a dollar will carry a ton of traffic many times as far over a canal or river as it will over a railway. The fallacy lies in the fact that the water rates cover only a portion of the costs.

Long Sault Development Co.

The following notes are taken from "Long Sault Rapids, St. Lawrence River" by Arthur V. White.

"The Company, as stated in the Act, is incorporated:

Among other things for the purpose of improving the navigation of the St. Lawrence River, at and above and below Long Sault Island. The application in the first instance was denied, the Company appealed, but the intermediate court of appeals has not yet rendered its decision (July 15, 1913.) It was declared to be unconstitutional by Attorney General Carmody. On the following grounds, it contravenes Section 18 of Article III. First, that it involves the alienation of Canals within the New York State Forest Preserve, and Second, that contrary to the State Constitution, it purports to grant an exclusive franchise."

On January 20, 1928 The Canadian Navigators Federation, at their annual meeting in Toronto, passed a resolution unanimously stating that they were opposed to the deepening of the St. Lawrence River between Kingston and Montreal, as it would be detrimental to the best interest of their profession.

A number of Engineers and others were very much opposed at the time to the idea of deepening the St. Lawrence River between Kingston and Montreal for the same reason.

W. H. ROBERT.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NIAGARA FRONTIER PLANNING BOARD
ERIE AND NIAGARA COUNTIES
NEW YORK

EXECUTIVE OFFICES
22D FLOOR, CITY HALL
BUFFALO, N. Y.
TELEPHONE CL. 8200

22 DEC 74

February 2, 1940

Rt. Hon. Arthur Meighan
Senate of Canada
Ottawa, Ontario

Dear Sir:

We who live here on the Niagara Frontier have many close ties with Canada and Canadians in a business way, culturally and through governmental cooperation. The bridges across the Niagara which connect our countries carry by far more traffic to and fro across the border than passes across at any other point along its over 3,000 miles of length. Of the 3,400,000 automobiles which crossed the border during 1938 almost one half of this number (or 1,600,000) crossed the Niagara River. Many of our citizens maintain summer homes in your country and even more take advantage of your generous hospitality throughout the year and especially, in the vacation period.

Because of these close ties and on account of our many good friends in your country, we hope that you will sympathetically accept this plea from us for your generous understanding of our attitude toward the proposed treaty providing for the development of the St. Lawrence Seaway and Power Project.

The Niagara Frontier Planning Board, of which I have the honor to be Chairman, is an official state agency supported by public appropriations, composed of the six mayors of the six cities of the Niagara Frontier -

SECTION 1 OF CHAPTER 267 OF THE 1925 LAWS OF NEW YORK STATE PROVIDES

"There is hereby established 'The Niagara Frontier Planning Board' to consist of thirteen members. The mayors of the cities of Buffalo, Lackawanna, Lockport, Niagara Falls, North Tonawanda and Tonawanda, three members of the board of supervisors of Niagara County and three members of the board of supervisors of Erie County shall be ex-officio members of such board. The three representatives from each board of supervisors shall be appointed annually by the chairman of the respective board of supervisors, subject to the approval of their respective boards. The thirteenth member shall be elected annually by the ex-officio members and shall serve until his successor is elected. He shall be chairman of the Board."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121175

Buffalo, Lackawanna, Tonawanda, North Tonawanda, Niagara Falls and Lockport - and six county supervisors, official representatives of Erie and Niagara Counties. This Board has made through the years careful and exhaustive studies of this project in all its various aspects and has become convinced through such examination that the plan for this seaway and power project constitutes a serious threat not only to the Niagara Frontier but to our country as a whole.

We are at present engaged in preparing a comprehensive brief analyzing factually the cost of this project, the dearth of prospective benefits to the nation as a whole and the positive damage which it would deal to transportation and industry. It is our intention to give this brief the widest possible circulation. The stupendous cost of this project and its harmful economic consequences insures that any treaty submitted to effectuate this project will be rejected by the United States Senate.

Despite the fact that we are unanimously opposed to the St. Lawrence Seaway and Power Project, we have been consistently in favor of the future development of additional power at Niagara Falls and have for a long time resented the fact that President Roosevelt has used the plan for the further development of Niagara Falls as a pawn in the game to secure Canadian consent to the project to create a public power authority in northern New York similar to the Tennessee Valley Authority.

The American Association of Railroads and railroad labor in the United States are keenly aware of the threat to this fundamental industry inherent in the projected St. Lawrence Seaway and they and a number of other national organizations have been cooperating with our Board in the preparation of the brief referred to above.

If the investigations of the railroad authorities and railroad labor in the United States have convinced them of the threat to their future

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L2 L L 7.5

prosperity that may develop through the construction of the St. Lawrence Seaway, I should think it logical that the Canadian Railways and Railroad employees might very well be at least equally concerned as to its harmful effect upon them.

We understand that like us the Ontario Hydro Electric Commission has been very much interested in the possibility for the further development of power at Niagara Falls and that the Administration of the Province of Ontario has also been interested in the project for tapping the water supply of the Albany River through Long Lake in order to be able to develop more power at Niagara Falls. We very frankly are in full agreement with the Hydro Electric and with the Ontario administration in believing that these are practical steps that could be taken immediately and at very little expense.

We believe that it will be possible, in case the plan approved by the Engineering staff of the Special International Joint Niagara Commission in 1926 is carried out, to permit the additional withdrawal, without in any way interfering with the beauty of the Falls, of at least 20,000 cubic feet per second more water than is presently allowed at an expense of not more than $2,000,000. Dividing this water equally between the United States and Canada would give the United States at least 10,000 cubic feet which would be capable of producing on our side some 210,000 additional h.p. while the Hydro Electric, with the additional 10,000 cubic feet on their side and with their more efficient plant would be able to develop some 300,000 h.p. more than at present. If there were added to this the 5,000 feet made available through using the water of Albany River, an additional 150,000 h.p. could be developed on the Canadian side. In other words, a total on both sides of the river of 510,000 additional h.p. could be secured at

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C21077

Niagara Falls at an expense of not more than $2,000,000 and if the water of the Albany River could be utilized, this amount could be increased to 660,000 h.p.

The St. Lawrence Seaway and Power Project will when completed have an installed capacity of not more than 2,200,000 h.p., which, however, will not all be available for the reason that variations in the river flow will curtail the constant supply to not more than 1,440,000 h.p., one half of which or 720,000 h.p. according to plan will go to Canada and the other half to the United States--but at what an expense?

It has been estimated that the cost of the Seaway and Power Project may even run as high as $400,000,000 or two hundred times more than the cost of the Niagara Falls improvement. The Niagara Falls improvement will result in a capital expenditure of less than $4.00 her h.p., while the cost of the St. Lawrence Seaway and Power Project in terms of horsepower will involve a capital expense of almost $300 per h.p.

The Niagara Falls Project could be completed within a brief period of a year or more, while the St. Lawrence Project would take seven or eight years. How ridiculous it is to have worthwhile projects like the Niagara Falls and Long Lake ones held up, particularly at this time when there is a demand for power, by such a political manouver as to make its completion contingent upon the signing of a treaty for the development of the St. Lawrence Seaway.

We feel very strongly on this subject. The communities on this Frontier are contemplating appropriating $25,000 of public funds within a week or so to fight this Alice-in-Wonderland scheme on a nationwide scale. That it will be defeated we have not the slightest doubt. It is so SENSELESS and too expensive a scheme.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

122078

We cannot conceive that it will be either for the interests of your country or ours for either of us to be saddled through the long years with the tremendous debt which will be incidental to the construction of this seaway. We further look with deep concern upon the effect that the construction of such a seaway might very well have upon the economic stability of the great railway systems of your country and ours, with consequent hardship for the banks and insurance companies of both, which are such heavy investors in railroad bonds, to say nothing about its effect upon Railroad employment.

Further, we cannot look with enthusiasm on the opening of our Great Lakes to the tramp steamers of foreign flags with their lower labor cost foreign crews to compete with yours and our Great Lakes Transportation industry and the thousands of employees engaged in this substantial and economically organized enterprise.

Our reason for writing this letter is to let you know in no uncertain terms that in our country, outside of a small coterie of vociferous associates of the Administration, possibly a few special interests like the small section in northern New York state which are looking forward to the possibility of lower electric rates and a possible increase in industrial development, and a few shippers on the Great Lakes who believe they may be benefitted, the great majority of our countrymen as soon as they learn the facts, and they will be advised of them, will be opposed to this Project. Already the following influential organizations have registered their strong objections to this proposed Treaty - Port Authorities of Albany and New York City; the Maritime Associations of Boston and New York City, the New York State Waterways Association; the Chambers of Commerce of Philadelphia, Cleveland and Rochester, the Lake Carriers' Association, the Virginia port

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021179

authorities, the Mississippi Valley Association, the Association of American Railways and the Association of Eastern Railroad Executives.

These are only a few of many who will in the coming months join in opposition to the Treaty's ratification if it should be submitted to the United States Senate, which we fervently hope, for the best interests of your country and ours, it will not be.

We are taking the liberty of enclosing to you under separate cover, a pamphlet containing a series of articles recently published recounting the arguments, pro and con, for this Treaty and also a card upon which you could indicate, if you would be so kind, whether you would like to have us mail you a copy of our comprehensive brief upon this subject when the same is printed. We are withholding the publication of this brief for the present until we can learn the exact provision of the proposed Treaty.

Very sincerely yours,

Chauncey J. Hamlin

Chauncey J. Hamlin,
Chairman

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

EXECUTIVE OFFICES
22D FLOOR, CITY HALL
BUFFALO, N. Y.
TELEPHONE CL 8299

NIAGARA FRONTIER PLANNING BOARD

ERIE AND NIAGARA COUNTIES

NEW YORK

127180

March 23, 1940

The Niagara Frontier Planning Board, a public regional planning agency established fifteen years ago by the State of New York, sends you this letter with the understanding that a referendum on the St. Lawrence Seaway Project is to be conducted shortly by the Canadian Chamber of Commerce among member organizations. We have an official interest in the proposed seaway, for we are charged by law with examining all projects which concern the physical, economic or social development of Erie and Niagara Counties, embracing the cities of Buffalo and Niagara Falls. Our Board thus represents the region in the United States which, because of its location at the foot of Lake Erie, would be the most intimately affected section of the country if the St. Lawrence seaway is constructed.

In accordance with legal mandates, we have recurrently studied for the past ten years this proposal to construct 27-foot canals between Montreal and Lake Ontario and consequently open the Great Lakes to ocean-going tramp steamers. These surveys have shown that the St. Lawrence seaway development would be harmful not only to the Niagara Frontier but also to the rest of the United States and to the Dominion of Canada as a whole. Because of the mutual nature of the projected undertaking and because of its fundamental economic weaknesses, we believe that Canada would suffer just as the United States would suffer.

This belief prompts us to write you in complete candor and in the hope that the information may be of value to you. Please do not consider us presumptuous thereby.

The cost estimates which we have drawn come from the report of the Joint Board of Canadian and United States Engineers, published in 1927. If past experience with gigantic projects like this, for instance the Suez, Panama, Welland and Manchester Canals, is any criterion, these Joint Board figures are too low. Almost invariably the past has demonstrated that original estimates are exceeded two or three times before a work of this sort is finished. For the sake of conservatism, however, we have used the Joint Board figures as a foundation. We find, by making minimum allowances for contingencies, interest during construction, harbor improvements and adjustment of interest on amortization, that the total minimum cost to Canada would be $547,367,000, the total minimum cost to the United States $573,221,000. Enclosed is a cost sheet showing how we reached these sums and the documentary sources of the various items.

SECTION 1 OF CHAPTER 267 OF THE 1925 LAWS OF NEW YORK STATE PROVIDES

"There is hereby established 'The Niagara Frontier Planning Board' to consist of thirteen members. The mayors of the cities of Buffalo, Lackawanna, Lockport, Niagara Falls, North Tonawanda and Tonawanda, three members of the board of supervisors of Niagara County and three members of the board of supervisors of Erie County shall be ex-officio members of such board. The three representatives from each board of supervisors shall be appointed annually by the chairman of the respective board of supervisors, subject to the approval of their respective boards. The thirteenth member shall be elected annually by the ex-officio members and shall serve until his successor is elected. He shall be chairman of the Board."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L2 1 1 0 8 1

Now, if the benefits flowing from these expenditures were to equal or at least approach the cost, the project would appear sound. Unfortunately the St. Lawrence seaway could not bring a large enough saving in transportation rates to justify either the original expenditures, plus maintenance and operation obligations, or the losses to be sustained by currently established transportation lines. Both Canadian and United States railroad, shipping, port and transfer interests as well as allied industries and labor would be damagingly disrupted at this critical economic period by the intrusion of tramp steamers into the Great Lakes.

There is one chief contention voiced by proponents of the St. Lawrence seaway plan, and it applies equally to the Dominion of Canada and the United States. It is that reduced shipping costs would stimulate industry and agriculture in the center portion of these two great nations. This contention, though, fails to recognize two vital factors: the dislocation of existing commercial, industrial, business and agricultural enterprises; the fact that the savings over existing facilities would be too minute to encourage a sufficient number of new enterprises to absorb the losses of existing ones. This particularly applies to the railroads which, in both countries, are having a difficult enough time in meeting fixed charges, aside from dividends, without being burdened by further competition through a St. Lawrence seaway.

W. T. Jackman, Professor of Transportation at the University of Toronto, in discussing the proponents' claims that the St. Lawrence seaway would benefit the Canadian wheat-grower, made a salient point anent the problem of insufficient savings over such a route when he wrote in a recently published pamphlet ("The St. Lawrence Seaway Project", The Review Company, Printer, Fort Erie., Ont., page 12.)

> "In these days of immense national debts, of heavy taxation and of trade disorganization, the chief wheat importing countries have to purchase also many other commodities which are essential for their industrial and social life; and they must purchase their requirements at the times and at the prices which are most reasonable. Our wheat, immediately after threshing, is shipped to the western elevators and thence by lake navigation to eastern elevators at Lake ports and St. Lawrence harbors. The British and other importers buy this wheat weeks and months ahead of the time it will be consumed as bread. To consider that, under this complicated system of marketing and handling, the farmer's return would be affected in any direct way by the proposed improvement of the St. Lawrence channel is to think in terms of the unreal. The price of the wheat is determined in the buyer's market, which is an international and highly competitive market."

It is significant that several United States ports on the Great Lakes, notably Cleveland and Chicago, which at one time favored the St. Lawrence plan on grounds of economic stimulus, have reversed their stand upon comprehension that the alleged advantages of the project are overbalanced by its inevitable damages - damages in the form of disruption of railroad and water carrier traffic and injury to port terminals. The St. Lawrence seaway would mean a by-passing of these agencies which represent, in Canada and the United States, millions of dollars in investments and earnings. On top of this, there is the increased load for taxpayers throughout the whole of both the Dominion and the United States and the question of how future financial responsibilities are to be met.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121182

Under the St. Lawrence plan, New York State and the Province of Ontario would have a power development in the International Rapids Section of the St. Lawrence River where they would share equally in the horsepower. The Niagara Frontier Planning Board is not opposed to the creation of hydro-electric power in New York State, and, as a matter of record, we have been actively urging adoption of the recommendations of the Special International Niagara Board. In 1927, this International Niagara Board offered a plan for the beautification of Niagara Falls. These recommendations would permit the withdrawal of more water at the Falls for additional power generation on both the Canadian and United States sides of the river. But, while we do not oppose power development at the International Rapids Section and actually support further power generation at Niagara Falls, we have found from our surveys that whatever benefits might accrue from those works cannot equalize the harmful effects of a St. Lawrence seaway tied to those works.

Nothing which we have found indicates that the seaway must be constructed to permit the power developments, either in the United States or in Canada. The Provinces of Ontario and Quebec, according to various Canadian sources, have far greater potential power resources than the State of New York. Moreover, if Ontario and New York wished to utilize the International Rapids, they could do so without having to shoulder the disastrous seaway plan in concert with the rest of their respective countries.

Because of the percentage which the populace of each commonwealth contributes to the Dominion or federal treasury it would be cheaper for these residents, especially in Ontario, to develop International Rapids power without the seaway. During 1936, 1937 and 1938, the total of income taxes collected by the Dominion was $305,075,045. Of this, Ontario contributed $159,221,433. This is 52% of the total. (See Canadian Year Book for the year of 1938). Ontario residents would pay $284,630,840 of the total $547,367,000 which is the minimum cost to the Dominion of Canada for the combined seaway and power project. On the other hand, if the International Rapids Section were developed for power alone, the maximum cost to Ontario, on the basis of cost estimates, would be only some $90,000,000. This is the same amount which the New York State Power Authority would pay to the federal government for the power plants on the United States side.

We see in this St. Lawrence seaway proposal, furthermore, a potential threat to the long-standing amity between Canada and the United States. We fear, for instance, that disputes might arise over such questions as future claimed rights of the United States in that preponderant portion of the St. Lawrence River which lies entirely within Canadian territory. In brief, we hold the complete conviction that the St. Lawrence seaway would be economically and politically unfortunate for the two nations, individually and jointly.

We enclose a list of some of the organizations in this country opposed to the St. Lawrence scheme. At present we are completing a comprehensive survey on the project and would be pleased, at your request, to send you a copy. Should you desire more information, please call on us.

Sincerely yours,

NIAGARA FRONTIER PLANNING BOARD

Chauncey J. Hamlin
Chairman.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

120183

NIAGARA FRONTIER PLANNING BOARD
Buffalo, New York

The following list comprises some of the organizations, business, labor and governmental groups, which have expressed opposition to the St. Lawrence Seaway Project. They represent only a small portion of the interests in the United States which disapprove of the project, but space does not permit a complete listing.

New York Board of Trade
New York State Chamber of Commerce
Maritime Association of the Port of New York
New York State Waterways Association
Merchants Association of New York City
Port Authority of New York
Albany (N.Y.) Port District
Bronx (N.Y.) Chamber of Commerce
Ithaca (N.Y.) Real Estate Board
Midtown Real Estate Association of New York City
Hudson (N.Y.) Chamber of Commerce
Wellsville (N.Y.) Chamber of Commerce
Lackawanna (N.Y.) Chamber of Commerce
National Maritime Union of America, Great Lakes District
Brotherhood of Locomotive Engineers, N.Y. State Legislative Board
United Mine Workers of America, District 5
Rochester (N.Y.) Chamber of Commerce
National Coal Association
Association of American Railroads
Mississippi Valley Association
Board of Commissioners of Port of New Orleans (La.)
Cane Products Trade Association
City of New Orleans (La.)
Atlantic Deeper Waterways Association
Cleveland (Ohio) Chamber of Commerce
Boston (Mass.) Chamber of Commerce
Ohio State Chamber of Commerce
Louisiana Sugar & Rice Exchange
Amsterdam (N.Y.) Chamber of Commerce
Suffolk County (N.Y.) Economic Council
Central Mercantile Association of New York City
Philadelphia (Pa.) Chamber of Commerce
Lake Carriers Association
Board of Business Agents, Building & Construction Trade, Buffalo (N.Y.)
Buffalo (N.Y.) Chamber of Commerce
Grain Shovellors Union, Buffalo (N.Y.) Local
City of Buffalo (N.Y.)
County of Erie (N.Y.)
City of Niagara Falls (N.Y.)
County of Niagara (N.Y.)
Port of Buffalo Defense Committee
City of Lockport (N.Y.)
General Contractors Employers Association, Buffalo (N.Y.)
Buffalo (N.Y. Junior Chamber of Commerce
City of Salamanca (N. Y.)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NIAGARA FRONTIER PLANNING BOARD
Buffalo, New York

121184

COST ESTIMATES FOR ST. LAWRENCE SEAWAY AND POWER PROJECT

Source of Estimates

These figures are taken from the Report of the Joint Board of Canadian and United States Engineers (1926) and of the New York State Power Authority (1938). It will be noted that the Joint Board failed to include any sum for harbor deepening to accommodate ocean-going vessels which would use the St. Lawrence seaway (private estimates run as high as $25,000,000 per harbor), that no interest was provided for the construction period, that no interest was provided for a period of amortization and that the percentage for contingencies was placed at such a low amount that 12⅓% had to be added to adjust this item in accordance with universal engineering practices. Actually, the contingency item used by the Joint Board was only 5%. The items of engineering, borings, soundings, surveys, inspection, camp costs, legal fees, court costs, administration, etc., would amount to at least 7½% of the total of 12⅓% allowed by the engineers. This leaves the Joint Board's contingency item at 5%. The addition of a further 12⅓% brings the contingency total to 17½%, which is still below the percentage that many engineers would employ for such a hazardous undertaking. The 5% figure for interest over the 50-year period of amortization in Canada is based on advice of banking officials.

Documentary References

Listed herewith are the documentary sources of the various items of estimate:

International Rapids Section ----	pp. 12, 13, Table I, Appendix C, Appendices of Joint Board of Engineers Report of 1926. (United States Government Printing Office, 1937).
Interconnecting Lake Channels ---	p. 19, Joint Board of Engineers Report of 1926.
Welland Canal Deepening ---------	p. 19, Joint Board of Engineers Report of 1926.
Lake St. Francis ----------	Table VIII, Items a and c, Appendix C, Appendices, Joint Board of Engineers Report of 1926
Soulange ----------	Table X (First stage and additional cost for navigation channels made 27 feet deep), Appendix C, Appendices of Joint Board of Engineers Report of 1926.
Lachine ----------	Table XXXI, Appendix C, Appendices of Joint Board of Engineers Report of 1926.
Amount to be paid by New York State Power Authority ------	Item I, p. 22 and p. 128, New York State Power Authority Annual Report for 1938 (J.B. Lyon Co., Printers, Albany, 1939).

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

NIAGARA FRONTIER PLANNING BOARD
Buffalo, New York

121185

COST OF ST. LAWRENCE SEAWAY & POWER PROJECT
Estimates taken from reports of Joint Board of Canadian-United States Engineers, 1926, and of New York State Power Authority, 1938
(See adjoining sheet for documentary references)

	United States	Canada
International Rapids Section	$ 185,703,000	$ 50,140,000
Interconnecting lake channels, Erie-Huron and Huron-Superior	65,100,000	
Welland Canal Deepening		1,100,000
Lake St. Francis, Soulange & Lachine Sections		124,714,000
	250,803,000	175,954,000
LESS - Already expended on Interconnecting(1) lake channels	21,620,000	
	229,183,000	175,954,000
Improvement, 13 U. S. Harbors, approximately $7,500,000 per harbor	100,000,000	
Improvement, 2 Canadian harbors, approximately $7,500,000 per harbor		15,000,000
	329,183,000	190,954,000
12½% for contingencies	41,148,000	23,869,000
	370,331,000	214,823,000
3% interest for 1/2 of 8 yrs. during construction	44,440,000	25,778,000
	414,771,000	240,601,000
Less Amount to be paid by New York State Power Authority	90,000,000	
Initial Cost of Project	324,771,000	240,601,000
(2) Interest at 3% adjusted over 50-yr. period of amortization	248,450,000	
(2) Interest at 5% adjusted over 50-yr. period of amortization		306,766,000
Total cost over 50-Year Period of Amortization	$573,221,000	(3) $547,367,000

Total Cost to United States	$573,221,000
Total Cost to Canada	547,367,000
TOTAL COST TO BOTH COUNTRIES	$1,120,588,000

To this should be added annual cost of operation of seaway part of project which is estimated to be at least $1,000,000 per year for each country; $50,000,000 for each country over a 50-year period, would make a total of $100,000,000.

(1) Estimates taken from Interdepartment report of 1934, adjusted to include additional expenditures, 1934-1939.

(2) These items have been added for the reason that both the United States and Canada are at present operating on borrowed money to finance large annual deficits in current budgets. If the extra costs of the seaway could be paid for out of current revenues without adding to or creating a deficit, and if neither country had a national debt toward the payment of which any surplus revenue could be applied, these items could be eliminated.

(3) This item would be appropriately adjusted if the Ontario Hydro-Electric Power Commission were to make a formal agreement with the Dominion Government for a rebate of some of the construction costs in the International Rapids Section power development.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

EXECUTIVE OFFICES
22D FLOOR, CITY HALL
BUFFALO, N. Y.
TELEPHONE CL 8299

NIAGARA FRONTIER PLANNING BOARD

ERIE AND NIAGARA COUNTIES

NEW YORK

L 21186

April 29, 1940

Rt. Hon. A. A. Meighen
320 Bay Street
Toronto, Ont.

Dear Sir:

We are sending you under separate cover our report on the St. Lawrence Seaway Project in accordance with your request for a copy. The survey looks exhaustively into the economic ramifications of the proposed development, and perhaps will be of value for future reference as a library volume as well as an immediate reference for your prompt perusal.

You will note that the major findings of our study are listed on the pages immediately following the Introduction. Our principal conclusion, after inquiring into all phases of the St. Lawrence Project, is that the undertaking would be mutually harmful to both Canada and the United States.

Enclosed is a copy of a letter which we sent to all the member organizations of the Canadian Chamber of Commerce. Perhaps you have already seen this, but in the event that you haven't, we include it because we believe that the letter, in addition to the printed survey, will be interesting to you. It serves as a supplement to the printed survey in emphasizing the Canadian angle on the proposed St. Lawrence development.

Hoping that these documents offer a greater understanding of this highly involved St. Lawrence Project, I am

Yours very truly,

Chauncey J. Hamlin.

Chauncey J. Hamlin,
Chairman

Encl.

SECTION 1 OF CHAPTER 267 OF THE 1925 LAWS OF NEW YORK STATE PROVIDES

"There is hereby established 'The Niagara Frontier Planning Board' to consist of thirteen members. The mayors of the cities of Buffalo, Lackawanna, Lockport, Niagara Falls, North Tonawanda and Tonawanda, three members of the board of supervisors of Niagara County and three members of the board of supervisors of Erie County shall be ex-officio members of such board. The three representatives from each board of supervisors shall be appointed annually by the chairman of the respective board of supervisors, subject to the approval of their respective boards. The thirteenth member shall be elected annually by the ex-officio members and shall serve until his successor is elected. He shall be chairman of the Board."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121187

The St. Lawrence PROJECT

Comment on the Criticism of the Jackman Pamphlet *made by* Dr. Thomas H. Hogg, Chairman of the Ontario Hydro-Electric Commission, *in an address* before the Empire Club of Toronto, April 11, 1940.

With Rejoinder by Professor W. T. Jackman, *as Published* in the Toronto Daily Star April 16, 1940.

PRINTED AND PUBLISHED BY
THE REVIEW COMPANY

May 1940 FORT ERIE, ONTARIO

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121188

St. Lawrence Seaway Project

RECENTLY The Review Company printed for W. T. Jackman, Professor of Transportation at the University of Toronto, a pamphlet dealing with the projected St. Lawrence Deep Waterway. The pamphlet was in the nature of a severe condemnation of what Professor Jackman considers to be an unwise proposal, and from the amount of comment aroused by it, it is evident that the publication was in the public interest. It was a serious review of economic considerations in connection with a project that, if proceeded with, will affect the pocketbooks of every Canadian taxpayer in this and many future generations.

For the moment, one may neglect the question whether the arguments put forward in the pamphlet were or were not sound. The point to be kept in mind is that any Canadian taxpayer has the right to adopt a point of view on the subject and to persuade others, if he can, to his own way of thinking. If his arguments are sound, they will accomplish their purpose with reasonable persons. If they are unsound, they will fail.

In fairness, it must be assumed that there are at least two sides to any public question, and that any Canadian taxpayer who disagrees with Professor Jackman's arguments has an equal right to adduce arguments on the other side and attempt to gain supporters for his point of view. Dr. Thomas H. Hogg, chairman and chief engineer of the Ontario Hydro-Electric Power Commission, attempted to do this in an address to the Empire Club of Toronto on April 11, 1940.

NOT A UNIVERSITY PUBLICATION

IF, in this address, Dr. Hogg had observed the ethics of public discussion, and had confined his remarks to criticism of the arguments of the Jackman pamphlet, there could be no exception taken to the propriety of his speech. Instead, he indulged in an attack by innuendo on Professor Jackman and the printers of the pamphlet. He said: "Having regard to Mr. Jackman's university affiliation, and the great numbers of his pamphlets that were printed at Fort Erie and broadcast all over the North American continent, it would be interesting to know whether he published it at his own expense as a personal contribution, or whether it was sponsored by any person or organization . . . . Had this information been given, the pamphlet could not have been mistakenly presumed to be an official and hence an impartial publication of the University." He also went on to say that "I have a letter from the University, informing me that the pamphlet is not published by or approved by the University in any way."

The cleverness of these statements must be admitted. Their good faith is less evident. Dr. Hogg does not say that the form of the pamphlet in any way suggested that it was published by the University. He does not even say that any reader of the pamphlet had mistaken it for a University publication. What he does is to say that if certain conditions had been fulfilled, the pamphlet could not have been mistaken for a University publication. He puts on record a formal denial from the University that it was a University publication. He leaves with his hearers, many of whom, no doubt, had not seen the pamphlet, the distinct impression that the name of the University had been improperly used by

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121189

the author and publisher, but he is still in a position to say that he made no such charge directly.

For the typographical layout of the cover of the pamphlet, The Review Company accepts responsibility. At the bottom of the cover were the following words:

Published by
W. T. JACKMAN
Professor of Transportation
University of Toronto
February, 1940

It will be noted that the name of the author and publisher is the most prominent feature, and that his title and affiliation are quite obviously added as showing his qualifications to write on a complicated economic subject. On the back of the pamphlet are the words "THE REVIEW COMPANY, PRINTERS, FORT ERIE, CANADA." Since the University of Toronto has its own press, this imprint is corroborative evidence, if any is needed, that the pamphlet did not purport to be a publication of the University.

ECONOMIC REASONING

IT should also be noted, if only for the contrast, that nowhere in the pamphlet does Professor Jackman descend to personalities about the advocates of the scheme. His argument is pure economic reasoning. His estimates are at variance with those put forward on the other side, but he shows how he has arrived at them.

In criticizing the pamphlet, Dr. Hogg says that it "grossly perverted the estimates of costs." In substantiation of this statement, he is quoted as telling his hearers that Professor Jackman's estimate is "that it would cost Ontario $670,000,000 for the production of 1,100,000 h.p. on the St. Lawrence." "The true cost at the most," Dr. Hogg is reported as saying, "would lie between $59,000,000 and $105,000,000."

Examination of the pamphlet shows that Professor Jackman's argument was to the effect that, since the project would have no navigation value, the total cost should be charged against the production of 1,100,000 h.p. of energy, but he specifically went on to say that "if the Dominion Government were to undertake the restricted development and charged most of the cost to the taxpayers of the whole country, the amount of the cost to be borne by the Ontario power beneficiaries could be greatly reduced, but at the expense of the residents of the other Provinces." This, of course, is precisely how Dr. Hogg proposes to show that the project will cost Ontario only $67,000,000. He proposes to charge the unnecessary cost of an unnecessary transportation system to the rest of the country, so that Ontario may obtain some power that Ontario does not need.

ESTIMATES NOT COMPLETE

DR. Hogg uses an estimate of $274,000,000 for the cost of the International Rapids section of the Waterway, of which the Dominion Government would pay $59,000,000 and the Province of Ontario $67,000,000. The report of the Joint Board of Engineers indicated that in the International Section alone, if the works were done at the same time, the combined cost of navigation and

121190

power would be $339,735,000. It is, however, notorious that these estimates are not complete. The Joint Board of Engineers has never included in its estimates anything to cover the inevitable cost of improving lake and river harbors and their approaches, so as to make the alleged benefits of the deepened waterway available to the lake and river ports. The estimates include no provision for interest during cost of construction. None of the estimates includes, as a necessary addition to the $67,000,000 which Ontario must pay, the cost of the transmission lines needed to make the power available to consumers.

To a lay observer, Professor Jackman's estimates appear to be based on an attempt to take into consideration all works necessary to the completion of both waterway and power projects. Dr. Hogg's estimates seem to be reached by ignoring many of the details taken into consideration by Professor Jackman. One does not have to be an engineer to compare the validity of the two methods of estimating.

OTHER SOURCES OF POWER

IN his capacity as a public servant of the Province of Ontario, Dr. Hogg may consider it his duty to ignore the cost of the navigation project. He is paid to get power for Ontario as efficiently as possible and without either getting contributions from any other part of the country or giving contributions to any other Province. He says, for example, that he disclaims any active advocacy of the project, and that the Hydro-Electric Power Commission is not yet wholly dependent upon the early development of the St. Lawrence Waterway for its power supplies. He says that the crux of the situation, as far as he and his colleagues are concerned, was to press for a decision, "never for a particular decision, either affirmative or negative." That is, as Dr. Hogg puts it, all that he needs to know is whether we are to obtain our power supplies by developing the St. Lawrence Waterway, or whether we must look to some other source.

On the face of it, this attitude seems proper for a civil servant, and particularly discreet, in view of the Provincial Government's sudden reversal of policy on the whole matter last autumn. But Dr. Hogg's statement also involves an admission that the St. Lawrence is not a necessary source of power for Ontario. There are other sources ready to be developed. They must be economically capable of development, or so competent an engineer as Dr. Hogg would never consider them.

Now, if this be the case, if Dr. Hogg in his capacity as an electrical engineer can obtain power supplies elsewhere, why must he enter the field of transportation economics and insist on making expenditures on a transportation waterway? Why can he not withdraw from the St. Lawrence Waterway discussion and look to the other sources, which he says are readily available, without involving the whole country in another colossal adventure comparable to the Canadian National Railways?

OGOKI — AND THE UNITED STATES

DR. Hogg's position here appears to be based on the advantages of the proposed Ogoki-Long Lac development. This development would supposedly divert water from the Hudson's Bay watershed into the Great Lakes, thus increasing the flow of the Niagara River and permitting an increased development of power at Niagara Falls and DeCew Falls.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121191

Now it is entirely within the treaty rights of this country to add water to the flow of the Great Lakes-St. Lawrence system at any point and to withdraw that water at another point. However, our treaty obligations make it necessary for us to carry out works of this nature with the consent of the United States Government. When the Ogoki-Long Lac diversion was submitted to the United States Government for consent, that Government accepted the principle that it was within the rights of Canada — in this case, within the rights of the Province of Ontario — to make this arrangement, but insisted that it would not consent to the arrangement, except as part of a general settlement of all outstanding waterway questions — i.e., except as part of some arrangement which would lead to the fulfilment of President Roosevelt's ambition to internationalize the ownership of the St. Lawrence route.

The Province of Ontario has a right to complain that, in this respect, the United States Government — usually the most neighborly of all possible governments — has been unneighborly, and has taken an unfair advantage of Ontario. The Ontario Government has the right to complain that the Government of Canada has been weak-kneed in this respect, as it has been weak-kneed in connection with the Chicago diversion, whereby the City of Chicago is allowed to divert water from the Great Lakes into the Mississippi system.

Dr. Hogg would be in a correct position if, with the consent of his superiors, he ventured to criticize the policies of the United States and the Canadian Governments in this matter.

Instead, he argues that, in order to permit the execution of the Ogoki-Long Lac project, the people of Canada should be prepared to shoulder the colossal burden of participation in the St. Lawrence project, and the loss of our sovereignty over the St. Lawrence route.

CHICAGO DIVERSION IS BIG QUESTION

PRESUMABLY, the Chicago water diversion is one of the outstanding questions to be settled, and since Canadian protests on this matter have been ignored for many years, the contemplated settlement is more likely than not to be complete acquiescence in the present illegal diversion or even Canadian consent to a permanent increase in the diversion.

Thus, what Dr. Hogg appears to be advocating to gain consent for the Ogoki-Long Lac diversion is an enormously costly transportation enterprise, surrender of Canadian sovereignty over the St. Lawrence, and passive submission to Chicago's desire to avoid the expense of building a proper city sewage disposal plant.

Actually, Dr. Hogg is obviously wrong in suggesting that the signing of the treaty will permit Ontario to obtain benefits of the Ogoki diversion. If Chicago is to be authorized, as it is understood the treaty provides, to withdraw up to 5,000 c.f.s., and if the Ogoki diversion is to put 5,000 c.f.s. into the Great Lakes - St. Lawrence system, then the signing of the treaty, in place of obtaining the Ogoki water for use at Niagara or DeCew Falls, merely means that the Province of Ontario will complete the Ogoki diversion, for the purpose, not of getting additional hydro-electric power for itself, but in order to give Chicago a gift of some Ontario water power.

Dr. Hogg has argued that Professor Jackman's position at the University of Toronto should have precluded him from discussing power projects. One may

121192

ask in return whether Dr. Hogg's position as chief engineer of the Ontario Hydro gives him special privileges in discussing matters of economics and international relations.

* * * *

In publishing this pamphlet, The Review Company (which is the property of a Canadian citizen) is exercising its right to enter upon a discussion of great public importance.

Since there has been a tendency in recent years for politicians to question the right of professors to express opinions on public questions, and an apparently coincidental restriction of grants of the taxpayers' money to the provincial university, it is expedient to state another fact — viz., that Professor Jackman has not been consulted as to the contents of this pamphlet nor does he know that it is being published.

It is, however, proper to include in these pages a copy of a letter to the Tor-Toronto Daily Star from Professor Jackman, with particular reference to the authority for Mr. Jackman's placing the estimates of cost of the St. Lawrence project greatly in excess of the figures which Dr. Hogg gave his Empire Club audience in Toronto. The letter, as published by the Star on April 16th, follows :

"April 12, 1940.

"To the Editor, Daily Star:

"I notice that considerable space was devoted to the address of the chairman of the Hydro-Electric Power Commission of Ontario before the Empire Club, especially to his violent attack upon me, on account of a pamphlet I issued two months ago on 'The St. Lawrence Project.'

"If he had reasonable judgment and any sense of academic ethics, he would not have asked if this pamphlet, which was published by me personally, was sponsored by the university; and when he goes out of his way to state that he would like to know who paid the expense of publication, the insinuation is a clear indication of the type of mind. But, for his information, I would say that I have published many volumes on transportation at my own expense, and have discussed many of our critical issues therein, and my sole purpose has been to tell the truth. Unlike the one who gave this address, I have no interest to be served except that of telling the truth. It is for this purpose that we are engaged in this university and, since the public expect this from us, we shall not prove derelict to that trust.

"In my pamphlet I mentioned that a very careful analysis of this St. Lawrence project was made by a competent firm of Montreal engineers in response to a request from the Montreal board of trade for 'authentic, unbiased information.' This detailed study goes fully into the cost of this project and shows the cost, as nearly as it can be determined in advance, under the various suggested possibilities. It is upon such conscientious and substantial studies that I have preferred to depend for estimates as to cost. Yet this engineering firm showed its purely scientific character when, in its report, it says :

" 'The river is one of the largest in the world, and the quantities of water to be handled are unprecedented; the construction must be spread over several

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121191

Now it is entirely within the treaty rights of this country to add water to the flow of the Great Lakes-St. Lawrence system at any point and to withdraw that water at another point. However, our treaty obligations make it necessary for us to carry out works of this nature with the consent of the United States Government. When the Ogoki-Long Lac diversion was submitted to the United States Government for consent, that Government accepted the principle that it was within the rights of Canada — in this case, within the rights of the Province of Ontario — to make this arrangement, but insisted that it would not consent to the arrangement, except as part of a general settlement of all outstanding waterway questions — i.e., except as part of some arrangement which would lead to the fulfilment of President Roosevelt's ambition to internationalize the ownership of the St. Lawrence route.

The Province of Ontario has a right to complain that, in this respect, the United States Government — usually the most neighborly of all possible governments — has been unneighborly, and has taken an unfair advantage of Ontario. The Ontario Government has the right to complain that the Government of Canada has been weak-kneed in this respect, as it has been weak-kneed in connection with the Chicago diversion, whereby the City of Chicago is allowed to divert water from the Great Lakes into the Mississippi system.

Dr. Hogg would be in a correct position if, with the consent of his superiors, he ventured to criticize the policies of the United States and the Canadian Governments in this matter.

Instead, he argues that, in order to permit the execution of the Ogoki-Long Lac project, the people of Canada should be prepared to shoulder the colossal burden of participation in the St. Lawrence project, and the loss of our sovereignty over the St. Lawrence route.

CHICAGO DIVERSION IS BIG QUESTION

PRESUMABLY, the Chicago water diversion is one of the outstanding questions to be settled, and since Canadian protests on this matter have been ignored for many years, the contemplated settlement is more likely than not to be complete acquiescence in the present illegal diversion or even Canadian consent to a permanent increase in the diversion.

Thus, what Dr. Hogg appears to be advocating to gain consent for the Ogoki-Long Lac diversion is an enormously costly transportation enterprise, surrender of Canadian sovereignty over the St. Lawrence, and passive submission to Chicago's desire to avoid the expense of building a proper city sewage disposal plant.

Actually, Dr. Hogg is obviously wrong in suggesting that the signing of the treaty will permit Ontario to obtain benefits of the Ogoki diversion. If Chicago is to be authorized, as it is understood the treaty provides, to withdraw up to 5,000 c.f.s., and if the Ogoki diversion is to put 5,000 c.f.s. into the Great Lakes - St. Lawrence system, then the signing of the treaty, in place of obtaining the Ogoki water for use at Niagara or DeCew Falls, merely means that the Province of Ontario will complete the Ogoki diversion, for the purpose, not of getting additional hydro-electric power for itself, but in order to give Chicago a gift of some Ontario water power.

Dr. Hogg has argued that Professor Jackman's position at the University of Toronto should have precluded him from discussing power projects. One may

121192

ask in return whether Dr. Hogg's position as chief engineer of the Ontario Hydro gives him special privileges in discussing matters of economics and international relations.

* * * *

In publishing this pamphlet, The Review Company (which is the property of a Canadian citizen) is exercising its right to enter upon a discussion of great public importance.

Since there has been a tendency in recent years for politicians to question the right of professors to express opinions on public questions, and an apparently coincidental restriction of grants of the taxpayers' money to the provincial university, it is expedient to state another fact — viz., that Professor Jackman has not been consulted as to the contents of this pamphlet nor does he know that it is being published.

It is, however, proper to include in these pages a copy of a letter to the Tor-Toronto Daily Star from Professor Jackman, with particular reference to the authority for Mr. Jackman's placing the estimates of cost of the St. Lawrence project greatly in excess of the figures which Dr. Hogg gave his Empire Club audience in Toronto. The letter, as published by the Star on April 16th, follows:

"April 12, 1940.

"To the Editor, Daily Star:

"I notice that considerable space was devoted to the address of the chairman of the Hydro-Electric Power Commission of Ontario before the Empire Club, especially to his violent attack upon me, on account of a pamphlet I issued two months ago on 'The St. Lawrence Project.'

"If he had reasonable judgment and any sense of academic ethics, he would not have asked if this pamphlet, which was published by me personally, was sponsored by the university; and when he goes out of his way to state that he would like to know who paid the expense of publication, the insinuation is a clear indication of the type of mind. But, for his information, I would say that I have published many volumes on transportation at my own expense, and have discussed many of our critical issues therein, and my sole purpose has been to tell the truth. Unlike the one who gave this address, I have no interest to be served except that of telling the truth. It is for this purpose that we are engaged in this university and, since the public expect this from us, we shall not prove derelict to that trust.

"In my pamphlet I mentioned that a very careful analysis of this St. Lawrence project was made by a competent firm of Montreal engineers in response to a request from the Montreal board of trade for 'authentic, unbiased information.' This detailed study goes fully into the cost of this project and shows the cost, as nearly as it can be determined in advance, under the various suggested possibilities. It is upon such conscientious and substantial studies that I have preferred to depend for estimates as to cost. Yet this engineering firm showed its purely scientific character when, in its report, it says:

" 'The river is one of the largest in the world, and the quantities of water to be handled are unprecedented; the construction must be spread over several

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121193

years, and the works during progress will be subjected to such trying conditions from water and ice, and on such a large scale as we have no precedent to guide in making estimates of the cost . . . so that although no doubt the joint board of engineers gave this phase consideration, yet we are convinced that the costs of the work will be substantially in excess of the figures given in the report, and further than this, we do not think anyone can say what greater sum will be required, as there is no accurate information to safely guide in making such an estimate.'

"In this statement the firm is in entire accord with two engineering firms of great experience in New York City. Whom shall we believe, these three firms, which have brought wide experience and detailed, unbiased study to bear upon this question of cost, or the chairman of the commission? There is only one answer.

"In showing the extent to which actual costs exceed estimated costs of such governmental projects, I have based my statements upon the actual realities in the case of other large-scale enterprises; and I am willing to allow the facts presented in my pamphlet in clear, non-partisan form, to speak for themselves, knowing that they will appeal with sanity to the average well-informed citizen."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L2LL94

320 Bay Street, Toronto,
October 24, 1940.

Mr. A. M. Waddell,
152 Earl St.,
Kingston, Ont.

Dear Mr. Waddell:

I have yours of 21st October with enclosure. This I have set aside for use when the occasion arises.

Thanking you,

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

132 East 88th
Kingston
Feb. 21st 1940

21 1 1 95

Hon. Senator Meighen
Sir
The New York Times has left the cat out of the bag with regard to St. Lawrence Power
It is comparable to Taft's "Canada is at the parting of the ways."
Are we going to let them play their card?
Yours sincerely
A. M. Waddell

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Development Will Provide Needed Power

NEW YORK, Oct. 16—(CP) — The New York Times, commenting editorially upon the opening of negotiations between Canada and the United States on St. Lawrence River power development, said today.

"Ontario has long wanted more power from Niagara. Now that Canada is at war and straining every industrial sinew, the need of that additional power is acute. Washington sees the point and consents to the diversion of 5,000 cubic feet of water a second from each side, which is equivalent to about 155,000 horsepower—all in accordance with the recommendations made by the special International Niagara Board in its report of 1926. Niagara is of negligible importance to the administration—a card to be played. It is the St Lawrence project that is really to be pushed—a project which involves the digging of a channel for ocean-going steamers and the erection of dams and plants to generate power for which there is no immediate and only a faint prospective market.

Only Satisfaction

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Letter Box

ST. LAWRENCE WATERWAY AND POWER EXPORT

To the Editor:

We see much in the press from time to time about deepening the St. Lawrence Waterway to 27 feet for navigation purposes and at the same time developing the power. Ontario begins to see the end of Hydro Power and a likely shortage in the near future. First, is it advisable to start the undertaking at the present time? Canada is now at war. Will it not take all her money and energy to prosecute the war? By leaving it until after the war it will take up the slack.

Ofcourse the United States can well build now. They are getting millions of money out of the war — for supplies from Britain and it is quite a different proposition for them. They want a one-stage dam in the proposition. Canadian engineers recommend a two-stage dam. It would not flood so much of our country with a two-stage. No U.S. land is flooded in any case, no towns are to be moved. They do not care if some of our country is flooded. With two stages the first could be done, and power developed. This would relieve the shortage and be earning money while the other is building — even if it did not cost more — and Montreal would be safer from a flood with two stages than one. If Canada has any backbone she will stick for two stages or no Deep Waterway.

Now where is all the Beauharnois power that we heard so much about? It would be so many years before we would want it. How foolish it was to develop so much! The Montreal Light, Heat and Power Co. took a lot of it. Are they not exporting a portion of it now to the United States? I know it is hard to get private companies to develop power and not export it if they can get their money for it quickly. They have so many depending on it , or them, for an income.

The people look to the Government to save them from what they are unable to do individually; therefore it is up to the Government to carry the power, keep it at home, and use it as we need it. We have it then. If we export it we in all likelihood cannot get it back. Even though Mr. Hepburn does say we can it does not make it so. The Ontario Hydro Commission exports 100,000 power or more at peak loads now. Why not shut it off now if it is so easy? I understand by the press that the Hydro Commission wants to let 60,000 go permanently across the line at Cornwall so they can close off what goes across at Niagara. We are told they can generate a lot more at Niagara if Mr. Roosevelt will agree to the plan and let Mr. Hepburn bring in water to Lake Superior from the Ogoki River District. I do not know how much of it will go into Lake Michigan and down to the Chicago canal. The Shawinigan Company is developing 160,000 power at La Toque Falls in Quebec province and will have it ready about September I understand. I doubt if they have demand for it at present. That they want to realize on it as soon as possible is natural. The Quebec Government gets 50 cents revenue for Horse Power developed or sold. I cannot say how badly they need the money. They used to be opposed to export of power until Beauharnois came up; then they changed their minds.

Now, Sir, I do not believe you can get the power shut off from export to the United States once you have it established, even if Mr. Hepburn does say so. It would help him out in financing if he could do so, but would it not be better for our Government to carry it and pay the interest on the money than lose the power? We cannot run factories here without it. There is no use of furnishing United States cheap power, to close our own factories or put us out of business with our own power when they have twelve to our one to manufacture for. With our factories closed we can then keep our unemployed on relief if that would be better than a few years of paying interest by carrying the power. Mr. Roosevelt did not promise that we could close it off. He is a very fine man, but it is not necessary for us to put our heads in a poke to be caught by the Eagle's claws. They are hard bargainers. Mr. Roosevelt will be off the stage by that time and in all probability, Mr. Hepburn also. Anyway it would have to come up to the Congress and the Senate before it could be closed off from towns and cities already built up by it. Just stop and think how your chances wouuld be to get it back. "Safety First" is a much better plan and worth more.

I see Mr. Gardiner, Minister of Agriculture, in a speech, said Central Canada could support a population of thirty millions. If we let half the power go, how do you think we can do it? We have the minerals in our country and we need to use them in manufacturing as much as possible to get the benefit of them. We need the power then to do so. So keep it at home — do not export it. You can run a small business locally with electric power, but not with coal. If you can get the power back so easy, just try to cut it off. What goes from the Montreal Light, Heat and Power Co. to Messena Falls, N.Y.? Half of it, say 40,000 horse power, at one slap! See what will happen. Now it is up to our representatives at Ottawa not to be caught. Keep the power at home and avoid controversy.

Yours, C. A. Wartman,
Waterford, Ont.
January 30, 1940.

Wednesday Morning — SPECIALS —

FEBRUARY 7—STORES CLOSE 12.30 NOON

SUGGESTIONS FOR LENT

Sea Star
Chicken Haddies 2 14-oz. Tins 21c

Fairhaven
SARDINES In Oil 5 For 24c

Oak Leaf Red
SALMON 1-lb. Tall Tins 23c

Bulk Spaghetti or
MACARONI Redicut 3 Lbs. 12c

Smoked Golden
HADDIE FILLETS Lb. 15c

Duff's
PURE LARD 3 Lbs. 25c

Special Blend
BLACK TEA 2 Lbs. 89c

PHONE BEFORE 11 A.M.—FREE DELIVERY

REED'S Food Markets

Elect Of... And...

At yesterday ... sion of St. James' ... school, Charles A. ... elected superinte... his place and gav... address. He outlin... School's machinery ... posed of the super... four associate su... each head of a diff... ment. J. Roy Brook... some missionary slid... Edmonds read the le... announced that on ... the winter frolic of ... school would be hel... Arena.

The day's figures w... ers and officers 26; p... beginners, 45; total 35... than the same Sunda... and one down from l... 351. The missionary of... $29.61.

Teachers and officer... James Sunday School a... recently are:

Presiding Minister, Re... Todd; Superintendent, ... A. Smith; Associate supe... dents, C. V. Blatchford, ... L. Cardiff H. L. Pond, Roy ... field; Secretaries, S. H. L... Muriel Bridge; Ass't. sec., ... las Murphy, Russell Park; T... Percy G. Butcher; Missio... treas., Bertha Rodgers, Iva ... borne; Orchestra leader, F... Kilgour; Lantern operator, ... Werrett; Teachers, Mrs. ... Prelipp, Mrs. Russell Wal... Mrs. John Rodgers, Mrs. Edw... Cripps, Mrs. Audrey Kleist, ... Howick, Mrs. J. H. Maxwell, ... P. G. Butcher, Mrs. R. Lef... Mrs. P. G. Marshall, Mrs. ... Brokofield, Mrs. S. H. Lef... Mrs. Clarence Blayney, Miss... Mary Misner, Edith Walsh, Lu... Brooks, Marion Beckett, Mur... Bridge, Betty Todd, Margueri... Prebble, Hattie Yeager, Clai... Price, Messrs. Robert Edmond... Richard Edmonds, Don. Kennedy... Lawrence Morrow, H. S. Mac... pherson, J. Alan Hall, A. Le... Pond, C. LeRoy Pond, and Albert... Fowler; Class Presidents, Mrs. ... Albert Fowler, Plus Ultra; Miss... Leona Walsh, J. O. Y. class; ... Harry Neff, Young Men's Bible ... Class; Milton Culver, Senior ... Bible Class.

The one hundredth anniversary of the founding of St. James Sunday School will be celebrated this year which also will see the 104th anniversary of the founding of the church itself, its first minister being Rev. Joseph Messmore, grandfather of the late J. Frank Messmore, former member of Simcoe High School staff.

Market Prices

Potatoes, $1.21 per bag, 75 lbs.
Cabbage, 5c and 10c each.
Carrots, 20c 6-qt.
Parsnips, 15c 6-qt.
Turnips, 50c bushel.
Squash, 10c to 20c each.
Onions, 20c 6-qt.
Chickens, 20c to 23c lb.
Eggs, 23c and 25c doz.
Ducks, 23c lb.
Honey in cones, 2 for 25c.
Butter, 30c lb.
Cheese, 24c, 26c, 29c lb.

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM 2522

CANADIAN PACIFIC RAILWAY COMPANY

Montreal, February 27th, 1941.

#9

121198

Rt. Hon. Arthur Meighen, K.C.,
The Senate,
Ottawa, Ont.

I do not believe that it is necessary for me to make any comment on this.

P.C. Armstrong

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

TORONTO STAR -
MARCH 28, 1941.

1941

SHIPYARD OFFICIALS REPLY TO MEIGHEN

Can't Work 7 Days a Week and Be Efficient

"You can't work a man seven days a week without a holiday and expect to get the best work out of him," officials of the Dufferin Shipbuilding Co. declared today. They were referring to the statement by Rt. Hon. Arthur Meighen in the Senate yesterday that Canadian shipyards were not working at full capacity and that a Toronto yard did not work on Saturday afternoon and on Sunday.

"The full working week is all right if it is only for a short spurt," they explained "Even in England they have found out that you cannot work men seven days a week"

Officials said men in the Toronto yard work more hours during the wesk so that they are able to take the week-end off without hampering the schedule.

"When the men work more hours than is good for them you eventually find the class of work drops off, the injury rate mounts and the working schedule drops away behind," the officials added.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Publisher: The Review Company
E. W. Johnston, Owner

121200

Telephone 23

The Times-Review

FORT ERIE North, Ontario

March 31, 1941

Right Hon. Arthur Meighen, P. C.,
330 Bay Street,
Toronto, Ont.

My dear Senator:

Thank you for your appreciative letter of March 28, regarding our editorial on the St. Lawrence Waterway.

Away back in the days of peace The Times-Review opposed this project. Any objection which was valid before the war seems to me to have double force today.

I want to congratulate you, in turn, on the forceful speech you made in the Senate on March 27 on the subject. An extract from it will appear in our next issue.

Sincerely yours,

E. W. Johnston

EWJ:D

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121200

9

note

Ottawa,
April 1, 1941.

Dr. H. Lyman Hooker,
115 East 61st St.,
New York, N. Y.

Dear Sir:

I have your letter of 29th March and am grateful to you for what you say in support of the stand I have taken on the St. Lawrence Waterway project. I am getting a very few copies of my short address printed and will send you one.

Yours very truly,

AM/E.

Arthur Meighen.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

115 East 61st Street
New York, N. Y.

121202

March 29, 1941

The Right Honorable Arthur Meighen
The Senate
Ottawa, Ontario, Canada

My dear Sir:

The writer notes with satisfaction your opposition to the execution of the St. Lawrence Waterway Project, especially at this time when Canada and the United States cannot afford to squander their energies.

In a letter written to the New York Times as of this date, under title "Inflation Not Impossible" by Mr. Norman C. Norman of New York, he notes among other things "even now, the President, against the better judgement of every competent expert, insists upon spending other billions on the St. Lawrence Waterway".

The writer hails from Ontario and views with misgivings the proposal to initiate the proposed St. Lawrence Waterway Project at this time and sincerely hopes that not only Ottawa, but Toronto, and Quebec will give this matter further serious consideration before finally signing on the dotted line.

With highest regard, I am,

Sincerely yours,

H. Lyman Hooker

H. Lyman Hooker

HLH:ED

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121203

9

Ottawa,
April 2, 1941.

Dr. J. C. Webster,
Shediac, N.B.

Dear Dr. Webster:

I have your letter of 30th March and am very glad indeed to have your views of the St. Lawrence Waterway.

I did not take any active part when I was Minister without Portfolio in Mr. Bennett's Government, but merely looked after my duties as Senate Leader. However, his Government did sign an Agreement while I was a member, and I do not feel that it would be wise on my part at this time to make a general assault on the whole enterprise. I do intend, though, to oppose its being entered upon in war time, and to make my opposition as definite and effective as I possibly can. I may speak on the subject shortly outside the House.

This war-time pretense put up both by Mr. Roosevelt and Mr. King makes one very angry.

With kindest regards,

Yours very truly,

AM/E.

Arthur Meighen.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

DR. J. C. WEBSTER
SHEDIAC, N. B.
CANADA

221204

March 30,1941.

Dear Senator Meighen,

I have read with much satisfaction your views on the proposed St.Lawrence Development Scheme.
People are not going to be fooled into believing that this is an essential War necessity demanding urgent and immediate attention, even though it is so stated by the President & his admirer ,the P.M. of Canada.
Of course,all know that the project is one which the former is bound determined to put through & he craftily chooses the present moment to ask the acquiescence of Canada because he has placed the Empire under great obligations to himself & knows that King would not dare oppose him.
This is a very shrewd political move and reveals the master-hand of the President.
But there is another side to the question,so far as Canada is concerned. Our Government should be forced to adopt the same procedures which it is constantly urging on the people,viz., to avoid unnecessary expenditures. By no exercise of the imagination can the St.Lawrence scheme during the war be regarded as a War necessity,therefore its consideration should be postponed. How can this be accomplished? King can easily force the measure through the Commons.What about the Senate? It seems to be that the issue is in your hands. You have committed yourself to postponement.Can you ensure a majority vote in your support in the Senate?
I find that the proposal of the P.M. is not backed in these parts ,even among his followers & I have talked with many. Their opposition is based on the ground that it is not a War necessity.

Only one consideration would force me to agree to it,viz., the early support of the American navy in the Atlantic. If King could be forced to urge this on the President as the price of the support of the Canadian Senate it would be satisfactory.He could,without entering the war, do what is being suggested in Washington,viz., allow U.S.A. warships to convoy merchant vessels half way across the ocean,the rest of the passage being under the protection of our navy.
In addition,however, a larger number of destroyers should be turned over to Britain.
Greater protection on the ocean is an immediate necessity. The St . Lawrence scheme fades into insignificance by comparison.

It is very unfortunate that the Opposition in the House is so weak. You are the one man in the country capable of acting in this grave emergency.

With kindest regards,

Yours sincerely,

J. C. Webster

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121205

Ottawa,
le 3 avril 1941.

M. P.-E. Pelletier,
117, rue Saint-Joseph,
Lauzon,
Lévis, P.Q.

Cher monsieur Pelletier,

J'apprécie hautement votre aimable lettre du 1er avril courant.

Vous avez parfaitement raison de dire qu'un grand nombre de loyaux sujets britanniques ne comprennent pas la situation concernant la canalisation du Saint-Laurent. J'ai l'intention de faire tout en mon pouvoir pour que ce projet ne soit pas accepté.

Bien à vous,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121206

Ottawa,
April 3, 1941.

Mr. P. E. Pelletier,
117 St. Joseph,
Lauzon, Levis, P. Q.

Dear Mr. Pelletier:

I appreciate very much your kind letter of 1st April.

You are quite right in saying that a very great many loyal British Subjects do not appreciate the situation as respects the proposed St. Lawrence Canal. It is my purpose to do everything possible to have this whole project deferred.

Yours very truly,

AM/E.

Arthur Meighen.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121207

Lauzon 1er Avril/41

Honorable Arthur Meighen
Sénateur
Ottawa

Honorable Sénateur,

Permettez moi, vieux Citoyen de Levis, qui en 1924 vous a reçu avec un groupe d'amis à Levis, et qui vous ont pas oublié, de vous écrire.

Ce jour, je veux vous féliciter d'avoir parlé contre la Conscription du St Laurent, car ce projet vous mènera à l'annexion simplement dans un environ, on en parle déjà aux Etats-Unis, ouvertement; ici nous ne voulons pas ça.

Ce qui me surprend, qu'ici au Canada les anglais, en grand nombre, descendants des Loyalistes qui ont abandonné en 1774-75 les Etats Unis révolté pour venir vivre avec nous Canadiens Français, sous le cher et beau British Flag, ne comprennent pas ça.

Je vous salue et vous souhaite succès.

Votre serviteur R. E. Pelletier
117 St-Joseph Lauzon Levis

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Translation

121208

#9

LAUZON,
1er avril 1941.

The Right Honourable Arthur Meighen,
Senator,
O t t a w a.

Honourable Senator,

As a citizen of Levis who, in 1924, with a group of friends welcomed you in Levis and who have not forgotten you, I take the liberty of writing to you. Today, I wish to congratulate you for your speech against the St. Lawrence Waterway, as this project will simply lead us towards annexation. You may be assured that, in the United States, this project is already discussed openly; here, we are against it.

I am quite surprised that, here in Canada, a great number of British subjects, descendants of the Loyalists who in 1774-75 left the United States to come and live with us French Canadians under the dear and beautiful British flag, do not understand this matter.

With my best wishes for success.

Yours truly,

(Sgd): P.-E. PELLETIER,

117, St. Joseph,

Lauzon, Lévis, P.Q.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 190)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS

Series 5

(M.G. 26, I, Volume 191)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Ottawa

UNCLE SAM'S GREAT BARGAIN

121209

by

Watson Griffin, F.R.G.S.

The Canadian people learned with stunned silence that the British Government had leased to the United States for 99 years harbors and air bases in Newfoundland, Bermuda and the British West Indies in exchange for fifty out-of-date destroyers.

The exact details of the agreement have not been made public at the time of this writing, but the United States is said to have been given the choice of harbors and air bases, and, according to one report from Washington, American experts sent to make a selection chose a harbor at the northeast of Newfoundland and another at the southwest of the island, giving the United States command of both Belle Isle Strait and Cabot Strait, while another Washington report says that Placentia Bay at the south of Newfoundland has been chosen by the United States Government as a location for a naval and air base.

Belle Isle Strait at the north of Newfoundland and Cabot Strait at the south of the island are the entrances to the Gulf of St. Lawrence, the St. Lawrence River and the Great Lakes. These two straits are more important to Canada than the strait at Gibraltar is to England. Control of these straits would give the United States the power to dictate what ships shall leave and what ships shall enter the St. Lawrence waterway.

With Roosevelt or Wilkie as President Canada would have no reason to fear interference with Canadian shipping, but we do not know who may be President of the United States twenty years from now or how the two houses of Congress may be constituted at that time. The attitude of the United States 99 years from now is still more uncertain. If Lindbergh were President he would forbid Canadian participation in any British war. He has said so. He argues that if Canada sends forces to aid Britain against Germany there is danger that in retaliation the Germans may attack Canada and that this might drag the United States unwillingly into war.

The dominant idea in the recent American election campaign was that the United States must keep out of war. Both presidential candidates, recognizing the popular sentiment against participation in the war, promised emphatically wherever they spoke that they would keep the United States out of the European war. We cannot tell what popular sentiment in the United States may lead to in the future if the United States controls the entrances to Canadian waterways and can dictate what ships may come in and what ships may go out.

The British West Indies are the natural complement of Canada, which, having vast expanses of northlands, has no tropical or semi-tropical territory. The United States has large areas in the southern states and California where tropical and semi-tropical products can be grown. It also owns in the West Indies Puerto Rico, acquired from Spain, and the Virgin Island colonies St. Thomas, St. John and St. Croix, purchased from Denmark, while it controls Hawaii and the Philippines in the Pacific. Now Winston Churchill has given the Americans domination over all the British West Indies.

The friendship between Canada and the United States, which has lasted for considerably more than a century, has been based on equality. To place Canada in a position of inferiority will not make for good understanding. The fact that the United States took advantage of the perilous situation of England to secure in exchange for a few

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121210

out-of-date destroyers naval and air bases in Newfoundland, Bermuda and the British West Indies giving domination over North America, Central America and South America, will rankle in the minds of Canadians for generations.

Without expressing any opinion myself I asked a Newfoundlander who was decorating an apartment in a building of mine what he thought of Winston Churchill's gift to the United States of naval and air bases in Newfoundland and the British West Indies. He replied: "It is criminal." I put the same question to a young officer of the Canadian army whose father during his lifetime was an active Liberal and held a very high position in Canada. He used exactly the same words as the Newfoundlander in reply: "It is criminal." Of course they did not use the word "criminal" correctly. What they both meant by the expression was: "It is an outrageous betrayal of Newfoundland, Canada and the British West Indies."

It is almost inconceivable that the British Prime Minister could make a decision so vitally affecting Canada without consulting the Premier of this Dominion; especially at a time when Canada is fighting side by side with Britain while the United States holds aloof, even refusing to allow its ships to carry to England the war supplies paid for with cash. It must be assumed that Winston Churchill acted with the approval of Mackenzie King.

If President Roosevelt at the Ogdensberg conference asked the Premier of Canada to recommend this deal to the British Prime Minister, Mackenzie King might have replied as follows: "The strategic bases you ask for have been a part of our heritage as British citizens for generations. The British Empire should not be asked to relinquish control of them; but Canadians will gladly welcome American warships to our harbors and American planes to our airdromes, and I have no doubt that the British Government will do the same in Newfoundland and the British West Indies. Canada will offer to construct the necessary equipment to accommodate American warships in Newfoundland and the British West Indies as well as in Canada. Instead of offering the out-of-date destroyers to the British in exchange for harbors and air bases make a trade with Canada, exchanging the destroyers for the railways of the Canadian National Railway in the United States owned by the Canadian Government. The destroyers will be sent overseas as part of the Canadian navy."

It may not be too late for Canada to offer to buy from the United States the harbors and air bases in Newfoundland and the British West Indies acquired in exchange for out-of-date destroyers. The railway lines in the United States owned by the Canadian Government and their terminals in American cities, which we might offer in payment, cost Canada more than the out-of-date destroyers cost the United States. These railway lines were built by the old Grand Trunk Railway Company before the whole system was taken over by the Canadian Government. They include the railway from Port Huron to Chicago, a number of shorter lines in Michigan and the old Grand Trunk line from Norton, Vermont, to Portland, Maine.

There has been for many years a tendency on the part of both British and Canadian governments to assume that the only way to remain on friendly terms with the United States is to grant anything its government asks for. This is no compliment to the American people. Although they are astute bargainers Americans will be just as friendly and respect us all the more if we refuse to agree to anything that would lessen our independence or our power.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

In the year 1850 an understanding was arrived at between Nicaragua, Great Britain and the United States that any canal that might be constructed connecting the Atlantic and Pacific oceans by way of the River San Juan de Nicaragua and either or both of the lakes of Nicaragua or Managua should be under the joint protection of Great Britain and the United States. The agreement between Great Britain and the United States was embodied in the Clayton-Bulwer treaty concluded April 19, 1850. It was agreed that neither Great Britain nor the United States would ever obtain or maintain for itself any exclusive control over the said ship canal; that neither would ever erect or maintain any fortifications commanding the same or in the vicinity thereof, or occupy or fortify or colonize or assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito coast or any part of Central America, and that neither of them should by any means obtain rights or advantages in regard to commerce or navigation through the said canal which would not be offered on the same terms to the citizens or subjects of the other.

After that treaty had been in force over fifty years the United States Government asked the British Government to cancel the agreement which prevented the United States from having exclusive control over any canal that might be constructed through Nicaragua. Britain, always ready to agree to anything asked for by the United States, yielded and the Hay-Pauncefote treaty concluded November 18, 1906, provided that the canal referred to in the Clayton-Bulwer treaty might be constructed under the auspices of the United States either directly at its own cost or by gift or loan of money to individuals or coporations or through subscription to or purchase of stock or shares, and that the United States should have the exclusive right of providing for the regulation and management of the canal and should be at liberty to maintain such military police along the canal as might be necessary to protect it against lawlessness and disorder.

Thus, while the United States owns and absolutely controls the Panama Canal it has the right to exclusively control a canal through Nicaragua, probably the only other practical route for a canal connecting the two oceans.

The British Empire has in Canada and Newfoundland a larger area of North America than the United States. It has in Central America British Honduras adjoining Nicaragua and in South America British Guiana, a country larger than England, Scotland and Wales together. It has in the Atlantic Ocean a number of important islands, which are near neighbors of Panama and Nicaragua, including the Bahamas, Jamaica, Trinidad, Tobago, Grenada, Barbados, St. Vincent, the Grenadines, Dominica, Montserrat, Antigua, St. Kitts, Nevis, Barbuda and Anguilla, besides thirty-two small islands in the Virgin group. The British Empire has also very extensive and highly important possessions in the Pacific Ocean.

Now it is proposed that Canada shall sell to the United States a half interest in our St. Lawrence canal system by an agreement providing that the United States shall pay half the cost of the Canadian canals already constructed, half the cost of future enlargement, and half the cost of St. Lawrence water power development in the international section.

The Canadian Government may declare that there is no sale of an interest in our canals to the United States, but if the United States pays half the cost of both past and future canal construction the Americans will certainly feel that if they have not

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

half ownership they ought to have, and this may cause future unpleasantness. It is a case of selling our birthright for a mess of pottage, and we have not the excuse that Esau had when he was cheated out of his birthright by his shrewd brother Jacob, who found him starving after an unsuccessful hunting expedition.

The United States has two independent entrances to the Great Lakes by way of the Erie and Hudson River canal and the Chicago and Mississippi canal. The St. Lawrence canal system is Canada's only entrance to the Great Lakes.

When Canada had less than half of its present population and a mere fraction of its present developed wealth it was able to build and own its canal system without any help from the United States.

As a matter of friendliness we should continue to allow the Americans to use our canal system on the same terms as Canadians, but it should not be a treaty right. The privilege should be granted simply as a courtesy, dependent always on the authority of the Canadian Parliament.

The joint development of waterpower in the international section of the St. Lawrence, which belongs equally to the two countries, is quite another matter. The United States and Canada should equally share the cost, but any engineering plan agreed upon should protect Canada's navigation rights so that whenever we are ready for the enlargement of the St. Lawrence canals to the Welland scale the whole system will be in Canada, under Canadian control and unquestionably owned by Canada.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

#1577

121213

EXPERT OPINION

re

HYDROGEN AND OXYGEN.

A. T. Stuart,
Toronto, January 15, 1932.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121214

EXPERT OPINION

RE HYDROGEN & OXYGEN

(A. T. Stuart, Toronto, Jan.15th, 1932).

The following are excerpts from some of the papers published by experts on the subject of hydrogen and oxygen.

Since practically every except who has given any thorough study to the question has published his findings, it is felt that a review of such literature renders it unnecessary to seek further confirmation elsewhere. In fact, it would be impossible for any one, no matter how expert, to pass an opinion of value on this matter without a careful study of all available literature. The fact that so many experts in all countries are quoted herein should alone be sufficient, particularly as their findings are virtually unanimous.

For convenience, the following excerpts are arranged in order under the various phases of the problems as they come up. Also, references are given to iriginal sources.

I. Re. Use of 24 Hour Water Power.

As evidence of the economics of the use of continuous power at water power plants for the production of hydrogen and oxygen, it is only necessary to point to plants already in operation.

In Canada we have the new plant of the Consolidated Mining & Smelting Co. at Trail, B.C., with a present capacity of 27,000 H.P. and a much greater projected capacity. In Norway, there is the 180,000 H.P. plant of the Norwegian Hydro-Electric Nitrogen Corporation. Then there are two plants in France, 6 in Italy, 1 in Spain, 3 in Japan, 1 in Poland, 1 in Czecho-Slovakia, 1 in Switzerland, 1 in Sweden and others.

From the data presented by Col. G.P. Pollitt (World Power Conference in 1930) it appears that plants operating or under construction total in all about 500,000 H.P. capacity. In all these cases electrolytic hydrogen competes with all other sources (water-gas, coke-oven gas, natural gas, etc.) even when no value is placed on enormous quantities of by-product oxygen.

II. Re. Use of Off Peak at Steam Plants.

(A) Dr. E.F.Armstrong, before the Institution of Chemical Engineers in London, England, Oct. 30, 1931, states:

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021205

"Whenever pure hydrogen is required or hydrogen in small quantities, or even in large quantities in localities where power is cheap, its production by electrolysis is the method chosen."

"For quantities under 3000 cubic feet per hour, electrolytic hydrogen is undoubtedly cheaper than that produced by any other method."

"Serious thought may have to be given to linking up production with the electricity wasted at any time during the day in power stations, and under such conditions the cost of electricity would be negligible."

"There has been a tendency to neglect the electrolytic cell in connection with the off peak load."

"There is no reason why the main power stations should not use electrolytic plants to produce considerable quantities of cheap hydrogen as an off-peak load; this would assist the power stations to produce electric energy even more cheaply."

This statement is of particular import because Dr. Armstrong has based all costs on the operation of steam plants and on hydrogen alone. In other words, oxygen can be produced at no cost at all in all industrial centres where steam utilities operate. It therefore follows that circumstances in water power regions are still more favourable.

(B) Supplement to Electrical Times, Mar. 7, 1931.

This supplement lists the load factors on every steam power plant in England. The data show an average load factor below 30%.

(C) Paul McMichael, Elec. World, Mar. 10, 1930.

"The net increment cost of off-peak electric energy, free from fixed charges, is less than the cost of fuel required for its generation, and this cost varies from 1.319 mills per K.W.H. with coal at $2.50 per ton to 2.609 mills per K.W.H. with coal at $5.00".

"There are central stations in the Mississippi Basin that can derive substantial profit from the sale of surplus off-peak electric energy at a price of 1.5 mills per K.W.H.".

(D) Farley G. Clark, Elec. Eng., Mar. 1931.

"There was installed in 1930 in the United States a total steam-electric generating capacity of approximately 30,000,000 K.W. in stations having a yearly output of about 60,000,000,000 K.W.H.". (i.e. an average load factor of less than 25%).

"Surplus power could be produced profitably on the basis of an annual output at 30% of the present annual output (18,000,000,000 K.W.H.)."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021216

The cost of this surplus is estimated to vary from 0.4 mills to 3.5 mills and to average 1.5 mills per K.W.H. The costs are estimated to decrease in future with new improvements.

(E) W.B.Woodhouse, Chem. Age. May 9, 1931.

It is estimated that, in England, continuous 24 hour power could be produced at 1/5th penny and even less for secondary power or restricted supplies.

III. Re. Use of Off-Peak on Water Power Systems.

(A) Toronto Hydro-Electric System, Annual Reports.

The peak load for 1930 is stated as 303,887 H.P. and the actual sales as 802,527,302 K.W.H. This indicates actual delivery and usage to be about 40% of the peak capacity.

Such load characteristics are similar to those of all the central station industry, whether steam or hydraulic, throughout the world.

(B) Electric Boilers.

Over 750,000 H.P. capacity in electric steam generators is operated in Canada on off-peak power. Since this power thus competes with coal firing the value for off-peak for this purpose is established at not over 1 mill per K.W.H.

(C) New York State Power Commission (Electrician, Mar.6, 1931).

"Great losses and wastage will result unless a very large proportion of the capacity (on the St. Lawrence) is sold for use 24 hours a day the year round."

"If 25% or less of the plant capacity could be sold, as would be the case if it were attempted to sell directly and only to domestic consumers, the theoretical cost ---- would be at least 4 times as much as if the full capacity could be sold."

"Great waste would be involved unless provisions were made to supplement it with steam to carry peak demands."

The logical and better procedure would be to find use for all off-peak, as by the production and use of hydrogen and oxygen.

IV. Re. Use of Oxygen for Gas Manufacture.

(A) Arthur D. Little Inc., Ind. Bulletin, March, 1927.

"Such a generator (a gas producer operated with oxygen) might easily use 25% less fuel for a given output and have twice the capacity for a given size of generator due to continuous operation."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121207

"The direct result of economies along these lines will be a rapid broadening of the field of gas utilization, both in house heating and in industrial furnaces and boilers."

"Effective utilization in these various fields will depend upon well supported and properly directed research."

(B) "Impending Changes in Our use of Fuels" -

Engineering Foundation - Arthur D. Little, 1927.

"Such operations (i.e. use of Oxygen in water-gas sets) would permit the use of a solid hearth with slag removed in liquid form, thereby saving grate troubles and clinkering and making available low grade coal with a low fusing point."

(C) Chem. Age. P. 326, March 31, 1923.

"A supply of oxygen at a few pence per thousand cubic feet would be followed by almost revolutionary developments in the field of fuel technology."

"Cheap Oxygen, to take but one example, would lead to another renaissance in the gas industry, enabling the efficiency of some of the gas producing processes at present in operation to be increased beyond all knowledge. Not only would cheap oxygen enable the well known intermittent water-gas process to be run on continuous lines, but some exceptional developments would undoubtedly occur with carbonization in vertical retorts."

(D) A. Gordon King, Service Engineer, American Gas Assoc. (from Gas Age - Record, March 3, 1928).

"Others talk of using oxygen to complete the conversion from solid fuel to a gaseous product and this will receive the further attention it well deserves as soon as oxygen can be obtained at a price low enough to economically justify the process."

(E) United States, Bureau of Mines, Bulletin 2502 /23.

Among other uses for oxygen, this bulletin estimates a great future for oxygen in the manufacture of artificial gas.

(F) E.A.W.Jeffries, Amer. Gas Journal, Feb. 26/21.

After carefully estimating economies in use for oxygen in gas making, Jeffries states:

"It therefore appears feasible by the figures submitted above, to manufacture a most desirable gas for all purposes without the use of oil at a cost ----- which favourably compares with the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121218

present increasing cost of natural gas. The quantity available is limited only by the supply of coal and capital ---- Further, the gas --- burns at a substantially higher temperature than natural gas."

"City gas companies, therefore, may reasonably look to a new era in their business, not only in their ability to meet the present demand at a very much lower cost but principally because the field for operation is thereby broadened to cover the supply for heating houses and buildings, for operating gas engines, and for every industry requiring gas. --- Solid coal and coke cannot possibly heat so cheaply and conveniently."

(G) Hodsman & Cobb - The Gas World, June 5, 1930.

These men, professors of gas engineering at Leeds University, have estimated that the overall efficiency of gas making with oxygen may reach 95% and that the costs of gas will be greatly reduced. They conclude:

"If it is possible to put practically the whole of our coal output into gaseous form, with little loss and in an economical manner, an important saving of transport and fuel would be conceivable."

"It may be asserted with some confidence that the possession of a cheap supply of oxygen would be one of the most effective ways of promoting economy and efficiency in the utilization of the coal supply. It is suggested finally, that the gas industry would be well advised to set on foot, without delay, an investigation into the possibilities of the use of oxygen in complete gasification."

(H) Mechanical Engineering, March, 1931

Geo. A. Orrok predicts that power plants of the future will be gas fired, coal being first subjected to complete gasification (as by oxygen).

(I) P. McMichael, Gas Age Record, Jan. 3, 1931.

In his paper "Cheaper gas with off-peak power", McMichael presents considerable cost data and concludes:

"A substantial profit can be gained by converting surplus energy into hydrogen and oxygen and selling the gases at the highest preference uses in chemical and metallurgical processes."

"An associated gas company can profitably utilize all the hydrogen and oxygen whenever the cost of off-peak is not over 1.9 mills per K.W.H.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121219

"An associated gas company can profitably consume all the oxygen made with off-peak --- when the off-peak costs exceed 2.5 mills per K.W.H."

"By converting off-peak into hydrogen and oxygen, employing the hydrogen for (say) ammonia synthesis and using oxygen for oil gas for enriching purposes, the whole operation will be self-sustaining --- while markets are being developed for higher preference values."

(J) World Power Conference, Berlin 1930, (Von Galocsy)

This writer reviews all the published literature and goes exhaustively into the theory of gasification with oxygen.

Von Galocsy concludes that the use of oxygen greatly increases gas production per ton of coal and, also, is capable of effecting enormous savings in fixed charges and labor.

Von Galocsy states that "a single producer (slagging gas producer) will be able to handle 350 tons of coal and produce 21,000,000 cu.ft. of good gas (not including any electrolytic hydrogen), a volume equal to the maximum requirements of the city of Hambourg."

(K) Chem. Age. Oct. 10, 1931 -(H.E.Rambush)

This paper is interesting because it deals with further possibilities of the Slagging Gas Producer. It describes a plant in France (L'Air Chaud Producer) which handles mixtures of shale containing 65% ash and inferior coke with 28% ash and produces fair quality gas and, at the same time, by-products of slag suitable for cement making and a silicious pig iron. The apparatus has been in use 6 years and is a good indication of the possible improvements if oxygen were available.

(L) International Conference on Bituminous Coal at Pittsburgh, Nov. 1931.

Perhaps the latest paper on oxygen for gas making is that presented at this Conference by Dr. J. Gwosdz of Germany. This writer again reviews the whole subject and points to the fact that several companies in Europe are now developing the new process of gas making with oxygen.

V. <u>Re. Use of Oxygen in Blast Furnaces</u>.

A. U.S.Bureau of Mines, Bulletin 2502, July 1923.

This bulletin was prepared by a committee of 12 experts on the subject of "Oxygen in Metallurgy and Allied Processes."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

It considers the use of oxygen in blast furnaces, Bessemer converters, Open Hearth, Gas Manufacture and in the manufacture of ferro-manganese, going into detailed cost data for each process. In general it points to possible reduction in costs, increase in outputs, improvement in flexibility of processes, improvement in product and the possibility of using cheaper and lower grade materials.

(B) Can. Gas Assoc. Meeting Aug. 1922 (Floyd Parsons).

Parsons, editor of Gas Age-Record, states:

"One blast furnace turning out 500 tons of iron a day requires 5 times as much oxygen in its operation each 24 hours as is produced by all the plants in North America."

He then points to the advantage of using pure oxygen and the quantity which can be used.

(C) Jno. S. Unger, Research Engineer, Carnegie Steel Co.

"The great stacks of the blast furnaces -- will all disappear. This change will come to pass --- when the price of oxygen is reduced from $160. per ton to $10. per ton. (equivalent to 45¢ per 1000 cu.ft.)

(D) Chem. & Met. Dec. 1, 1930.

This item refers to a new process for making cheap oxygen from air and states:

"A blast furnace using air enriched by oxygen is being placed in operation in the Ruhr District (Germany)."

VI. Re. Reduction of Ores by Gases.

This subject is of especial interest for the reasons that:

1. Hydrogen is the ideal gas for the reduction of metals from ores of iron and other metals.

2. Water Gas, another valuable gas for these purposes, can be made more cheaply from coke by means of steam and oxygen.

A few references to the subject are here given.

(A) U.S.Bureau of Mines, Bulletin 270 (1927).

This report points to the advantages of the process and reviews the many moves towards its commercial introduction.

(B) Am. Electro Chem.Soc. Proceedings, Vol. 5, 1927.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121220

This presents several papers on the subject of the new processes for ore reduction by gases.

(C) Commercial Operations.

Gaseous reduction of ores is being operated in Sweden and elsewhere. The United States Steel Corporation is developing the process on a large scale near Cleveland.

VII. Re. Use of Oxygen in Combustion.

(A) Arthur D. Little Inc., Bulletin March 1927.

"The justification of the use of pure oxygen in the combustion of fuel lies either in the very substantial saving of fuel which may result or in the high temperatures attainable. The available heat per pound of fuel burned, in high temperature work, may be several times as great when pure oxygen is used as when even a pre-heated air blast is used. This will result in marked economy in the production of high grade ferro-silicon, ferro-manganese and ferro-chrome, alloys that are indispensable in modern metallurgy."

"In the field of processes requiring temperatures higher than are attainable by burning fuel with air, oxygen will probably invade a portion of the electric furnace field in a very few years."

(B) Chem. & Met. Nov. 8, 1923.

"Use of oxygen in connection with the enrichment of air for the blast furnace and practically all phases of pyro-metallurgical work will furnish the key to success in the further development of such metallurgical operations."

(C) Gas Age-Record, Aug. 18, 1928.

"Everyone knows that our major industries will have their practices largely revolutionized if oxygen in concentrated form could be supplied to them at a cost of $10 to $20 per ton."

"Not only will cheap oxygen bring about radical changes in gas manufacture, but practically all the metal industries, as well as steel manufacture, will be immensely benefitted -- and we shall get more and pay less for hundreds of products because of the lessened operating charges made possible by cheap oxygen."

"Steel furnaces could be run on a much closer margin in the matter of heat allowance, thereby effecting a large saving in coke consumption. Oxygen enrichment would increase the calorific value of the blast furnace gases by eliminating part of their nitrogen content, and this would tend to do away with the wasteful hot-blast stove. Of great importance is the certainty that oxygen

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121222

enrichment of air fed to gas producers would permit of the consumption of low grades of coal which cannot now be burned with success."

(D) Am. Inst. Mining & Metallurgical Engineers, Feb. 1924.

A published symposium on "Use of Oxygenated Air in Metallurgical Operations", from which is quoted:

"That more experimental work has not been done is due to the fact that no cheap oxygen has been available."

"The theoretical studies of the Committee have indicated such marked economy by using oxygenated air in various operations that its members strongly recommend experimental work to verify the anticipated economies."

VIII. General Observations.

(A) General Electric Review, Dec. 1927.

"Oxygen is rapidly becoming as essential to industrial life as it is to human life; and as new applications are economically perfected, it will undoubtedly rank with other forms of industrial utilities such as light, heat and power."

(B) Gas Age Record Aug. 18, 1928.

"There is an old saying 'free as the air we breathe'! But if we view the matter purely in a commercial light, is the air so very free if we cannot drag out of it in practical fashion and sufficient quantity the one element we need most in our every day life? Therefore, let us not give up hope that science and industry are at last to get together in the great project of utilizing the most common of all the earth elements."

(C) World Power, Jan. 1928. (A.T.Underwood).

"There are several fields in which oxygen would find extensive application if it could be produced at a sufficiently low price. Among these are gas manufacture and several metallurgical operations in which the use of oxygen-enriched air offers considerable advantages. Up to the present, however, the cost of oxygen has prevented commercial developments in these directions."

(D) Chem. Age, Feb. 28, 1931.

"It seems very probable that before long the production of organic chemicals will pass into the domain of synthetic chemistry with carbon from coal, oxygen and nitrogen from air and hydrogen and oxygen from water as the starting products."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121223

(E) World Power, Jan. 1928.

"The plant (electrolytic) can be operated satisfactorily and without undue loss of efficiency, under very great variations in the amount of power available. It is extremely flexible and the load taken by the battery can be instantly altered to suit the power available according to the other demands on the generating station, so that a station load factor of nearly 100% can be obtained."

(F) W.P.Dobson & A.S.L. Barnes, Hydro-Electric Power Commission of Ontario, (Am.Electro Chem. Soc.Meeting at Pittsburg, Sept. 19, 1929).

A survey of the possibilities for hydrogen and oxygen with special reference to the use of off-peak power.

(G) Assoc. of Municipal Electric Utilities of Ontario (Elec. News, July 1, 1931).

"The Municipalities feel that they would like to share in the expense of enlarging research and testing work in order that they may profit to a greater extent."

The Research Committee (O.M.E.U.) specifically recommends (among other things) investigations re the electrolytic production of hydrogen and oxygen and adds that:

"it is to be hoped that another 18 months will not pass while the report is being digested, but that action will be taken immediately, for the efficient utilization of energy is just as important for the prosperity of the province and the country as is its generation and transmission."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121224 #1578

HYDROGEN AND OXYGEN

as

PUBLIC UTILITIES

A. T. Stuart,
Toronto, January 15, 1932.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121225

HYDROGEN AND OXYGEN

AS PUBLIC UTILITIES

(A. T. Stuart, Toronto, Jan. 15, 1932.)

Need for Research.

We have in Canada, as elsewhere, two problems of first rank importance, one relating to power and the other relating to fuel.

The output of the electric central station, whether operated by water power or steam, is used primarily for power and light and for operating domestic appliances such as space heaters, water heaters, cooking stoves, toasters, sweepers, washers, fans, refrigerators, etc. While these uses have their advantage, it cannot be said that most of them form a basis for high industrial prosperity. Furthermore, the nature of these uses creates great variations in demand so that about half of the productive capacity of the central station remains unsold and unutilized.

Also, particularly in Canada, we have what has been called a "Fuel Problem". This expression is somewhat unfortunate because it emphasizes the lack of native supplies of raw fuels, rather than the need for improvements in efficiency in the use of fuels. The problem, therefore, could be more correctly stated as a question of "producing convenient forms of heat and means for delivering it where needed at the highest possible efficiency."

It is unnecessary to make out a case for gas as the ideal form of fuel. This fact is obvious enough even without reference to the fact that natural gas, when available at low cost, is used to heat entire cities and to displace all other forms of fuel for industry.

It is also unnecessary to make out a case for oxygen as the ideal means for developing high temperatures in industry. Ores and minerals must be smelted, melted, roasted, calcined, sintered, dried, fluxed, etc., to produce iron and steel and other metals, cement, glass, brick, tile, refractories, abrasives, porcelain and other metallurgical and ceramic products. In all these processes high temperatures are essential and numerous experts can be quoted to prove that cheap oxygen is the answer.

The Problems.

The problems can now be stated concisely:

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121226

A. How to apply water power to basic industrial processes involving heat.

B. How to utilize the surplus off-peak capacity of the central station industry, both steam and hydraulic.

C. How to use these resources to make cheap fuel gases.

D. How to make cheap oxygen for combustion in industry.

The questions thus set in order suggest the procedure to be followed: available supplies of low cost electrical energy should be utilized in some way whereby coal or oil can be made into cheap gas and, also, whereby cheap oxygen can be made available for combustion in industry. In other words, the need is for a single general method of universal applicability which will answer these questions.

It is therefore advisable to make an analysis. What is gas? What is the nature of combustion?

All artificial and natural gases contain carbon and hydrogen. These elements exist in gases as compounds of carbon and hydrogen (hydro-carbons), free hydrogen and carbon monoxide, and examination shows that more than half of the heat of gases, on an average, originates with hydrogen. Combustion is merely the combination of these gas constituents with oxygen.

The annual tonnage of hydrogen and oxygen consumed in industry and in gas works is, and always has been, enormous. The reason why the terms "hydrogen" and "oxygen" are not familiar is merely because, in spite of all modern invention and refinement, we still use crude materials (raw fuels and "raw" air) in our most important and fundamental process -- that of generating and directing heat where needed in every industry and every home.

Gas Making.

Artificial gas, made from coal, contains up to 50% hydrogen, 40% carbon monoxide and various amounts of hydro carbons and also certain amounts of incombustible impurities. In $4 coal we have heat in a raw or crude form at a cost equal to ordinary city gas at 7¢ per 1,000 cubic feet. The problem, therefore, is to convert that coal into good gas, either in gas works or at points of consumption in industry, without unduly increasing the cost of heat units.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121227

It is well known that the cheapest artificial gas is "producer gas", made by simply blowing air and steam up a column of coal -- very much like a house furnace. However, "producer gas" carries about 50% incombustible nitrogen (from the air used) and other inerts and therefore is inefficient in use and not suitable for city supplies.

But, if we could use pure oxygen instead of air we would eliminate nitrogen and other inerts and therefore could make high quality gas (400 B.T.U. per cubic foot) at the highest efficiency and by the cheapest possible means. In fact "slagging gas producers" are already being introduced in Europe for the simultaneous production of gases and the smelting of ores of iron and other metals. With the introduction of pure oxygen, instead of air, such processes have enormous potentialities.

The future city gas plant will probably resemble the present blast furnace, operated by oxygen and steam. In one single unit as much as 500 tons of coal per day could be handled to produce (when electrolytic hydrogen is included) over 40,000,000 cubic feet of gas, or double the present peak demand of the whole City of Toronto. Smaller units could be operated at points of consumption in industry, particularly the metallurgical and ceramic industries.

The inherent advantage of oxygen is obvious. With oxygen, gas making apparatus can be built in very large units and fired "internally". At present, all city gas making apparatus must be in very small units fired externally or else intermittently, with consequent enormously high costs in fixed charge and labor and with serious wastage in the use of expensive fuels.

The answer is, obviously, to produce cheap oxygen for gas making. When electricity is used for this purpose, hydrogen is simultaneously produced. This hydrogen, 100% pure, is a finished product available for any purpose or for addition to the gas made with oxygen.

Experts have shown that, by using pure oxygen, coal can be gasified at close to 100% efficiency and at the lowest possible cost if the oxygen is cheap or produced as a by-product.

Hydrogen and Oxygen.

Industry virtually did not discover pure hydrogen until about 1915 when the Germans introduced it to make explosives. Today the world uses about 200,000,000,000 cubic feet per annum and this consumption is growing by leaps and bounds. This amount

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121228

of hydrogen used is of course in addition to that made by city gas works which are, essentially, factories for the production of mixtures of hydrogen and carbon-monoxide in about a 50-50 ratio.

Industry has not yet, in the same sense, discovered pure oxygen. We are just now on the threshold of that discovery and no one should venture to name the limit of its production and usage. Its possibilities in combustion are no more than indicated in the oxy-acetylene flame used to cut and weld metals, while its possibilities in gas making, smelting, etc., are attested by experts all over the world.

The analysis shows that both hydrogen and oxygen are key materials of industry and that universal and complementary demands for each gas is merely a matter of costs of production and experience in use, with only slight modification of present practices.

Water is universally available as a source for both hydrogen and oxygen and electricity will break up one gallon of water and produce 200 c.f. of hydrogen and 100 c.f. of oxygen, with a consumption as low as 22 K.W. hours of off-peak energy.

Although hundreds of thousands of Horse Power of electricity are already being used for the electrolysis of water, the situation at the moment is that hydrogen and oxygen are not largely produced by electricity. Hydrogen at present is chiefly produced by decomposing water (steam) by means of hot coke and, if all the hydrogen produced by gas works, fertilizer, soap and other industries, were produced by electricity, the consumption of power would run into millions of Horse Power. Oxygen is chiefly produced at present by the liquefaction of air and very little power is used yet. Even the relatively small present world production of oxygen would be equivalent to an electrical output of about 2,000,000,000 K.W. hours if oxygen were obtained from water instead of from air.

All this will be entirely changed when the uses for both hydrogen and oxygen are developed to anything like their possibilities. With off-peak power at central stations, both steam and hydraulic, available all over the industrial world, and with universal and complementary demands for both hydrogen and oxygen built up, it will become absurd to make hydrogen by one process and oxygen by a separate process and, at the same time, leave unutilized and unsold nearly 50% of the production capacity of the electrical industry. Obviously, the future

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121229

will tie in the use of this idle capacity to meet the demands of industry for hydrogen and oxygen.

Summary.

It is obvious that the proposition outlined represents nothing new, there being no real departures from the present practices of gas making and fuel combustion. City gas contains 50% hydrogen and therefore there is nothing new about hydrogen. Air contains 20% oxygen and there is nothing new about oxygen. Water contains both hydrogen and oxygen and already large fertilizer plants use hundreds of thousands of horse power to decompose water into its constituents.

However, the possibilities in hydrogen and oxygen are nothing short of revolutionary. Important interests stand to be benefited greatly by the proper course of development wherein hydrogen and oxygen can find use in industry. Directly benefited would be the electric utilities, the gas utilities, all industries to which cheap gas would be made available, all industries which can use oxygen for high temperature combustion, the coal industry, railroads, makers of electrical and gas plant equipment, and the domestic consumer of cheap gas for house heating. In fact so many elements in any community can be benefited that it could be said that the problems outlined are of national economic importance.

The big industrial areas of the world have been built around sources of cheap raw fuels which could be used lavishly and extravagantly. However, this is not now the essential basis of prosperity. It is more important to produce refined forms of fuel at low cost and to improve efficiencies in their use. As shown above, this is a question of producing low cost hydrogen and oxygen quite as much as a question of finding cheap raw fuels. In fact an answer to the first question largely solves the second, because cheap oxygen can be used to make gas, from indigenous or from native materials such as oil, lignite, peat, shales, agricultural wastes, wood waste, etc., etc., as well as from coal.

At any rate, the problem is not so much one of sources of fuel as it is one of net costs of making gas and providing means for efficient combustion. It is such facts as these which inspired Prof. Turner, one of England's foremost metallurgical experts, to state that:

"The nation which can control the highest temperature at the lowest cost will rule the world."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121230

and for the General Electric Review to publish the statement that:

> "Oxygen, undoubtedly, is destined to rank as a public utility with light, heat and power."

In the face of such pronouncements and of the voluminous literature on the possibilities, the question naturally arises "what is being done about it?"

The fact is that, up till the present, every writer has looked to air as the source of cheap oxygen and this cheap oxygen has not appeared. The situation is aptly summed up in the following quotation from a report of a meeting of the American Institute of Mining and Metallurgical Engineers in New York in 1924:

> "Oxygen 'from air' has not been produced at a cost low enough to permit it being used to enrich air for the purposes mentioned. If no cheap oxygen is in sight, why bother with a study of what could be done if it were available? And the manufacturer of oxygen 'from air' replies: Why waste time and energy in research for the production of cheap oxygen when it is not known that there will be a market for it when it is produced?"

A further fact is, as stated by Dr. E.F.Armstrong, one of England's foremost authorities, "There has been a tendency to neglect the electrolytic cell in connection with the off-peak load. There is no reason why the main power stations should not use electrolytic plants ..... as an off-peak load; this would assist the power stations to produce electric energy even more cheaply."

When it is realized that Dr. Armstrong had in mind the use of steam power off-peak for the production of electrolytic hydrogen only and with oxygen wasted, one can appreciate the possibilities for water power especially with a value placed upon both hydrogen and oxygen.

In the attached synopsis of some of the published expert opinion, ample evidence is presented concerning the high value for oxygen and the opportunity for its production, along with hydrogen, by the electrolytic decomposition of water.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121231
#15-81

ST. LAWRENCE RIVER POWER UTILIZATION

by

A. T. STUART

Toronto, Feb. 14, 1932

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121232

ST. LAWRENCE RIVER POWER UTILIZATION

by

A. T. STUART

Toronto, Feb. 14, 1932

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121233

ST. LAWRENCE RIVER POWER UTILIZATION

The presentation of data indicating that it is possible to use in Ontario the whole power output of the St. Lawrence as soon as it is made available, and yet take care of normal growth in demands for power.

Toronto, Feb. 14th, 1932. By - A. T. Stuart.

FOREWORD

The purpose of this thesis is to draw attention to a study of the St. Lawrence from a somewhat unusual angle. It is felt that the treatment of the subject in this wise should have an important bearing on the studies now under way on the part of the Dominion Government and the Hydro-Electric Power Commission of Ontario.

The thought herein presented is submitted merely as a basis for further expansion, the data and figures used being, necessarily, only very rough approximations. However, it is considered that the treatment of the subject in this way should be sufficient to focus attention on a phase of the question which has so far been largely neglected and yet one which is of the greatest importance.

This statement is made for the reason that the following material leads logically to the conclusion that the entire output of 1,000,000 Horse Power on the St. Lawrence by 1938 could be absorbed as a base load at 100% load factor within the Province of Ontario. Furthermore, the material indicates that this important accomplishment could be effected with the simultaneous reduction in imports of coal and oil totalling several million tons per year.

All that appears to be necessary to accomplish these results, without any experimenting or development of untried processes, is the collation, in a new setting, of known data on present industrial practices.

(A) THE PROBLEM

1. The St. Lawrence Situation:

For purposes herein, it is assumed that the development of the International Reaches on the St. Lawrence, for both navigation and power, is desirable and imminent. It is further assumed that the share of costs apportionable to Canada is to be divided between navigation and power in such a way that the Hydro Commission will have available by, say 1938, a supply of continuous 24-hour power totalling 1,000,000 horse power at a cost at the generators perhaps as low as $10 per horse power.

Based upon this, the supply may be stated as 6,500,000,000 units or kilo-watt hours of electricity available at the generators at a cost of about 1.54 mills per K.W.H. - if each ultimate unit of power were sold or used.

If a policy of 'power at cost' is interpreted as a policy of power at the lowest possible cost, the ultimate objective must be to find use or sale for every unit of power so that the lowest possible cost of 1.54 mills per K.W.H. can be reached

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121234

as an average. It is necessary, of course, to speak in averages for the reason that demands for power are extremely variable and that charges for power must be graded, the highest preference uses bearing the greatest share of costs.

It is this circumstance, that lower grade power should not carry its full share of cost distribution, which gives promise of the ultimate development of 100% load factors, and the use of the whole energy supply in Canada.

This thesis, therefore, is submitted as an outline of how this desirable result may be accomplished.

2. The United States View:

The New York State Power Commission has realized the importance of this problem as evidenced from the following excerpt from a statement by this Commission published in the "Electrician" of March 6, 1931:

> "Great losses and wastage will result unless a very large proportion of the capacity (on the St. Lawrence) is sold for use 24 hours a day the year round."
>
> "If 25% or less of the plant capacity could be sold, as would be the case if it were attempted to sell directly and only to domestic consumers, the theoretical cost ..... would be at least four times as much as if the full capacity could be sold."
>
> "Great waste would be involved unless provisions were made to supplement it with steam to carry peak demands."

The above quotation, although it points to the problem, does not also point to the proper solution for Canadian conditions. New York State offers a huge market for power which is quite capable of absorbing the whole output of their share of St. Lawrence power as a base load at low cost, the peaks in demand being carried by steam plants.

In Canada, however, the existing market for power has its limitations, and this limitation must be coupled with further resources in water power and large surpluses in the form of off-peak on existing systems.

3. Canada's Problem Unique:

A review of the operating characteristics of the central station industry all over the world proves that the existing and normal demands for power create low load factors on the generators. For instance, the Supplement to the Electrical Times of March 7, 1931, gives the load factors in every power station in England and shows that these average below 30%. Similar data from United States, Canada and elsewhere, confirms the conclusion that normal uses for power of the central station industry simply cannot absorb anything like the possible output.

Canada's position is unique for the reason that the universal source of supply is from water power, whereas the supply elsewhere is chiefly from coal, oil or natural gas. Accordingly,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121235

outside of Canada, the problem is not at all acute because, in order to generate more power, more fuel must be consumed and an appreciable cost is imposed on surplus supplies.

In fact, in the United States, even where water power is available, it is usual practice to use it merely as a base load and to carry peaks on steam plants. One reason for this, of course among others, is that steam plants produce power more cheaply than water power plants operated on low load factors.

This practice for Canada is far from desirable if a better solution can be established for Canadian conditions. Whereas the practice in the United States may be to shift peak loads to steam plants, the better procedure for Canadian conditions would obviously be to fill up valleys in the load curves, because the actual cost of producing surplus off-peak power is often virtually nil.

It is this thought which should have a tremendously important bearing on a study of the St. Lawrence situation.

4. Requirements:

If it is proposed to level out the load curve on St. Lawrence developments, it will be necessary to introduce a flexible process capable of absorbing all surplus power and producing products in wide demand.

This subject is too big to discuss here, and therefore reference should be made to the attached paper by the writer on "Hydrogen and Oxygen as Public Utilities", dated January 15, 1932, and to the appendix thereto entitled "Expert Opinion".

This expert opinion fully confirms the conclusion that, in the generation and utilization of hydrogen and oxygen, lies the only answer to this important problem which can be applied on a large scale.

The process is of much greater importance to Canada than to almost any other country for the reason that, in Canada, water power is available and because the product gases have a far higher value than elsewhere. This is particularly true of Ontario and in the territory which will be served by St. Lawrence power, because fuels must be imported from abroad at high cost, and because both hydrogen and oxygen can be used to save coal or even supplant it.

(B) THE ANSWER

1. Electrolysis of Water:

Electricity, whether continuous or off-peak, can be used to operate cells at the power plant or at any point reached by power lines, such as terminal stations, sub-stations or on the premises of industry. Furthermore, the product hydrogen and oxygen can be piped to all other locations, or, instead, used to produce cheap fuel gases which in turn can be distributed in pipe lines.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121236

Without going into detail here or attempting to make accurate estimates, the following approximate costs of production of both hydrogen and oxygen in cents per 1000 cu.ft. are given.

		¢ per M.
A.	At power plant, using continuous D.C.power generated at water wheels -	18
B.	At power plants, using continuous A.C. power	25
C.	At power plant, using highest grade off-peak	10
D.	At power plant, using 50% load factor off peak	20
E.	At A.C. Sub-station, using continuous A.C. power	35
F.	At A.C. Sub-stations using highest grade off-peak	10
G.	At A.C. Sub-stations using 50% load factor off-peak	20
H.	At D.C. Sub-stations, using highest grade off-peak	5
I.	At D.C. Sub-stations, using 50% load factor off-peak	10
J.	In industry, using company off-peak	20 - 50

In the above table, costs are distributed between hydrogen and oxygen. If costs were imposed on hydrogen alone, the cost of hydrogen is increased by 50%, and it would be produced at numerous locations throughout the Province at costs between 7.5¢ and 75¢, with no cost on oxygen.

The use or sale of any portion of this by-product oxygen will at once establish credits which can be applied to the reduction of costs of hydrogen. For instance, it may be possible to wholesale oxygen to the present companies who distribute oxygen in cylinders in Ontario, and thereby establish a credit of perhaps $100,000 per year.

Also, oxygen could be piped to those industries, such as iron and steel, cement, glass etc. where the oxygen could be used for addition to air used for combustion. This is something which might be done at once and without any particular experimentation and yet effect large economies in manufacture. With some experimentation, oxygen can find still wider use in gas producers, smelters, ore roasters, foundry cupolas, etc.

Even a portion of such credits would be sufficient to remove all costs against hydrogen, thus making it an important source of heat in a convenient form for Ontario.

The maximum possible production, using the whole power on this section of the St. Lawrence would be 50,000,000,000 cu.ft. of hydrogen and half as much oxygen. While these figures are large, it is interesting to note that about 4 times this immense amount of hydrogen is used by the fertilizer industry alone, and that it totals only a small fraction of the hydrogen produced by the city gas industry of the world and approximately equals the present gas production of Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

.121237

2. Uses for Hydrogen and Oxygen:

Hydrogen is used for many industrial purposes from the manufacture of city gas, fertilizers, explosives, gasoline, soap, edible fats etc. etc. to the cutting of metals and the reduction of certain ores. The value of hydrogen at points of consumption varies from 25¢ to $25. per 1000 cu.ft., and the quantity used is measured in billions of cu.ft. (though usually produced from coal and steam).

Oxygen, as air, is consumed wherever fuel is burned or gas is made, the total consumption being several times the weight of all fuel. However, 100% pure oxygen at low cost has never yet appeared in industry. When it does, the consumption will be very large, and its value will greatly reduce the cost of hydrogen.

3. Immediate Markets:

The two chief consumers of pure hydrogen are the fertilizer industries, and the oil refineries. In Ontario, with its existing network of power lines, power or hydrogen could be taken to these industries or new industries could be attracted to locations where hydrogen can be produced cheaply. The value of hydrogen to these industries will average about 35¢ per 1000 cu.ft.

In addition, there is enormous use for hydrogen as a fuel gas for both domestic and industrial consumers, the value of hydrogen for this purpose varying with the location of its production. The quantity which could be consumed in Ontario is practically unlimited, and whatever may be produced and consumed would substitute for coal or oil from the United States. If the whole power supply were made into hydrogen, and considering the higher efficiency in the use of gas, the amount of coal which could be substituted would total several million tons.

4. Hydrogen as Fuel:

The cost of producing town gas, ready for distribution, establishes a value for hydrogen varying from about 30¢ to 75¢ at central points, such as sub-stations. At points of consumption in industry the values, in competition with town gas, are still higher.

Hydrogen need not be produced near, nor even taken to gas works. It is only necessary to meet the legal standards by mixing in a very small amount of butane or oil-gas to enrich the hydrogen. Except for these legal standards, which are not really essential and are not imposed in England, it would be cheaper to use the pure hydrogen alone as a fuel gas.

While it might be considered a very radical statement to make, the fact is that pure hydrogen is "The Perfect Gas", and perhaps the product which ultimately may be in exclusive demand. It is possible to substantiate this statement by listing some of the unique virtues of hydrogen over all over known gases.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121238

Pure hydrogen is less explosive than city gas, it is absolutely non-poisonous, non-asphyxiating and odorless. It can be burned at 100% efficiency in the open room because its combustion produces only pure water vapor in amounts which serve to humidify the air. For this reason less fuel is required and hydrogen efficiency excels even that of electric heaters. It is eminently suitable for house heating, furnaces and flues being not essential, and for cooking and lighting in mantel burners. Hydrogen is more efficient than natural gas because it burns with a small flame and concentrates its heat and because no heat need be lost in flues. It is pure and therefore will not tarnish metal ware or cooking utensils. Finally, since its combustion humidifies the air, it renders the atmosphere of a room more healthful to people and house plants and, at this same time, it does not dry out furniture or interior wood work. Similar advantages for the use of hydrogen in industry could also be listed.

The quantity of electrolytic hydrogen which could be produced at low cost in Ontario is enormous and sufficient to supplant most of the coal and oil imported. If the demand for cheap hydrogen should exceed the supply, we still have available the by-product oxygen to make gas from coal or oil at costs far below present costs, and in quantity more than double the quantity of electrolytic hydrogen.

5. Balancing Gas Loads:

It may be objected that the demand for domestic gas is seasonal in character and that the peak in demand coincides with the peak demands for power. Also it could be said that gas costs will double if only half of the output is saleable. However, there are many ways to circumvent these facts, only two being mentioned here.

For one thing, hydrogen alone or enriched, could be used exclusively as a base load gas the year round and the peaks in gas demands could be taken care of by the seasonal use of oxygen for making very cheap gas from coal. For confirmation, it is only necessary to point to a city like Portland, Oregon, which is equipped with water-gas generators operated only in winter in order to carry a large house heating load.

Better practice, of course, would be to create complementary demands for hydrogen in industry, so that the load could be tapered from one demand to the other and without any entire shut down on any equipment. Very cheap sources of hydrogen and seasonal demands for fertilizers and gasoline may, therefore, combine to make possible a tie-in of fertilizer works and oil refineries with a city gas supply.

To existing industrial demands for hydrogen might be added other possible industrial uses which will further help to balance loads. Perhaps chief among these would be the use of hydrogen for the reduction of ores of iron, copper, nickel, lead etc. to metal. Such seasonal use of hydrogen for ore reduction would interfere in no way with steady production or finishing processes working on accumulated stocks of crude reduced ores.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121239

6. Balancing Power Loads:

The full development on the St. Lawrence by, say, 1938 would suddenly put on the market 1,000,000 continuous horse power. Normal growth in demand for power at that date might be capable of taking no more than a small portion of that power and, then, perhaps only for brief periods of the year. In other words, Ontario would be in the most unfavourable position of attempting to use for peak demands a power supply which is cheap only when used for base loads.

If we assume that 1,000,000 horse power of 24-hour power may be suddenly thrown on the market in 1938 and largely ahead of demands, the situation could be taken care of by installing and operating 1,000,000 horse power capacity in cells at scattered locations throughout the Province which are nearest to points of demand for cheap and efficient forms of heating, as from cheap gas. If properly studied and engineered, it would then be possible to absorb the entire output of the St. Lawrence as hydrogen as soon as it becomes available, and at a value to carry a portion of fixed charges.

Then, as normal demands for peak power increase, power could be diverted from cells to meet these demands for years to come. The increase in fixed charges on hydrogen production with decreasing hours of cell usage would be largely or entirely compensated for by declining charges for power as the use of continuous power gradually shifts to the use of off-peak power. The decline in hydrogen production could be taken care of by the use of by-product oxygen to make cheap gas, or by the installation of more cell capacity and the use of off-peak power on other systems than the St. Lawrence.

(C) SUMMARY AND RECOMMENDATIONS.

1. Summary:

The above survey presents substantial evidence to indicate that steps may be taken whereby a considerable portion of the fixed charges on St. Lawrence power might be carried until these charges can be shifted to ordinary power sales. In any event the proposals point to a method of utilizing surplus power and of deriving a substantial revenue therefrom and, at the same time, reducing importations of coal and oil from the United States.

An effort has been made to render these proposals immediately practicable and independent of any reliance or dependence upon unproven processes or upon research of any kind. It therefore follows that, if the proposals are economically sound under conditions as they exist, they can be still bettered from the sale or use of by-products and by the introduction of new processes.

It is pointed out that the purpose herein is merely to present an idea which appears to be basically sound, but which, while it does not necessitate any experimentation, will require a great deal of careful study and estimating.

In the attached paper entitled "Hydrogen and Oxygen as Public Utilities" by the present writer, some further data is presented together with a summary of "Expert Opinion".

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121240

2. Recommendations:

In order to assemble accurate cost data, it would be important to place the matter in the hands of experts who are quite impartial and unbiased by relations with other industries. It is therefore suggested that good procedure would be for the Hydro Electric Power Commission of Ontario to undertake this study by using their own staff in so far as possible, and by retaining other advice where essential.

As regards power supplied, data will be required concerning actual costs and the amounts which could be made available during different periods at various locations from the power plant to points of consumption. Next, it would be necessary to estimate the costs and amounts of hydrogen and oxygen produced under the different circumstances.

Data also should be collected concerning the value for hydrogen produced at central points or in industry with company off-peak power. Then, the credits for by-product oxygen, which may be possible immediately and without experiment, could be evaluated to establish the present net cost of hydrogen. Similarly, future credits, possible with the use of all the oxygen at good values, should be estimated in order to find out if, ultimately, hydrogen may not become the free by-product instead of oxygen.

With such material available, it will be possible to plan and organize a movement directed to the full utilization of St. Lawrence Power.

Since the St. Lawrence situation is not essentially different from that of every water power system in Canada which operates in the public utility field, and since the study indicates possibilities of using surplus power to effect reductions in the importation of fuels from the United States, the matter becomes one of national importance and, consequently, one which warrants attention from the Dominion Government as well as from each unit of the Electrical Industry in Canada.

——— o ———

Note -- More detailed Cost Data and Recommendations follow on the succeeding pages.

A.T.S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121241

(D) COST DATA AND RECOMMENDATIONS.

1. General:

In the following, the purpose is to estimate the cost of producing hydrogen as a base load supply of town gas.

In order to make the proposal immediately practicable, no value is placed on oxygen. There is no question but that this oxygen can all be used later on at good values, perhaps sufficient to wipe out all costs on hydrogen, but its use requires certain development work.

The value of hydrogen is, in part, fixed by the cost of making gas from coal ready for distribution. These costs vary from 40¢ in larger cities to $1.00 in small towns and, therefore, the value of hydrogen on a heat unit basis varies between 70¢ and 75¢ at central stations. However, as pointed out previously, pure hydrogen has actually greater values than these, because it can be burned in an open room at high efficiency and because, in industry, the oxygen produced along with the hydrogen can be used to cut the amount of hydrogen consumed in industrial furnaces. But, for purposes here, these features are ignored.

Three distinct locations will be considered:

(a) Production at the Power Plant,

(b) Production at Terminal Stations,

(c) Production at Railway Sub-Stations.

The following rough estimates are based upon the large scale manufacture of cells and accessory equipment at costs which might be reached as soon as the market expands.

2. At Power Plant:

In Norway, we have an example where the output of a 160,000 H.P. plant is hydrogen gas rather than electricity, about 8,500,000,000 cu. ft. per year being produced for fertilizer manufacture. The former A.C. generators were removed and substituted by D.C. generators, so that direct current at 660 volts is generated directly and fed into cells for the electrolysis of water.

In regard to the St. Lawrence, it is possible that, for a period of some years, certain blocks of power cannot be absorbed in existing markets and, therefore, this power might be first generated as 660 volt D.C. for hydrogen production. Then, at some time in the future when A.C. power is required for peak demands, the D.C. generators could be removed to an adjacent site where they could be driven by off-peak A.C. power. In this way, hydrogen could be produced right from the start without any interference with A.C. power requirements or supplies.

In estimating costs, it is only necessary to absorb the cost of extra equipment to produce hydrogen. This includes the D.C. generators, cells, an electric boiler to make distilled water, and building space. The total cost can be roughly estimated on the basis of $850 per cell installed complete with

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121242

all equipment to operate at 10,000 amperes and to produce 1,400,000 cu. ft. of hydrogen per year.

The whole equipment is automatic and could be operated as a part of the power plant. It would seem, therefore, that perhaps 12% on first cost would cover everything. On this basis, the cost of hydrogen figures out at 7.3¢ per 1,000 cu. ft.

Such a cost, compared with the above mentioned values for hydrogen, leaves a margin of from 22.7¢ to 67.7¢. If all this saving could be credited to the 19 K.W. or 25 1/3 H.P. consumed by one cell, the income equals between $12.50 and $37.45 per H.P. year. In any event it is obviously possible to produce at the St. Lawrence Power plants anything up to 50,000,000,000 cu. ft. of hydrogen per year at costs which should be attractive as town gas supplies or to industrial consumers. So long as surplus power, whether 24 hour or off-peak, is available, the actual cost of hydrogen for many years would be below 10¢ and, in addition, there would be enormous quantities of oxygen at no cost. If all the by-product oxygen were used and returned even 20¢ per 1,000 cu. ft., the cost of the hydrogen becomes zero.

On such a basis the St. Lawrence Power Developments can be used as a source of fuel gas capable of eliminating imports of coal and oil into Canada totalling millions of tons per year.

3. <u>At Terminal Stations</u>:

It is not essential to produce hydrogen at power plants and to distribute it in pipe-lines to various towns if there exists any surplus carrying capacity on power transmission systems. In fact, a site adjacent to any terminal station in any town would be suitable for gas production.

In an example, it can be assumed that power could be fed from the low tension side of transformers to a mercury arc rectifier delivering, say, 10,000 amperes at 660 volts D.C. In the circuit could be operated, in series, 347 cells capable of producing 485,800,000 cu. ft. of hydrogen per year.

The complete cost of this unit with all accessories, may be about $400,000 including buildings, etc. Since it is automatic and could be operated by station labour, 12% on first cost may carry all costs or, say, $48,000 per year. The cost of hydrogen, aside from power, would then be about 10¢ per 1,000 cu. ft. in any town in Ontario.

These figures relate, of course, to operation with unsold surplus power available for all or most of the hours of the year. A study of municipal load curves indicates that there always has been and probably always will be considerable capacity from which hydrogen could be produced at terminal stations at low cost. As soon as the by-product oxygen becomes utilized the cost of hydrogen rapidly reduces, perhaps ultimately to zero.

4. <u>At Railway Sub-Stations</u>:

In cases where electric railways have been abandoned, the D.C. sub-stations could be used at 100% load factor to produce hydrogen. In other cases, cells could be operated on load factors governed by the existing power demands for street car or other services.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121243

The only extra equipment required would be cells and an electric boiler to make distilled water. The building space would be small and need not be expensive. The cost of hydrogen on 100% load conditions would be similar to the costs estimated at the Power Plant in No. 2 above --- or about 7.3¢. On 50% load factor, the cost would be about 15¢, and these costs would reduce as the use of oxygen is developed.

5. Specific Recommendation:

Since there is evidence that it is possible to produce hydrogen as a base load town gas supply in almost any town in Ontario, the question arises concerning the best procedure to prove up the proposal.

Records show that 12 electric railways in Ontario have been abandoned and that their D.C. sub-stations would be available to operate cells on 100% load factor. In addition, there is available for use on a lower load factor, surplus D.C. sub-station capacity in some 16 towns where street cars still operate.

Records also show that gas is manufactured in 19 towns in Ontario and that some thousands of miles of pipe lines distribute natural gas in Western Ontario to towns, villages and even to rural consumers. The data also shows that natural gas does not pre-empt its own field and that common practice is to augment supplies with manufactured gas.

In some places, like Peterboro, the municipality owns both the D.C. sub-stations and the gas works and, in other places, the municipality owns one or other of these utilities. The Hydro-Electric Power Commission of Ontario itself operates the gas plant at Cobourg and the D.C. sub-stations in Hamilton.

It would take less money to equip a D.C. sub-station with cells for demonstration than to follow any other procedure, particularly a 220 volt/110 volt D.C. sub-station. Such a station is the Terauley sub-station operated by the Toronto Hydro, where as few as 50 cells of 10,000 amperes could be operated in series on a good load factor. If, however, it were the policy of the Hydro-Electric Commission of Ontario to carry out development work without any co-operation from others, it could equip one of its own sub-stations in Hamilton with cells or, else, erect a complete cell plant adjacent to the Commission laboratories at Strachan Avenue, Toronto.

In either case, large amounts of pure hydrogen could be produced and tested in a variety of domestic and industrial appliances. Having completed these tests, the next step would be to mix butane with hydrogen in the ratio of 50 cu.ft. to 950 cu. ft. to make a gas having the legal standard of 460 B.T.U's per cu. ft. The tests could then be repeated with this mixture.

Having proven up the equipment and the product gas, offers could be made to sell the finished 460 B.T.U. mixture to the gas companies in Toronto or Hamilton, making delivery by merely feeding it into the gas mains. If this proposition were not acceptable to the gas companies, the cell plant could be shipped to any other town in Ontario where the proposition would be acceptable, as might be the case where no gas plant exists or where a gas plant is operated by the municipality or by private interests. In fact, the Commission might move these cells, and also idle motor generators from some abandoned sub-station, to the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121244

town of Cobourg, where the Commission operates the gas system. A supply of cheap gas would soon build up a good load characteristic.

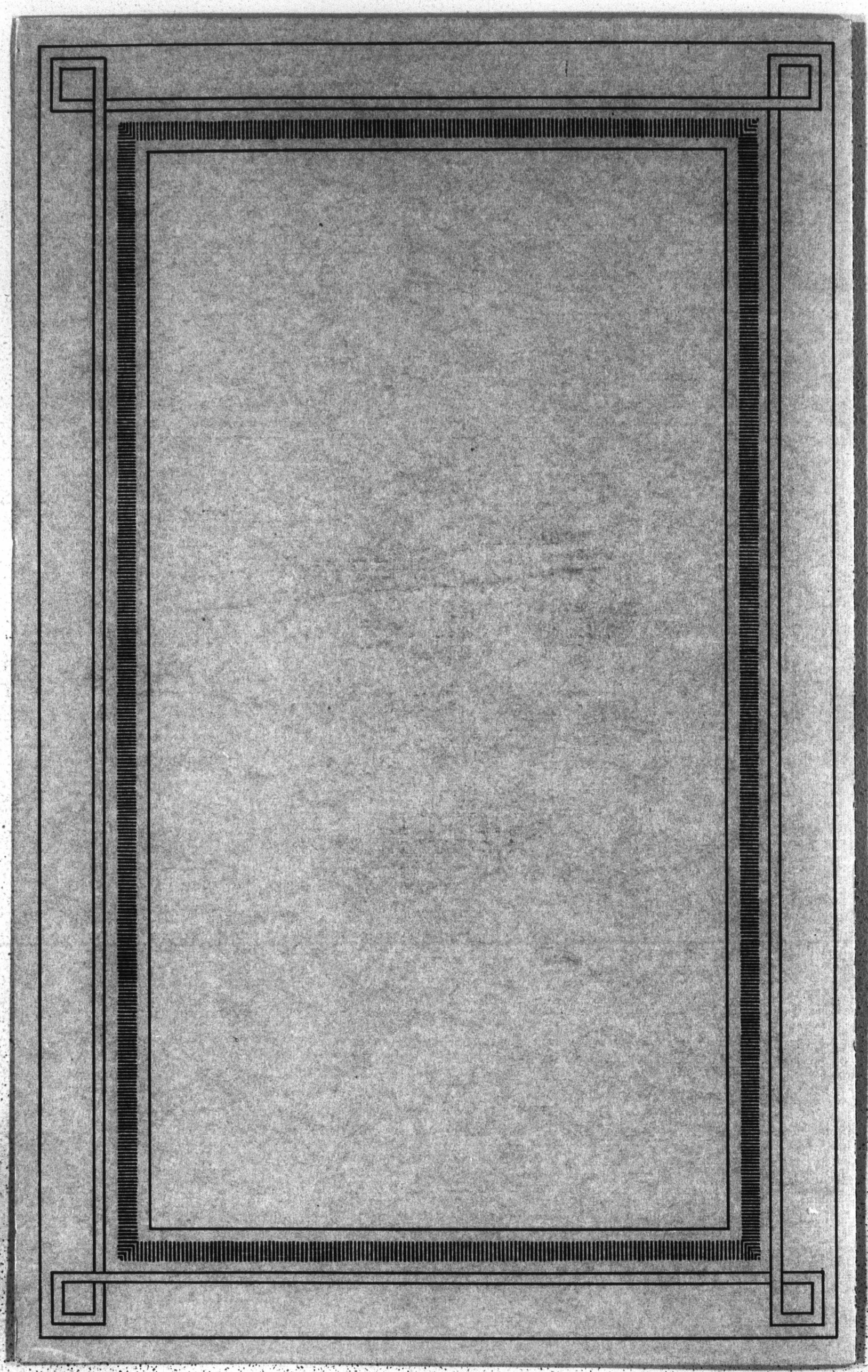
This suggested procedure is outlined with the idea of virtually eliminating all unknown or unproven processes, so that important results can be counted upon almost immediately.

As soon as these results are assured it may be time enough to suggest that experiment work be started to use by-product oxygen. The uses for oxygen include (a) making gas from coal or oil, (b) adding oxygen to air used to burn gas in small model industrial furnaces, and (c) several other attractive processes. It is pointed out that, if all the oxygen could be used and return only 20¢ per 1,000 cu. ft., the actual cost of hydrogen becomes zero and all credits for it can be credited to power consumed. As already indicated, a credit of even 30¢ for hydrogen at a central point will return $16.50 per Horse Power of surplus power.

(Signed) A. T. STUART.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

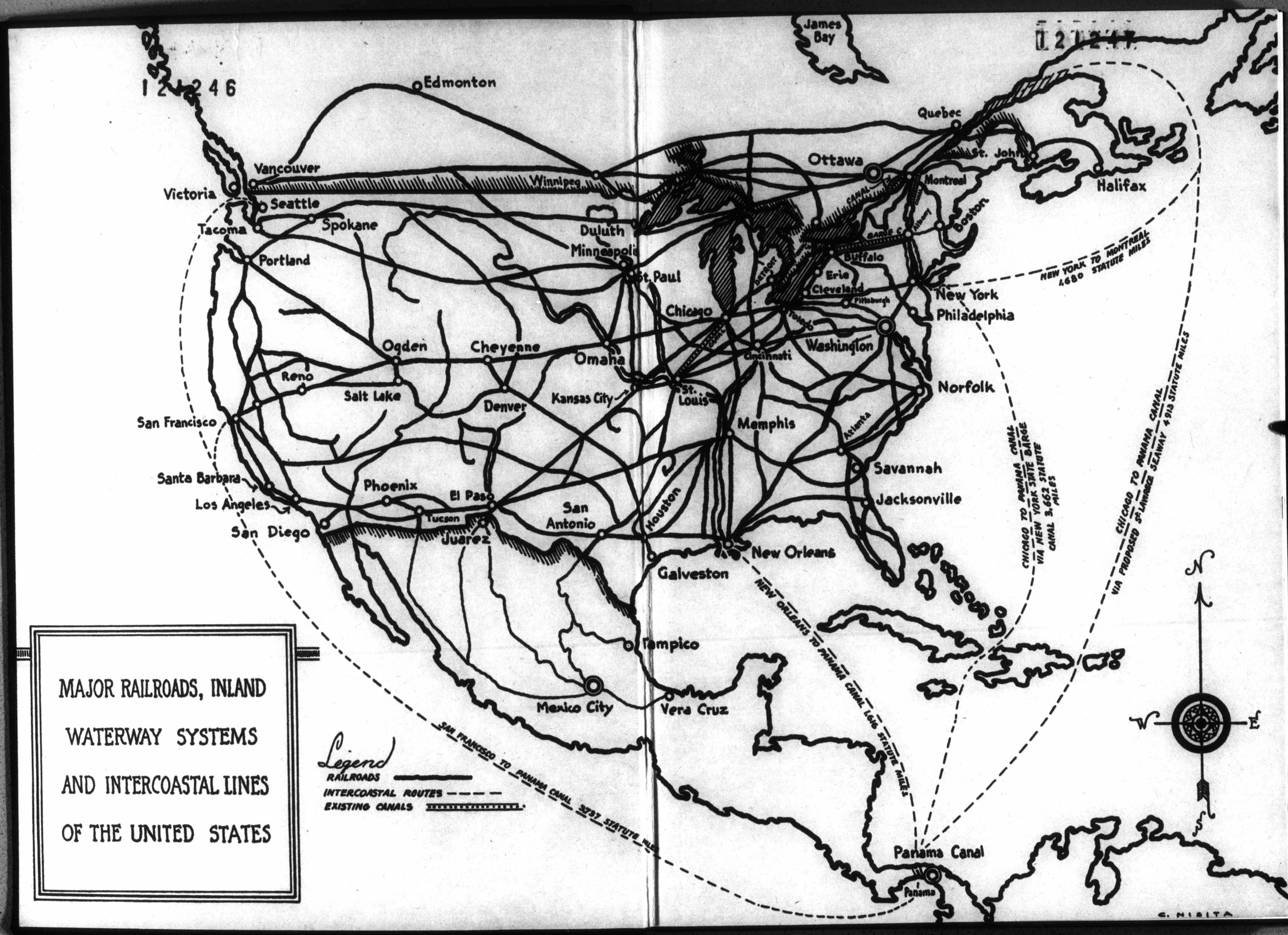
The

St. Lawrence Seaway Project

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The

St. Lawrence Seaway Project



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Blank Page

121248

The St. Lawrence Seaway Project

By
B. D. TALLAMY
T. M. SEDWEEK

NIAGARA FRONTIER PLANNING BOARD
Buffalo, New York
1940

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121249

Copyright 1940
NIAGARA FRONTIER PLANNING BOARD

Printed in the U. S. A.
at
THE ROYCROFT SHOPS
East Aurora, N. Y.

121250

NIAGARA FRONTIER PLANNING BOARD

THE Niagara Frontier Planning Board is the first official regional planning agency to be established in the United States. It was created under Chapter 267 of the Laws of 1925 of the State of New York.

By this statute the Board is directed to study the needs and conditions of regional and community planning in Erie and Niagara Counties and prepare plans adapted to meet such needs and conditions. Through such agencies as it may designate, the Board may collect and distribute information relative to regional and community planning in Erie and Niagara Counties.

This, of necessity, requires a study of all proposals which have an effect upon the economic, social, industrial and physical development of the Frontier.

The Planning Board is composed of the mayors of the six cities in Erie and Niagara Counties, together with six supervisors, three appointed by the Erie County Board of Supervisors, and three appointed by the Niagara County Board of Supervisors. These twelve elect a private citizen as Chairman of the Board.

The following is the personnel of the Niagara Frontier Planning Board:

Mayor Thomas L. Holling, Buffalo
Mayor Ernest W. Mirrington, Niagara Falls
Mayor John E. Aszkler, Lackawanna
Mayor Edward H. Gailor, Lockport
Mayor John E. Wallace, North Tonawanda
Mayor Christ S. Warren, Tonawanda

Supervisor Leslie F. Robinson, Town of Aurora
Supervisor Carl E. Sentz, City of Tonawanda
Supervisor William J. McMahon, City of Buffalo
Supervisor George S. Grimm, City of North Tonawanda
Supervisor Louis M. Hageman, City of Niagara Falls
Supervisor John H. Northrup, City of Niagara Falls

Chauncey J. Hamlin
Chairman

B. D. Tallamy, *Chief Engineer*

T. M. Sedweek, *Executive Secretary*

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121251

ACKNOWLEDGEMENTS

THE compilation of this report would not have been possible without assistance from many sources. Various individuals and public and private agencies throughout the country have lent their efforts to enable the gathering of the material. It is unfortunate that space is insufficient to permit the recognition of all these by name.

Perforce, the listing of acknowledgements is restricted to the Niagara Frontier, but to others as well as to these herewith mentioned the Niagara Frontier Planning Board tacitly expresses its appreciation.

The Boards of Supervisors of Erie and Niagara Counties, New York, the City Councils of Buffalo, Niagara Falls, Lockport, Lackawanna, Tonawanda and North Tonawanda, the Buffalo Courier-Express and the Buffalo Evening News, the Committee of One Hundred, the Niagara Frontier Planning Association and the Buffalo Chamber of Commerce and the Port of Buffalo Defense Committee have given valuable support in this work.

To the authors of the report, B. D. Tallamy, Chief Engineer for the Planning Board, and T. M. Sedweek, Executive Secretary for the Planning Board, the members of the Board are particularly indebted. The Board also wishes to acknowledge the effective work of the authors' colleagues, Gordon E. Brown, the Board's Publicity Director; Wallace V. R. Fretts, who assisted in making the technical study on the power portion of the St. Lawrence Seaway and Power Project, and Ray C. Hoffman, who assisted in making the statistical survey on traffic movements in connection with the navigation portion of the project.

Chauncey J. Hamlin, Chairman
NIAGARA FRONTIER PLANNING BOARD

SOURCES OF FUNDS

All activities of the Niagara Frontier Planning Board are financed by public funds. Appropriations to finance this study of the St. Lawrence Project and the publication and distribution of the findings were made by the Counties of Erie and Niagara and the Cities of Buffalo, Niagara Falls, Tonawanda and North Tonawanda, New York.

121252

PREFACE

THIS report on the widely-discussed St. Lawrence Project has been prepared by the Executive Staff of the Niagara Frontier Planning Board at the direction of the Board. Because of the Niagara Frontier's intimate geographic and economic ties with any large-scale development in the St. Lawrence-Niagara Falls-Great Lakes area, the Board deemed it wise, as a planning function, to make a thorough report on that project.

The Executive Staff was instructed to conduct the research on a comprehensive scale and thus determine the effects of the proposed seaway and power undertaking on the nation at large. While the plan obviously has certain spacial limitations and therefore would not affect all territorial sections with equal intensity, it nevertheless would be a gigantic international project and would involve huge expenditures by the federal treasuries of two countries.

For these reasons, the St. Lawrence proposal concerns commercial, industrial and financial interests over a vast terrain. As a federal venture, it spreads the United States share of the costs throughout the entire country. In no sense is the matter of purely local consequence. Every American has a financial interest in it.

The findings of this survey unequivocally demonstrate that the St. Lawrence Project would be exceedingly detrimental to the United States, the State of New York and the Niagara Frontier. They show that even if any advantages should accrue to the public through the contemplated hydroelectric power development, these benefits could not warrant the disastrous consequences of the proposed navigation works.

The Planning Board has carefully reviewed this report of its Executive Staff and has unanimously concurred in the findings. It has authorized the printing of this report for distribution throughout the country. The Board believes that the survey, showing the threats to existing transportation facilities, to ports, terminals and affiliated industries as well as to American labor and the American taxpayer, should prompt immediate and decisive disapproval of the St. Lawrence Project.

NIAGARA FRONTIER PLANNING BOARD
Chauncey J. Hamlin, *Chairman*

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Blank Page

INTRODUCTION

121253

SINCE 1909, certain interests in Canada and the United States have been constantly at work developing arguments both for and against construction of the Great Lakes-St. Lawrence Seaway and Power Project. At this writing, the Administration in Washington reportedly is planning to submit a new treaty, calling for the St. Lawrence development, to the Canadian government.

In the preparation of this survey, the basic materials used were the reports of a Joint Board of Engineers (appointed by the Canadian and United States governments), an Interdepartmental Report of the United States Government, other governmental documents, and the report published by the Brookings Institution, an impartial research foundation of Washington, D. C. Original analyses as to the costs and as to the economic and political effects of the proposed seaway were then made from this basic material. Data from such sources were believed to be the most authentic information on the subject.

Of necessity, this study has reached out far beyond the confines of the Niagara Frontier, because every port along the Great Lakes and the major ports of the Atlantic and Pacific Oceans and the Gulf of Mexico, the railroads, inland waterways, highways and closely allied industries would be vitally influenced.

The report, which carries a summary for each chapter, includes:

(1) A list of the major findings.
(2) A brief history of the project.
(3) A discussion, section by section, of the proposed Treaty of 1938.
(4) A description of the proposed seaway as related to existing facilities.
(5) A discussion of costs of the navigation project.
(6) A discussion of the navigation project in relation to savings in shipping rates as contrasted with losses to existing transportation and allied industrial interests in the United States.
(7) A description of the power project, its cost and savings.
(8) The appendices, containing the authority for transportation rates used in this report and a copy of the proposed treaty of 1938.

For the sake of convenience, the major findings are briefly presented in the immediately following paragraphs. Ready references to the detailed discussions from which the conclusions were drawn are also listed for the convenience of readers wishing promptly to study in detail the methods of arriving at the conclusions.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121254

MAJOR FINDINGS

General Conclusion: This economic survey of the *St. Lawrence Seaway and New York State-Ontario Power Project conclusively demonstrates the proposed development, considered in its entirety as an undertaking which includes navigation as well as power works, to be unsound. The seaway would be so generally ruinous to American commerce and industry, labor and capital, that its nation-wide deleterious effects would far exceed whatever claimed advantages might redound to certain special interests from the waterway or to New York State and the Province of Ontario from the power plan. The following findings tell why:

The minimum total cost of the whole St. Lawrence project for both the United States and Canada would be $1,120,588,000: This figure is founded on government estimates. It is about three times the cost of the Panama Canal. (See page 34).

The St. Lawrence project, on the basis of experience with similar works, probably would cost more than the $1,120,588,000: A total of $375,000,000 was spent on the Panama Canal, although it had been estimated to cost only $160,000,000, the Chicago Sanitary and Ship Canal cost $53,000,000 instead of $16,000,000 and the Suez Canal cost $80,000,000 instead of $30,000,000. (See page 32).

At least 85% of the United States share of the project's cost would be borne by American taxpayers who would be the victims of unfair discrimination: These taxpayers live in the region which could not be benefited by the St. Lawrence seaway even if claims of proponents were valid. (See page 38).

American labor, transportation and industry, on the government's estimates of probable seaway traffic, would lose $109,647,000 a year: Diversion of business from American transportation systems to foreign carriers, diversion of Canadian export grain movement from the United States and loss to American coal producers account for this figure. (See pages 82-88).

The net loss to the United States would be $76,595,000 each year on the basis of the government's estimates of seaway traffic: This sum represents the difference between two factors: one is the loss to established American commerce and industry plus the expense to American taxpayers; the other is the possible rate saving by shipping via the St. Lawrence. (See page 88).

*The project is popularly known simply as the St. Lawrence Seaway and Power Project. A more appropriate title, however, is the one used here: the St. Lawrence Seaway and New York State-Ontario Power Project. The latter is more explanatory because, while the seaway would affect large regions throughout the United States and Canada, the St. Lawrence power development, as planned in the international scheme, would supply hydro-electric energy only to the State of New York and the Province of Ontario.

121255

During 42% of the year, the St. Lawrence seaway could not be fully utilized: The route would be closed because of ice conditions. (See page 41).

The American farmer would not gain from the St. Lawrence seaway: Export grain would be the chief American agricultural product to be shipped through the waterway. Even if a possible maximum saving of 3 cents a bushel were realized, this would be absorbed by the foreign purchaser and vessel-owner. (See page 62).

American manufacturers, who have cultivated this country's great inland market, would be seriously damaged by foreign competition resulting from the St. Lawrence seaway: Alien tramp steamers would dump cheaply produced commodities on this currently protected Great Lakes market. (See pages 56, 78, 81).

Foreign tramp ships would have almost exclusive use of the St. Lawrence seaway: American-owned vessels of sufficiently shallow draft to ply the proposed waterway comprise only 5% of the world's merchant ship tonnage. (See page 45).

No route for more profitable trade between American ports would be offered by the St. Lawrence seaway: The location of the St. Lawrence is such that no appreciable coastal or intercoastal commerce would occur. (See pages 89, 90, 91).

The St. Lawrence seaway would not carry the volume of traffic nor bring the savings in shipping rates to the exaggerated degree cited by many proponents: They have set the probable tonnage at 11,496,000 and the probable savings at $45,516,000 annually. The more accurate estimate is 3,873,000 for tonnage and $8,822,000 for savings. (See pages 72-80).

The net loss each year to American commerce and industry and to the American taxpayer, on the basis of more accurate figures for estimated tonnages and savings, would be $42,233,000: The United States investment in the St. Lawrence waterway would result in lower earnings and higher taxes. (See page 80).

Maintenance of wholly cordial relations between the United States and Canada might be endangered by the St. Lawrence seaway: Serious questions could arise as to responsibility for defense of the waterway in times of war and as to preservation of water-levels in Canadian harbors on the lower St. Lawrence River. (See page 12, 14).

Surrender of United States sovereignty over Lake Michigan would result from any treaty which, like the proposed treaty of 1938, limited the withdrawal of water from the lake at Chicago: It would prevent further development of the Great Lakes-Gulf of Mexico waterway by the United States. (See page 13).

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121256

The proposal for restoration of Niagara Falls beauty and for further power generation there has been inexcusably made contingent on the whole St. Lawrence project: There is no engineering demand for tying up the needed Niagara Falls project with the St. Lawrence development. (See pages 15, 116).

The United States would subsidize Canadian power to the extent of $48,860,000: This figure is reached by taking the minimum cost ($90,000,000) for the Canadian share of the power, under the least expensive plan yet advanced, and deducting costs strictly chargeable to power ($41,140,000), under the present plan. (See pages 117-118).

It is perfectly practical to divorce the seaway and power portions of the general St. Lawrence plan: There is no justification for burdening the proposed power development with the unsound seaway proposal. (See pages 95, 116).

The amount of power which would be created on the United States side of the river for $206,065,000 under the present St. Lawrence scheme could be produced for only $90,000,000 without the navigation project: The St. Lawrence Power Development Commission set $90,000,000 as a reasonable cost of power works on the American side of the International Rapids Section. (See page 95).

Whatever power benefits might result from the St. Lawrence project would affect only the state of New York and Eastern Canada: The St. Lawrence plan does not envision sale of United States power beyond the confines of New York State. (See pages 4, 5, 96, 111, 112, 113).

Neither New York City nor Western New York is a practical market for St. Lawrence power: Under existing delivery conditions, power from nearer sources is more practical and economical for these areas. (See pages 100, 104).

Previous estimates of increased power demand in New York State are too optimistic: The Niagara Frontier Planning Board finds that the demand in 1952 probably will not exceed 21,000,000,000 kilowatt-hours (See page 114).

Over development of hydro-electric power is a dangerous policy to pursue: When generating plants are built without an adequate market for the power, the capital charges accumulate to such an extent that the project never pays. (See pages 115, 116).

Adequate and economical power potentialities, apart from the St.Lawrence river, exist today in New York State and Eastern Canada: Two outstanding examples are the Ottawa River in Canada and Niagara Falls. (See page 118).

Progressive development of Niagara Falls power potentialities independent of the seaway and in step with power needs is the most practical plan: This would eliminate economic hazards to the new developments and to existing plants. (See page 116).

121257

The

ST. LAWRENCE SEAWAY PROJECT

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121258

Blank Page

HISTORY

The River – The International Line – Use of Boundary Waters – The Deep Waterway Idea is Born – Commissions and Boards Appointed to Study the Proposal – Reports Submitted – Canada's Views on the Subject – Dominion Government Feels Negotiations Premature – The State of New York Enters the Picture – The Power Authority of the State of New York – Treaty Signed – Further Investigations – Treaty Rejected by United States Senate – A New Treaty is Offered – Summary.

* * *

The River

STRETCHING nearly 1200 miles from the eastern end of Lake Ontario to the Atlantic Ocean, the St. Lawrence River is one of the world's most magnificent waterways. It has diversity in its beauty, for this masterpiece of nature first races turbulently through a series of boiling rapids and then becomes calm when it reaches Montreal to flow placidly to the sea.

The physical grandeur of the river, however, does not necessarily endow it with the manifold factors that must exist if a seaway project, connecting the Great Lakes with the Atlantic Ocean, is to be economically justified.

Over its first 110 miles, from its beginning at Lake Ontario, the St. Lawrence divides the United States from the Dominion of Canada. Then it becomes a wholly Canadian river for the balance of its stretch northeast to the ocean. Fourteen-foot-deep Canadian canals now circumvent the narrow rapids sections between Lake Ontario and Montreal, while 30-foot-deep channels exist in the river bed between Montreal and the Atlantic.

The St. Lawrence, serving as a gigantic drain for the Great Lakes basin, is not always a freely flowing river, though, because when winter comes to this waterway, ice comes too. With the arrival of cold weather, navigation ceases and the river is locked in a frigid grip for some five months each year.

Whether it is economically feasible to construct elaborate works, so that ocean-going ships may pass into the Great Lakes through 27-foot-deep canals during the open season, is the question at hand. In reaching an answer, the practicalities of the problem must be winnowed from the confusing elements of wishful dreaming that always accompany such colossal projects.

In the following pages, an analysis determines how well reasoned are the plans for developing the St. Lawrence. Is it wise for man to expend further energy and money on this river? Would the project mean economic progress or economic retrogression, in the light of limitations imposed by nature and of man's present investment in other transportation media?

The search for these answers logically begins with historical background.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121259

The International Line

A boundary between Canada and the United States was established by treaty in 1783. Later, in writing the treaty of peace after the War of 1812, the commissioners of the United States and Great Britain reaffirmed the boundary which had been established by the first treaty. The international line thus agreed upon, running through the St. Lawrence River and Great Lakes System, was essentially the same as we now know it. The following is a quotation from the Treaty of 1812:

> "Thence (from the point where the 45th parallel of north Latitude westward first meets the St. Lawrence) along the middle of the said river, into Lake Ontario; through the middle of said lake until it strikes the communication by water between that lake and Lake Erie; thence along the middle of said communication, into Lake Erie; through the middle of said lake, until it arrives at the water communication between that lake and Lake Huron; thence along the middle of said water communication, into Lake Huron; thence through the middle of said lake, to the water communication between that lake and Lake Superior; thence through Lake Superior northward of the isles Royals and Philipeaux, to the Long Lake; thence through the middle of said Long Lake, and the water communication between it and the Lake of the Woods, to the Lake of the Woods; thence, through the said lake, to the most northwestern point thereof."

121260

Use of Boundary Waters: The perpetual right of the United States to use the waters of the St. Lawrence below the international boundary as a navigation route from the Great Lakes to the ocean was given by a treaty in 1871.

Under provisions of a treaty signed by Canada and the United States in 1909, the International Joint Commission was created in 1911 as a permanent body to deal with the use, obstruction or diversion of boundary waters.

These treaties left Lake Michigan and its entire watershed in American territory; it could not be considered in any way a "boundary water." From that time to the present there has never been any question as to our national rights in these waters. It is well to keep this fact in mind while this latest proposal for a St. Lawrence development is analyzed.

The Deep Waterway Idea is Born

The movement for the creation of a deep waterway of 184 statute miles from Montreal to the foot of Lake Ontario and thence for some 1164 statute miles through the Great Lakes to Duluth gained major impetus in 1919. In that year the Great Lakes-St. Lawrence Tidewater Association was formed to promote the project. During the same year an amendment to the Rivers and Harbors Act was passed requesting an investigation and report on the costs of further improvements of the St. Lawrence between Montreal and Lake Ontario in order to make the river navigable for ocean-going vessels.

Commissions and Boards Appointed to Study the Proposal: Since that time, various other commissions, departments and committees have made reports on the subject.

In 1920, the International Joint Commission was asked to report on the necessary improvements for navigation alone and also for a combination of navigation and power works. At the same time the two governments appointed a Board of Engineers to assist the International Joint Commission.

In December, 1921, this Commission submitted a report recommending improvement of the St. Lawrence river. In this they approved a depth of 25 feet in the canals and 30 feet over lock sills, the estimated cost of recommended improvements being placed at $252,728,000. No official action, however, was taken in regard to this recommendation.

The St. Lawrence Commission, under the chairmanship of the Honorable Herbert Hoover, then Secretary of Commerce, was appointed in 1924 by President Coolidge for the purpose of advising on the economic feasibility of the proposed deep waterway. About the same time, a National Advisory Committee was appointed by Canada to report to the Dominion Government. Also, a Joint Board of Engineers, consisting of three Americans and three Canadians, was appointed to review the engineering report of 1921 and consider further questions submitted by the governments.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121261

Reports Submitted: The Joint Board of Engineers estimated the total eventual cost of improvements, consisting of a 25-foot channel and fully developed power resources in the St. Lawrence between Lake Ontario and Montreal, at from $620,000,000 to $650,000,000, depending upon the type of improvement adopted in the International Rapids Section. In addition, there was an estimated cost of $45,000,000 for improving Great Lakes Channels above Lake Ontario to a depth of 25 feet; the total improvements recommended for immediate development were estimated to cost from $350,000,000 to $385,000,000.

The Department of Commerce made a survey of the comparative merits and probable costs of the St. Lawrence seaway, the Great Lakes-Hudson River project and a proposed all-American route. The Great Lakes-Hudson route would require the construction of a deep waterway from Oswego, N. Y., on Lake Ontario to the Hudson River, via the Erie Canal and Oswego Canal. Another alternate considered was a deep waterway along the St. Lawrence River to Lake St. Francis and thence south to Lake Champlain and the Hudson River. The all-American route would be the same as the Oswego-Erie Canal route except that it would call for an American canal around Niagara Falls on American territory and then follow the Oswego-to-Hudson River route. The American routes, alternate to the St. Lawrence Seaway, were not favorably considered because of greater costs.

Following the submission of these findings, the St. Lawrence Commission made its report in 1926 favoring the immediate improvement of the St. Lawrence for navigation and power purposes, provided a suitable agreement could be made with Canada for the joint undertaking. In this report, the Commission recommended that "the United States should recognize the proper relations of New York to the power development in the International Section" and stressed the significance of the St. Lawrence route from the transportation point of view.

Canada's Views on the Subject

The Department of State, in April, 1927, presented the conclusions of the St. Lawrence Commission to the Canadian Government and expressed the desire of the United States to enter into negotiations for the development of the project.

The Canadian Government, however, asked for a postponement of the matter until after the completion and release of the appendices to the Joint Engineers' Report.

In January, 1928, the Dominion Government transmitted to the Department of State its views on the seaway project and the findings of its National Advisory Committee. These views covered two points, i. e., the conditions

121262

under which the Canadian Government could be in a position to enter into negotiations for a treaty for the development of the St. Lawrence, and an explanation of the various transportation facilities and factors in Canada which differ decidedly from those of the United States.

Dominion Government Feels Negotiations Premature: The Dominion Government stated frankly it felt negotiations were premature at that time and suggested that the case then before the Supreme Court of Canada, regarding the water power rights of the Dominion Government and of the Provinces, be settled first. Canada also urged that the engineers of the two countries reach an agreement on the project for improvement of the International Rapids Section of the river. The United States representatives on the Joint Board of Engineers had recommended development of the International Rapids Section in a single stage, while the Canadian members of the Joint Board of Engineers had recommended a two stage development. In connection with this difference of opinion, the Canadian Government further stated in its note that:

> "It is also advisable that opportunity should be afforded for further conference on these alternative proposals between the Canadian section of the Joint Board and engineers representing the Province of Ontario, who have themselves formulated plans dealing with the international section."

Following these preliminary steps, Canada expressed herself as ready to cooperate with the United States on a deep waterway project provided Canada would not be required to develop her share of hydro-electric power in advance of the growth of her market to absorb it and provided the Dominion Government would not be required to undertake heavy financial burdens for the project.

The State of New York Enters the Picture

In 1930, the State of New York appointed the St. Lawrence Power Development Commission to investigate the power possibilities of the river contiguous to New York State. On January 15, 1931, this Commission reported to the Governor of the State in favor of public power development at the International Section of the St. Lawrence River.

The Power Authority of the State of New York: The Power Authority of the State of New York was created by an act of the State Legislature in 1931. On February 7, 1933, this agency and the United States Engineers recommended that the costs for which the United States would be responsible in connection with the development of the International Rapids Section of the St. Lawrence River should be divided between the United States and the State of New York. New York's share was set at $89,726,000. For this payment, New York State was to have the right to utilize, for power development, all

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

of the St. Lawrence River flow in the International Rapids Section allocated to the United States by treaty, other than that required for navigation. The State of New York was also to receive title to the power works and lands upon which they were located, and which might be necessary and convenient for their operation.

Treaty Signed

On July 18, 1932, a treaty between the United States, Canada and Great Britain was signed to effectuate the project. It was then submitted to the United States Senate for ratification.

Further Investigations: From November, 1932, to February, 1933, the Committee on Foreign Affairs of the United States Senate conducted an exhaustive investigation on the treaty. From that point until March, 1934, there was lengthy discussion in the Senate both for and against the St. Lawrence Seaway Project.

Treaty Rejected by United States Senate: Finally, on March 14th, 1934, the St. Lawrence Treaty was rejected by the United States Senate.

The Senate based its disapproval upon the mass of testimony presented in opposition to the project, testimony which indicated great injury to the established transportation systems of the United States and destruction of property values in ports along the Atlantic coast, the Great Lakes and the Gulf of Mexico. The Senate also considered the unfair and detrimental effects on other sections of the country where tax increases would have been necessary to support the St. Lawrence plan.

There were 88 members in the Senate when a vote on the question was called. The roll call resulted in 46 yeas and 42 nays. Because treaty ratification requires a two-thirds vote, the proposal was lost. The following table gives the specific votes:

TABLE 1

Senatorial Votes on the St. Lawrence Seaway Treaty, March 14, 1934

Yeas—46

State	Senator	State	Senator
Alabama	Bankhead	Nebraska	Thompson
Alabama	Black	Nevada	Pittman
Arizona	Ashurst	New Hampshire	Brown
Arizona	Hayden	New Mexico	Cutting
Arkansas	Robinson	New Mexico	Hatch
California	Johnson	North Dakota	Frazier
California	McAdoo	North Dakota	Nye
Colorado	Costigan	Ohio	Bulkley
Idaho	Borah	Ohio	Fess
Idaho	Pope	Oklahoma	Gore
Indiana	Van Nuys	South Carolina	Byrnes

Yeas (Concluded)

State	Senator	State	Senator
Indiana	Robinson	South Carolina	Smith
Kansas	Capper	South Dakota	Bulow
Kentucky	Barkley	Tennessee	Bachman
Kentucky	Logan	Tennessee	McKellar
Michigan	Couzens	Texas	Sheppard
Michigan	Vandenberg	Utah	Thomas
Minnesota	Schall	Vermont	Gibson
Minnesota	Shipstead	Washington	Bone
Mississippi	Harrison	Washington	Dill
Montana	Erickson	Wisconsin	Duffy
Montana	Wheeler	Wisconsin	LaFollette
Nebraska	Norris	Wyoming	O'Mahoney

Nays—42

Colorado	Adams	Nevada	McCarran
Connecticut	Walcott	New Hampshire	Keyes
Connecticut	Lonergan	New Jersey	Kean
Delaware	Hastings	New Jersey	Barbour
Delaware	Townsend	New York	Wagner
Georgia	George	New York	Copeland
Georgia	Russell	North Carolina	Bailey
Illinois	Dieterich	North Carolina	Reynolds
Illinois	Lewis	Oregon	McNary
Iowa	Dickinson	Oregon	Steiwer
Kansas	McGill	Pennsylvania	Davis
Louisiana	Long	Pennsylvania	Reed
Louisiana	Overton	Rhode Island	Hebert
Maine	Hale	Rhode Island	Metcalf
Maine	White	Texas	Connally
Maryland	Goldsborough	Virginia	Byrd
Maryland	Tydings	Vermont	Austin
Massachusetts	Coolidge	West Virginia	Hatfield
Massachusetts	Walsh	West Virginia	Neely
Mississippi	Stephens	Wyoming	Carey
Missouri	Patterson		
Missouri	Clark		

Not Voting—8

Arkansas	Caraway	Oklahoma	Thomas
Florida	Fletcher	South Dakota	Norbeck
Florida	Trammell	Utah	King
Iowa	Murphy	Virginia	Glass

A New Treaty is Offered: On May 28, 1938, the United States, through its Secretary of State, submitted to Canada a new form of treaty providing for a St. Lawrence seaway and incidental power developments. This time, the opposition seemed to be of greater volume than in the past. Premier Hepburn of Ontario and Premier Duplessis of Quebec definitely stated their opposition to the project and it looked as though it would be buried for all time. Later, however, there were indications that Premier Hepburn had changed his attitude. Perhaps the reason for this change was Mr. Hepburn's ultimate conviction that under the project the United States would be called upon to pay

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121265

an undue proportion of the cost of developing the International Rapids Section of the seaway and thereby offer Canada an opportunity which might not again be available.

If the province of Ontario wished to defer Canadian development of the International Rapids Section, then the cost to the Dominion Government, or the Province of Ontario, would be only approximately $22,600,000 as compared with a United States cost of $144,000,000 (see table, page 38).

Summary of History

The question of whether the 1200-mile St. Lawrence River and the Great Lakes should be opened to ocean-going ships has been the object of advocacy or opposition by public and private groups for many years. Various government agencies have considered and reported on the matter at different times during the past two decades in this country. As this is being written, reports from Washington indicate that negotiations between the United States and the Dominion of Canada are again being held, and there is a probability that another St. Lawrence Treaty will be signed shortly.

Before the first treaty was consummated in 1932, the project had been considered by the International Joint Commission, the St. Lawrence Commission, the National Advisory Committee of Canada, the Joint Board of Engineers (consisting of three United States and three Dominion members), the St. Lawrence Power Development Commission, the New York State Power Authority and others.

But the United States Senate rejected the treaty in March, 1934, on grounds that the proposed St. Lawrence seaway was not generally desirable. This was almost seven years after the Joint Board of Engineers had estimated that construction of canals and channels between Lake Ontario and Montreal, with full hydro-electric power development, would cost between $620,000,000 and $650,000,000 as a total joint expense depending upon the type of improvement adopted for the International Rapids Section of the river.

The principal proponent in New York State of the St. Lawrence Seaway and Power Project today is the State Power Authority. In 1933, this agency joined the United States Engineers in recommending that the cost of works in the International Rapids Section be divided between New York State and the United States, with the Power Authority raising some $90,000,000 through the sale of bonds to reimburse the federal government.

Another treaty draft was offered Canada by this country in 1938, but the Province of Ontario was cool to the proposal at that time. Then, with the coming of the present European war last Fall, the Canadian attitude purportedly changed, and the whole St. Lawrence matter was revived in Washington.

121266

PROPOSED TREATY OF 1938

Introduction — The Commission — Revision as to Project Costs — Divisions of Work — Advisory Capacity of Commission — Extension of Powers — Financial Obligations of Canada — Financial Obligations of the United States — Use of Water in International Rapids Section for Power — Proprietary Rights — Construction of Canal and Channel Facilities — Navigation Effect on Neutrality — United States Sovereignty over Lake Michigan — Further Remarks on the Sovereignty over Lake Michigan — Compensatory and Regulatory Works — Niagara Falls — Appointment of Special International Board — Damages and Ratification — Summary. (A complete copy of the treaty is in the appendices).

Introduction

THE following discussion is based upon the text of the treaty which was proposed by the United States government in 1938 and submitted to the Canadian government on May 28th of that year. This document is similar to the one signed by the two governments in 1932 and it is unlikely that there will be major changes in any treaty should one be consummated by the two governments in the near future.

Inasmuch as the international implications, the division of responsibilities and the costs of the project are largely determined by any treaty which may be signed by the two countries, it is necessary to study carefully the various provisions of the proposed Treaty of 1938 because that instrument is the basis of current discussions between the two governments.

Article I

The Commission: Article I of the treaty calls for the establishment of a Great Lakes-St. Lawrence Basin Commission consisting of not more than ten members of whom an equal number shall be appointed by each government. By an exchange of notes, the governments may change the number of members on the Commission, provided, however, that an equal representation of each government be maintained.

Revision as to Project Costs: Under this Article the treaty states that the Commission is to prepare plans in accordance with the Joint Board of Engineers' Report dated July 13th, 1927. It permits the Commission to make such modifications as may be agreed upon by the governments, provided those modifications do not increase the proposed total cost of the project as estimated in the aforementioned report.

This provision probably will be revised in the new treaty as the report of the Joint Board of Engineers, dated July 13, 1927, deals primarily with the two stage development of the International Rapids Section of the St. Lawrence River. All recent indications from Canada have been to the effect that the Canadian Government is now willing to proceed with a single stage plan of development. Inasmuch as the United States has always preferred the single stage development, it seems quite likely, in view of the changed Canadian

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121267

opinion, that the new treaty will make mention of the single stage development and refer to the Joint Board of Engineers' Report of 1926 which considered that plan.

Divisions of Work: One of the duties of the Commission is to allocate construction to the two governments in such a way that each government shall construct the works within its own territory or an equivalent proportion in the International Rapids Section. As pointed out in Article III of the treaty, the United States has to pay for most of the work in the International Rapids Section. Therefore, according to the division of work as set forth in Article I, a large amount of work would be done by Canada with funds furnished by the United States. This work would accrue to the benefit of Canadian technicians, labor, materials and equipment.

In times like these, when there is such a serious unemployment situation in this country, every dollar expended by the United States government for construction work should result in a direct benefit to American labor and industry. This is particularly true in view of the fact that allowances are made to Canada for the moneys which were previously expended, or are to be expended, by her in the Canadian links of the seaway. If it is fair to divide the costs of all of the necessary links of the seaway, then it is equally fair to divide the labor benefits. American labor and industry did not share equally in the construction of the Welland Canal nor would they share equally in the construction of the canal project which lies wholly within Canada and downstream from the International Rapids Section. Provision for a more equitable distribution of labor benefits should be made a part of any new treaty.

Advisory Capacity of Commission: Article I also states that the Commission shall serve as an advisory group to the governments. They are to coordinate all plans relative to navigation and power in the entire Great Lakes-St. Lawrence Basin. While their authority in this connection is advisory, it is nevertheless important because the Commission, in this capacity, would supplant the Board of Army Engineers insofar as the United States is concerned.

Extension of Powers: Under this Article, the extension of the Commission's powers and duties is permitted through an international exchange of notes. In other words, without the protection offered by the formalities of a subsequent treaty, the powers of a Commission, established primarily to construct a definite project, may be enlarged to almost unlimited authority throughout the area of the Great Lakes and the St. Lawrence River.

Article II

Financial Obligations of Canada: An important part of Article II affects Canada rather than the United States. According to this Article, Canada

121268

must provide, not later than December 31, 1949, for the necessary additional development of the Welland Ship Canal and for completion of the entire Canadian section of the deep waterway to the sea.

This particular Article is extremely important. The people of Canada, in their assistance to the British Empire, are now facing their greatest period of financial stress. When one contemplates Canada's tremendous war expenses, her present enormous obligations, plus the annual deficits of the government-owned Canadian National Railway, one wonders how Canada can afford a further outlay of $240,601,000 (which over the amortization period would increase to $547,367,000) to create a competitor of this publicly-owned railway.

It is quite proper for the United States to have some concern over the ability of Canada to carry out her financial responsibilities (totalling over $179,000,000 in initial expenditures alone) under the proposed treaty. In case Canada should be forced to declare a moratorium, the United States would find herself in the position of having already spent approximately $144,000,000 to develop a link in a seaway which could not be used. Obviously it is necessary to have channels, canals and locks of the required depth both above and below the International Rapids Section if the works there are to be of any value as a navigation development. Should Canada be financially unable to complete her sections of the seaway project, this large expenditure of United States moneys would have been made with the sole effect of creating a power development for the Province of Ontario and the State of New York.

Article III

Financial Obligations of the United States: An important part of this Article is that the United States agrees to pay for all works in the International Rapids Section except Canadian power house superstructures, rehabilitation on the Canadian side, and any side canals and locks on the Canadian side.

Another important part of this Article is that the United States agrees to pay for and construct all other channel and compensating works in the Great Lakes system above Lake Erie.

Article IV

Use of Water in International Rapids Section for Power: In this Article, both countries agree that water for power purposes in the International Rapids Section shall be divided equally. However, Article VIII (d) stipulates that in the event one of the countries diverts water into the Great Lakes system or the St. Lawrence above the International Rapids Section, then that country is privileged to withdraw an additional equivalent amount for power purposes in the International Rapids Section.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121269

The Province of Ontario has for some time wanted to divert water from Long Lake into Lake Superior. This would approximate 5000 cubic feet at Niagara Falls for power purposes. It would be of benefit to the Great Lakes System by improving water levels. Since, in this manner, the Province of Ontario would be benefiting rather than injuring navigation on the Great Lakes, certainly there is no reason for the United States to object. However, the United States has objected in the past on grounds that the Long Lake diversion should be contingent on Canadian approval of the seaway project.

Articles V & VI

Proprietary Rights: These Articles are not particularly controversial. Under Article V the countries agree that construction of the proposed works shall not confer upon either country proprietary rights or legislative, administrative or other jurisdiction in the territory of the other. It also states that the works constructed shall constitute a part of the territory of the country in which they are situated.

Construction of Canal and Channel Facilities: Article VI states that the countries, with the approval of the Commission, may construct, at any time within their own territories, alternative canal and channel facilities for navigation in the International Rapids Section or in waters connecting the Great Lakes. Either country would have the right to utilize such water as is necessary for the operation of such works.

Article VII

Navigation Effect on Neutrality: This Article pertains to navigation on the St. Lawrence and Great Lakes system. It states that the entire Great Lakes system and the St. Lawrence River, including all existing or projected canals, shall be continually open to vessels and citizens of the United States and the British Empire.

Essential portions of the proposed seaway lie either wholly within Canada or wholly within the United States. If the seaway were ever to be used during times of war, when one of the two countries was a belligerent and the other a neutral, it is conceivable that many subjects of dispute would arise. Neither country would have sole jurisdiction over the waterway's use throughout its entire length. Various conditions imposed upon its use would interfere with established trade routes and would cause discord between the two nations.

The seaway would not be invulnerable to attack or sabotage. Its entire effectiveness could be nullified by a single act of sabotage. Further, which country would defend it in case of attack? This is a question which becomes especially acute when one of the countries is at war and the other at peace.

Serious questions have been raised in various quarters as to whether the entering into such a treaty with Canada, a belligerent nation, does not constitute a complete violation of the spirit of United States neutrality. Many critics of the St. Lawrence project have pointed out that the United States, if the St. Lawrence plan were realized, would be aiding a belligerent country to improve its war-time and national defense efforts for some future war if not for the present one. This attitude is prompted by the fact that Canada would use the proposed St. Lawrence hydro-electric power developments to stimulate industries which would be capable of producing war materials.

121270

The United States now has thousands of miles of seacoast, so it seems unwarranted to expend hundreds of millions of dollars in developing an outlet to the sea through a foreign country.

United States Sovereignty over Lake Michigan: It is stated in Article VII that nothing in the treaty shall be construed as infringing or impairing the sovereignty of the United States over Lake Michigan.

The undoubted reason for the inclusion of this section is that no such provision appeared in the previous treaty (1932). When the 1932 document was being considered by the United States Senate, there was considerable discussion as to whether the United States, by the terms of that treaty, was not surrendering its sovereignty over Lake Michigan, a body of water lying entirely within the United States.

The writing of this declaration into the proposed 1938 treaty, however, does not wholly protect the rights of the United States in its sovereignty over the waters of that lake, for a definite limitation has been placed upon the use of these waters in the subsequent Article (VIII).

This Article limits the amount of water which may be withdrawn from Lake Michigan at Chicago for the sanitary requirements of that city and the further development of the Great Lakes-Mississippi Valley-Gulf of Mexico waterway. The United States has no existing treaty with Canada which in any way would interfere with the development of such a canal. By writing such a provision into the proposed treaty, the United States surrenders her right to develop a deeper waterway from Chicago to the Gulf if at any time she should deem it to her best interest to do so.

Article VIII

Further Remarks on the Sovereignty over Lake Michigan: In 1848, a waterway paralleling the Des Plaines and Illinois rivers was opened between Lake Michigan, at Chicago, and the Mississippi River. At that time water was withdrawn for navigation needs only. Subsequently, improvements to the canal were made and additional water withdrawn for sanitary purposes. This waterway serves a triple purpose: to drain and dilute Chicago sewage; to carry traffic between the Great Lakes and the Mississippi Valley through to the Gulf ports; to generate hydro-electric power.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

In the past, a maximum of 10,000 cubic feet of water per second has been permitted to be withdrawn from Lake Michigan for these uses. But in 1931 the United States Supreme Court, as a result of litigation between various states, ordered this water withdrawal limited to 1500 c.f.s., plus certain pumpage. It is quite possible that, upon review of the situation, the United States Supreme Court might modify its ruling. Under the terms of the proposed 1938 treaty, however—and a treaty is the lighest law of the land—the amount would be definitely limited, except in the case of emergency, to 1500 c.f.s. This restriction could not be changed except with the consent of a foreign country, Canada. Such a condition makes for a definite surrender of the sovereign rights of the United States.

Under this treaty section, the question of any further diversion at Chicago to meet any emergency must be submitted to an international tribunal, if Canada should object to the added withdrawal. The tribunal would be composed of one Canadian, one citizen of the United States and a chairman appointed by both countries.

This treaty places in the hands of a foreign country the fate of the future development of a Great Lakes-Gulf of Mexico waterway.

Compensatory and Regulatory Works: Article VIII also directs the Commission to undertake a study of compensatory and regulatory works in the Great Lakes System. This means that they are to study and prepare plans and cost estimates for dams, weirs, gates and other works necessary to control the levels of Lakes Michigan, Huron, Erie and Ontario.

Endless volumes could be written upon the magnitude of this regulatory problem. Similar work has been undertaken for control of Lake Superior. It operates with success insofar as that particular lake is concerned but has an adverse effect upon the lower lakes. In the event works were arranged to regulate the flows from all of the lakes, the ramifications of the project would be tremendous. The first cost would be great, and the operation itself would require infinite finesse to prevent serious international complications.

Canadian ports along the St. Lawrence must be assured that harbor levels would not be affected by various works in the Great Lakes or in the portions of the river up-stream from the ports. The Montreal Chambre de Commerce, in a recent resolution, declared that if a treaty were signed by the United States and Canada, a provision should be included to remedy the lowering of water in the Montreal harbor. It is obvious, as demonstrated by this resolution, that Montreal demands guarantees protecting her port. This is an indication of the potential perils of an undertaking which, if incorrectly handled, would bring prompt protest from Canada and thus threaten the international amity.

Article IX

Niagara Falls: In this Article, an inducement is offered to previous opponents of the St. Lawrence Seaway Project. This is in the form of an agreement to consider the preservation and restoration of the beauty of Niagara Falls and the development of additional power at the Falls. For years the Province of Ontario and the State of New York have fought for this project. It has long been recognized by Ontario and the State of New York that the scenic beauty of the Falls has been seriously impaired by excessive erosion.

Appointment of Special International Board: As a result of preliminary investigations, a Special International Niagara Board in 1927 found that the beauty of Niagara Falls could be restored, erosion reduced to an absolute minimum and some 20,000 cubic second feet of additional water, available for power purposes, could be withdrawn and divided equally between the United States and Canada. Ten thousand cubic feet of water per second at Niagara would be capable of developing 300,000 horsepower. These recommendations never have been adopted. The Niagara Falls Project, like the Long Lake diversion plan, has been made contingent, by the Administration in Washington upon the realization of the St. Lawrence Seaway and Power Project. The Administration apparently has adopted this attitude in the hope that it could induce the Province of Ontario to support the St. Lawrence Seaway Project in return for the Niagara Falls development. There is no technical demand, though, for coupling the St. Lawrence and Niagara Falls projects.

Under Article IX of the proposed treaty, the Commission would proceed with plans for Niagara River works according to the recommendations of the Special International Niagara Board. But the proposed Treaty states that the governments shall not consider the Niagara Falls project until after the adoption of the final plans for the project in the International Rapids Section.

Articles X & XI

Damages and Ratification: These Articles of the proposed Treaty are not particularly controversial. They state that each government is released from responsibility for damages in the other's territory as a result of actions authorized in the proposed Treaty, and that the documeat shall be ratified in accordance with the constitutions of the two countries.

Summary of Proposed Treaty of 1938

Although details on the treaty draft which is now being considered by the two governments are not currently available, it is likely that the new document will closely resemble the proposed instrument of 1938. Thus it is necessary to analyze that earlier paper.

The 1938 draft establishes a Great Lakes-St. Lawrence Basin Commission of not more than ten members with the United States and Canada equally

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121273

represented. This group would prepare plans for the project in accordance with the Joint Board of Engineers supplemental report of 1927. Construction would be so allocated that each government would build the works in its own country. Since the United States would pay the major portion of cost in the International Rapids Section (under Article III) the result would be the expenditure of United States moneys for Canadian labor and materials there.

Not later than December 31, 1949, Canada must provide for her share of the seaway works, according to the proposed treaty. Whether Canada, now at war, would be in a position at that time to assume the heavy fiscal obligations is a moot point. Obviously, if she were not, the United States properly might become concerned over having spent vast sums for a project which would be worthless as a navigation route.

Under Article III, the United States agrees to pay for all the International Rapids Section development, except power house superstructures, rehabilitation works, side canals and locks on the Canadian side, and for all interconnecting channels between the Great Lakes above Lake Erie. In other words, this country would completely finance the dams and power house substructures among other works on both sides in the International Rapids Section.

Article VII provides that the Great Lakes and St. Lawrence shall be continually open to vessels and citizens of both countries, but the whole proposed St. Lawrence route could be closed to navigation by a single act of sabotage. During wartime, especially when one nation is a belligerent and the other a neutral, the question arises as to which country would defend the seaway from attack. There is also the matter of a neutral's shipping through a belligerent country. Is it wise for a nation already having thousands of miles of seacoast to seek another outlet through a foreign land?

The proposed treaty guarantees the sovereignty of the United States over Lake Michigan, which lies entirely within the boundaries of the United States, but at the same time the instrument is contradictory because it limits the withdrawal of Lake Michigan water, for use in the Chicago Drainage Canal, to 1500 cubic feet per second. The treaty, therefore, virtually destroys, by freezing this restriction into an international contract, the right of the United States to develop further the Great Lakes-Gulf of Mexico waterway.

Provisions for the restoration and preservation of Niagara Falls beauty and for the coincident withdrawal of more water there for power purposes are contained in the 1938 document. The Niagara Frontier Planning Board long has advocated further development of the Falls, but the proposed treaty unfortunately states that this project cannot proceed until final plans for the International Rapids Section have been made. When the Niagara Falls plan is made contingent on construction of the detrimental St. Lawrence seaway, the latter loses its justification as an improvement of the general welfare.

121274

DESCRIPTION

Existing Waterways in Great Lakes-St. Lawrence River Area – Duluth to Open Ocean via Present St. Lawrence Canals – Chicago to Ocean via Present St. Lawrence Canals – Existing New York State Barge Canal Route – Existing New York State-Oswego Canal Route – Present Chicago-Mississippi River Route – The Navigation Project – Introduction – Purpose of the Project – The St. Lawrence Section – Dams and Locks – The Great Lakes Section – Mileages, Depths and Other Data – Works in the St. Marys River – Works in the Detroit-St. Clair Section – Welland Ship Canal – Deepening of Harbors – Sizes of Proposed Locks and Channels – International Rapids Section – Introduction – The Joint Board Plan – The United States Plan – Spillway – Power Houses – Dykes – Locks – Channels – Control Works – Railway and Highway Relocating – Hazards – Summary.

Existing Waterways in Great Lakes—St. Lawrence Area

THERE are several existing waterways which now connect the Great Lakes system with the north Atlantic Ocean. One is the St. Lawrence River and Canals extending from Lake Ontario to the Gulf of St. Lawrence and thence to the Atlantic Ocean. There is also the New York State Barge Canal (often called the Erie Canal, although this is no longer the official title) extending from Buffalo to the Hudson River and thence to New York City and the Atlantic. Another is the New York State-Oswego Canal which connects Lake Ontario with the New York State Barge Canal at Three Rivers. Still another route follows the Canadian Champlain Canal which extends southward from the St. Lawrence River to Lake Champlain, the New York-State Champlain Canal and the Hudson River.

Connecting Lake Michigan with the Mississippi River and through that route with the Gulf of Mexico is the Illinois waterway. It comprises the Chicago Sanitary and Ship Canal, the south branch of the Chicago River, the Des Plaines River and the Illinois River.

Duluth to Open Ocean via Present St. Lawrence Canals: The distance from Duluth to open ocean via the Great Lakes System, the St. Lawrence River and the St. Lawrence Canal, is 2,350 miles. Eleven hundred and sixty four miles lie in the Great Lakes, 183 miles in the St. Lawrence River above Montreal and 1,003 miles in the St. Lawrence River and Gulf of St. Lawrence below Montreal.

The route traverses the open waters of Lakes Superior, Huron, Erie and Ontario. The passage from lake to lake has been made possible by the removal of obstructions in the St. Marys River between Lakes Superior and Huron, and by the construction of locks in that section, by the deepening of channels in the St. Clair River, Lake St. Clair and Detroit River between Lakes Huron and Erie; and by the construction of the Welland Canal between Lakes Erie and Ontario. The St. Lawrence River route above Montreal has a minimum depth of 14 feet. The river section consists of 134 miles of open water and 49

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121275

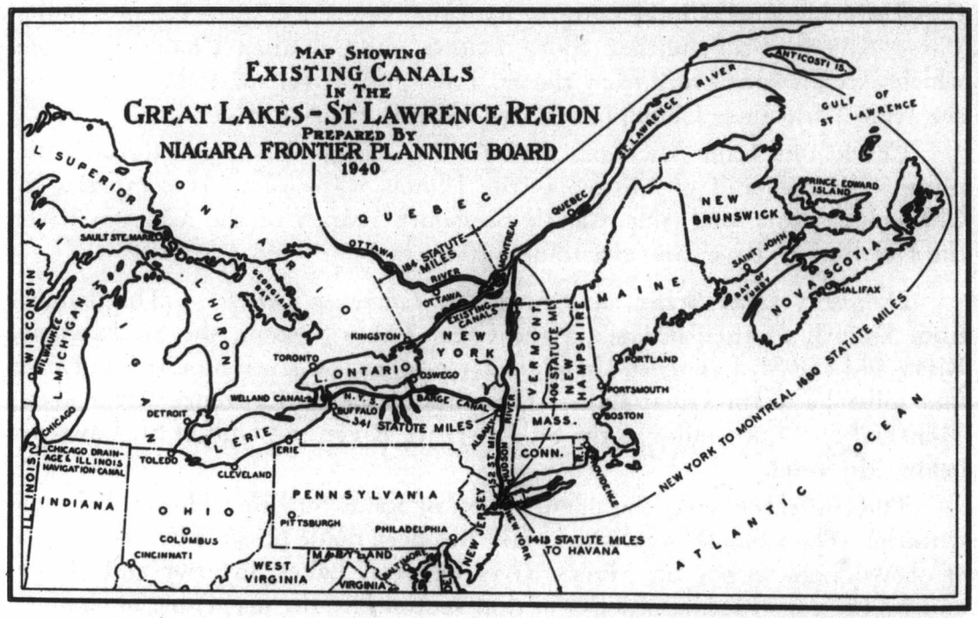
miles of side canals. ccnstructed completely within Canada. The difference of 224 feet between the water level of Lake Ontario and the water level at Montreal is overcome by a series of locks placed in the following canalized sections:

Galop Canal	15½ feet lift	Cornwall Canal	48 feet lift
Rapide Plat Canal	11½ feet lift	Soulanges Canal	84 feet lift
Farran's Point Canal	4½ feet lift	Lachine Canal	45 feet lift

The route from Montreal to the sea is via improved 30 foot channels to Father Point, and thence through the deep open waters of the St. Lawrence River and Gulf of St. Lawrence for the remaining 652 miles.

Chicago to Ocean via Present St. Lawrence Canals: The distance from Chicago to open ocean by way of the existing St. Lawrence canal is 2,249 miles; 1,063 miles lie in the Great Lakes, 183 miles in the St. Lawrence River above Montreal, and 1,003 miles below Montreal.

The route on the Great Lakes traverses the open waters of Lake Michigan and joins the route from Duluth at the northerly end of Lake Huron. From there to open ocean it is the same as described in the preceding paragraphs.



Existing New York State Barge Canal Route: The Barge Canal from Buffalo to Three Rivers has a minimum depth of 12 feet. The minimum bottom width in lakes and canalized rivers is 200 feet, and in canal land routes

121276

it is 75 feet. Locks are 300 feet long, 44½ feet wide and have a depth of water over the sills of 12 feet. Clearance under bridges is 15½ feet. From Three Rivers to the Hudson River, the channels are being deepened to 14 feet and clearance under bridges is being increased to 20 feet.

The total distance from Buffalo to the Hudson River is 341 miles. From Waterford, where the Barge Canal meets the Hudson River, it is 155 miles to New York City, making a total of 496 miles from Buffalo to New York. From Chicago and Duluth to Buffalo, the shipping lanes traverse the same routes to the lower end of Lake Erie as were described in the paragraphs relating to the existing St. Lawrence Canal. From Duluth to New York City via the Barge Canal it is 1,482 miles and the distance from Chicago to New York City via the same route is 1,389 miles.

Existing New York State-Oswego Canal Route: An alternate route from the Great Lakes System to New York City and the open ocean is available through use of the Oswego Branch of the Barge Canal. The distance from Oswego to Three Rivers is 23.8 miles. This branch of the Barge Canal system has a depth of 14 feet in the channels and clearance under bridges of 20 feet, the same depth and clearances as exist in the Barge Canal from Three Rivers to the Hudson River.

The total distance from Oswego to New York City by way of the Oswego and Barge Canal is 321 miles. This route is open to Duluth, Chicago and other Great Lakes ports via the same channels and shipping lanes to the easterly end of Lake Ontario as were described in the paragraphs relating to the St. Lawrence Canal. The total distance from Duluth to New York City, by way of this route, is 1,465 miles, and the distance from Chicago to New York, 1,364 miles.

Present Chicago-Mississippi River Route: A connection between Chicago and the Mississippi River is available through the waterway which includes the Chicago Sanitary and Ship Canal, the south branch of the Chicago River, the Des Plaines River and the Illinois River. The distance from Chicago to the mouth of the Illinois River, which meets the Mississippi at a point about 38 miles above St. Louis, is 326 miles. This waterway has a minimum depth of 9 feet with widths ranging between 200 and 300 feet. It includes several locks and dams to make navigation possible.

This 326-mile route between Chicago and the Mississippi River is broken down into the following distances: Chicago Sanitary and Ship Canal and south branch of the Chicago River, 35 miles; Des Plaines River, 18 miles and Illinois River, 273 miles. Through this waterway is established a link to form the Chicago-Mississippi-Gulf of Mexico route.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121277

Other Existing Inland Waterways: The United States Government has also spent large sums upon other inland waterways. These include the Missouri River, the upper Mississippi River, the Ohio River, and the lower Mississippi.

Other Existing Transportation Facilities

In addition to these many water routes, there is a vast network of railroads connecting the interior of the country with all seaboards. These roads can now handle 65% more tonnage than that handled in 1918, a maximum traffic year. Likewise, they are capable of handling 75% more tonnage than was handled in 1929.

There are in addition to the railroads certain other important transportation facilities, such as highways, airways and pipe lines. Since 1920, the capital investment in improved roads, further waterway improvements and in airways has exceeded fourteen billion dollars.

That existing transportation facilities (waterways, railroads and highways) are adequate, dependable and efficient for the entire Great Lakes area which might be served by the seaway is proven by the industrial development of that section. It now comprises 35% of the United States population, produces 38% of all manufactured products, purchases 47% of the raw materials and produces 52% of all the crops. Clearly no such development could have taken place had there been any lack of efficient, dependable and adequate transportation service. No other area in the United States can be said to have developed more rapidly or more completely than this very area.

The Navigation Project

Introduction: The following eight pages describe the St. Lawrence seaway part of the general St. Lawrence Seaway and Power Project. Then are discussed such important elements of the proposed navigation works as costs; as the type of ships expected to use the seaway; as the navigation season; as possible cargo shipments and the effects of such shipments upon existing American transportation port and terminal facilities, closely allied industries and labor. Possible savings in shipments of cargoes over the St. Lawrence seaway are compared with the cost of its maintenance and amortization, operation and losses to American industries.

Purpose of the Project. The purpose of the navigation part of the proposed works is to create a 27-foot navigable channel via the St. Lawrence River from Montreal to Lake Ontario and thence through the entire Great Lakes System by way of the Welland Canal and other connecting lake channels.

121278

The St. Lawrence Section

The St. Lawrence River between Lake Ontario and Montreal is divided into five sections. They are, starting at Lake Ontario and proceeding downstream:

1. The Thousand Islands Section
2. The International Rapids Section
3. The Lake St. Francis Section
4. The Soulanges Section
5. The Lachine Section

The Thousand Islands Section is similar to a large lake dotted with many islands and extends from Lake Ontario proper to Chimney Point, New York, a distance of 67 miles. The International Rapids Section extends 48 miles from Chimney Point to the headwaters of Lake St. Francis. This reach is composed mostly of rapids and swiftly running water. The Lake St. Francis Section is 27 miles in length and has quiescent water most of which is deep enough for the 27-foot channel. The Soulanges channel extends from deep water in Lake St. Francis to Lake St. Louis, a distance of 18 miles. A large portion of this section is composed of swiftly flowing rapids. The Lachine Section extends from Lake St. Louis deepwater to the Montreal harbor, a distance of some 24 miles. Thus the total distance from Lake Ontario to Montreal Harbor is 184 miles.

International Section: The International Section includes the Thousand Islands and International Rapids Sections. It forms the boundary line between the Province of Ontario and the State of New York. The remaining sections lie wholly within the Dominion of Canada.

In order to create a navigable channel and overcome the difference in elevation between Lake Ontario and the St. Lawrence River at Massena Point, it is necessary to construct a dam or dams. In the event one dam is constructed

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121279

for this purpose, the work is called "Single Stage Development." In the event two dams are constructed, one at Barnhart Island and the other at Crysler Island, it is called "Two Stage Development." In the case of single stage development, there would be a dam some 85 feet high located at the foot of Barnhart Island, across the river from Massena point.

Additional dams, one at Beauharnois and another at Lachine, are necessary in that part of the canal located wholly within Canada for control of water levels at those points. Seven or eight locks, depending upon whether single or two stage development is adopted, would be required. The combined total lift through the locks would approximate 219 feet.

In the case of the two stage development, a lock would be required at Crysler Island some 26 feet high and two at Barnhart Island, one with a lift of 14 feet and the other with a lift of 48 feet. In the case of single stage development, a flight lock would be required at Barnhart Island having a lift of some 85 feet. For that section of the canal below the International Rapids Section, one lock of two 39-foot lifts and one guard lock would be required in the Soulanges Section. In the Lachine Section, three locks having lifts of 20 feet, 12 feet and 21 feet, respectively, would be required.

With the exception of the Lachine, Soulanges and short canals around the International Rapids Section, the navigation channel would follow the present stream bed of the St. Lawrence River. Below Montreal the route would traverse present channels of 30-foot depth for a distance of some 351 miles to Father Point. From there on, the route is through 652 miles of open water in the St. Lawrence River and the Gulf of St. Lawrence to the sea.

The Great Lakes Section

In the Great Lakes System, starting at Duluth, the route would traverse Lakes Superior, Huron, Erie and Ontario. To make passage between these lakes possible, it would be necessary to remove obstructions in the St. Marys River between Lakes Superior and Huron, and to build a lock in the St. Marys River. It would be necessary also to remove obstructions from the St. Clair River, from Lake St. Clair and from the Detroit River. The difference in water level between Lake Superior and Lake Ontario would be overcome by a lock in the St. Marys River, having a lift of 20½ feet, and by the Welland Ship Canal, with a total lift of 320½ feet.

Mileages, Depths and Other Data: The following table is taken from the Interdepartmental Report, Senate Document No. 116, 73rd Congress, Second Session, Pages 44 and 45. It summarizes the distances from Chicago and Duluth to the ocean, the minimum depth for navigation purposes, the number of locks and the number of movable bridges.

121280

TABLE II

Summary of Proposed Deep Waterway—Duluth and Chicago to Montreal to Open Ocean

Description	Chicago to open ocean	Chicago to Montreal	Duluth to open ocean	Duluth to Montreal
	miles	miles	miles	miles
Miles of open water—no speed reduction..	2,177	1,174	2,276	1,273
Miles of restricted channels requiring reduction to 8 miles per hour.....	8	8	8	8
Miles of canals requiring further reduction	65	65	67	67
Total distance.....	2,250	1,247	2,351	1,348
Minimum water depths				
Great Lakes.....	27 feet		27 feet	
St. Lawrence.....	27 feet		27 feet	
Montreal to open ocean.....	30 feet		30 feet	
No. of locks; St. Marys River (1), Welland Canal (8)*, St. Lawrence River (9) Total.....	17		18	
No. of movable bridges; St. Marys River (1), Welland Canal (20), St. Lawrence River (8)—Total.....	28		29	

*Includes one guard lock.

Works in the St. Marys River: The St. Marys River is 63 miles long and connects the easterly end of Lake Superior with the northerly end of Lake Huron. At St. Marys Falls, the water level drops 20½ feet. It would be necessary to construct a new lock there for the seaway project because the most modern locks at the Falls now have only a minimum depth of 24½ feet.

Channels would also have to be deepened to 27 feet as they are now 25 feet or less. The following table, taken from the previously mentioned report (page 46), summarizes the work to be done in the St. Marys River:

TABLE III

Description	Length of of river (statute miles)	Excavate to Minimum depth (feet)	Direction of Traffic	Character of Materials
Dredge shoals in upper river...	13	27	2-way	Hard and rock
Construct lock and deepen approaches at the Falls.....	2	30		Hard and rock
Dredge channels in lower river .	9	27	2-way	Soft, hard, rock
Dredge " " " "	14	27	1-way (downbound)	Soft, hard, rock
Dredge " " " "		27	1-way (upbound)	Soft, hard, rock
Dredge shoals in lower river....	25	27	2-way	Soft and hard
Total length of river.....	63			

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121281

Works in the Detroit-St. Clair Section: The St. Clair River, 40 miles long, Lake St. Clair, 17 miles long, and the Detroit River, 31 miles long, connect the southerly end of Lake Huron with the westerly end of Lake Erie. The total mileage from Lake Huron to Lake Erie is 88 miles. The work to be done in this section includes dredging necessary to assure a 27-foot navigable depth. The following table, taken from Page 47 of the Interdepartmental Report, summarizes the work to be done.

TABLE IV

Description	Length of river (statute miles)	Minimum depth (feet)	Direction of Traffic	Character of Materials
Dredge shoals in St. Clair River	40	27	2-way	Soft and hard
Dredge channel in Lake St. Clair	17	27	2-way	Soft and stiff
Dredge shoals in Detroit River	18	27	2-way	Hard and rock
Dredge " " " "	8	27	1-way (downbound)	Hard and rock
Dredge " " " "		27	1-way (upbound)	Hard and rock
Dredge " " " "	5	27	2-way	Medium
Total length of river.....	88			

Welland Ship Canal: The New Welland Ship Canal is 30 miles long and connects Port Colbourne on Lake Erie with Port Weller on Lake Ontario. The channel has a 200-foot bottom width and a minimum depth of 25 feet. There are 7 locks of 46½-foot lift which overcome the difference in elevation between the two lakes.

The locks have been built to permit a 30-foot depth of water over the sills. However, the channels which run through earth and rock have only been excavated to a depth of 25 feet. Therefore, those channels would have to be deepened 2 feet over a 28.6 mile length.

Deepening of Harbors: While the deepening and widening of the interconnecting Great Lakes channels would be the least expensive part of this whole St. Lawrence project, no major port along the Great Lakes has harbor facilities adequate to accommodate the larger ocean vessels. The harbor at Buffalo, for instance, the largest milling center of the world, is only 22 feet deep. All of these ports would have to be deepened at heavy expense.

Sizes of Proposed Locks and Channels: All locks are to be 859 feet long, with 766 feet between breastwall and fender, 80 feet wide and have a depth of 30 feet of water over the sills.

With the exception of canal sections, channels for navigation have been planned for a minimum width of 450 feet, and wider where desirable on account of bends or currents.

121282

International Rapids Section

Introduction: The major portion of the United States cost would be in the development of the International Rapids Section, which generally is considered as extending 48 miles from Chimney Point to the place where the St. Lawrence River leaves the northerly boundary of New York State, opposite St. Regis. The river drops in this section approximately 92 feet. One-third of this fall occurs in the first 18 miles above Ogden Island; the remaining two-thirds of the fall is below that point.

Present navigation in this section is carried through the existing 14-foot Canadian canals, paralleling the river on the Canadian shore. In order to make this section of the river navigable for deeper draft vessels it would be necessary to construct one large dam (single stage development) so as to create a pool approximately at the level of Lake Ontario and extending from the dam to the Thousand Islands Section. By this arrangement the fall of the river is concentrated at one point, where it can be converted into hydro-electric energy.

The Joint Board Plan

In 1926, the Joint Board of Engineers established two preferred ways of developing the single stage plan. One was by constructing the main dam from the westerly end of Barnhart Island in an arc to the foot of Long Sault Island and from there to the main United States shore. The power dam would be located at the lower end of Barnhart Island and extend in a northerly direction across the narrower branch of the St. Lawrence River and the international boundary line to the Canadian shore. If this plan were used, the approach to the power houses would be through the channels lying between Barnhart and Sheek Islands.

The United States Plan

The United States representatives on the Joint Board of Engineers preferred a different plan. They recommended that a combined dam and power house structure be located at the foot of Barnhart Island and extend in a southeasterly direction to the United States shore. Such an arrangement would be conducive of better flow control because the dam, power house and sluice gates would all be in one structure, these engineers declared. They further stated that, inasmuch as the channel of approach would be wide and most assuredly covered with an ice sheet in winter, various ice complications would be less likely to occur. They further pointed out that the canal necessary to carry navigation around the dam would be approximately one-half the length of the one needed if the main dam were located at the head of Barnhart Island.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121283

The following paragraphs describe the plan recommended by the United States membership of the Joint Board. Should this not be the plan actually adopted in the new treaty, the fundamental essentials would still apply.

Spillway: Large gates have been proposed by the Joint Board of Engineers to control the river flow. Approximately 46 of these sluice gates would be required, each 50 feet in width and 25½ feet in height. These gates are necessary to control the flow of water so as to maintain navigation depths in the St. Lawrence below the International Rapids Section. For instance, when the water wheels are not using a sufficient quantity of water to maintain proper depths in the St. Lawrence below the dam, then the sluices would have to be opened to allow the proper quantity of water to go downstream and thereby make up deficiencies of the generating units. Contrariwise, when the water wheels are discharging great quantities, then many of the sluice gates would probably be closed. The regulation of these gates depends not only upon the amount of water which the turbines are taking, but also upon the flow of the St. Lawrence River.

The problem of regulating water levels is especially acute in relation to the Montreal harbor. A drop in the harbor level of course would be disastrous for Montreal, and extreme engineering skill would have to be employed if the power plant and dam operations were not to interfere with the ports downstream. One difficulty to be surmounted is the maintenance of an adequate flow during construction. But even after the project was finished, the dam sluice gates and the flow through the hydro-electric generating machines would have to be managed with enormous adeptness.

Quite rightly, Montreal demands definite guarantees that her harbor would not suffer from the upstream works. Any subsequent interference with the flow, if it were not properly handled, would adversely affect Montreal and perhaps lead to international discord.

Power Houses: Two power houses are proposed, one on either side of the power dam. They are designed to house 22 main units of 54,400 horsepower each at a full head of 85 feet. In addition, each power house would be of sufficient capacity to house three auxiliary units. At the winter head, which, according to the Joint Board of Engineers, would be 75 feet, the capacity of each unit would be approximately 45,000 horsepower.

Dykes: Inasmuch as the levels of the pool to be created by the dam would vary between elevations 240 and 244, in the summer, depending upon the level of Lake Ontario, it would be necessary to construct a series of dykes more or less parallel to the shore on either side of the river in order to prevent flooding of valuable lands. In fact, if this were not done, complete towns on the Canadian side would be inundated. These dykes would be of the earthfill type. New drainage systems in back of them would be required to reverse the natural flow

121284

of surface drainage. In some instances storm water pumps might be required.

Locks: A canal and locks would be necessary for the shipway in order to raise and lower vessels from the present river level to the pond which would be created in back of the main dam. The upper end of the canal would be located on the United States side of the river and extend from a point near Robinson's Bay (or the center of Long Sault Island) to the lower river near Cornwall. Two locks would be required in this canal. In addition to this side canal, a new lock of 14-foot draft would be necessary to maintain navigation over the present 14-foot canal.

Channels: Free open channels for navigation would be provided throughout the entire International Rapids Section with the exception of the side canal and locks previously mentioned. These channels would have a depth of 27 feet. Channel enlargements between Lotus Island and Morrisburg would give a 95,000-square-foot cross-sectional area under ordinary operating levels.

Control Works: In order to control flow of water through the Galop Island channels and to regulate the level of Lake Ontario, a series of sluice gates located between piers would be provided in the north and south Galop Island channels. The gates are proposed to be 50 feet in width with sills conforming generally to the rock surfaces which cross the river at those points. Between the sluice gates, however, would be a clear opening of some 500 feet for navigation purposes with sills at elevation 215.

Railway and Highway Relocating: Because of the pool which would be created above the main dam, it would be necessary to relocate highways and railways on both the American and Canadian shores.

Hazards: When one considers that the flow of the river often varies between 180,000 and 270,000 cubic feet of water per second (81,000,000 gallons per minute to 122,000,000 per minute) and that it is necessary to construct dams and spillways in this swiftly flowing water and at the same time maintain normal flows so as not to disturb the harbor depths at Montreal, one can realize the great hazards which would be encountered during construction. These are the factors which must be kept in mind constantly when considering probable estimates of cost.

Summary of Description

The St. Lawrence Seaway and Power Project is capable of separation into two projects, one involving navigation and the other power. It is the navigation portion of the development with which this discussion primarily is concerned at the moment.

The purpose of the navigation project is to open the Great Lakes to ocean-going ships which could use a fresh waterway having a minimum depth of 27

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121285

feet. To accomplish this, certain work must be done between Montreal and Lake Ontario and in the links connecting Lakes Ontario, Erie, Huron and Superior.

Thirty-foot-deep channels now exist in the St. Lawrence between Montreal and the Atlantic Ocean. From Montreal to Lake Ontario is a series of 14-foot-deep canals, channels and locks, all of them wholly within Canada. This part of the St. Lawrence is in five sections which, starting at Montreal, may be listed as the Lachine Rapids, the Soulanges Rapids, Lake St. Francis, the International Rapids and the Thousand Islands, where the river meets Lake Ontario. There is a rise of 224 feet from the level of the river at Montreal to the lake. Various dams as well as new canals, channels and locks would have to be built in this Montreal-Lake Ontario sector of 184 miles. It is in the International Rapids Section that a joint power development would be undertaken by the United States and Canada, but this plan for creation of hydro-electric energy could be realized without the building of additional navigation works.

The next piece of construction would be in the 30-mile-long Welland Canal between Lake Ontario and Lake Erie. Locks in this link are currently deep enough, but channels would have to be excavated another two feet.

Extending between Lake Erie and Lake Huron are the Detroit River, Lake St. Clair and the St. Clair River. Various obstructions would have to be removed from that interconnecting waterway, which of course is now navigable for present Great Lakes vessels. In the St. Marys River between Lake Huron and Lake Superior, which also is open to Great Lakes shipping, further obstructions would have to be eliminated and locks would have to be constructed to accommodate deeper-draft ships. No work would be required between Lakes Michigan and Huron.

It would be necessary to dredge all of the major Great Lakes ports for the handling of ocean vessels.

Other present waterways in the Great Lakes-St. Lawrence area (see map on page 18) include the New York State Barge Canal connecting Lake Erie, at Buffalo, with the Hudson River; the Oswego branch of that canal, which runs from Oswego, N. Y., on Lake Ontario, to the main Barge Canal at Three Rivers; the route following the Canadian Champlain canal running southerly from the St. Lawrence River to Lake Champlain, the New York State Champlain Canal and the Hudson River; the Illinois waterway, comprising the Chicago Sanitary and Ship Canal, and the Chicago, Des Plaines and Illinois Rivers to make a route between Lake Michigan and the Mississippi River for an outlet to the Gulf of Mexico.

From Duluth, at the western extremity of the Great Lakes, to the open ocean via the St. Lawrence River is 2351 miles, a distance almost 1000 miles further than from New York City to Havana, Cuba. Duluth to open ocean via the New York State Barge Canal, the Hudson River and New York City is only 1482 miles.

121286

COST ESTIMATES

Costs by Items of Work – Additional Necessary Allowances – Harbor Improvements – Allowances for Contingencies – Interest During Construction – Amounts Already Expended – Contribution of the Power Authority of the State of New York – Probable Total Cost Without Necessary Allowances – Probable Total Cost with Necessary Allowances – Probable Full Minimum Cost to Both Countries – Segregated Costs of International Rapids Section – Immediate Obligations in International Rapids Section Based on Deferred Power Development – Immediate Obligations in International Rapids Section Based on Power Development on New York State Side and Deferred Canadian Power Development – Geographic Break-up of Costs – Non-benefiting Area Pays 85% of Cost – Summary.

Costs by Items of Work

THE following table is an itemization of costs of the single stage (or single dam) development plan recommended by the Joint Board of Engineers in their report of November 16, 1926. Should the design be changed to another single stage development the individual items under the sub-headings would change to some extent. However, the principle involved and approximate amounts shown under the sub-headings would be maintained.

The table shows the cost to the United States and to Canada and the total for the entire project from Lake Superior to Montreal. Some of the work has already been done in the interconnecting channels of the Great Lakes. This amount of work has not been shown in the following table but is taken into account in subsequent tables.

It will be noted that the United States cost in the interconnecting channels is $65,100,000 and that the estimated cost in the International Rapids Section is $185,703,000, giving a total of $250,803,000.

The Canadian cost is $1,100,000 for the work in the interconnecting channels, which item is specifically for deepening of the Welland Canal from 25 to 27 feet. The locks in the Welland are already of sufficient depth to care for the deeper draft. The work in the International Rapids Section amounts to $50,140,000, which item includes $32,140,000 for Canadian power house superstructures, machinery, and rail connections to power houses. In other words, if the Province of Ontario did not wish to proceed at this time with the power development, it would only have to expend $18,000,000 as against a $157,307,000 expenditure by the United States after the power house superstructures and rail connection items on the United States side have been deleted.

The table also shows that below the International Rapids Section, Canada would have to expend $124,714,000 to complete the navigation project, or a total of $175,954,000 as against $250,803,000 on the part of the United States. The total cost of the project, as estimated by the Joint Board of Engineers, with power development only in the International Rapids Section, is shown in this table as $426,757,000 (necessary additions shown in subsequent tables).

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121287

TABLE V

COST ESTIMATES BY JOINT BOARD OF ENGINEERS—NOVEMBER 16, 1926

ITEMS OF WORK	United States Cost		Canadian Cost		Both Countries
	Amount	Total	Amount	Total	Total
COMPENSATING WORKS					
Niagara and St. Clair Rivers	$ 3,700,000				
CHANNEL EXCAVATION					
Lake Erie to Lake Superior	54,900,000				
New Welland Canal			$ 1,100,000		
ST. MARY'S RIVER LOCK	6,500,000				
THOUSAND ISLANDS SECTION	completed		completed		
Subtotal		$ 65,100,000		$ 1,100,000	$ 66,200,000
INTERNATIONAL RAPIDS SECTION					
Dam—Foot of Barnhart Island	$ 18,598,000				
Power House Substructure (U.S.)	14,452,000				
Power House Substructure (Can.)	12,548,000				
Unwatering Dams and Power House	14,680,000				
Abutments to Power House (U.S.)	1,619,000				
Abutments to Power House (Can.)	704,000				
Tail Race Excavations (U.S.)	2,178,000				
Tail Race Excavations (Can.)	2,096,000				
Rail Connections to Power House (U.S.)	36,000				
Rail Connections to Power House (Can.)			233,000		
Superstructures power (U.S.)	28,360,000				
Superstructures power (Can.)			31,907,000		
Navigation Works	22,159,000				
Dykes (Can.)			5,871,000		
Dykes (U.S.)	6,800,000				
Drainage (Can.)			1,009,000		
Drainage (U.S.)	131,000				
Protection of Iroquois (Can.)			1,135,000		
Protection of Morrisburg (Can.)			551,000		
Storm Water Pumps (Aultsville and Farran Point) (Can.)			73,000		
14′ lock at Bergen Lake (Can.)			998,000		
Control Works, Massena Canal (U.S.)	2,328,000				
Initial Channel Excavation (U.S.)	30,072,000				
Channel enlargement to 95,000 sq. ft. section (U.S.)	12,783,000				
Enlargements at Cornwall Island (U.S.)	4,870,000				
Control dam at Galop (for 27′ channel)	4,787,000				
Flowage damage (Can.)			6,293,000		
Flowage damage (U.S.)	4,951,000				
Railroad relocation (U.S.)	268,000				
Railroad relocation (Can.)			697,000		
Highway relocation (U.S.)	631,000				
Highway relocation (Can.)			1,373,000		
Clearing	652,000				
Subtotal		$185,703,000		$ 50,140,000	$235,843,000
LAKE ST. FRANCIS SECTION			1,330,000	1,330,000	1,330,000
SOULANGES SECTION					
Works for navigation			32,859,000		
Works common to navigation and power			34,686,000		
Works primarily for power (37,665,000) not in total					
Subtotal				67,545,000	67,545,000
LACHINE SECTION			55,839,000	55,839,000	55,839,000
GRAND TOTAL		$250,803,000		$175,954,000	$426,757,000

121288

DOCUMENTARY REFERENCES

The following are the documentary sources of the various items of estimate:

International Rapids Section—pp. 12, 13, Table 1, Appendix C, Appendices of Joint Board of Engineers Report of 1926.

Interconnecting Lake Channels—p. 19, Joint Board of Engineers Report of 1926 (Government Printing Office, 1927).

Welland Canal Deepening—p. 19, Joint Board of Engineers Report of 1926 (Government Printing Office, 1927).

Lake St. Francis—Table 18, Items a and c, Appendix C, Appendices, Joint Board of Engineers Report of 1926.

Soulanges—Table 10 (First stage and additional cost for navigation channels made 27 feet deep), Appendix C, Appendices of Joint Board of Engineers Report of 1926.

Lachine—Table 31, Appendix C, Appendices of Joint Board of Engineers Report of 1926.

Additional Necessary Allowances

Harbor Improvements: This table (Table V), which was taken from the Report of the Joint Board of Engineers dated 1926, omits several important items of cost which should have been included. One of these items is that of harbor improvements. No major harbor along the Great Lakes is of sufficient depth to accommodate the type of vessel which it is proposed will use the St. Lawrence seaway. The present depths are 25 feet or less, the vast majority of them being less than 22 feet. Senator Wagner, in his minority report of the Senate Foreign Relations Committee, referring to the 1933 Treaty, stated that it would cost at least $25,000,000 per harbor for each of the eight important harbors on the United States side to deepen and accommodate them for the ocean type vessel.

The Brookings Institution, in its St. Lawrence report of 1929, estimated that $25,000,000 would have to be spent on each of ten Great Lakes ports. It was emphasized that this total expenditure of $250,000,000 would meet only "minimum" requirements.

The Engineering Department of the City of Buffalo has estimated that complete improvement of Buffalo's harbor would cost $46,890,000, which sum would cover both private and public expense.

In order to be conservative in this Niagara Frontier Planning Board report, the authors have used a figure of only $7,500,000 per harbor in determining the probable cost of improving the 13 principal ports of the Great Lakes.

Allowances for Contingencies: The Joint Board of Engineers, in its estimates of cost, allowed only 12½% for engineering, legal fees, court costs,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121289

administration, contingencies, etc. The cost of these items, other than contingencies, would amount to at least 7½%. Because that is so, the amount set up for actual contingencies amounts to only 5%. Certainly, in view of the great over-runs of other major canal improvements, a much higher contingency factor should be used, especially when the tremendous construction hazards which were pointed out previously in this report must be overcome.

To illustrate the over-runs occasioned in constructing other canals, it is pointed out that the Chicago Drainage Canal cost $53,000,000 instead of the estimated $16,000,000; the Suez Canal cost $80,000,000 instead of the estimated $30,000,000; the Welland Canal cost $128,000,000 instead of the estimated $114,000,000; and the Panama Canal cost $375,000,000 instead of the first figure of $160,000,000.

After considering these major discrepancies between estimated costs and actuality, it was deemed advisable to add a further item for contingencies. This was taken as 12½%, which is a very conservative figure. Thus the total contingency percentage is only 17½% (5% plus 12½%). Most private engineers would not set a contingency allowance at less than 20% for such a hazardous project.

Interest During Construction: Another major omission in the Joint Board of Engineer's Report was interest during construction. Almost every authority agrees that it would take at least eight years to complete the project. This being the case, interest during construction on a project of such magnitude would be a major item. Inasmuch as the full amount would not have to be borrowed at the outset but would be borrowed as the work progresses, the interest during construction would not be equivalent to 3% of the total United States cost for a period of 8 years. For the purposes of this report, it was assumed that the amounts would be borrowed in equal installments over equal periods, in which event the average interest would be equivalent to 3% over a period of 4 years.

Amounts Already Expended: As stated previously in this report, money expended by the United States in improving the interconnecting lake channels subsequent to 1926 had not been taken into account in the table entitled "Cost Estimates by Joint Board of Engineers, November 16, 1926." In the preparation of the following table, however, this factor was taken into consideration.

Estimates taken from the I. D. report of 1934, adjusted to include additional expenditures, 1934-1939, show that approximately $21,620,000 has been spent by the United States in deepening of these lake channels. This sum was deducted in the following table prior to computation of additional costs such as contingencies and interest during construction.

Contribution of the Power Authority of the State of New York: The result of negotiations between the Power Authority of the State of New York and the

121290

United States Engineers indicates that the Power Authority contribution for the International Rapids Section development would be approximately $90,000,000. Therefore, this item was deducted from the United States costs to determine the net to that government.

Probable Total First Cost: The following table lists the locations and items of work or contributions, the corresponding estimated amount for both the United States and the Dominion of Canada, together with their combined amounts. The table shows that the initial cost to the United States, after deducting the contribution of the Power Authority of the State of New York, would be $324,771,000; to Canada, $240,601,000, and the total cost $565,372,000.

TABLE VI

Estimate of Probable Cost—Single Stage Project

Items of Work	United States Costs	Canadian Costs	Total
Compensating Works, Inter-connecting Channels, Welland Canal Deepening and St. Marys River	$ 65,100,000	$ 1,100,000	$ 66,200,000
International Rapids Section	185,703,000	50,140,000	235,843,000
Lake St. Francis Section		1,330,000	1,330,000
Soulanges Section		67,545,000	67,545,000
Lachine Section		55,839,000	55,839,000
TOTAL	250,803,000	175,954,000	426,757,000
Less Already Expended	21,620,000		21,620,000
Subtotal	229,183,000	175,954,000	405,137,000
13 United States and 2 Canadian Harbor Improvements at approx. $7,500,000 per harbor	100,000,000	15,000,000	115,000,000
Subtotal including harbors	329,183,000	190,954,000	520,137,000
Allowance for Contingencies—12½%	41,148,000	23,869,000	65,017,000
Subtotal	370,331,000	214,823,000	585,154,000
Interest during construction at 3% for 8 years	44,440,000	25,778,000	70,218,000
TOTAL COST	414,771,000	240,601,000	655,372,000
Less amount to be paid by New York State Power Authority	90,000,000		90,000,000
NET TOTAL TO CANADA AND THE UNITED STATES	$324,771,000	$240,601,000	$565,372,000

Probable Total Cost

The preceding tables (Tables V and VI) do not represent the entire cost of the project to the United States or to Canada as they fail to include interest during the period of bond amortization and expense of operation and maintenance. The amortization interest items should be added for the reason that both the United States and Canada are at present operating on borrowed money to finance large annual deficits in current budgets. If the extra costs of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

the seaway could be paid for out of current revenues, without adding to or creating a deficit, and if neither country had a national debt toward the payment of which any surplus revenue could be applied, these items could be eliminated.

The following table shows these added costs to both the United States and Canada, together with their combined amounts. Interest during the amortization period is taken at the rate of 3% for the United States bonds and is figured upon bond amortization being made in 50 equal annual installments. The 3% figure has been checked by various banking institutions which concur in the opinion that a long term issue of this type would probably call for that rate.

Canadian interest was figured on the basis of 5% because the same banking institutions believed that a long term Canadian issue would call for at least that amount. Operation and maintenance was taken at $1,000,000 per year for both the United States and Canada. It is believed that this is a very conservative figure, since maintenance and operation of the Erie Canal aggregates approximately $2,000,000 annually and other existing inland waterways have comparable amounts. The Government's Interdepartmental Report (1934) estimates that this item would approximate $600,000 a year for the United States. This figure is believed to be entirely too low.

Probable Minimum Full Cost to Both Countries: The following table summarizes the interest, operation and maintenance items and shows that during the 50-year period, the entire cost to the United States would be $623,221,000, that the entire cost to Canada would be $597,367,000, and that the combined cost for the entire project would be $1,220,588,000.

TABLE VII

Cost of Entire Development to United States and Canada

ITEM	United States	Canada	Total
TOTAL COST (See preceding table)	$ 324,771,000	$ 240,601,000	$ 565,372,000
Interest at 3% based on amortization of bonds in 50 equal annual installments	248,450,000		248,450,000
Interest at 5% based on amortization of bonds in 50 equal annual installments		306,766,000	306,766,000
Subtotal	573,221,000	547,367,000	1,120,588,000
Operation and Maintenance during amortization period—1,000,000 x 50	50,000,000		50,000,000
Operation and Maintenance during amortization period—1,000,000 x 50		50,000,000	50,000,000
GRAND TOTAL	$ 623,221,000	$ 597,367,000	$1,220,588,000

3% interest on 100 million during 50 yrs. amortization—$76.5 million.
5% interest on 100 million during 50 yrs. amortization—$127.5 million.

It must be emphasized that these are rock-bottom figures. Many private engineering firms have set the probable cost at sums ranging between two and three times these figures.

Segregated Costs of International Rapids Section

Inasmuch as the proposed treaty specified that the United States shall pay for all works in the International Rapids Section with the exception of power house superstructures on the Canadian side, rehabilitation works, side canals and acquisition of locks on the Canadian side, and inasmuch as the development of power on the United States side is primarily for New York State, it was deemed advisable to segregate the various items of work under headings entitled, "Works Common to Power and Navigation," "Works Primarily for Power" and "Works Primarily for Navigation."

This segregation was made after careful consideration as to what works would be required regardless of whether the project was developed as a power project or a navigation project. Such works were placed under the heading entitled "Works Common to Power and Navigation." The "Works Primarily for Power" were those items which it was believed applied only to the development of power, and likewise "Works Primarily for Navigation" were those which had no direct bearing on the development of power, such as the side canal and lock necessary for the proposed 27-foot channel. This segregation is shown in the following table:

TABLE VIII

Costs of International Rapids Section—Single Stage Development

(Without allowances for contingencies or interest during construction)

ITEM	United States Cost		Canadian Cost		TOTAL
	Amount	Total	Amount	Total	
WORKS COMMON TO POWER AND NAVIGATION					
Dam—Ft. of Barnhart Island	$ 18,598,000				
Unwatering Dams only (U.S. and Can.)	7,340,000				
Dykes (Canadian)			$ 5,871,000		
Dykes (United States)	6,800,000				
Drainage (Canadian)			1,009,000		
Drainage (United States)	131,000				
Protection of Iroquois (Can.)			1,135,000		
Protection of Morrisburg (Can.)			551,000		
Storm Water Pumps, Aultsville and Farran Point (Can.)			73,000		
14' Lock at Bergen Lake (Can.)			998,000		
Control Works—Massena (U.S.)	2,328,000				
Flowage Damage (Can.)			6,293,000		
Flowage Damage (U.S.)	4,951,000				
Railroad Relocation (U.S.)	268,000				
Railroad Relocation (Can.)			697,000		
Highway Relocation (U.S.)	631,000				
Highway Relocation (Can.)			1,373,000		
Clearing (U.S. and Can.)	652,000				
Initial Channel Excavation	30,072,000				
Channel Enlargement	12,783,000				
Enlargement at Cornwall	4,870,000				
Subtotal		$ 89,424,000		$ 18,000,000	$107,424,000

(*Continued on following Page*)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121293

TABLE VIII (*Continued*)

	United States Cost		Canadian Cost		
	Amount	Total	Amount	Total	TOTAL
WORKS PRIMARILY FOR POWER					
Unwatering Power Substructures	$ 7,340,000				
Power House Substructure (U.S.)	14,452,000				
Power House Substructure (Can.)	12,548,000				
Abutments for Power House (U.S.)	1,619,000				
Abutments for Power House (Can.)	704,000				
Tail Race Excavations (U.S.)	2,178,000				
Tail Race Excavations (Can.)	2,096,000				
Rail Connections to Power House (U.S.)	36,000				
Rail Connections Power House (Can.)			$ 233,000		
Superstructures Power (U.S.)	28,360,000				
Superstructures Power (Can.)			31,907,000		
Control Dam at Galop (U.S.)	4,787,000				
Subtotal		$ 74,120,000		$ 32,140,000	$106,260,000
WORKS PRIMARILY FOR NAVIGATION					
Navigation Works	$ 22,159,000				
Subtotal		$ 22,159,000			$ 22,159,000
TOTALS		$185,703,000		$ 50,140,000	$235,843,000

It will be noted in the above table that in the event complete power development were made on both sides of the International Rapids Section, the United States expenditure would be equal to $185,703,000 and the Canadian expenditure would be $50,140,000, or a total of $235,843,000. Of course, in this event, the United States would receive from the Power Authority of the State of New York $90,000,00 so that the immediate net cost to the United States would be $95,703,000.

Immediate Obligations in International Rapids Section Based on Deferred Power Development

It is likely that the Dominion of Canada would be unable to proceed with the completion of the navigation works which lie wholly within that country because of economic conditions which would prevent such great expenditures during or immediately following the war. Therefore, the following table was prepared to show what the cost would be to the United States, in accordance with the terms of the treaty, for the completion of the International Rapids Section only if the power project on neither the Canadian side nor the New York State side were developed.

In this event, the United States would have to pay the full cost because the Power Authority would be unable to contribute its share. The reason for this is that the Power Authority must obtain funds for construction from the sale of bonds based upon contracts for the delivery of St. Lawrence power to private utilities. If there were no power development, it is obvious that the Authority would be unable to obtain such contracts.

121294

TABLE IX

Immediate Obligations in International Rapids Section Based on Deferred Power Development

ITEM			United States	Canada	Total
Works Common to Navigation and Power			$ 89,424,000	$ 18,000,000	$107,424,000
Works Primarily for Power		$ 74,120,000			
Less—Tail Race Excavation (U.S.)	$ 2,178,000				
Tail Race Excavation (Can.)	2,096,000				
Rail Connections to Power Houses (U.S.)	36,000				
Superstructure Power (U.S.)	28,360,000				
		$ 32,670,000	$ 41,450,000		$ 41,450,000
Works Primarily for Navigation			22,159,000		22,159,000
Subtotals			$153,033,000	$ 18,000,000	$171,033,000
Contingencies—12½%			19,129,000	2,250,000	21,379,000
Subtotals			$172,162,000	$ 20,250,000	$192,412,000
Interest During Construction 12%% (3% x 8 yr. construction period ÷ 2)			20,659,000	2,430,000	23,089,000
TOTAL			$192,821,000	$ 22,680,000	$215,501,000

It may be noted in the above table that should the Canadians be unable to proceed with the canal project lying wholly within that country, and should it be deemed undesirable to develop power on either the Canadian or the New York State side, the first cost to the United States would be $192,821,000 as compared with a Canadian expenditure of $22,680,000.

Immediate Obligations in International Rapids Section Based on Power Development on New York State Side and Deferred Canadian Power Development

It is probable that the Province of Ontario would defer power development at the International Rapids Section until such time as there is a market for that power. As pointed out previously, it also is likely that Canada would be unable to proceed with the navigation project. In that event, funds spent by the United States in the International Rapids Section would be of no value insofar as the navigation project is concerned. Should the New York State Power Authority develop the power, then it would pay the United States some $90,000,000 as its contribution to the International Rapids Section development. Therefore, the cost to the United States would be the total United States cost less the $90,000,000 paid by the Power Authority.

The following table has been prepared to show what the United States cost would be as compared with the Canadian cost in this event. The main difference between this and the preceding table (Table IX) is that the power house superstructures on the United States side and other direct power items are included and the $90,000,000 contribution from the Power Authority of the State of New York is deducted.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121295

TABLE X

Immediate Obligations of United States and Canada in International Rapids Section Based on Payment For Power Development on New York State Side and Deferred Canadian Power Development

ITEM	UNITED STATES	CANADA	TOTAL
Works Common to Power & Navigation	$ 89,424,000	$ 18,000,000	$107,424,000
Works Primarily for Power	74,120,000		74,120,000
Works Primarily for Navigation	22,159,000		22,159,000
Subtotal	185,703,000	18,000,000	203,703,000
Contingencies—12½%	23,213,000	2,250,000	25,463,000
Subtotal	208,916,000	20,250,000	229,166,000
Interest during Construction 3% x 8 yrs. construction period ÷ 2	25,070,000	2,430,000	27,500,000
Subtotal	$233,986,000	$ 22,680,000	$256,666,000
Less Amount paid by New York State Power Authority	90,000,000		
TOTAL	$143,986,000		

The above table shows that, in the event power is developed on the New York State side and Canada is unable to proceed with the canalization of the St. Lawrence below the International Rapids Section, the United States would be called upon to appropriate the sum of $143,986,000 as against a Canadian cost of $22,680,000.

Geographic Break-up of Costs

In 1934, the United States Government issued an Interdepartmental Report after conducting an economic survey of the proposed St. Lawrence seaway. This document sets up what it calls a tributary area in this country. Embracing states or portions of states which the government believes would be directly affected by trade through the deepened waterway, the territory covers a rough semicircle around the Great Lakes. Thus, the country is divided into two districts, tributary and non-tributary, with the non-tributary sector comprising that approximate portion of the United States which could not benefit from the St. Lawrence project, even if the government's division were accepted without questioning.

The Niagara Frontier Planning Board, as subsequently explained, believes that the government's estimates on transportation cost savings, which would accrue from the seaway, are too high. The scope of the tributary area is directly dependent upon the amount of savings.

When the savings are found to be exaggerated, therefore, the expanse of the tributary area is also found to be too great. But for the sake of conservatism in showing how large a portion of the federal government's cost in constructing the seaway would be borne by the non-tributary section of the country (or in other words, the non-benefiting section), the Niagara Frontier Planning Board uses the area circumscribed by the Interdepartmental Report. Of course, the expense of building the seaway would be a federal taxpayer's charge and consequently would be spread throughout the entire country.

121296

By using other government figures which demonstrate what proportion of taxes come from each state, it is learned that the taxpayers of these non-tributary states, who cannot benefit from the seaway, would pay 64% of the expense of the project.

The following commonwealths, with a total tax contribution of 36% of the aggregate federal collection, are wholly in the non-tributary area:

Maine	New Jersey	Tennessee	Missouri	Arizona
New Hampshire	Delaware	North Carolina	Louisiana	Utah
Vermont	Maryland	South Carolina	Arkansas	Nevada
Massachusetts	Virginia	Georgia	Texas	California
Rhode Island	West Virginia	Florida	Oklahoma	Idaho
Connecticut	Kentucky	Alabama	New Mexico	Oregon
		Washington		

To these must be added the following states, but in each instance the percentage is adjusted because only parts of these commonwealths are in the non-tributary district. With each state is shown the portion which is in the non-tributary classification. They are: New York (80%), Pennsylvania (70%), Ohio (20%), Missouri (30%), Colorado (70%), Wyoming (40%), Montana (20%). The total annual federal tax contribution from residents who are in the non-tributary portion of these states is 28% of the total collection. When the 28% and 36% are added, the figure of 64% results.

It will be noted that the state of Illinois is omitted from the above list. That is because Illinois is considered by the government to be wholly tributary to the proposed St. Lawrence development. It is also noted that portions of New York, Pennsylvania and Ohio are placed in the tributary area by the Interdepartmental Report. As a matter of fact, the losses, which these states would suffer in the diversion of trade away from them, actually warrant the inclusion of the whole of these states in the non-tributary area, because the listing of non-tributary states is virtually a designation of states which could not possibly benefit from the St. Lawrence Project.

Far from being benefited by the St. Lawrence project, as the government claims for the tributary section, these four commonwealths assuredly would be damaged because of the nature of their commercial and industrial facilities.

Non-Benefiting Area Pays 85% of Cost: An anaylsis of this Interdepartmental Report's tributary and non-tributary areas, therefore, shows on the government's own figures that 64% of the cost of the project would be borne by taxpayers who could not benefit from the project, even if the government's claims for the project were to become manifest. When Illinois and the various portions of the other states are added to this percentage the figure exceeds 85%.

Summary of Cost Estimates

Almost unavoidably, estimates of expense for any great project show wide variations. Such is the case in regard to the proposed St. Lawrence develop-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121297

ment, with private engineers frequently setting figures that double or triple those of government representatives.

The Niagara Frontier Planning Board has selected the most conservative of government estimates for a basis in determining what the absolute minimum cost of the St. Lawrence Seaway and Power Project would be. The experience of other waterway projects in the past, such undertakings as the Suez, Welland, Panama and Chicago Drainage Canals, has shown that the final expense far exceeds the originally planned outlay. There is no reason to believe that the proposed St. Lawrence seaway would not do likewise. The magnitude of the work, costing more than thrice as much as the Panama Canal, would be prone to make the final expenditure soar high above the figures given here.

In 1926, the Joint Board of Engineers set the probable outlay at $426,-757,000, of which the United States would pay $250,803,000 and Canada $175,954,000. Although these totals form the foundation of the Niagara Frontier Planning Board's aggregate estimate, they are entirely inadequate. They include no item for the necessary improvement of Great Lakes harbors, for interest during construction, for interest on amortization or for operation and maintenance. Nor do they cover a sufficiently large contingency percentage, inasmuch as they provide only some 5% for this necessary allowance.

The intense hazards of the proposed St. Lawrence undertaking, especially in the International Rapids Section where about 100,000,000 gallons of water pass every minute, would prompt most private engineers to allow not less than 20% for contingencies, i.e. probable but unforseen events. The Niagara Frontier Planning Board, however, has set the percentage at only 17½% in accordance with the policy of keeping to minimum estimates.

When these absolutely essential adjustments are made, the United States share becomes $623,221,000; the Canadian share, $597,367,000; the total for both countries, $1,220,588,000. The United States portion given here allows for the reduction of $90,000,000 to be rebated by the New York State Power Authority through bond issuance.

Of the United States expense, 64% (based on the government's Interdepartmental Report of 1934) would be met by taxpayers living in areas which would in no way benefit,but in some instances would actually suffer, from the proposed seaway. This 64% figure, when properly revised to account for some of the losses to established transportation routes and business enterprises, rises to more than 85%.

121298

CONDITIONS OF NAVIGATION

Open and Closed Seasons — Reduction in Season Because of Time for Round-Trip — Comparison of St. Lawrence Mileage with Other Routes — Type of Ships Which Could Use Seaway — Government Data on Vessels — Findings of the Brookings Institution — The Tramp Steamer — Other Navigation Features — Tortuous Channels — Single Channel Difficulties — Insurance Rates — Curtailment of Traffic — Foreign Registry — Present Use of St. Lawrence by American Vessels — Summary.

Open and Closed Seasons

THE use of the proposed navigation project, extending through the Great Lakes and the St. Lawrence River, would be definitely restricted because of the limited navigation season. For five months of the year, the St. Lawrence River is ice-bound and the surfaces of the Great Lakes are solidly frozen. The navigation dates during the past five years average as follows:

Great Lakes above the Welland Canal from April 9 to December 18
Welland Canal from April 10 to December 15
St. Lawrence River above Montreal from April 23 to December 6

Reduction in Season Because of Time for Round-Trip: The above dates indicate that the Great Lakes-St. Lawrence Seaway would be open and effective for ocean-going vessels from April 23rd to December 6th, which is approximately 7½ months. Actually, however, the effective time would be considerably less than this because the time should be measured from the first day that ocean-going freighters can enter the canal for shipments up the Great Lakes to the last day they can enter the canal and return to the ocean before the navigation season closes.

In order to determine the time required for the trip from Montreal to Duluth, Chicago and return, the following tables were prepared. These tables list the various sections of the proposed seaway, the lengths of such sections in statute miles, the estimated speeds in the restricted channels, the number of locks and the time in hours to navigate. In open water, where no speed reductions would be required, an average speed of ten nautical miles per hour was used in determining the hours for navigation. The first table relates to the time to navigate from Duluth to Montreal, and the second table from Chicago to Montreal.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121290

TABLE XI

Time to Navigate Proposed Waterway—Duluth to Montreal

Location	Distances in Statute Miles: Open Water no speed reduction	Restricted channels; Speed reduced to 8 nautical mi. per hr.	Canals; Speed less than 8 nautical mi. per hr.	Total Miles	Number of locks	Time to Navigate: Hours
Lake Superior; Duluth to St. Marys River	383			383		33.3
St. Marys River:						
Head of River to St. Marys Falls Canal		13		13	1	1.4
St. Marys Falls Canal			2	2		1.0
St. Marys Falls to Point Detour		48		48		5.2
Lake Huron: Point Detour to St. Clair River	223			223		19.4
St. Clair River	40			40		3.5
Lake St. Clair	17			17		1.5
Detroit River	31			31		2.7
Lake Erie to Welland Ship Canal	218			218		18.9
Welland Ship Canal			30	30	8	8.0
Lake Ontario: Welland Ship Canal to St. Lawrence	159			159		13.8
Subtotal, Duluth to St. Lawrence River	1071	61	32	1164	9	108.7
St. Lawrence River: Lake Ontario to Chimney Point		67		67		7.4
Chimney Point to East Williamsburg		23		23		2.5
East Williamsburg			3	3		1.0
" " to Grass River Canal		9		9		1.0
Grass River Canal			7	7		3.3
" " to Colquhoun Island			6	6	2	1.0
Lake St. Francis		27		27		2.9
Soulanges-Beauharnois Canal			18	18	3	6.0
Lake St. Louis		15		15		1.6
Lachine Canal			9	9	3	5.0
Subtotal, Lake Ontario to Montreal		141	43	184	8	31.7
Totals	1071	202	75	1348	17	140.4
Delays						4.6
TOTAL—Duluth to Montreal						145.0

(Note: 1 Nautical Mile = 1.1516 Statute Miles)

TABLE XII

Time to Navigate Proposed Waterway—Chicago to Montreal

Location	Distances in Statute Miles: Open Water no speed reduction	Restricted channels; speed reduced to 8 nautical mi. per hr.	Canals; speed less than 8 nautical mi. per hr.	Total Miles	Number of locks	Time to Navigate Hours
Lake Michigan: Chicago to Straights of Mackinac	321			321		27.9
Lake Huron: Straights of Mackinac to St. Clair River	247			247		21.5
St. Clair River	40			40		3.5

Continued on following page

121300

TABLE XII

Concluded

LOCATION	Open Water	Restricted Channels	Canals	Total Miles	Locks	Time
Detroit River	31			31		2.7
Lake St. Clair	17			17		1.5
Lake Erie:						
Detroit River to Welland Ship Canal	218			218		18.9
Welland Ship Canal			30	30	8	8.0
Lake Ontario: Welland Canal to St. Lawrence River	159			159		13.8
Subtotal, Chicago to St. Lawrence River	1033		30	1063	8	97.8
Subtotal, Lake Ontario to Montreal See Table XI		141	43	184	8	31.7
Totals	1033	141	73	1247	16	129.5
Delays						5.5
TOTAL—Chicago to Montreal						135.0

(Note: 1 Nautical Mile = 1.1516 Statute Miles)

From the foregoing tables (Tables XI and XII), it can be seen that it would take about twelve days to navigate the St. Lawrence and Great Lakes between Duluth and Montreal and return. When to this figure is added two days for loading and unloading in the lakes, and also another two days as a safety factor, at least 16 days would have to be allowed for the round-trip. Therefore, when this figure is taken from the 228 days that the canal would be open to navigation, it is obvious that Great Lakes ports could be served by ocean-going ships using the St. Lawrence River only 58% of the year.

Comparison of St. Lawrence Mileage with Other Routes

Inasmuch as many of the European ports are located farther north than New York City, the shortest route to these northern European ports from the Great Lakes would be via the St. Lawrence River. This is especially true if the ships are routed through the Straits of Belle Isle just north of Newfoundland. The distance between Montreal and Liverpool via that route is 3207 statute miles. However, the Belle Isle route can only be used after June. As a consequence, it is often necessary to go south of Newfoundland, in which case the total mileage is 3377 statute miles. The distance between New York City and Liverpool via the winter route is 3578 statute miles; over the summer route, it is 3707 statute miles. The distance from Duluth to New York City via lake and rail is 1382 statute miles.

The following table summarizes mileages along various routes and gives the time for navigation at an average speed of 10 nautical miles per hour.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121301

TABLE XIII

Mileage, Hours and Days Necessary to Navigate

	Miles (Statute)	Miles (Nautical)	Hours to Navigate	Days to Navigate
Buffalo to				
Duluth	986	856	98	4.1
Milwaukee	828	719	81	3.4
Chicago	893	775	86	3.6
Montreal	386	335	57	2.4
Montreal to				
Buffalo	386	335	57	2.4
Cleveland	524	455	68	2.8
Detroit	608	528	77	3.2
Chicago	1247	1083	135	5.6
Duluth	1348	1166	145	6.0
New York City	1680	1459	146	6.0
Liverpool (summer route)	3207	2785	279	11.6
" (winter route)	3377	2933	294	12.3
Havana	2847	2472	248	10.3
Belize	3639	3160	316	13.2
New Orleans	3505	3044	305	12.7
Rio de Janeiro	6168	5356	536	22.3
Singapore	11669	10133	1013	42.2
New York City to				
Liverpool	3707	3219	322	13.4
Havana	1413	1227	123	5.1
Belize	1962	1704	170	7.1
New Orleans	1970	1711	171	7.1
Rio de Janeiro	5493	4770	477	19.9
Singapore	11714	10172	1017	42.2
New Orleans to				
Liverpool	5313	4614	461	19.2
Havana	693	602	60	2.5
Belize	979	850	85	3.1
Rio de Janeiro	5972	5186	519	21.6
Singapore	13210	11471	1147	47.8

Thus the distance from Duluth via the St. Lawrence and the route south of Newfoundland (winter route) to Liverpool is 4725 statute miles, while the distance from Duluth to New York City and then to Liverpool via the winter route is 4960 statute miles. This shows a saving of 235 miles in favor of the St. Lawrence route. If the summer route from Montreal and New York City to Liverpool were used the St. Lawrence route would save 534 miles.

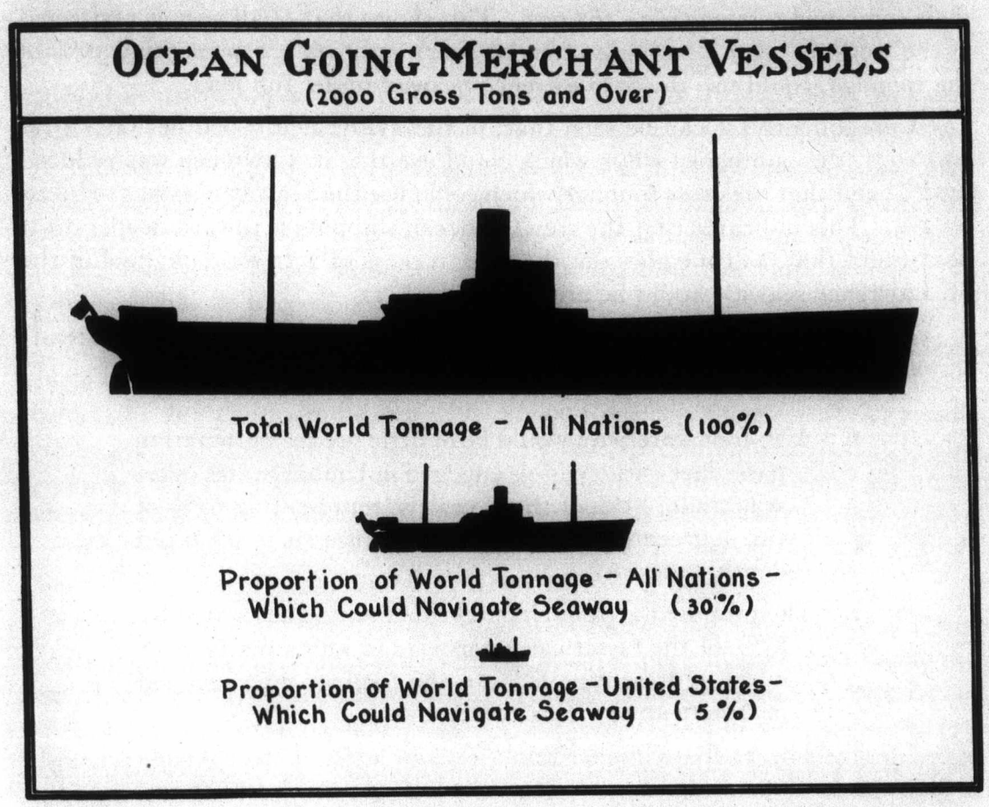
As the ports of destination in Europe move southward, the mileage advantage of the St. Lawrence decreases. There is no saving in mileage to ports along the Mediterranean. Of course, when Caribbean or South American ports are considered, the St. Lawrence is at a great disadvantage. Actually, the sea distance from Montreal to New York City is greater than the distance from New York City to Havana. The distance from Chicago to Rio de Janeiro via the St. Lawrence is 7415 miles, while by the way of New Orleans it is 6895

121302

miles and by the way of rail to New York City and thence to Rio de Janeiro the distance is 6402 miles.

Type of Ships Which Could Use Seaway

When considering what type of ships could navigate the deepened St. Lawrence Seaway, one must recognize the difference between the buoyancy



of salt water and of fresh water. Salt water, weighing more than fresh water, will sustain a greater weight for the same displacement volume. A ship of 27-foot draft in the ocean would actually draw 27½ feet in fresh water.

Another factor is the so-called "squat" of a ship in motion. This is caused by sharp turns, by the ship's speed and the effects of currents and winds. In order to secure a sailing permit from Montreal, a ship is required to have a clearance of two feet, six inches. Since the two-foot-six-inch clearance is necessary for safe navigation, a 27-foot channel would accommodate a ship having a fresh water draft of no more than 24½feet. This is equivalent to a 24-foot draft in salt water.

Government Data on Vessels: In 1932, the records of the United States

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121303

Shipping Board indicated that 48% of the registered vessels of over 2000-ton capacity would have a draft of 25 feet or over. These represented 32% of the aggregate tonnage.

The United States Maritime Commission, in its report of December 31, 1937, shows 8,840 registered vessels of 2000 gross tons or over, having a combined tonnage of 49,590,676. Of these, 4,754 have a draft of 25 feet or over; their combined tonnage is 34,568,992. This shows that of all vessels registered in the world in 1937 (2000 gross tons or over), only 46%, representing 30% of the tonnage, could use the St. Lawrence Seaway under full load.

Consequently, it can be seen that, in the five-year interval between 1932 and 1937, the number of ships which could use the St. Lawrence was reduced by 2%, and that the gross tonnage which could use the Seaway also was reduced by 2%. This indicates that the trend in ocean shipping is toward deeper draft boats, and that, as time goes on, the effectiveness of a 27-foot channel in the St. Lawrence seaway would be greatly reduced.

Findings of the Brookings Institution: Through a similar and more extended analysis, the Brookings Institution in 1929 demonstrated that:

1. A 27-foot waterway would be of little use to combination passenger-cargo vessels engaged in United States overseas trade; 85% of these vessels, representing 95% of the aggregate tonnage, could not use such a limited depth waterway.
2. The proposed 27-foot channel could not be navigated by 85% of the faster cargo vessels (12 knots per hour or over), representing 62% of the tonnage now engaged in American overseas trade.
3. The 27-foot channel would exclude 87% of the tonnage operating on a regular schedule out of Montreal and Quebec.
4. The proposed 27-foot seaway would be impossible to navigate by 60% of the aggregate tonnage of grain tramp vessels engaged in overseas Montreal trade.
5. The proposed seaway could not be navigated by 81% of the cargo vessels or any of the tankers engaged in the intercoastal trade.

When considering these findings, one obtains a more critical opinion on the practicability of a 27-foot channel.

The Tramp Steamer: The day of the slow tramp vessel appears to be nearing its end because of the speed-up in business and industry, the ease of

121304

communication between countries and the great business enterprises in various countries where there is a necessity for rapid, and scheduled shipments. It is impractical in many instances to rely on the chance of a tramp steamer's happening by with available cargo space for a shipment to a foreign country.

Other Navigation Features

Tortuous Channels: In the proposed waterway there would be many narrow channels abounding in sharp turns. This is especially true in the St. Lawrence River section where many of the channels are cut through solid rock and frequently are completely fog-bound.

Should storms, fogs or adverse cross-currents in these channels require a vessel to anchor, it would be extremely difficult to accomplish such an anchorage safely. To anchor a vessel of even moderate size in many sections of the St. Lawrence River would be dangerous because the ship, swinging at anchor, would be in peril of striking solid rock.

Single Channel Difficulties: In sections along the St. Lawrence where single channels are provided, it would be necessary for vessels to pass. When carriers of any considerable size unexpectedly meet in these channels, a dangerous and difficult situation would result. This condition would frequently arise because there are many sections with insufficient stretches of water ahead to afford enough clear vision to manoeuver the vessels adequately.

Insurance Rates: The aforementioned risk in navigating the various channels probably would be reflected in high insurance rates.

Curtailment of Traffic: The hazards of navigating the dangerous channels and the higher insurance rates would play an important part in reducing the use of the St. Lawrence seaway by the larger tramp vessels. Consultation with many practical navigators has borne out this contention. However, these factors which, in actual practice would materially reduce the amount of tonnage carried over the seaway, have not been considered in the probable tonnage estimates listed subsequently in this report. They have been omitted because it is difficult to determine accurately their exact effect. However, they are important and should not be overlooked when considering the broad aspects of the project.

Foreign Registry: It already has been pointed out that of all the world's registered carriers, only 30% of the aggregate tonnage could use the 27-foot-deep St. Lawrence seaway. Further study of the Maritime Commission Report shows that of this total tonnage, 95% would be in foreign registry.

Present Use of St. Lawrence by American Vessels: The United States Maritime Commission, Department of Research, shows that for the calendar year 1938, the total water-borne foreign commerce of the United States via

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

the St. Lawrence River amounted to 1,926,210 tons. Of this total, 122,876 tons were handled in American ships; 1,660,768 tons in British ships and 142,566 tons in other foreign ships. In other words, only 6% of the United States trade on the St. Lawrence River was handled in American vessels.

This is further evidence that whatever shipping might traverse the St. Lawrence seaway would be preponderantly handled in foreign bottoms, owned by foreign enterprises and operated by foreign labor in direct competition to the American systems of transportation.

Summary of Conditions of Navigation

The annual weather cycle greatly lessens the practicability of the St. Lawrence River as a commercial waterway. Ice keeps the route closed to navigation for five months of the year. Thus whatever savings in transportation costs might accrue could be realized only over a seven-month period. The huge investment in seaway construction would be productive for not more than 58% of the time.

Because of its geographic position, the St. Lawrence route has a mileage advantage over the United States Atlantic Seaboard for shipments to Northern Europe only. No advantage exists in relation to the Mediterranean area, while the St. Lawrence is at a decided disadvantage as far as the Caribbean and South American regions are concerned.

Although it is proposed to deepen the waterway to 27 feet, the maximum draft of ocean-going vessels which might use the seaway is from 24 to 25 feet. Two factors account for this: the difference in the buoyancy of salt water and of fresh water; the necessary allowance for the "squat" of a ship in motion.

Of all the world's vessel tonnage (ships of 2000 gross tons and over), not more than 30% comprises craft having a small enough draft to negotiate the 27-foot-deep channels, canals and locks. Only 5% of the world's tonnage consists of American-owned ships which could use the seaway.

Navigation of the restricted waterway, therefore, would be almost entirely limited to foreign tramp vessels, operating under standards well below those employed on American-owned ships and trading in competition with American systems of transportation.

In addition to seasonal problems, certain other factors must be considered in studying navigation conditions of the St. Lawrence project. The existence of many sharp turns in the narrow channels and the presence of swift cross-currents there would create hazards. These not only would curtail use of the route by mandating extremely slow speeds but probably also would reduce transportation cost savings by calling for high insurance rates.

ANALYSIS OF ESTIMATED SAVINGS

Effect upon Shipping – Possible Cargo Shipments via the St. Lawrence Seaway and Estimated Savings – The Interdepartmental Report – The Fundamental Errors – United States Shipping Board Rates and Rates Constructed in I. D. Report – Bananas – Sugar – Chicago Area – Minneapolis Area – Sugar Competition – Coffee – Kaolin – Grain – Export Movements of Grain – Rubber – Flour and Meal – Export Movements of Flour – Iron and Steel – Agricultural Implements – Automobiles – Packing House Products – Summary.

Effect Upon Shipping

THE opening of the Great Lakes to foreign carriers would mean that American lake, canal and railroad transportation systems would have to meet the competition of foreign labor. These American systems are now gainfully operating with well-organized, well-paid American employees working under high safety and sanitary standards.

Such domestic conditions would be replaced by the lower standards of foreign vessels. Furthermore, the alien seamen's wages, instead of being spent in this country for taxes, household expenses, etc., would be largely distributed in their own home ports.

Possible Cargo Shipments via the St. Lawrence Seaway and Estimated Savings

The savings to American farmers and shippers, which would result from a seaway, depend to a great extent upon its usage by foreign carriers. Enthusiastic prophesies of the volume of tonnage which would use the proposed seaway have been made by various committees and organizations.

Prior to 1934, proponents of the seaway used tonnage estimates formulated in most part by certain private interested organizations. Grossly inaccurate statements were made on the possible savings in shipping various commodities. It was contended, for instance, that economies in shipping wheat from Duluth to Montreal via the St. Lawrence seaway would amount to 8 cents per bushel. The actual cost of shipping this commodity from Duluth to Montreal, however, had only been 6 cents per bushel. Obviously the proponent's estimated saving is incorrect because any transportation saving over present lines of commerce must be made on the Duluth-Montreal section of the route.

The Interdepartmental Report

In 1934, various departments of the United States Government made a report entitled, "Survey of the Great Lakes-St. Lawrence Seaway and Power Project." This has been generally spoken of as the "Interdepartmental Report" and will be referred to hereafter in this discussion as "The I. D. report."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121307

The purpose of this I. D. report was to determine the savings in transportation costs that could be realized by using the proposed St. Lawrence seaway. Ostensibly, the authors of the report wished to show how much cheaper use of the St. Lawrence would be in relation to existing transportation routes. It would have been an interminable task to establish a saving differential for every commodity that might be transported through the St. Lawrence and for each of the multitude of world ports where a commodity might be imported or exported. The Government investigators, therefore, took a list of what they considered to be typical products which might be imported or exported through the St. Lawrence seaway. For each one of these goods they established rates and then compared those rates with costs of existing commercial routes. With these selected commodities as a basis, the authors of the I. D. report then applied an average saving to all other commodities and thereby derived a figure for total savings.

The Niagara Frontier Planning Board has no objection to this type of survey because the Board realizes that it is not practical to make a separate study of every one of the myriad commodities which conceivably could move through the St. Lawrence. But the I. D. report presents findings which were reached through erroneous figures. In other words, the Government's approach to the subject was founded on a proper understanding of method but the method was not fairly applied.

The Fundamental Errors: The I. D. report is faulty on three grounds. First, the estimates of probable tonnages which would be shipped over the St. Lawrence were exaggerated; second, in making comparisons between the St. Lawrence route and existing routes, the cheapest of the existing routes were frequently ignored, and third, the basic rates which were established for the St. Lawrence were out of line with known figures on which they should have been based.

In the following discussion, examples of these three failings are clearly shown. It has been necessary, of course, to revise the findings in this I. D. report because the yardsticks which the report established in determining economies over the proposed seaway are incorrect. The I. D. report's rates, upon which the alleged savings are founded, are so low in many instances that there would be no chance of a shipowner's entering the trade on the St. Lawrence if he had to comply with those figures.

For instance, on page 85 of the I. D. report, the following statement is made: "Furthermore, full loading each way was assumed, a condition that can in reality not be consistently attained." This assertion reveals that the alleged savings are based on two-way loads that cannot exist. The I. D. report admits that it is founded on an impossible hypothesis. But assume that a two-way cargo could be secured for a ship of 24-foot 9-inch draft, with

121308

a carrying capacity of 6900 short tons, the type selected by the I. D. report to show the most favorable picture. A full cargo of kaolin (clay) would be loaded at London for Cleveland, where it would be unloaded. The ship then would proceed light to Duluth and there pick up a cargo of grain for Liverpool.

The following figures, based on the rates and costs furnished in the I. D. report, will show that the reported economies are falsely based.

TABLE XIV

Expenses	
Operating ship—London to Cleveland, loaded, and Cleveland to Duluth, light	$19,728.74*
Operating ship—Duluth to Liverpool, loaded (pg. 90, I. D. report)	19,728.74
Total round trip expense	$39,457.48
Earnings	
Kaolin (clay)—London to Cleveland, 6900 tons at $1.52 per ton (p. 125)	$10,488.00
Wheat—Duluth to Liverpool, 6900 tons at $2.80 (pg. 125)	19,320.00
Total freight round trip	$29,808.00
Loss round trip loaded both ways	$ 9,649.48

* Assumed expenses London to Cleveland to Duluth same as expenses from Duluth to Liverpool direct.

The figures used above are based on perfect sailing conditions and no allowance has been made for lost time due to fog, winds, etc., with which steamers must contend, especially in the Gulf of St. Lawrence and west of Montreal. This would add to the loss sustained on the two-way load, "perfect" trip. Consequently, it can be seen that the estimated rates on which the I. D. report bases the stated savings cannot be accepted.

United States Shipping Board Rates and Rates Constructed in I. D. Report: The United States Shipping Board, on request of the Department of Commerce, furnished ocean rates on the commodities studied. These are shown on pages 91 to 99 of the I. D. report. Instead of using these as a basis for computing projected rates to lake ports via the St. Lawrence, the I. D. report constructed theoretical rates for a 24-foot 9-inch draft, 6900 ton freighter. The theoretically constructed figures in the I. D. report are consistently way below the actual rates shown by the United States Shipping Board to and from north Atlantic ports, despite the fact that the distances to the Great Lakes ports are greater and the journey more hazardous.

The big difference between the actual rates and rates constructed in the I. D. report is shown in the following table. This table lists the commodity, the port of shipment and destination, and the rate given by the United States Shipping Board. The fifth column in the table shows the rate as constructed in the I. D. report and the port of destination or origin as the case may be.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121309

TABLE XV

Commodity	From	To	Actual Rate U. S. Shipping Board	I. D. Report's Estimated Rate to Lake Ports
Sugar	Havana	No. Atlantic Ports	$2.10 ton	$1.65 to Chicago, Illinois $1.68 to Duluth, Minnesota
Coffee	Rio de Janeiro	" " "	$7.70 "	$4.02 to Chicago, Illinois
Clay	Liverpool	" " "	$4.20 "	$1.52 to Cleveland, Ohio
Rubber	"	" " "	$7.20 "	$1.90 to Cleveland, Ohio
Flour & Meal	N. Atlantic	Liverpool	$3.40 "	$2.43 from Duluth, Minnesota
Iron & Steel	"	Rio de Janeiro	$4.00 "	$3.63 from Chicago, Illinois
Agricultural Implements	"	Liverpool	$5.00 "	$3.04 from Chicago, Illinois
Autos & Parts	"	"	$4.40 "	$5.41 from Detroit, Michigan
Packing House Products	"	"	$8.00 "	$3.04 from Chicago, Illinois

The rates used by the Niagara Frontier Planning Board in calculating possible savings by use of the St. Lawrence are somewhat under those in the above table quoted by the United States Shipping Board. They were obtained from operators dealing in these commodities and represent the cost just prior to outbreak of the present European war. As they are somewhat less than the Shipping Board rates, they reflect to the advantage of the St. Lawrence seaway and their use in this report is in accord with the Planning Board's policy of striving to present a fair picture of actual conditions.

Bananas

In the I. D. report it is stated that substantial movements of bananas from Belize, Central America, to Chicago would be moved over the St. Lawrence. It is stated that during a 12-month period, approximately 740,000 tons would represent the potential shipments to that area. Inasmuch as the canal is open only 58% of the year, this tonnage would of necessity be reduced to an amount equivalent to 740,000 tons times 58% or approximately 429,000 tons. In the I. D. report it is estimated that the savings per ton in shipping bananas from Belize to Chicago via the St. Lawrence would amount to $11.67; that the cost of shipping through the St. Lawrence would equal $5.70 per ton and that the cost of shipping from Belize to Chicago via New Orleans would amount to $17.37. This latter item is broken down into $1.47 per ton, ship costs, and $15.90 rail costs, from New Orleans to Chicago.

There is no question but that the estimated savings and costs of shipping via the St. Lawrence are entirely out of line. It costs approximately $15.00 per ton to ship bananas from Jamaica to Montreal. It takes 280 hours for the trip. Therefore, it can be seen that the cost per ton-hour over that route is $0.0535. By use of this rate in estimating the cost of shipping bananas from Belize to Chicago via the St. Lawrence the cost is determined to be $24.10. This is shown in the following table:

121310

TABLE XVI

Belize to Montreal	316 hours
Montreal to Chicago	135 hours
Total	451 hours at $0.0535 per ton-hour=$24.10

It appears that the rate in the I. D. report from Belize to New Orleans is also too low. The time required for the trip is 85 hours, and at the same rate as used in the above calculations the cost per ton would be $4.55. This, added to the present rail rate of $17.40, shows a through rate of $21.95 by way of New Orleans.

Thus, it can be seen that the cost of shipping this commodity via the St. Lawrence seaway, compared with the existing route through New Orleans, would be approximately $2.15 more per ton. This alone is enough to convince one that bananas will not be shipped via the St. Lawrence seaway.

There is another equally important reason for this, however, and that is the difference in shipping time. The total time by way of New Orleans is only six days while the time via the St. Lawrence would be at least fourteen days. That difference of eight days would represent the difference between fully matured fruit and smaller, less marketable fruit. It would be more desirable to ship over the New Orleans route because of the marketability of the fruit even though the St. Lawrence route were as cheap or even considerably less expensive than the one through the Mississippi Valley.

For these reasons, therefore, this commodity is completely deleted from further consideration as a potential item of St. Lawrence traffic.

Sugar

In the Chicago area, the I. D. report shows an anticipated demand of 630,000 tons of sugar from Havana and 625,000 tons of sugar in the Minneapolis area. This is predicated upon a twelve-month period. The yardstick route in the I. D. report is from Havana to New Orleans and thence up the Mississippi via Federal Barge line.

Chicago Area: The I. D. report's estimated total cost of moving sugar over the Mississippi route to Chicago is $6.73 and over the St. Lawrence route $1.65.

The following analysis will show that these estimates are inaccurate:

The cost of moving sugar from Havana to New York City is $2.00 per ton. The distance from Havana to New York City is 1227 nautical miles; at 10 miles per hour the time for the trip is 123 hours; therefore, the cost per ton hour is equivalent to $0.0163. The distance from Havana to Montreal is 2472 nautical miles; the time consumed in making this trip is 248 hours. Thus, at the above rate per ton hour, the cost per ton movement from Havana to

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Montreal would be $4.04. The distance from Montreal to Chicago is 1083 nautical miles. As derived previously in this report, it was shown that 135 hours would be required for the trip. This is equivalent to a cost per ton of $2.20.

The following recapitulates these figures:

TABLE XVII

	per ton
Havana to Montreal 248 hours times $0.0163 (per ton-hour)	$4.04
Montreal to Chicago 135 " " " " " "	2.20
Total	$6.24

It requires 60 hours to make the trip from Havana to New Orleans; therefore, based on the same rate per ton hour for ocean travel, the cost in shipping to New Orleans would be 99 cents per ton. The I. D. report shows that the cost via Federal Barge line up the Mississippi to Chicago is $6.20. In addition, there would be a charge of approximately 30 cents per ton for handling at New Orleans. Therefore, the total cost per ton via this route would be $7.49. Consequently, the saving of shipping sugar via the St. Lawrence route over the New Orleans route would be $7.49 minus $6.24 or $1.25 per ton instead of the $5.08 figure used in the I. D. report.

If sugar is moved by way of the New York State Barge Canal to Chicago, the rate would be as follows:

TABLE XVIII

	per ton
Havana to New York City	$2.00
New York City to Chicago (Motor-ship rate) including handling at New York	5.00
	$7.00

The economy in shipping through the St. Lawrence route as against the Erie Canal in this instance would be only $0.76 per ton instead of the estimated $5.08 given in the I. D. report. Thus we see that the true saving of the St. Lawrence over the Erie Canal route is 85% below the figure indicated in the I. D. report. Consequently, there should be a considerable reduction in the figures which the I. D. report lists as differentials between rates over the proposed seaway and rates over currently available routes.

The authors of the I. D. survey established an amount of possible tonnage over a St. Lawrence seaway by using as a basis their estimated savings in transportation costs. They assumed that the economies in shipping rates would broaden the market, for goods could be shipped over a wider area and still

reach the consumer at current prices. In other words, the differentials in shipping rates would permit the goods to be transported just so much farther without increasing consumers' costs.

For Example: The economies on Chicago imports brought in over the St. Lawrence would be absorbed in transport of those goods by rail from the Chicago dock to the consumer in the hinterlands. The market is extended in proportion to the amount of the saving. The goods could be sold at present prices to consumers who live within the absorption zone.

But when the savings in the I. D. report are found to be too high, this means that the potential market area must also be reduced, because the economies are more quickly absorbed in rail shipments from the docks to the hinterlands. If the I. D. report savings are too high by 85%, the market area is also out of line by 85%. When the market area is properly adjusted, obviously the tonnage estimates must be also adjusted, because the volume of traffic is controlled by the size of the market.

Since the centers of population in the Chicago sector lie close to the city, a full reduction of 85% in tonnage which might use the St. Lawrence would not be completely fair. To be conservative, the authors of this Niagara Frontier Planning Board report have set the reduction at only 35%.

In concluding, the above analysis of sugar transportation shows that there is a possible saving of $0.76 per ton and that the possible twelve-month estimated tonnage required in the Chicago area would be 410,000 tons. This is equivalent to $312,000 instead of the $3,200,400 shown in the I. D. report.

Minneapolis Area: The I. D. report estimates that 625,000 tons of sugar from Havana will be required in the Minneapolis area over a twelve-month period. That report states that the cost of moving this tonnage via the St. Lawrence seaway would be $4.48 per ton and that the cost by way of New Orleans would be $10.53. This is equivalent to a saving of $6.05 a ton.

These figures are also considerably out of line. The rate from Havana to Montreal is $4.04 a ton (as derived in the discussion of sugar delivered to Chicago). It requires 145 hours to run from Montreal to Duluth. This, times the cost-per-ton-hour of $0.0163, is equal to $2.36, and so the estimated total cost per ton from Havana to Duluth would be $6.40. Inasmuch as the St. Lawrence route and the Erie Canal route from Havana to Minneapolis would both pass through Duluth, that port may be considered the terminus for the sake of computing any possible economies. Rail rates between Duluth and Minneapolis would be the same in both instances.

The cost of shipping sugar from Havana to Duluth through the Erie Canal is estimated in the following table:

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

TABLE XIX

	per ton
Havana to New York City (see Chicago discussion)	$2.00
Motor ship New York to Duluth including handling at New York	5.20
	$7.20

The cost of shipping sugar to Minneapolis via the New Orleans route would be as follows:

TABLE XX

	per ton
Havana to New Orleans (see Chicago discussion)	$0.99
Handling at New Orleans	.30
New Orleans to Minneapolis (via Federal Barge; I. D. Report, page 126)	10.00
Total	$11.29

This shows that it is $4.09 more expensive to ship by way of New Orleans to Minneapolis than it would be to ship via Erie Canal to Duluth. Because the rail rate from Duluth to Minneapolis would be less than the $4.09, the cheaper route would be via the Erie Canal. Therefore, this is the existing route which was used in determining estimated savings in shipping over the proposed seaway.

As derived above, the estimated cost of shipping via the St. Lawrence to Duluth is $6.40 per ton, and the cost via the Erie Canal is $7.20. Consequently, the estimated savings would be 80 cents instead of the $6.05 indicated in the I. D. report. This is a reduction of 87% in the savings. As pointed out in the Chicago discussion, this would result in a material reduction in volume. Using a 35% reduction, however, instead of the 87% indicated by the savings, the tonnage on a twelve-month basis required at Minneapolis would be limited to 406,000 tons. This, times the 80-cent savings, would amount to $325,000 in total economy instead of the $3,781,250 shown in the I. D. report.

Sugar Competition: Despite the fact that it appears to be physically possible to make a slight saving in shipping over the proposed seaway to Chicago and Minneapolis, such a saving should not be included in any final computation of St. Lawrence seaway benefits. The reason for this is that Havana sugar would be brought into the very heart of the sugar beet industry area in direct competition with that industry and at rates which are in effect somewhat reduced because of taxation of the sugar beet industry itself. In other words, the beet industry would be taxed for the construction of this seaway and therefore make possible a reduction in sugar rates from Havana to the middle west.

This is contrary to the policy of the United States in reference to the sugar beet industry, which has been encouraged in northern Ohio, Wisconsin, Minnesota, Nebraska, Wyoming, Idaho, and Colorado through various bounties. Furthermore, it has been the foreign policy of the United States to regulate and control foreign sugar importation within positive limits through tariffs and special reciprocal agreements. It is not logical to use possible savings in shipping sugar to the central part of the United States as justification for a seaway expenditure. However, to give the project the benefit of every doubt, the estimated totals directly attributed to sugar are included in the summation of possible economies in shipping costs.

Coffee

The I. D. report estimates that 280,000 tons of coffee would be required in the Chicago area on a twelve-month basis. It further indicates that the cost of moving this commodity through the Port of New Orleans and by Federal Barge to Chicago would amount to $9.78 per ton; that the cost via the St. Lawrence seaway would be $4.02.

It costs 50 cents per bag of 131 pounds to ship coffee from Rio de Janeiro (the port of origin in the I. D. report) to either New Orleans or New York City. It requires 519 hours to make the trip from Rio de Janeiro to New Orleans and 477 hours to New York City.

Using the New Orleans route as a criterion (this would give the least cost per ton-hour), we find the cost of moving coffee per ton-hour would be $7.63 per ton divided by 519 hours, or $0.0147 ($7.63 per ton is equal to 50 cents per 131 pounds). Having the cost per ton-hour, we then can estimate the cost of moving coffee from Rio de Janeiro to Chicago via the St. Lawrence seaway. This is set up in the following table:

TABLE XXI

	per ton
Rio de Janeiro to Montreal, 536 hours x $0.0147	$7.88
Montreal to Chicago, 135 " x "	1.98
Total	$9.86

The cost of moving this commodity by way of New Orleans is set up in the following table:

TABLE XXII

	per ton
Rio de Janeiro to New Orleans, 519 hrs. x $0.0147	$7.63
Handling at New Orleans	.30
New Orleans to Chicago (Federal Barge Line)	6.60
Total	$14.53

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121315

It would be cheaper to ship coffee through the Erie Canal to Chicago as indicated in the following table:

TABLE XXIII

		per ton
Rio de Janeiro to New York City (same through rate as to New Orleans)		$7.63
New York City to Chicago via motorship, handling in New York included in rate		5.40
	Total	$13.03

The I. D. report estimates the saving per ton as $5.76. From the above tables it can be seen that the saving will actually be $13.03 minus $9.86, or $3.17. This reduction of 45% in savings in the I. D. report, as described in paragraphs relating to movement of sugar to Chicago, greatly affects the estimated probable tonnage. However, in order to be conservative, a 20% figure is used in this report. This reduction indicates a possible tonnage of 224,000. This volume, times the estimated saving of $3.17, is equivalent to a saving of $710,000 instead of $1,612,800 as shown in the I. D. report.

While these figures are used in assuming possible savings through the St. Lawrence seaway route, it is not admitted that they will actually accrue. The reason for this is that the roasting and blending of coffee is a specialized trade now mainly concentrated in New York City and New Orleans. After roasting and blending, rapid delivery is necessary. Since the canal would be closed for 42% of the year, it would be necessary to depend upon the New York and New Orleans blending and roasting establishments during that period. As a result, it appears that it would be uneconomical to establish duplicate roasting and blending and distributing establishments in the Chicago area for use during only 58% of the time.

Kaolin

In the I. D. report is it estimated that 140,000 tons of kaolin (clay) would move from Liverpool to Cincinnati via the St. Lawrence route. It is claimed that the savings per ton in using this route over the Philadelphia route via rail to Cincinnati is $1.01.

Investigations of this commodity show that only a small percentage of the imports go through the port of Philadelphia to Cincinnati. This is a clear indication that the demand (small as it is) for this commodity is wide-spread and not just concentrated in the one area (Cincinnati) as implied in the I. D. report. Kaolin is used in the manufacture of paper, rubber, paint, oilcloth and other products which are made in a wide area. It is believed 140,000 tons,

121316

which far exceed actual imports, would not be shipped over the St. Lawrence seaway. This is particularly true when one considers that kaolin is produced commercially in Georgia, South Carolina and Pennsylvania and now moves from South Carolina and Georgia to Cincinnati by rail at a rate of $4.28 per ton.

In 1934 and 1935 the United States production was far greater than the imports, as is shown in the following table:

TABLE XXIV

Year	*Imports*	*U. S. Production*
1934	100,775 tons	426,335 tons
1935	125,960 "	523,585 "
1937	130,800 "	not available

Furthermore, of the 130,800 tons imported in 1937, only 45,000 tons were imported through Atlantic ports.

The I. D. report constructs a rate of $6.12 via the St. Lawrence seaway and states that the cost of shipping from Liverpool to Cincinnati by way of Philadelphia is $7.13.

The United States Shipping Board advised the Department of Commerce (pages 91-99 I. D. report) that the rate on kaolin from Liverpool to Philadelphia was $4.20 per ton. Since it takes 325 hours for the trip between Liverpool and Philadelphia, the cost per ton-hour over that route would be $0.0129. From this rate it is possible to construct a water rate from Liverpool to Cleveland. This is shown in the following table together with the present rail rate from Cleveland to Cincinnati.

TABLE XXV

		per ton
Liverpool to Montreal	279 hours x $0.0129	$3.60
Montreal to Cleveland	68 hours x $0.0129	0.88
Cleveland to Cincinnati, rate		4.80
	Total	$9.28

The present cost of shipping from Liverpool to Philadelphia and thence by rail to Cincinnati is shown in the following table:

	per ton
Liverpool to Philadelphia	$4.20
Philadelphia to Cincinnati, rail	6.80
Total	$11.00

From the above tables it can be readily determined that any possible saving in shipping this commodity from Liverpool to Cincinnati through the proposed St. Lawrence route would not exceed $1.72 per ton.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Inasmuch as only 45,000 tons of kaolin were imported in 1937 through all of the North Atlantic ports, it was believed that if this amount were assumed to move via the St. Lawrence seaway, it would be a liberal allowance to use in computing the total possible savings. This tonnage, times the estimated economy of $1.72 per ton, is equivalent to a saving of $77,000 per year. This is 45% less than the saving indicated in the I. D. report.

Grain

The I. D. report estimates that 2,618,000 tons of grain, based on a twelve-month period, are available for movement through the proposed St. Lawrence seaway. The yardstick route which is taken in this report is from Duluth to Buffalo and thence by Erie Canal to New York City where it is trans-shipped for the Liverpool market. The I. D. report estimates that the present cost of shipping over the yardstick route is $5.24 per ton, and that over the proposed St. Lawrence route the rate would be $2.80 per ton. Thus it is indicated there would be a saving in shipment of grain equivalent to $2.44 per ton.

The following table shows the cost per year from 1930 to 1938 of grain movements from the head of the lakes to Montreal and Buffalo, and from Montreal to London, New York City to London, and Buffalo to New York City via the Erie Canal.

TABLE XXVI

Freight Charges for Wheat Movement—Cents per Bushel

Year	Head of Lakes to Montreal	Montreal to London	Head of Lakes to Buffalo	Buffalo to New York City via Erie Canal	New York City to London
1930	7.95	4.63	1.91	5.13	4.53
1931	6.46	5.70	1.71	3.51	4.66
1932	5.09	5.06	1.43	3.50	4.50
1933	3.71	4.50	1.60	2.50	4.50
1934	5.81	5.00	1.74	3.50	4.50
1935	4.49	5.49	1.87	2.16	5.13
1936	4.40	6.86	1.99	2.19	7.07
1937	3.96	10.31	2.18	2.57	9.19
1938	5.57	8.35	2.23	3.52	8.21
Average	5.27	6.21	1.85	3.18	5.81

By using the average costs shown above, it is possible to determine the average cost of shipping wheat to London over the present and proposed routes. These are established as follows:

TABLE XXVII

		cents per bushel
Head of Lakes to Montreal		5.27
Montreal to London		6.21
Handling at Montreal		0.75
	Total	12.23

		cents per bushel
Head of Lakes to Buffalo		1.85
Handling at Buffalo		0.75
Buffalo to New York City		3.18
Handling at New York City		0.75
New York City to London		5.81
	Total	12.34

It will be noted there is very little difference in the cost of shipping either via Montreal or through New York City. The rates for the nine-year period from both New York City and Montreal to London were readily available so the London port of destination was used. But there is little difference between the cost of shipping from Montreal or New York City to Liverpool and the cost of shipping from Montreal or New York City to London. The use of London as a point of destination is conservative and places the proposed St. Lawrence seaway at an advantage. The reason is that the cost per bushel-hour, based on the longer number of hours required for shipment from Montreal to London, is less than if it were based upon the number of hours required for the trip from Montreal to Liverpool. This has the effect, in these computations, of making the St. Lawrence route cheaper, because the St. Lawrence rate is constructed on a bushel-hour basis.

By dividing the average cost of 6.21c. a bushel by the 312 hours required to make the trip from Montreal to London, one arrives at 0.02c. per bushel-hour. The total time required for making the trip from Duluth to London over the St. Lawrence would be 457 hours (312 hours on the open ocean and 145 hours along the inland waterway) which, times the cost per bushel-hour, is 9.14c. per bushel. This is the probable minimum rate to be secured for the movement of grain.

By subtracting the constructed rate of 9.14c. per bushel from the present average rate of 12.23, a possible saving of 3.09c. per bushel is indicated.

Export movements of Grain: This is the maximum figure, because it has been assumed, in developing the rate for the movement of grain through the St. Lawrence, that the cost per hour would be the same in the inland waterway as upon the open ocean. Actually there would be additional expenses in the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

movement of grain-carrying vessels on the inland waterway because of the added insurance costs, extra pilotage, enforced delays resulting from fogs, traffic tie-ups, locks, bridges, etc. Neglecting this, however, we find that the 3.09c. per bushel is equivalent to only $1.03 per ton as against the estimated saving presented in the I. D. report of $2.44 per ton.

The following table lists the movement of United States grain from St. Lawrence and Atlantic ports during the period of 1924 to 1938.

TABLE XXVIII

Export United States Grain. St. Lawrence and Atlantic Ports

Year	Total Bushels	Total Tons
1924	135,319,000	4,060,000
1925	111,069,000	3,332,000
1926	89,014,000	2,430,000
1927	137,506,000	4,125,000
1928	114,057,000	3,422,000
1929	97,063,000	2,912,000
1930	30,550,000	916,000
1931	28,987,000	870,000
1932	38,964,000	1,169,000
1933	7,496,000	225,000
1934	771,000	23,000
1935	265,000	8,000
1936	3,467,000	104,000
1937	8,502,000	255,000

It will be noted that in 1927 the tonnage was over the four million mark. Since then it has constantly declined and will continue to do so as European, Asiatic, Australian, South American and Canadian areas increase their production. The United States cannot compete in the foreign grain market because of the low labor cost and sub-standard conditions in other major grain-growing countries. In view of the above, it is reasonable to assume that, with the exception of such emergency periods as may temporarily exist because of European conflicts, the grain exportation will not exceed the average of the last eight years. This is equivalent to approximately 446,000 tons.

This tonnage, times the saving of $1.03, is equivalent to a total saving of $459,000 which is nearly six million dollars less than the figure presented in the I. D. report.

For two reasons, this economy of $1.03 a ton (or 3.09c. a bushel) is insufficiently large to accrue to the American farmer or shipper. First, the world's grain prices are set at Liverpool, and a saving of such minuteness would be absorbed by the purchaser in the European market. It would merely enable the buyer to pay less for the grain. Secondly, with the price depressed, foreign grain producers, already operating under standards well below American standards and thereby enjoying an advantage over American producers, could afford to take price cuts in maintaining competition. This would prevent a great

increase in the sale of American grain. In brief, the 3.09c. saving is too small to bring the American farmer either an increased price on his product or increased volume in sale.

An example of the price-drop procedure operating in the European market was seen when rail rates from the Middle West to the Atlantic seaboard were reduced on the shipment of winter grain. At that time, the European market dropped its price offer by an equivalent amount because Argentina wheat shippers met the competition. It is the European purchaser, not the American farmer, who would benefit from the 3.09c. differential.

Rubber

It is estimated in the I. D. report that 400,000 tons of rubber are available for shipment into the Akron, Ohio, area. The report indicates a saving of $3.78 per ton in moving this freight by way of the St. Lawrence seaway rather than by rail from New York City. The I. D. report assumes that crude rubber will come from London, England, to New York City at a rate of $1.68 per ton, and thence move by rail to Akron at a cost of $8.00 per ton, or a total of $9.68.

But rubber does not come to the United States from London. Over 90% of it comes from southern and southeastern Asia. It moves 10,172 miles to New York City from Singapore instead of the 3,442 miles from London. This is an important factor because when vessels move over great distances it is necessary to have speed and that requires a narrow beam. Fast ships are more costly to build and operate, so to compete favorably with the slower vessels they have to carry a greater tonnage as well as have greater speed. With their narrow beams, these faster vessels must have room for the needed tonnage in deep drafts. Ships plying from Asiatic ports are of this deep-draft type, because the cost per ton moved in a fast vessel is equal to or less than the cost per ton carried on a slower vessel. This gives the fast boat a very decided advantage on long trips.

Motor ships and steamers bringing rubber from the Straits Settlements to New York City are from ten to twelve-thousand-ton vessels operating on a twenty-five to twenty-six foot draft. This fact alone is sufficient to strike out entirely the estimate for importation of rubber via the St. Lawrence seaway because the canal would not physically accommodate vessels of that draft. Furthermore, these deep-draft vessels do not carry shipments entirely of rubber. They carry miscellaneous freight and must obtain full loads both ways to operate at a profit. The more greatly diversified market of New York City offers a much better assurance of full cargo capacities inbound and outbound than do the Great Lakes ports.

Because vessels carrying crude rubber to Atlantic ports could not navigate the proposed St. Lawrence seaway, because full cargoes both ways are so essen-

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

tial on such long hauls and because it would be impractical to duplicate New York's exchange and marketing facilities in the Great Lakes area for only 42% of the year, it is logical to assume that importation of rubber by way of the St. Lawrence seaway should not be considered.

In the interest of complete fairness, however, and to cover any possible importation of some small quantities, an allowance of 100,000 tons has been made, resulting in a total saving of $485,000, predicated upon a saving of $4.85 per ton. This saving was determined by using the existing rate of $18 per ton from the Straits Settlements to New York City, which is equivalent to $0.0177 per ton hour. This factor, multiplied by the 1059 hours required for the trip to Cleveland from the Straits Settlements, amounts to $18.75. To this figure was added a rail rate of $3.00 from Cleveland to Akron, making a total cost of $21.75 as compared with the present cost of $26.60 if shipped by way of New York City.

Flour and Meal

The I. D. report estimates that 859,000 tons of flour and meal are available for movement from Minneapolis to Liverpool through the St. Lawrence seaway based on a twelve-month period. The yardstick route used for comparison with the St. Lawrence is the one from Minneapolis to New York by rail, and thence to Liverpool. The I. D. report states that the present cost of shipping through New York is $9.21 per ton, that the cost of shipping by way of the St. Lawrence seaway would be $4.73 and that the saving would be $4.48 per ton.

The first thing to consider in analyzing this particular commodity is whether or not Minneapolis is, by virtue of its position, the logical location of a flour milling center for export purposes. If it is not, the estimated tonnage available for movement through the St. Lawrence seaway is vitally affected.

This report, therefore, analyzes the cost of delivering to Liverpool flour milled at both Minneapolis and Buffalo. The shipping rate on wheat from Duluth to Buffalo is 1.85c. per bushel or $0.62 per ton. The rail rate from Buffalo to New York City is $3.20 per ton, and the rate from New York City to Liverpool is approximately $3.40 per ton. Milling at Buffalo would require one additional handling over milling at Minneapolis. This is equivalent to approximately 25c. per ton. The summation of these items shows that the cost of shipping flour milled at Buffalo, delivered by rail to New York City and thence to Liverpool, would amount to $7.47.

There is another way, however, of routing flour to Liverpool from Buffalo. This is via the existing Erie Canal which carries considerable flour tonnage as indicated on the following page:

TABLE XXIX

	Flour
1932	30,200 tons
1933	106,456 "
1934	78,842 "
1935	53,981 "
1937	38,292 "
1938	43,686 "

The following breakdown shows that cost of moving wheat to Buffalo, and of moving flour, after milling at Buffalo, to New York City via the Erie Canal, and thence to Liverpool:

TABLE XXX	*per ton*
Wheat, Duluth to Buffalo	$0.62
Flour, Buffalo to New York via Canal	1.06
Flour, New York to Liverpool	3.40
Extra Handling	0.25
Total	$5.33

The analysis below shows the estimated cost of moving flour from Minneapolis to Chicago, and thence to Liverpool via the proposed St. Lawrence seaway.

TABLE XXXI		*per ton*
Minneapolis to Chicago (I. D. report p. 125)		$2.30
Chicago to Liverpool	(See below)	4.39
	Total	$6.69

Cost per ton-hour for shipping flour =

$$\frac{\$3.40 \text{ (cost per ton New York to Liverpool)}}{322 \text{ hours (New York to Liverpool)}} = \$0.0106 \text{ per ton-hour}$$

Hours — Chicago to Liverpool =

135 hrs. Chicago to Montreal
279 hrs. Montreal to Liverpool

Total 414 hrs.

414 x $0.0106 per ton-hour = $4.39

The above analysis shows that shipments of Minneapolis flour to Liverpool, over the proposed St. Lawrence seaway route, would cost $6.69 per ton, compared with $5.33 per ton for shipment of Buffalo flour, via the Erie Canal route. In other words, Buffalo flour could be delivered at Liverpool for $1.36 less than Minneapolis flour.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121323

The above would indicate that movement of flour from Minneapolis to Liverpool by way of the St. Lawrence seaway should not be an important element in considering the economic feasibility of the St. Lawrence Seaway Project. It is assumed, however, that some flour will move over the St. Lawrence seaway from Minneapolis and the following analysis has been prepared to show the possible saving in shipping flour that way.

TABLE XXXII

Estimated Cost Minneapolis to Liverpool Via Present Route

	per ton
Minneapolis to Chicago (present rail)	$2.60
Chicago to New York via Motorship (including handling)	5.20
New York City to Liverpool	3.40
Total	$11.20

Estimated Cost Minneapolis to Liverpool via Proposed Seaway

	per ton
Minneapolis to Chicago (present rail)	$2.60
Chicago to Liverpool (see previous)	4.39
Total	$6.99

Thus the present rate of $11.20 is $4.21 per ton more costly than over the proposed St. Lawrence seaway route. The I. D. report states that the saving would be $4.48. According to this, the actual saving would be 6% less than stated in the I. D. report.

Export Movements of Flour: In order to get the total possible saving in the shipment of flour, the next step was to estimate the probable tonnage. The I. D. report uses 859,000 tons, which, as the following analysis will show, is too high.

The total United States exports of flour for the years 1929 to 1938 inclusive were:

TABLE XXXIII

United States Flour Exports

1929	1,338,974
1930	1,279,880
1931	946,092
1932	567,910
1933	388,472
1934	407,974
1935	416,304
1936	358,680
1937	436,296
1938	510,874

121324

The average annual exportation of flour for those years amounted to 665,146 tons. Investigation has shown that other meals represent approximately 20% of the flour exportation; therefore, there was an average annual export of approximately 831,000 tons of flour and meal for the years 1929 to 1938 inclusive.

Further investigation demonstrates that approximately 40% of the total United States flour and meal are shipped from the North Atlantic ports. Therefore, from the years 1929 to 1938, an average of approximately 325,000 tons of flour and meal were exported from these ports. The export business from Minneapolis which might eventually use the St. Lawrence seaway route is now using the northern Atlantic ports. Since this is the case, the I. D. estimate of 859,000 tons of flour and meal available for shipment from Minneapolis to Liverpool is far out of line.

Since flour produced in Buffalo has the advantage over flour produced in Minneapolis for export, most of the available 325,000 tons for export from the north Atlantic ports is shipped from Buffalo and other eastern milling centers. Consequently, it is believed that an estimate of 25% of this tonnage assigned to Minneapolis would be a liberal allowance. This amounts to 81,000 tons, which, times the estimated saving of $4.21 per ton, is equivalent to $341,000.

Iron and Steel

It is estimated, in the I. D. report, that 635,000 tons of iron and steel are available for movement from Chicago to Rio de Janeiro at an estimated saving of $5.84 per ton. The report states that the present rate of shipping is $9.47 and that the rate via the proposed seaway would be $3.63.

The following analysis indicates that again these figures are optimistic. In the first place, only small quantities of iron and steel products are shipped from New York City to South America. Exports to the entire east coast of South America for the period 1929 to 1935 are shown in the following table:

TABLE XXXIV

Shipments to South American East Coast Ports		*Exports to Brazil*	
Year	*Tons*	*Year*	*Tons*
1929	148,291	1929	60,704
1932	21,460	1932	5,681
1933	92,580	1933	47,972
1934	120,367	1934	41,456
1935	63,102	1935	37,575

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121325

The cost of shipping by the present route from Chicago to New York City, via Erie Canal, and thence to Rio de Janeiro is as follows:

TABLE XXXV

		per ton
Chicago to Buffalo (including loading on Barge Canal)		$1.50
Buffalo to New York City, via Barge (including handling at New York)		1.75
New York City to Rio de Janeiro		4.00
	Total	$7.25

The cost per ton-hour on the ocean route would amount to $0.00839. Since it requires 671 hours for the journey from Rio de Janeiro to Chicago, the rate by way of the seaway would be $5.63. Thus the saving of shipping to Rio de Janeiro would be $1.62 per ton.

It does not appear that the estimated 635,000 tons shown in the I. D. report would come from the Chicago area. It is far more likely that most of the export iron and steel would come from mills in the east. The steel mills at Sparrows Point, Maryland, can ship to Rio de Janeiro for $4.00 per ton as against the projected rate of $5.63 from Chicago. For the sake of conservatism, the I. D. tonnage figure was used in this report. This amount, times the estimated saving of $1.62 per ton, is equal to $1,029,000, or 72% of that claimed in the I. D. report.

Agricultural Implements

Farm implements to the extent of 198,000 tons are claimed, in the I. D. report, as being available for movement from Chicago to Liverpool at a saving of $8.85 per ton. That report states the present cost of shipping is $11.89, and that the proposed rate would be $3.04 per ton.

Agricultural implements are now shipped from Chicago to New York City, via motorship over Erie Canal, for $3.75 per ton including handling at New York City, and the rate from New York to Liverpool is $5.00. Thus the present cost is $8.75. Based on the rate from New York City to Liverpool, the cost of shipping this product from Chicago by way of the St. Lawrence would be $6.42 per ton, as the shipping rate is $0.0155 per ton-hour and it requires 414 hours from Chicago to Liverpool. Thus the saving would be $2.33 instead of the $8.85 figure shown in the I. D. report.

The following table shows the agricultural implement export tonnages for all the north Atlantic ports, from 1929 to 1938:

121326

TABLE XXXVI

Year	*Tons*
1929	48,778
1932	19,393
1933	10,626
1934	11,993
1935	14,811
1938	66,874
Total	172,475

The average for the six years shown is 29,000 tons and is indicative that the I. D. report estimate of 198,000 tons is greatly exaggerated. It has been assumed in this report that Chicago would receive the benefit of all farm implement exports shown by the North Atlantic ports average. This is equivalent to a total saving of $68,000 instead of the $1,752,300 given in the I. D. report.

Automobiles

The I. D. report lists 566,000 tons of automobiles and parts available for movement from the Detroit area to Liverpool over the proposed seaway. It indicates that the present cost of shipping is $17.58 as against a proposed $5.41, with a net saving of $12.17.

Automobiles are moved by rail from Detroit to New York City for $9.60 per ton and from there to Liverpool (including handling at New York City) for $4.40, making a total of $14.00.

The ocean rate per ton-hour is equivalent to $0.0137, which figure was obtained by dividing the number of hours between New York City and Liverpool into $4.40. This rate per ton-hour, multiplied by 356 (hours required to Detroit), is equivalent to $4.88. This, compared with the aforementioned $14.00 present rate, would indicate a saving of $9.12.

This, however, is not as important a saving as it may seem, because the present rate includes $9.60 for rail movement from Detroit to New York City. At present the Government is raising all bridges six feet on the Oswego Canal and the easterly end of the New York State Barge Canal. This work will be completed in two years. It will then be possible to move automobiles from Detroit to New York City on motorships along with other cargoes. Conferences with motorship operators have brought out the fact that they will be in a position to move automobiles from Detroit to New York City for $5.00 per ton after the bridges have been raised. The cost of shipping cars from Detroit to Liverpool then will be $9.40; that is $5.00 per ton Detroit to New York City and $4.40 New York City to Liverpool. This is $4.52 more than the constructed St. Lawrence rate of $4.88.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

It seems unlikely that auto tonnage would use the seaway to any great extent, even though there were a substantial saving, because cars are shipped in small lots to many different ports. The shipping of cars is unlike that of grain where one vessel will carry a full load to Liverpool or London. In the case of automobiles, a few go to many different ports in Europe, Asia, Africa, South America, etc. Consequently, the point of shipment for cars must be a port of entry for ships from all over the globe. The Great Lakes area would not have vessels from as many different foreign ports as does New York City, nor would the Great Lakes ports have New York City's frequency of call. Consequently, cars would continue to move primarily by way of New York City and other large Atlantic ports.

In addition, practically all automobile manufacturing companies have assembly plants near these eastern ports and it would be natural to export cars from these assembly points rather than from the interior of the country.

An allowance was made, though, for the shipment of some cars from Detroit via the St. Lawrence seaway. This was taken as being equal to the tonnage shipped in 1937 to the United Kingdom, Belgium, Sweden, Norway, Holland and the Irish Free State. The reason for the selection of these countries is that the distance by way of the St. Lawrence seaway to areas south of the Mediterranean area is greater than from the Port of New York.

In 1937, 113,000 tons of cars moved to the countries of northern Europe. This tonnage, times the estimated savings of $9.12, represents a total saving of $1,031,000.

Packing House Products

The I. D. report estimates that 140,000 tons of packing house products would move from Chicago to Liverpool through the proposed St. Lawrence seaway. It further estimates there would be a saving of $8.35 per ton, amounting to a total saving of $1,169,000.

Investigations similar to those revealed in the preceding paragraphs show that both the savings and the probable tonnage are too optimistic.

At present, packing house products are moving by motorship from Chicago to Oswego and over the Erie Canal to New York City for $3.50 per ton. There is a handling charge of approximately 50c. per ton in New York City. The rate from New York City to Liverpool is $7.00 per ton. Thus the combined present rate of shipping from Chicago to Liverpool is $11.00 per ton.

Inasmuch as approximately 322 hours are required between New York City and Liverpool, the cost per ton-hour is equivalent to $0.0221. This times the estimated time of 414 hours for shipping from Chicago to Liverpool is equivalent to a charge of $9.15 per ton.

The difference between this figure and the present rate of $11.00 is $1.85, the maximum saving by shipping these products through the proposed St.

Lawrence seaway. This amount is approximately 78% less than the indicated saving in the I. D. report.

The following table shows exportation of meat products from all North Atlantic ports, from 1932 to 1935 and for the year 1938:

TABLE XXXVII

Year	*Tons*
1932	59,238
1933	72,844
1934	83,459
1935	51,877
1938	47,122

These figures show that the I. D. report estimate of 140,000 tons is far above the actual shipments from north Atlantic ports in past years. The average of export figures from North Atlantic ports is 63,000 tons. Assuming that Chicago would receive all of these exports, we find the total savings would only amount to $117,000 as compared with the estimated savings of over one million dollars shown in the I. D. report.

Summary of Apparent Savings

TABLE XXXVIII

Tonnage and Estimated Savings of Commodities Studied—Twelve Months Basis

	Interdepartmental Report			Niagara Frontier Planning Board		
Imports	Tonnage	Savings Per Ton	Total Savings	Tonnage	Savings Per Ton	Total Savings
Bananas	740,000	$11.67	$8,635,800		$0.00	
Sugar to Chicago	630,000	5.08	3,200,400	410,000	0.76	312,000
Sugar to Minneapolis	625,000	6.05	3,781,250	406,000	0.80	325,000
Coffee	280,000	5.76	1,612,800	224,000	3.17	710,000
Kaolin	140,000	1.01	141,400	45,000	1.72	77,000
Rubber	400,000	3.78	1,512,000	100,000	4.85	485,000
Total	2,815,000		$18,883,650	1,185,000		$1,909,000
Average		$ 5.56			$1.88	
Exports						
Grain (Wheat Basis) Duluth	2,618,000	$ 2.44	$ 6,387,920	446,000	$1.03	$ 459,000
Flour—Meal	859,000	4.48	3,848,320	81,000	4.21	341,000
Iron and Steel	635,000	5.84	3,708,400	635,000	1.62	1,029,000
Agricultural Implements	198,000	8.85	1,752,300	29,000	2.33	68,000
Autos and Parts	566,000	12.17	6,888,220	113,000	9.12	1,031,000
Packing House	140,000	8.35	1,169,000	63,000	1.85	117,000
Totals	5,016,000		$23,754,160	1,367,000		$3,045,000
Average		$ 7.02			$3.36	
Grand Total	7,831,000		$42,637,810	2,552,000		$4,954,000

The total savings of the commodities studied is $37,683,810 less than claimed in the I. D. report.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The preceding table is a recapitulation of the I. D. report's estimate of tonnage, savings per ton, and total savings together with this report's estimate of tonnage, saving per ton and total savings. These are the studied commodities, or, in other words, the commodities which the Government studied in formulating the I. D. report. The Niagara Frontier Planning Board checked against them and these are the summarized results.

It will be noted in the above table that only 2,552,000 tons (twelve-months basis) is likely to be moved over the proposed St. Lawrence seaway at an estimated saving of $4,954,000. Let it be understood, however, that this includes only the studied commodities.

The I. D. report averages the probable savings on imports and exports of these studied commodities and then generally applies those average savings to "All Other Important Commodities." It has been shown in this Niagara Frontier Planning Board survey that I. D. tonnages, as well as savings, must be greatly reduced. In the following table, therefore, the tonnages for those commodities which were not studied (i. e. "All Other Important Commodities") are reduceed by the same percentage as was applied to those which were studied. The new probable tonnages were multiplied by the average savings of the studied commodities to obtain the total savings.

TABLE XXXIX

Recapitulation of Tonnages and Possible Savings

	Probable Tonnage in			Average Indicated Savings	Total Indicated Savings
	I. D Tonnage	% of I. D. Tonnage	Probable Tonnage		
Imports Studied	2,815,000	42.0	1,185,000		$ 1,909,000
All other Import Commodities	5,798,500	42.0	2,435,000	$1.88	4,578,000
Subtotal Imports	8,613,500		3,620,000		6,487,000
Exports Studied	5,016,000	27.3	1,367,000		3,045,000
All other Export Commodities	6,191,200	27.3	1,690,000	$3.36	5,679,000
Subtotal Exports	11,207,200		3,057,000		$ 8,724,000
Grand Total	19,820,700		6,677,000		$15,211,000
After deducting 42% for Closed Season	11,496,000		3,873,000		$ 8,822,000

It will be noted above that the grand total of probable tonnages available to the St. Lawrence seaway, based on the twelve month's period, is equal to 6,677,000 tons. If the St. Lawrence seaway were open twelve months of the year this would be equivalent to a saving of $15,211,000 over present transportation systems. But the St. Lawrence is closed for 42% of the year, so

both tonnages and the apparent savings must be reduced by that percentage. Consequently, the maximum possible saving of the St. Lawrence seaway would be $8,822,000.

Summary of Estimated Savings

The opening up of the Great Lakes to foreign carriers would mean that American lake and canal transportation systems and American railroads would have to meet the competition of low standard foreign labor.

It is not the contention of the Niagara Frontier Planning Board that the proposed St. Lawrence seaway would not offer a cheaper mode of transportation for certain bulk commodities. The question is whether these savings are sufficiently large to justify the original expense of the project and the shift of business from established routes to the suggested new route, and therefore the first step is to determine what these savings will be.

In 1934, the government published an Interdepartmental Report which revealed the findings of a survey into the economic effects of the proposed St. Lawrence navigation development. The Niagara Frontier Planning Board made an exhaustive study of these Interdepartmental Report conclusions. The Board found that the government's figures were in most instances way out of line with existing conditions. The analysis demonstrated that the Interdepartmental Report had proceeded to set up yardsticks which were based on a group of selected commodities and then applied to all other commodities in reaching a sum for savings in transportation costs of shipments via the St. Lawrence route.

But the Interdepartmental Report arrived at an exaggerated savings figure because it failed, in many instances, to use the cheapest present route in comparing shipping costs between current transportation media and the proposed St. Lawrence route. Furthermore, the report did not employ accurate standards in constructing what the probable St. Lawrence seaway commercial rates would be. As a result, the differential between shipping costs over the St. Lawrence as against shipping costs over current lines is excessively estimated in the Interdepartmental survey.

When a study of these government findings shows the suggested transportation rate economies to be inaccurate, the estimates of volume of traffic over the projected seaway must likewise be revised. The figure for tonnage of cargoes which might move through the St. Lawrence is largely dependent upon the savings. This is true because of the principle that lower transportation costs would increase the market where the goods could be sold. Expressed another way, this principle simply means that when commodities can be more cheaply shipped, they can be carried farther without increasing the price to the consumer. Thus it is seen that the market is broadened, so more goods can be sold. The greater the saving, the greater the volume.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121331

The Niagara Frontier Planning Board, consequently, not only adjusted the item for savings, but also logically followed this by changing the item for tonnages in accordance with the new total for savings.

The Interdepartmental Report also shows aberrations in its use of current United States import and export figures for various commodities. Enquiry into other government statistics on this subject disclosed the Interdepartmental Report's failing. Certain revisions were necessary in this phase of the matter also.

In every instance of revision, though, the Niagara Frontier Planning Board strived to avoid changes which were not entirely within minimum demands.

The Interdepartmental Report set the probable seaway traffic volume at 11,496,000 tons annually and the savings at $78,893,130 annually. Actually, it was found that these aggregates should be 3,873,000 for estimated seaway tonnage and $8,822,000 for estimated savings in seaway transportation costs.

121332

PROBABLE LOSSES

Damage to Current Transportation Interests — Loss to American Owners of Ocean-going Vessels — Necessary Deductions — Indirect Losses — Loss to Coal Industry — Diversion of Canadian Grain — Annual Costs of Maintenance, Operation, Interest and Amortization — Comparison of Savings with Losses — Loss to United States Transportation Based on Tonnage and Routes Used in I. D. Report — Railroads — Inland Waterways — Combined Losses — Loss to American Ocean Shipping Based on I. D. Tonnage — Possible Savings Based on I. D. Tonnage and Routes — Present Rates — Possible Per Ton Savings — Savings Based on Studied Commodities — Effect on Coastwise Shipping — Summary.

Damage to Current Transportation Interests

THE possible savings in shipping costs, however, do not represent net savings because there would be an accompanying loss to existing American transportation systems now carrying this tonnage in the United States and from Atlantic Seaboard ports. In the various preceding paragraphs where particular commodities were studied in detail, rates were given for the movement of those commodities over the present and cheapest transportation routes. These rates and handling charges, multiplied by the estimated tonnages which might be shipped through the St. Lawrence seaway, will show the loss in gross earnings to currently established transportation systems in this country.

The following table lists the imports and exports studied, the loss per ton to United States transportation systems, the tonnage estimates as possibly available for St. Lawrence seaway movement and the total loss per item.

TABLE XL

Yearly Loss to Transportation on the Various Studied Commodities Based on Niagara Frontier Planning Board's Estimated Tonnages and Present Rates via Cheapest Routes

Imports	Per Ton Loss to Transportation	Probable Tonnage	Loss
Bananas		none	
Sugar, Chicago	$5.00	410,000	$ 2,050,000
Sugar, Minneapolis	5.20	406,000	2,111,000
Coffee	5.40	224,000	1,210,000
Kaolin	2.00	45,000	90,000
Rubber	5.60	100,000	560,000
Total Imports		1,185,000	$ 6,021,000
Average	$4.64		
Exports			
Grain, Duluth	$2.18	446,000	$ 972,000
Flour and Meal	5.20	81,000	421,000
Iron and Steel	3.25	635,000	2,064,000
Agricultural Implements	3.75	29,000	109,000
Autos and Parts	9.60	113,000	1,085,000
Packing House Products	4.00	63,000	252,000
Total Exports		1,367,000	$ 4,903,000
Average	$4.66		
GRAND TOTAL		2,552,000	$10,924,000

The above table shows that on a twelve-month basis, the total loss on studied imports amounts to $6,021,000 and the total loss on studied exports,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

$4,903,000, or a total of $10,924,000. Note that this includes only certain commodities as listed.

By applying the average loss of $4.64 per ton for imports and the average loss of $4.66 per ton for exports (as shown in the preceding table) to all other tonnage, estimates of the probable losses resulting from the movement of these commodities over the St. Lawrence seaway can be obtained. The following table shows these other losses together with those listed above.

TABLE XLI

Yearly Loss to Transportation on Studied and Unstudied Commodities Based on Niagara Frontier Planning Board's Estimated Tonnages and Present Rates via Cheapest Route

Imports	Average Per Ton Loss	Tonnage	Total Loss
Studied		1,185,000	$ 6,021,000
All Others	$4.64	2,435,000	11,298,000
Total Imports		3,620,000	$17,319,000
Exports			
Studied		1,367,000	$ 4,903,000
All Others	$4.66	1,690,000	7,875,000
Total Exports		3,057,000	$12,778,000
GRAND TOTAL		6,677,000	$30,097,000
After deducting 42% for Closed Season		3,873,000	$17,456,000

The above table demonstrates that the loss to United States transportation systems would amount to $17,319,000 on imports and $12,778,000 on exports, or a total of $30,097,000. These amounts are founded on a twelve-month movement of 6,677,000 tons. Corrected for the closed season on the St. Lawrence (42%), the loss to United States transportation systems would be 3,873,000 tons which is equivalent to $17,456,000 in revenue.

Loss to American Owners of Ocean-Going Vessels

Transportation systems currently established in the United States would not alone suffer from a diversion of traffic through a St. Lawrence seaway. There would also be losses for owners of American ocean-going vessels who now handle trade at American seaports but whose ships could not navigate the proposed seaway. The damage to them is determined by applying the existing ocean rate to the probable tonnage loss.

The following tables set up annual losses on studied and unstudied commodities in accordance with the plan of figuring used above for inland transportation.

It will be noted from the following tables that the average loss on the studied imports is equivalent to $5.64 per ton and on the exports $4.29 per ton. The total import losses, on all commodities, amounts to $19,063,000; on exports the loss is $12,013,000, or a combined loss of $31,076,000.

TABLE XLII

Yearly Loss to American Ocean Vessel Owners on Studied Commodities Based on Niagara Frontier Planning Board's Estimated Tonnage

Imports	Per Ton Loss	Probable Tonnages	Loss
Bananas			
Sugar, Chicago	$ 2.00	410,000	$ 820,000
Sugar, Minneapolis	2.00	406,000	812,000
Coffee	7 63	224,000	1,709,000
Kaolin	4.20	45,000	189,000
Rubber	18.00	100,000	1,800,000
Total		1,185,000	$ 5,330,000
Average	$5.64		
Exports			
Grain	$ 1.94	446,000	$ 865,000
Flour and Meal	3.40	81,000	275,000
Iron and Steel	4.00	635,000	2,540,000
Agricultural Implements	5.00	29,000	145,000
Autos and Parts	4.40	113,000	497,000
Packing House Products	7.00	63,000	441,000
Total		1,367,000	$ 4,763,000
Average	$ 4.29		
Grand Total		2,552,000	$10,093,000

TABLE XLIII

Yearly Loss to American Ocean Vessel Owners on Studied and Unstudied Commodities Based on Niagara Frontier Planning Board's Estimated Tonnages

Imports	Average Per Ton Loss	Tonnage	Loss
Studied		1,185,000	$ 5,330,000
All Others	$ 5.64	2,435,000	13,733,000
Total		3,620,000	$19,063,000
Exports			
Studied		1,367,000	$ 4,763,000
All Others	$ 4.29	1,690,000	7,250,000
Total		3,057,000	$12,013,000
Grand Total		6,677,000	$31,076,000

Deduction for Closed Season (42%) $18,024,000.
Loss to American Vessels (deduct 65%) $6,308,000.
Deduction for American Vessels which could use St. Lawrence (45%) $3,470,000.

Necessary Deductions: Certain deductions must be made from this combined loss of $31,076,000 because it is predicated on a twelve-month basis. Furthermore, this figure assumes that all the seaway tonnage diverted from

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Atlantic ports would have been carried in American-owned sea-going ships if the seaway didn't exist, while as a matter of fact some of it would have been sent from Atlantic ports on foreign vessels anyway. The $31,076,000 sum also assumes that absolutely none of these American-owned ocean ships could use the deepened waterway. In adjusting this total, then, a deduction of 42%, as has been derived previously in this Niagara Frontier Planning Board Report, must be made for the closed season. This drops the amount to $18,024,000. Investigations of the 1937 Report of the Department of Commerce (entitled "Foreign Commerce and Navigation of the United States", p. 757) indicates that only about 35% of the tonnage exported and imported at North Atlantic ports was carried in American-owned vessels. A further deduction of 65% must be made to account for this. The total figure thereby becomes $6,308,000.

A further deduction is necessary to allow for United States ocean vessels, trading at North Atlantic ports, which could use the St. Lawrence seaway. It has been shown previously in this report that 62% of the tonnage of all American-owned vessels operating out of North Atlantic ports could not use the St. Lawrence. This would lead to the conclusion that a deduction of 38% would have to be made, because this percentage represents ships which could use the seaway and cargoes therefore might not be diverted from them.

However, these percentages cannot be accepted on their face value because they refer only to ships having speeds of twelve knots or over. Most of the American ocean-going ships are in this category, but in order to allow for vessels under this speed capacity which might use the St. Lawrence, the 38% figure is adjusted to 45% and a deduction is made accordingly.

This percentage puts the net loss to American ocean vessels at $3,470,000. Added to the loss of the United States inland transportation systems, it makes a total damage of $20,926,000 as against a possible saving of $8,822,000. The net direct loss to present American transportation systems, therefore, is $12,104,000. To this net direct loss must be added others which are subsequently described.

Indirect Losses

Loss to Coal Industry: The Dominion of Canada is the largest customer for American coal. Approximately 17,000,000 tons annually (some 14,000,000 tons of bituminous coal and 3,000,000 tons of anthracite) are shipped to Canada from Pennsylvania, Ohio, Virginia, West Virginia, and Kentucky. Of this, approximately 7,000,000 tons are shipped in Great Lakes vessels to Canadian ports.

If the St. Lawrence seaway were constructed, shippers from Europe would send great quantities of coal into the Great Lakes area and thereby cut into the Canadian coal market now served by American producers. This would be

a natural procedure because the vessel-owners must carry cargoes in the westward movement across the Atlantic to exchange for United States and Canadian exports. The figures show that Canada and the United States would export some 6,446,000 tons of grain (on a 12-months basis) each year down the St. Lawrence. Virtually all of this would go to Europe. Consequently, grain vessel-owners would find that they must ship an equivalent amount of commodities over to the Great Lakes from abroad.

Europe's natural resources would make coal the logical product to be sent over here as ballast cargo. Furthermore, coal can easily be carried in grain ships. Thus it is inevitable that coal would account for almost all of the cargoes shipped into the Great Lakes in exchange for grain. Canada would be the natural market for most of this coal, so the effect would be the dumping of European coal in Canada as a means of meeting United States as well as Canadian exports. Adjusted to the open navigation season by the reduction of 42%, European imports in exchange for grain must approximate 3,700,000 tons. This would result in an annual loss of some $13,000,000 to the United States coal mines and coal transportation interests.

Diversion of Canadian Grain: Great quantities of Canadian export grain now move through the United States. If the St. Lawrence seaway became a reality, this grain would largely move through that waterway. The following table shows the export of Canadian grain through the United States north Atlantic ports from 1924 to 1931 inclusive. For the period of 1932 to 1937, the amounts are not shown because during that time there was a six-cent preferential on Canadian grain shipped to the United Kingdom through Canadian ports. As a result, Canadian grain did not move through the United States to any great extent. In 1938, the preferential was removed and Canadian grain once again was transported through the United States in large quantities. However, the amounts were not readily available and therefore were not included in the table.

TABLE XLIV

Canadian Grain Exported through North Atlantic United States Ports.

	BUSHELS						
Year	Portland	Boston	New York	Phila.	Baltimore	Hampton Roads	Total
1924	8,344,000	3,511,000	67,575,000	20,824,000	13,213,000	2,986,000	116,453,000
1925	7,065,000	6,166,000	91,657,000	23,528,000	12,273,000	330,000	141,019,000
1926	8,244,000	4,919,000	79,159,000	16,966,000	13,551,000	670,000	123,509,000
1927	4,979,000	2,235,000	81,447,000	13,046,000	12,278,000	779,000	114,764,000
1928	2,005,000	4,413,000	66,292,000	8,037,000	14,910,000	210,000	95,867,000
1929	2,815,000	5,337,000	71,388,000	11,669,000	20,631,000	1,020,000	112,860,000
1930	961,000	777,000	49,663,000	2,719,000	4,083,000		58,203,000
1931	1,170,000	3,567,000	60,249,000	4,809,000	6,997,000	337,000	77,129,000
						Total	839,804,000

Average for eight years—104,976,000 bushels = 3,150,000 tons

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The rate from the head of the Great Lakes to New York City, including elevating, is 6.53c. per bushel, or $2.18 per ton. Thus, the total loss on a twelve-month basis would be $6,867,000 and corrected for the closed season of navigation $3,983,000. In event Canadian grain moved through the proposed seaway, there would be an additional loss to United States ocean shipping interests equivalent to $6,111,000, based on the rate of 5.81c. per bushel, or $1.94 per ton, from New York to London. This amount, when reduced by 42% (for closed navigation season), 65% and then by 45% (see page 77) to determine the net loss, is $682,000. Added to the $3,983,000, it makes a total of $4,665,000 in revenue which now goes to United States interests from Canadian grain movements but which would not be realized in the future.

Of course, not all Canadian grain movements follow the all-water route to New York City for export. They go to Portland, Boston, Philadelphia and other north Atlantic ports by rail as well as by water to New York City. However, these alternate routes are more costly ones to follow, therefore, the selection of the Buffalo-New York route in determining losses to established transportation routes gives a minimum figure.

Annual Costs of Maintenance, Operation, Interest and Amortization

In the section entitled "Total Cost of Development United States and Canada, Including Interest During The Amortization Period, Maintenance and Operation," it was shown that the total United States cost would be $623,221,000. By dividing this amount by fifty years, we reach the annual cost of $12,464,000.

The table below sets up the annual losses described in the preceding paragraphs based upon the Niagara Frontier Planning Board's estimate of tonnage moved over the St. Lawrence seaway.

TABLE XLV

Summary of Losses Based on Niagara Frontier Planning Board's Estimate of Use of the St. Lawrence Seaway

Annual Costs	
Interest, Amortization, Operation and Maintenance, $\frac{\$623,221,000}{50} =$	$12,464,000
Loss to United States Inland Transportation System	17,456,000
Loss to United States Ocean Carriers	3,470,000
Loss from Diverting Canadian Grain from United States Routes and Ocean Ships	4,665,000
Loss to United States Coal Industry resulting from Foreign Competition	13,000,000
Total	$51,055,000
Less Possible Savings	8,822,000
Annual Net Loss	$42,233,000

It will be noted that the total annual loss to the United States transportation and affiliated industries amounts to $51,055,000 against a possible saving of $8,822,000 resulting in a net yearly loss of over forty-two million dollars.

Comparison of Savings with Losses: The net loss of more than $42,000,000, of course, is a loss to interests in the United States. Further explanation of this finding is necessary, however, to show the justification for the comparison of these losses with the savings which would accrue because of the difference in transportation rates between the St. Lawrence route and present routes.

If the new water-borne commerce, which it is assumed will be created in the St. Lawrence River, were to go to American vessel-owners, it would not be a proper procedure to ignore that new commerce in arriving at a net loss figure. In other words, the diversion of business from present transportation lines to the St. Lawrence would simply result in a transfer of earning power from one American medium to another American medium. But the fact is that the vessel owners who presumably would gain from trade through the St. Lawrence (i.e., vessel owners who would obtain additional revenue which now goes to railroads and inland water carriers in this country) are not domestic operators. They are foreigners.

It has already been shown that ships of United States registry which could use the proposed Seaway comprise only 5% of the world's merchant vessel tonnage. In arriving at a figure for the net loss to United States enterprises, it would appear to be proper to make a deduction as an allowance for this new business which would be enjoyed by American ship owners. The final result, though, would find this deduction absorbed in another way. This is so because it cannot be assumed that all of the savings in transportation costs (i.e., the differential between rates over the proposed seaway and rates over currently existing lines of commerce) would accrue to the buyer and seller in the United States. Much of the differential would go to foreign consumers and sellers.

It has already been pointed out in this report that virtually all of the differential in grain shipments would redound to the purchaser in Europe. A similar result is found in regard to other products, although not to so great an extreme. Despite this fact, the Niagara Frontier Planning Board has included these full amounts in its estimates of savings to American interests, so whatever new business would be found on the St. Lawrence by American vessel operators is accounted for through these excessive savings figures.

The question may be raised: "Why wouldn't American shipowners build more smaller draft carriers so that they could get a larger share of this new St. Lawrence business?" The answer is that the standards of American ship construction and ship operation are so high that the American vessel-owner couldn't profitably build and run craft of the type necessary to compete with the foreign tramps. Only 30% of the vessels handling the import and export business of the United States today are American owned. Most of these are

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

too large to use the proposed seaway, but the 30% figure is impressive because it demonstrates how generally unprofitable it is for American craft to compete with foreign craft. The situation is especially acute with regard to small tramp steamers, the sort of vessels which would ply the St. Lawrence.

Loss to United States Transportation Systems on Tonnages and Routes Used in I. D. Report

Because the I. D. report's estimates on the volume of traffic likely to use the proposed St. Lawrence seaway are considerably higher than those of the Niagara Frontier Planning Board, the losses which present transportation systems in this country would suffer because of diversion of shipping from their lines through the St. Lawrence are proportionately higher when based on I. D. figures. The greater the diversion of traffic through the St. Lawrence, the greater the damage to existing commercial routes.

Herewith presented is data showing what the losses would be if the I. D. estimates became realized. As previously stated, these I. D. tonnage figures are too high, but it is deemed advisable, in the interest of completeness, to demonstrate what those figures would mean to established transportation interests in the United States.

TABLE XLVI

Loss to Rails on Studied and Unstudied Commodities Based on Tonnages and Routes Used in I. D. Report and Present Rates

STUDIED

Imports	Rate Per Ton	Tonnage Lost	Loss
Bananas	$17.40	740,000	$12,876,000
Sugar, Chicago (water loss)	—	—	—
Sugar, Minneapolis (water loss)	—	—	—
Coffee (water loss)	—	—	—
Kaolin ($6.80–$4.80)	2.00	140,000	280,000
Rubber ($8.60–$3.00)	5.60	400,000	2,240.000
Total Imports		1,280,000	$15,396,000
Average	$8.33		
% of total imports studied, moved by rail	1,280,000 / 2,815,000	× 100 =	45.5%
Exports			
Grain—Duluth (water loss)	—	—	—
Flour and Meal ($7.60–$2.60)	$5.00	859,000	$4,295,000
Iron and Steel	7.48	635,000	4,750,000
Agricultural Implements	9.00	198,000	1,782,000
Autos & Parts	9.60	566,000	5,434,000
Packing House Products	9.40	140,000	1,316,000
Total Exports		2,398,000	$17,577,000
Average	$8.10		
GRAND TOTAL		3,678,000	$32,973,000
% of total exports studied, moved via rail	2,398,000 / 5,016,000	× 100 =	47.8%

Railroads: The preceding table lists the commodities studied, the present rail rates for the routes used in the I. D. report, tonnages which would be lost to the railroads and the total loss in revenue. Tables were prepared in the same manner as described previously.

TABLE XLVII

STUDIED AND UNSTUDIED

Average

Imports	Rate Per Ton	Tonnage Lost	Loss
Studied	—	1,280,000	$15,396,000
All others (5,798,000 x 45.5%)	$8.33	2,638,000	21,975,000
Total Imports		3,918,000	$37,371,000
Exports			
Studied	—	2,398,000	$17,577,000
All Others (6,191,200 x 47.8%)	$8.10	2,959,000	23,968,000
Total Exports		5,357,000	41,545,000
GRAND TOTAL		9,275,000	$78,916,000
After deducting 42% for closed season		5,380,000	$45,772,000

The above tables show that, on a twelve months basis, the railroads would lose 9,275,000 tons to the St. Lawrence seaway if the I. D. forecasts should become manifest. This is equivalent to $78,916,000 which, when corrected for the closed season on the St. Lawrence, is equal to an annual loss of $45,772,000.

Inland Waterways: The following tables indicate the damage to existing United States inland waterways based upon the tonnages and routes represented in the I. D. Report. The rates used in these tables are the present rates in effect.

TABLE XLVIII

Loss to Water on Studied Commodities Based on Tonnages Used in I. D. Report and Present Rates

STUDIED

Imports	Rate Per Ton	Tonnage Lost	Loss
Bananas (rail loss)	—	—	—
Sugar, Chicago	*$8.50	630,000	$5,355,000
Sugar, Minneapolis	*11.30	625,000	7,062,000
Coffee	6.90	280,000	1,932,000
Clay (rail losses)	—	—	—
Rubber (rail losses)	—	—	—
Total Imports		1,535,000	$14,349,000
Average	$8.90		
% of total imports studied moved by water	1,535,000 / 2,815,000	× 100 =	54.5%

* Includes Handling Charges

Continued on next page.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121341

TABLE XLVIII—Continued

Exports	Rate Per Ton	Tonnage Lost	Loss
Grain, Duluth	$2.18	2,618,000	$5,707,000
Flour and Meal (rail loss)	—	—	—
Iron and Steel (rail loss)	—	—	—
Agricultural Implements (rail loss)	—	—	—
Autos and Parts (rail loss)	—	—	—
Packing House Products (rail loss)	—	—	—
Total Exports		2,618,000	$5,707,000
Average	$2.18		
% of total exports studied moved by water	2,618,000 / 5,016,000	· 100 =	52.2%
GRAND TOTAL		4,153,000	$20,056,000

TABLE XLIX

STUDIED AND UNSTUDIED

Imports	Average Rate Per Ton	Tonnage Lost	Loss
Studied	—	1,535,000	$14,349,000
All Others (5,798,000 x 54.5%)	$8.90	3,160,000	28,124,000
Total Imports		4,695,000	$42,473,000
Exports			
Studied		2,618,000	5,707,000
All Others (6,191,200 x 52.2%)	$2.18	3,232,000	$ 7,045,000
Total Exports		5,850,000	$12,752,000
GRAND TOTAL		10,545,000	$55,225,000
After Deducting 42% for closed season		6,116,000	$32,030,000

The above tables show that should tonnage be diverted from United States inland waterways to the St. Lawrence seaway, in amounts indicated in the I. D. report, a loss of 10,545,000 tons (based on a twelve-month period) would accrue annually. This is equivalent to $55,225,000. Corrected for the closed season, the diverted tonnage would amount to 6,116,000 tons representing an annual loss of $32,030,000 to present inland waterways.

Combined Losses

Based on a twelve months period, the combined rail and inland waterway loss would be equivalent to 19,820,000 tons and $134,141,000 revenue. Corrected for the closed season, the loss in tonnage is equal to 11,489,000; the loss in revenue is equal to $77,802,000 annually.

Loss to American Ocean Shipping Based on I. D. Tonnages

The loss to American owners of ocean ships, predicated on the I. D. report's estimates of tonnage, would be greater than the losses previously

121342

derived from the Niagara Frontier Planning Board's tonnage estimate. The following tables set up the losses on studied and unstudied commodities, based on the I. D. report's tonnage, and shows the annual loss to United States ocean shipping interests based on the same system of computation described in the paragraph entitled, "Loss to American Ocean Shipping Based on Niagara Frontier Planning Board's Tonnage Estimates."

TABLE L

Yearly Loss to American Vessel-Owners on Studied Commodities Based on Estimated Tonnages in I. D. Report

Imports	Per Ton Loss	Tonnages	Loss
Bananas	—	740,000	—
Sugar, Chicago	$2.00	630,000	$1,260,000
Sugar, Minneapolis	2.00	625,000	1,250,000
Coffee	7.63	280,000	2,136,000
Kaolin	4.20	140,000	588,000
Rubber	18.00	400,00	7,200,000
Total		2,815,000	$12,434,000
Average	$5.64		
Exports			
Grain	$1.94	2,618,000	$5,079,000
Flour & Meal	3.40	859,000	2,921,000
Iron and Steel	4.00	635,000	2,540,000
Agricultural Implements	5.00	198,000	990,000
Autos and Parts	4.40	566,000	2,490,000
Packing House Products	7.00	140,000	980,000
Total		5,016,000	$15,000,000
Average	$4.29		

TABLE LI

Yearly Loss to American Vessel-Owners on Studied and Unstudied Commodities Based on Estimated Tonnages in I. D. Report

Imports	Average Per Ton Loss	Tonnage	Loss
Studied	—	2,815,000	$12,434,000
All Others	$5.64	5,798,500	32,704,000
Total		8,613,500	$45,138,000
Exports			
Studied	—	5,016,000	$15,000,000
All Others	$4.29	6,191,200	26,560,000
Total	11,207,200		$41,560,000
GRAND TOTAL		19,820,700	$86,698,000

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121343

It is seen that the annual damage to American ocean vessel operators, predicated on a twelve-month basis, is equivalent to $86,698,000. After deducting 42% for the closed season, 65% to correct for tonnage now carried from north American ports in foreign vessels and 45% to adjust the figure in order to make allowances for American vessels which might use the St. Lawrence seaway, this figure is reduced to an annual loss of $9,680,000.

Loss to United States Coal Industries Based on I. D. Tonnage

The loss to United States coal industries would be more when based on the I. D. tonnage estimates than when based on the Niagara Frontier Planning Board's tonnage estimates. The reason for this is that there would be a greater amount of backhaul available for coal because of the larger volume in grain export as estimated by the I. D. report.

According to the I. D. findings, the total grain exports from the United States would amount to 2,618,000 tons. When the Canadian grain exports are added to this, the total becomes 8,618,000 tons. Allowing for the closed navigation season, the figure of approximately 5,000,000 tons in export of grain from the United States and Canada is obtained. This total, of course, is based partially on the I. D. report. It has already been pointed out that most of this grain will bring a return in ballast coal shipments from Europe (see page 78). The loss to American coal interests at $3.50 per ton would approximate $17,500,000 if the I. D. report's estimates on United States grain export were reflected in coal imports from Europe.

Possible Savings Based on I. D. Tonnage and Routes Using Present Rates

Before a net loss to American transportation systems and affiliated industries can be determined on the I. D. report's estimated tonnage movements, it is necessary to make an estimate of probable savings of a St. Lawrence seaway route over current routes. It should be understood that these are not the savings which the Niagara Frontier Planning Board believes will occur (see pages 49 and 82) but are savings based on totals given in the I. D. report. It has already been shown that the Government economists did not base their savings figures on the cheapest existing routes.

Possible Per Ton Savings: In determining the savings, a table showing the route, present cost, constructed rates via the St. Lawrence seaway and indicated savings was prepared for both studied imports and exports. The constructed rates by way of the St. Lawrence seaway are those heretofore derived in discussions pertaining to the particular commodity studied (see pages 52 to 71). The following table shows these various rates and indicated savings:

121344

TABLE LII

Commodity	Route: Origin	Route: Ocean Port	Route: Destination	Present Cost Per Ton: Vessel	Present Cost Per Ton: Inland Water	Present Cost Per Ton: Rail	Present Cost Per Ton: Total	Constructed Rate via St. Lawrence	Indicated Savings Per Ton
IMPORTS — Via I. D. Routes and Present Rate									
Bananas	Belize, Central America	N. Orleans	Chicago	$4.55	-	$17.40	$21.95	$24.10	none
Sugar, Chicago	Havana, Cuba	"	"	0.99	$8.50*	-	9.49	6.24	$3.25
Sugar, Minn.	"	"	Minneapolis	0.99	11.30*	-	12.29	9.40	2.89
Coffee	Rio de Janeiro	"	Chicago	7.63	6.90*	-	14.53	9.86	4.67
Rubber	Straits Settlements	New York	Akron	18.00	-	8.60	26.60	21.75	4.85
Kaolin	Liverpool	Phila.	Cincinnati	4.20	-	6.80	11.00	9.28	1.72
Average per ton									$2.90
EXPORTS									
Grain	Duluth	Montreal	Liverpool	2.07	2.01	-	4.08*	3.05	1.03
Flour & Meal	Minn.	New York	"	3.40	-	7.60	11.00	6.99	4.01
Iron & Steel	Chicago	" "	Rio de Janeiro	4.50	-	7.48	11.98	5.63	6.35
Agric. Impl.	"	" "	Liverpool	5.00	-	9.00	14.00	6.42	7.58
Autos & Parts	Detroit	" "	"	4.40	-	9.60	14.00	4.88	9.12
Pack. Hse. Prod.	Chicago	" "	"	7.00	-	9.40	16.40	9.15	7.25
Average per ton									$5.89

*Includes handling

TABLE LIII

Savings Based on Studied Tonnages and Routes Used in I. D. Report and on Present Constructed Rates

STUDIED COMMODITIES	Savings Per Ton	Tonnage	Total Savings
Imports			
Bananas	no saving	740,000	—
Sugar, Chicago	$3.25	630,000	$2,048,000
Sugar, Minneapolis	2.89	625,000	1,806,000
Coffee	4.67	280,000	1,308,000
Kaolin	1.72	140,000	241,000
Rubber	4.85	400,000	1,940,000
Total Imports		2,815,000	$7,343,000
Average	$2.90		
Exports			
Grain, Duluth	$1.03	2,618,000	$2,697,000
Flour & Meal	4.01	859,000	3,445,000
Iron & Steel	6.35	635,000	4,032,000
Agricultural Implements	7.58	198,000	1,501,000
Autos and Parts	9.12	566,000	5,162,000
Packing House Products	7.25	140,000	1,015,000
Total Exports		5,016,000	$17,852,000
Average	$5.89		

The above table demonstrates that the average saving per ton of imports is $2.90 and the average saving for exports is $5.89. By applying those average savings to the unstudied commodities, the estimated savings for those commodities were determined. These, along with the studied tonnage savings, are shown in the following table.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121345

Savings Based on Studied Commodities

The preceding table lists the studied imports and exports; the savings per ton via the proposed St. Lawrence seaway, based upon I. D. shipping routes and actual rates along those routes; the tonnage and the total savings.

TABLE LIV

Savings Based on Studied and Unstudied Tonnages and Routes Used in I. D. Report and Present Rates

	Average Per Ton Saving	Tonnage	Saving
Imports			
Studied	—	2,815,000	$7,343,000
All Others	$2.90	5,798,500	16,816,000
Total Imports		8,613,500	$24,159,000
Exports			
Studied	—	5,016,000	$17,852,000
All Others	$5.89	6,191,000	36,465,000
Total Exports		11,207,200	$54,317,000
GRAND TOTAL		19,820,700	78,476,000
Corrected for closed season		11,496,000	$45,516,000

Thus we find that the total savings on imports is $24,159,000; the total on exports $54,317,000 or a total on imports and exports of $78,476,000. These savings, however, are predicated on a 12-month basis and therefore must be corrected for the closed season of navigation, equivalent to a reduction of 42%. When this factor is taken into consideration, the net savings will amount to $45,516,000.

TABLE LV

Summary of Losses Based on I. D. Report's Estimated Use of the St. Lawrence Seaway

The table below sets up the annual losses based upon the I. D. report's estimate of tonnage:

Annual costs, interest & maintenance (derived previously in this report)	$12,464,000
Loss to the United States Inland Transportation Systems (derivation based on I. D. tonnages)	77,802,000
Loss to United States Ocean Carriers (see discussion based on I. D. tonnages)	9,680,000
Loss through Diversion of Canadian Grain from United States routes and Ocean Carriers (see discussion, "Loss to United States Transportation Systems Through Diversion of Canadian Grain")	4,665,000
Loss to United States Coal Industry Resulting from Foreign Competition (see discussion, "Loss to United States Coal Industries Based on I. D. Tonnage")	17,500,000
Total	$122,111,000
Less probable savings	45,516,000
Annual Net Loss	$ 76,595,000

121346

Effect on Coastwise Shipping

The theory has been advanced that very noticeable savings will be brought about in coastwise shipping. This statement is inaccurate. Studies of several commodities could be discussed; however, in this instance one will suffice.

Before considering the comparison in actual rates, it is interesting to note the following facts in regard to typical ocean-going steamers vs. inland motor ships:

> A typical steamer will carry 215% (approximately 2 1-7 times) the tonnage of a motor ship, but the typical vessel costs 350% (approximately 3 1-2 times) as much as a motor ship, and costs 150% (1 1-2 times) more to operate. The trip from Chicago to New York, via the St. Lawrence, would take approximately 71% more time than via existing routes.

While these facts were not used directly in deriving the rates below, they are the fundamental reason why the St. Lawrence seaway route would be of little value in coastwise or intercoastal shipping.

The following table will establish the economic unsoundness of coastwise trade using the St. Lawrence over present existing routes.

TABLE LVI

Canned Goods

Present ocean rate: New York City to San Francisco ..... $11.60 per ton
Time—New York City to San Francisco via Panama Canal ..... 526 hours

$$\text{Rate per ton-hour} = \frac{11.60}{526} = \$0.0221$$

Time—Chicago to New York City via St. Lawrence seaway ..... 218 hours
281 hours x $0.0221 per ton-hour = $6.21 per ton

Via the St. Lawrence

Chicago to New York via St. Lawrence	$6.21	per ton
New York to San Francisco (above)	11.60	" "
Total—Chicago to San Francisco	$17.81	" "

Via Present Routes

Chicago to New York via present routes (motorship)	$5.00	per ton
New York to San Francisco (above)	11.60	" "
Total—Chicago to San Francisco	$16.60	" "

From this, it can be seen that the present Chicago-San Francisco route is $1.21 per ton cheaper than over the St. Lawrence.

Similar inquiries into many other commodities which might be transported to coast ports have brought the conclusion that it is more economical to send most cargoes for such destinations on New York State Barge Canal motorships rather than through the proposed St. Lawrence seaway. A few commodities, such as California lumber which is too bulky to be handled efficiently in motorships, indicate a saving. However, the importance of such tonnage is negligible.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121347

Shipping Distances

The accompanying map, illustrating distances over present routes and over the proposed seaway, demonstrates why the St. Lawrence would not be a profitable medium for United States coastwise or inter-coastal trade. A shipper who wishes to send goods from the Great Lakes region to the coast (or vice-versa) can do so more cheaply by using such a route as the New York State Barge Canal, because the line of commerce through the St. Lawrence River is too long if the destination lies in the United States.

Let it be assumed, for instance, that a shipment is to move by water from San Francisco to Chicago. If the cargo goes to New York City and is then transferred to motor ship for the balance of the voyage through the Barge Canal and the Great Lakes, the distance would be 7399 miles. But if the ship proceeds up to the Gulf of St. Lawrence and then through the Seaway to Chicago, the distance would be 8650 miles. This difference of 1251 miles is sufficiently great to make the former trip, even although it involves a transfer charge, the more economical.

A similar situation may apply to the use of other inland water routes, like the Mississippi Valley and connecting waterways, rather than of the St. Lawrence. The geographical relationship between the proposed seaway and United States ports gives present established transportation lines the advantage.

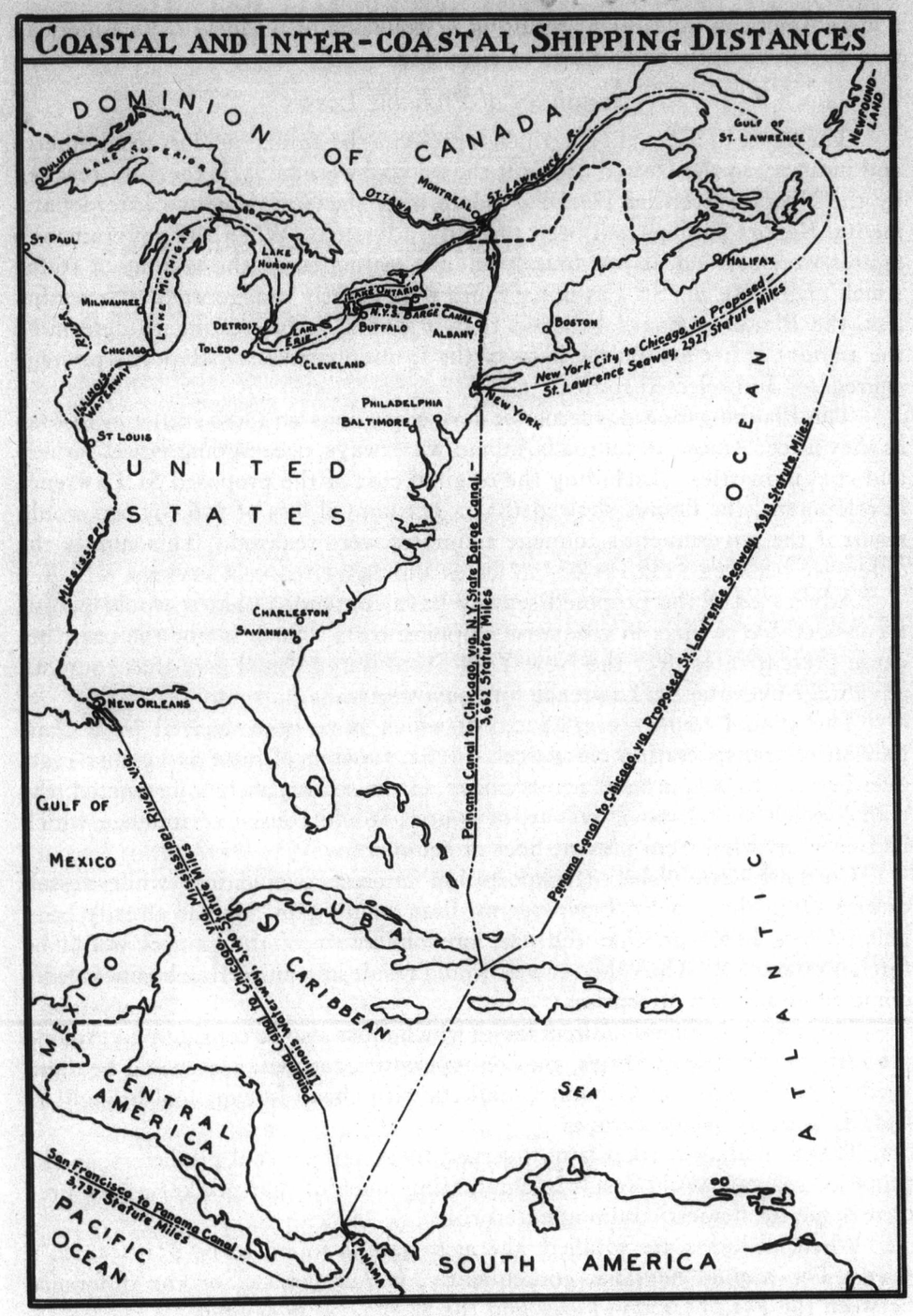
American Vessels Could not Participate in Direct Canadian Grain Export

Canadian grain in export to the United Kingdom would comprise the vast preponderance of tonnage moving over the seaway. American interests would lose the business of handling that grain through American ports and transportation systems. This loss would not be compensated, however, by entrance of American ships into the carrying of Canadian grain to the United Kingdom, for British shipping rules prevent foreign vessels from such activity. Great Britain does not permit ships of United States registry to clear with cargoes from one British port directly to another British port. This is a universal shipping practice designed to protect each country's own merchant marine.

Thus it would not be possible for American vessels to carry Canadian grain from a Dominion port at the head of the Great Lakes to England. But British vessels, on the other hand, could handle American grain from Duluth or Chicago to the United Kingdom. Coupled with the lower operation costs of British merchant ships, which result from different labor standards, this would give the foreign vessel-owners a great advantage over Americans who wished to use the St. Lawrence.

The effect would be to defeat the efforts of the United States government in building up the American merchant marine. The seaway would represent

121348



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121349

a huge American investment resulting in diversion of business from American transportation systems to those of alien flags.

Summary of Probable Losses

The figure of $42,233,000, which represents the annual net loss to commerce and industry in the United States if the seaway were built, is the sum reached by the Niagara Frontier Planning Board after the Government's Interdepartmental Report findings had been properly adjusted. When the government's figures were studied, it was found that the estimates on the volume of traffic which might use the St. Lawrence route were greatly exaggerated. Nevertheless, the Planning Board believed that it would be interesting to determine the amount of net loss on the basis of the Interdepartmental Report's tonnage aggregates and selected routes.

The Planning Board, therefore, derived savings and loss statistics insofar as they affect American railroads, inland waterways, ocean-going vessel-owners and coal industries. Including the original cost of the proposed St. Lawrence development, the figures showed that a net annual loss of $76,595,000 would result if the government's tonnage estimates were realized. This sum is the difference between $122,111,000 in losses and $45,516,000 in savings.

Advocates of the proposed seaway have contended that it would permit a considerable savings in coastwise shipping costs. Such is not the case, because present rates over the New York State Barge Canal give that route an advantage over the St. Lawrence for coastwise trade.

The annual savings of $8,822,000, which have been derived by a comparison of transportation costs over the St. Lawrence route as against costs over present routes, are not net savings. If the seaway were constructed, the traffic which would move over it, of course, would consist of tonnage which had been diverted from present lines of commerce.

Currently established transportation interests would lose while vessel-owners using the new St. Lawrence medium would gain. It has already been pointed out, however, that the vast preponderance of the gainers would be foreign operators. Thus the seaway would result in transferring business from domestic to foreign enterprises.

There are additional indirect losses which must also be considered. Among interests in the United States, the coal operators, for instance, would be damaged by the flooding of Canadian markets with cheap foreign coal brought in from Europe as ballast cargoes.

This Canadian market is now served by American coal producers, so the proposed seaway would result in eliminating much of that market as a source of revenue for domestic mining enterprises.

When all losses are totalled, the aggregate is found to be $51,055,000 a year. The annual net loss, consequently, is $42,233,000, or the difference between the $51,055,000 in losses and the $8,822,000 in savings.

121350

THE INCIDENTAL POWER PROJECT

St. Lawrence Power – Resume of the Project – Estimates of Cost – Head Available for Power – Flow of River – Classes of Power – Horsepower Available – Cost per Horsepower – Electrical Energy – Load Factor – Effect of Load Factor on St. Lawrence Power – Wholesale Cost of St. Lawrence Power – Combined Generation and Transmission Costs – Cost per Kilowatt Hour, Steam Plant – Cost of Steam Generation, Central New York – Cost of Steam Generation, Buffalo – Cost of Steam Generation, New York City – Value of St. Lawrence Power in New York City – Value of St. Lawrence Power in Buffalo Area – Value of Power Upstate – Niagara Falls Power – Niagara Falls and the River – Existing Niagara Falls Power Facilities – Present Power Diversions – Proposed Works – Special International Niagara Board – Its Recommendations – Diversion Effects on Upper and Lower Rapids – Potential Horsepower – Cost of Preservation Works – Possible Development of Power – Power Authority of the State of New York – Power Development in Niagara River – Coordinating System – Estimated Cost – Estimated Power Demand – Savings Claimed by Power Authority and Danger of Over-Development – Progressive Power Development Independent of Seaway – American Subsidy of Canadian Power – Present Power Resources in Eastern Canada – Summary.

St. Lawrence Power

IT is believed the foregoing sections of this report have conclusively proved that the St. Lawrence seaway canalization plan (as distinguished from the hydro-electric power portion of the plan) would create a disastrous economic hazard for existing transportation facilities in the United States.

The next point of consideration, in analyzing the St. Lawrence Seaway and Power Project as a whole, is the proposal to generate hydro-electric energy in the International Rapids Section, with possible further power development at Niagara Falls. Advocates of the St. Lawrence Seaway and New York State Power Project have contended that vast benefits of cheaper electricity would accrue to the State of New York. If it were impossible to construct the power works without the navigation works, and if the probable power benefits, to the State of New York, outweighed the inevitable seaway detriments to the State of New York and the rest of the United States, then there might be some justification for the combined seaway and power project as now envisioned by its proponents.

The Niagara Frontier Planning Board has analyzed the proposed power plans to ascertain whether these conditions, which might justify the entire scheme, have any foundation in fact.

Since it would be necessary to construct damsin the St. Lawrence River, if navigable depths were to be obtained, it has been contended that it would be possible to utilize the drop between water surfaces for the production of electrical energy. Therefore, the proponents of the seaway argue that approval of such a project not only would create an outlet to the sea for Great Lakes commerce, but would also make available considerable quantities of hydro-electric power for New York State.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121351

It must be emphasized that the Niagara Frontier Planning Board is not opposed to advantageous development of any existing natural power resources for the State of New York. The Board does contend, nevertheless, that in order to be economically sound, such development should proceed in step with, rather than far in advance of, growing demand in the State; further, that when the same results can be obtained by one of two plans which materially differ in cost, then the cheaper program should be adopted.

Resume of the Project: As has been brought out under the heading, "International Rapids Section," the proposed power development would consist of a dam at Barnhart Island with separate American and Canadian power houses. Each power house would have 22 main units, and every unit would be capable of developing from 45,000 horsepower, under a winter head of 75 feet, to 54,400 horsepower, under a summer head of 85 feet. The head in the St. Lawrence River available for power develolpment is not constant because the level of Lake Ontario changes and because winter ice in the St. Lawrence resists the flow of water. On account of this resistance, a greater difference in elevation of water surfaces would be required above the dam to enable the river to discharge its flow. The same condition applies below the dam. At that point, the water level rises in order to force the flow under the ice sheets to Montreal and downstream. Therefore the combination of lower pond level above the dam and higher tailwater below the dam reduces the head in winter by some 10 feet.

Estimates of Cost: This report has previously presented estimates of cost of various works contemplated in the St. Lawrence River and interconnecting channels. The costs for power development in the International Rapids Section are given in detail in a section entitled, "Costs of International Rapids Section Segregated into Works Common to Navigation and Power, Works Primarily for Power, and Works Primarily for Navigation." These costs are recapitulated in the following table:

TABLE LVII

Description	United States	Canada	Total
Works Common to Navigation & Power	$89,424,000	$18,000,000	$107,424,000
Works Primarily for Power	74,120,000	32,140,000	106,260,000
Works Primarily for Navigation	22,159,000		22,159,000
Total	185,703,000	50,140,000	235,843,000
Contingencies (12½%)	23,213,000	6,267,000	29,480,000
	208,916,000	56,407,000	265,323,000
Interest during Construction (12% = $\frac{8}{2}$ x 3%)	25,070,000	6,769,000	31,839,000
Total Cost	233,986,000	63,176,000	297,162,000
Less Amount to be Paid by New York State Power Authority (see following)	90,000,000		
Federal Cost	$143,986,000		

121352

The St. Lawrence Power Development Commission (created in 1930, by an act of the New York State Legislature) studied and reported on the possibilities of St. Lawrence power generation and distribution in the State of New York. The plan of development in the International Rapids Section proposed by the Commission was similar to the Joint Board of Engineers plan in that they recommended a single stage development with a power dam located in the vicinity of Barnhart Island.

If the above table is analyzed for "Works Common to Navigation and Power," together with "Works Primarily for Power," then a comparison can be made between the cost of power development under the plan proposed by the International Joint Board of Engineers and under that of the St. Lawrence Power Development Commission of the State of New York.

The following table establishes the costs of works necessary for power development alone.

TABLE LVIII

Description	United States	Canada	Total
Works Common to Navigation and Power	$89,424,000	$18,000,000	$107,424,000
Works Primarily for Power	74,120,000	32,140,000	106,260,000
Total	$163,544,000	$50,140,000	$213,684,000
Contingencies (12½%)	20,443,000	6,267,000	26,710,000
	$183,987,000	$56,407,000	$240,394,000
Interest during Construction (12% = $\frac{8}{2}$ yrs. x3%)	22,078,000	6,769,000	28,847,000
Total Cost	$206,065,000	$63,176,000	$269,241,000
Less Amount to be Paid by New York State Power Authority	90,000,000		
Federal Cost	$116,065,000		

From the above it is evident that, should the Joint Board of Engineers plan be adopted, then the costs to the United States (including the New York State Power Authority contribution) would exceed three times the cost to Canada for an equal amount of power.

It is an interesting corollary that the St. Lawrence Power Development Commission had advanced a plan whereby the same amount of power could be developed at an estimated cost of $180,000,000 with provisions for future incorporation of the seaway features. If the costs of such development were prorated on the basis of power return, then eastern Canada and the State of New York would each pay $90,000,000, or an amount equivalent to that which is contemplated as the New York State Power Authority's share.

The Power Authority of the State of New York and the United States Engineers, subsequent to signing the treaty of 1932, reached an agreement as

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121353

to the amount that the Power Authority should pay to the Federal Government in order to acquire, for the state of New York, the United States share of the International Rapids Section power rights. The amount determined was $89,726,000. For ease in determining various costs in this report, this figure has been rounded to $90,000,000. This agreement was predicated on the two stage development under consideration at that time, and presumably, this figure is subject to revision, should a single stage plan be adopted. It is not likely, however, that the figure would differ materially from $90,000,000, which represents one-half of the cost of developing the International Rapids Section for power in accordance with the plan proposed by New York State's own Power Development Commission. The original agreement called for payment by the Power Authority of:

1. $23,500,000 as its share of works common to navigation and power.
2. $29,295,500 for power house substructures, power channels, etc.
3. $36,930,500 for power house superstructures, installation of equipment etc.

Head Available for Power: The normal elevation of the proposed pond level during ice-free months would vary between 240 and 244 feet, depending on the level of Lake Ontario, and the elevation of the water in the river below the dam would be about 157. Consequently, it can be seen that the difference in elevation (or head) which might be utilized at this time for power development would be approximately 85 feet. Under winter operating conditions this head would be reduced some 10 feet because of the steeper slope in the fore-bay (estimated at 6 feet) as well as the higher elevation of the tail water (estimated at 4 feet). See "Resume of the Project" on page 94.

Flow of River: The present minimum flow of the river is 170,000 cubic feet of water per second. Under a proposed regulation of flow, the St. Lawrence Power Development Commission estimates that the minimum would be 200,000 cubic feet per second, and the average over 220,000 cubic feet per second.

Classes of Power: There are two classes of power normally considered in projects of this type, namely, "primary" and "secondary." Primary power, also referred to as "firm" power, is that power which can be relied upon at any hour, any time of the year. Secondary power is that power which is available only at certain times or under certain specific conditions such as in times of high water. This latter class is also spoken of as "irregular" power.

Horsepower Available: The St. Lawrence Power Development Commission of the State of New York reported on a single stage development operating under a head averaging 85 feet and giving 2,200,000 maximum horsepower (approximately the identical operating conditions and developed horsepower as recommended by the Joint Board of Engineers). The Commission states

121354

that, with the present minimum flow of 170,000 cfs, 1,250,000 primary horsepower could be generated. This Commission also reported that with regulated flow, the primary horsepower would be equivalent to 1,440,000, and that normal secondary power would vary between 600,000 and 700,000 horsepower. It was further estimated that the average developed over a year would approximate 1,900,000 horsepower.

As a result, it can be seen that the frequently quoted 2,200,000 horsepower does not represent energy available for use at all times. The energy which could be relied upon from the St. Lawrence development, unless additional steam plants were constructed as an adjunct to the hydro-electric plant to take up the slack, would be only 1,440,000 horsepower. According to the terms of the treaty, any power available would be divided equally between Canada and the United States.

Cost per Horsepower: In determining the cost per horsepower, the $90,000,000 item based on the agreement between the Power Authority and the United States Engineers has been used. It is very probable, however, that should the project proceed, the costs would exceed this figure because of contingencies and of the fact that costs of generating equipment have increased considerably since 1926 when the original estimates were made. Neglecting these factors, however, and using the agreed figure, one finds that the cost per average horsepower is $94.74 and per firm horsepower $125.00.

Electrical Energy: Inasmuch as electrical energy is marketed in kilowatt-hours rather than in horsepower, the following table, based on horsepower available, has been prepared to show horsepower, equivalent kilowatts and kilowatt-hours.

TABLE LIX

Output of International Rapids Section

Items	Total Horsepower	N. Y. State Horsepower	N. Y. State Kilowatts	N. Y. State Kilowatt-hours per year
Maximum capacity	2,200,000	1,100,000	820,000	
Average capacity	1,900,000	950,000	710,000	6,250,000,000
Firm capacity	1,440,000	720,000	540,000	4,750,000,000
Surplus or irregular power (difference)				1,500,000,000

New York's share of surplus or "irregular" power would therefore be 1,500,000,000 KWH

Load Factor: Before proceeding further with an analysis as to projected savings of St. Lawrence power over other sources, it is necessary to have an understanding of the effects of varying loads ("load factor").

If all power which could be generated at all times in a plant could be sold, then an ideal condition would exist. In practice this condition can never be obtained as it would require the consumer to vary his demand in accordance

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

with possible power production. What actually happens is that the consumers vary their demand to fit their needs and this constant variation has to be met through amount of power generated.

As an illustration: a single domestic user often requires momentarily, or for short periods, ten times more power than his average demand. If a group of domestic consumers is considered (rather than one individual consumer) it is found that such a group will, at times, require a little more than three times their average demand. Experience shows that normally each individual peak does not tend to occur at the exact moment of other individual peaks, and hence the demand curve is somewhat "smoothed out." Diversified factories and industries have a demand somewhat over twice their average consumption.

If the average power used by a consumer (or a group of consumers), taken over a period of time, is divided by the greatest power consumption at any one interval during that period, a factor is then obtained which is commonly called "load factor".

Effect of Load Factor on St. Lawrence Power: When a hydro-electric plant is unable to store, for future use, waters not needed for power generation, great losses are occasioned by low load factors. This is the case with the proposed St. Lawrence development. During periods of low demand for power, water which is not needed for power generation must be wasted in order to maintain navigation. The result is a waste of possible power, and naturally this waste results in a greater cost, per unit, of the power actually developed. Although St. Lawrence power would, of course, not be used for domestic service alone, for purposes of discussion this assumption will be made in order to create an example and thus clarify the theory of wastage. As previously cited, aggregate domestic consumption has a load factor of approximately 30%. The St. Lawrence development would, as a whole, have an average capacity of 12½ billion KWH per year, i.e. twice the average New York share (Table LIX). The greatest number of domestic consumers that it can serve, however, would be that number whose maximum demand, at any one time, would be 9½ billion KWH. (twice the firm New York share, Table LIX). A greater demand could not be served during periods of low river flow, and hence, inasmuch as the system must be ready to serve at any hour of the day, 365 days of the year, the 9½ billion becomes the greatest safe load which can be figured for the system. Applying the 30% load factor, in accordance with the principle outlined under "Load Factor," it can readily be seen that the total yearly sales would be only 30% of 9,500,000,000, or 2,850,000,000 KWH. The cost of generating power for domestic users only would therefore be out of the question economically, because the cost of generating these 2,850,000,000 kilowatt hours would be practically the same as the cost of generating the potential 12,500, 000,000 kilowatt hours.

Wholesale Cost of St. Lawrence Power

Before the wholesale cost of power can be determined, the annual cost of operating the St. Lawrence development must be approximated. The St. Lawrence Power Development Commission, in its report, estimated that interest on the investment would amount to 4½%. This amount is believed to be low because bonds which would be sold by the Power Authority of the State of New York, to cover construction costs, would be backed neither by the credit of the State of New York nor by the real property involved; the bonds would be merely revenue bonds backed only by the contracts with private utilities for purchase of the proposed power. However, the figure was adhered to in determining the wholesale cost of power. An additional 1.87% was included for amortization and renewal.

If tax free public power is to be distributed statewide as proposed, then a fair cost can only be determined by taking into consideration the tax item. If this factor is ignored, a false picture is presented, inasmuch as any savings, appearing on the power bill because of tax exemption, would later appear in a like amount as additional levies on the tax bill. Taking a hypothetical example, let us assume that a city is now served by a public utilities company, which through its real property and franchise taxes contributes to the running expenses of the metropolis. These running expenses are the same irrespective of the source from which the revenue is obtained, and it is easily seen that if revenue from the public utilities company is foregone, then it is necessary to make up the difference by increased levies on all other real estate. While it may be argued that in a publicly-owned utility the strictly "profit item," as such, is eliminated, nevertheless interest and retirement of bonds or other fixed obligations (essentially the "profit" on a privately-owned utility) must still be provided for. What is cited in this example as applying to a city, applies with equal strength to the larger "municipality" of the State. If the use of St. Lawrence power is segregated to certain definite areas, rather than to the State at large, then the whole situation obviously becomes more unfair.

In determining the wholesale cost of power, an equivalent tax item of 1½% per cent has therefore been includeed. Thus, a fixed annual cost of 7.87% has been evolved. This, applied to the $90,000,000 estimated cost, equals $7,083,000. To the fixed cost must be added the expense of operation, estimated at $660,000, making a total annual cost of $7,743,000. This establishes the total annual cost as 1.63 mills per firm KWH, or 1.24 mills per average KWH, at the generating plant on a 100% load factor.

It was pointed out previously that approximately 1,500,000,000 KWH of surplus, irregular power would be capable of development at the International Rapids Section. Inasmuch as this power is unreliable, unless firmed up by additional steam plants, it must be dumped on the market for whatever price can be obtained at the time this surplus power is available. It is estimated

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

that this irregular power would not bring more than three-quarters of a mill per KWH. (See page 80 of the St. Lawrence Power Development Commission Report). The 1,500,000,000 irregular KWH must be reduced by at least 10%, which is the average estimated transmission loss. The output of surplus power would then amount to approximately 1,350,000,000 KWH. At three quarters of a mill, this is equivalent to an annual income of $1,012,000. This amount, deducted from the estimated annual fixed charges and operating expenses of $7,743,000, leaves $6,731,000 as the revenue which must be obtained from the sale of firm horsepower. Inasmuch as the firm horsepower is equivalent, after deduction of transmission losses, to 4,275,000,000 KWH, the cost per KWH would be 1.57 mills. This cost is based upon a 100% load factor. As pointed out in the paragraph entitled, "Effect of Load Factor," the cost per KWH would be increased as the load factor decreases. For instance, the cost over KWH at a 50% load factor would be twice the cost at 100% load factor.

Combined Generation and Transmission Costs

It has been stated by proponents of the St. Lawrence Power Project that energy could be transmitted to New York City with great savings resulting for consumers in that area. To date, the longest distance that power has been transmitted is from Boulder Dam to Los Angeles, some 280 miles. From the St. Lawrence generating stations to New York City would be approximately 330 miles. It is not held that, simply because power has not been heretofore transmitted at such a distance, this cannot be done. However, the volume of power proposed to be furnished New York City is so great that economic requirements might demand higher transmission voltages than thus far have been attempted in actual practice. Further, no method of construction has yet been devised that would guarantee freedom from mechanical troubles or from disruptions due to natural causes. Of the complex commercial and industrial life of a municipality like New York, dependable electric power is the very life-blood. If power should fail, even for a few minutes, an intensely serious situation would ensue. It must be remembered that it requires only a momentary failure of basic power supply to result in a much more lengthy disruption of service.

The use of electricity enters many fields. While the Niagara Frontier Planning Board does not wish to pose as an alarmist, it feels that cognizance should be taken of the resultant condition if drinking water pumps were stopped, sewage lift stations and treatment works put out of operation, elevators in skyscrapers made useless, the great merchandise marts made dark, and ventilation equipment in buildings, subways and vehicular tunnels rendered ineffective. In view of all this, it is doubtful whether there is a market for a large block of power in New York City which would be subject to such possible

TABLE LX

Cost of Transmission to Various Representative Areas in New York State

Place	No. of Circuits	No. of Circuit Miles	Total Cost based on $28,000 per Circuit Mile(1)	Fixed Charges & Operation & Taxes 9%(2)	Kilowatts	Kilowatt Hours in Millions	Cost per Kilowatt hr. delivered at 100% Load Factor (In Mills)
Buffalo	4	1000	$28,000,000	$2,520,000	240,000	2,102	1.20
Rochester	4	800	22,400,000	2,016,000	240,000	2,102	0.96
Syracuse	4	600	16,800,000	1,512,000	240,000	2,102	0.72
Albany or Binghamton	3	600	16,800,000	1,512,000	160,000	1,402	1.08
Elmsford	7	2275	63,700,000	5,733,000	480,000	4,205	1.36
New York City (1 mill additional to Elmsford cost) (1)							2.36

(1) See Appendix B, page 101 of St. Lawrence Power Development Commission report.

(2) Interest.....4.5%
Amortization ..1.0%
Renewal.....1.5%
Operation... .0.5%
Taxes 1.5%
9.0%

TABLE LXI

Cost of Generation and Transmission to Various Representative Areas of New York State at Different Load Factors in Mills per Kilowatt-hour

Load Factor	.30	.40	.50	.60	.70	.80	1.00
Buffalo							
Generation	5.23	3.92	3.14	2.62	2.24	1.96	1.57
Transmission	4.00	3.00	2.40	2.00	1.71	1.50	1.20
Total	9.23	6.92	5.54	4.62	3.95	3.46	2.77
Rochester							
Generation	5.23	3.92	3.14	2.62	2.24	1.96	1.57
Transmission	3.20	2.40	1.92	1.60	1.37	1.20	0.96
Total	8.43	6.32	5.06	4.22	3.61	3.16	2.53
Syracuse							
Generation	5.23	3.92	3.14	2.62	2.24	1.96	1.57
Transmission	2.40	1.80	1.44	1.20	1.03	0.90	0.72
Total	7.63	5.72	4.58	3.82	3.27	2.86	2.29
Albany or Binghamton							
Generation	5.23	3.92	3.14	2.62	2.24	1.96	1.57
Transmission	3.60	2.70	2.16	1.80	1.54	1.35	1.08
Total	8.83	6.62	5.30	4.42	3.78	3.31	2.65
New York City							
Generation	5.23	3.92	3.14	2.62	2.24	1.96	1.57
Transmission	7.87	5.90	4.72	3.93	3.37	2.95	2.36
Total	13.10	9.82	7.86	6.55	5.61	4.91	3.93

The figures derived in the above table are for delivery to the transformer station or substation, and do not include distribution costs or cost of substation. The amounts of power to be delivered to the various points have been kept in agreement with figures established in the St. Lawrence Power Development Commission's Report. (Appendix B., pg. 101).

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

interruptions. It is not practical, at the present time, to transmit St. Lawrence power to New York City, or to consider New York City as being part of the St. Lawrence market.

Notwithstanding this conclusion, however, an anaylsis has been made of the probable cost of St. Lawrence power delivered in New York City, along with other important upstate consuming centers. The St. Lawrence Power Development Commission made a study of transmission costs to Buffalo, Rochester, Syracuse, Binghamton, Albany and New York City. (See pages 101 and 102, St. Lawrence Power Development Commission report). The transmission costs for various load factors illustrated in table LXI are those developed by the Commission on an interest rate of 4½%, to which an allowance of 1½% for taxes is added (as previously discussed). By adding the generation and transmission costs for the various load factors, the cost per KWH delivered at various points can be estimated.

The statistics derived in table LXI are for delivery to the transformer station or substation and do not include distribution costs or cost of substation. The amounts of power to be delivered to the various points have been kept in agreement with figures established in the St. Lawrence Power Development Commission's report. (Appendix B., p. 101).

Cost per Kilowatt Hour, Steam Plant

If St. Lawrence power is compared with new steam stations having equivalent output, it is necessary, in determining the cost per kilowatt-hour from such steam stations, to allow for total installed capacities greater than the proposed St. Lawrence output.

This is because of the fact that at more or less regular intervals, certain steam units are shut down for routine inspection and maintenance. During such maintenance periods it would still be necessary to have in operation a total of units equivalent in capacity to the hydro-electric output, a condition necessitating that the station equipment be capable of carrying the load, even with some units out of operation.

In comparing costs of equivalent steam generation as they would actually exist, however, this extra allowance of capacity need not be made, because there are now steam plants scattered throughout the system which could be used to supply power during the regular maintenance periods of new stations, either steam or hydro-electric. These standby plants do not have the high efficiency rating of modern plants, and consequently their use as standby capacity units is the most practical purpose to which they can be put. In fact, many of these plants are used at the present time for this very purpose. These standby units are as essential to hydro-electric as they are to modern steam generation. In comparing costs of St. Lawrence power vs. modern steam generation, the same load factor can therefore be used in either instance.

While it is probable that the cost per kilowatt-hour would vary somewhat according to locality because of the price of coal and certain other factors, nevertheless it is felt that only three main state subdivisions need be considered to give a general comparison, namely, New York City, Central New York and Buffalo.

Cost of Steam Generation, Central New York: The most important variable entering into the cost of steam generation is the fuel cost. At the present time steam coal of a satisfactory grade costs approximately $5.00 per ton in New York City, an average of $4.00 per ton in Central New York State and $3.50 per ton at Buffalo.

In determining the probable cost per kilowatt-hour in Central New York, an investigation was made of the estimated power production costs at the steam plant now being constructed at Oswego, New York. This plant is being designed for 5 units, each having a capacity of 80,000 kilowatt gross, or 75,000 kilowatts in sendout after allowances for station services and auxiliaries are made. Two units are now under construction. It is estimated that the cost of power from these two units will vary from 4.0 mills at 80% capacity factor, to 7.5 mills at 30% capacity factor, and that upon completion of the fifth unit, the cost per KWH for 80% capacity factor will be 3.8 mills and at 30% capacity factor, 7.0 mills. These data, together with generating costs at other stations, are shown in the following table.

TABLE LXII

Estimated Cost of Steam Generated Electric Power Delivered To Bus — Mills Per Kilowatt-hour

	Oswego—5 Units Ultimate Capacity %			Buffalo	New York
Capacity Factor %	At Completion of First Unit*	At Completion of Second Unit*	At Completion of Fifth Unit	Huntley No. 2 2 Units	See Discussion Following
30	8.8	7.5	7.0	6.0	8.3
40	7.2	6.1	5.7	4.9	6.8
50	6.1	5.2	4.9	4.3	5.9
60	5.3	4.7	4.5	3.9	5.3
70	4.9	4.3	4.0	3.6	4.8
80	4.6	4.0	3.8	3.4	4.5

*Now under construction

In order to select a fair figure for steam generation in central New York, the cost per kilowatt-hour shown in the preceding table under "Completion of Second Unit" has been used. These costs are approximately 5% higher than they will be upon completion of the fifth unit.

Cost of Steam Generation, Buffalo Area: As a yardstick in determining probable costs of future steam generation in the Buffalo area, the costs of electric power delivered to the bus bar at the Huntley No. 2 Plant have been used. This plant has 2 units, each with a capacity of 75,000 kilowatts, net sendout.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121361

The cost per kilowatt-hour at 80% capacity factor is 3.4 mills, while at 30% capacity factor it is 6.0 mills.

Cost of Steam Generation, New York City: On page 109 of the St. Lawrence Power Development Commission report, curves are shown which are based upon a cost of $5.00 per ton for coal having a heating value of 13,800 BTUs per pound. The curve referred to estimates the cost per kilowatt-hour at 80% capacity factor as 4.5 mills, and at 30% capacity factor, 8.3 mills. This along with other estimated costs are shown in table LXII.

Value of St. Lawrence Power in New York City: It will be noted in Table LXI that the cost per kilowatt-hour of St. Lawrence power, delivered in New York City, varies from 13.1 mills at 30% load factor to 4.91 mills at an 80% load factor. Table LXII shows that equivalent steam generation could produce power in New York City for 8.3 mills per kilowatt-hour at a 30% load factor and for 4.5 mills at an 80% load factor. This further substantiates the statements made previously in this report that St. Lawrence power cannot be economically transmitted directly to New York City because steam generation would be cheaper.

Value of St. Lawrence Power in Buffalo Area: Table LXI shows that at 80% load factor, St. Lawrence power could be delivered directly to Buffalo for 3.46 mills while Table LXII shows that steam stations in Buffalo could generate power at the same capacity factor for 3.4 mills. At a 30% load factor, St. Lawrence power could be delivered for 9.23 mills while modern steam plants under the same conditions could generate power at 6.0 mills per kilowatt-hour. Similarly, steam plants located in the Buffalo area would be able to generate power at intermediate capacity factors cheaper than could St. Lawrence power be delivered in that area. Therefore, St. Lawrence power cannot compete against coal in Buffalo.

Value of St. Lawrence Power Upstate: Inasmuch as it has been shown that it would not be profitable, or practical, to transmit St. Lawrence power to New York City, or Buffalo, it would be necessary to dispose of the entire output in central upstate New York. This area may be roughly defined as extending from Rochester on the west to Albany on the east. It is, however, doubtful that this area alone would be able to assimilate such a great block of power for many years to come. That being the case, in order to dispose of the proposed output, the market would have to be extended to include the Buffalo area. As established above, any marketing of St. Lawrence power in Buffalo would be accomplished under a handicap. Since local power is cheaper, St. Lawrence rates would have to be reduced to an equal or even competitive level. In order to offset this reduction, and still maintain the total gross revenue, it would be necessary to sell St. Lawrence power in other areas at rates higher than would otherwise be necessary. Even then it is doubtful that the market could assimilate the St. Lawrence output for quite some time. This, of course,

121362

would of its own weight result in an increase of St. Lawrence rates and a consequent reduction in any savings brought about by the St. Lawrence development. The only other alternative, during the period required for the upstate New York market to assimilate this block of St. Lawrence power, would be the curtailing of output of existing privately owned hydro and steam plants. In that event, the losses which would be suffered would also reduce the effectiveness of any savings resulting from the St. Lawrence development, because the power curtailment in the private stations would result in an increase in the cost of producing private power necessary for supplying peak demands. It can be seen that under either alternative the savings to be effected through use of St. Lawrence power are subject to some reduction.

Assuming, however, that the market could immediately absorb the St. Lawrence power without the displacement of private plant production, the savings as compared with equivalent steam generation would not be as great as has been generally believed. In arriving at this conclusion, it has been assumed that 1,167,000,000 firm kilowatt-hours would be sold in each of the Buffalo, Rochester and Syracuse areas, and that 774,000,000 kilowatt-hours would be sold in the Albany area. It has been demonstrated previously that the cost of St. Lawrence power delivered at 80% load factor to these consuming areas would vary from 2.86 to 3.46 mills per kilowatt-hour. It has also been shown that equivalent steam generation would cost from 3.4 to 4.5 mills per kilowatt-hour. In the following tables, the consuming area, kilowatt-hours, cost per kilowatt-hour and total costs are shown for both St. Lawrence and equivalent steam power.

TABLE LXIII

Cost of St. Lawrence Power at Substation

	Kilowatt-hours in millions	Cost per KWH in mills at 80% Load Factor	Cost in Dollars
Buffalo	1,167	3.46	$4,037,820
Rochester	1,167	3.16	3,687,720
Syracuse	1,167	2.86	3,337,620
Albany	774	3.31	2,561,940
Total	4,275*		$13,625,100

(*St. Lawrence firm output, less 10% average transmission losses)

In comparing Table LXIII, above, with Table LX, Page 101, it will be noted that the transmission lines are designed for larger KW delivery than is anticipated for the average in each of the communities considered. This is done in order to provide flexibility in operation and to create the ability of the transmission lines to carry larger amounts of power, should the demand require it. The carrying capacity for firm power alone would have to be 166,000 KW. This figure is reached by dividing the 1,460,000,000 KWH at 100% load factor

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121363

by 8,760 (the number of hours in a year). During certain periods there will be available 280,000 KW of secondary or irregular power (820,000-540,000 KW, Table LIX), and if Buffalo can absorb one-quarter of this amount, the lines should be capable of delivering it. By adding the firm power capacity (166,000 KW) to one-fourth the secondary (70,000 KW) a total carrying capacity of 236,000 KW is reached. This closely approximates the design capacity shown in Table LX.

TABLE LXIV

Cost of Steam Generation per Kilowatt-hour at Bus Bar

	Kilowatt-hours in millions	Cost per KWH in mills at 80% Load Factor	Cost in Dollars
Buffalo	1,167	3.4	$3,968,000
Rochester	1,167	4.0	4,668,000
Syracuse	1,167	4.0	4,668,000
Albany	774	4.5*	3,483,000
Total	4,275		$16,787,000

(*Same as New York City as coal prices are approximately the same)

Saving in St. Lawrence Power delivered Upstate:

Steam Cost	$16,787,000
St. Lawrence	13,625,000
	$ 3,162,000

Niagara Falls Power

The preceding analysis as to power benefits was based on St. Lawrence power alone. The proposed treaty provides, in Article IX, that the governments, after adoption of final plans for the project in the International Rapids Section, shall make arrangements for works in the Niagara River.

Niagara Falls and the River: The Niagara River carries the vast flow of the Great Lakes system from Lake Erie to Lake Ontario. It flows over and through the Niagara escarpment which separates the two lakes. The river leaves Lake Erie at Buffalo and runs for some 36 miles in a generally northerly direction. During the first four miles, the flow is quite swift, then the river widens out and runs more slowly for 18 miles to the head of the Niagara Falls rapids. The rapids, approximately one mile in length, have a drop of some 50 feet.

The flow through the rapids is divided by Goat Island into two separate watercourses. The westerly flow discharges over the Canadian or Horseshoe Falls into the head of the Maid-of-the-Mist Pool 160 feet below. The easterly flow discharges over the American Falls and enters the lower river at the side of the Maid-of-the-Mist Pool. The river then continues its northerly flow through the Niagara Gorge which has a drop of approximately 96 feet in the 6 miles to Queenston, Ontario. The river, in this section, runs between vertical

121364

cliffs from 200 to 300 feet in height. After leaving Queenston, the river becomes wider, flowing at a moderate rate for 7 miles to its junction with Lake Ontario at Niagara-on-the-Lake.

The majestic, awe-inspiring beauty of Niagara Falls has drawn millions of visitors from all over the world. Its continuation as one of the world's natural wonders is of paramount importance to both the United States and Canada. During recent years, the spectacle has been somewhat impaired through hydro-electric power diversions and the rapid rate of erosion concentrating in the center part of the Horseshoe Falls.

On the Canadian side there are two secondary natural channels which converge their flow at the center part of the Horseshoe Falls, with a resulting concentration of water at that point. Such concentration produces an abnormal amount of erosion in this section to make what is known locally as a "notch". It reduces the amount of water clothing the two flanks of the Horseshoe Falls and also, to a great extent, lessens the scenic effectiveness of the curtain of water flowing over the American Falls.

Existing Niagara Falls Power Facilities: The first successful power development at Niagara Falls on the United States side was initiated in 1877 by the Niagara Falls Hydraulic Power and Manufacturing Company. From that time on, there have been many different developments carried on with varying success. During recent years, in the interest of efficiency, power rights have gradually been obtained by the Niagara Falls Power Company, which, at the present time, has the following installations:

TABLE LXV

Existing Plants at Niagara Falls

United States Side Station	Head	Flow	Rated H. P.	Actual H. P. at Full Gate
Schoellkopf	217	24,000	452,000	499,000
Adams	135	8,800	105,000	107,000
Total		32,800	557,000	606,000

Power development on the Canadian side began in 1893 with an installation of 2000 horsepower for the International Railway Company. This station is now inoperative. Since then, developments on the Canadian side have expanded rapidly. Most of the stations are now controlled by the Ontario Hydro-Electric Power Commission. However, there is one station owned by American interests, namely the Rankine Station. The capacities of installations on the Canadian side are shown in the following table:

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121365

TABLE LXVI

Canadian Side Station	Head	Flow	Rated H. P.	Actual H. P. at Full Gate
Rankine	127	10,420	121,000	103,000
Toronto	135	16,400	157,000	148,000
Queenston	305	16,000	565,000	490,000
Ontario	180	10,800	205,000	174,000
Total		53,620	1,048,000	915,000

The Rankine Station is owned by the Canadian Niagara Power Company, a subsidiary of the Niagara Falls Power Company. It is licensed to develop 100,000 horsepower, requiring 10,200 cfs. The Canadian Niagara Power Company has a contract with the Buffalo Niagara Electric Corporation for the delivery of 50,000 horsepower to that company.

Present Power Diversions: In 1909, the boundary waters treaty between Canada and the United States established the amount of diversion which could be withdrawn on either side at Niagara Falls for power purposes. Thirty-six thousand second feet was established as the diversion on the Canadian side, and 20,000 second feet on the United States side. Inasmuch as half of the output in the Rankine Station American-owned is exported to the United States and approximately 5,100 cubic feet per second is required to develop this power, the present diversions in effect are 30,900 second feet to Canada and 25,100 second feet to the United States and American subsidiary companies. In addition to the power exported to the United States from the Rankine station, there are additional quantities of power sold to United States companies by the Ontario Hydro-Electric Power Commission, a public agency.

Proposed Works

As noted above, the proposed St. Lawrence Treaty provides that certain works shall be undertaken in the Niagara River to insure unbroken crest lines on both the American and Canadian Falls as well as to permit safe and practical diversions of water for power purposes.

Special International Niagara Board: The International Niagara Board of Control, as differentiated from the Special International Niagara Board, was established in 1923, under instructions of the two governments, to supervise and control diversions of water permitted in the boundary waters treaty of 1909. The Board, in connection with this administrative responsibility, reviewed numerous earlier investigations looking to the preservation of the Falls. It was agreed by the members of this Board that its personnel should be increased from two to four and established as a Special International Niagara Board for the purpose of accomplishing these investigations. This work was aggressively carried on through 1927 and toward the end of that year had advanced sufficiently to permit the Board to reach certain conclusions. Accordingly, on December 14 of that year, an interim report was submitted to the Governments recommending the early construction of initial works which it deemed highly desirable.

121366

Recommendations: Briefly, the Board recommended that submerged weirs be constructed above the Falls to impede the flow which concentrates at the center of the cataract. The water now discharging over the center part of the Horseshoe Falls often exceeds 10 feet in depth, whereas only 6 feet is necessary to preserve the scenic effect. The proposed obstruction would not be noticeable from the surface of the water but would divert more flow to the flanks of the Horseshoe Falls and to the American Falls. Also recommended were light excavations to be made on either side of the Horseshoe Falls to assist the submerged weirs in distributing the flow more evenly. By so doing the flow now concentrated in the center part of the Falls would be greatly reduced with consequent lessening in the rate of erosion. This plan would also, because of more practical use of the water, provide for further power development.

Of late years the actual flow over the Falls, as given by the Special International Niagara Board, has varied from approximately 90,000 to 160,000 cubic feet per second.

In the report of the Special International Niagara Board it was stated that this extra water for power use would undoubtedly be equivalent to 20,000 cubic feet per second. However, the Board did recommend that no permanent treaty permitting additional withdrawal be consummated until after the 20,000 second feet had been diverted and the effects on scenic beauty determined. If no detrimental effects were noted, permanent withdrawal might be then allowed or, if there were some detrimental effects, the permanent withdrawal might be adjusted to an amount which would not injure the scenic spectacle.

Diversion Effects on Upper and Lower Rapids: Another consideration is the problem of ice troubles in the upper and lower rapids. The Board concluded that a flow of at least 50,000 cubic feet per second in the upper rapids would be necessary to flush ice over the falls. It then estimated that an additional diversion of 20,000 second feet could be permitted without reducing the flow in the rapids below the amount necessary for this purpose.

In reporting on the effects of diversion around the lower rapids, the Board concluded that it was not possible to pre-determine any definite amounts of flow which would obviate the possibility of ice trouble. This conclusion was based upon the fact that even without any diversion around the lower rapids, ice jams have occurred. The Board pointed out, however, that a diversion of 40,000 second feet would not aggravate this condition to any alarming extent because it would only increase the duration of the normal period of low flows by 2%. The Board did report, however, that a flow of 60,000 feet would present an entirely different picture, since in that case the duration of the low flow period would be increased by 25%.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Potential Horsepower: According to the proposed treaty of 1938, an additional diversion of 5,000 second feet would be allowed both countries following construction of preservation works. If the total head available, that is 215 feet at the Falls and some 100 feet through the lower rapids, were utilized, one cubic foot of water would be equivalent to approximately 31 potential horsepower. If the head available at the Falls were utilized alone, one cubic foot would be equivalent to approximately 21 horsepower. In other words, 5,000 second feet, if developed under the full head, would represent 155,000 horsepower and under the head at Niagara Falls only, would represent 105,000 horsepower. Should the amount of diversion later be raised to 10,000 second feet on each side in accordance with the possibilities determined by the Special International Niagara Board, the total potential horsepower available on either side, of course, would be doubled.

Cost of Preservation Works: The Special International Niagara Board, in making their study of the Niagara Falls problem, made extensive estimates of cost of the project. They concluded the work could be completed for the sum of $1,750,000. During previous deliberations $750,000 was considered as the Canadian contribution and $1,000,000 as the United States' share.

Possible Development of Power: It can be seen from the preceeding discussion that there are several possibilities of utilizing the potential diversion for power purposes. Power could be generated by utilizing only the Niagara Falls head, or in plants making use of the full head of 315 feet or in a combination of plants developing first the 215 feet at the Falls but supplemented by another plant below the lower rapids using the head available in that section of the river. Inasmuch as diversion around the lower rapids presents some undesirable features because of possible ice hazards, it appears that the two-stage development would be more practical. In that instance, if difficulties arose because of too great diversion around the lower rapids, the lower plant could be wholly or partially shut down, thereby increasing the flow through the lower rapids (without reducing the normal output at the Falls plant). While no definite plan has yet been advanced for the actual mechanics of developing the so-called second step, nevertheless the basic principle is established. Water must be taken from the head of the lower rapids and conveyed either in open channels, having only a sufficient drop to cause the water to flow, or in large pipes or tunnels under pressure. Due to the fact that the river, for a distance of some 6 miles, flows between vertical cliffs, either scheme would be costly. Previous investigations disclose that it would not be economical to develop this head unless a flow of 10,000 cfs can be depended upon nearly all of the time.

The Special International Niagara Board did not formulate a definite plan with estimates of cost in connection with power to be developed at Niagara Falls. Therefore, it is impossible to evaluate Niagara Falls power, on the basis

of their recommended diversions, and compare it with the cost of equivalent steam generation in the Buffalo area.

Power Authority of the State of New York

The Power Authority of the State of New York was created by an act of the State Legislature in 1931 and was authorized to develop St. Lawrence power in conjunction with the federal government, should the St. Lawrence project become an actuality. It was also authorized to make studies in connection with the coordination of that energy and other hydro-electric and steam-generated power throughout the state. However, it was not empowered to proceed with the construction of the Niagara Falls project or any other works outside the St. Lawrence area.

The Power Authority, in its annual report of 1938, recommended a coordinated system of St. Lawrence and Niagara Falls power, together with additional steam plants, transmission lines and increased capacity distribution systems. These will be briefly discussed in the following paragraphs.

The Power Authority plan for the development of Niagara Falls is considerably more extensive than the one proposed by the Special International Niagara Board. It is proposed by that agency to construct a series of gates across the Niagara River in the vicinity of Buffalo for the purpose of regulating Niagara River flows. The report suggest that, through the operation of these gates, it would be possible to reduce the flow over the falls at night and thereby store water in Lake Erie for daytime use. It is claimed that by this system of river control, the surplus water stored in Lake Erie could be used to increase power production. The Power Authority contends that by so doing an additional 6,800 second feet might be withdrawn for the United States and 6,500 second feet for Canada (from the storage of night flows) for 100% of the time, and still leave 50,000 cubic feet per second for scenic and ice sluicing purposes and 66,000 cubic feet per second for power purposes. It will be noted that in this conclusion the 6,800 and 6,500 cfs are over and above the 10,000 proposed in the tentative treaty submitted by our government to Canada in 1938.

The Power Authority plan contemplates that the additional diversion of 6,800 and 6,500 cfs, respectively, would be utilized in what is termed a stage one power development. On completion of a second stage development, it is proposed that the storage of water would be limited to the hours of darkness throughout the tourist season. The proposed use of the water was suggested as follows:

1. Minimum diversion during tourist season, 90,000 cfs, of which half would be for the United States.
2. During daylight hours of the tourist season the entire river flow over and above 100,000 cfs would be utilized.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121369

3. During darkness hours of the tourist season the water representing the difference between 100,000 cfs (daylight flow) and 50,000 cfs (night flow) would be stored in Lake Erie for winter use, except such amounts as might be necessary to maintain diversion.
4. The Schoellkopf Power Station on the United States side would be shut down during the tourist season insofar as any stated flow is concerned, operating only to utilize any excess water when the natural flow of the river should leave more than 50,000 cfs available for power after deduction of 100,000 cfs for scenic purposes.
5. During winter months, when stored water is proposed to supplement natural flows, the Schoellkopf station would operate with the use of 15,000 cfs. The remaining water for power purposes (up to 50,000 cfs) would be utilized through the full head station. Should any additional water be available for power up to the capacity of 24,000 cfs, it would be utilized in the Schoellkopf plant.

All of these diversions are predicated on a tourist season flow of 100,000 cfs over the Falls and through the rapids during daylight hours, 50,000 cfs over the Falls and through the rapids during the night hours, and a winter season flow of 50,000 cfs day and night over the Falls, and 80,000 cfs day and night through the rapids.

The technical ramifications of this plan are obviously tremendous. When one attempts to regulate flows through the Niagara River, the levels of both Lake Erie and Lake Ontario are affected. While theoretically such regulation is possible, in actual practice it is questionable whether it can be accomplished without causing many complications, both national and international, while the troubles which would undoubtedly arise from ice blockades are manifold. The danger in this was pointed out by the Joint Board of Engineers in their report on the St. Lawrence Seaway Project.

Power Development in the Niagara River: On the basis of these diversion assumptions, the Power Authority recommended a new full-head development with an installed capacity of 787,500 horsepower and using 25,000 second feet. The estimated cost of this plant, including one-half of the remedial works and one-half the cost of regulating works, is $77,855,000. The claimed net gain in kilowatt-hours for this first stage development is 4,509,000,000. The Authority then proposed the construction of a second full head plant to use an additional 25,000 cubic feet of water per second. This plant was to have a capacity of 787,500 horsepower. It was estimated to cost, including necessary river enlargements, $68,510,000.

Coordinating System: The Power Authority further proposed the coordination of St. Lawrence and Niagara Falls power with a publicly owned transmission system extending to seven points of distribution in the state; the

121370

supplementing of St. Lawrence and Niagara Falls power plants with privately owned steam generating stations, and an increase in private distribution system capacities.

Estimated Cost: The Authority estimated the system cost, including first stage development only, as:

TABLE XLVII

To be paid Federal Government for International Rapids Section Power Plant	$90,000,000	
Estimated cost-Niagara Falls development	78,000,000	
Super Grid System, New York State	105,000,000	
Interest during construction	14,000,000	
		$287,000,000
To this must be added as per report of New York State Power Authority for 1938:		
Developments of private companies—		
Cost of required steam plants to carry anticipated load	$192,400,000	
Cost of adaptation present private distribution to new system	119,960,000	
		312,360,000
Total cost of Power Project		$599,360,000
Second Stage development at Niagara Falls		68,510,000
Grand total including second stage development		*$667,870,000

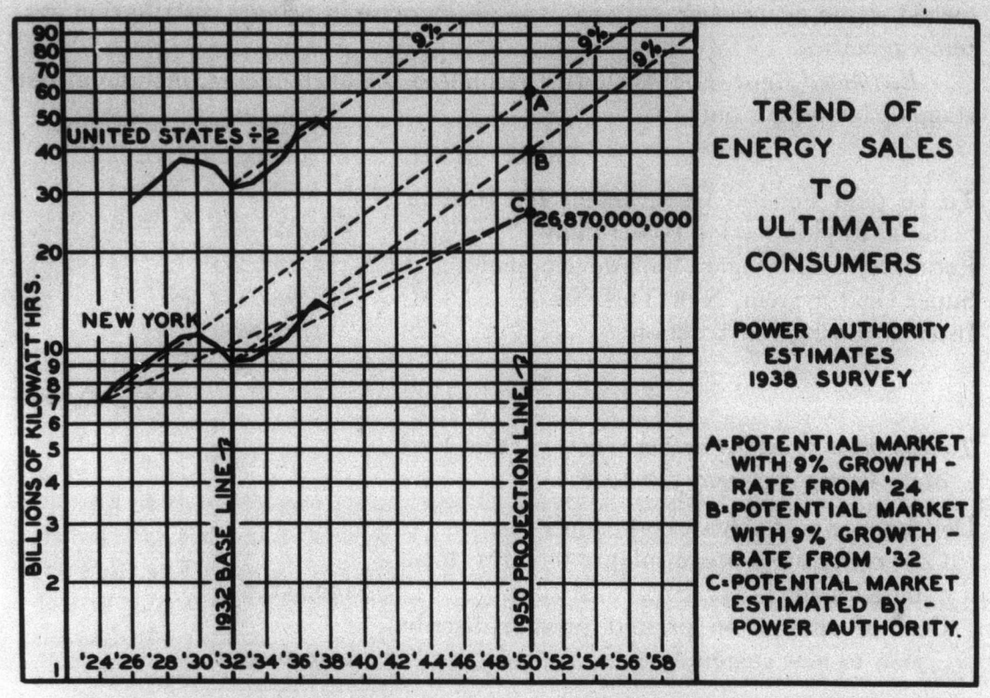
*This money would be raised by private companies and by Power Authority bonds, without committing the credit of the State.

Estimated Power Demand: In justification of a near $600,000,000 expenditure for power development (first stage power development at Niagara Falls only), the Authority claimed a 1950 power demand in the State of New York approximately double of that in 1937. In this latter year, the power sales in New York State were 13,495,926,000 kilowatt-hours. The Authority contends that in 1950 the demand will be 26,870,000,000 KWH. In arriving at this anticipated demand, the Power Authority developed a curve of consumption for the years 1924 to 1938 inclusive and projected this curve to 1950. This is shown in the following figure:

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

PLATE I



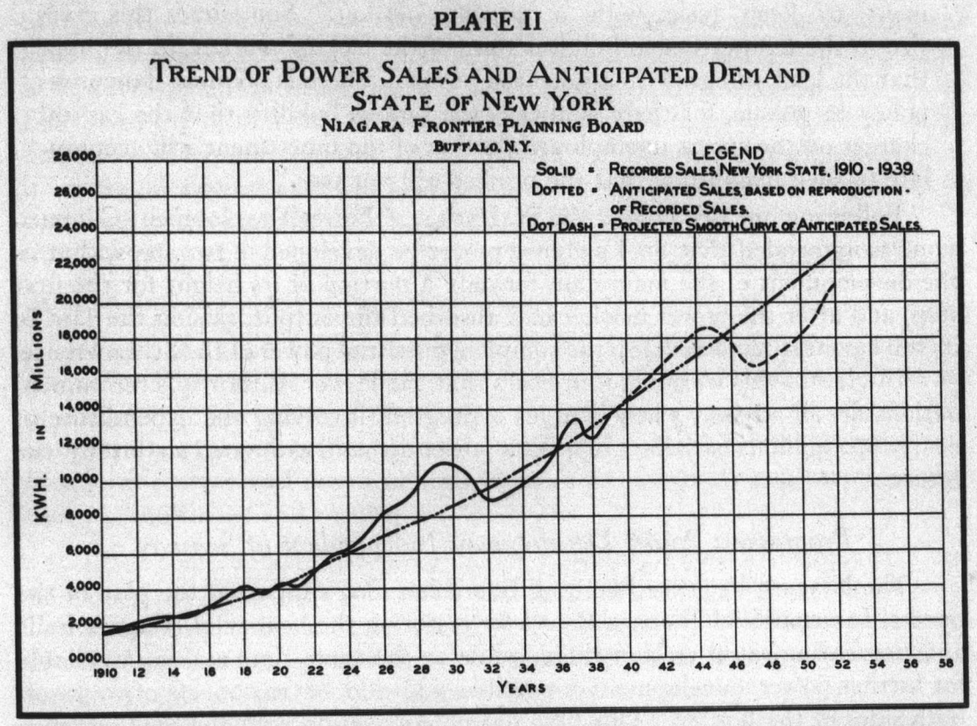
The Power Authority, in projecting the demand curve, neglected to consider the fact that business depressions are bound to occur in the future just as they have in the past and that during such depression periods power consumption falls off materially. As a result, it takes several years before the existing supply of power is once again utilized and, as a consequence, the time when additional power facilities are required is materially postponed.

In its forecast of power consumption, the Authority argued that the demand would be accentuated because of claimed reductions in consumer rates. During the period 1924-39 there was a decrease in consumer rates practically equivalent to the amount which the Power Authority states would be the future decrease over the 1939 rates. The reduction in rates between 1924 and 1939 occurred without public ownership of power generating or transmitting systems.

In the following curve, the trend of power sales from 1924 to 1939 was projected from the power sales of 1939. This, it is believed, will give a more likely forecast of the probable future demand by years. It may be argued that in this projected curve the reduction in power sales in the years 1930 to 1933 are repeated. On the other hand, however, the sharp gains in power demands between '24 and '29 are likewise repeated.

The proper curve projected from 1929 to 1952 shows that the probable demand in that year will be 21,000,000,000 KWH as compared with 26,870,000,000 forecast by the Power Authority for the year 1950. Also shown in the plate below is a smooth curve trend extending from 1910 to 1952. This curve shows that in 1950 the anticipated demand might be 21,400,000,000 KWH, and in 1952, 22,800,000,000 KWH.

PLATE II



Savings Claimed by Power Authority and Danger of Over-Development

In the 1939 Annual Report of the Power Authority, it is stated that should its plan of St. Lawrence and Niagara Falls development be coordinated with additional steam generating plants, through a new and vast transmission network, the annual saving over equivalent steam generation would amount to $22,000,000. However, since this plan is based upon a demand of 26,870,000,000 KWH, any material reduction in that demand would reduce the estimated savings in like manner. For instance, the 1950 power demand as estimated by the Niagara Frontier Planning Board shows that approximately 21,000,000,000 KWH would be required as against the Power Authority's estimate of 26,870,000,000. The difference between these two estimates is 5,870,000,000 KWH which, by coincidence, is the approximate output of the St. Lawrence development. This shows the importance of not over-developing, a point which was stressed in the St. Lawrence Power Development Commission's Report on the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121373

practicability of creating St. Lawrence power. The Commission constantly emphasizes that hydro-electric energy often is developed so far in advance of the market that it results in a financial failure because of the high fixed charges on that type of plant. The following is a direct quotation from that report (page 45):

> "Usually, natural conditions will not permit of a progressive development to keep pace with a growing market. Sometimes this gives rise to the temptation to build in spite of the lack of market, in the hope that the load will grow to absorb the power. There is no more dangerous policy to pursue, for there is always the serious liability that the capital charges on the excess unemployed portion of the investment will accumulate to such magnitude that the project will not pay."

Following out this policy, the St. Lawrence Power Development Commission recommended that St. Lawrence power be developed in two steps, that is, the development of the main dam for only a portion of its height for the first step, and after the power market had absorbed the output, raising the dam to its full height so as to develop the complete potential power of the St. Lawrence.

In view of this warning, it appears that the Power Authority's recommendations are ill-advised when it urges a program involving the expenditure of nearly 600 millions of dollars to meet a power demand estimated so far in the future.

Progressive Power Development Independent of Seaway

The Niagara Frontier Planning Board has long supported the plan of the Special International Niagara Board for restoring the beauty of Niagara Falls and preventing rapid erosion there, while at the same time making available for further power development a possible addition of 10,000 cfs of water on both sides of the border. This plan has no connection with the St. Lawrence Seaway Project and it enables the following out of a progressive development of further hydro-electric power. In Table LXV it may be seen that on the American side there are existing plants which can take a flow of 32,800 second feet. The only diversion allowed on the American side at the present time is 20,000 s.f. Therefore, with the construction of the preservation works recommended by the Special International Niagara Board, an additional 10,000 s.f. could be put through present plants on the American side, which with their existing heads would create an additional 156,000 H.P., or 1,013,000,000 KWH per year. The cost to the United States for such preservation works would be only $1,000,000.

On the Canadian side, it will be noted in Table LXVI, there are plants capable of handling 53,620 cfs. The diversion permitted on the Canadian side is only now 36,000 cfs. Therefore, an additional 10,000 cfs, resulting from the preservation works, could be diverted through existing plants on the

121374

Canadian side to develop a further 97,000 H.P. This would be equivalent to 646,190,000 KWH. The cost of the preservation works on the Canadian side to enable the development of this power would amount to only $750,000. This is, consequently, the most sensible first step in further hydro-electric power development for both Ontario and New York.

The next logical move in generating further hydro-electric energy for the State of New York would appear to be the construction of a plant utilizing the head in the lower Niagara River rapids, so that, in effect, there would be a full-head development in two steps: the first step through utilizing the head at the Falls, and the second step in developing the suitable head of the lower rapids. Such a two-step development would then be very flexible in its operation and, if ice troubles occurred in the lower rapids, the use of the second step could be curtailed to increase the flushing ability of the lower river.

All of this work could be done in accordance with the growth of power demand and absolutely independent of any seaway undertaking.

When the time for further hydro-electric development arrives, the St. Lawrence River might be developed. This also could be done independently of a seaway. Advocates of the seaway project have fathered the belief that, in order to develop power in the St. Lawrence, it is necessary for the project to be a joint seaway and power undertaking. This is entirely contrary to engineering knowledge and reports on the subject.

Upon completion of its survey, the St. Lawrence Power Development Commission of the State of New York showed that the same horsepower as proposed in the present plan could be developed for $180,000,000. If this cost were borne equally between the two countries, it would amount to $90,000,000 each. It has been reported that the Province of Ontario contemplates paying the Dominion Government some $76,000,000 for the power rights at the International Rapids Section. If this be true, then the development of Canadian power, independent of the seaway and of a United States subsidy for Canadian power, could be accomplished for only $14,000,000 more than now is contemplated by the Province of Ontario. Incidentally, development of power by this or some similar plan in the International Rapids Section would not preclude the possibility of a seaway's being constructed at some time in the future should conditions change so as to warrant it economically.

American Subsidy of Canadian Power

In order to make a strict comparison between the actual costs of power to Canada and to New York, a further breakdown of "Works Common to Power and Navigation" should be made. For purposes of discussion it has been assumed that those items which are common to both power and navigation

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121375

are chargeable in equal proportions to each phase of the combined project. Based on this hypothesis, the strict Canadian power cost is as follows:

One half of "Works Common to Power and Navigation"...	$9,000,000
Works Primarily for Power.....	32,140,000
Total Canadian Cost Chargeable to Power.....	$41,140,000

Under the plan advanced by New York State's Power Development Commission (by far the least expensive one proposed), an amount of power equal to that contemplated by the seaway project was recommended for a total expenditure of $180,000,000. Of this amount, one-half, or $90,000,000 would be the Canadian share. If Canada can obtain the same results for $41,140,000 under the St. Lawrence seaway scheme as she can for $90,000,000 under the Power Development Commission's plan, it is obvious that the seaway scheme would have American dollars subsidize Canadian power to the extent of $48,860,000.

Present Power Resources in Eastern Canada

In considering the power situation in the Dominion of Canada, it is clear that Canadian economic and industrial advancement in no way requires the development of International Rapids energy. There are now available, in Canada, huge power potentialities which may be developed rapidly and economically and which are entirely divorced from any St. Lawrence seaway plan.

One striking example is the Beauharnois plant, where 1,000,000 additional horsepower could be produced by the simple expedient of installing the necessary machinery. Among other easily developed supplies of major importance are 2,900,000 horsepower on the Ottawa River and 1,160,000 horsepower on the St. Maurice.

The Hydro-Electric Power Commission of Ontario has appended to its Report of 1936 a map on which are indicated no less than 21 proposed sites for future hydro-electric power generation. None of these has any association with the St. Lawrence seaway.

As previously cited in this report, there are possibilities of additional development at Niagara Falls, where the installation of remedial works incidental to the preservation of the falls would net Canada some 96,600 additional horsepower by utilization of the Falls head alone through existing stations.

Another plan which the Province of Ontario is desirous of carrying out is the diversion of some 5000 second-feet of water into Lake Superior from Long Lake (Longue Lac) and the Ogoki, Albany and Kenogami Rivers. This would be accomplished by reversing the flow in the Kenogami River and would permit Canada to use this 5000 second-feet at Niagara Falls to develop an additional 45,100 horsepower through existing plants to make a total with the 96,600

121376

previously mentioned of 141,700 horsepower. If the water from Long Lake (5,000 sf.) and that made available at Niagara Falls through the diversion works (10,000 sf.) were used under full head in new plants, 450,000 horsepower could be developed.

It is not the purpose of this discussion to tabulate all of the potential power supplies in the Dominion of Canada, but rather simply to establish the fact that the failure of the St. Lawrence project to become a reality would in no way impede the progress of that part of Canada which could be served by the International Rapids development.

Summary of the Incidental Power Project

According to the plan proposed by the Joint Board of Engineers for the development of power in the International Rapids Section, the total first cost for power alone would exceed $269,000,000. Of this amount, $63,000,000 would be Canada's share, and $206,000,000 the United States' share. In event the Power Authority of the State of New York paid the United States Government $90,000,000 for power rights, the federal cost in the International Rapids Section for power alone would exceed 116 millions of dollars. A large portion of this would, in effect, be for the construction of works primarily benefiting the development of Canadian power. The plan would provide for the installation of equipment having a maximum capacity of 2,200,000 horsepower. However, because of the varying flows in the river, the "firm" amount would be only 1,400,000 horsepower, half of which would be for the benefit of the State of New York.

It has been shown that transmission of St. Lawrence power directly to New York City is impractical at the present time and will continue to be so until new methods of transmission are evolved to prevent interruption of service in that metropolitan area. This fact would require the direct absorption of St. Lawrence power in the upstate area where it would be somewhat cheaper than equivalent steam generation. These savings, however, are estimated as only approximately $3,000,000 per year. It is concluded that the Power Authority plan for the development of power at Niagara Falls, depending upon complicated and delicate regulation of the Niagara River and the coordination of this energy with the St. Lawrence power through a vast new transmission network, is proposed too far in advance of the market's ability to consume this surplus energy. The completion of this plan so far ahead of the market would endanger the entire financial structure of the power utility systems of the state.

The proposal to restore the beauty of Niagara Falls through the installation of corrective works at a cost of some $1,750,000, as suggested by the Special International Niagara Board, is believed to be sound. This program would

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121377

eventually permit a further diversion of 10,000 cfs on each side of the border for power purposes. Utilization of this diversion could be timed with the increase of power demand by first using it through existing stations on each side and later by construction of additional plants to utilize the full head available at that section.

While it is admitted that some savings would accrue to some power consumers in New York State if the St. Lawrence plan were adopted in accordance with the demand for power, nevertheless, as pointed out in the navigation section of this report, such savings would be entirely outweighed and absorbed by related losses accruing to labor and industry in New York from the seaway.

It can only be concluded that the proposition for the development of St. Lawrence power, as an adjunct to the seaway features, is entirely untenable.

(See Major Findings immediately following Introduction).

THE END

121378

APPENDIX A

The Proposed Treaty of 1938

The President of the United States of America and His Majesty the King of Great Britain, Ireland and the British dominions beyond the seas, Emperor of India, in respect of the Dominion of Canada,

Recognizing the Great Lakes-St. Lawrence basin as a great natural resource of the two peoples, offering them enormous advantages in the way of economical transportation and cheap electric power, and

Taking account of the fact that the full advantages to be derived by the two peoples from this resource can only be secured to them through its cooperative development under a comprehensive plan based on full recognition of the mutual interests involved, and

Recognizing that the completion of a deep waterway, not less than twenty-seven feet in depth, for navigation from the interior of the Continent of North America through the Great Lakes and the St. Lawrence River to the sea with the development of the water power incident thereto, would result in marked and enduring benefits to the agricultural, manufacturing and commercial interests of both countries, and

Considering further that the project has been studied and found feasible by the International Joint Commission, the Joint Board of Engineers, and by national advisory boards, and

Recognizing the desirability of effecting a permanent settlement of the questions raised by the diversion of waters from or into the Great Lakes System, and

Recognizing the primary obligation of the Governments of the United States and Canada to preserve and enhance the scenic beauties of the Niagara Falls and River, as recommended by the Special International Niagara Board, and, consistent with that obligation, to provide for the most efficient utilization and equitable apportionment of all water available for the development of hydro-electric power in that area,

Have decided to conclude a treaty for the above-mentioned purposes, and to that end have named as their respective plenipotentiaries:

The President of the United States of America:

His Majesty the King of Great Britain, Ireland and the British dominions beyond the seas, Emperor of India, for the Dominion of Canada:

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

For the purposes of the present Treaty, unless otherwise expressly provided, the expression:

(a) "International Joint Commission" means the commission established pursuant to the provisions of the Boundary Waters Treaty of 1909;

(b) "Joint Board of Engineers" means the board appointed pursuant to an agreement between the Governments following the recommendation of the International Joint Commission, dated the 19th December 1921;

(c) "Great Lakes System" means Lakes Superior, Michigan, Huron (including Georgian Bay), Erie and Ontario, and the connecting waters, including Lake St. Clair;

(d) "St. Lawrence River" means the river known by that name and includes the river channels and the lakes forming parts of the river channels from the outlet of Lake Ontario to the sea;

(e) "International boundary" means the international boundary between the United States of America and Canada as established by existing treaties;

(f) "International Section" means that part of the St. Lawrence River through which the international boundary line runs;

(g) "Canadian Section" means that part of the St Lawrence River which lies wholly within Canada and which extends from the easterly limit of the International Section to the high seas;

(h) "International Rapids Section" means the easterly portion of the International Section extending from Chimney Point to the village of St. Regis;

(i) "Governments" means the Government of the United States of America and the Government of the Dominion of Canada;

(j) "Countries" means the United States of America and Canada;

(k) "Special International Niagara Board" means the board appointed by the two Governments in 1926 to ascertain and recommend ways and means to preserve the scenic beauty of the Niagara Falls.

Article I

The High Contracting Parties agree to establish and maintain a Great Lakes-St. Lawrence Basin Commission, hereinafter referred to as the Commission, consisting of not more than ten members of whom an equal number shall be appointed by each Government. The duties of the Commission shall be:

(a) To prepare plans for the construction of works in the International Rapids Section in accordance with one of the projects described in the Report of the Joint Board of Engineers with Appendices, dated July 13, 1927, with such modifications as may be agreed upon by the Governments, provided that such modifications do not increase the proposed total cost of the project as estimated in that Report, with a view to providing a navigation channel, not less than twenty-seven feet deep, together with the most suitable works for the development of power;

(b) Upon the approval of the plans by the Governments, to prepare a schedule allocating the construction of the recommended works in the International Rapids Section to the Governments on such a basis that each Government

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121379

shall construct the works within its own territory or an equivalent proportion of the works in the International Rapids Section;

(c) To approve all contracts entered into on behalf of either Government for the recommended works in the International Rapids Section;

(d) To supervise the construction of the works and to submit reports to the Governments from time to time, and at least once each calendar year, on the progress of the works;

(e) Upon the completion of the works, to certify to the Governments that they meet the specifications of the plans drawn by the Commission and approved by the Governments;

(f) To perform the other duties assigned to it in this Treaty;

(g) To serve as an advisory body to the Governments for the purpose of coordinating all plans for the comprehensive utilization of the entire Great Lakes-St. Lawrence Basin for navigation and power as envisaged in this Treaty.

The Commission shall have the authority to employ engineers, lawyers, experts and employees generally, and to make such other expenditures as may be necessary to carry out the duties herein set forth. It shall have the authority to avail itself of the services of such governmental agencies, officers and employees of either country as may be made available.

The Governments agree to permit the entry into their respective countries, within areas immediately adjacent to the Niagara River and the International Section to be delimited by an exchange of notes, of personnel employed by the Commission or employed in the construction of the works, and to exempt such personnel from the operation of their immigration laws and regulations within the areas to be delimited. They also agree within such areas to exempt from customs duties, excise or sales taxes, or other imposts, all supplies and materials to be used in connection with the construction of the works, as well as all supplies and materials purchased by the Commission for its official use.

The Governments shall, by an exchange of notes, prescribe rules and regulations for the conduct of the Commission. They may, by the same means, extend or abridge its powers and duties, reduce the number of members (provided that there must always be an equal number appointed by each Government) and, upon completion of its duties, terminate its existence.

Article II

With respect to works in the International Rapids Section, the Government of Canada agrees, in accordance with plans prepared by the Commission and approved by the Governments,

(a) to construct or arrange for the construction of the works allocated to Canada by the Commission and to operate and maintain the works situated in the territory of Canada;

(b) to construct or arrange for the construction of the works required for rehabilitation on the Canadian side of the boundary.

The Government of Canada agrees further that, not later than six years after the date of the initiation of construction of Canadian works for additional power under this treaty and, in any event, not later than December 31, 1949, it will provide for the necessary deepening of the New Welland Ship Canal, and for the completion of the essential links in the Canadian Section of the deep waterway to the sea, including canals of the required depth in the Soulanges and Lachine areas of the St. Lawrence River.

Article III

With respect to works in the International Rapids Section, the Government of the United States agrees, in accordance with the plans prepared by the Commission and approved by the Governments,

(a) to construct or arrange for the construction of the works allocated to the United States by the Commission; and to operate and maintain the works situated in the territory of the United States;

(b) to construct or arrange for the construction of the works required for rehabilitation on the United States side of the international boundary;

(c) to provide, as required by the progress of the works, funds for the construction of all works in the International Rapids Section except the following:

(1) Power house superstructures, machinery and equipment for the development of power;

(2) Works required for rehabilitation on the Canadian side of the international boundary; and

(3) Any side canals and locks that may be constructed on the Canadian side of the international boundary.

The Government of the United States agrees further to provide, not later than the date of the completion of Canadian links in the deep waterway, for the completion of the works in the International Rapids Section of the St. Lawrence River, and of the works in the Great Lakes system above Lake Erie which will constitute essential links in the deep waterway to the sea.

Article IV

The High Contracting Parties agree:

(a) that they may, in conformity with the general plans adopted for the project in the International Rapids Section, construct or arrange for the construction in their respective territories of such power houses, machinery and equipment as may be desired for the development of water power and at such time or times as may be most suitable in terms of their respective power requirements;

121380

(b) that, in view of the need for coordination of the plans prepared by the Commission for general works in the International Rapids Section with plans for the development of power in the respective countries, the Commission shall arrange with any agency in either country, which may be authorized to develop power in the International Rapids Section, for the engineering services necessary for the designing of the power works;

(c) that, except as modified by the provisions of Article VIII (d), the quantity of water diverted for the production of power in the International Rapids Section shall be equally divided between the two countries; and, upon completion of the works, the quantity of water utilized during any daily period for the production of power on either side of the international boundary in the International Rapids Section shall not exceed one-half of the flow of water available for that purpose during such period;

(d) that, during the construction and upon the completion of the works provided for in the International Rapids Section, the flow of water out of Lake Ontario into the St. Lawrence River shall be controlled and the flow of water through the International Section shall be regulated so that the navigable depths of water for shipping in the Harbor of Montreal and throughout the navigable channel of the St. Lawrence River below Montreal, as such depths now exist or may hereafter be increased by dredging or other harbor or channel improvements, shall not be injuriously affected by the construction or operation of such works.

Article V

The High Contracting Parties agree, that the construction of works under the present treaty shall not confer upon either of them proprietary rights, or legislative, administrative or other jurisdiction in the territory of the other, and that the works constructed under the provisions of this treaty shall constitute a part of the territory of the country in which they are situated.

Article VI

The High Contracting Parties agree that they may, with the approval of the Commission, proceed at any time to construct, within their own respective territories, alternative canal and channel facilities for navigation in the International Section or in waters connecting the Great Lakes, and that they shall have the right to utilize for this purpose such water as may be necessary for the operation thereof.

Article VII

The High Contracting Parties agree that the rights of navigation accorded under the provisions of existing treaties between the United States of America and His Britannic Majesty shall be maintained notwithstanding the provisions for termination contained in any of such treaties, and declare that these treaties confer upon the citizens or subjects and upon the ships, vessels and boats of each High Contracting Party, rights of navigation in the St. Lawrence River, and the Great Lakes System, including the canals now existing or which may hereafter be constructed.

Nothing in this Article or in any other Article of this Treaty shall be construed as infringing or impairing, in any way, the sovereignty of the United States of America over Lake Michigan.

Article VIII

The High Contracting Parties, recognizing their common interest in the preservation of the levels of the Great Lakes System, agree:

(a) 1. That the diversion of water from the Great Lakes System, through the Chicago Drainage Canal, shall be reduced by December 31, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of April 21, 1930;

2. In the event of the Government of the United States proposing, in order to meet an emergency, an increase in the permitted diversion of water and in the event that the Government of Canada takes exception to the increase, the matter shall be submitted, for final decision, to an arbitral tribunal which shall be empowered to authorize, for such time and to such extent as is necessary to meet such emergency, an increase in the diversion of water beyond the limits set forth in the preceding sub-paragraph and to stipulate such compensatory provisions as it may deem just and equitable; the arbitral tribunal shall consist of three members, one to be appointed by each of the Governments, and the third, who will be the Chairman, to be selected by the Governments;

(b) That no diversion of water, other than the diversion referred to in paragraph (a) of this Article, from the Great Lakes System or from the International Section to another watershed shall hereafter be made except by authorization of the International Joint Commission;

(c) That each Government in its own territory shall measure the quantities of water which may at any point be diverted from or added to the Great Lakes System, and shall place the said measurements on record with the other Government semi-annually;

(d) That, in the event of diversions being made into the Great Lakes System from watersheds lying wholly within the borders of either country, or in the event of the diversion of rivers into the International Section above their present points of confluence, the exclusive rights to the use of waters equivalent in quantity to any waters so diverted shall, notwithstanding the provisions of Article IV (c) be vested in the country diverting such waters, and the quantity of water so diverted shall be at all times available to that country for use for power below the point of diversion, so long as it constitutes a part of boundary waters;

(e) That the Commission shall undertake a study of the desirability of compensation and regulatory works in the Great Lakes System; and, upon the approval by the Governments of any such works, shall prepare plans for their construction and recommend to the Governments an equitable allocation of their cost. The Governments shall make arrangements by an exchange of notes for the construction of such works as they may agree upon.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121381

Article IX

The High Contracting Parties, recognizing their common interest in preserving the scenic beauty of the Niagara Falls and Rapids, through preventing erosion and ensuring unbroken crestlines, and the prescribing of limits to the diversion of water from the River, agree:

(a) That the Commission shall prepare and submit to the Governments plans for works in the Niagara River to distribute and control the waters thereof to ensure unbroken crestlines on both the American and the Canadian Falls and to preserve and enhance their scenic beauty, taking into account the recommendations of the Special International Niagara Board. The Governments, after the adoption of final plans for the project in the International Rapids Section, shall make arrangements by an exchange of notes for the construction of such works in the Niagara River as they may agree upon, including provision for temporary diversions of the waters of the Niagara River for the purpose only of facilitating their construction. The cost of such works in the Niagara River shall be borne by the Governments in equal moieties.

(b) That, upon the completion of the works authorized in this Article, diversions of the waters of the Niagara River above the Falls from the natural course and streams thereof additional to the amounts specified in Article 5 of the Boundary Waters Treaty of January 11, 1909, may be authorized and permitted by the respective governments of the United States and Canada to the extent and in the manner hereinafter provided:

(1) The United States may authorize and permit additional diversion within the State of New York of the waters of said river above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of January 11, 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;

(2) Canada may authorize and permit additional diversion within the Province of Ontario of the waters of said river above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of January 11, 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;

(c) That, upon installation of the works authorized in this Article, the Commission shall proceed immediately to test such works and to report and certify to the Governments the effect of such works under a wide range of conditions and to make recommendations respecting diversions of water from Lake Erie and the Niagara River with particular reference to preserving perpetually the scenic beauty of the Falls and Rapids, to the requirements of navigation in the Great Lakes System and to the equal and equitable diversion and efficient utilization of the waters. On the basis of the Commission's reports and recommendations the High Contracting Parties may by an exchange of notes and concurrent legislation determine the methods by which these purposes may be attained.

Article X

The High Contracting Parties agree:

(a) That each Party is hereby released from responsibility for any damage or injury to persons or property in the territory of the other, which may be caused by any action authorized or provided for by this Treaty;

(b) That each Party will assume the responsibility for and expense involved in the acquisition of any lands or interests in land in its own territory which may be necessary to give effect to the provisions of this Treaty.

Article XI

This Treaty shall be ratified in accordance with the constitutional methods of the High Contracting Parties. The ratifications shall be exchanged in Washington or in Ottawa as soon as practicable and the Treaty shall come into force on the day of the exchange of ratifications.

In faith whereof the respective plenipotentiaries have signed this Treaty in duplicate and have hereunto affixed their seals.

Done at ..... the ..... day of .....

in the year of our Lord .. ..

(SEAL) (SEAL)

121382

APPENDIX B

Source of Rates Used in Economic Study

IMPORTS

Commodity	From	To	Route	Rate Per Ton	Source
Bananas	New Orleans	Chicago	Rail	$17.40	Emerson's 8-J
"	Jamaica	Montreal	Ocean	15.00	Contract
Sugar	Havana	New York	"	2.00	"
"	New Orleans	Chicago	Barge	8.20	Federal Barge Line 69-M
"	" "	Minneapolis	"	11.00	" " " " "
"	New York	Chicago	Motorship	5.00	Contract
"	" "	Duluth	"	5.20	"
Coffee	Rio de Janeiro	New Orleans	Ocean	7.63	"
"	" " "	New York	"	7.63	"
"	New Orleans	Chicago	Barge	6.60	Federal Barge Line 2-J
"	New York	"	Motorship	5.40	Contract
Kaolin	Liverpool	Philadelphia	Ocean	4.20	"
"	Philadelphia	Cincinnati	Rail	6.80	Curletts 23-J
"	Cleveland	"	"	4.80	Jones 480
Rubber	Straits	New York	Ocean	18.00	Contract
"	New York	Akron	Rail	8.60	Curletts 23-J
"	Cleveland	"	"	3.00	Jones 480

EXPORTS

Commodity	From	To	Route	Rate Per Ton	Source
Grain	Duluth	London	New York	4.08	Average for 9 years Lake Carriers Association
"	"	"	Montreal	4.13	
Flour	Minneapolis	New York	Rail	7.60	Kipps 2942 & Jones 245
"	"	Chicago	"	2.60	Kipps 2942
"	Buffalo	New York	Barge	1.06	Contract
"	Chicago	" "	Motorship	5.20	"
"	New York	Liverpool	Ocean	3.40	"
Iron & Steel	Chicago	New York	Rail	7.48	Jones 3281
" "	"	" "	Water	3.25	Contract
" "	New York	Rio de Janeiro	Ocean	4.50	"
Agricultural Implements	Chicago	New York	Motorship	3.75	"
" "	New York	Liverpool	Ocean	5.00	"
" "	Chicago	New York	Rail	9.00	Jones 218-L
Autos	Detroit	New York	Rail	9.60	Jones 218-L
"	New York	Liverpool	Ocean	4.40	Contract
Packing House Products	Chicago	New York	Motorship	4.00	"
" " "	New York	Liverpool	Ocean	7.00	"
" " "	Chicago	New York	Rail	9.40	Jones 218-L

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121381

Article IX

The High Contracting Parties, recognizing their common interest in preserving the scenic beauty of the Niagara Falls and Rapids, through preventing erosion and ensuring unbroken crestlines, and the prescribing of limits to the diversion of water from the River, agree:

(a) That the Commission shall prepare and submit to the Governments plans for works in the Niagara River to distribute and control the waters thereof to ensure unbroken crestlines on both the American and the Canadian Falls and to preserve and enhance their scenic beauty, taking into account the recommendations of the Special International Niagara Board. The Governments, after the adoption of final plans for the project in the International Rapids Section, shall make arrangements by an exchange of notes for the construction of such works in the Niagara River as they may agree upon, including provision for temporary diversions of the waters of the Niagara River for the purpose only of facilitating their construction. The cost of such works in the Niagara River shall be borne by the Governments in equal moieties.

(b) That, upon the completion of the works authorized in this Article, diversions of the waters of the Niagara River above the Falls from the natural course and streams thereof additional to the amounts specified in Article 5 of the Boundary Waters Treaty of January 11, 1909, may be authorized and permitted by the respective governments of the United States and Canada to the extent and in the manner hereinafter provided:

(1) The United States may authorize and permit additional diversion within the State of New York of the waters of said river above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of January 11, 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;

(2) Canada may authorize and permit additional diversion within the Province of Ontario of the waters of said river above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of January 11, 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;

(c) That, upon installation of the works authorized in this Article, the Commission shall proceed immediately to test such works and to report and certify to the Governments the effect of such works under a wide range of conditions and to make recommendations respecting diversions of water from Lake Erie and the Niagara River with particular reference to preserving perpetually the scenic beauty of the Falls and Rapids, to the requirements of navigation in the Great Lakes System and to the equal and equitable diversion and efficient utilization of the waters. On the basis of the Commission's reports and recommendations the High Contracting Parties may by an exchange of notes and concurrent legislation determine the methods by which these purposes may be attained.

Article X

The High Contracting Parties agree:

(a) That each Party is hereby released from responsibility for any damage or injury to persons or property in the territory of the other, which may be caused by any action authorized or provided for by this Treaty;

(b) That each Party will assume the responsibility for and expense involved in the acquisition of any lands or interests in land in its own territory which may be necessary to give effect to the provisions of this Treaty.

Article XI

This Treaty shall be ratified in accordance with the constitutional methods of the High Contracting Parties. The ratifications shall be exchanged in Washington or in Ottawa as soon as practicable and the Treaty shall come into force on the day of the exchange of ratifications.

In faith whereof the respective plenipotentiaries have signed this Treaty in duplicate and have hereunto affixed their seals.

Done at ..... the ..... day of .....

in the year of our Lord .. ..

(SEAL) (SEAL)

121382

APPENDIX B

Source of Rates Used in Economic Study

IMPORTS

Commodity	From	To	Route	Rate Per Ton	Source
Bananas	New Orleans	Chicago	Rail	$17.40	Emerson's 8-J
"	Jamaica	Montreal	Ocean	15.00	Contract
Sugar	Havana	New York	"	2.00	"
"	New Orleans	Chicago	Barge	8.20	Federal Barge Line 69-M
"	" "	Minneapolis	"	11.00	" " " " "
"	New York	Chicago	Motorship	5.00	Contract
"	" "	Duluth	"	5.20	"
Coffee	Rio de Janeiro	New Orleans	Ocean	7.63	"
"	" " "	New York	"	7.63	"
"	New Orleans	Chicago	Barge	6.60	Federal Barge Line 2-J
"	New York	"	Motorship	5.40	Contract
Kaolin	Liverpool	Philadelphia	Ocean	4.20	"
"	Philadelphia	Cincinnati	Rail	6.80	Curletts 23-J
"	Cleveland	"	"	4.80	Jones 480
Rubber	Straits	New York	Ocean	18.00	Contract
"	New York	Akron	Rail	8.60	Curletts 23-J
"	Cleveland	"	"	3.00	Jones 480

EXPORTS

Commodity	From	To	Route	Rate Per Ton	Source
Grain	Duluth	London	New York	4.08	Average for 9 years Lake Carriers Association
"	"	"	Montreal	4.13	
Flour	Minneapolis	New York	Rail	7.60	Kipps 2942 & Jones 245
"	"	Chicago	"	2.60	Kipps 2942
"	Buffalo	New York	Barge	1.06	Contract
"	Chicago	" "	Motorship	5.20	"
"	New York	Liverpool	Ocean	3.40	"
Iron & Steel	Chicago	New York	Rail	7.48	Jones 3281
" "	"	" "	Water	3.25	Contract
" "	New York	Rio de Janeiro	Ocean	4.50	"
Agricultural Implements	Chicago	New York	Motorship	3.75	"
" "	New York	Liverpool	Ocean	5.00	"
" "	Chicago	New York	Rail	9.00	Jones 218-L
Autos	Detroit	New York	Rail	9.60	Jones 218-L
"	New York	Liverpool	Ocean	4.40	Contract
Packing House Products	Chicago	New York	Motorship	4.00	"
" " "	New York	Liverpool	Ocean	7.00	"
" " "	Chicago	New York	Rail	9.40	Jones 218-L

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121383

INDEX

— A —

Albany, Est. cost St. Lawr. power, 101
All-American route, Survey of, 4
Agricultural Implements,
  Losses to transportation of, 75, 77, 82, 85
  Rates on, 68
  Savings on, 69
  Study of movement of, 68
Automobiles,
  Losses to transportation of, 75, 77, 82, 85
  Rates on, 52, 87, Appendix B
  Savings on, 69, 70
  Study of movement of, 69

— B —

Bananas,
  Losses to transportation of, 75
  Rates on, 52, 87, Appendix B
  Savings on, 53
  Study of movement of, 52
Barge Canal (*See New York State Barge Canal*),
Barnhart Island, 22, 25
Belize, Bananas from, 52
Binghamton, Est. cost St. Lawr. power, 101
Boards, Appointed to study project, 3
Boundary waters,
  Description of, 2
  Use of, 3
Buffalo,
  Distances from, 19
  Flour from, 64
  Grain from or through, 60
  Improvement of harbor, 24
  Iron and steel through, 68
  Est. cost St. Lawr. power, 101
  Rates from, Appendix B

— C —

Canada,
  Cost to, 29-40
  Financial obligations of, 10
  Views of, 4
Canadian grain,
  Shipment of, 79, 90
Canadian National Railway,
  Financial obligations of, 11
Canadian Niagara Power Co., 108
Canals, 17
  Chicago Drainage, 19
  Cornwall, 18
  Erie, 18
  Farrans Point, 18
  Galop, 18
  Lachine, 18
  New York State, 18
  Oswego, 19
  Outlets to ocean, 17-20
  Rapide Plat, 18
  Soulanges, 18
  Welland, 24
Canned goods,
  Study of movement of, 89
Cargoes, Possible, 49
Chicago,
  Agricultural Implements from, 68
  Bananas to, 52
  Coffee to, 57
  Distances from, 18-23
  Diversion of water at, 13, 14
  Flour via, 64
  Intercoastal to, 89, 90
  Iron and steel from, 67
  Packing house products from, 70
  Rates from or to, 52, Appendix B
  Sugar to, 53
Chicago Drainage Canal, 19
Cincinnati,
  Kaolin to, 58
  Rates to, 52, 87, Appendix B
Cleveland,
  Kaolin to and from, 50, 58
  Rates to and from, 25, Appendix B
  Rubber to, 63
Coastal shipping,
  Study of, 89
Coffee,
  Losses to transportation of, 75-88
  Rates on, 52, 87, Appendix B
  Savings on, 58
  Study of movement of, 57
Commissions, Studies by, 3, 4
Clay (*See Kaolin*),
Compensatory works, 14, 26, 27, 111
Coolidge, President, 3
Co-ordinating system,
  Description of, 112
  Estimated cost of, 113
Cornwall Canal, 18
Costs (*See Cost Estimates Chapter*)
  (*Refer by Items in Index*)
  New York State Power Authority plan, 113
  Power, 94-97; 113, 117
  St. Lawrence Power Development Commission plan, 117, 118
  Special International Niagara Board plan, 110

— D —

Damages, 15
Deepwater idea, Origin of, 3
Deepening, Harbors and channels, 20-27
Detroit,
  Autos from, 69
  Rates from, 52, 87, Appendix B
Detroit River,
  Relation to seaway, 24
  Works on, 24
Diversions,
  Chicago Drainage, 13, 14
  International Rapids Power, 11, 96
  Niagara Falls Power, 12, 15, 109
Duluth,
  Distances to and from, 17, 23
  Grain from, 60
  Rates to and from, 52, 87, Appendix B
  Routes from and to, 17
  Sugar to, 55
Duplessis, Premier, 7

— E —

Erie Canal,
  (*See New York State Barge Canal*)
Electrical energy, Table of, 97
Elmsford, Est. cost St. Lawr. power, 101

— F —

Farrans Point Canal, 18
Father Point, 18, 22
Flour and meal,
  Losses to transportation of, 75, 82
  Rates on, 52, 87, Appendix B
  Savings on transportation of, 64

121384

  Study of movement of, 64
  United States exports of, 66
Flow of river, Minimum, 96

— G —

Galop Canal, 18
Generation (power),
  Costs of, 100
Graphs,
  Anticipated power demand, Niagara Frontier Planning Board estimate, 115
  Anticipated power demand, New York State Power Authority estimate, 114
  Vessels, ocean-going, 45
Grain,
  Canadian, movement of, 60, 79
  Losses to transportation of, 75, 77
  Rates on, 87, App. B
  Savings on transportation of, 61
  Study of movement of, 60
Great Lakes-Hudson River route, Study of, 4
Great Lakes Section, 22
Great Lakes-St. Lawrence Basin Commission,
  Creation of, 9
  Duties of, 10
Great Lakes-St. Lawrence Tidewater Association,
  Formation of, 3
Gulf of St. Lawrence, 17, 18

— H —

Havana, Cuba,
  Distances to, 18, 44, 53
  Sugar from, 53
Head of Water,
  International Rapids Section, 26, 94, 96
  Niagara Falls, 110
Hepburn, Premier, 7
History, St. Lawrence Seaway Project, 1-8
Hoover, Herbert, 3
Horsepower,
  Available at International Rapids, 96
  Available at Niagara Falls, 110
  Cost per, 97
Hudson River Route,
  Description of, 4

— I —

Intercoastal Shipping,
  Remarks on, 89
Interdepartmental Report (I. D. report) — (*See chapters, "Analysis of Estimated Savings" and "Probable Losses"*)
  Commodities, study of, 49-71
  Losses to transportation, based on, 82-88
  Rates used by, 52
  Remarks on, 49
  Savings on transportation, based on, 87, 88
International Joint Commission,
  Creation and report of, 3
International line,
  History of, 2
International Niagara Board of Control,
  (*See Special International Niagara Board*)
International Rapids Section,
  Canadian Works at, 11
  Costs at, 94
  Description of, 25
  Development of, 24, 25
  Segregated costs of, 35-38, 94-96
  Surplus power, 97
  United States works at, 25, 26, 27, 94
  Use of water in, 11
Iron and steel,
  Losses to transportation of, 75, 77, 82
  Rates on, 52, 87, Appendix B
  Savings on transportation of, 67
  Study of movement of, 67

— J —

Joint Board of Engineers
  Appointment of, 3
  Estimates of, 30
  Plan of, 9, 25
  Recommendations of, 4,

— K —

Kaolin (Clay),
  Losses to transportation of, 75, 77, 82
  Rates on, 52, 87, Appendix B
  Savings on transportation of, 58-60
  Study of movement of, 58

— L —

Lachine Canal, 18
Lake Champlain, waterway through, 17
Lake Michigan,
  Diversion of water, 13, 14
  Sovereignity over, 13
Lake St. Clair, 24
Lake St. Franics, 21
Load Factor, 97
Locks,
  Location of, 23
  Sizes proposed, 24
Losses, Direct to transportation, 75-78
  Indirect, 82-85
  I. D. report figures, 82-88
  Niagara Frontier Planning Board Figures, 75-81
  Summaries, 80, 88

— M —

Maps,
  Coastal and Intercoastal, 91
  Existing Canals, 18
  International Boundary, 2
  Ocean Routes, (Inside back cover)
  Railroads, (Inside front cover)
  St. Lawrence River Sections, 21
Mileages,
  Tables of, 23, 42-44
  Via various routes, 17-19
Mississippi River,
  Bananas via, 52
  Coffee via, 57
  Route via, 19
  Sugar via, 53
Montreal,
  Harbor level at, 14, 26
  History of waterway to, 3
  Mileages from and to, 42-44

— N —

National Advisory Committee, Canadian, 4
Navigation, Through belligerent country, 12
Navigation project,
  Channels, 20
  Costs of, 29-38
  Curtailment of, 41, 47
  Description of, 20
  Difficulties of, 47
  Insurance via, 47
  Mileages, 42, 43
  Present use of, 47
  Season, 41
  Time via, 42, 43

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121385

New Orleans,
Distances from, 44
Rates to and from, 87, Appendix B
Traffic via, 19, 90, 91, 52-58
New York City,
Est. cost St. Lawr. power, 101
Transmission to, 100
New York State Barge Canal
Description of, 18
Mileages via, 19
Oswego branch, 19
Rates via, 54, 60, 65, 66, 68, 69, 70, 87
New York State Power Authority,
Creation of, 5, 111
Contribution to Federal Government, 95, 96
Co-ordinating plan of, 112
Estimates of, 113
Niagara Falls Plan of, 111
Power demand, estimate of, 114
Savings, estimate of, 115
Neutrality,
Effect on, 12
Niagara Falls,
Description of, 106
Diversion at, 108
Restoration and preservation of, 108-110
Niagara Falls Hydraulic Power Manufacturing Co., 107
Niagara Falls Power,
American plants, 107
Canadian plants, 108
Niagara Falls Power Co., 107
Ontario Hydro-Electric Power Commission, 108
Possible power development, 110
Water diversion at, 108, 109
Works proposed at, 109, 111, 112
Niagara Frontier Planning Board,
Duties and description of, (*See "Niagara Frontier Planning Board" after frontispiece*)
Niagara River,
Description of, 106

— O —

Ontario Hydro-Electric Commission, 107
Report of, 118
Oswego Canal, 19
Outlets to the sea,
Existing, 17-20

— P —

Packing house products,
Losses to transportation of, 75, 77, 82
Rates on, 52, 87, Appen. B
Savings on trans. of, 70
Study of movement of, 70
Philadelphia, Kaolin via, 58
Plates,
Power demand (Niagara Frontier Planning Board estimate), 115
Power demand (New York State Power Authority estimate), 114
Vessels, ocean-going, 45
Port Colborne, Ont.
Welland Canal, 24
Port Weller, Ont.
Welland Canal, 24
Power
Costs of (*See "Cost Estimates Chapter"*), 94-97, 113, 117
Costs, generation, 100
Costs, steam plants, 103
Costs, at substations, 101
Costs, wholesale St. Lawrence, 99
Development possible at Niagara Falls, 110, 111
Development possible at St. Lawrence, 96, 97
Resume of, 120
Power Authority of State of New York (See New York State Power Authority)
Power Consumption, 115
Power Demand, Estimated and present, 113-115
Power diversion, Present, 108
Power project, Study of, 93
Prog. power development, 116

— R —

Railroads,
Facilities present, 20
Loss of revenue, 75-80, 83
Loss combined with inland waterways, 80, 84
Used by Niagara Frontier Planning Board, 52, 87
Ratification of treaty, 15
Regulatory works, 14, 26, 27, 109-112
Rights,
Navigation, 12
Power, 11
Proprietary, 12
Rio de Janeiro,
Coffee shipm'ts from, 57, 58
Iron and steel shipments to, 67, 68
Rochester, N. Y.,
Est. cost St. Lawr. power, 101
Rubber,
Losses to transportation of, 75, 77, 82
Rates on, 52, 87, Appen. B
Savings on transporation of, 63, 64
Study of movement of, 63

— S —

Savings,
Navigation estimates, 49
Power estimates, 115
Season, Navigation, 41-43
Seaway (*See Navigation project and St. Lawrence Seaway*)
Senate,
Vote on 1932 Treaty, 6
Single stage development,
Additional costs, 29-33
Amounts expended, 32
Contingencies, 31
Costs, 33, 34
Description of, 26, 27
Harbor improvements, 31
Interest on, 32
New York State Power Authority contribution, 32
Table of probable costs, 33
Soulanges Canal, 18
Sparrows Point, Md.,
Iron and steel from, 68
Special Inter. Niagara Board,
Appointment of, 15, 108
Recommendations of, 108, 109
State of New York,
Relation to power, 95, 96, 111-117, 119
St. Clair River, Works on, 24
St. Lawrence Commission,
Appointment of, 3

121386

St. Lawrence Power Development Commission,
Appointment of, 95
Report of, 95-97
St. Lawrence River,
Description of, 1
Flow of, 96
St. Lawrence Seaway
Description of, 17
Economic effects of (*See summaries on* 73, 92)
St. Marys River, Works on, 23
Steam plants, Cost per kilowatt-hour, 102
Straits Settlements, Rubber from, 63
Sugar,
Losses to transportation on, 77, 83, 85
Rates on, 52, 87, Appen. B
Savings on transportation of, 83
Study of movement of, 83
Summaries,
Conditions of Navigat'n, 48
Cost Estimates, 39
Description, 27
Estimated Savings, 73
History, 8
Incidental Power Proj., 119
Probable Losses, 92
Proposed Treaty of 1938, 15
Syracuse, N. Y., Est. cost St. Lawr. power, 101

— T —

Thousand Islands Section, 21
Transmission (power),
Cost of, 100
Transportation rates, 52, 87, Appendix B
Treaty,
of 1812, 2
of 1932, 6
of 1938 (proposed), 7, 9-16
Two stage development,
Description of, 21-22

— U —

United States, Financial obligations of, 11
United States Engineers,
Agreement with New York State Power Author., 5, 95
United States Maritime Commission, Report on vessels, 46
U. S. Shipping Board,
Rates furnished by, 52
Records of vessels, 45, 46

— V —

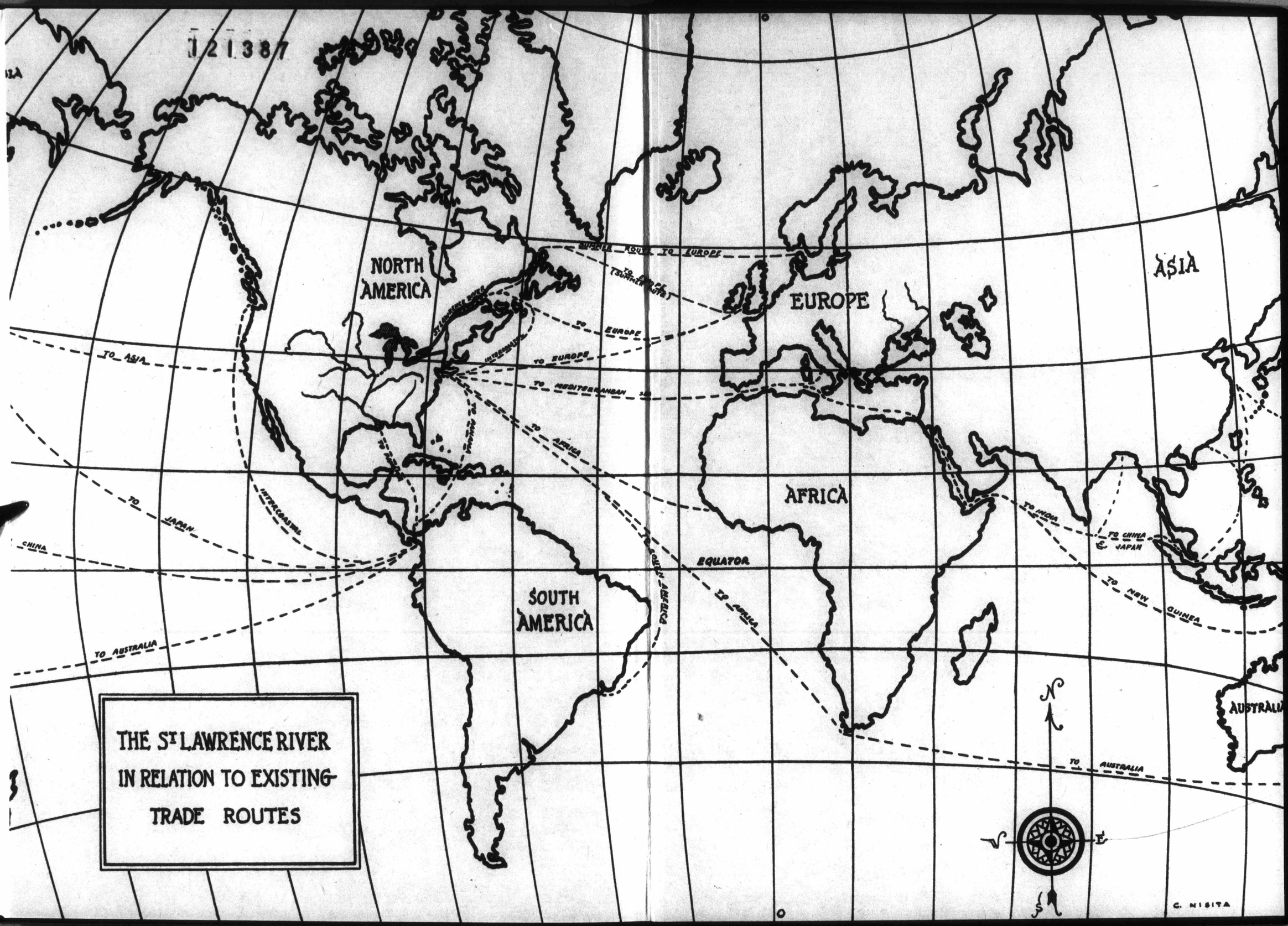
Vessels,
Available, 45-47
Example of Earnings, 50, 51
Type of, 45
United States, 45

— W —

Water,
Diversion of, 11, 13-15, 97, 108, 109
Rights to utilize, 11-15
Use of for power, 11, 18 (*Also see "International Rapids Section" and "Niagara Falls"*)
Welland Ship Canal,
Description of, 24
Works,
for navigation, 20-27
for power, 94, 108-113

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

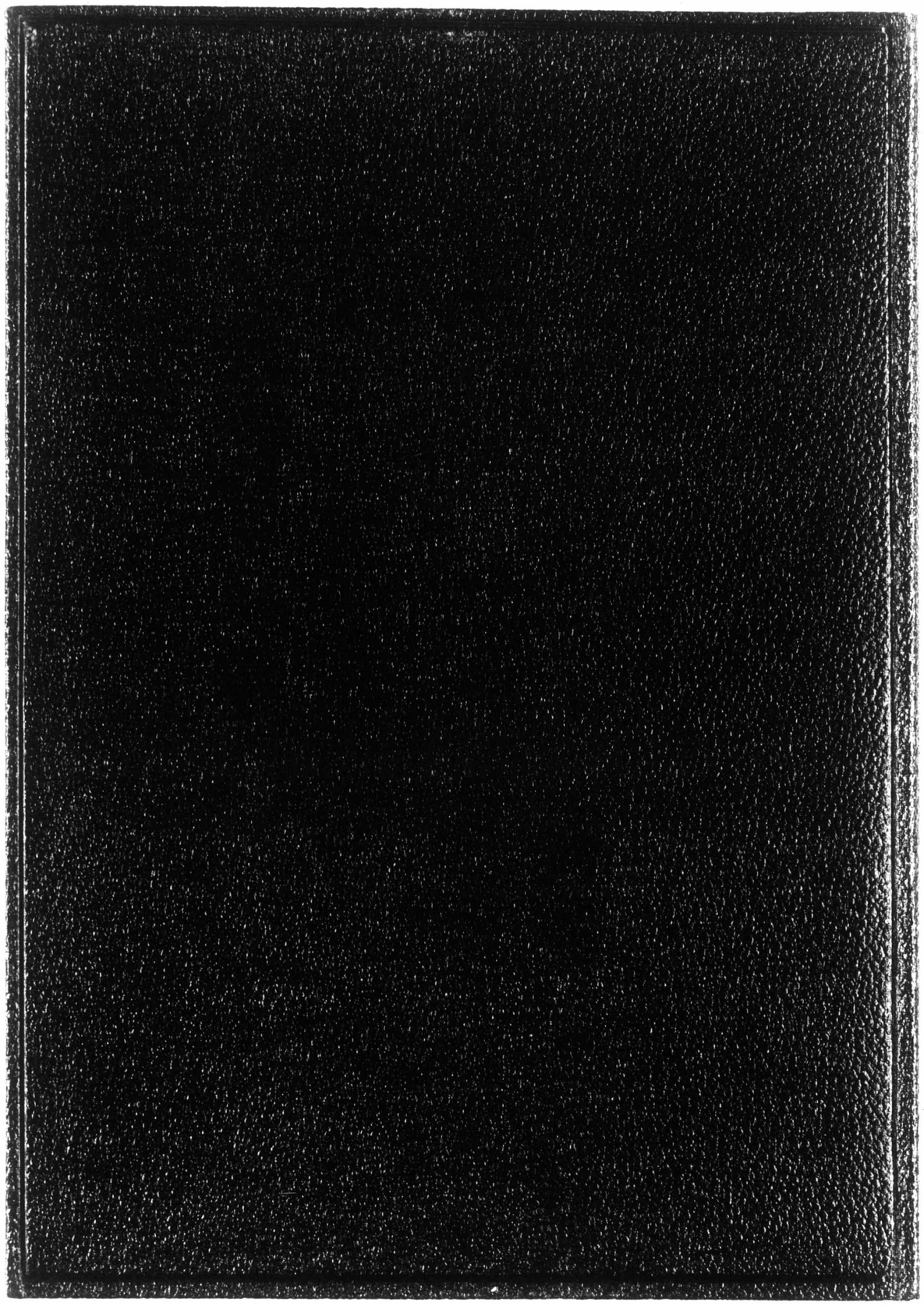
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

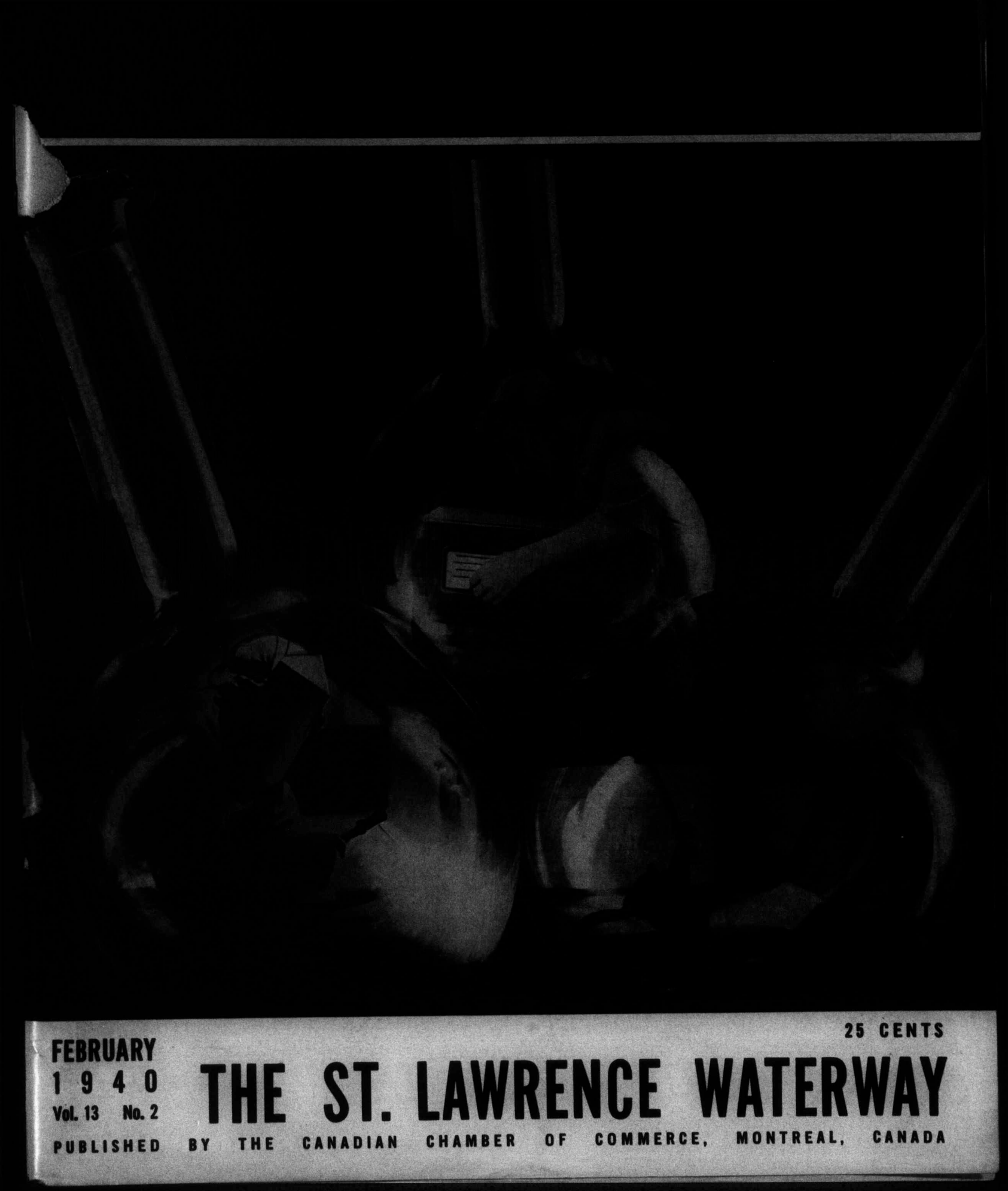


THE St LAWRENCE RIVER IN RELATION TO EXISTING TRADE ROUTES

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA





FEBRUARY
1940
Vol. 13 No. 2

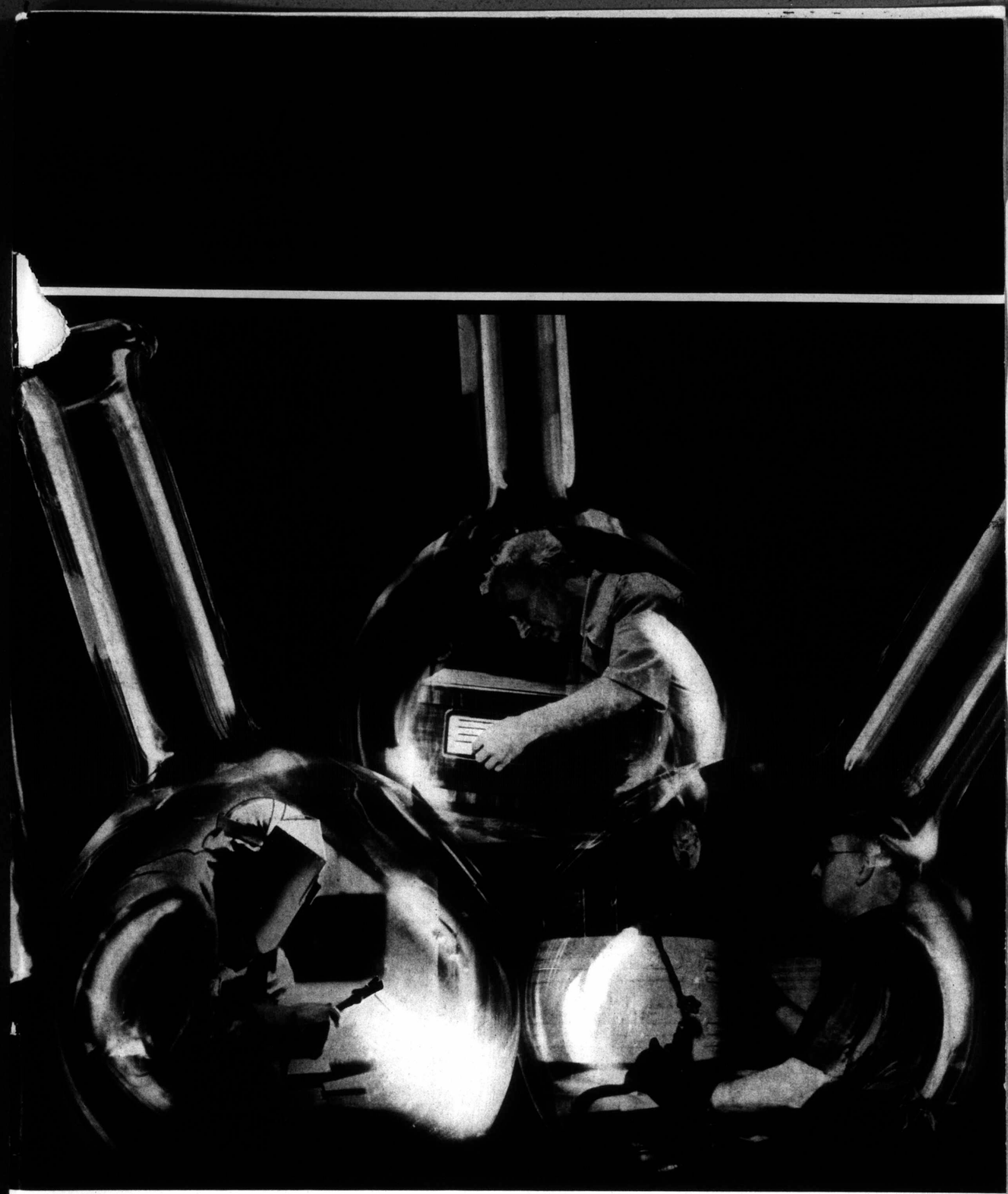
25 CENTS

THE ST. LAWRENCE WATERWAY

PUBLISHED BY THE CANADIAN CHAMBER OF COMMERCE, MONTREAL, CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



FEBRUARY
1940
Vol. 13 No. 2

25 CENTS

THE ST. LAWRENCE WATERWAY

PUBLISHED BY THE CANADIAN CHAMBER OF COMMERCE, MONTREAL, CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121389

New DIESEL TRACTRACTORS by INTERNATIONAL HARVESTER

Now 4 Sizes

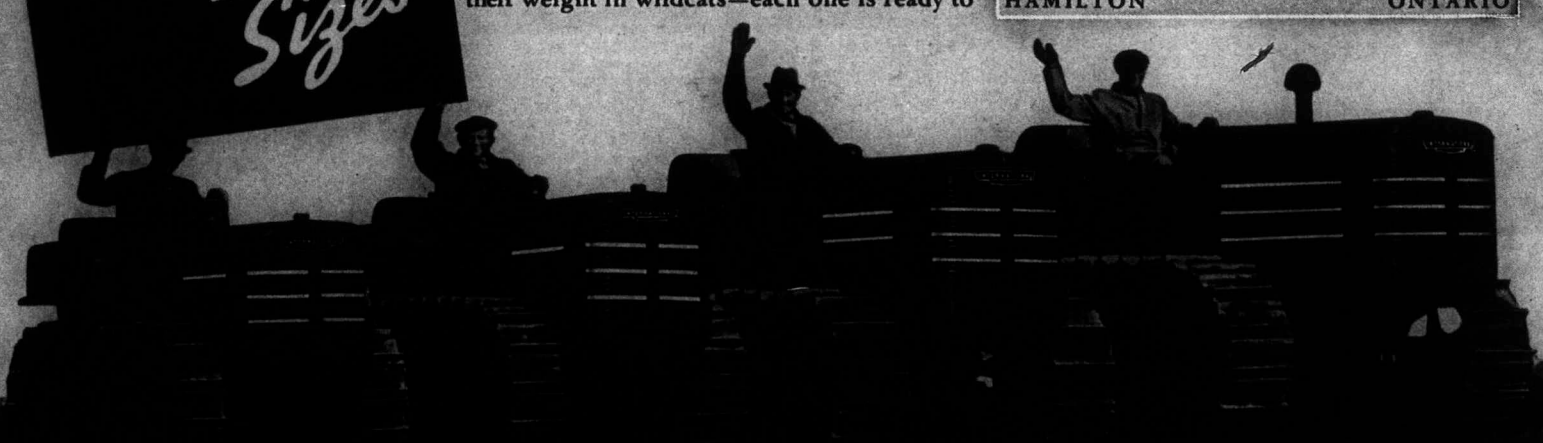
A YEAR AGO we announced the big, powerful TD-18 TracTracTor, a new top for Diesel crawlers. Today International Harvester presents a rugged quartet of streamlined crawlers —TD-18, TD-14, TD-9 and TD-6. FOUR *Diesel TracTracTors for 1940*—big news from the world's leading tractor builder to *all* operators of crawler tractors!

Here's the complete line-up for you to look over—the big fellow at the right, already a popular favorite in the heavy-crawler field; his little brother at the far left; and the step-ups in between. There's not an ounce of lazy horsepower in any of them! They're ready to tackle their weight in wildcats—each one is ready to lick the crawler-power problems in his range!

In this complete series of TracTracTors, INTERNATIONAL offers you a new standard of Diesel performance and economy—perfectly designed balanced power in capacities to meet every demand of crawler-tractor users. Standardize on International and enjoy all the advantages only Harvester can provide. Get the full story from any International industrial power dealer or Company branch, or write us.

A great variety of specially designed allied equipment available for all TracTracTor sizes.

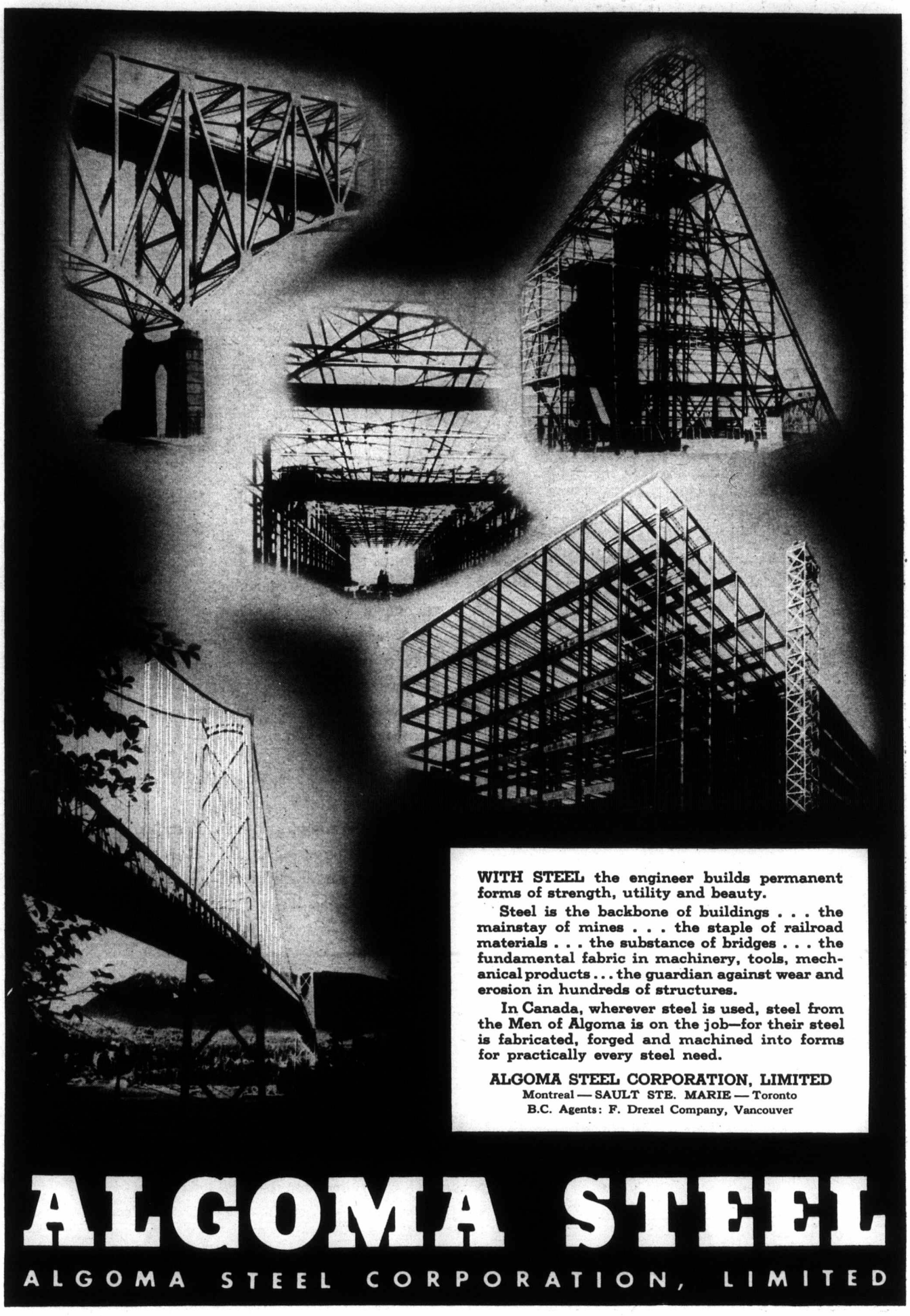
INTERNATIONAL HARVESTER COMPANY
OF CANADA, LTD.
HAMILTON ONTARIO



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121390



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121391

The best equipped plant gets the order

No manufacturing company need handicap itself by obsolete out-of-date machinery, and the resulting inefficient and high-cost production, merely because of the lack of sufficient cash with which to buy *new* equipment.

Through the specialized amortized payment plans offered by Industrial Acceptance Corporation Limited, Canadian industrial concerns can buy and instal *now* the up-to-date and efficient equipment they need to modernize their operations and to reduce their manufacturing costs.

Around the whole cycle of Canadian industry are firms who are "putting off until tomorrow" the purchase of the equipment they need today. If yours is one of those, suggest to the equipment manufacturer or agent that you'd like to take advantage of the I.A.C. Amortized Payment Plan, and start deriving the benefit of the new equipment now.

Industrial Acceptance Corporation Limited will be glad to review its various plans with firms who sell machinery and industrial equipment to show how the modernization of industry in Canada can be facilitated.

Industrial Acceptance Corporation
Limited

Halifax
Saint John
Fredericton
Quebec
Sherbrooke
Rouyn

Ottawa
Kingston
Peterborough
Hamilton
Niagara Falls
Chatham

Montreal

Toronto
Windsor
London
Sudbury
Timmins
Kirkland Lake

Winnipeg
Regina
Saskatoon
Calgary
Edmonton
Vancouver

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121391

The best equipped plant gets the order

No manufacturing company need handicap itself by obsolete out-of-date machinery, and the resulting inefficient and high-cost production, merely because of the lack of sufficient cash with which to buy *new* equipment.

Through the specialized amortized payment plans offered by Industrial Acceptance Corporation Limited, Canadian industrial concerns can buy and instal *now* the up-to-date and efficient equipment they need to modernize their operations and to reduce their manufacturing costs.

Around the whole cycle of Canadian industry are firms who are "putting off until tomorrow" the purchase of the equipment they need today. If yours is one of those, suggest to the equipment manufacturer or agent that you'd like to take advantage of the I.A.C. Amortized Payment Plan, and start deriving the benefit of the new equipment now.

Industrial Acceptance Corporation Limited will be glad to review its various plans with firms who sell machinery and industrial equipment to show how the modernization of industry in Canada can be facilitated.

Industrial Acceptance Corporation
Limited

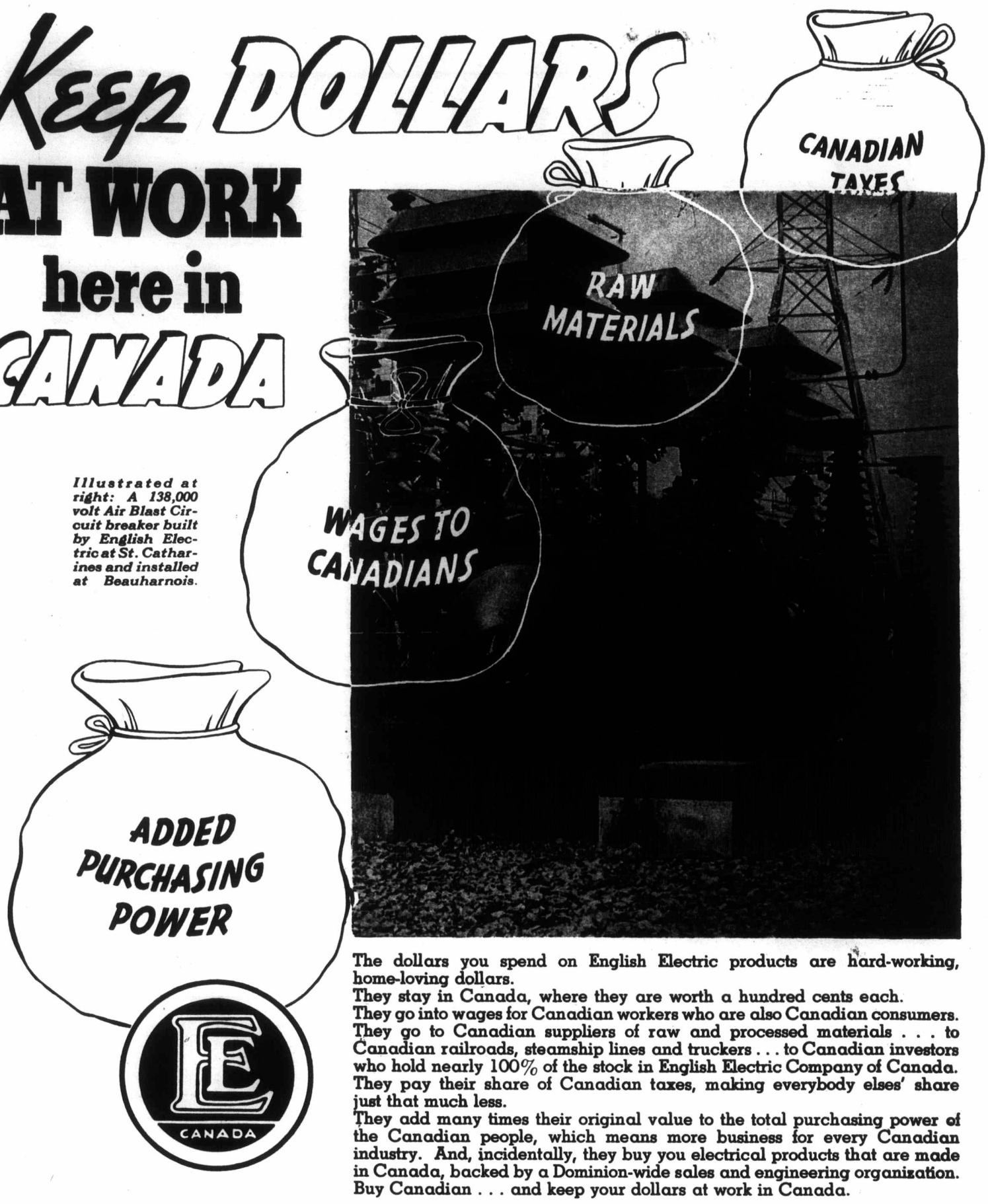
Halifax	Ottawa	Toronto	Winnipeg
Saint John	Kingston	Windsor	Regina
Fredericton	Peterborough	London	Saskatoon
Quebec	Hamilton	Sudbury	Calgary
Sherbrooke	Niagara Falls	Timmins	Edmonton
Rouyn	Chatham	Kirkland Lake	Vancouver

Montreal

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Keep DOLLARS AT WORK here in CANADA



Illustrated at right: A 138,000 volt Air Blast Circuit breaker built by English Electric at St. Catharines and installed at Beauharnois.

The dollars you spend on English Electric products are hard-working, home-loving dollars.
They stay in Canada, where they are worth a hundred cents each.
They go into wages for Canadian workers who are also Canadian consumers.
They go to Canadian suppliers of raw and processed materials . . . to Canadian railroads, steamship lines and truckers . . . to Canadian investors who hold nearly 100% of the stock in English Electric Company of Canada.
They pay their share of Canadian taxes, making everybody elses' share just that much less.
They add many times their original value to the total purchasing power of the Canadian people, which means more business for every Canadian industry. And, incidentally, they buy you electrical products that are made in Canada, backed by a Dominion-wide sales and engineering organization.
Buy Canadian . . . and keep your dollars at work in Canada.

ENGLISH ELECTRIC
COMPANY OF CANADA, LIMITED

Head Office and Factory: ST. CATHARINES, ONT. • District Offices: TORONTO, MONTREAL, VANCOUVER, KIRKLAND LAKE
Represented by: RAILWAY & POWER ENGINEERING CORP., LIMITED, WINNIPEG • GORMANS LIMITED, EDMONTON
FLECK BROS., LIMITED, VANCOUVER • J. D. ROBERTS, OTTAWA • FOULIS ENGINEERING SALES CO., HALIFAX

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121392

Good
JUDGMENT

JUDGE a cigar on its merits. Then consider its price. House of Lords cigars are made of all-Havana filler and choice shade-grown wrapper. Yet, because they are made in Canada, they cost 40% less than imported cigars of comparable high quality.

FINEST IMPORTED TOBACCOS
•
GENUINE HAVANA FILLER
•
CHOICE SHADE-GROWN WRAPPER
•

HOUSE of LORDS

Petit Coronas 15¢
Panetelas 10¢

LETTERS

SHIPPING BOARD

Dear Sir:

On page 29 of CANADIAN BUSINESS for January there appears a statement in regard to the newly created Canadian Shipping Board which I regret to say is somewhat misleading. The information contained therein was apparently taken from the newspapers, which published an erroneous report on the subject about the end of last month.

In regard to the personnel of the Board, I may say that it consists of seven members in addition to the Chairman. In CANADIAN BUSINESS only four members are listed. The other members are Mr. T. C. Lockwood, Controller of Transport; the Director of Shipping, whose name cannot be given just yet as he is not yet appointed, but who will probably be appointed next week, and myself. The Secretary of the Board will be Mr. Bruce Macdonald formerly our Trade Commissioner in Berlin, Germany, and the offices of the Board will be in the West Block, adjoining the offices of this Department.

The description in CANADIAN BUSINESS of "the job" is also somewhat misleading . . . The Board's duties are, as you will observe, to keep in close and constant contact with the United Kingdom Ministry of Shipping through the Board's representatives in London, who are Mr. Hume Wrong of the Department of External Affairs and Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom.

I have been directed by the Chairman of the Board to draw these points to your attention and to suggest that a correction be made in a future issue.

F. E. BAWDEN,
Director of Trade Routes and Steamship Subsidies, and Member of the Canadian Shipping Board.

Ottawa, Canada.

As the Canadian Shipping Board was announced in the press on the day C.B. (January) went to press, the Editors used the only information available. We publish below the complete list of members of the C.S.B. and for further details on their duties, see page 43.—ED.

CHAIRMAN:

MAJOR J. G. PARMELEE, O.B.E., *Deputy Minister of Trade & Commerce.*

MEMBERS:

R. K. SMITH, *Director of Marine Services, Department of Transport.*

H. L. KEENLEYSIDE, *First Secretary, Department of External Affairs.*

F. E. BAWDEN, *Director of Trade Routes and Steamship Subsidies, Department of Trade and Commerce.*

COMMANDER J. A. HEENAN, R.C.N.R., *Department of National Defence.*

A. W. MERRIAM, *Chief of the Export Licence Branch, Department of National Revenue.*

T. C. LOCKWOOD, Montreal, *Transport Controller.*

A. W. L. MACCALLUM, Montreal, *Director of Shipping.*

SECRETARY:

B. A. MACDONALD, *Commercial Intelligence Service, Department of Trade and Commerce.*

LONDON, ENG., REPRESENTATIVES:

FREDERIC HUDD, *Chief Canadian Government Trade Commissioner in the United Kingdom.*

HUME WRONG, *Department of External Affairs.*

C.B. CHART

Dear Sir:

For some time, I have been a steady reader of your magazine and have found the chart of Bond Prices, Business Activity, etc. to be very useful. In recent months, however, I notice that a common index has been used for each of these items, whereas formerly, I believe, the official Dominion Bureau of Statistics index was used for each one. Under the present arrangement, it is difficult to follow the chart in terms of the index figure published elsewhere. Would it not be possible to use the official index for each of the component parts of the chart as before?

Trusting this suggestion may meet with your approval, I remain,

J. P. WALWYN,
R. A. Daly Co., Ltd.

Toronto, Ont.

The official weekly indices for Wholesale Prices and Government Bond Prices are used in compiling C.B.'s chart and are taken from the Weekly Bulletin of the Dominion Bureau of Statistics. The index for Common Stocks is taken from the Daily Combined Index of the Montreal Stock Exchange. The Business Activity index is our own. These various indices have been chosen as they mirror, we believe, as closely as possible existing (rather than past) conditions and, as up-to-dateness is vital in such a presentation, less prompt indices have had to be eliminated.—ED.

WRONG EDITOR

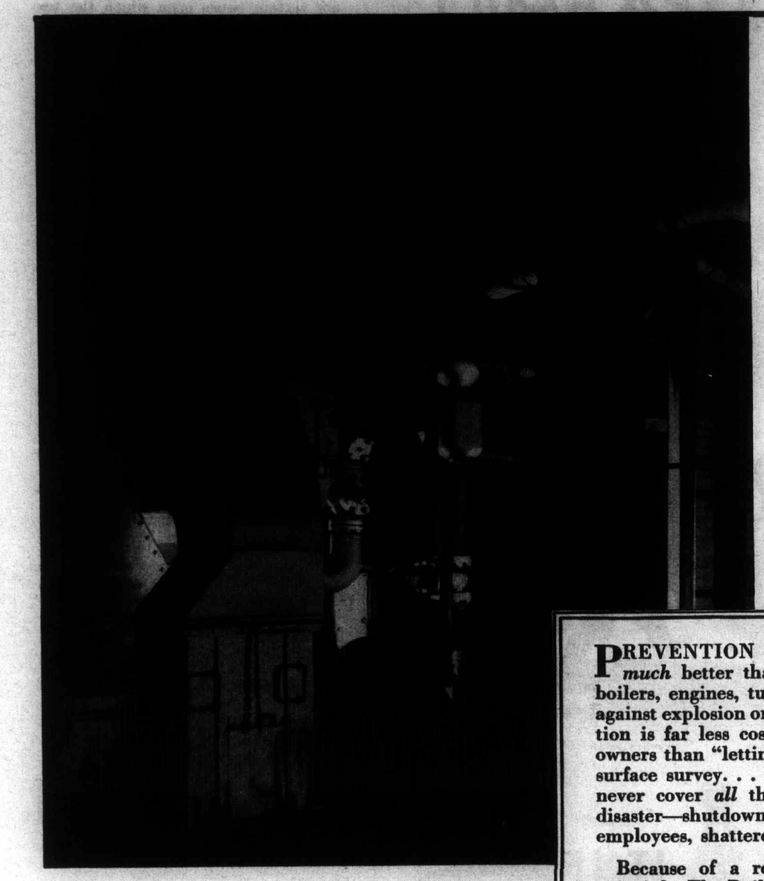
Dear Sir:

In accord with other Maritime newspapers, the Halifax "Chronicle" and the Halifax "Herald" are strong supporters of the common interest of Canada's far-eastern provinces. But . . .

It is doubtful whether the owner of the "Chronicle", the Hon. F. B. McCurdy, or its general manager, Mr. J. R. Mac-

121393

"Is There a Diagnostician in the House?"



PREVENTION is better than cure. And *much* better than autopsy! Safeguarding boilers, engines, turbines, electric generators against explosion or crash by *thorough* inspection is far less costly or disturbing to their owners than "letting 'em ride" with a casual surface survey. . . . For insurance alone can never cover *all* the losses of power-plant disaster—shutdowns, lost production, maimed employees, shattered morale.

Because of a resolute adherence to this principle, The Boiler Inspection Co. has given real significance to the "Inspection" which for nearly 65 years has featured its name. Specialists operating under rigid rules and directed by a trained engineering staff aim to make every inspection made by the Company a thorough one—every "diagnosis" one that leaves no doubt of the true condition of each piece of equipment.

Ask your agent or broker for further reasons why the power-plant inspection service of The Boiler Inspection Co. is without equal for efficiency—the security for payment of loss under its policies beyond question.

•

Power Inspection by Power Engineers
Power Insurance by the only Company in Canada specializing in Engineering Insurance

THE BOILER INSPECTION AND INSURANCE COMPANY OF CANADA

906 FEDERAL BLDG., TORONTO
806 The Bank of Nova Scotia Bldg., Montreal
221 Curry Bldg. Winnipeg

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121394

what he needs is a little EXTRA body!

YOU GET IT IN

COSGRAVE'S
EXTRA ALE

C2

Leod, subscribe so wholeheartedly to the "unified management" viewpoint that they enlist the versatile pen of Senator W. H. Dennis in writing editorial comment as quoted in your January issue.

Unless I am greatly mistaken, the Senator is still directing the policies of the Halifax "Herald & Mail"—and there are certain issues upon which the two publishers entertain slight differences of opinion.

Your unfortunate error in attaching Senator Dennis to the "Chronicle" will doubtless raise a few eastern eyebrows, to say nothing of affording your readers an excellent opportunity of contributing to your "fan-mail".

What a dull world this would be if nobody ever made mistakes!

Montreal, Que. S. S. Smee.

Our apologies to all concerned and especially to Senator Dennis for an inadvertent error in proof-correcting. —Ed.

QUIZ

Dear Sir:

In the December issue of your magazine you have outlined an insurance policy under the heading "Insurance Quiz". The terms of this plan are very interesting to me and I wonder if you would be so kind as to give me the exact type of policy and the name of the company who sells it.

I would also like you to demonstrate how the cash values at ten and twenty years are arrived at and particularly to show how the plan can be converted from $10,000 protection to $21,000 protection at the end of 20 years *without* a medical examination.

J. Costigane.

Toronto, Ont.

Most of the large life insurance companies offer a special endowment policy similar to the one reviewed but actual figures used by the Financial Editor in this case were taken from a submission of the Canada Life —Ed

DUTCH TRADE

Dear Sirs:

The economic conditions being completely altered by the political situation throughout the world and the events having moved rapidly in recent weeks, we realize that the situation is one calling for economic planning in order to safeguard the channels of international trading.

In this connection, we beg to draw your attention, as a magazine read by Canadian industrialists and importers, to our Bureau which aims at extending the commercial relations in regard to import as well as export.

All firms of your country applying to our Office will be assisted and brought into touch with firms here for the supplying of goods which are in demand in your market.

Bureau voor Handelsinlichtingen.

Amsterdam, Holland.

Contacts will be facilitated by C.B. for interested readers.—Ed.

121395

"Boy, you should've seen me breeze by Doc Tompkins, comin' up Elm Street Hill!"

You'll find it in a FORD V-8

The difference between promise and performance

The only place you'll find 8-cylinder performance is in an 8-cylinder engine. That's why the Ford V-8 stands alone in the low-price field!

You can *read* about Ford performance—you can *hear* about it from proud Ford owners—*or you can feel it for yourself.*

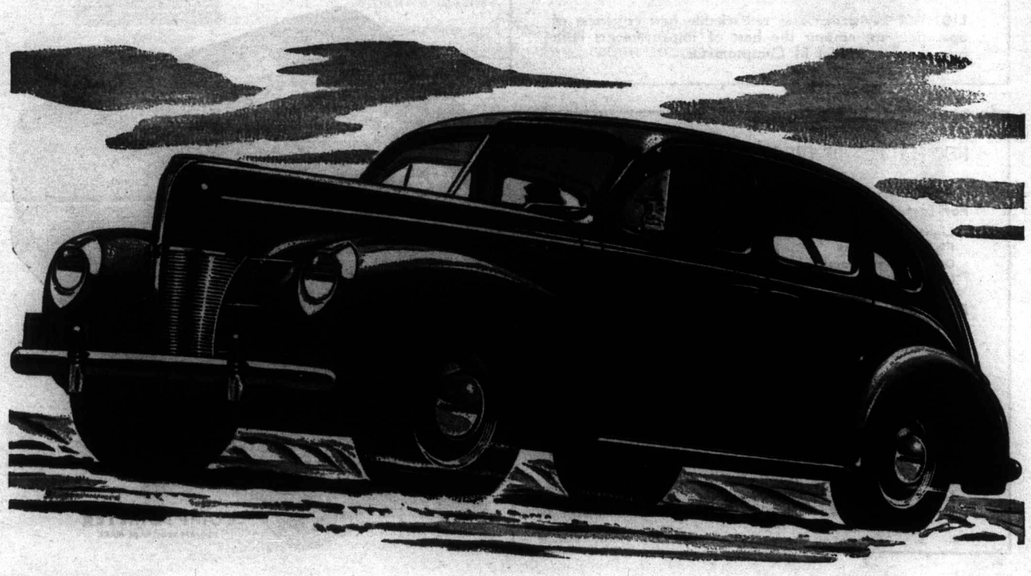
It's most fun, first-hand. See what this big car really has under its hood. Test it in traffic—on the hills—or out where the roads run long and straight. *Notice, also, how little gas you use as you go!*

We hope you'll be hard-boiled about it. We know what this car *can* do, because we built it. We know that the most skeptical prospects come back from their first ride in a 1940 Ford with a grin of genuine pleasure.

Beautiful lines—rich interiors—extra equipment—these things you can see and appreciate on the dealer's showroom floor. But the smooth surge of 8 eager cylinders, the smooth safety of big hydraulic brakes, the smooth comfort of the quiet Ford ride—*all* deserve much closer acquaintance.

In a very few minutes, any 1940 Ford V-8 will show you the vital difference between promise and *performance!* And you'll enjoy being shown! . . . There's a Ford dealer conveniently near you.

Ford



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121396

He: *Miss Dale, you're a fast worker!*

She: *Thanks! But it's just that new*

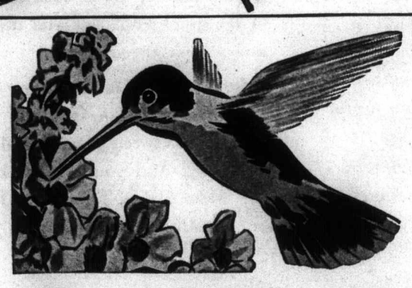
MODEL M CUSHIONED-TOUCH

COMPTOMETER

"Comptometer Economy" is a familiar (and pleasant) story to executives in almost every business and industrial field. It's a story that "boils down" to *more figure work handled in less time at lower cost,* through high speed, Controlled-Key accuracy, flexibility—and modern Comptometer methods.

And now, the handsome new Model M Cushioned-Touch Comptometer offers all the fundamental Comptometer advantages, together with many important *new* features and improvements which contribute to increased figure-work savings.

For a demonstration of "Comptometer Economy," as it applies to your own figure-work problems, inquire of Felt and Tarrant, Ltd., offices in Toronto, Ont.; Montreal, Que.; Ottawa, Ont.; Edmonton, Alta.; Calgary, Alta.; Vancouver, B. C.; Winnipeg, Man.; Hamilton, Ont.



LIGHTER key-stroke and remarkable new quietness of operation are among the host of improvements built into the new Model M Comptometer.

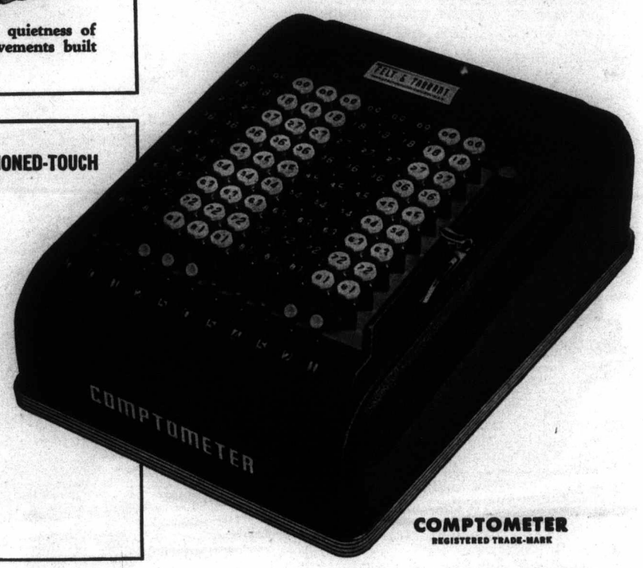
NEW FEATURES OF THE MODEL M CUSHIONED-TOUCH COMPTOMETER

For faster, easier operation:
- Lighter key-stroke
- Flexible keyboard
- One-hand subtraction
- Improved decimal pointers

For greater quiet:
- Mechanism floated in rubber
- Scientific soundproofing

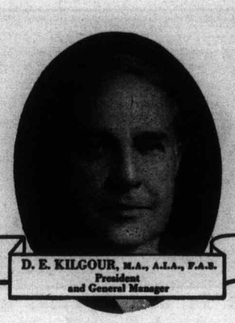
For improved appearance:
- Cancelling lever built inside case
- New color and modern, simplified lines to harmonize with modern office interiors

For minimized eye-strain:
- No-glare answer dials
- Larger, more legible answer numerals
- Restful grey-green color



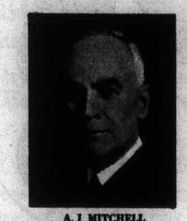
COMPTOMETER
REGISTERED TRADE-MARK

121397



D. E. KILGOUR, M.A., A.I.A., F.A.S.
President
and General Manager

FRANK A. ROLPH
Chairman of the Board
Chairman of Board, Imperial Bank



A. J. MITCHELL
Vice-President
President, A. J. Mitchell & Co. Ltd.
Toronto

C. L. BURTON
Vice-President
President, Robert Simpson Co. Ltd.,
Toronto

THESE MEN

report to their fellow policyholders

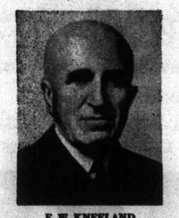
THE DIRECTORS of North American Life are proud to present to their fellow policyholders, a report of their stewardship for the past year:

- A total of $5,836,610 was paid to policyholders and beneficiaries.
- The Company's liberal scale of dividends has been maintained.
- New Business totalled $25,652,917.
- Profits from the year's operations were higher.
- Expenses continued at the same low level.
- The mortality ratio was reduced.
- Interest was earned at a gross rate of 4.68%.
- The policy lapse rate was the lowest in the Company's history.
- Special Reserves and Surplus Funds totalled $5,558,170, including Investment Reserves of $1,600,000.

North American Life is a mutual company owned and controlled by its policyholders.

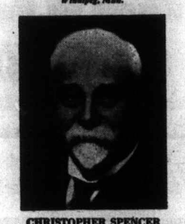
W. E. BUCKINGHAM, K.C.
Guelph, Ontario

Hon. G. S. HENRY, LL.D., M.P.P.
Toronto



E. W. KNEELAND
President, Kneeland Grain Co. Ltd.
Winnipeg, Man.

F. S. CORRIGAN
Vice-President and General Manager,
General Steel Wares Ltd., Toronto



CHRISTOPHER SPENCER
President, David Spencer Ltd.
Vancouver, B.C.

W. B. WOODS
Vice-President, Gordon Mackay & Co.
Ltd., Toronto

NORTH AMERICAN LIFE

HEAD OFFICE TORONTO

Assets $65,001,883 *Business in Force* $239,457,765

PLEASE WRITE FOR A COPY OF THE COMPANY'S ANNUAL REPORT

H. J. HUMPHREY
Vice-President and General Manager,
Eastern Lines, Canadian Pacific
Railway, Toronto

Hon. L. A. TASCHEREAU, LL.D.
Quebec, P.Q.

G. H. A. MONTGOMERY, K.C.
Montgomery, McMichael, Common and
Howard, Montreal, P.Q.

A. G. PARTRIDGE
President, Goodyear Tire & Rubber Co.
of Canada Ltd., Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Famous Medals
for Distinguished Service...

THE DISTINGUISHED CONDUCT MEDAL ... 1854

Next to the Victoria Cross, this medal is perhaps the most coveted in the British Army. Instituted during the Crimean War in 1854, the D.C.M. is awarded to Non-Commissioned Officers and Men for gallantry in action. Shown in the illustration is the reverse side of the silver medal bearing the inscription "For Distinguished Conduct in the Field". On the obverse side is embossed an effigy of the reigning monarch. For subsequent acts bars are awarded to be worn on the ribbon which has a blue centre with crimson edges, and when the ribbon is worn alone a silver rose is worn for each bar. Recipients are permitted to use the letters D.C.M. after their names.

Over 60 Medals and Prizes awarded Dewar's for Merit...

The highest honours the world has ever bestowed upon a Scotch Whisky!

DEWAR'S

Special Liqueur **OLD SCOTCH WHISKY**

BY APPOINTMENT

DISTILLED, BLENDED AND BOTTLED IN SCOTLAND BY **DEWAR**

CONTENTS FOR FEBRUARY, 1940

VOLUME THIRTEEN NUMBER TWO

Cover An excellent photomontage by the General Electric Company.

Letters ... 4

The Voter's Hour ... 15

Editorials ... 16

The St. Lawrence Waterway A debate on "will we or won't we?" ... 18

Why Management's Acceptance of New Sales Responsibilities Means New Sales Opportunities
By Burton Bigelow
The forerunner of a brilliant series of copyright articles on management ... 23

In the Business Spotlight ... 26–28

New Ideas in Business ... 29

Canada Pictures Unlimited A sketch of Government's wartime film operations ... 30
By F. C. Mears

Reading for Profit and Pleasure ... 33

War's Progress ... 34

Even The "Y" Needs Good Public Relations ... 37
By J. G. Johnston

How's Business? ... 38

Read All About It! How Canada's problem newsprint industry is faring ... 40
By S. G. Scobell

Canada Organizes for War ... 43

The Selling Parade ... 44

Loan Sharks Beware! Why they, rather than borrowers, must now beware ... 46
By H. C. Wallingford

Trim Your Business for Tomorrow! Some aids on wartime merchandising ... 48
By P. W. Ward

Ottawa Parade—*By Our Own Correspondent* ... 50

Fires That Never Start How your fire hazards are removed without cost to you ... 54
By R. W. Nash

Investments ... 62

We See By the Papers ... 80

London Scene—*By a Correspondent* ... 84

Travel—*By Leo Cox* ... 90

Insurance Quiz ... 96

Index of Advertisers ... 112

Trends of Canadian Business ... 114

The Office—"M.E.F." ... 116

Miscellaneous Articles Army Education, Page 52; X-Rays Cut Claims, Page 52; Ice Bound Cargoes, Page 56; 25th Anniversary, Page 56; Motor Truck, Page 66; War and Exports, *By C. K. Hollingsworth*, Page 70; Railways Are Ready, Page 72; Business Out West, Page 77.

EDITORIAL:—W. McL. Clarke, Consulting Editor. Kenneth J. McArdle, Managing Editor. Donald L. Morrell, Editor. Carlyle Gilmour, M. E. Foster, M. G. Hughes, Associates.

EXECUTIVE OFFICES:—The Canadian Chamber of Commerce, 530 Board of Trade Building, Montreal, Canada. Telephone Number: BElair 1163-64. Business Manager: W. R. Leonard. Circulation: L. F. Wyatt.

ONTARIO OFFICE:—The Canadian Chamber of Commerce, 506 Excelsior Life Building, Toronto, Canada. Bradley Gundy, Manager. Telephone: ELgin 3650.

REPRESENTATIVES:—Western Canada, F. A. Dunlop, 110 Shelly Building, 119 West Pender St., Vancouver, B. C., Telephone: Trinity 0530. Great Britain, Robert J. Smyth, Manager, 34 Ludgate Hill, London, E.C. 4, England.

IMPORTANT:—As the official magazine of The Canadian Chamber of Commerce this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers. The Canadian subscription rate for one year is $3.00; two years, $5.00; U.S.A., per year, $4.00; Foreign, per year, $5.00.

NOTE TO CONTRIBUTORS:—Manuscripts will not be returned unless self-addressed envelopes and correct postage accompany them.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds

Municipal Bonds

Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

Canadian Investment Securities

The facilities of our organization are available in the purchase or sale of securities and for the analysis of investment problems.

Enquiries invited.

Wood, Gundy & Company, Limited

Toronto Ottawa
Montreal Hamilton
Winnipeg Vancouver
London, Eng. London, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021400

Achievements in Service

Facts from 65th Annual Report

New Life Insurance $ 87,235,888

This is the net amount of life insurance Canadians purchased from the London Life in 1939 as financial provision for the future.

Insurance in Force $643,316,111

This is the total of the life insurance policies in force at the end of 1939, excluding all annuities and re-insurance ceded.

Assets $134,970,839

These resources are sufficient to meet all the obligations of the Company and to provide a wide margin of safety.

Surplus Funds $ 16,751,311

The Company holds in Free Surplus and Reserves beyond legal requirements the sum of $16,751,311, a gain of $1,274,300 for the year. In addition it has a Specific Investment Reserve of $4,400,000 and has followed its customary practice by setting up in 1939 the funds to pay all policy dividends earned to the policy anniversary in 1940.

The Company's traditions of growth, security and low cost of insurance to policyholders were fully maintained during the year 1939.

London Life

ESTABLISHED 1874

Insurance Company

Head Office - **London, Canada**

We learnt about Women from her!

24% of them buy on impulse

Who is she? You'll see her every day and all day in department stores, chain stores, meat markets and independent stores —in every place, in fact, where merchandise is displayed and sold. She is one of Canada's 3,000,000 women shoppers—one of that army which sets out daily to look at merchandise, to ponder values, to respond to sales appeals—and to *buy.*

We learnt about women—what they buy, how they buy and *why* they buy — from *her.* How? . . . Simply by studying the results of intensive surveys covering the shopping habits of women. In these surveys every step in a woman's purchase of various products was closely observed and tabulated. Many and varied were the facts obtained, but outstanding was this great revelation — *24% of all sales made in stores are made* ON IMPULSE. How vitally important it is, then, to give a product display strength at the point of sale — strength which will actuate a shopper's *impulse to buy.*

"Cellophane" enhances a product's appearance to the maximum degree. Sales appeal is increased to such an extent that in "Cellophane", products often outsell similar lines in plain wrappers by two and three to one. Perhaps there's a need for "Cellophane" in *your* merchandising. Think a bit and if an application for "Cellophane" comes to your mind, tell us about it. We'll gladly give you our fullest co-operation in developing a practical application. "Cellophane" Division, Canadian Industries Limited, Box 10, Montreal, Que.

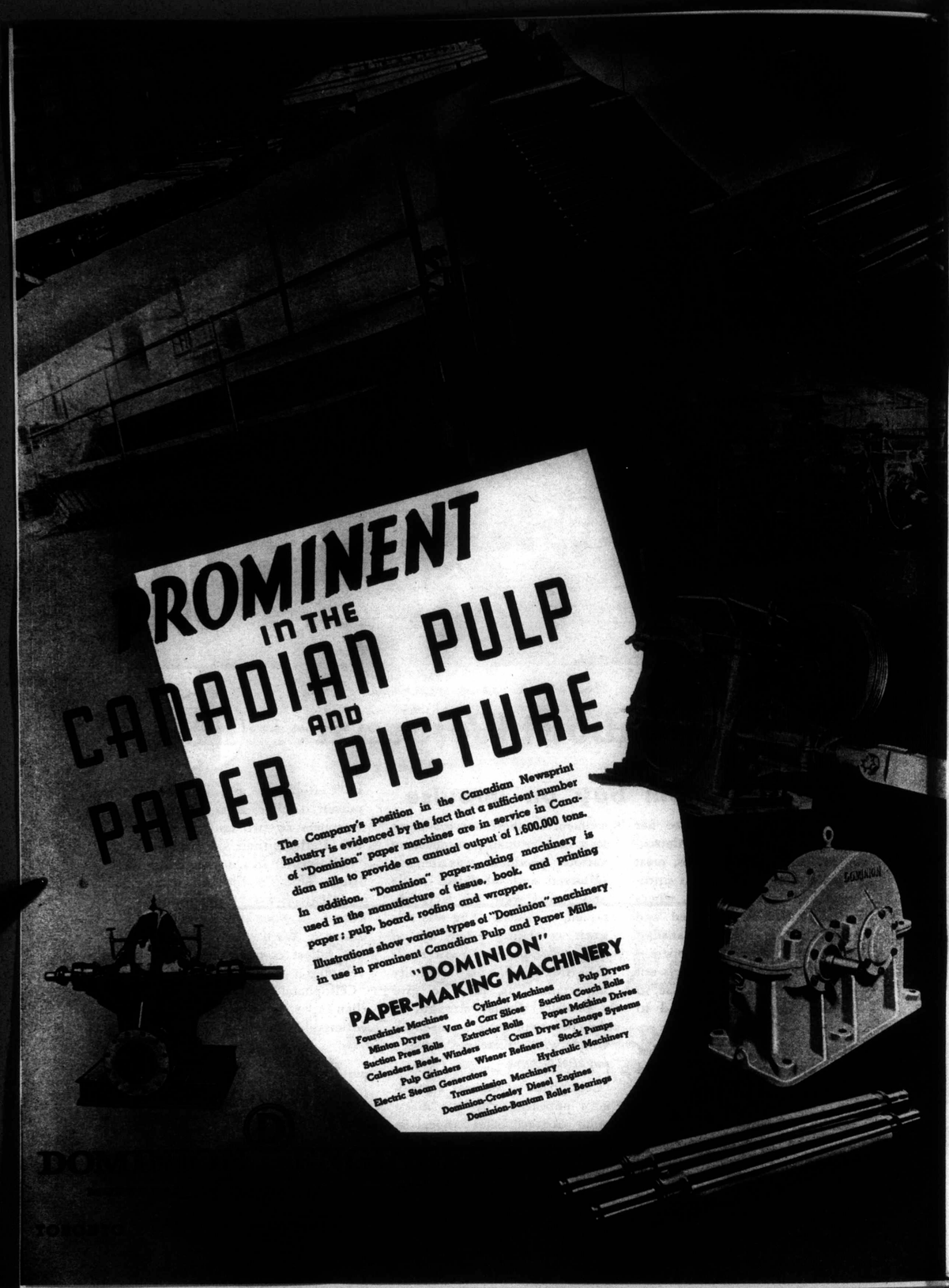
Cellophane

REGISTERED TRADE MARK

C·I·L CELLULOSE FILM

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



121403

CANADIAN BUSINESS
Feature *Editorial*

The Voter's Hour

BUSINESS management has really only one concern in the coming election—to see elected that party which will most effectively conduct the country's war effort and at the same time look forward to post-war needs.

Employees have an identical concern. Even the workers today realize there is a direct relation between the security of their jobs and the conditions which government lays down for management. In fact, the employee attitude of "what helps business, helps me" is now more than a mere trend.

Consequently, what the political aspirants say on the hustings, over the radio and in the press these next two months will be appraised by a large section of voters from the common interest of employers and employees.

In looking backward, the business community will primarily vote for or against the present government on its record of war administration since last September. It will consider whether another government could have done a better job, could have marshalled better leaders and could have avoided any mistakes that have been made.

In looking ahead, the same electorate will mainly weigh the programs of each party and consider their potential ability and energy to carry them out. In doing so, however, they will have to determine their answers to certain questions:

Which party, for instance, will provide the War Cabinet with the best individual and collective administrative capacity? Which Cabinet will provide the most aggressive and able leadership, invite the most confidence from the most people?

Which party will fearlessly pursue war policies that will involve a minimum of political extravagance? Which will pare patronage to the bone and allow the least political preference in wartime activities?

Which party will be the more inclined to take business men into its confidence before rather than after giving it mandatory orders; which will avoid needless disturbances to business through enlisting experienced executives in its administration?

Which party will seek seriously to eliminate unessential public services and expenditures so as to release the maximum money and manpower for essential wartime activities?

Which will select men and women for wartime duties according to their qualifications, not their willingness to help or their party affiliations?

Which party will best recognize its responsibilities involved in acquiring strict control over certain essential businesses; which will apply the best safeguards against the permanency of "control"?

Which party will pursue wartime taxing and spending policies which will mean less hardship in the post-war period; which will best remember that currency debasement is the debaser of prosperity and democracy?

These are the real questions which thinking members of the business community, in fact the entire electorate, should selfishly ask themselves before they go to the polls next month. Upon the answers which the party men attempt to supply to these questions, should depend our support at the polls.

To you, then, who want Canada to make her supreme war effort, VOTE! But vote only after considering well which party government will serve, in the light of these issues, the country's interests—which are your interests—best.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121404
COPIES

Canada's Business

CANADIAN DOLLARS AT WAR

IT is plainly evident that Canada's war effort cannot be wholly paid for out of taxation. But we hope that any necessary victory loans will be raised in our own country, such as the first which proved such a success last month. The fact that people in all classes of society were encouraged to and did subscribe to the loan emphasizes our national unity and makes for the national consciousness that Canada's supreme war effort will require the support of each and every citizen. The revenue of the first war loan will now be moved from small idle bank accounts into pay for the forces, war supplies, industrial wages and farm income, which later will return to those bank accounts in larger volume. Add to the $200 million raised by this loan, the tax revenue that will be spent on the war this year, plus the $400 million which the British Government will spend on purchases in Canada, and the economic wheels will be in fairly rapid motion.

More sound public financing is found in the projected war savings certificates whereby wage-earners, especially in the war industries, may be encouraged to put aside present excess purchasing power againt any rainy days in the post-war period. All in all, our financial prosecution of the war appears to be off to a good start.

AT THE FINANCIAL LOOK-OUT

THE presidents of most Canadian banks, insurance and trust companies have now made their annual reports and discussed anew the state of the nation. What they see each year from their look-out towers is always worthy of note and this year's highlights are no exception. Of their institutions—they are ready and able to finance the demands of the country's war effort. Of governments—an example of frugality should be set for the nation by elimination of all unnecessary expenditures. Of the country—Canada is better fitted than most nations to meet the war's needs and consequences while Canadian investments remain among the best in the world. Of business—costs should be kept down and every ounce of productiveness within the compass of Canadian industry should be exerted for the war effort. Of citizens—thrift and economy should be made Canadian watchwords. Here is sound comfort, good advice and a charted course for 1940.

EMPLOYER—EMPLOYEE RELATIONS

ONE fine example of how to improve employee relations and build success for a business has come to light since our last issue. Industrial history was made when employee-chosen (by ballot) and shareholder-elected George Ayers went on the Board of Canada Packers Ltd. (See page 27). By Mr. Ayers' election, employees of the Company were assured officially a right—they have long since possessed unofficially—to a voice in decisions regarding company policy and especially those decisions affecting employee welfare. In announcing the appointment, President J. Stanley McLean stated significantly, "While the appointment was made primarily because we believe employees are entitled to a voice on the Board of Directors, we also believe that it will prove sound from the point of view of Company results".

BUSINESS CONVENES

EACH day the war brings new and serious problems to business and overnight changes in conditions. How industry, commerce, finance and government are to meet these specific problems, anticipate emergent adjustments, increase tax revenue, and lay plans for post-war readjustment are the vital problems of the day. Their discussion and solution is the object of the wartime conference which The Canadian Chamber of Commerce convenes at the Royal York Hotel, Toronto, on the 19th of this month. The gravity of the problems to be faced, the urgency of the demands to be met and the far-reaching effects of the decisions to be made indicate that this meeting will be one of the Chamber's most important conventions since its formation in 1926.

PAY THE PREMIUM!

LAST month we pointed to 1940 as Canada's golden opportunity to make her biggest bid for touring guests from the United States and urged that bid to be made through more tourist advertising. We suggested, among others, that provincial tourist development organizations should heartily participate. Since then we have heard from nine provincial organizations and found them alive to the opportunity, ready to grasp at it. One province had replaced a voluntary tourist bureau with a governmental department, another had undertaken special research into tourist travel, others had increased their advertising appropriations and still others urged us to continue our urgings. Important, too, were the provincial activities designed to keep Canadians at home during vacation time.

Our suggestion on tourism this month is directed to hotels, restaurants, merchants and business men, in fact, anyone who sells goods or services throughout Canada, to pay without hesitation the official 10% premium on U.S. currency. We can well make that payment a standard practice and mention it in our advertising copy. It will encourage American tourists to bring U.S. dollars into Canada, not buy Canadian dollars in their own "bootleg" market. Thus Canada will be storing up valuable exchange which will be useful to both the Canadian and British Governments in obtaining war supplies from the United States.

Here's one way to increase profits this year

1940

CHECK UP ON WAYS TO SAVE IN YOUR OFFICE

Savings made by conserving time and effort in office work are an easy and immediate source of additional profits.

To help you effect such savings this year, Burroughs offers definite and practical suggestions for locating and eliminating useless, costly operations that handicap employees in the efficient and economical handling of office records.

The local Burroughs office will be glad to furnish you complete information about the very latest ideas and developments for making office savings—and to aid you in determining how you can avail yourself of them most profitably.

GET YOUR FREE COPY TODAY!

This new Burroughs booklet, "Ways to Save Time in an Office," suggests how certain operations, including those mentioned in the check-list at the right, might be shortened or eliminated to get the work done in less time, with less effort, and at less cost. For your free copy, write on your own letterhead to—

BURROUGHS ADDING MACHINE OF CANADA, Limited
FACTORY AT WINDSOR, ONTARIO

Burroughs

☐ Are all the reports produced in your office actually used?

☐ Do you type and compute an invoice in separate operations—or do you use the new equipment that does both jobs in one operation?

☐ Is your office organized to handle "preferred attention" items without disturbing the normal flow of work?

☐ Are you able to complete accounting jobs the same day they are started, or does your present system pile up figures for a month-end peak?

☐ Have you ever studied at one time all forms in use in your office to check for duplications, reference value, sequence of information, and posting procedure?

☐ Do you save time by using tables of interest factors, decimal equivalents, etc., in calculation work?

☐ Do the machines used in your office have the recent advancements that eliminate mental calculations, extra copying, rehandling of figures, etc.?

☐ Are your accounting records maintained in such a manner that statistics are available quickly, without separate analysis?

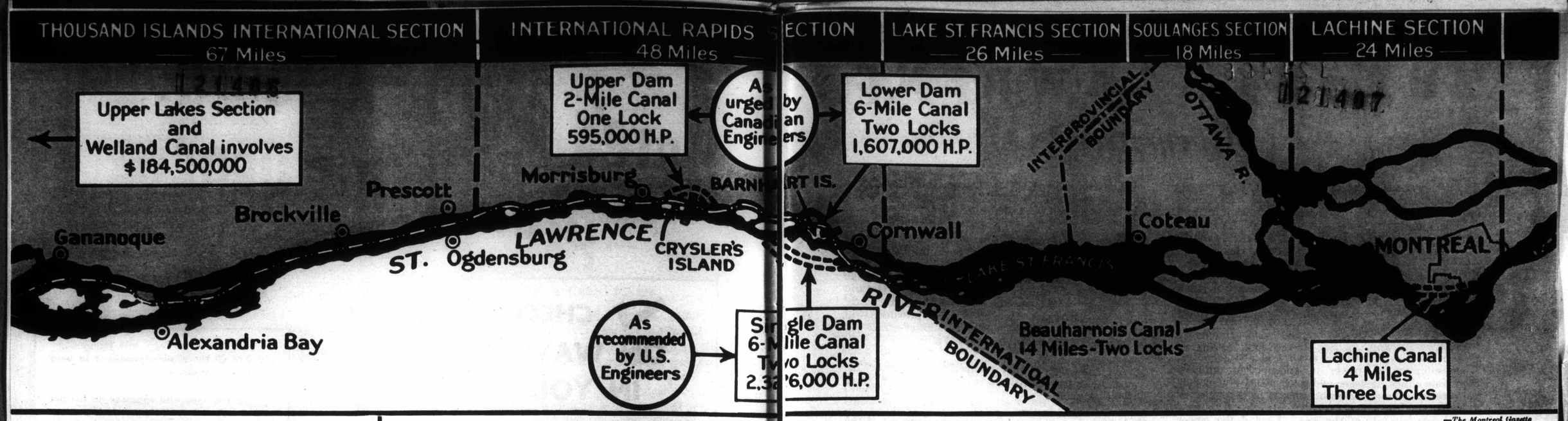
☐ Are there periods of inactivity on certain desks due to clogging of work at other points?

☐ Have you investigated recent developments for preparing in one operation related records that are now being prepared separately?

☐ Are office employees obliged to find their work in different places, or does the work flow to each desk in a normal, orderly process?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



—The Montreal Gazette

THE PROJECT

is a jointly planned development by Canada and the United States of their power and navigation resources in the Great Lakes-St. Lawrence River Basin. The proposed development contemplates primarily a joint enterprise in the international section of the River from which each country would derive some 1,100,000 h.p., while exploitation of the entire Basin would yield Canada perhaps an additional 2,000,000 h.p. Complementary to this power phase of the project, is the joint construction of a 27 ft. inland navigation system from Montreal to the head of Lake Superior, a distance of some 1,200 odd miles.

Apropos The *Will We?*

NO doubt about it, if you are looking for a prime subject, the St. Lawrence Waterway has just about everything. Politics, policy and power . . . investment, industry, inland navigation . . . all of these laid end to end provide as intricate a problem as ever silver-tongued collegians once aspired to dissect on the debating platforms of the magnanimous twenties.

The project itself, like some gaunt grizzly tired of hibernating, has now raised its head anew, advanced into the light of public discussion. President Roosevelt had repeatedly tempted it out with cosy personal offers of adoption. But there were others who shouted that it was hydro-headed and back it went to its lair.

Perhaps it was just waiting for the right voice, for when Ontario's Premier Hepburn swung over to the affirmative side to ease Ontario power's growing pains, out it popped again on the national scene like a veritable jack-in-the-box.

St. Lawrence Waterway *. . . Or Won't We?*

Naturally enough, debate has waxed hot and heavy, pro and con, depending upon the locus of the debater. One business executive has said: "The St. Lawrence Waterway project makes an excellent sphygmomanometer. Wrap it around any man's arm while he's talking Waterways and I'll tell you what county he hails from."

Because of its tremendous importance, the amount of money involved and the present high pitch of renewed interest, the Editors of CANADIAN BUSINESS now present to their readers the leading arguments on both sides of the debate. The bare, cold facts, for and against, have been drawn impartially from many sources and set down in orderly fashion so that a business man might, with a few minutes reading, bring himself up-to-date on what the whole argument is about, perhaps even crystallize his own thoughts on what is right and what is wrong.

To take sides editorially at this juncture is, in our opinion, definitely premature. Even Confucius says, "Before climbing out on limb, watch for man with axe."

Right now, business leaders are seriously weighing this project with all the cautious wisdom it deserves. Perhaps even this month they may discuss it before their own tribunal and bring down their decision as a formal policy of The Canadian Chamber of Commerce. Then, and only then, will a major expression of business opinion be nationally representative.

Meanwhile, we suggest you study the chart above, peruse the history summarized below, read the debate outlined on the next two pages.

If you find we have left out your favourite argument or perhaps there may be a new or interesting point of view to advance, by all means let's have it. Our mailbox is large and our shoulders are broad.

THIS BRINGS THE STORY UP TO DATE

1920—the International Joint Commission, provided for in the Boundary Waters Treaty between Canada and the United States in 1909, was appointed by the two Governments to investigate all phases of constructing a deep waterway on the St. Lawrence river system from ocean to lakehead.

1921—the above International Joint Commission reported that the project was practical and had economic advantages.

1926—a special joint board of engineers was appointed to consider the technical problems of the project.

1928—the above engineering board reported that any technical problems involved could be overcome.

—A Canadian National Advisory Board debated Canada's participation in the waterway and reported favourably on its economic advantages to Canada.

1932—an agreement was signed between the Prime Minister of Canada and the President of the United States to proceed with the project when approved by the respective Parliaments.

—the foregoing agreement was rejected by the United States Senate before being introduced to Congress and consequently was not introduced into the Canadian Parliament, but merely tabled as a matter of record.

1933-37—exchanges of diplomatic correspondence between the Governments of Canada and the United States with reference to mutual waterway interests, such as the Chicago (U.S.) diversion and the Ogoki and Long Lac (Canada) diversions, contained frequent reference to the St. Lawrence waterway. During the previous five years, however, no official plan was publicly put forward for official consideration by either country and interest lagged during the depression years.

1938—in May, President Roosevelt submitted a revised draft of the St. Lawrence Waterway Treaty to the Canadian Government which tabled it without further action, partially on account of the opposition from the Premier of Ontario.

1939—a revival of Canadian interest in the project occurred, mainly due to a reversal in attitude on the part of the Premier of Ontario, precipitated possibly by rising demands for power in Ontario and the probable need for additional contracts with Quebec power companies.

1940—a commission of three from the State Department at Washington visited Ottawa in January for a three-day conference to iron out incidental problems before the expected submission by President Roosevelt of a new treaty, based on the 1938 draft. A similar official Canadian delegation paid a return visit to Washington the same month.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE ST. LAWRENCE WATERWAY DEBATE

[*Affirmative*]

1 Ontario needs to begin development of additional power to meet her increasing demands. That province, for instance, is already using 650,000 h.p. from Quebec sources and has another 100,000 h.p. under contract. Since 1912, consumption in central Canada has increased at a rate of about 7 per cent per annum, rising from about 1,200,000 h.p. in that year to nearly 7,000,000 h.p. in 1939. If this rate of consumption continues, an additional 3 million h.p., nearly as much as that which would accrue to Canada from the entire St. Lawrence Waterway development, could be absorbed in central Canada by 1945.

2 Canada's war effort will mean a greatly increased consumption of power in addition to ordinary peacetime annual increase and consequently the potential power on the St. Lawrence should be developed to meet not only ordinary requirements but also these special requirements of the war. Even if the power projects and the waterway could not be completed in time for use in the war, we should meet the U.S. request for a treaty now to permit that country to begin some of its own essential works immediately. Canada, if necessary, could postpone for a few years her main capital outlay until a probable post-war unemployment situation might demand a public works project of this scale. In the 1938 treaty, for instance, Canada was given a period of ten years to complete her works at the international section.

3 Canada should begin to provide for her increasing power demands now through the development of more hydro electric power sites on the St. Lawrence rather than depend upon increased steam power development. The more or less permanent water flow of the country's rivers and particularly the St. Lawrence which varies in its flow only 25% from maximum to minimum, is a better resource on which to depend than coal which has defined limits and is exhaustible.

4 The St. Lawrence rather than other potential hydro power sites should be developed because its valley comprises a growing industrial district which is strategically located and which can be rapidly industrialized further by an increase of cheap and reliable power. This would mean new opportunities for employment, trade and agricultural markets in addition to new industry and the cost of the project would soon be offset by the resultant prosperity.

5 Ontario should now begin the long-term co-ordinated St. Lawrence power scheme rather than plan to patch up future requirements through isolated and small developments or through further purchases from Quebec which will eventually need all its own power.

6 The demand in both the United States and Canada for utilization of the 2,200,000 undeveloped h.p. of electrical energy in the international section will eventually become so insistent that a treaty looking to the joint development of the St. Lawrence Waterway as a power project, will be inevitable. Therefore, the project might as well be started now.

7 Engineering science will permit an exact allocation of the cost of constructing both the power and navigation facilities so that the Dominion Government would be called upon to pay for construction of the navigation phase of the scheme only, while the Ontario Government would pay the entire cost of the power phase. Citizens and business in other provinces will benefit from the vast new industrial market which will be established in the St. Lawrence Valley.

8 The existence of new competition from the St. Lawrence power sites will reduce the price of power to the consumer.

9 If Canada could not afford the development of the entire St. Lawrence Waterway scheme at this time, the international section only could be completed now so that its potential power could be released and the completion of its navigation facilities delayed until needed.

10 A deep waterway system from Montreal to lakehead would enable ocean-going vessels to sail to lakehead and intermediate ports, thereby avoiding charges for transfer of cargoes at Montreal. By this reduction in transport costs, Canadian farm products could the better compete in foreign markets. In turn, the price of imported goods carried by ocean ships up the St. Lawrence Waterway would be lowered for consumers in Ontario and West.

11 Further savings would be made possible by the St. Lawrence Waterway scheme in that large lake vessels could sail eastward as far as Montreal without breaking bulk, and charges for intermediary transfer of cargoes to smaller ships which operate in the lower river canals only would be avoided.

12 Accompanying the use of the St. Lawrence deep waterway by ocean-going vessels, lake ports would experience greatly increased business activity.

13 Canadian negotiators of any St. Lawrence Waterway Treaty with the United States at this time can be depended upon to obtain a fair division of the costs and benefits of the scheme. In fact, the keen desire of the United States Government for the St. Lawrence Waterway development would incline that Government to accept a very generous share of the cost.

14 The fact that the St. Lawrence Waterway scheme involves a joint project of the U.S. and Canada means that two governments would be on guard against "political" costs involved in this international project. As accurate engineering estimates can be prepared, the actual costs of any definite scheme could be ascertained and adhered to during construction.

[*Negative*]

1 Ontario's additional power needs can be satisfied for at least the next decade from wholly Canadian power sites, which would be less costly and could be brought into production sooner than the St. Lawrence scheme. For instance, there are over 3,000,000 additional h.p. available at present or potential sites on the Ottawa and St. Maurice Rivers and at Beauharnois.

2 The St. Lawrence Waterway scheme is not justified now from a viewpoint of cost or as an appropriate construction project. Canada's supreme effort at this time should be directed toward winning the war and until the war is won, any contemplated diversion of money, men and materials into this huge costly project is insupportable. It would be far better to increase present generating capacity and interprovincial contracts or to make a separate treaty with the United States which would barter the Ogoki & Long Lac for a larger Chicago diversion. If such barter were made, probably 300,000 additional h.p. could be developed by Ontario Hydro at Niagara for a reasonable cost.

3 Further complementary steam power can be produced to meet all needs of the immediate future. This kind of power holds the advantage in that it can be developed as needed and with a smaller capital outlay. Moreover, improved methods have substantially reduced, perhaps by ¼, the amount of coal which is required per h.p. Production costs have resultantly come down and coal's competitive position enhanced.

4 The construction of the St. Lawrence Waterway scheme would not attract to the St. Lawrence Valley the large volume of new and diversified industries which is anticipated by the proponents of the scheme. For instance, there has been no very appreciable growth in the Beauharnois district since the development of that power site, while North Shore River developments have been confined to one or two big industries whose establishment was coincident with power developments.

5 The logical way for Canada to supply growing power needs is by a series of wholly national developments in accordance with increasing demand, rather than to invest huge sums in vast power sites which will be a liability during long-term construction and until an outlet in the distant future appears.

6 Even if the United States Government is pressing for a St. Lawrence Waterway Treaty, no serious international complications will arise if Canada decides she is not in a position to proceed with the St. Lawrence scheme at the present time.

7 It is practically impossible to allocate separately the cost of constructing the power and navigation facilities in this joint project. Therefore, federal money will probably be spent in the construction of the purely power phase of the scheme, so that citizens of other provinces would be subsidizing Ontario power consumers.

8 Power at the international section would be paid for by public money and thus it will set up a vast public utility, a situation where the new power utility, backed by provincial government financial resources, will be able to compete unfairly with private power enterprises. Such a situation would prejudice the security of both large and small Canadian investments already made in the privately-owned industry.

9 There is no need to undertake the St. Lawrence Waterway which involves huge expenditures for providing *both* navigation and power facilities when at the present time there is only an apparent demand for power.

10 Incoming ocean ships would not go further than Montreal because their design is unsuited to inland navigation and because of the costly time which would be wasted in passing through locks and narrow river channels. Thus freight charges on those imports, which are shipped west from Montreal by boat, would not be lowered in so far as Montreal transfer charges are concerned. On outgoing grain, carriers from lake ports would have to compete with the shorter water haul shipments from Portland, Boston and Philadelphia. Lake and river freight rates on grain have in some years been just about half those of 1928, when the navigation benefits of the scheme were most keenly sought. (Rates on grain shipped from Fort William to Montreal were 8.4c per bu. in 1928, 3.7c in 1933, 5.6c in 1938.)

11 The savings in freight charges to be gained would not be commensurate with the construction costs involved. At present, big ship to lower canal ship transfer charges are only about ½c per bu.

12 The replacement of the Canadian Great Lakes fleet would mean that thousands of workmen, seamen, railway and freight operators, dry-dock and fueling-dockworkers, manufacturers and investors would be adversely affected.

13 The proposals that are likely to be embodied in any new St. Lawrence Waterway Treaty will obviously be less advantageous to Canada than those in the 1932 treaty. Because the former treaty failed of adoption in the United States Senate, any new treaty must hold out additional benefits to the United States if it is now to meet Senate approval at Washington.

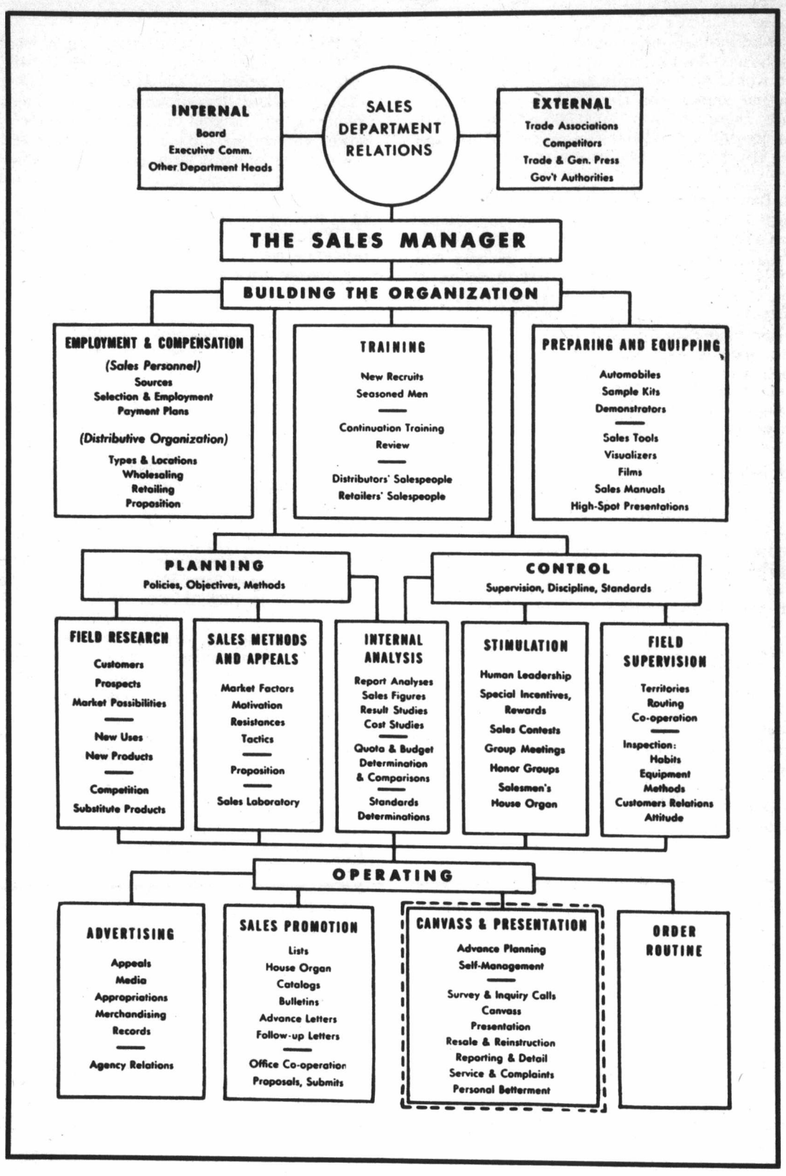
14 No estimated minimum costs of the waterway, including interest, depreciation and maintenance charges, will justify the construction of the waterway for many years. Experience has shown that estimated costs on government undertakings are usually exceeded. Based on the actual and estimated costs of similar but less costly undertakings, such as the Welland Ship Canal, the Panama Canal, the Manchester Ship Canal and the Chicago Drainage Canal, it may be assumed that the actual cost of the St. Lawrence Waterway would approximately double or treble the current estimates. The country's burdensome public debt of 8 billion dollars would be tremendously increased.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE JOB OF THE SALES DEPARTMENT

(Copyright)



Why Management's Acceptance of New Sales Responsibilities Means NEW SALES OPPORTUNITIES

By
BURTON BIGELOW

WHEN Frederick W. Taylor, father of scientific factory management and the progenitor of the American system of mass production, printed his first extensive outline of his then new system of production management, he set forth a startling new concept of management's responsibility for results. Said he: ". . . to work according to scientific laws, the management must take over and perform much of the work which is now left to the men; almost every act of the workman should be preceded by one or more preparatory acts of the management which enable him to do his work better and quicker than he otherwise could. And each man should daily be taught by and receive the most friendly help from those who are over him, instead of being, at the one extreme, driven or coerced by his bosses and, at the other, left to his own unaided devices."

In short, he demanded that *thinking* be separated from *doing*, that *planning* be divorced from *execution*. Upon management he laid the responsibility, not only for developing an exact technique, showing *what* to do and *how* to do it, but he also laid on management's doorstep the responsibility for setting up standards of performance, both as to *quantity* and *quality* of production; as well as the responsibility for providing worker-training and the incentive for utilizing the training so as to increase production and reduce unit costs.

That first publication, *The Principles of Scientific Management*, appeared in 1911.

Today, twenty-eight years later, the science of selling is approximately at the same stage of development as was production in 1911. Taylor's group of principles which, with very little "translation," are as adaptable to *sales* management as they were to *plant* management, are in use in only a few of the larger and better managed companies.

In brief, for the open-minded sales executive, who is willing to re-orient his thinking, there exists today a wide-open opportunity to improve sales volume and cut sales costs by the application of a commonsense set of basic methods—an opportunity almost identical in possibilities with that existing in the production field in Taylor's time.

To grasp more quickly the scope and nature of this sales management opportunity, let us glance for a moment at a chart which divides the whole selling function into its natural sub-functions.

When the selling function is thus charted, a most startling fact presents itself, *viz.:* only one of the sub-functions—that of Canvass and Presentation—is the exclusive province or responsibility of the salesman in the field. All the other subdivisions of the selling job are the natural and obvious responsibility

BURTON BIGELOW

INTRODUCING THE AUTHOR

BURTON BIGELOW, who presents herewith the first of a series of articles on Sales Management, is the head of Burton Bigelow Organization, Sales Management Consultants, of New York and Buffalo. He has spent 24 years in selling and sales management and is the author of "The Knack of Selling More," "The Modern Sales Manager's Job," "Why Fulton Didn't Sell Napoleon the Steamboat," "A Training Program for Field Salesmen," "Three Minute Monographs on Selling"—and many other publications. He serves as consultant for several large firms and is a frequent contributor to the leading business magazines

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121412

of management. Some of that responsibility is subject to being shared, ever so slightly, with the field salesman but, on the whole, these remaining sub-functions are almost totally the responsibility of management. (See the accompanying chart.)

To the traditional type of sales management, this constitutes a discovery of the first importance. For the first time, they begin to recognize the necessity (as Taylor points out) of assuming "new burdens, new duties and responsibilities never dreamed of in the past." Management accepts these new burdens, these new tasks not as a part of any "moral" or "social" responsibility, but for the very practical business reason that by so doing they can develop the effectiveness of their sales manpower so that sales volume increases and unit sales costs decrease.

In fact, with the relatively high efficiency of present day production methods and the difficulty of further improving these, due to the uncooperative attitude of labour, the chief opportunity for increasing profits in many businesses lies in developing the effectiveness of the sales manpower. Man for man, there is often a bigger potential opportunity in the sales force than ever existed in the production crew.

In which directions do the greatest opportunities exist? The chart shows them all. Let us examine them one by one.

Employment and Compensation

In this sector, several opportunities for betterment exist. *First:* Better selection of new men. For example: The Guardian Life Insurance Company of America in 1932 gave its field sales managers a Personal Rating Chart to guide them in the selection of new agents. In telling of the use of this chart and its results, the Company says, "This chart provided a means of rating the proposed new agent on the basis of his personal qualifications. A maximum number of points was allotted to each of seven important qualifications and a schedule of penalty points was devised to cover specific factors which were known to have an unfavourable bearing on an agent's probability of success.

During an interview with the prospective new agent, the manager fills in the Personal Rating Chart in accordance with the information he receives from the applicant, and by applying any indicated penalty points against the maximum figures shown on the chart, can speedily arrive at a net rating of the applicant.

SELLING IS AN ORGANIZATION JOB

"WE HAVE begun to realize that selling is an *organization* job, and that failure may be more justly charged against *management* rather than against the individual salesman. There are three distinct jobs in selling: The first is *finding or creating logical prospects*. The second is *planning the sales strategy*. The third, *applying the selling effort*. The volume of business we do in our different plants and the profit we make on that volume vary in exact proportion with our ability to do these three selling jobs."

C. WM. SCHNEIDEREITH
One of the Leading Printers in the U.S.

Since its introduction, every agent appointed by the Company has been rated on this chart and a careful record has been kept of the agent's rating and his subsequent performance. To date, the first year's production records of approximately 1,200 Guardian agents have been studied in conjunction with the ratings of those agents at the time of being placed under contract.

"The high average prediction accuracy of the chart has been amazing. Those agents who received the maximum rating of 20 points have had the highest average production and those agents rating lowest, correspondingly had the lowest average production. With but two minor exceptions, the average production of the agents in the intervening rating groups has varied in direct proportion to their ratings.

"Experience with the Personal Rating Chart has shown that the average first year's production of agents rating 16 points or better at appointment was more than twice that of agents appointed with a rating of less than 16 points."

The money-saving aspect of this more systematic selection method is emphasized by the Company's comment, "From the experience gained thus far, possibly the strongest positive claim which can be made for the Personal Rating Chart is the negative statement: Failures can be predicted with great accuracy among those who lack the necessary qualifications."

In companies not having some scientific or, let us say, systematic method of choosing and rating men, both before and after selection, one of the big (and costly) questions has been: "How long a time must a salesman be allowed to prove (or disprove) his capacity?" The Guardian Life now answers that question definitely and with complete confidence.

They write: "In seeking a definite guide, The Guardian made studies of the records of its new agents and found that 59% of the new agents paid for some business during their first three months under contract. This 59% wrote 94% of the new agents' total first year production. Furthermore, their average production for the *first three months* was ten times the average *first year* production of the new agents who made their first sale more than three months after being placed under contract.

The obvious conclusion was soon reached that, for practical purposes, the new agent's first three months showed whether or not he had any reasonable chance for success. Consequently, The Guardian notified its sales managers that "beginning in 1936, we would thereafter terminate the contract of any new agent who fails to pay for business during his first three months. Only if unusual circumstances have prevented his compliance with this requirement, will we extend his contract during a second three months."

A revamping of the Sales Compensation Plan is often a source of improved sales results. Some small portion of the total pay available for sales salaries or sales commissions should be reserved for the regular monthly stimulation program, through which sales people get extra pay for extra effort. If the present compensation plan does not permit regular short term contests and competitions with suitable rewards for winners, then the sales compensation plan should be revamped to make such contest payments possible. This is merely a sales adaptation of the old "incentive and initiative" payment plans long used in manufacturing plants, but in its application to sales work, it is more often misapplied than otherwise. There is no point in adopting the *form* while leaving the *substance* behind.

Training Salesmen

Training of salesmen offers another opportunity for increased volume and lower unit costs.

"Here's a catalogue, some photographs, and there is your territory, go to it!"—was about all the training which traditional management regarded as its responsibility. From then on, the salesman could and should paddle his own canoe. The old-day management would not have known *how* to train the salesman, nor what to teach him to do or to say, even if it had been disposed to take the time or spend the money to do so.

Today's management, on the other hand, knows not only that it costs comparatively little to train new men in right methods, but also that it is exceedingly costly NOT to train them. To reduce to exact figures the cost of allowing an untrained salesman to go into the field is not easy, since these costs are not segregated, but lumped with others. The costliness of lack of training results from several factors: (1) The added length of time which the untrained man requires to become self-supporting, during which time salary and expenses must be paid. (2) Sales opportunities wholly lost, or lost to competitors through the untrained salesman's inability to handle difficult situations. (3) Increased cost of field supervision during the "fumbling" period.

To avoid these losses, modern management offers salesmen training of a broad scope including study of the Company, the Company's Market, Products, Product Applications, Product-in-Use Results, Customer Attitudes and Experiences, Competition and Sales Methods.

Here are some of the important angles given attention by the new-day training:

First: A field study is made of the salesmen's habits and practices, to determine what bad habits are to be eradicated, what omissions are to be remedied and what practices are to be encouraged and further developed. In a refrigeration survey, for example, it was found that the retail dealers' sales people were informed on product sales points in only 30 per cent of the establishments. Of these, it was found that 65 per cent failed to distinguish between prospects on the important points of money, size-of-family, and immediate intention to purchase. Seventy per cent of the men found ordinary, everyday objections disturbing and, of these, over half were unable to handle the objection and get smoothly back again on the main track of the sales talk. Two still more amazing discoveries resulted from this survey: 65 per cent of the sales people surveyed did not trouble, or did not know how, to get the prospect's name and address; also, of those who did get the name, 90 per cent failed to follow up the lead in the home.

With such facts—and numerous others which are automatically revealed by a thorough survey—at hand, it is much easier to plan a sales-coaching clinic which is tailor-made to fit the needs of the particular sales group.

Second: The novices are placed in classes separate from the veterans, so that neither the ignorance of the one, nor the hard-boiled sophistication of the other will interfere with progress.

Third: The coach strives for a high degree of student participation, to avoid the dulling monotony of the old-style "pouring-it-in" type of lecture.

Fourth: Discussion or forum periods are planned to follow each lecture, so that individual expression may be had, and new ideas and methods exposed for all to comment upon.

Fifth: Mimeographed or printed summaries of lectures are given out at the close of each session, so that the student is not required to remember the entire lecture; and so that he can review the subject matter at his leisure. We find that salesmen often keep this printed material for many months; in some cases, we have had examples of men carrying the material with them on interviews and actually reading to prospects whole paragraphs of pertinent material taken from their training course.

Preparing and Equipping Salesmen

Old-fashioned management furnished practically no sales tools, no sales manual, no visualizer, no fact book, no slide film. If a salesman wanted selling tools, he built his own and, since he manifestly had little time in which to do this, he usually went into his sales battles empty-handed.

Modern viewpoints will not risk the costly results of this hit or miss type of selling; they equip their men with every possible tool, even to sound movies, in order to make their salesman's story more vivid, more convincing, more interesting. The sales tools of today often serve several purposes—as continuation training courses, as sales presentation devices, as store houses of information—all in handy indexed and ready-reference form so that the salesman can find the right material instantly when he needs it most in his interview.

(*Continued on page 99*)

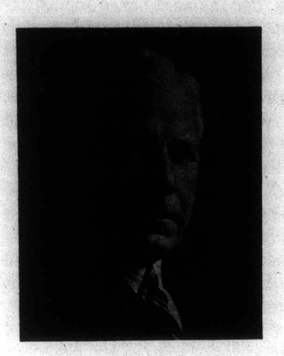
121413

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C1P1S1 121404

WE NOMINATE FOR THE CANADIAN BUSINESS SPOTLIGHT



BANKER

Custodian of the Canadian dollar is the executive committee of the Bank of Canada. New member of this executive is good-looking W. D. BLACK *of Otis-Fensom Elevator fame, ex-president of the Canadian Manufacturers' Association, who succeeds the late Thomas Bradshaw.* MR. BLACK *will help keep Canadian exchange from indulging in any unnecessary gymnastics, will help interpret industry to the other monetary experts.*

Appointed

J. E. Coulter, general manager of the Canadian Pacific Express, Toronto, as vice-president and general manager of the company; **W. H. Plant,** comptroller, as vice-president; **John Blackhall,** as vice-president and treasurer.

J. A. McCamus, as general superintendent of agencies, North American Life Assurance Company; **E. J. Harvey,** as chairman of the agency committee; **E. H. Hanley,** as superintendent of agencies.

—*International Press*

PRESIDENT

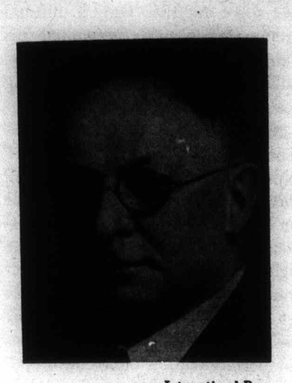
Known to top executives through his many directorships, including C.P.R., Imperial Bank and, more particularly, for his intimate knowledge of the glass industry (president Consolidated Plate Glass, director Dominion Glass), JOHN W. HOBBS *now undertakes another major executive responsibility in becoming president of Dominion Woollens and Worsteds Limited, succeeding the late A. O. Dawson.*

Elected

Ottar Nerby, vice-president and general manager of Canadian Acceptance Corporation Ltd., to the board of directors of the company.

Charles L. Mulloy, vice-president in charge of branch operations, to the board of directors of Canadian Acceptance Corporation Ltd.

F. G. Robinson, vice-president of the Canadian International Paper Company, as president of the Canadian Pulp and Paper Association.



—*International Press*

CHAIRMAN

Well known Toronto banker and financier, FRANK AUGUSTUS ROLPH, *now steps up from the vice-presidency of the North American Life Assurance Company to become chairman of its board.* MR. ROLPH *is also president of the Imperial Bank of Canada and of Rolph-Clark-Stone (lithographers). Ardent golf enthusiast and fisherman,* MR. ROLPH *combines outstanding managerial ability with a strong sense of public responsibility.*

Appointed

James McGrath, assistant manager of refineries, Imperial Oil Limited, as comptroller of the company. **W. J. Whitling,** assistant secretary-treasurer of Imperial Oil Limited, as secretary-treasurer.

I. O. Mather, as sales manager of Canadian Cutler-Hammer Ltd. with headquarters in Toronto.

Albert A. Maynard, as director of engineering, General Motors of Canada.

—*International Press*

STEEL

A company whose products are employed by a wide variety of consumers is General Steel Wares, Limited, manufacturers of many different types of utilitarian metal work, ranging all the way from metal containers to kitchen-ware. Newly elected vice-president and director of the company is MR. W. F. HOLDING, *who brings the trained accountant's mind to handle his new responsibilities.*

Appointed

L. J. Knowles, as commission traffic representative of the Canadian National Railways, with office at Montreal.

Stewart G. Bennett, vice-president and general manager of Beardmore & Co., and **N. J. McLean,** a director and general manager of Canada Packers Ltd., to the board of directors, Chartered Trust and Executor Co.

DIRECTOR

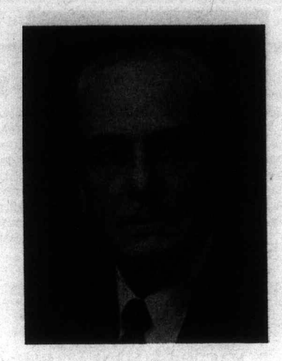
A forward step in the relations between capital and labour was the recent election to Canada Packers' Board of Directors of MR. GEORGE AYERS. MR. AYERS *was employed as a beefmarker and was elected by popular vote of some sixteen hundred fellow employees.* MR. AYERS *is now a full-fledged director with full access to confidential records. This broad-gauge move in employer-employee relations should make for increased mutual understanding and co-operation.*

Elected

Wilfred Gagnon, to the board of directors, The Sherwin-Williams Company of Canada Ltd.

James A. Eccles, as a director of The Shawinigan Water and Power Co., succeeding the late Julian Smith.

A. E. Phipps, Toronto, as president of the Toronto General Trusts Corporation, succeeding the late Thomas Bradshaw.



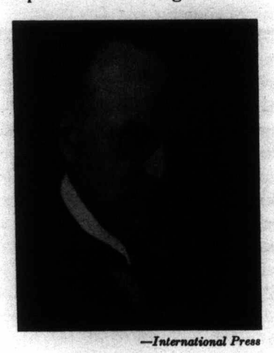
TOBACCO

A man who knows his tobacco business is MR. J. H. VAN SICKELS, *who has chalked up over twenty-five years practical experience with The Imperial Tobacco Company of Canada, Limited, latterly as factory manager.* MR. VAN SICKELS *was recently elected to the board of directors of this great tobacco organization, which has done so much to foster and improve the growing of Canadian tobaccos and to develop sound public relations.*

Appointed

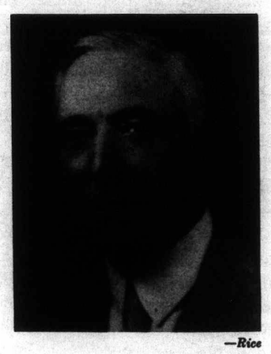
William L. Grant, as sales promotion manager of the Pontiac-McLaughlin-Buick-GMC Truck Division of General Motors Products of Canada.

Col. J. F. Lash, K.C., Toronto; **Lieut.-Col. Wm. G. MacKendrick, D.S.O.,** Toronto; **R. H. L. Massie,** Toronto; and **T. L. Waldon,** Winnipeg, to the board of directors, John Inglis Co., Ltd.



—*International Press*

—*International Press*



—*Rice*

Appointed to the board of directors, The Royal Bank of Canada are: (*left*) RIGHT HON. R. B. BENNETT, P.C., K.C., who will act as chairman of the London Committee of the board; (*centre*) G. A. DOBBIE, Galt, Ontario, president of Newlands & Co.; (*right*) HAROLD CRABTREE, Montreal, president of Howard Smith Paper Mills Limited.

(*Left*) R. A. LAIDLAW, secretary-treasurer of R. Laidlaw Lumber Co., and (*centre*) E. G. BAKER, president of Moore Corporation, Ltd., as vice-presidents of Canada Life Assurance Company. (*right*) J. M. MACDONNELL, president and general manager of the National Trust Co., to the board of directors of Canada Life Assurance Company.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121416

THE SPOTLIGHT SHINES ON NEW JOBS

W. P. MACDOUGALL, vice-president and managing director of Belding-Corticelli Limited, as president of the company, succeeding the late A. O. Dawson.

M. R. GOODERHAM, K.C., president of the Manufacturers' Life Insurance Company, who presided at the 53rd annual meeting of the company.

R. C. BERKINSHAW, as president of the Citizens' Research Institute of Canada, succeeding the late Thomas Bradshaw. Mr. Berkinshaw has been vice-president since 1935.

—*Randolph Macdonald*

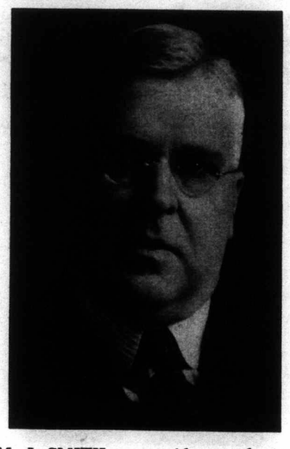
C. S. WATSON, as assistant general manager of Canada Bud Breweries. Mr. Watson was formerly advertising manager of Goodyear Tire and Rubber Co. of Canada, Ltd.

C. F. GOLDTHWAITE, to the staff of Lord & Thomas of Canada Ltd. Mr. Goldthwaite was formerly with the Advertising Bureau of the C.N.R.

—*Albert Dumas*

DR. HENRY LAUREYS, former director of the Ecole des Hautes Etudes Commerciales, as Canadian High Commissioner to the Union of South Africa.

H. J. HUMPHREY, vice-president and general manager, eastern lines, Canadian Pacific Railway, as a director of the North American Life Assurance Co.



M. J. SMITH, as president and general manager of The Equitable Life Insurance Company, Waterloo, Ont., succeeding The Honourable J. L. Ralston, K.C.

R. J. THOMAS, as president and general manager of the Seiberling Rubber Company of Canada, Limited. Mr. Thomas was also elected a director for the current year.

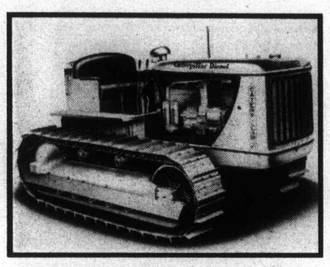
121417

NEW IDEAS IN BUSINESS

FOR YOUR CONVENIENCE ASK FOR INFORMATION ABOUT ITEMS BY NUMBER ONLY

1 **For businesses** whose revenue is derived from gate receipts, there is now made an attendance register which operates by photo-electric cells. It counts entering persons only and furnishes an hourly record of count with the time and date. The machine is so designed that it counts every person entering, even when two enter abreast. A special alarm circuit calls immediate attention to abnormal interruption of any light beam.

•



2 **The "finger tip" steering,** stream-lined hood and wide, restful driver's seat of the new diesel tractor tend to reduce operator fatigue. Smooth and economic performance is said to be enhanced by rugged construction, effective sealing against dirt, lubricating oil cooler, etc.

•

3 **A mailing folder and picture frame** in a novel combination accommodates usual sizes of amateur photographs, is mailable as a postcard and later is opened to form a desk-top easel frame.

•

4 **For producing stable water-in-oil type emulsions,** there is a new emulsifying agent which is effective with as little as two per cent of the emulsifier. It can be used in almost any kind of mixture or suspension, such as colour emulsions or emulsions of stronger electrolytes.

•

5 **For weighing candy** and small articles, there is a new scale that operates with weights and an over-and-under-weight pointer. The scale is arranged in a tower with four faces so that the pointers may be seen from any direction. It has a plastic housing with only the weight platter and commodity container exposed. The scale is accurate even in slightly out-of-level positions. Capacity is three pounds. Lights in the tower make for easy visibility.

•

6 **A table lamp** for bedrooms or nurseries has a translucent base which glows softly when the light is turned off. The base contains a quarter-watt neon tube which gives just sufficient light to obviate groping in the dark. The neon tube glows at low temperature and is said to give satisfactory uninterrupted service for a year.

7 **To develop better packaging,** an outstanding authority on the subject has published an attractive portfolio filled with new ideas and proven merchandising plans. Write us for your free copy.

•

8 **A freezing chest** for home use now makes possible the freezing of meats, fruits, vegetables and the storage in an adjoining section of 250 pounds of food or more while frozen. Sizes are available to care for up to 750 pounds of food. The storage compartments are designed so that a minimum of warm air is admitted when food is removed from storage.

•

9 **For warming rolls** or other foods, there is an aluminum warming pan that has a solid-bottom aluminum basket for inset to keep foods from burning on the bottom. It has cool handles, an adjustable vent in top, and is used as a serving oven after heating.

•

10 **Syrup cans** are now available with a pouring spout that makes for easy pouring, is easy to open and reseal, and is flat so that closed cans can be stacked. The whole top, including spout, can be removed for re-use by the consumer.

•

11 **Stainproof tablecloths** of cotton but resembling linen are made by coating with a transparent synthetic substance. The cloths are said to be impervious to ink and food stains, can be wiped clean with a damp rag. The cloths are decorated with a vat dye before being treated.

•

12 **A novel safety-extension ladder** is designed for building maintenance, stock work and similar jobs in or out of doors. It has a work platform with guard rail at top, wheels for transport, folds to half height where an auxiliary platform may be used. It is of metal construction with rigid X-trusses.

•

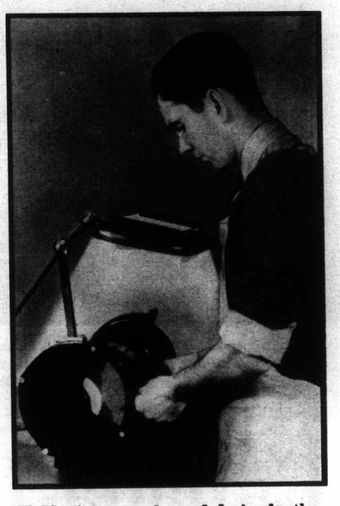
13 **A blueprint machine** of new type uses a high pressure mercury quartz lamp instead of arcs. It is said to give a speed faster than most arc machines with one-third the current and, of course, no changing or trimming of arcs. The new machine will embody many mechanical innovations in safety, improved feeding, speed control, drive, elimination of tracing slippage and wear which will assure easier, faster and more economical operation and improved printing results.

•

● EDITOR'S NOTE:—Subscribers are cordially invited to make use of this valuable information. When writing for the name and address of any company whose product is referred to above, kindly enclose a stamped self-addressed envelope.
● Manufacturers, distributors, dealers and agents are also invited to send complete, accurate information about their new products. Due editorial recognition will be given to interesting developments.

14 **A steam valve** that's self-cleaning has a disc which spins an instant before the valve is closed. Slanting turbine vanes on the side are so placed in conjunction with a deflector that, at the moment of closing, the disc spins long enough to keep the valve seat cleaned and polished. The disc is mounted on the spindle against a stainless steel ball bearing, aligning the disc with the seat when closing.

•



15 **A new and novel device** for the protection of the eyes and face from flying particles has a frame of molded, high impact-resisting, plastic material and electrical parts in a completely insulated chamber mounted on an adjustable cadmium-plated bracket. The better visability, resulting from the direct focus of the light on the work, accounts for rapid and accurate work. The window is of non-shatterable glass and the lamps, of the bayonet type, are vibration-resisting and are set in flush with the frame. Magnifying lenses of any focal length are available for close limits work.

•

16 **A new type holder** for stamping hot metals is designed to be swung like an axe, holds two lines of type characters. Both holder and type are of tough steel alloys. The type pieces are held in place by an easily changeable pin. The holders come in all sizes between type sizes of 1/16" and one inch.

•

17 **For cleaning water,** slush and snow from floors, under tables or cars, there is a new squeegee that is V-shaped and designed so that, while the handle may be raised or lowered, twisting it steers the squeegee. With a soft rubber blade, it is particularly adapted for cleaning large uneven floors.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Heading up the Film Board, which co-ordinates, initiates and co-operates on Canadian film activities, is Hon. W. D. Euler, Minister of Trade and Commerce. The Minister is seen here using the platform, another leg to the stool of public information, at the World's Fair last summer.

Canada Pictures Unlimited

By F. C. MEARS

A GERMAN farmer and his wife in Manitoba go to town to get their wedding ring melted as a contribution to the war of Democracy against Dictators.

A family of Austrian immigrants arrive at their destination in Saskatchewan and are met by Russians, Czechs and other Central Europeans who have broken a half section of land as a welcome to their new neighbours.

A soldier says he has a dollar to invest in a $50 National War Loan and next day a Toronto citizen wires to Finance Minister Ralston that he will provide the remaining $49 so that the soldier may oppose the Nazis with his bond as well as his bayonet.

Japanese citizens in British Columbia have sent $500 to the Finance Department to help this country wage its battle against wanton aggression such as is practised by their own home land.

A jobless man in Glace Bay finds work and, incidentally, himself; the demon of western land erosion is halted in his tracks; "Umph" is put into a hockey game; the hope, the promise and the limitless opportunities for Canadian youth pass before you.

All these scenes are part of the vast Canadian human heritage which is made to live and breathe before the eyes of Canadians, Americans and Britons through motion pictures planned and conceived and, in some instances, actually executed by facilities of the National Film Board at Ottawa, headed by Hon. W. D. Euler, Minister of Trade and Commerce.

The general purposes of the Film Board are to co-ordinate the film activities of the various governmental departments to secure quality, economy and efficiency in the production and distribution of government films. It was made perfectly plain that there would be no interference with commercial film organizations.

The *Call to a Nation*, which most Canadian movie-goers saw last month, is a striking example of what the Film Board can and should do. Canada's Treasury needed more money for this country's share in the war against Hitlerism. A national loan of $200,000,000 was planned. John Grierson, executive head of the Film Board and one of the ablest documentary picture planners in the English-speaking countries, plotted a film to bring alive to the Canadian people the intensity, complexity and the cost of their part in the war. Then Stuart Legge, Director of Production for the Board, had a hand in the job. Finally, with the direct help of Associated Screen News and the cordial co-operation of 800 theatres across the country, a ten-minute picture, packed with action, education and national appeal, presented graphically to the nation what it is fighting against and what it is fighting with.

Scores of similar national films have been made and are in the making. *The Heritage*, for instance, shows the dust bowl in Western Canada and the planning and prosecution of a campaign to check the onrush of "furrin" soil and make waste places blossom with vegetation. An important feature of these government pictures, including *The Case of Charlie Gordon* of Glace Bay and *Youth is To-morrow*, is that while they are primarily educative and directive, they are at the same time almost full-time entertainers. The nasty word "propaganda" is never suggested.

While departmental objectives are served, the pictures are so finely conceived and brilliantly executed that the people have shown a distinct liking for this kind of national service. *The Heritage* is basically a job well done for agricultural improvement, but the people who see this film seldom think that the education of western farmers is its purpose. *The Case of Charlie Gordon* actually preaches a sermon for the Labor Department, but people take it as entertainment in the form of a gripping drama on the screen. Another "short" presents the development in the Mackenzie River basin and shows, incidentally, how a project initiated by the Department of Mines and Resources can be revealed by the Film Board to a major national development.

Where did the idea of national movies come from? "In 1915, the Canadian Government, through Sir George Foster, was one of the first governments in the world to realize the possibilities of the film medium for public information and particularly for international communication," Mr. Euler said recently. "Since that year, there has been a steady flow of Canadian Government films describing to people at home and abroad the resources of Canada. It has represented an important part of the informative background with which we have supported our marketing efforts."

"Last year," Mr. Euler continued, "I felt that other countries were beginning to outstrip us in the use of the film for national purposes and that the times ahead demanded a more complete and, perhaps, more directive presentation of our Canadian life and outlook than was represented by our films of scenery and industrial process. I was especially conscious of the large improvement of film technique in the presentation of real life subject. I was anxious, also, to give a further degree of encouragement and support to the Motion Picture Bureau and to commercial units interested in these national films. By this means, Canada could maintain its honoured place in this particular field of film production.

"In four months or so of active work, we have already done much to initiate what the government had in mind when the National Film Board was established nearly a year ago. We have created warm relations with the film industry which has given handsome co-operation in the exhibition of three films recently —*The Royal Visit*, *The Warning* and *Call to a Nation*. The circulation of *Call to a Nation* to over 700 theatres in two weeks (during the national war loan campaign) is particularly gratifying to the Board as the film wing of the Government Information Service."

The members of the Board are shown in the accompanying chart and it is appropriate that Colonel Smart of the Department of Transport, who supervises the operations of the Travel Bureau, is a member of the Board. The National Parks Branch, under the Department of

NATIONAL FILM BOARD

Hon. W. D. EULER, (Chairman)
Minister of Trade & Commerce

Hon. T. A. CRERAR,
Minister of Mines & Resources

Major J. G. PARMELEE, O.B.E.,
Deputy Minister, Department of Trade & Commerce

R. S. HAMER,
Executive Assistant, Department of Agriculture

Col. V. I. SMART,
Deputy Minister, Department of Transport

WALTER C. MURRAY,
President, Canadian Film Company

EDMOND TURCOTTE,
Former Editor-in-Chief, Le Canada

CHARLES G. COWAN,
Vice-President, National Film Society of Canada

FILM COMMISSIONER
JOHN GRIERSON

THE POWER of the motion picture film as an educational and patriotic lever is used to best advantage in wartime. Here is the story of how films are being used effectively by the Canadian Government, along what lines and the program for the future

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121420

Mines and Resources, makes scenic films. The Department of Agriculture produces films demonstrating approved methods in certain phases of agriculture in order to inform and instruct the farmers of the Dominion.

Man Behind the Guns

The man who is both the motor and steering gear of this National Film Board is John Grierson, a Scot, who is a graduate of Glasgow University in Pure Philosophy. In the last war, he served in the British Navy on minesweepers. Five years after the war, he was Travelling Rockefeller Fellow throughout the United States in Social Psychology and Public Opinion and took special interest in the film as a means of public information. He lectured in American universities and wrote for the press of that country.

After 1927, Mr. Grierson joined the British Empire Marketing Board and became head of the British Post Office Film Unit, later founding the English School of documentary film producers. Two years ago, he was invited by the Canadian Government to make a report on production of Canadian films and had a directing hand in drafting the legislation which created the National Film Board. En passant, he has been special adviser to twelve foreign governments on film productions. His official title is Canadian Government Film Commissioner.

Just now, John Grierson is en route to Australia to do special work there. He will be absent about three months and, in his absence, Col. John Cooper, President of the Motion Picture Distributors and Exhibitors Association, is Acting Film Commissioner. Important is it that Grierson will come back to serve Canada. His remarkable genius for documentary film work is recognized wherever he is known and it is no empty talk to say Canada was lucky to get him.

If you want to get an idea of Grierson's notion of the service that films can give this country in wartime, read what he said when in Hollywood the day this second Armageddon broke on the world. "I knew very well," said Canada's film commissioner, "that there beside me in Hollywood was one of the greatest potential munition factories on earth. There, in the vast machinery of film production, of theatres spread across the earth with an audience of a hundred million people a week, was one of the great new instruments of war propaganda. It could make people love each other or hate each other. It could keep people to the sticking point of purpose."

The program of the Film Board over the next year or two was summed up by Grierson in a special interview with me before he left for "down under". "Several films are being made on behalf of the Government Information Service and this is an increasingly important aspect of the Board's work," said he. "Film records have been taken of the despatch of the Expeditionary Forces. The War Loan film initiated by the Ministry of Finance was presented and, I am sure, received as a highly important item of public information. The "March of Time" film on Canada at War, which we expect will be released in February, and of which we have the highest hopes, represents our effort to show to the whole world something of the scale of Canada's war effort.

"We are now engaged on a film describing life in Canada's Navy and on another film showing how the men of our Expeditionary Force are faring in England. We are anxious that the distances of war will not prevent the Canadian public from keeping in visual touch with their own people. Films, I find, take longer to make and are much more complicated in their preparation than radio talks or newspaper articles, but we hope to keep a steady flow of records which show both the national and the personal effort involved in Canada's war.

"It should not be forgotten, however, that the National Film Board was set up in peacetime for service in a 'world beyond war'. In so far as the film is one powerful way of focusing the public imagination toward what Canada lastingly represents, our work is not limited to war work. We feel that a full picture of Canada—whether it is presented at home or abroad—must remember the many facets of Canadian life and the needs of many kinds of audiences.

Canadian Sports

"To bring home to school children the special character of their Canadian heritage, we are engaged at present in a series of simple films dealing with the human geography of Canada. We have another series on the stocks showing the various economic fronts of Canada; these films will show not only how our resources are being mobilized for war but also how they are being mobilized against the future. We have two films on the point of completion showing the place of youth in our Canadian society. We have a film in preparation on *The People of Canada* and another on the great undefended frontier to the south. But, lest our program be altogether too serious, we are beginning a small group of films on the games of Canada. The first will, I hope, show what the world owes to Canada in the game of hockey.

"These and other films represent our beginning and, of course, a beginning only. When they mature and are ready for exhibition, I trust they will help to bring us alive to ourselves and to the rest of the world. As one looks further into this problem of national films, the more is one conscious of how much the film can do for our national life, in letting each section of Canada know something more of the others, in bringing into our common imagination the distinct factors of our Canadian heritage and, as a consequence of this, creating in the country a stronger sense of ourselves.

The films are the third leg to the stool of public information. The others are the national radio and the press. They will unite their energies, too. The radio and the film and the press do not conflict. They work along parallel lines in making Canadians more quickly conscious of each other, their common aims and heritage.

121420

Reading for Profit and Pleasure

SELL YOURSELF! ▶

1 WHAT'S HOLDING you back? Why is it that the other fellow seems to work half the hours you do yet makes twice as much money? Even though you know you could do his job just as well as he can. Is it luck? Is it circumstances?

NO! It's simply because he has learned the knack of selling living merchandise. Of selling himself—and he gets away with it.

Back at school you were taught that if you worked hard, got up early in the morning and became a faithful employee you would rise to the top. The "merit" system.

In this daring book, the author challenges the very way we live and work. Read it for some practical tips on the art of selling yourself.

THE KNACK OF SELLING YOURSELF

By James T. Mangan. 256 Pages. Dartnell. Price $3.00.

UNEMPLOYMENT ▶

2 TO THOSE SINCERELY INTERESTED in the tragedy of the unemployed man, this comprehensive report made to the Pilgrim Trust will be warmly received. Compiling the results of thousands of personal investigations in six different localities, it is an intimate revelation and typical cross-section of the unemployment picture.

MEN WITHOUT WORK

439 Pages. Price $2.50. Macmillan.

MARKETS ▶

3 WRITTEN BY A MAN who combines the theoretical knowledge of a university lecturer with the practical experience obtained as director of merchandising and research of the big Lord & Thomas advertising agency, Chicago, this book should be of great value to those interested in conducting investigations and surveys into markets. Market analysis is covered in eight basic steps. Tested, proven, up-to-date methods describe market future, how to lower selling costs and increase profits. It enables you to adapt these methods to your particular problem. When the survey is completed, it tells how to translate these results into practical business policy. It covers such items as types and uses of market research and analysis, scientific methods, basic market analysis methods and procedure, how to plan the investigation, the forms to be used, samples, gathering data, tabulation, analysis and presentation of the result. Discussed are quantitative market analysis in all its phases.

MARKET RESEARCH AND ANALYSIS

By Lyndon O. Brown, Ph.D. 485 Pages. Price $4.75. Ronald.

INSURANCE ▶

CONTENTS

4 The Legal Effects of Social Security Legislation. By Thomas Watters, Jr.

The Broker's Message to the Insurance Buyer. By Ralph W. Morrell.

Reciprocal Insurance. By Ernest W. Brown.

Fire Prevention. By George W. Elliott.

RECENT INSURANCE MANAGEMENT DEVELOPMENTS

Published by the American Management Association. 27 Pages. Price $1.00.

AMBITION ▶

5 ONLY BY PLANNING ahead can the young man of today be the leader of tomorrow. Disparaging the idea of wasting time wishfully thinking of success through winning a sweepstake, or marrying the boss' daughter, this book shows a young man how, by standing on his own feet and using ordinary common sense, he may advance to a position of importance and respect in the business world.

"SUCCESS!" "Why not for me".

By Herbert N. Casson. 151 Pages. Price $1.50. Efficiency.

SURVEY ▶

6 THE AUTHOR describes the technique for carrying out surveys as to the actual food consumption and the state of nutrition of population groups. This book covers the collection of data, the analysis of data, as well as many other factors. It is completed by examples of surveys of various types in a number of different countries.

GUIDING PRINCIPLES FOR STUDIES ON THE NUTRITION OF POPULATIONS

By Dr. E. J. Bigwood. 281 Pages. Price $1.50. League of Nations.

TRUCKING ▶

7 THIS IS A HANDY BOOK for everyone interested in shipping by truck. It serves largely as an index of available trucking transportation for Ontario. For copies, please write direct to the Association.

OFFICIAL ONTARIO "SHIP-BY-TRUCK" DIRECTORY (1939 edition)

Published by The Automotive Transport Association of Ontario, 2 Toronto Street, Toronto. 64 Pages. Price $0.50.

BOOK WANTED COUPON

Review Editor
530 Board of Trade Bldg.
MONTREAL, Canada

ORDER BY NUMBER ONLY
it's *easier!*

Please send me the following books:— .....

.....

.....

I agree to pay the Canadian list price (above) plus postal charges (C.O.D.)

Name .....

Address .....

PRINT PLAINLY TO AVOID ERROR

2-40

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

WAR'S PROGRESS

THE arrival of the 2nd Contingent of Canada's First Expeditionary Division brought Aldershot's Canadian complement up to 16,000 men. Big thrill for the Canadian lads was the personal review by the King which followed O.C. McNaughton's return from an 8-day tour of the Western Front. Concentrated military training, free mailing privileges and a vote in the Federal election are three promises they have for the future.

Things continued humming on the home front as over 8,500 Canadian doctors were mobilized under the Canadian Medical Association and all western machine gunners were called to Saskatoon for training; eastern men, to Montreal. 2nd Division units were being further whipped into shape for what looks to be post-election passage overseas. Setting military precedent, reinforcements for the First Division units will come from home districts, keeping all the Canadian Active Service Force units intact.

The R.C.A.F. sent out the first call for unskilled men (mess help, batmen, etc.) since war's outbreak, ruled no flying in the first month for recruits as time will be taken with physical training, lectures and machine shop work, while announcement was made that the Army Co-operation Squadron of the R.C.A.F. will operate overseas as the eyes of the first and subsequent divisions of the C.A.S.F.

Taking to the seas, rumour has it that the Canadian Navy will be given coastal patrol responsibility on the Atlantic from Newfoundland to Bermuda. The Dominion's Fleet, consisting of 6 destroyers and 45 minesweeping craft, is to be augmented by 46 steel anti-submarine craft, 28 additional minesweepers and about 40 aircraft salvage boats which were ordered last month.

Imperial Relations

The Air Training Scheme continued to hold the Empire co-ordination spotlight as further plans were announced by Defence Minister Rogers. Australian and New Zealand fliers are not expected until spring but 271 R.A.F. instructors have already arrived from England. Some 25,000 Canadians have volunteered to man 77 training schools but another 15,000 will likely be needed to bring staff totals up to 40,000. Out of these schools will come perhaps as many as 35,000 yearly "graduates", 10,000 more than the original estimate.

Staying over to supervise the $600 million enterprise is Britain's Air Chief Marshal Sir Robert Brooke-Popham, member of the British Air Mission and ex-governor of Kenya. Keeping an eye on the financial end of affairs will be B. J. Roberts of the National Harbours Board who is supervisor of expenditures. Mr. Roberts will probably part with at least $90 million of the originally estimated $600 million by next September. War ace Air Marshal Bishop again takes wings to become supervisor of the scheme's recruiting.

Orders for 4,300 planes needed immediately for the scheme have been ordered from factories in Canada, Britain and the United States. The British Air Ministry, itself, placed orders for 850 aircraft and 736 additional motors as part of Britain's contribution. The planes used by the Empire airmen will comprise only six different types and the fledglings will be trained in the latest methods with the most up-to-date equipment.

Economic Front

Biggest Canadian economic deal-of-the-month was that whereby Britain undertook to purchase the Dominion's entire surplus of aluminum. Well over $28 million worth was exported in 1939.

Canadian mines reached an all-time high last year and there are expectations of an even higher yield in 1940, an output which will swell the Empire's "anti-oppression" fund. This and more is what Canada will probably have in 1940 to bolster Britain in her fight for democracy:

Gold	5,045,766 fine ounces
Silver	22,775,374 " "
Nickel	227,089,730 pounds
Copper	606,705,278 "
Lead	391,499,038 "
Zinc	353,151 tons
Crude Petroleum	7,743,300 barrels

This means a value of over $470,000,000 as against $177,000,000 in 1919.

A near all-time high in wheat prompted an indirect sale of 1¼ million bushels to Russia through a U.S. agent. When the transaction made headline news across the country, it raised such a furore both in and out of Government circles that the sale was nipped in the bud. As a result, it is most probable that all future wheat shipments will be controlled by the Board of Grain Commissioners.

Canada's wartime bacon deal with the U.K. came into the spotlight once again when prices were set by the Bacon Control Board. Prices will average 100 pounds at seaboard as compared with $18.01 paid by the British Ministry of Supply. This will leave the Board about 72 cents per 100 pounds to accumulate funds from which to advance prices later on and to pay storage on bacon held to augment the short hog runs of midsummer. Canada has been exceeding her weekly minimum of 5,600,000, with weekly shipments sometimes running to 8,000,000 pounds.

The Eastern Provinces are coming in for their share of the war profits. New Brunswick is enjoying an increased trade in lumber "props" to the extent that 375 ships are needed to carry eager British orders of an additional 300,000,000 feet. In B.C., additional British lumber orders were placed but the ship shortage question looms large to dim these prospects. The rail dispute, holding up timber shipments to the east, is being cleared up so the future looks brighter to an overladen British Columbia industry.

War Supply contracts have now passed the $100 million mark, exclusive of railway equipment orders. Between 400 and 500 orders were placed weekly, averaging about $4 million each week. Transport Minister Howe announced that war orders to January 8th represented the productive effort of 45,000 men working a full year.

The recent shift in the War Supply Board personnel saw G. K. Sheils in as Administrative Director,

HIGH SPOTS for January

At Sea. Britain started work on gigantic mine barrage 500 miles long, 8 miles off the coast, from Orkneys to Dover Strait . . . British service men admitted lost since September 1st include: navy, about 2,300; airforce, about 500; army, negligible . . . Britain was still hunting Nazi sea raiders in South Atlantic and reported that only a few of the 400 German ships in neutral ports at or since war's outbreak have successfully run the Allied blockade . . . convoyed Allied and neutral shipping to mid-January totalled 3,363 ships; 12 lost . . . 3 British submarines and 3 destroyers sunk by Nazi mines or torpedoes, bringing total British war vessel losses to 22 since beginning of war . . . Britain suggested establishment of contraband control station in America, probably in Canadian waters, to expedite clearance of American ships . . . Losses of Allied and neutral shipping continued heavy—Lloyds listed British merchant losses at 131 ships totalling 493,634 tons; French, 11 ships totalling 55,581 tons; Germany, 24 ships totalling 140,595 tons plus 11 ships captured.

In the Air. Intermittent German raids, mostly for reconnaissance, continued over Britain . . . British air raids over Heligoland and Sylt, together with home defence measures, effectively stopped German mine-laying by air . . . British pamphlet raids were extended to Austria, Bohemia and northeastern Germany.

Western Front. Zero weather and heavy snow limited fighting . . . Britain united all air forces under Air Marshal A. S. Barratt after refusing the army control of that arm of the forces . . . major nerve scare was the threatened German invasion of Holland and Belgium—latter called up between 30,000 and 40,000 more men, bringing army strength to 700,000, while 750,000 German troops gathered along the Dutch-Belgian border.

Russo-Finnish Front. As the small Finnish army continued to amaze the world with its successful stand against the huge Russian bear, two Russian divisions were announced cut to pieces in mid-Finland . . . continued stalemate despite heavy fighting on the Karelian Isthmus along the Mannerheim Line, while the far northern front became almost inactive as Finnish forces cut Russian supply line . . . Finland reported detachments of Swedes, Italians, Frenchmen, Canadians and Americans, totalling 2,000 volunteers, were now fighting with Finnish army . . . Soviet bombing raids increased in ferocity over urban Finnish centres, probably dropped 16,500 bombs in 100 localities . . . U.S.S.R. replaced General K. A. Meretskoff with General G. M. Stern as Soviet commander and sent picked troops of the Russian secret police into action.

Economic Front:

Britain—was more active than other countries, made several trade agreements: (a) with Sweden, exchanging textiles and coal for timber and hematite ore; (b) with Iceland and Norway, taking whale oil and herring; (c) with Spain, exchanging sterling for wheat, copper, iron ore, mercury and lead; (d) with Turkey, taking figs, grapes, tobacco and chromium; (e) with Yugoslavia, taking copper—other trade pacts completed or pending are those with Denmark, Belgium and Switzerland. In addition, a huge British-Brazilian trade deal was rumoured . . . was reported to be ordering 10,000 more U.S.-made planes over the next 18 months . . . announced that all the 5,000 deepsea ships of British registry would be liable for requisition February 1st . . . postponed the U.S.-U.K. deal in cotton for rubber until spring because of lack of shipping space . . . unofficially estimated its current war outlay at $24 million per day . . . reported that, in all, 2,000 British firms are making munitions.

France—put her budget for war costs in 1940 at $6 billion, to be raised chiefly by a series of domestic loans . . . was reported rushing construction of 126 warships.

Allies—engaged in putting pressure on Rumania re its release of oil from Allied-owned wells . . . announced they would pass Nazi goods exported to Mexico in payment for oil arranged in a pre-war barter deal . . . raised their seizure totals of contraband goods bound for Germany to over 1 million tons.

Germany—cut adults' food to allow double rations for children . . . announced Goering as her "supreme war economic authority" . . . was rumoured to be spending $40 million a day on the war . . . suffered from delayed supplies from Rumania because of complete Danube freeze-up . . . reported receipt of the first shipments of Russian oil and grain via Polish railroads . . . reported other supplies held up because storms and cold paralyzing Black Sea ports . . . announced a "c.o.d. at German ports" export policy to avoid British seizure as German goods . . . was rumoured to be building a fleet of 150-ton submarines.

United States—was asked by President Roosevelt to provide a record-breaking defence fund of nearly $2 billion, later cut $500 million . . . refused to sign temporary trade agreement with Japan to fill gap made by the January expiration of longtime U.S.-Japan trade treaty.

(*Continued on next page*)

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121424

Gordon Scott out as Administrative Secretary, R. C. Vaughan back to his C.N.R. post in Montreal and Lieut.-Col. Walter A. Harrison of St. John to Ottawa as the new Maritime member.

The public is applauding the weekly news release of war contracts—size, amount and company involved. The old fear that the "handout" method was being used is being quickly overcome. Another bouquet goes to the Board for its action in breaking up the "agent" rush. Lobbyists, for a big fee, were hiring themselves out as contact men for war suppliers, promising their clients big, fat contracts. The Board has broadcast that it does business with principals and by public tender. A letter from a respectable business house gets more attention than any paid "agent".

The Board is organizing the Canadian aircraft industry for maintenance and overhaul of training craft. At training peak, it is expected that between 3,000 and 4,000 planes will be overhauled in one year. Some 10,000 Canadian workmen will be employed in construction, assembly and overhaul work. The Canadian aeroplane industry will build 1,282 planes minus engines, wings for 1,622 others and will assemble 870 British-made planes.

Contracts for $17 million worth of shipbuilding are on their way up—orders have already been placed for 46 steel anti-submarine boats, 28 minesweepers and 40 smaller aircraft salvage motor boats, lighters and loaders.

Ottawa moved fast last month, dispensing appointments right and left: René Morin succeeded Leonard Brockington, Canada's "War Recorder", as chairman of the Canadian Broadcasting Corporation with Brigadier-General Victor Odlum as second in command. Ill-health forced C.N.R.'s Walter Thompson to step down from the chairmanship of the Bureau of Public Information, but his co-worker G. H. Lash stepped up.

On the foreign attaché list went Major-General L. R. LaFlèche, dispatched to the Canadian Legation at Paris, and Air Commodore W. R. Kenny, to the Washington Legation, both well fitted to make the required contacts for their arms of the forces. From the west to Ottawa came A. J. MacNamara, Manitoba's Deputy Minister of Public Works and Labour, to head the Government's enlarged Dependents' Allowance Board.

Headlining Canadian-U.S. relations was the arrival of James Cromwell, popular new American Minister to Canada. Increased commercial relations with the U.S. since war's outbreak have made it essential that the United States keep in Ottawa a keen official representative, and the new Minister has already focused the attention of both countries on the possibilities of neighbourly tourist trade in 1940.

War is the hinge on which a lot of people went about an immediate swinging of the St. Lawrence waterway project. But even if it were started within the next year, the most conservative estimate would not permit completion in time to serve Canada's manufacturing war effort, if the peace mongers we hear are right.

The Government's first war loan of $200 million went over the top by being oversubscribed in two days, more than half of it by the "little people" from "small" savings accounts. Finance Minister Ralston's radio "thank you" speech added another link to the closer bond that exists between authority and citizen. Each week, some Government Minister's radio speech brings more closely to the people a description of some one phase of the country's war effort.

Surprise Government move-of-the-month was the precedent-setting dissolution of Parliament just four hours after its opening. Using Ontario's cross-party censure of the Federal war effort and other rumblings up and down the country as an out, the Premier announced a Federal election for March. Mr. King's surprise package left Conservatives storming, C.C.F.'s espostulating, the public guessing.

HIGH SPOTS for January

(*Continued from previous page*)

Finland—received considerable war aid including fighting planes, anti-tank and anti-aircraft guns, gasoline, ammunition and credits from the Allies; aviators and $500,000 from the U.S.; much captured U.S.S.R. equipment, armaments from Spain; rice, shoes, woollens and food from Uruguay; wheat from Argentina; coffee from Brazil; $100,000 credit from Canada.

U.S.S.R.—signed trade and navigation treaty with Bulgaria, taking rice, hides and tobacco for Russian machinery, fertilizer, cellulose and chemicals.

Diplomatic—Chamberlain and Churchill in broadcast speeches visioned permanent Anglo-French union, promised active British aid to Finland, urged neutrals to join Allies (raised neutral resentment) . . . as date of publication of British White Paper on Anglo-Russian relations approached, British Ambassador left Moscow on "holiday"; Italian envoy was reported to be following suit . . . Italy, hailed by Turkey, undertook to lead a united neutral front in southeastern Europe with an eye on aggression by Russia but later editorialized against Allied domination . . . Yugoslavia reported agreed to allow Italian troops to pass through to Hungary in case of Russian aggression . . . Italy and Yugoslavia conferred but Hungarian territorial claims against Rumania provided the chief barrier to a united Balkan bloc . . . Italian-Hungarian alliance to resist threats from the Reich or Russia was interpreted as the death-blow to the Rome-Berlin Axis . . . Britain engaged with U.S. in exchange of diplomatic correspondence over question of neutrality zone around the Americas wherein Britain answered U.S. protests against Montevideo naval action at the suggestion that the U.S. navy patrol the neutral zone and ensure against German ships taking unfair advantage of it . . . Britain replaced Lord Macmillan with Sir John Reith as Minister of Information and Hore-Belisha with Oliver Stanley as War Minister . . . fierce diplomatic exchange occurred between Moscow and Scandinavia over question of aid to Finns; Soviet announced that Norway gave unsatisfactory replies to protests charging violation of neutrality . . . General Abe was replaced by Admiral Yonai, known for pro-Ally leanings, as Japanese Premier mid a flurry of Japanese resentment over the "Asama" incident where a British warship seized 21 military-age Germans from a Japanese merchantman.

121425

Even The "Y" Needs Good Public Relations

By J. G. JOHNSTON

THESE twenty years, it has been a fashion among former members of the Canadian Expeditionary Force to criticize the Y.M.C.A.'s service to the troops in the last war. If you pin a veteran down, he is extremely vague as to the basis of his complaint. Lead him a little and he will admit that the "Y" supplied him with his stationery, free. He will recall that most of the concerts he attended in camp were in Y.M.C.A. huts and marquees. He recalls the Beaver Hut in the Strand with affection, for there was his London headquarters. And the Dumbells in his mind are in the same tradition as Jenny Lind, Sarah Bernhardt and Sir Henry Irving.

Why, then, has the "Y" suffered in the minds of the men it sought to serve? The "Y" gave to the armed forces about 14 per cent of its revenue. These gifts were in the form of athletic equipment, theatrical costumes, stage settings and a proportion of canteen revenues to divisional funds, whence they were remitted to battalions. The "Y", after collecting $4,600,000 from the public and selling goods to the value of about $15,000,000, ended the war with a surplus of $43,000 which it used among veterans in military hospitals in Canada. Its financial record in the last war is without blemish and its accounts have had pinned on them the white rose of integrity in the form of certificates from two firms of chartered accountants, one firm being perhaps the best known in the world.

But still, the "Y" came out of the war with a reputation that wasn't good for it. One guess is as good as another as to the reasons. My thought, on trying to look both backward and forward, is that the "Y" did not do justice to itself in making sure that all soldiers knew that prices of commodities it sold in "Y" huts and marquees were fixed by the army authorities in Britain, that a piece of writing paper and an envelope costs something even though it cost the soldier nothing, that it cost something to maintain and frequently move canteen equipment from one base camp to another and, finally, that battalion funds benefitted to the extent of five per cent of the sales volume.

An ex-staff sergeant, who twice joined up the last time, said the other day that there was a cashier bloke in a "Y" hut in England who used to try to do the boys in on exchanging Canadian money into sterling. But that, he said, was only remotely the "Y's" fault. Another recalled a little guy in a marquee who was apt to shortchange the newcomers from Canada who were easily confused as to how much silver there should be in change from a Bradbury. But this man at this date was not even sure that it was a "Y" establishment where this little thief was employed.

These two reports, however, bear a moral for big corporations—the doings and misdoings of the lowliest employee reflect favourably or otherwise on the institution as a whole. Any employee who has the slightest contact with the public may have the power to wreck the ship. It doesn't help much that a man goes to jail for something else, years after he has been fired.

The "Y" came out of the last war with high praise from people in high places. Sir Arthur Currie said he didn't know what the C.E.F. would have done without the "Y's" services. Sir Edward Kemp in his report to parliament dilated at length and marvelled at the "Y's" ability to keep up with the army on its frequent moves from one section of the front to another. From these and other evidences—including the fact that the erstwhile Privates Tom, Dick and Harry can be induced to remember so many things in the "Y's" favour—there is no doubt that the "Y" did a fine job.

This war wasn't many hours old before the "Y" was again on the job. Every "Y" in Canada is a soldier's club for which no fees are asked or expected and about 30 huts, marquees and booths are operated in camps and training centres. The swimming pool in Edmonton and the concerts in the Red Triangle Hut in Phillips Square, Montreal, are equally available and heavily patronized. London is again being organized so that the Canadian there will be served and, wherever Canadian troops are congregated, whether in Aldershot or behind the Maginot Line, the "Y" will be doing its bit.

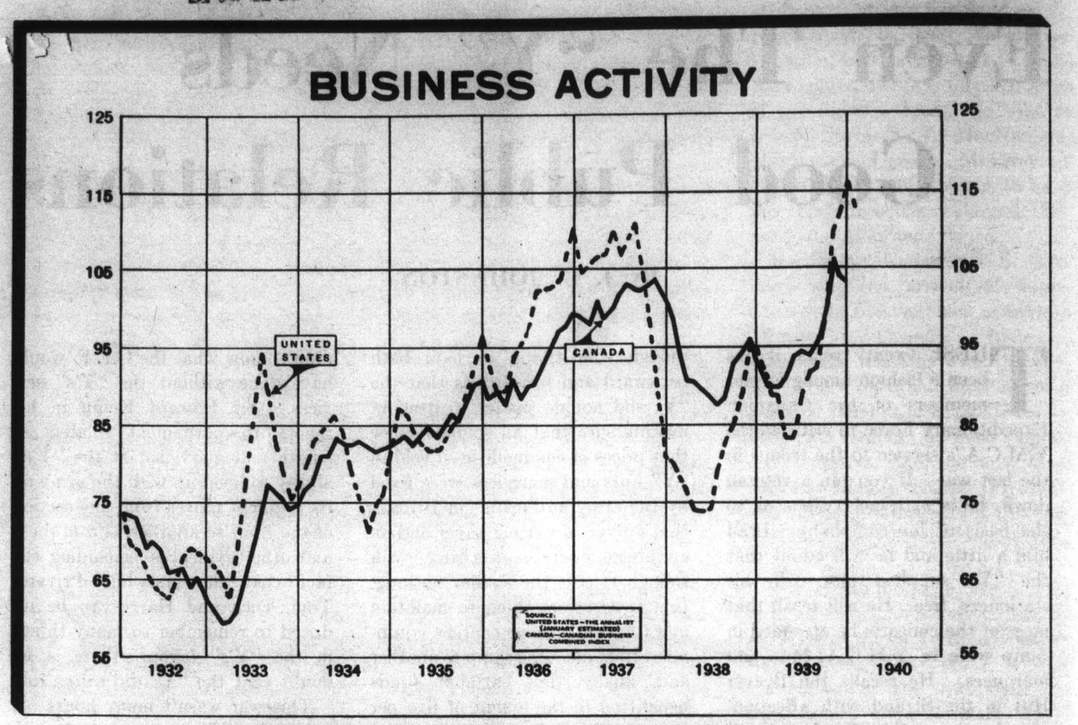
Mr. King has written a letter, "on behalf of the government," to commend the work of the Y.M.C.A. in ministering to the comfort of the men on active service. And well he might, for if there were no Y.M.C.A. doing that work, the army and navy would have to set up similar services of their own to maintain the spirit and well-being of the boys who, despite their gaiety, are in need of what the "Y" has to offer.

It is hoped that the "Y," while not neglecting its primary duty of serving the troops, does not this time neglect its public relations.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121426



Business volumes both in the U.S. and Canada contract slightly following the rapid expansion during the latter part of 1939

How's Business?

DURING recent weeks, there have been indications of a slight contraction in Canadian business volumes. The shrinkage has not been serious and has represented, in part, normal readjustments. Nevertheless, certain industries may continue to experience less active operations as the nation gradually shifts more and more to a war economy. Broadly speaking, however, there seems to be nothing in the present situation—save a drastic change in the character of the war—which would justify apprehension regarding the condition of general business over the coming months.

The trend of profits may not be quite as satisfactory. Increased taxes are beginning to be felt. The excess profits levy may be made more embracing. It is possible that industries, in which production is not essential to the prosecution of the war, may be singled out for special taxation. And profits in the war industries will be strictly limited.

In spite of narrowing profit margins, business men should not be alarmed if our index of business slips a little. The decline will be more in the nature of a correction of the sharp September-December expansion than the beginning of a definite downward trend. For the time being, Canada will be influenced by the widely-expected contraction in American business during the next few months. But increased exports to the United Kingdom may counteract in large measure a falling-off in the U.S. demand for our products. In addition, Canada may gain slightly in the South American market as the result of the depreciation of our currency against the American dollar and the curtailment of European exports.

Domestic factors, which will contribute to a temporary slackening in business activity, are fairly well defined and understood. During the early weeks of the war, there was a rush to restore inventories to normal proportions. Fears of a general rise in the price level were behind many an order. War orders intensified the condition and failure to obtain a few necessary raw materials added to the hectic nature of the situation.

We are now experiencing a more normal state of affairs. Except in special industries, inventories are no longer wholly inadequate. Raw material prices are gradually slipping back as the large supplies of commodities find their way into the channels of trade. War orders are past the rush stage.

121427

While opinions vary, it is possible that there will be further slackening in such peacetime industries as building and construction. While this may be offset in part by government work in connection with our war effort, the experience of the past war was not conducive to private or government expenditures. Already, building permits and construction contracts have tended to reverse their former upward tendency, and the pressure on Ottawa to keep taxation within reasonable limits will undoubtedly curtail activity as far as public works are concerned. In the background, of course, there is the St. Lawrence Waterway project which, if adopted, might change the entire character of the construction trades in this country during wartime. But from both Washington and Ottawa, however, come advices that there is little prospect of any early start being made on this development.

Meanwhile, the stream of war orders continues. Contracts for the building of trawlers and "whalers" may amount to 25 million dollars, airplane plants are working at capacity on 900 of the 1,282 planes which are to be manufactured in this country under the air training scheme, and British purchases of such items as bacon and flour have been heavier than anticipated. Further agreements between the British Government and Canadian producers have been announced, one of the latest being a contract for the delivery to Britain of all our exportable aluminum.

Western Canada

The absence of sufficient subsoil moisture on the prairies is worrying observers who had hoped that a normal crop would be harvested in 1940. Meagre rainfall last fall has been followed by less-than-average snow falls during the early winter months. As a result, favourable moisture conditions will be vital during the early growing months if Canada's wheat crop is to attain satisfactory proportions this year.

The effect of last year's harvest and of better prices is still being reflected in business conditions throughout the west. And, as there is about 10 per cent of last year's crop to be sold by the farmers, this should contribute further to the improvement which has been witnessed in the three prairie provinces during the past four or five months.

Employment

While there has been an encouraging improvement in the number of people on relief, the gain in employment has lagged behind the expansion in industrial activity. In November, for example, there were 26 per cent fewer recipients of public relief than in the corresponding month of the previous year. But the big improvement was in the farming areas; a decline of 69 per cent in those receiving agricultural relief being reported.

The lag in employment is a natural tendency and it does not yet reflect a serious situation. Under normal conditions, it might suggest that production was outstripping consumption. In fact, a similar impression can be obtained from a study of current banking figures or industrial statistics. But in time of war, production, especially in a country such as Canada, must run ahead of domestic consumption. Much of the Government's effort is directed towards this very condition.

At the same time, it must be admitted that there has been some slight over-production of certain consumer goods and that some slowing-up is therefore probable, but the extent of such over-production in relation to actual consumption does not go very far beyond the "restoration of normal inventories" stage. Granted, increased consumption is needed to ensure a continuation of present production schedules in more than one direction, but current consumption is enough to justify a higher rate of production for the first half of 1940 than for the similar period of 1939.

Federal Finances

Since the end of August, Federal revenues have increased substantially. For the four months ended December, total receipts were up nearly 16%, with December revenues reaching a peak for the year and showing an increase of about 20% over the corresponding month of 1938. Although revenues are rising sharply, expenditures are gaining even more rapidly and a deficit of about $31 million was shown for the four months to December 31st, as against about $13 million in the last four months of the previous year.

Automobile Industry

Since the war started, there has been a tendency for total automobile production in Canada to decline. Recent figures show a further falling-off for the export markets, but production for domestic consumption has been running slightly ahead of last year.

Of special interest to business men are the recently released figures on the financing of used automobiles in this country. Broken down for economic areas, they give a good idea of the trend of public purchasing power. The figures for 1939 have been compared with those of 1938 and the changes are shown below:—

Maritimes	+43.0%
Quebec	− 3.3%
Ontario	− 5.4%
Manitoba and Saskatchewan	+59.6%
Alberta	+34.0%
British Columbia	−22.6%
All of Canada	+ 7.1%

Export Trade

During the past few months, Canada's exports have not tended to increase as might be expected from the enlarged demand for war material from abroad. In December, however, the improvement was marked and total shipments from this country were 47% higher than in the previous December. This brought total exports for the four war months up to $370 million, or 17½% higher than in the last four months of 1938.

If domestic business is to follow the pattern of export trade as has usually been the case in the past, this sharp expansion in exports is one of the most promising signs in the Canadian picture.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121428

Read All About It!

By S. C. SCOBELL

BREAKING through the strident cries of eager newsboys, comes the modulated tones of the ubiquitous radio announcer. The public pauses to listen —perhaps even neglects to read about it. Thus has been created a problem for those who make and use newsprint.

But despite the aggressive challenge of radio, there are indications that, as far as the advertiser is concerned, broadcasting is reaching at least a temporary saturation point. Leisure hours are limited. Even listening eventually becomes a bore. Nevertheless, this competition has slowly—almost imperceptibly, in fact—hampered the long term upward trend in the consumption of newsprint on this continent.

The newsprint industry operates with the blinds up. And its attendants issue semi-monthly bulletins as to its progress and condition. From a ringside seat, the business man can follow the inauguration and consequences of policies in Canada's largest manufacturing industry.

Because it is big, vital and a primary industry, newsprint affords many unequalled examples of the dire results of flouting economic laws. It also provides more than one instance of the success of longer range planning. Other businesses may not have such sharply defined problems as those which have faced the newsprint industry. But if a less tangible problem can be reduced to its simpler terms, the newsprint industry can probably provide an instructive case history complete with cause, effect and attempted correction—possibly, also, a post mortem.

To the business man, therefore, we present the current situation in newsprint. May it help him in watching how hardened executives in a major industry meet the problems of the next year or two. To the investor we give the same picture. May it help him to avoid losses and to secure profits in Canada's most speculative industrial securities.

In a decade in which people are more inclined to listen than to read, Canada has been able to increase its production of newsprint by developing productive efficiencies to the point where less economic mills in other countries have been forced to close down. But chiefly because of inadequate co-operation and control of its markets, profitable operations have not been possible until very recently when unified industrial supervision began to bear fruit.

In order to obtain a representative glimpse of the industry, let us take a mythical company, The Dominion Newsprint Corporation, which will correspond sufficiently, for the purpose of accuracy, to any of the three or four giants in the industry without resembling any of them too closely.

Immediately, we will ask you to digest a few pertinent facts regarding our mythical newsprint company. It has 5% bonds outstanding with a par value of $30 million dollars, followed by 2 million shares of common stock. Its annual capacity, as set by the Newsprint Association of Canada, is 480 thousand tons of newsprint. It also has some outside lumber business and a few thousand tons of excess sulphite pulp which can be sold during periods of keen demand.

The Dominion Newsprint Corporation is a member of the Newsprint Association of Canada. As a member, it helps set the production quotas which are followed by most of the Canadian producers. Up to 1937, our company fared rather badly. Production was not at a very profitable level and the prices of $40 and $41 a ton for newsprint, delivered in New York, did not enable the company to break even after writing off sufficient depreciation and depletion.

For 1937, the price was increased to $42.50 a ton (New York) and early in the same year, the 1938 price of $50 a ton was announced. For the remainder of 1937, the American publishers consequently stocked up heavily. One large publisher, in fact, bought on credits which the Dominion Newsprint Corporation has since been trying to collect.

The year 1937 represented a mild inventory boom. This was accentuated as far as the newsprint industry was concerned but it was not confined to any special group of commodities. Business activity in Canada and in the United States rose sharply but there was insufficient new investment to provide a foundation under the expanding structure of consumer buying. At the time, the Dominion Newsprint Corporation and other Canadian producers operated close to 90 per cent of capacity and while they knew that their customers were stocking up, they felt convinced that the demand for paper would continue in 1938.

Unhappily, the inventory and consumer boomlet burnt itself out. Failure of new capital to provide additional facilities and employment created a situation in which consumer buying dwindled and then dropped sharply.

In 1938, decreased advertising lineage and newspaper circulation caused a slump in newsprint consumption which was intensified, as far as the demand for Canadian paper was concerned, by the substantial stocks which had been accumulated.

The industry struggled through 1938. Newsprint production in Canada was only two-thirds of the 1937 level and, despite the fact that the price of newsprint had been increased from $42.50 to $50 a ton, the lower operating ratio added to higher costs. Profits were consequently less satisfactory than in 1937.

During the first part of 1939, there was little improvement in U.S. newsprint consumption. The Scandinavians were selling newsprint in New York seven dollars below the Canadian price and European imports into the U.S. were slowly gaining.

The Dominion Newsprint Corporation did not suffer to any extent from the small amount of additional tonnage from Europe, but the low price of Scandinavian paper did not add to the goodwill of the American publishers towards the Canadian producers. At the same time, the Dominion Newsprint Corporation lost a little overseas tonnage due to European competition of cheaper paper which undersold Canadian newsprint, especially in South America. The demand for excess sulphite pulp, which had disappeared about eighteen months previously, did not reappear and the prevailing price for sulphite, even on capacity operations, would have returned little profit to our company.

HERE is the current situation in newsprint. It can help you by showing how executives in a major industry plan to meet the problems of the next year or two. It will help the investor to avoid losses and to secure profits in Canada's most speculative securities

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

About the middle of 1939, therefore, the Canadian newsprint industry was not in a very happy state. Newspaper advertising lineage was not improving in the U.S. and American mills were still selling paper at $2 a ton less than the price which the members of the Newsprint Association of Canada had agreed upon. Surplus stocks of newsprint and of sulphite pulp had been reduced virtually to normal. Shipments of paper to the United States were consequently a little higher but there was no sign of any sustained upward trend in consumption.

The Canadian newsprint industry was criticized for maintaining the $50 price. "Better drop the price to $48 a ton and compete with U.S. mills", cried many critics. But this would not have meant much more tonnage for the Canadian companies. Apart from existing contracts, it was probable that both the Scandinavian and U.S. mills would have followed suit and a price differential of $7 and $2 respectively would likely have been maintained.

Fortunately, sound wisdom prevailed and there was no indication that Canada would sell its newsprint for less than $50 a ton. The outlook, however, was not good. The Dominion Newsprint Corporation had earned only about 1% on its 5% bonds during the first six months of the year. It had produced at the rate of 60% of capacity and had shown a net profit of about $5 a ton on its output. At much under 60% of capacity, with $50 paper, it is difficult to cover all expenses. But when operations begin to approach 75% or 80% the profit margin widens considerably.

In September, came the war. Already there had been a marked revival in the public's interest in news. Newspaper circulation began swinging sharply upward. Exports of German newsprint to overseas markets ceased. Apprehension was felt regarding the maintenance of Scandinavian exports to America. Publishers began taking more paper and were extremely anxious not to allow their surplus stocks to fall below normal inventory requirements. Meanwhile, the Canadian dollar was dropping to a 10% discount which added slightly more than $4 a ton to the mill price of newsprint.

Operations which had been at the rate of about 60% of capacity for the Dominion Newsprint Corporation jumped to an average of 73% of capacity for the three months, September-November. Earnings per ton rose abruptly as increased output cut costs. While net profits of about $5 a ton had been shown in the first part of 1939, the profit margin had now widened to $15 a ton, including, of course, the premium on American funds and income from lumber and other products.

The monthly net profits of about $120 thousand had increased to $435 thousand. It was not prosperity, but earnings on the company's first mortgage bonds which had been at the annual rate of 2% for the first six months of 1939 but had increased to an annual rate of about 8%.

The management of the Dominion Newsprint Corporation is now asking itself if such a condition can last. Obviously, September, October and November represent a seasonal peak in the consumption and production of newsprint and a drop of from 5 to 10 per cent is usually expected in the first quarter of the year. Apart from this, however, indications are that U.S. consumption should not fall off greatly. In November, it was 3% higher than in the corresponding month of 1938 although advertising lineage was identical.

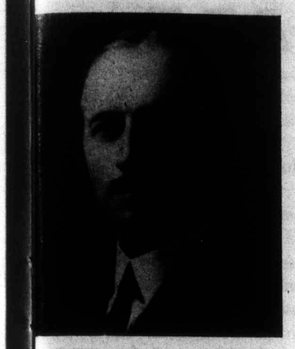
The Canadian newsprint industry has recently announced that the $50 price for newsprint will be maintained for the first half of 1940. American mills which had been quoting $48 a ton have raised their price to $55 a ton for the first quarter and to $56 a ton for the second quarter, less a rebate of $6 a ton. Despite a 25% improvement in American business activity and a rather marked improvement in retail trade, newspaper advertising lineage has shown virtually no gains. In the British market, to which Canada ships 7% of its total production, the size of newspapers has been drastically reduced and circulations have fallen. As a result, the imports of Canadian newsprint may be severely curtailed. To counter-act this, however, exports to countries other than the U.S. and Great Britain are beginning to pick up, for about 150,000 tons of German newsprint must be replaced and the Scandinavian countries are finding it more difficult to reach their former markets. Production in Finland has almost ceased. Incidentally, the latest available figures show that Scandinavian exports to the U.S. have been maintained but returns for November and December are expected to show some curtailment.

The basic problem now facing the Canadian newsprint industry is concerned with the failure of newspaper advertising lineage in the United States to expand with improving business. It is possible that current tendencies are deceiving and that the newspapers are to regain at least their share of the American advertising dollar. But immediate indications are not encouraging. Meanwhile, the remaining American mills seem able to compete with those in this country, and a further contraction of American newsprint capacity is not an immediate prospect. In fact, the South is still eager to build an industry of its own based on Southern pine, and already the first $5 million mill is being completed. Hopes are that an annual production of 50,000 tons of newsprint can be achieved. This would be equivalent to about 1½ per cent of the domestic consumption.

Any marked increase, therefore, arising out of materially higher U.S. consumption of newsprint should not be expected. But there is a strong possibility that Canadian paper will at least temporarily replace further European tonnage in the United States and elsewhere to an amount sufficient to more than counteract possible losses in the United Kingdom and the Australian markets.

CANADA ORGANIZES FOR WAR

WAR SUPPLIES

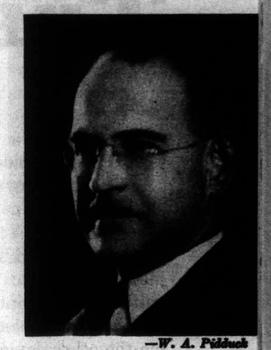


Lieut.-Col. Walter A. Harrison

The appointment of Maritimer Colonel Harrison of St. John, N.B., brings national representation to Canada's War Supply Board, filling the vacancy left by R. C. Vaughan, resigned, in accordance with his request when he took over the Defence Purchasing Board last summer. The Board now continues to have four members, one short of the five originally planned, and includes W. R. Campbell, C. E. Gravel and W. C. Woodward.

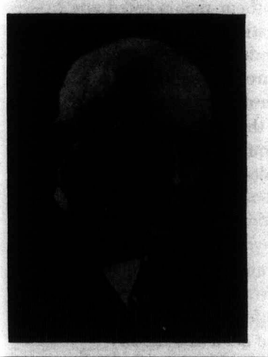
G. K. Sheils

The assistant general manager of General Steel Wares Limited, Toronto, has assumed the duties of Administrative Director of the War Supply Board on a full-time basis. Mr. Sheils is on loan from his company to the Government for this wartime service. It is believed that Mr. Sheils will assume those duties formerly carried out by Gordon Scott of Montreal whose official title was Administrative Secretary of the Board and who now returns to private business.



—W. A. Pilduch

CANADIAN SHIPPING

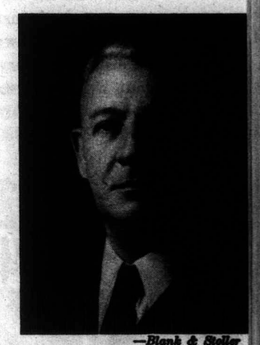


Major J. G. Parmelee, O.B.E.

In order to maintain Canada's vital export trade, the Government appointed a Canadian Shipping Board, chairmaned by Major J. G. Parmelee, to secure ocean transportation for Canadian exports, a job made difficult by the requisition of British shipping. This Board proposes to arrange with the U.K. additional tonnage for exports, to secure more effective control of Canadian registered ships and to induce more neutral ships to carry Canadian goods.

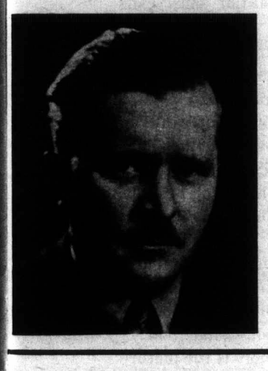
A. W. L. MacCallum

Newly appointed as Director of Shipping is A. W. L. MacCallum who also sits on this Board, temporarily released from the Shipping Federation of Canada. His duties include keeping posted on the ocean transportation needs of Canadian traffic, handling applications for cargo space and priority of movements, and co-operating with the Transport Controller for the efficient co-ordination of internal and external freight traffic in Canadian exports.



—Blank & Stoller

AIR TRAINING

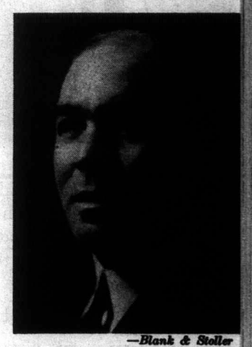


Air Marshal W. A. Bishop, VC., D.S.O., M.C.

As a national figure and one of the world's outstanding war aces, Air Marshal Bishop is an ideal choice for the post of Director of Recruiting for the R.C.A.F. under the British Commonwealth Air Training Scheme. Inspiration has long been an essential phase of recruiting, and Air Marshal Bishop will bring this in large volume to his new job. From early reports of recruiting, his task will be an encouraging one.

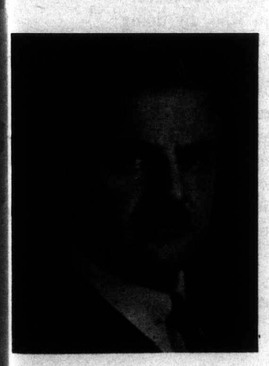
B. J. Roberts

Agreed upon by the U.K., Australian and New Zealand Governments, B. J. Roberts was named by Defence Minister Rogers as Financial Adviser to the Empire Air Training Scheme. Mr. Roberts will pass on all proposals for expenditures made for the scheme and brings to bear his experience as Assistant Deputy Finance Minister and as a Commissioner of the National Harbours Board. Next September, he will probably have passed on some $90 million.



—Blank & Stoller

PUBLIC INFORMATION



René Morin

No easy task has proved the job of heading the Canadian Broadcasting Corporation, but the elevation of René Morin to Chairman brings a man already seasoned in radio's woes to replace L. W. Brockington, resigned. One big job ahead is to keep all the party campaigners happy from now until election date, make sure Canada's 2 million receiving sets relay adequate news of the war and the Dominion's effort in it. Broadcasting programs to suit 8 million listeners is another.

G. H. Lash

When Walter Thompson left the C.N.R. Publicity Department to become Chief Censor, he took with him his colleague, G. H. Lash. The two later moved to the Bureau of Public Information and when Mr. Thompson resigned (ill-health), it was only natural that Mr. Lash should take over his former chief's post. Newspapers are now finding that their Government news comes to them regularly, pithilly and voluminously on the Bureau's red-masted letterhead.

—McDermid

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121432

THE SELLING PARADE

REGISTERED

By CHARLES B. ROTH

THE vice president in charge of sales for a large jobber is a dour old fellow who never smiles, who never praises. Yet his men love him. They love him because of his justice and honour, love him for his truthfulness and integrity.

The branch manager was telling me the other day of his latest experience with the big boss. The branch manager had just engaged half a dozen salesmen with whom to open up a new territory. The vice president was going to be in town in a few days, so the branch manager said he decided to have the boss look over his new men.

They had a little luncheon at the athletic club, and when it was over the vice president took the branch manager aside and told him: "There's only one man in that group who will make the grade. Get rid of the others right away or it will cost you money."

His pride hurt, the branch manager wanted to know what was the matter with his choices.

"And then I got a lesson in salesmanship I hadn't ever been able to pick up by myself from my own experience," he told me. "It did me no end of good."

"What lesson was that?" I asked him.

"That the quality of the men must be as good as the quality of the merchandise, or they can't sell," he replied, and continued:

"The vice president told me, 'Those men you picked out aren't quality men. They are price men. They would do very well selling a line based on price. Ours isn't. A salesman has to be in the same class as his goods, but you are trying to get Class B men to sell our Class A goods. It won't work, Bob.'

"I saw the point in a jiffy. I had been too hasty in choosing my men. So I revised my sales force, let all but one of my new men go and tried to get men whom I thought would live up in their lives and selling to the goods they sold."

"And that worked, didn't it?" I asked him.

"Worked? I'll say it worked. Why, the old man almost smiles when he opens the orders I send him."

■ ■ ■

BEFORE he went into salesmanship the president of a large insurance company was an engineer—a man who imagined, as the gifted O. Henry had one of his characters say, in facts. The habits engendered by long years of engineering experience will not leave. Therefore he puts everything on a factual, on a scientific, on a mathematical, on an engineering basis.

A few months ago he called in his vice president in charge of the sales department. He asked one question: "Can you paint me the portrait of a million-dollar life insurance salesman? In words, I mean."

"Well, if you put it that way, I do not think I can," said the vice president frankly. "But I know what you want, and I will get it for you—a blue print of the things that make a man a million-dollar producer, is that it?"

"That's it. Fine. Get it as soon as you can."

Out of that request came the picture, so far as I know the first picture, of a million-dollar salesman. For the vice president went to all the million-dollar men of his company, and asked them very pointed and personal questions about themselves and their selling practices. When he was through he had the composite million-dollar man.

You are not in the insurance business, but the qualities of these million-dollar salesmen will help you to sell more. So let me introduce you to this million-dollar gentleman now.

He calls on strangers and friends alike, for he believes that a salesman has to keep his life filled with new human contacts to get a satisfactory amount of business. He averages seven good substantial sales calls every day.

He makes appointments in advance, half of them by telephone, half of them in person. He believes that contacts are 50% important in making sales; knowledge, 25% important; effort, 25% important.

He sets an allotment for himself, by the year, month, week—and works to make it. He entered the business at the age of 29 and has averaged 12 years in it. It took him six years of hard-plugging before he had his first million-dollar year.

In other words, here is the picture of an ordinary man who, by doing ordinary things well, became a million-dollar producer. You didn't find anything in the portrait that is much different from what you see in other salesmen every day, did you?

The secret of the million-dollar salesman is that he does the things which other salesmen all know they ought to do, but never get around to doing.

A DIGEST OF SUCCESSFUL SELLING IDEAS

121433

A PLAIN WOMAN I know was telling me that she considers the worst crime of salesmen toward customers is the crime of insincerity.

Whenever she goes into a store to buy, she says, the sales people come out and with great show of rapture tell her how beautiful she is, how lovely she looks, how handsome the hat makes her profile appear.

"It's all horse feathers," said she. "I know it. They know it. But they think that they have to lie, lie, lie to make sales. Why don't their sales managers instruct them in the art of being sincere?"

I don't know the answer to that one. But this I do know, that it is important. Whenever you tell a customer something he knows isn't true, that is flattery, which everyone resents. Whenever you tell a customer something nice that is true, however, it is a compliment, which we all like. There is no higher form of selling strategy than the use of the compliment, but when it degenerates into flattery there is no lower form.

The difference is—sincerity.

■ ■ ■

I HAVE been re-reading one of my favourite books; a strange book about strange characters undergoing strange and wild adventures in the England of a century ago. Maybe you have read *Lavengro* by George Borrow too? If you haven't, I really envy you the thrill of reading him the first time.

What a fascinating, rollicking story it is, and how filled with unusual men and women, with what strange talk and philosophy, with what high adventure! Sherwood Anderson, great American novelist, has said that he considers George Borrow to be the most skilled story-teller ever to write in the English language. This may be carrying admiration a bit far, but you have my unqualified recommendation of *Lavengro* any time you want to read it.

Of course, I can find lessons on selling and ideas for salesmen in everything I pick up just as a minister can find texts for complete sermons in every verse of the Bible. And I find many things in *Lavengro* which a salesman could use.

For instance, there's the downhearted landlord. He stands for every discouraged salesman. Business at his public house was pretty bad. He owed his brewer, and his packer, and everybody else. As a result, he was a man without heart.

Some of his not too gentle customers discovered this. They began browbeating him. They charged drinks and when he asked for payment they made fun of him.

He was in such a low state of heart when Lavengro (George Borrow himself was called Lavengro by the Gypsies; it means "word-master") entered his place. The landlord poured out his heart. Borrow asked him why he didn't bash one of the rowdies in the face.

"Why? Why reason enough," said the landlord. "I hadn't the heart with one blow of my fist into his face, to send his head ringing against the wall. For when a man's pocket is low do you see his heart ain't much higher?"

Borrow counselled him to stand up and fight like a man, not to cower and cringe like a whipped cur. Borrow left for another part of England.

It was several weeks before he returned. But what a change! The place was prosperous. The customers were treating the landlord with great deference, and were paying for their drinks. The young man asked what had happened, and found out that the landlord had taken his advice, and had knocked down one of his insulters. Thereupon the crowd turned for him—and prosperity was his.

The moral for a salesman is, not that he go around bashing his customers in the face when they insult him, but that he stand up and fight hard against the fates when they want to keep him down.

■ ■ ■

A FRIEND of mine is ace salesman for a large office supply firm. He recently made his largest sale of steel filing cabinets. He was telling me how he did it.

"This prospect is a large buyer but an awfully close buyer," said he. "I had been trying for a year to get the business. It was always price, price, price whenever I called. He bought filing equipment of the cheapest possible kind. Another big deal was up, and we were going round and round as usual on price.

"I know it's always dangerous to knock a competitor's goods. But I did it. And that's how I got the order."

I admitted that if he got the order it must have been good salesmanship, but I couldn't see how he could knock a competitor and carry an order for higher priced goods.

"Tell me the details, won't you?" I asked.

"Well, I went in and put on a little show. In the full view of the office force, I walked up to one of the cheap filing cases and banged it with my open hand. It rang like a cracked bell. Then I said: 'T.C. T.C.'

"The boss, curious, maybe dumbfounded too, asked, 'What do you mean 'T.C.'?'

" 'Tin can,' I replied. 'Tin can. That's what these files are made of—tin cans'. "

"What did he say then?" I wanted to know.

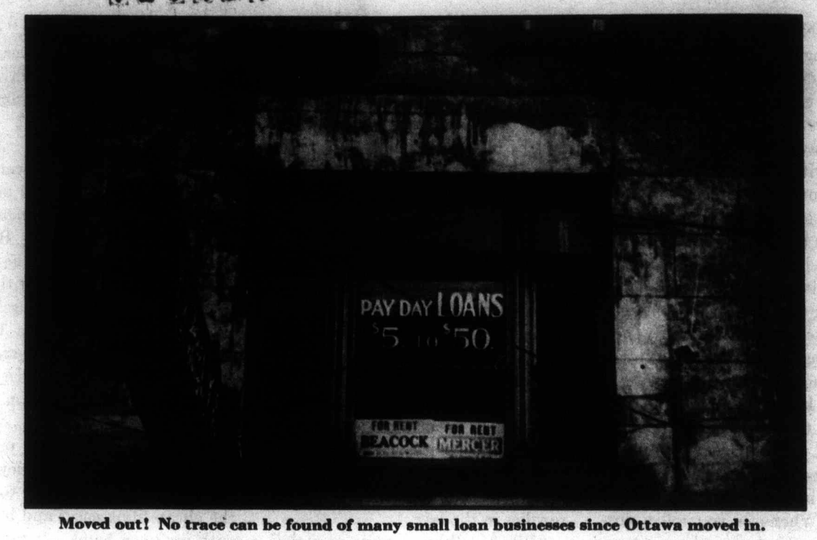
"He said: 'You win. How soon can you get some good ones over to me—not 'T.C.'s'?' 'Tomorrow at nine,' I said. That closed the deal."

The point of it is that the salesman knew when it was safe to point out a buyer's foolish economy by making it appear absurd. His humour robbed the situation of the usual hazard that comes when you knock somebody else or his goods.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121434



Moved out! No trace can be found of many small loan businesses since Ottawa moved in.

Loan Sharks *Beware!*

By
H. C. WALLINGFORD

AFTER four years of study and investigation, the Canada Small Loans Act became federal law on January 1st, 1940. It means that this magazine's warning last year to small sum borrowers, "Beware the Loan Shark," can now be rewarded so that the beware is directed to the loan shark instead.

Not only does the new Act protect the wage-earning borrower of small sums, a $30 million business, against exploitation by unscrupulous lenders, but it offers to employers and business executives the effective means to rid themselves of a number of petty annoyances.

Nearly all business organizations with more than fifty employees have a direct interest in their employees' financial troubles whether the executives recognize the fact or not. A workman cannot reach his best efficiency if he has financial worries on his mind—and most of our modern worries are due to lack of money or can be eased, if not cured, by the wise use of money.

Credit inquiries, garnishees of wages and judgments for debt, involving regular wage deductions over comparatively long periods, have proved such sources of annoyance to employers that, in many cases, it has been necessary for business executives to dissociate themselves definitely from their employees' affairs and rule that instant dismissal is the price they must pay for becoming involved in debt.

Such action only compounds the distress of the wage-earner. Very often his need for financial advice and assistance is both pressing and justifiable. In such cases, he will use his credit to relieve his immediate need. If, by doing so, he knowingly places his job in jeopardy, his worries are multiplied, his working efficiency decreases and he falls a ready victim to the unscrupulous "money-bootlegger".

The Canada Small Loans Act has been carefully designed for the protection of the small-sum borrower. It is the result of much study and research on the part of Parliamentary Committees. Unfortunately, the man for whose protection it has been designed is seldom familiar with the statutes and in his desperation may, in all innocence, help to defeat the effective operation of the Act.

Employers who are familiar with the general intent of the Act are in the best possible position to see that it is enforced. It is to their advantage to protect employees both from the results of their own financial ignorance or folly and, also, from the blandishments of those who sing the song of easy money but won't mention the price.

The new Dominion Act provides that all money-lenders (except banks and pawnbrokers) must have a licence from the Minister of Finance and must submit to supervision and regulation by the Superintendent of Insurance.

The old regulations for the control of "interest" were completely ineffective because "interest" has never been defined. Unregulated money-lenders, therefore, interpreted "interest" to suit their own convenience and defied prosecution on the ground that they were not charging more than the legal rate of interest even though the total cost of such loans averaged 120% per annum.

The new law fixes the *total cost* of small loans at 2 per cent a month, chargeable only on the actual monthly balances outstanding. It clearly states that this cost must include interest and all other charges connected with "service".

Common practice under the old statutes was to discount charges in advance and so tax the borrower on the charges as well as on the actual cash he received. The new law forbids the deducting of charges in advance.

An assignment of wages is now included within the definition of a loan whereas lenders formerly maintained that by taking an assignment of wages, such assignment was really a "purchase at discount" instead of a loan.

The old practice of getting a borrower so overloaded with debt that he could never pay off the full amount at one time, and then refusing to accept part payment has been done away with. The lender must agree to accept payment of all or any part of the principal sum owing on any payment date without notice or bonus.

The essential provisions of the new Act have been incorporated in the Criminal Code and criminal action for any breach of the Act can now be instituted either by the Dominion Superintendent of Insurance or by any Provincial Attorney-General. The penalties provided are: a fine of $1,000 and a year in jail if the offender is an individual and a fine of $5,000 if the offender is a corporation.

Up to the end of 1939, only three companies,* all of whom welcome the new law, have been operating under Dominion Government supervision. How many more lenders will now be granted licences remains to be seen. So far, only one of these companies has indicated its intention of expanding its service. This policy has been adopted despite the lower return on invested capital permitted by the all-inclusive cost restriction imposed by the new plan. This extension of service, as announced, is two-fold. Branches will be opened for the first time in Montreal, Winnipeg, Vancouver and Victoria and the lowest bracket loan is reduced from the previous minimum of $50.00 to $20.00. This inclusion of the smaller loans will cover the field formerly occupied by the "Pay-Day Lender", in which racketeering practices throve and were most difficult to prevent.

A Big Business

The extent of small sum borrowing in Canada is seldom realized by those who are fortunate enough to establish personal credit through the usual banking channels.

The Canadian Bank of Commerce (with branches throughout Canada) recently reported that, during the 3½ years of operation of their special Personal Loan Department, they have loaned $27,000,000 to 185,000 borrowers.

During the same period, Household Finance Corporation of Canada* loaned nearly $27,000,000 to approximately 165,000 customers in eleven Ontario cities.

The "Caisses Populaires" of Quebec reported to the Banking and Commerce Committee of the House of Commons that it had loaned $3,370,821 to 13,974 customers through 234 branches in 1936. It might be safe to assume, therefore, that during the same period of 3½ years, the Caisses Populaires have loaned over $11,000,000.

On the basis of returns made to the Government at the time of the Parliamentary inquiry, it is estimated that other lenders have loaned $20,000,000 during the same 3½ years. From these well-authenticated sources, it is computed that the total demand for small-sum borrowings from these known sources alone is about $24,000,000 per year.

No data is available in Canada from which the amount of borrowings from illegal and unregulated sources can be estimated but a total of $30 million would not seem too large.

Experience has very definitely indicated that many families who find occasion to use their personal credit need advice and guidance in the management of their incomes as badly as they need a loan of money. There is, therefore, a social obligation laid upon the small-sum lender to make sure that the service he renders is a helpful one to the borrower. Federally registered companies duly supervised are now more likely to render this service.

Carefully gathered statistics have proved that the average wage-earner's family can improve its

(*Continued on page 76*)

*Household Finance Corporation of Canada, Discount and Loan Corporation of Canada, Industrial Loan and Finance Corporation.

*Formerly Central Finance Corporation.

LAST YEAR, we warned "Beware of the Loan Sharks". This year, the shoe is on the other foot because since January 1st all small loan companies must be federally licensed and adhere to federal regulations. What this progress means to employers and their employees makes happy reading for long-suffering reformers

121435

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121436

Trim Your Business for Tomorrow!

121437

By P. W. WARD

A SHIP is leaving port. She has nice lines and looks strong and trim as she edges away from the dock-side. She has set up a fair record since the day she was launched. Her master is considered a good navigator. To the on-looker, the voyage promises well.

But the skipper is not as happy as he would like to be. His ship is carrying a valuable cargo. It will be a matter of daily concern until he can deliver it safely. He knows that he will soon be experiencing heavy weather and will have to travel off the usual course. His sense of seamanship suggests that he should 'trim ship'. Top hamper is reduced to the smallest proportions; unnecessary gear is dispensed with; everything that would impede speed is battened down. The course is being set to take advantage of every helpful current. The keen co-operation of officers and crew is wisely sought. The voyage will be a test of skill and resource.

Do you see the analogy? Most businesses are like ships. They experience and respond to the same influences. Substantial investments are at stake, even before they are launched. Once they get into service, so much depends upon the way they are managed. When conditions are good, efficiency of management may not be so frequently put to the test, but when conditions are difficult, it is necessary to know how every part of the structure is functioning; whether each is contributing its full quota to profitable effort. In many concerns the most urgent question for consideration should be: "Is your business trimmed to meet the new conditions of today and tomorrow?"

Perhaps you listened to the striking radio address of Canada's Minister of Finance recently. He stated that our War budget for 1940 alone would amount to $315,000,000. Add this to the forthcoming Federal, Provincial and Municipal budgets, and the many other expenditures which go to swell the total, and you have a formidable sum for which trade and commerce must find the cash. For, believe it or not, this huge amount must be paid for out of the profits of business—or out of capital. No matter how skilfully our war and civil expenditures are financed, or how long a term is concerned with their repayment, *it is Canadian business that must find the money.*

Let us look some of today's facts in the face. Thirty per cent of our average income goes into taxation—direct and indirect. The increasing ratio of taxation in the years ahead will not only make the burden more difficult for the individual: *the load on business is going to be heavy indeed.* And the individual depends on business for whatever income he or she receives.

Business, therefore, must adjust itself to a tremendous effort if the immediate future and the post war years are not to find us seriously impaired. Every class of business, from the big corporation to the smallest tradesman, is involved in this situation. The business established for half a century is not more immune than the one that opened its doors less than a year ago. Each will have to 'trim ship' for the days ahead.

Trade and commerce are entering an unexplored period. The traditions of trade and economic standards are being swept aside. Invention and research have brought production to new levels of scope and utility, but distribution has not kept pace in scientific application. Many businesses are geared to produce far more than the market demands. Distributors often stock more than they can profitably sell. The small margin of profit on many commodities does not show a trading surplus because turnover is too infrequent. A number of concerns continue for a time to spend more in overhead than they can earn in profits; others offset profits in one direction by losses in another. These conditions lead to bankruptcies, slaughtered prices, low wage levels, unemployment and heavy Government spendings for relief; all, in their turn, increasing the burden of taxation.

If this is a picture of the situation during a decade of peace, what is to be the story of the next few years when more than half the world is in a condition of economic chaos through war. Let us take note of some recent statistics concerning business on the American continent, in order to drive home the necessity to *'trim ship' for the coming days.*

Current surveys show that 800 out of every 1,000 concerns entering business fail, reorganize or change management at least once. Of all the businesses registered as corporations, five per cent only make substantial profits, twenty-five per cent make small profits and seventy per cent lose money. According to companies publishing credit reports, sixty per cent of the failures are due to carelessness.

That lack of management skill is only too prevalent is shown by the fact that a large organization sent a letter, a short while ago, to 4,000 retail merchants who were worth from $10,000 to $40,000. The letter set up one of the simpler problems concerned with business management. Here it is: 'If you buy an article for $1.00 and your cost of handling it is 22 cents, how much would you have to sell it for in order to make a net profit of 10 cents?' Just twenty-two per cent of the replies were correct.

Every time a business fails or goes into the red, the earning power of other institutions is affected. The losses have to be borne by some one. If a portion of the territory covered by a sales organization is unprofitable, the loss has to be paid for by the portion that is making a profit. If a loss is sustained on the turn-over of two products out of a dozen being marketed, the other ten are footing the bill. If the cost of distributing a product is eating up nearly all the margin of profit, a new method of handling it is necessary. If elaborate cost systems and business records are not having a direct effect upon business growth, they are a liability and not an asset. These and many other factors that might be enumerated are responsible for decreasing the profits that many businesses might enjoy. A difference of one per cent on a turnover of $100,000, made three times a year, is $3,000. The prevention of a loss of $3,000 on an unremunerative territory means increasing a profit of $12,000 on the remaining business by twenty-five per cent. If the effort spent on selling an unprofitable product were given to increasing the market for the more profitable ones, earnings *must* increase. If, in certain classes of business, the effort incurred in setting up and conducting elaborate costing systems and business records were applied to market study and better merchandising, increased returns and larger profits would result. If, on the other hand, a simple costing system and good customer records were installed in businesses that are without them, many failures could be prevented.

The increasing contribution that business will be called upon to make towards the vast expenditures of today and tomorrow necessitates a clear-cut program whereby those responsible for the management of every class of Canadian business who are not already doing so will 'trim ship'.

The positive and negative factors in efficient management—marketing skill and operating cost—each need the most careful attention. An ambitious sales promotion effort is inadvisable, at the present time, unless it will show its own profit. On the other hand, the trimming of overhead and promotional expenditures to the point where efficiency is affected is dangerous. Economy at all costs is just as bad as more business at all costs. But both the business-building and operating departments will pay the better for skilled overhaul at this juncture, because the outlook for today and tomorrow is uncharted.

We have to realize that really serious conditions confront us. The export market, from which a goodly portion of our current earning power is secured, will be curtailed. In order to offset this situation, some of our more enterprising businesses will endeavour to foster trade elsewhere. But if this is to be done on a substantial scale, credit will have to be provided—and credit costs money.

For the larger proportion of our trading community, the home market can be the only consideration, and it is in this connection that scientific management needs to be carefully studied and applied. While any market has only a certain maximum consumer value, the question of rapidity of turnover is one that materially influences trading profits. Certain communities have an appreciably better per-capita purchasing power than others. Sparsely settled territories can never be profitably handled by the same methods of sale and distribution as urban communities. An intensified local effort may produce valuable results in the first case. In the second, a through-the-mail plan may be the only economic solution.

Here are some suggestive questions for the manufacturer or producer:

(1) Have you recently analyzed *your production process?* It will pay you to do so if only for the satisfaction of learning that it is as advanced and economic as possible.

(2) Can you cut down or shorten up your processing by even one function or a few minutes in time—thereby securing a *reduction in prime cost?*

(*Continued on page 61*)

IS your business trimmed to meet the new conditions of today and tomorrow? Here are some new ideas and sound suggestions for every executive with production or sales problems

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C 31438

Ottawa Parade

By OUR OWN CORRESPONDENT

Battle of Ballots

THE BATTLE of the ballots is on. Canadians have until the latter part of March to make up their minds which party they think will do the better war job, and most people hope the voting can be completed before the multiple murder in Europe becomes intensified with the coming of spring. This country's First Division, unless a big drive on the Western front develops soon, will also have a say as to what government shall be behind them at Ottawa. The Second Division, which Liberal leader Mackenzie King said would be sent to Europe soon after the election, will mark their ballots on this side of the Atlantic.

Two Party Fight

THE ELECTION campaign is a straight party fight and not a union government versus the field as it was in 1917. There is no pretence this time at a bi-partisan appeal because the Liberals, at least, will never again be a party to a so-called national government plan. They say that, in 1917, it was not a union government or a party merger but an absorption of those Liberals, impelled by patriotic motives who condescended to enter into the Borden Ministry. One Liberal who was in that government, Thomas A. Crerar, Mines and Resources Minister in the present King Administration, is not talking much these days about a union government.

"Best Brains"

THERE IS A STRONG DRIVE in Toronto and Montreal for a national government. Robert Manion, Conservative chief, went on to say he wanted to recruit all the best brains of the country into the government that he would form if he is successful on balloting day. Mackenzie King did not warm to the idea that Manion was first to invite the best brains, so he asked Mr. Manion, through a press interview, to designate these "best brains". Manion came back with the assertion that he did not pretend that all the best brains were in the Conservative camp and elaborated his national government project to include able people from all parties.

But No Union

BUT THERE IS NO CHANCE of a national government. If Manion should win at the polls, it is doubtful if there would be room for members of other parties in his Cabinet after the many "best brains" in the Conservative fold had been included. "National government", in other words, does not seem to me to be an impressive slogan. Mackenzie King and his followers have never encouraged the idea of a national government, and it is known that Mr. King would never be a member of such a Ministry. One reason is that his party supporters would not let him.

Battle Ground

ONTARIO WILL BE the chief battle ground. It is the main hope of Manion, and he will get help from both Hepburn and Drew. He will have a powerful combination there, and they are certain to concentrate against King's four Ontario Ministers—Defence Minister Norman Rogers, Transport Minister C. D. Howe, Trade and Commerce Minister Euler and Labor Minister Norman McLarty. Hepburn has a rod in pickle for Rogers and Howe who let go a blast against him in a meeting at Port Arthur when they charged him with plotting with Duplessis to oust Mackenzie King.

New Democracy

ANOTHER FIGURE in the campaign will be William Herridge, former Minister to Washington in the Bennett regime, and now head of the New Democracy movement with leanings toward the Social Credit crowd led by Premier Aberhart of Alberta. One of Herridge's handicaps will be his declaration for conscription, not only of men but of wealth, for both the Liberals and the Conservatives are on record against conscription. Another handicap is his reported alliance with Alberta's Aberhart. This story gained credence last fall when a Social Credit member, O. B. Elliott, resigned his Commons seat for the ostensible purpose of enabling Herridge to get into parliament by way of a by-election. The King government blocked this move by adopting the policy that only seats vacated by death would be declared vacant.

Raison d'être

PRIME MINISTER Mackenzie King made up his mind to spank Premier Hepburn. That is plain, and he hopes to do it as his three French colleagues spanked Maurice Duplessis for non-co-operation. A general election was to be held before June in any case, but the Hepburn-Drew attack from the Ontario Legislature and use of that legislative body as the gun to fire their broadsides angered the federal Liberal chief. It was their attitude, intensified by Robert Manion's declaration in the House on the only day of the session that he thought Hepburn was right, that crystallized Mackenzie King's determination to shoot back almost without warning.

C 21439

Prepared speeches for the session had to be thrown in the basket. Rent of members' homes and leases of Ottawa apartments had to be disturbed. The St. Lawrence seaway negotiations will have to take a breather. Many important appointments here will have to await a fresh mandate from the people. Estimates and the Budget will be delayed till the end of March or the early part of April.

"Mitch" on the Spot

"MITCH" HEPBURN has been put on the spot, in spite of all that comes out of Queen's Park in the next month. He has to make up his mind whether he is a Grit or a Tory. If he decides the latter, he will be pounced upon by his own colleagues who refuse to have their political future poisoned; if he is forced even to adopt an attitude of benevolent neutrality or be a quiet Liberal, he does a big swallowing act. However, he may be too ill to take sides.

The Rod is Spared

AN AMAZING RESULT of the renewed King-Hepburn row is the heartening news from Toronto that the nine Ontario Liberals who defied the crack of the party whip and voted against their leader in the Legislature on the motion of censure against Premier King *WILL NOT BE PUNISHED BY HEPBURN*. These Ontario people never tire of talking about democracy and about going the limit to stop Hitler, but here are Liberals, party folk traditionally associated with democracy and liberty, and they are being congratulated because they were not taken behind the barn and spanked by Mr. Hepburn.

Ontario off the Track?

ONTARIO'S ATTACK makes no more sense than some of Mr. Hepburn's other outbursts against the man at Ottawa who refused to take a Hepburn nominee into his Federal Cabinet in 1935 and the man who since has been able with extra-mundane help to resist the onslaughts of the flapper Premier of Ontario. Hepburn and Drew speechify about an inadequate war effort but they don't seem to realize that this is a new war. They cannot fight it on the lines of the 1914 struggle. They don't yet realize Britain insists that materials are the most important contribution from Canada, not men. The steady flow of Canadian materials, including munitions and foodstuffs, in the face of incessant commerce raiding by the Germans, actually deserves high praise. The fact is the war effort would be much more adequate if Messrs. Hepburn and Drew were in the full-time show at Ottawa.

Parade to the Senate

MANY APPOINTMENTS will be made before the voting day. Believe it or not, there has been no Liberal majority in the Senate within the memory of man. Last month, there were thirteen vacancies, as compared with the accumulation of seventeen vacancies during the Bennett regime. The thirteen appointments will bring the political parties in the Senate to within six of one another in numbers. But the Prime Minister is certain to keep at least two of these Senate vacancies until after the election. Hoping he will be re-elected, he will probably save Senate seats for two of his colleagues, Justice Minister Ernest Lapointe and Trade and Commerce Minister W. D. Euler, because both want to go to the Senate. The Prime Minister will not put them there before the election for he announced there would be no pre-election Cabinet shuffle. One more may be taken into the Ministry, however, as Pierre Casgrain, Speaker of the House just dissolved, is likely to get the now vacant post of Secretary of State.

A Radio Campaign

BECAUSE OF WINTER weather and rural roads drifted with snow, much of the electoral fighting will have to be conducted over the radio. Speaking of the radio, I have heard Conservatives say, while seeking to explain Mackenzie King's haste in calling the election, that the Liberals felt it would be safer talking to a microphone than to parliament for the obvious reason that the "mike" couldn't talk back. Another ventured, "King figures Democracy is safer behind the 'mike' than in front of it".

There is really no need for hurry in getting the legislators back here. Sufficient money for the regular business of the nation has been voted to carry on to the end of March and probably longer. The recent national war loan, heavily oversubscribed, will guarantee an uninterrupted war effort for months to come. Mackenzie King told the House, before parliament blew up in the face of its Commoners and Senators, that the war machinery had been so well organized that it would function fully and effectively in the absence of a parliament and a Cabinet with heads but no voices.

Public Works Curtailed

MY BEST GUESS is that public expenditures this year will have most of the politics squeezed out of them. This means that public buildings and other projects planned for various places will be barred. This includes the proposed new $250,000 Post Office for the City of Oshawa, the $500,000 addition to the new Montreal Postal Terminal and, most important of all, even though it would cost only $15,000, the new Post Office in the village of Tweed in Central Ontario.

Tweed Sets Example

THIS TWEED RUMPUS was to be a test of our responsible government. First, the people of Tweed thought they should have a new public building and they were assured they could get it, but an internecine war flamed over the site. Some in the village wanted one site and some wanted another. Then the civic authorities, to avoid further trouble and to make an indirect contribution to the war effort, declared they would do without a new post office.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121440

But it was suggested that, as the money had been voted by parliament for the post office and as the only way of preventing it, namely, by an order in council cancelling the contract award, was almost unprecedented, Tweed would have a new post office whether it liked it or not. But a surge of sense came to Ottawa, and letters exchanged between Premier King and C. A. Cameron, Liberal member for the riding of which Tweed is a part, disclosed that they agreed it would be better to cancel the whole project, and this was done.

A Close Secret

IT'S HISTORY NOW, but the dissolution was surely kept a close secret, so close that Robert Manion even did not get an advance copy of the Throne Speech, as is customary. The Liberal chief admitted that the Governor General was the only person outside the Ministry who knew of its contents. Because Manion didn't get a copy, another House precedent was smashed, for with evident heat the Conservative leader demanded that the Throne Speech be read when proceedings in the Commons opened. It is usually "taken as read". Many learned the reason on Thursday night why some Cabinet Ministers and the Liberal organizer during the day looked as if they had swallowed a canary.

Seaway to be Speeded

I AM TOLD by those familiar with the Washington scene that the seaway pact will be speeded there. The informal and exploratory talks between American and Canadian departmental officials removed most of the snags. President Roosevelt regards this as one of his own babies and has had many personal consultations with State Department officials who are engaged in the parleys. So it would not be surprising if the treaty were signed, sealed and delivered in March, in time for its submission to the United States Senate. Unless and until it is approved there, it will not be presented to the Canadian Commons. In any event, Parliament Hill will not see it until the 1941 session.

Army Education

IF the Canadian Legion War Service, a subsidiary of the Canadian Legion, can prevent it, thousands of young men will not return home from this war unfitted for civil employment. In co-operation with the Canadian Association of Adult Education, the provincial departments of education, universities and municipal authorities, the Legion War Service is heading a campaign to make it possible for C.A.S.F. men to fit themselves for post-war civil life. First of all, the men are being enabled to continue their educational studies while on active service wherever concentrations of Canadians occur—at home, in Britain, in France or even in internment or prison camps.

Opportunities are being made available by the Legion for the men to follow such vocational studies as stenography, book-keeping, typewriting, wood-working, electrical engineering, etc. Others, with more advanced training, will be able to study history, civics, economic geography and related subjects. Courses in agriculture and technical work are also to be given, as are courses in dramatics, music, art and architecture. Those who wish to do so may even complete their matriculation or studies leading to the degree of B.A., by correspondence or through arrangements made with certain universities.

The educational scheme will be feasible in England and France due to methods of modern warfare which permit greater leisure for the men. It is planned that facilities, especially for vocational studies, will be brought up behind the lines so that they can be used by men in rest billets. Similar facilities will be available at leave centres and still others at convalescent hospitals. It is also possible that arrangements will be made to permit selected men, recommended by their company commanders and following a stated period of service under fire, to take special leave for courses prepared on the plan of the "summer school" now in operation at many universities.

The Canadian Legion War Service scheme is already successfully under way in all parts of Canada and, when in complete operation, will not only build for after-the-war rehabilitation but also maintain for the men their morale and association with civilian matters during their period of soldiering.

X-Rays Cut Claims

A CHEWY, chocolate-covered concoction of peanuts and fudge, Oh Henry! is one of the three best-selling 5c candy bars in the U. S. (others: Milky Way, Baby Ruth). Like most confectioners, Oh Henry's maker—a subsidiary of $1,250,000 General Candy Corp.—is pestered with damage suits. In 1936, 100 people claimed they had broken teeth, bruised gums or damaged their digestion on stones, twigs, wires and nails that slipped by Oh Henry! inspectors. Last year, General's President George Huhn Williamson, following the example of W. F. Schrafft & Sons Co., installed two $3,000 Adrian fluoroscopes (X-ray machines), routed as many as 40,000 boxes of Oh Henry! bars through them a day. With claims cut in half, Confectioner Williamson, recently, had two more machines installed.

TIME

121440

Fighting Another Plague

AS A RESULT of a great educational movement, countless people today have enlisted in the fight against a great plague—syphilis. They have learned that syphilis can be *cured* and syphilis in the new-born *prevented*—by prompt, proper treatment.

More people now than ever before realize that, while syphilis may be acquired innocently, no one need remain in doubt as to whether he or she has syphilis. They have learned that a thorough medical checkup, including blood test and microscopic examination, reveals the truth to the skilled physician.

Every thoughtful citizen, naturally interested in stamping out this menace, should know and help to make known the following cardinal principles concerning syphilis:

1. **Prompt recognition of the disease is vital.**
2. **There is as yet no practical short-cut treatment.**

Many a victim of syphilis is deceived into neglecting medical attention—while the disease slowly entrenches itself in one or more vital organs.

Self-treatment, non-professional treatment, quack remedies are worse than useless. The guidance of a reputable physician is the first dependable step toward real cure. Proper treatment consists of a systematic series of injections given by a competent doctor over a period of *many weeks*.

In progressive communities throughout the country, examinations, blood tests, and treatments are being made available to those unable to pay for private care. Names of doctors and locations of public health centres and clinics offering these services are readily supplied by local health departments or medical societies.

So that you may better understand the syphilis problem and be better equipped to help your community solve it, let us give you additional information about this disease. Send for the free Metropolitan booklet, "The Great Imitator".

Metropolitan Life Insurance Company,
Dept. 2-B-40, Canadian Head Office, Ottawa.
Please send me a copy of your booklet, "The Great Imitator".
Name.....
Street.....
City.....Province.....

METROPOLITAN LIFE INSURANCE COMPANY
NEW YORK

FREDERICK H. ECKER
Chairman of the Board

LEROY A. LINCOLN
President

CANADIAN HEAD OFFICE—OTTAWA

SERVING CANADA SINCE 1872

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121442

Testing foam extinguisher on blazing gasoline

FIRES That Never Start

By R. W. NASH

ON the outside, the building looked dull and uninteresting. So did the outer office, which might just as easily have been employed at sorting milk tickets. But when we passed through a heavy steel door into the "plant" I was in for the surprise of my life.

This company went in for deliberate arson and wholesale destruction of valuable equipment and materials!

Right before my eyes, a chap, wearing goggles and smock, struck a match and dropped it nonchalantly into a drum containing two gallons of gasoline. There was no time to run. A *whoosh* of flame popped out as high as the ceiling and as hot as Hades. He just stood there, looking at a stop-watch.

Over against the wall, a man, all dressed up in a suit of asbestos and rubber and wearing a head-piece that made him look like the Man In The Iron Mask, pulled a lever forcing the switch to carry a heavy over-load of electricity.

At the far end of the room, a quiet determined little man with goggles was patiently working away at a well-known type of metal safe with an acetylene torch. Fascinated by this performance I went over to watch when I was stunned by several loud explosions like super-colossal backfires. I looked around and sure enough there was the car and there was the smoke of the back-fires. I learned that somebody had planted these explosions in the muffler with a spark-plug and an explosive mixture.

Hardly a nice place to bring the family for a Sunday picnic, yet these men, every working day, exercise a profound influence on the lives of Canadian citizens . . . and, paradoxically enough, all with the purpose of making everyday life safer for people all over the world.

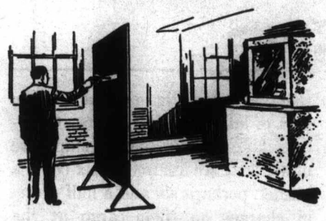
"Destroy to save" is the motto of this organization housed in the unimposing building. Its story of almost maniacal destruction goes back to the year 1892 when a young electrical engineer in the United States conceived the idea of advance testing of materials for fire hazard. He sold the idea to fire insurance underwriters who, with some hesitation, appropriated $350 to finance a small testing shop, an office and a helper or two.

The development of the idea sounds like a wild dream of Dante. Today, the result is an organization, known as Underwriters' Laboratories Inc., which is actually requested by manufacturers to destroy and test their materials so that the public may be safeguarded. It does not make or manufacture anything; it sells nothing; it earns no profits; it pays no dividends; but its work has a direct bearing on the household of every Canadian between Charlottetown and Victoria.

All it issues is a small tag bearing three words, "Underwriters' Laboratories Inspected", but before that tag can be attached to any article, be it curling iron, an electric machine, a steel safe, roofing material, garden hose, a baby incubator or an electric switch, that article must pass tests, to describe the severity of which there is hardly an adjective in the dictionary.

121443

Working with the knowledge that carelessness is probably the greatest single cause of fires, it says to manufacturers, in effect, "Give your product such a margin of safety that, even if used dumbly or carelessly, it's still safe." As an instance, a Canadian housewife may leave an electric iron, fully heated, to answer the door-bell and be detained so long that there is danger of fire. But the laboratories guard against any excessive danger in that direction by refusing to pass such an iron until its safety factor has been increased to take care of such contingencies. And the list of equipment which the laboratories test, to make doubly sure that extra safety factor is there, comprises 391 pages of fine print in two columns with a supplement of 85 additional pages.



Firearm test on bullet-resistive glass for bank enclosures

The laboratories test such a variety of articles that it would require a small book to list them. But they include such things as fire protective appliances, sprinkler systems, fire extinguishers, fire hose, safes, alarm systems.

They "fool" around with gasoline and motor engines so that automobiles can be and are made almost fool-proof. They set a miniature roof on fire, and even help it to burn fiercely by applying a wind machine in its direction . . . all so that they may determine the degree of fire resistance in that material. They have the most ingenious machines for torturing, twisting and destroying all sorts of gadgets which are used in the office, the home or the factory. To test a safe they will fill it with papers, and then put it in a gas fire furnace where the heat goes up to 2,000 degrees, for one hour. When it comes out it is pulled up by block and tackle to a height of three stories and dropped onto a pile of bricks . . . simulating what might happen in a fire. But, that is not the end. If it passes that test it goes back into the furnace for another hour . . . and all so that that particular type can have a small tag attached . . . if it passes the test.

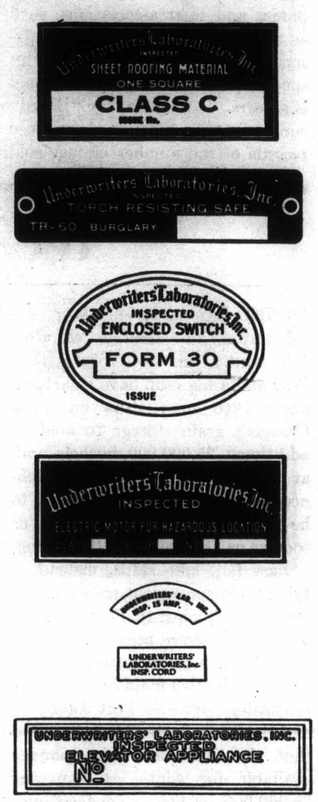
That chap, for instance, who threw the match in the gasoline. His job was to watch till that fire got to its maximum heat then apply a test with a standard type of fire extinguisher. If it did not put out that fire completely within so many seconds, the manufacturer would be told to re-design it and adjust his formula until it could pass the test with flying colours.

The Man In The Iron Mask tested electrical equipment by overload and a hundred other insidious methods so as to prevent all possibility of fire through electrical connections.

The safe-burner was merely applying an anti-burglary test following the rather harrowing experiences of the safe that went through fire and attempted mayhem.

Those monumental back-firings just represented one of many fool-proofing tests which not only covered the muffler, but also the air filter, generator, ameters, dashboard switches, ignition and exhaust systems, fuel tank and fuel line—one reason why the fire insurance on your car today tells you that this service means a lot to you in actual cash saved.

Incubators for chickens, permanent wave machines, tear-gas devices, electrically-heated blankets, insecticides, refrigerators, just to mention only a few, are "put



Samples of manifests of inspection issued by Underwriters' Laboratories, Inc. for labelling various materials and appliances

THE "Inspected" label of Underwriters' Laboratories Inc. is coveted by manufacturers and jealously guarded by its owners. What does this inspection service mean in dollars and cents to business and the consumer? Why does it "destroy to save"? . . . How does it operate?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121444

through the mill", and even when the samples have proved satisfactory, the laboratories' work does not end there.

Articles, when approved, are listed and the manufacturers are then entitled to attach the approved tag to the article. These lists are made available, in Canada, through "Board" Insurance companies and their associations, such as the Canadian Underwriters' Association, and through municipal inspectors, architects and professional engineers. In Canada, the "Board" companies' organizations keep close records of the number of tags sold to those entitled to use them . . . and woe betide the individual or firm which misuses them because those tags are the guarantee of safety to the public.

Today, 47 years after the birth of the idea, the laboratories have world-wide ramifications. Their work extends into Canada; they have branches, plants and representatives scattered all over the North American continent. They maintain travelling electrical laboratories . . . automobiles equipped with all sorts of testing apparatus to visit manufacturers' plants and spread the gospel of increasing safety for the public. In Canada and the United States, there are 175 places where representatives of the laboratories can be consulted while they also maintain close contact with the research departments of the Canadian, British and American governments.

Their only purpose is service for safety's sake. They test thousands of articles but recommend none even when the articles have passed all the tests. And, all in all, their work of "destroying to save," saves millions and millions of dollars a year to Canadians alone, to say nothing of the safeguarding of lives.

Ice Bound Cargoes

TIED-UP tonnage has been converted into floating elevators this winter on the Great Lakes. War and a big crop have called idle craft into use, thus enabling Canada's grain storage to hold an additional 25,000,000 bushels and, at the same time, to put much-needed grain in an ideal position to be rushed to the seaboard just as soon as navigation opens this spring.

Last fall, lake ships, instead of tying up at convenient places all the way from Quebec to Fort William, were, whenever possible, rushed back up to lake ports to grain elevators. The two main areas of concentration were at Port Colborne and the Twin Ports. It is estimated that the maximum ship tonnage available for winter storage was 25,000,000 bushels. To accommodate this much grain, Canada's 44 upper lakers and 135 lower lakers would all have to be used.

Whether all the ships reached a grain haven is another matter, but the fact is that a great number of them got to Port Arthur, Fort William, Port Colborne and the Georgian Bay ports. The *modus operandi* was to load up at the end of the season of 1939, before navigation closed. The ships that did not get loaded waited their turn and, during the winter, it has been possible to smash enough open water so that one lake vessel after another was able to move in and take her quota of grain. These boat storages helped the prairie farmer who, in some cases, had to store his own grain without proper facilities because the local elevators were full. The local prairie elevators were thus able to empty further bins by forwarding on their grain to the head of the lakes. The granaries in turn at the lake ports had pumped the grain into the lakers, and so new valuable storage space has been acquired.

But this storing of grain in the ships' holds was not done from altogether altruistic motives on the part of lake tonnage owners. Canadian lake owners, whose ships are now filled, are assured of six cents a bushel, perhaps six and a half cents, in charges on their cargo at the beginning of navigation in 1940. The big thing is not only to be assured of a cargo and a good price for it, but there is a decided advantage in being able to rush down to the lower waters or seaboard with a grain cargo right away rather than waiting for it in the spring.

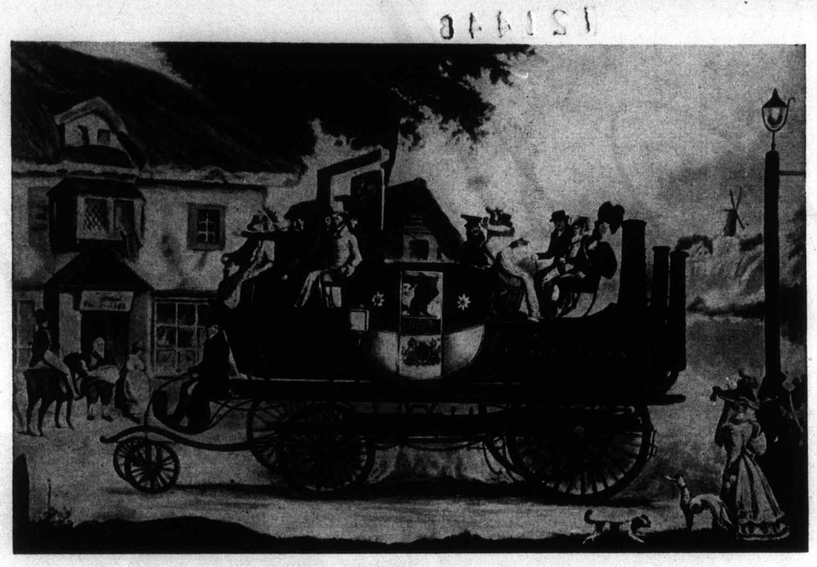
The winter of 1940 is a busy season for shipping even though the ships are ice bound.

25th Anniversary

A QUARTER of a century of service to the community and country—that is the proud record of Kiwanis International. The United States-Canada wide club made merry its 25th birthday in January at the "old home town" of Detroit. Formed in 1915 as a business men's club, the name, Kiwanis, was coined from the old Indian word, "Keewanis," suggesting "self expression". Later, the motto was changed to "We Build"—and build it has! Kiwanis counted 52 clubs, 5,700 members after two years of existence; after twenty-four years, there were 2,030 clubs and 105,000 members. The first two Canadian cities to form clubs were Hamilton and Toronto, both by 1917.

The Kiwanian concept of service envelops underprivileged children; vocational guidance; intelligent citizenship; public service; health promotion; hospital work; business improvement; general charity and international goodwill.

121445



THE NEW STEAM CARRIAGE—1828

A Famous Sporting Print by G. Morton

THE horseless carriage has developed into the stream-lined train, automobile and airplane. With each new development in modes of transportation, Britons have increased their reputation as the world's greatest travellers. But, wherever they go, they carry their love for their established institutions — and W. D. & H. O. Wills' Gold Flake is one of these. For Gold Flakes have a distinctive flavour and personality which appeal irresistibly to discriminating smokers who place quality above price. They're the man's cigarette that women like!

W. D. & H. O. WILLS'

GOLD FLAKE

Plain or Cork Tip **CIGARETTES**

THE SMOKE OF THE BRITISH EMPIRE

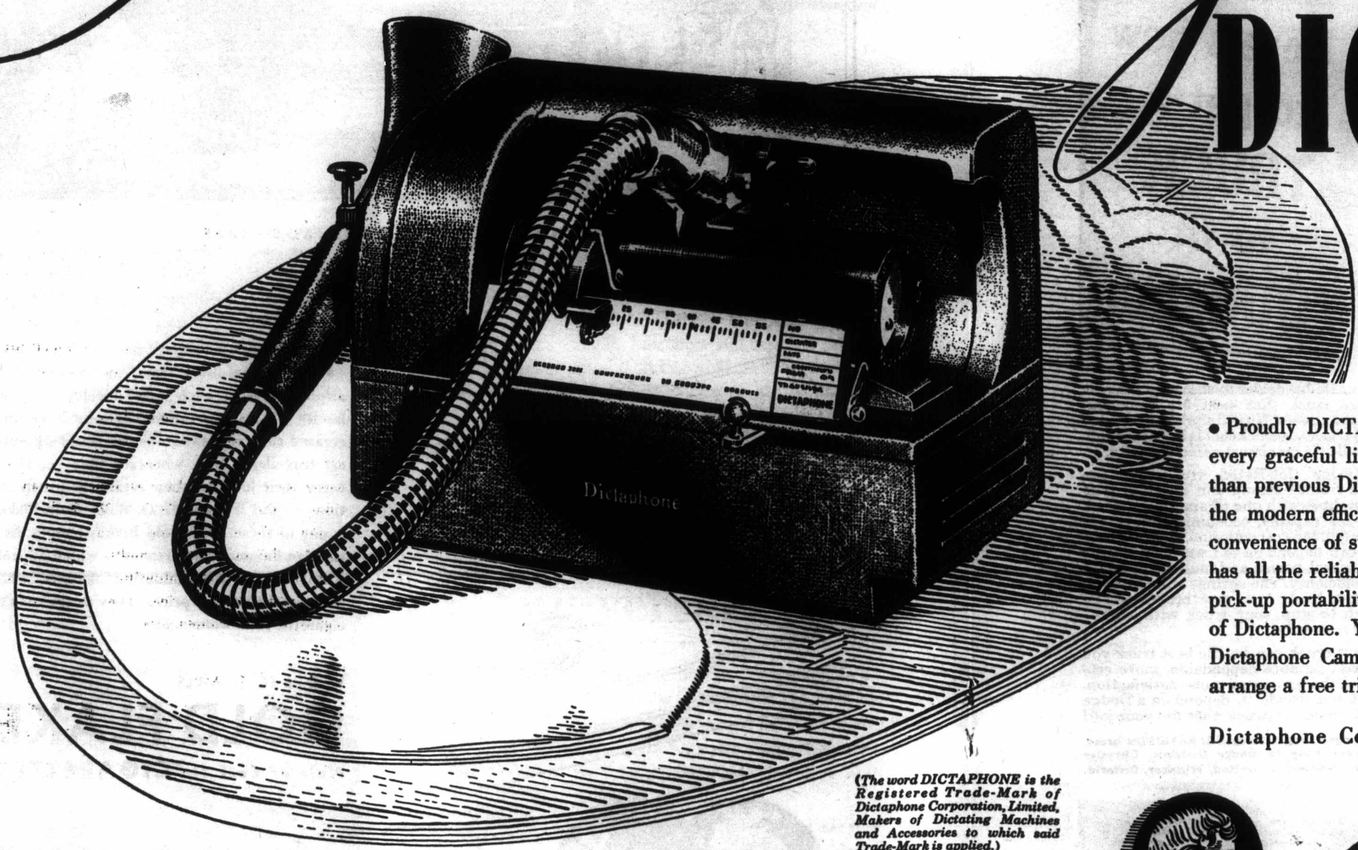
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121440

121447

Announcing A NEW DICTAPHONE



An ultra-modern dictating machine, so small, so light, so attractive that it suggests the perfection of a finely-carved cameo.

• Proudly DICTAPHONE presents its new Cameo Model—which in contour and every graceful line explains the choice of its name. • Shorter, lower and lighter than previous Dictaphone models, the new Cameo bespeaks in its flowing symmetry the modern efficiency of its design—compels instant admiration. • With the new convenience of smaller size (takes less desk space than a letter) the new machine has all the reliability for which Dictaphone has long been famous. The ultra-light pick-up portability of this modern dictating machine extends the universal usefulness of Dictaphone. You can take your office with you, wherever you go. • Try the new Dictaphone Cameo dictating machine—with no obligation. Ask your secretary to arrange a free trial in your own office.

Dictaphone Corporation, Limited, 86 Richmond Street West, Toronto.

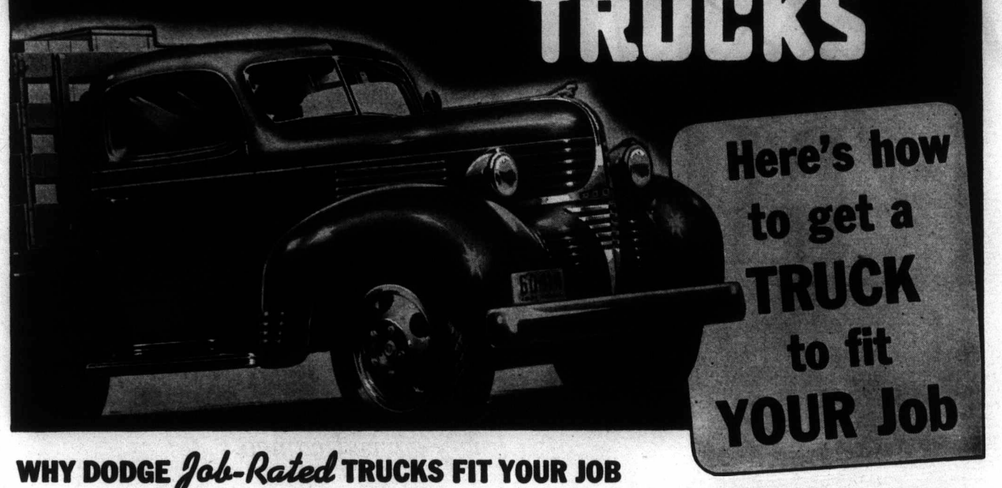
(The word DICTAPHONE is the Registered Trade-Mark of Dictaphone Corporation, Limited, Makers of Dictating Machines and Accessories to which said Trade-Mark is applied.)

DICTAPHONE *Cameo Model*

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

YOU CAN DEPEND ON DODGE *Job-Rated* TRUCKS



WHY DODGE *Job-Rated* TRUCKS FIT YOUR JOB

6 ENGINES
Dodge meets the range of truck power requirements with six engines—power-packed engines—each engineered for the truck in which it is installed.

4 CLUTCHES
Each Dodge Job-Rated truck has a clutch that is sized for the work it is called upon to perform—extra big and extra strong.

3 TRANSMISSIONS
A Dodge 3-ton truck has a 5-speed transmission, 1½-ton trucks, 2 and 3-ton Dual Purpose have husky 4-speed transmissions and Dodge ½, ¾-1-ton trucks have 3-speed transmissions. All "rate" for the job.

17 FRAMES
"A truck to fit your job" begins with the frame! That's why one of seventeen frames gives durable strength to each Dodge Job-Rated truck.

8 REAR AXLES
Dodge equips each truck with the right axle; has 2-speed axles in the 3-ton Dual Purpose; offers a special double reduction axle for the 3-ton Heavy Duty model.

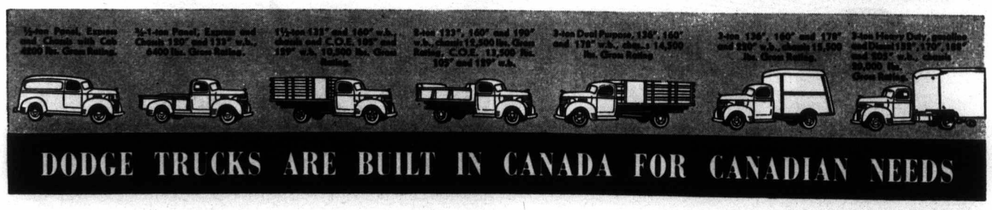
9 SPRING COMBINATIONS
To prevent "load sag" each Dodge Job-Rated truck is equipped with special weight-engineered springs. Auxiliary-type springs are used when necessary.

● Ask your Dodge dealer to show you the new 1940 Dodge truck that best fits your particular hauling needs. He will show you a Dodge Job-Rated truck... a truck that is built throughout to handle its maximum rated capacity.

Each Dodge Job-Rated truck has the right sized frame—strong and durable. It is powered right—with one of six Dodge truck engines—for capable, economical duty. It has the clutch, the transmission, the rear axle that you can depend on to transform engine power to wheel power and pulling power—and with efficiency. The springs will correctly cushion your load. And, your brakes will be big enough to stop your truck with ease—safely and smoothly.

Your next truck can be the best truck you ever owned . . . more dependable, more economical . . . the source of more satisfaction. That is, if you decide to depend on a Dodge Job-Rated truck—a truck that fits your job!

The New Dodge Truck Catalogue is just off the press. Write for your copy to Dodge Division, Chrysler Corporation of Canada, Limited, Windsor, Ontario.



Trim Your Business for Tomorrow!

(*Continued from page 49*)

(3) Are you sure that your packing or packaging is organized at the *minimum necessary cost?* On the other hand, are you satisfied that the type and quality of container gives your product the *maximum salability* to the consumer?

(4) Are you satisfied that your product is reaching the consumer by *the shortest sales route?* An analysis of the *spread* between production cost and consumer price may provide some valuable data.

(5) Are you intimately enough aware of the possibilities of your market to be sure that your product is being promoted where it will *secure the most profitable sale?*

(6) Have you a plan to set aside a portion of this year's profits for *next year's sales promotion?*

The following are suggestive questions for the business dealing direct with the consumer:

(1) Have you made a survey of the territory from which you plan to draw customers, deciding from what classes the *major portion of your business* should come?

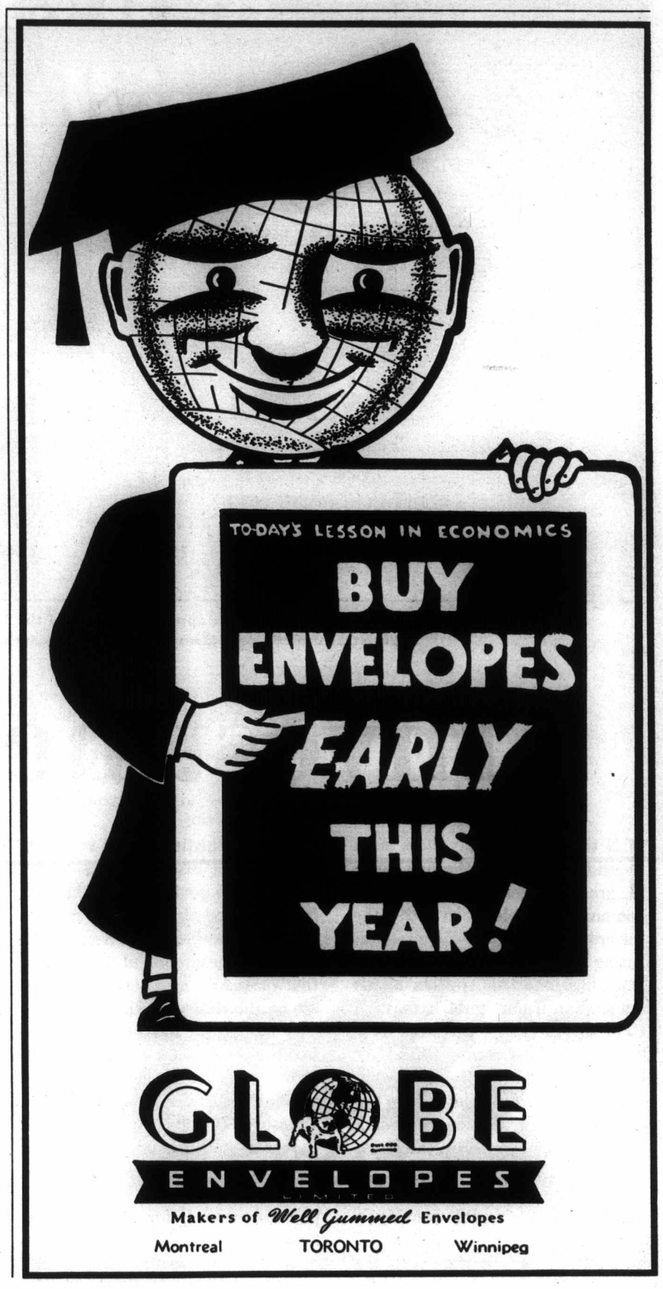
(2) Have you a plan to attract this particular custom, so that your constituency and your program will be *logically related?*

(3) Have you *a 'follow-up' system* to secure the permanent custom of those from whom you receive a first order?

(4) Are you concentrating your efforts on centres or districts that offer the *larger and more profitable opportunity?*

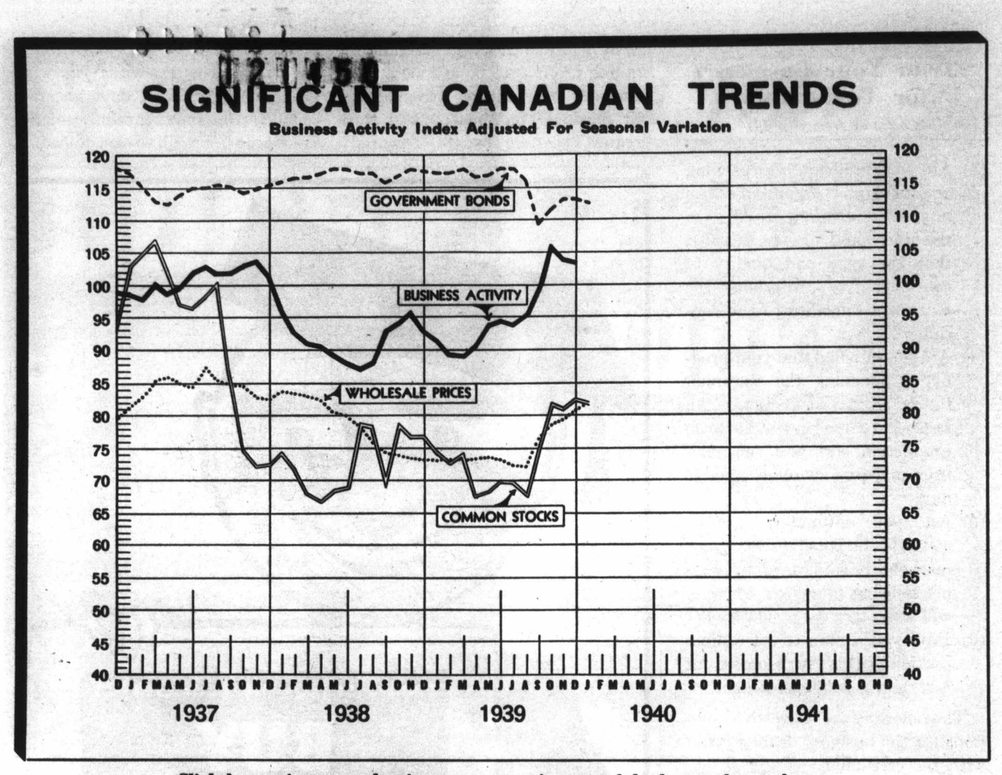
(5) Have you studied the possibility of *a more rapid turnover* for fast consumption lines, realizing that this is one of the keys to increased profits?

It is good to know that an increasingly large proportion of Canadian business men are impressed with the fact that our goods and services must be produced and sold scientifically. If the maximum trading profit is to be attained, unnecessary expenditures eliminated, our markets consolidated and the greatest possible benefits secured from our trading efforts, then business management—with eyes wide open to the difficult days ahead—should 'trim ship', carefully set the course and go full steam ahead.



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



Slightly reactionary tendencies are apparent in most of the factors shown above, but existing underlying influences should check serious declines

Investments

IN time of stress, investors often slide into pitfalls through losing grasp of certain fundamental economic principles. In 1929, the new era of philosophy was rampant. During recent years, the fear of inflation has distorted investors' minds to a similar, if not equal, extent.

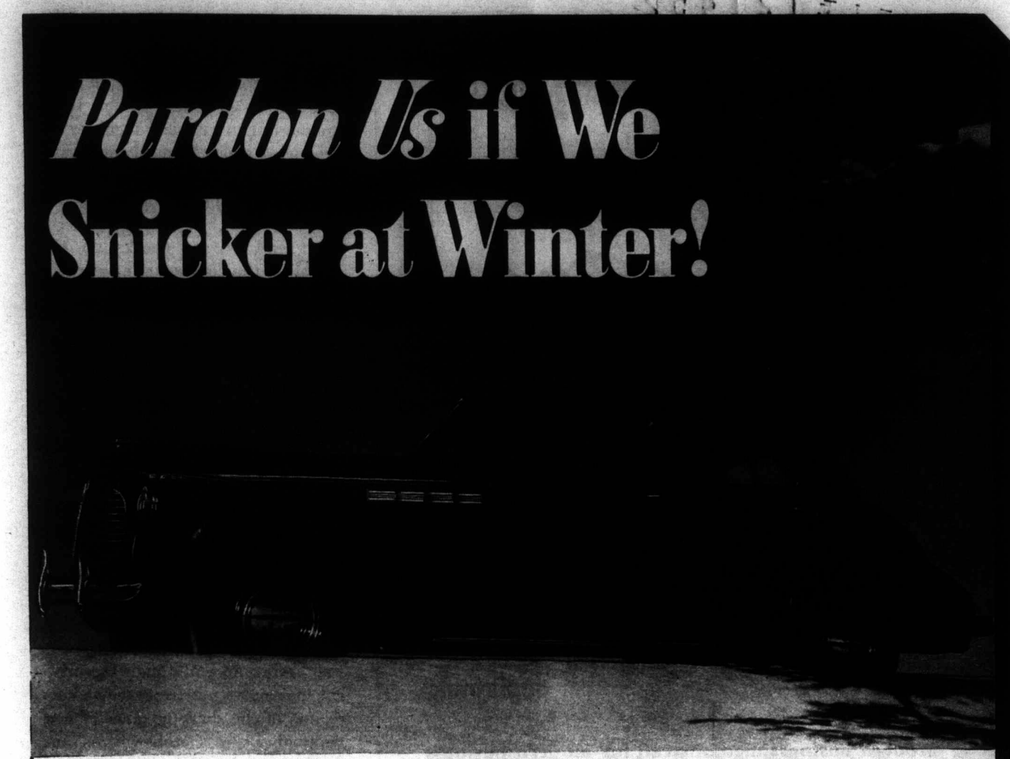
For several years, investors have been inclined to regard "fixed income" securities with a certain amount of apprehension. There has been a popular illusion regarding inflation. The investor in the street has believed that a rise in interest rates was inevitable and that only common stocks would provide a haven against unavoidable tendencies. Primarily, however, "fixed income" securities should still form the basis of every investment account. The government is anxious for the period of low money rates to continue. In fact, such a condition is vital to the successful financing of the war. And near-term influences are on the side of low interest rates. The banks are full of money and taxation on industry may, of itself, prove sufficiently deflationary to prevent a sustained rise in interest rates over the shorter run.

Just as government price control over quotations for raw materials is proving effective, so will government policies prevent, for some time at least, a disruptive increase in interest rates. The present environment may be inflationary but the ultra-cautiousness of business men will continue to hinder a broad inflationary movement. This fear of inflation may lead to further deflation, out of which inflation may ultimately rise, but intelligent timing does not place serious or destructive inflation as a near-term possibility.

Apart from the uncontrollable use of the printing presses, a rise in the price level is not likely to occur when there are surpluses of raw materials, of labour, a plethora of loanable funds and vast amounts of idle investment money.

In Canada, and in the world today, there are more than ample

Pardon Us if We Snicker at Winter!



The model illustrated is the McLAUGHLIN-BUICK ROADMASTER *four-door touring sedan.*

SOMEWHERE, probably, numb-fingered drivers are bucking vainly at piled-up snow heaps, jolting miserably over frozen roads, snow-packed and rutted until every turn of the wheel means a jar.

But you, lucky fellow—what does winter mean to you in that sleek-lined honey of a 1940 McLaughlin-Buick?

It means simply the sweet purr of a hundred-plus horsepower Dynaflash straight-eight with the pull to master any going. It means micropoise-balanced smoothness to keep you forever free of vibration's annoyance.

It means taking the choppiest, worst-rutted roads in stride, while soft coil springs on all four wheels soak up the jars before they ever reach you.

It means driving a car in which even skid-risks have been reduced, and it means travelling in snug, weather-tight Body-by-Fisher comfort no matter what's on the weatherman's bill of fare.

It means, when you drive a Super, front seats that are next thing to five feet wide — other new features and conveniences so numerous they're counted by the dozen.

So pardon us if we laugh at winter — and especially at the old idea that no one buys cars until the spring buds show.

In McLaughlin-Buick you've got an all-season car—the kind of car you ought to be handling right now!

When are you going to *do* something about getting one?

"Best buy's Buick!"

SEE YOUR NEAREST BUICK DEALER

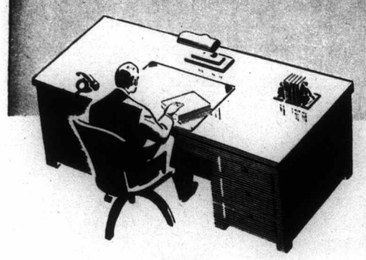
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121452

Multigraph | Multigraph Duplicator | Multilith

Sales Stimulation
Increased Efficiency
Greater Savings · Profits



Give your business all the benefits of *modern* office duplicating

Modern business methods call for modern business machinery. In thousands of successful businesses, this means Multigraph—the fast, efficient, money-saving, *modern* means of duplicating and putting words, lines and pictures to work for business.

Forms needed for office and inter-office reports and records—routine and emergency communications to inform and instruct—promotion pieces to stimulate the inflow of orders—these are some of the tasks that are done faster, better and cheaper by Multigraph. In most large and small businesses, Multigraph doubles the value of the typewriter. It is just about as essential to progress and profit. Get the entire, interesting story of newly-developed wide-range duplicating. Talk to your nearby Multigraph man. Thousands have done this to their profit. Consult your phone book. Put in the call now.

Each of our offices gives immediate attention to inquiries.

ADDRESSOGRAPH-MULTIGRAPH OF CANADA Limited
Head Office and Factory: TORONTO
Sales and Service Agencies
HALIFAX QUEBEC MONTREAL OTTAWA TORONTO HAMILTON WINNIPEG VANCOUVER

supplies of most commodities. Unemployment in Canada is still a serious problem and, although there is a scarcity of skilled labour, there are more than sufficient facilities for producing goods to meet increasing demands of the average consumer.

Within the present situation, inflation may be breeding but government and private checks on the spread of the disease are at work.

Commodity Prices

In Canada, the trend of wholesale prices has been upward, but world commodity prices tended to weaken throughout January and are approaching the low level of last November. This drop in commodity prices is in line with the more deflationary influences in the present situation and, as long as international trade remains at current levels, any sharp rebound in prices is not indicated.

The tendency of the stock market to follow the commodity markets is well known and, although the present uneasiness may represent a correction of the sharp advance of last September and October, it is not conducive to hopeful expectations of better business. Consequently, the present tendency in commodities should be watched closely for a clue as to the future trend of business and the stock markets.

It is difficult in this country to secure data which might indicate whether or not production is running ahead of consumption. But statistical series for the United States suggest that the public's purchases have lagged behind the expansion in industrial activity. Already, there has been a sharp curtailment in the industrial demand for copper. In fact, the trend of copper sales is very similar to that which was experienced prior to the 1937-1938 recession. Zinc prices are declining and, in the past, major changes in the quotation for zinc have foreshadowed changes in the business trend.

Bank loans, in relation to bank debits, give the same picture. And the government indices of activity in the durable goods industries, as against that in the consumer goods

industries, indicate that, unless there is a marked improvement in consumer buying, the production of durable goods must be curtailed.

In Canada, business in the final quarter of 1939 was about 12 per cent better than in the first nine months. At the same time, employment improved only about 6 per cent. This is a natural economic lag but it does give a faint warning that some slump in industrial activity may be pending.

In time of war, however, indications of this kind are less reliable than during more normal periods. In a war economy, production must always outstrip consumption. In fact, consumption must be reduced as much as possible. For this reason, the adverse signals given by the commonly used barometers should be accepted with caution.

Pulp and Paper Securities

Several months ago, we showed why newsprint production in Canada probably reached a temporary high in November. Since then, the December figures have become available and show a marked decrease. The January output should be no better than that for December. While the falling-off during the past two months was a natural expectation, the time is now approaching when production should be stimulated.

In the United States, advertising lineage at last has been showing a definite upward tendency but, if business is to decline as anticipated, this betterment may be quickly checked. Nevertheless, present indications are that the United States will consume slightly more newsprint (perhaps 100,000 tons) than in 1939. Imports from Scandinavia will probably be less but American publishers are likely to draw on Newfoundland to an even greater extent. As a result, Canada's exports to the United States may be only slightly higher than in 1939.

In the overseas markets, Canadian newsprint producers must expect some further falling-off in the British demand, but this will be counterbalanced by better markets in South America and elsewhere.

121452

Complete Financial Service

GOVERNMENT AND CORPORATION SECURITIES

Inquiries Invited

A. E. AMES & CO. LIMITED

Business Established 1889

TORONTO

Montreal Winnipeg Vancouver Victoria New York London, Eng.

This is the Gin

The Gin with world reputation

STRENGTH 15 UNDER PROOF SYKES
CONTENTS 26 OZS.

Gordon's
IMPORTED
GENUINE LONDON GIN
Stands Supreme

TANQUERAY, GORDON & CO., LTD. LONDON, ENGLAND. *The largest gin distillers in the world*

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121454

All in all, the present signs point to operations of around 70% for 1940, as against about 67½% for 1939.

Any change in the character of the war could alter this picture materially but, in the meantime, one can anticipate a fairly good—but not a boom—year for the newsprint industry when consideration is given to the premium on American dollars.

The pulp producers are in a somewhat better position. Apart from the amount of chemical pulp which is produced for the manufacture of newsprint, Canada's output totals about 1.4 million tons annually. About one-half of this is used in the domestic market for the manufacture of paper and paper-board, the remaining 700,000 tons is exported chiefly to the United States. The U.S. normally imports 2 million tons of chemical pulp from the Scandinavian countries and most observers feel that this will now be reduced by approximately one-third. If Canada supplies any substantial proportion of the loss suffered by the Scandinavian exporters, operations in the chemical pulp industry may reach levels which will return handsome profits to the various mills.

The Month of March

For some time, investors have been fearing the month of March. For the past two or three years, March has witnessed severe international crises. This year, the general expectation is that a bitter "offensive" will inaugurate a new phase of the European war. The stock markets are already discounting this possibility but, should it materialize, sharp declines may be witnessed.

During wartime, stocks are inclined to have shorter but exaggerated movements. This has not been the case during the past four months because of the stalemate on the Western Front but it is not likely that this condition will continue indefinitely.

The experience of 1914-1918 tends to show that, should weakness develop in the market, investors should not become unduly apprehensive, especially as there usually follows an increased demand for war material which, temporarily, steps up industrial production and steadies the stock market.

53rd ANNUAL REPORT

Summary

	1938	1939
NEW INSURANCE ..... *(Including Deferred Annuities)*	$ 57,610,739	$ 56,133,640
INSURANCE IN FORCE.... *(Including Deferred Annuities)*	572,912,435	590,259,769
ASSETS	167,371,396	177,808,634
INCOME	34,709,738	35,069,937
CONTINGENCY RESERVE AND SURPLUS	6,681,814	7,709,259

Payments to living policyholders in 1939 amounted to $12,919,487; to beneficiaries in Death Claims $4,038,773; a total of $16,958,260.

THE
MANUFACTURERS LIFE
INSURANCE COMPANY
HEAD OFFICE - TORONTO, CANADA
Established 1887

Motor Truck

OF interest to truck buying executives is the new story on this year's Reo omitted from our reviews of the new motor trucks.

The new Reo meets the current demand for more loading space on shorter wheelbases by relocation of the front axle. This is moved several inches back from the traditional location, thus providing greater manoeuvreability in congested areas.

Standard wheelbases of 120, 145, 165 inches are available for bodies 9, 12, and 15 feet respectively. By making the mechanical units, such as engine, transmission and rear drives, interchangeable on all models, virtually any power or gear ratio may be provided at no extra cost to handle any transportation job.

Not forgotten is the driver. He has plenty of leg room, sits on deep cushions, and gets in and out of comfortably wide doors.

Greater strength is provided in the chassis by making it with bigger and more massive frame members. Pulling power steps forward with increased horsepower and torque per cubic inch of engine displacement. Generally speaking, longer life, efficiency and economy have been built into the entire range of 1½ to 6 ton models.

121455

CONSTRUCTION Quiz

For Plant Men with a Problem of *Expansion* or *Modernization* to Meet Emergency Conditions

Question: Faced with the necessity of expanding or modernizing your present plant to increase production, where can you turn for quick delivery on building materials?

Answer: Canadian Johns-Manville. J-M has adequate manufacturing facilities—obtains its principal raw material from its own mine at Asbestos, Que. (largest asbestos mine in the world)—assures quick delivery on Industrial Roofing and Sidings, Insulating Board Products, Rock Wool Insulation, Industrial Floorings and Industrial Insulations from warehouses located all across Canada.

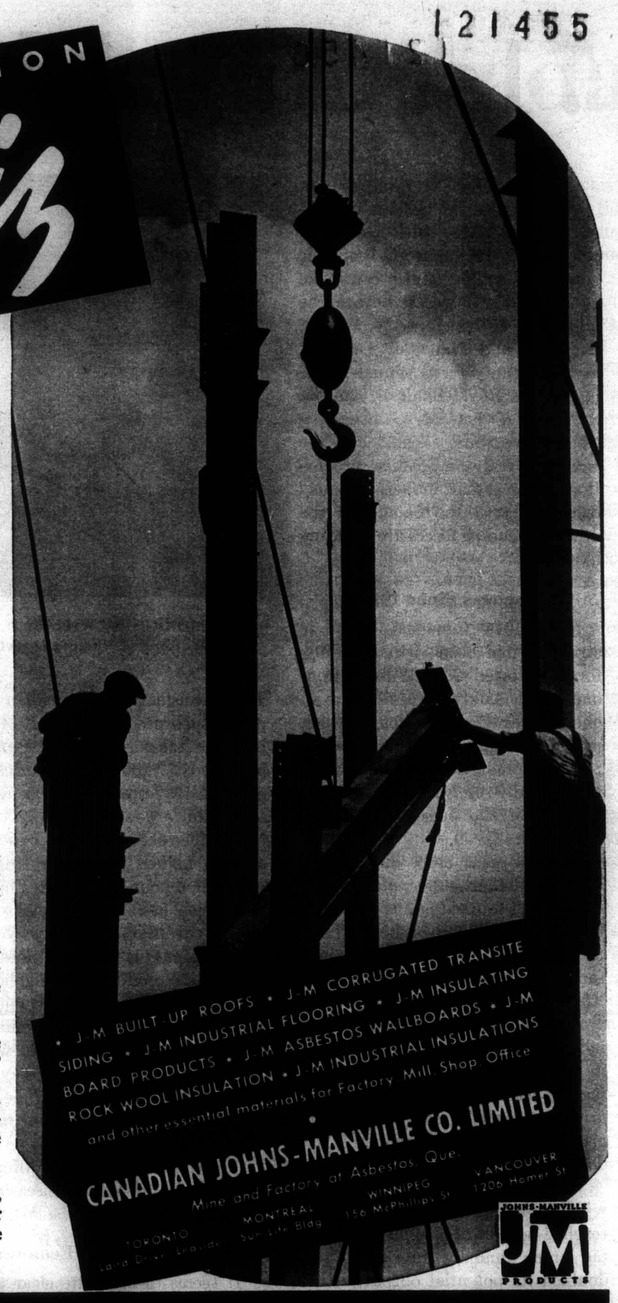
Q: Where would you look for assistance in planning building or modernizing operations to ensure minimum interruption to present plant production?

A: Johns-Manville again. J-M offers an advisory service backed by 82 years of manufacturing experience. This time-tested service is provided without cost to the customer.

Q: How would you make sure of getting the *right* quality materials—*correctly applied?*

A: By specifying Johns-Manville materials. J-M quality standards, of product and application, safeguard plant investment—assure future maintenance savings.

If you are up against problems like these, get quick action by 'phoning, writing or wiring your nearest Johns-Manville office today. *J-M Service is Dominion-wide.*



JOHNS-MANVILLE BUILDING MATERIALS
Speed Plant Modernization and Expansion

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

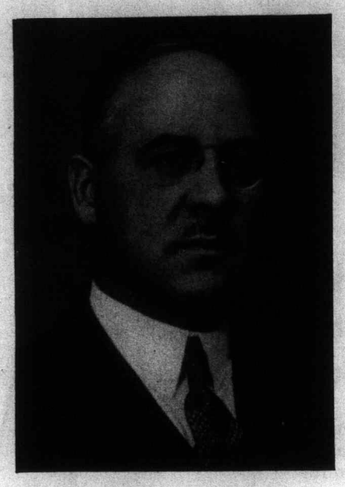
PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

71st Annual Meeting

Royal Bank of Canada

A STRIKING comparison between the Canada of 1914 and today with particular reference to the important economic contribution this country can make to the allied cause were features of the address given by Morris W. Wilson, President and Managing Director, at the Seventy-First Annual Meeting of The Royal Bank of Canada.

"Canada," he said, "is in a position to contribute assistance to the cause in truly impressive proportions, to an extent, in fact, that may decisively turn the balance if the other contending forces are anything like equal."



MORRIS W. WILSON
President and Managing Director

Progress Since 1914

Since 1914 Canada's economic structure had been virtually transformed, stated Mr. Wilson, from one based mainly on agriculture to one of great diversification in which manufacturing played a leading role. He predicted this trend would undoubtedly receive an even greater stimulus if the present conflict is prolonged.

"In our past crop, yields were again abundant, the total wheat crop for all Canada falling but little below half a billion bushels. Thus the Second World War finds us in a unique position to continue as the 'Granary of the Empire.'

"While Canada's manufacturing industry played a noteworthy role in the production of munitions during the last war, should the need arise, we shall be able to outstrip greatly anything we were able to do at that time.

"The iron and steel industry, which under wartime stimulus reached a peak of a million tons of pig iron annually in 1918, has doubled its potential output. Aircraft manufacturing has assumed important proportions, and the groundwork has been laid for rapid expansion.

"War power today depends largely on minerals, particularly metals. The expansion of the Canadian output of such products since 1914 has been spectacular. In 1914 Canada produced 773,000 fine ounces of gold. In 1939 production was nearly seven times as much as in 1914. Nickel increased from a production of 45½ million pounds in 1914 to 227 million pounds in 1939. Copper production has increased eight-fold during the past twenty-five years. Lead output is eleven times as great. Zinc production has gone up from 22 million to 381 million pounds. The output of aluminium is eleven times as great, and when plant extensions now under way are completed, production will be increased to nearly fourteen times what it was in 1914.

"Today Canada is a very different nation from the young unseasoned country that went into the last war.

War and Canadian Economy

"It seems to me quite clear that we have facing us the prospect of maximum employment. Unless our enemies collapse through deterioration of morale before their economic and military resources are exhausted, the decision in the present conflict will depend largely upon economic staying power.

"Never before in our history has it been so important that every one of us should practice thrift and industry. If the time comes when unemployment is no longer a problem, we may find ourselves compelled to curtail luxury and other non-essential industries to make way for more essential production. Furthermore, capital and other expenditures, public or private, not directly related to winning the war, nor essential to keeping our economic machine functioning efficiently, should be definitely discouraged. It is to be hoped that under these circumstances, labour and wage disputes will be completely avoided. Those who are fortunate enough to remain at their regular employment in Canada must not exploit the situation for their own ends. Capital must also be willing to contribute its full share. Some industries, of course, will be adversely affected by the war, but the majority will undoubtedly experience a great stimulus. The benefits therefrom must not be retained by stockholders except to a normal degree. The Government has devised a sound system of taxing excess profits, but it is also essential that any attempt at profiteering should be ruthlessly suppressed."

In view of the strides which had been made since 1914, Mr. Wilson believed that Canada, "can do perhaps more than any other part of the Empire or any other country with the single exception of the United States."

Buy Allied Goods

Mr. Wilson emphasized particularly the need for buying a maximum amount of goods from Great Britain and France. "In this way," he said, "funds will be made available for the purchase of wheat and war supplies in Canada, leaving the gold and foreign exchange reserves of Great Britain for use as a last resort."

Everything possible must be done to stimulate Canada's exports with a view to commanding purchasing power abroad. "We are in an absolutely unique position to supply goods to Great Britain and France. This must necessarily lead to business activity such as we have not previously known.

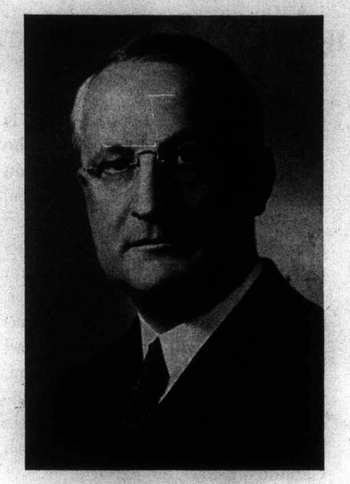
Tourist Trade

"It seems to me also that the war affords Canada a unique opportunity to develop further its tourist trade. It therefore behooves our governing bodies to bring the unquestioned attractions of Canada as prominently as possible to the attention of prospective visitors from the United States. In normal years, tourists spend as much as $250/300 million in Canada. This trade is thus an important factor in our international balance of payments. As a means of strengthening our economy and providing foreign exchange, our efforts to attract tourists should be redoubled."

Business Prospects

Mr. Wilson reported that in spite of disturbing conditions business during 1939 was reasonably good and maintained a level well above that of 1938.

"If for any reason peace should come within a comparatively short time, we would soon revert without difficulty to the not unsatisfactory conditions which prevailed before the outbreak of hostilities. If the war should continue for a protracted period—and this is the basis on which our plans must of necessity be made—I think we shall have a period of unusual industrial activity. But as we prosecute the war, we must not lose sight of the readjustments which will follow the return of peace. If our precautions are well-planned and adequate, the hesitation in our progress will not be great."



SYDNEY G. DOBSON
General Manager

Mr. S. G. Dobson, General Manager, in reviewing the Bank's balance sheet remarked that the general progress of the bank during the year reflected an upturn in business which began in the Summer and which under the stimulus of war orders became quite active in the Fall of the year. The balance sheet was particularly noteworthy, he said, in that the totals shown under cash assets, securities, total assets and deposits were at the highest figures recorded in the history of the bank. Total assets now standing at $1,014,708,343 were the highest on record, this being the second occasion in the bank's history on which they had crossed the billion dollar mark.

Mr. Dobson reported a greater demand for Commercial loans in Canada and that the total under this heading was now $212,627,311, an increase of $14,424,408.

Profits for the year showed a moderate increase but, taxes now borne by banks had become a real burden. "These totalled in the case of The Royal Bank $1,967,751," he said, "a very heavy charge considering the bank's earnings and equivalent to 70c for every dollar paid shareholders. Everyone concedes that special taxation is necessary if we are to do our part in winning the war but the amounts I have mentioned represent ordinary peace-time taxes only."

Foreign Exchange Control was now operating smoothly, said Mr. Dobson in spite of its very wide ramifications and the responsibility with which the banks were faced at the outset of interpreting the regulations to the public. "The manner in which this new, and at first complicated, machinery was handled was most creditable," said Mr. Dobson.

In conclusion the General Manager foresaw greater business activity during 1940 under the impetus of war orders, greater employment and more general distribution of purchasing power.

Unprecedented Business Activity With Maximum Employment Foreseen By Morris W. Wilson, President and Managing Director.—Reviews Canada's Relation to War.—Can Perhaps Do More Than Any Other Empire Country to Strengthen Britain's Position.

Sydney G. Dobson, General Manager, Reveals Assets of Bank Highest in History.—Continued Progress Shown.—Foreign Exchange Control Working Smoothly.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

War and Exports

By C. K. HOLLINGSWORTH

HITLER has said, "Germany must export or die." But this is not only true of Germany. Canada's industrial, agricultural, mining, forestry and fishery products of which she has surplus supplies also must be exported—to secure supplies of commodities not produced here, to secure capital for the development of natural resources and to service foreign investments.

But war brought many changes and not the least disturbing of these relate to international trade. The hazards imposed on ocean transport, the diversion of many vessels to war service and the resultant shortage in shipping space available for the ordinary purposes of commerce, the precipitate rise in freight and insurance rates have many repercussions on world trade and the free exchange of goods between nations. Importers concentrate their efforts on securing the more essential raw materials and foodstuffs; new regulations retard the importation of so-called non-essential and luxury goods. Exporters hasten to meet these new conditions and soon the whole pattern of international trade has undergone revolutionary changes.

Following the announcement that a state of war with Germany existed, the British Government assumed control of all food supplies and immediately instituted a system of licensing for all imports. The details for the administration of this scheme have now been worked out to the satisfaction of the majority of both exporters and importers.

Canada was vitally concerned in protecting the interest of Canadian producers and exporters who shipped goods valued at over $350,000,000 to Great Britain in the fiscal year 1938-39, or 35 per cent of total exports of $1,000,000,000. That is why a delegation headed by the Honourable T. A. Crerar, Dominion Minister of Mines and Resources, was despatched to London last autumn. Up the sleeves of this delegation were all sorts of Canadian production facilities. As required, shells, explosives and other munitions of war will be manufactured in Canada. The air training scheme, involving another large group of industries, is in operation. But in this article we are more concerned with Canada's peacetime exports.

Wheat, of course, remains preeminent among Canadian exports. As a matter of strategy and political exigency, Great Britain had taken precautionary measures and negotiated the purchase of large quantities of Rumanian and Argentine wheat. This course not only secured reserve supplies of this essential foodstuff but prevented them from falling into Nazi hands. Large purchases were also made in Australia. The Canadian stocks were considered sure and certain as and when required. As a result, there was no immediate rush for Canadian supplies and prices in Canada fell off sharply. With heavy stocks of other wheats, the British Cereal Control Board reduced (for a short time only) the required proportion of Canadian wheat in the British millers grist to as little as 10 per cent. This was soon advanced to 20 per cent and later restored to its usual basis of 40 per cent. Wheat moved freely from Canada to Great Britain late in the year and additional purchases of substantial quantities were reported in January.

Bacon, a favourite food of the British workers, was covered by an agreement reached in December, under which Great Britain agreed to purchase, and Canada contracted to sell, a weekly minimum of 5,600,000 pounds. A price fair to both producers and consumers has been fixed and a bacon board set up by the Canadian Government to facilitate increased sales.

Minerals, particularly metals, are essential in wartime. Great Britain has contracted for 420 million pounds of copper from Canada's leading producers for delivery during 1940. This represents 70 per cent of our total output of 607 million pounds in 1939. Our full exportable surplus of lead and zinc have also been purchased for the duration of the war. The British Timber Control Board has placed contracts, in both Eastern and Western Canada, which will exhaust existing stocks and ensure mill operations at or near capacity during most of 1940.

Newsprint, wood-pulp and similar products, shipped in considerable volume under ordinary conditions from Baltic and Scandinavian countries to Great Britain, France and the United States, are no longer available in sufficient quantity. This has given a great stimulus to the operations of the Canadian pulp and paper industry and output is being increased to take care of as much of the enlarged demand as possible.

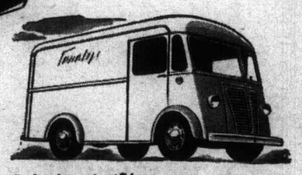
Fish supplies in Great Britain have been reduced by the disturbed conditions in the North Sea and the requisitioning of many trawlers as naval auxiliaries. It is reported that a total of 150,000,000 pounds of Canadian fish will be required to make good this loss. Moreover, the French fishing fleet was withdrawn from "The Banks" early in the war and Canadian supplies may also be required to make up the shortage in French fish supplies.

But other industries have not fared so well. Apple growers, with

ANOTHER REPEAT ORDER CUSTOMER—
53 Federals in 10 Years!

THE Detroit Coca-Cola Bottling Company has bought 53 Federals since 1929! This leading bottler bought one Federal—its first—ten years ago. Every year since it has come back for more—adding from one to twelve new Federals to its fleet. An impressive—and typical—record that proves customer satisfaction through millions of miles of hard service.

To *all types* of business Federal offers a complete line for every trucking purpose—from ¾- up to 8-ton. Every one is "All-Truck", for Federal has built trucks *exclusively* for thirty years. Check with your Federal dealer the next time you need new equipment. You'll find the exact model for your requirements, with top ability to handle tough jobs and maximum loads; with top dependability, low first cost and low operating cost. And the Federal has long been called "the *handsomest* truck on the road."


Federal Standard ¾-Ton Package Delivery, $1095*

Federal Standard ¾-Ton Panel Delivery, $865* and up

Federal Standard ¾-Ton Milk Delivery, $995*

Dealers find that it pays to sell Federals. Some desirable territories are now open.

FOR THIRTY YEARS
Known In Every Country—Sold On Every Continent
FEDERAL MOTOR TRUCK COMPANY
DETROIT, MICHIGAN

The Federal ¾-ton Standard Milk Delivery, as illustrated above, $995, (4 or 6-cylinder engine). ¾-ton chassis only — $595

*Prices f.o.b. Detroit, all taxes extra

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121460

an abundant crop just ready to be gathered, found their product classified as a luxury and the British market, their most important, closed. Later, importations were resumed but restricted to half the usual quantity. Tobacco growers were affected in a somewhat similar manner, with exchange provided to cover purchases of only 8,000,000 pounds of Canadian tobacco this year, as compared with total shipments of nearly 15,000,000 pounds annually in recent years.

Thus, war causes extraordinary changes in the channels of international trade. The requirements of many commodities are tremendously increased, others are placed on a quota basis or even on a "proscribed" list. But what of our remaining trade, our exports to non-belligerent countries, to the United States and the republics of South America, so far only indirectly affected by this war? At the recent annual meeting of The Royal Bank of Canada, President Morris W. Wilson, stated, "We must do everything possible to command foreign exchange by stimulating our exports to foreign countries." Our Dominion trade authorities, our producers and manufacturers, our shippers and exporters should follow this admonition and see that our trade in those channels which remain open and undisturbed is maintained and expanded in every possible way. For after war comes peace and, if we take measures now to consolidate our international trade position, when the return to a peacetime economy comes with the accompanying disappearance of the extraordinary demands of the war, the dislocation and disruption in our economic life will be less pronounced.

Railways are Ready

THE striking contrast between Canadian railways in 1939 and 1914 was recently pointed out by C.N.R's S. W. Fairweather. World War I found Canada in the midst of a period of railway expansion, with thousands of miles of railway only half constructed. The railways which now comprise the Canadian National System were operated by no less than 19 different independent managements and incapable of rendering any effective trans-continental service. These companies were weak in railway equipment because, for the most part, they were hard pressed financially. Canada was without any substantial knowledge of railway co-ordination and co-operation. The Canadian Pacific Railway was the only integrated railway system in

Now "S & S" means SEAGRAM'S AND SODA

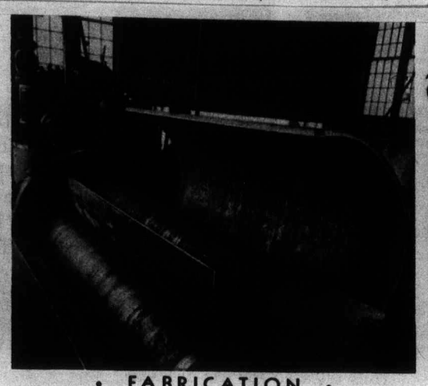
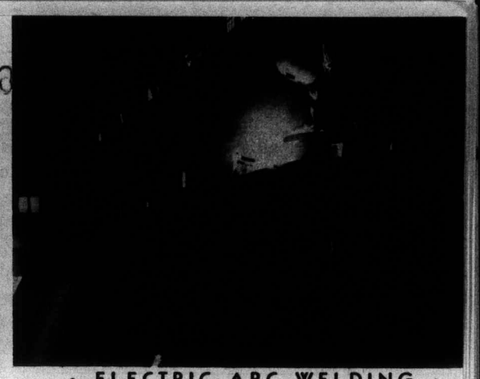
WHEN LOYAL SCOTS AGREE
...it must be good!..

More and more men of discernment, who think for tomorrow as well as today, are finding Seagram's a mellow and delicate whisky, of excellent flavour and superb bouquet.

In the best clubs and homes you will find now a decided preference being expressed for Seagram's and Soda—S. & S.

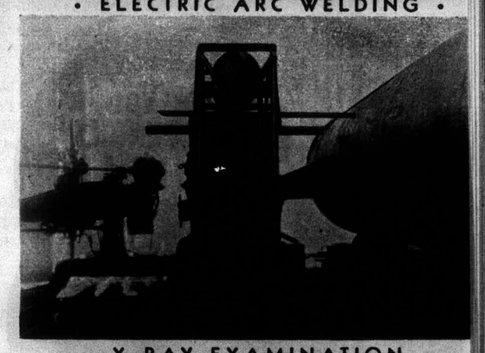
House of Seagram
Distillers of Fine Canadian Whiskies since 1857

Seagram's Famous Brands
SEAGRAM'S "V.O." SEAGRAM'S "83"
SEAGRAM'S "KING'S PLATE"
SEAGRAM'S "EXTRA SPECIAL"
SEAGRAM'S "OLD RYE"

• DESIGN • • FABRICATION • • ELECTRIC ARC WELDING •

DOMINION
WELDBUILT
MEANS
BETTER BUILT



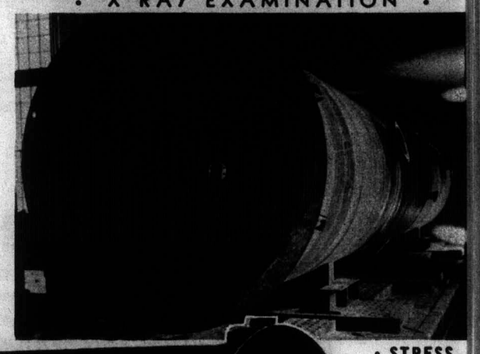
• X RAY EXAMINATION •

• From the basic design to the "on the job" operation, every Dominion "WELDBUILT" Heavy Pressure Vessel has what it takes to deliver satisfactory service.

Designed to suit your requirements, efficiently inspected during fabrication, welded to rigid specifications, thorough X-ray examination of welds and finally the use of large stress relieving ovens all assure that high standard of service characteristic of all Dominion Bridge products.

Plants, with trained personnel and modern facilities, are maintained for the fabrication of vessels of all types by electric arc welding.

May we have the privilege of submitting designs and quotations for your requirements?



• STRESS RELIEVING •

DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE: LACHINE (MONTREAL), QUE.
Branch Offices and Works: OTTAWA • TORONTO • WINNIPEG • CALGARY • VANCOUVER
Agencies: REGINA • EDMONTON

Associate Companies:
DOMINION ENGINEERING CO., LTD., MONTREAL, QUE.
ROBB ENGINEERING WORKS LTD. AMHERST, N.S.
EASTERN CANADA STEEL & IRON WORKS LTD., QUEBEC, QUE.
DOMINION HOIST & SHOVEL CO., LTD., MONTREAL, QUE.
McGREGOR-McINTYRE IRON WORKS LTD., TORONTO, ONT.
SAULT STRUCTURAL STEEL CO., LTD., SAULT STE. MARIE, ONT.
STANDARD IRON WORKS LTD., EDMONTON, ALTA.
MANITOBA BRIDGE & IRON WORKS LTD., WINNIPEG, MAN.
MANITOBA ROLLING MILL CO., LTD., WINNIPEG, MAN.
RIVERSIDE IRON WORKS LTD. CALGARY, ALTA.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121462

the Dominion at that time. Despite all these factors, the war effort of Canadian railways from 1914 to 1918 was a creditable performance. The traffic which the railways were called upon to handle rose to 50% above pre-war levels and constituted an all-time peak in rail transportation.

Many lessons were learned in Great War days. For instance, the first co-operative action between two railway systems, involving the abandonment of functionally duplicate lines, was effected when the Canadian Northern and Grand Trunk Pacific lines between Edmonton and Red Pass Jct. were co-ordinated and 220 track miles of rails released for use overseas. The Railway Association of Canada (one time Canadian Railway War Board) was organized as a medium for dealing with problems of joint interest, and the first example in co-operative negotiations and wage agreements was revealed. The lessons have been useful ever since, so that World War II finds Canada with a fund of experience accumulated from the previous war.

During the last war, one after another of the smaller and weaker railways found it impossible to carry on and, primarily as a war measure, were successively taken over by the Federal Government. The process started with a number of small branch line railways in the Maritime Provinces; then, on the refusal of the Grand Trunk to operate the National Transcontinental, the absorption of that line between Winnipeg and Moncton followed. This, in turn, was followed by the absorption of the Canadian Northern Railway System. While the Grand Trunk Pacific and the Grand Trunk were not actually taken over until shortly after the war, it can properly be said that the Canadian National Railway System, as a co-ordinated railway, had its genesis as a war measure.

Further proof that the railways of Canada are well organized to meet the emergency of this war is found in the fact that, in 1928, the railways of Canada handled 30% more traffic than was handled in 1917, the peak of the war period, and did it without any sign of congestion or difficulty. What was done in 1928 can be done again so that, even if Canadian railways were called upon to double the freight traffic effort of 1917, it would be possible to meet even that emergency.

In 1914, the main lines of most Canadian railways were equipped with 80 and 85 pound steel; today the main line standard is from 100 to 130 pounds.

The largest road freight locomotive in 1914 had a tractive effort of 52,000 lbs.; the largest freight locomotive of today has a tractive effort of over 90,000 lbs. The average freight train of 1914 hauled 350 tons of freight; the average freight train of today hauls 550 tons. If the comparison was available for main line trains, it would be even more striking. In 1914, the average freight train speed was 10 miles per hour; today, it is 17 miles per hour. Again, these are the averages of all trains. Today, on main line operation, many freight trains operate at passenger train speeds.

In 1914, it required 160 pounds of coal burned in a locomotive to haul one thousand tons one mile; today, it is done with 120 pounds.

In 1914, it required 11 days for manifest freight to travel from Vancouver to Toronto; today, the manifest freight service is 7 days.

In 1914, the average capacity of a freight car was 33 tons; today, it is 42 tons. This, taken in conjunction with the much higher speed with which traffic moves, more than offsets the reduction in number of freight cars which has taken place since 1914.

The significance of these figures is that for the same expenditures of labour and materials it is possible to get 50% more transportation today than in 1914. This means that fewer men have to be set aside from other industrial production to run the railways and to furnish needed supplies for it.

In 1914, Canada had only one transcontinental route; today, there are three. Then, there was only one line of railway in effective operation connecting British Columbia with the rest of the country; now, there are two routes available from Vancouver and another from Prince Rupert.

These and other comparisons reveal that Canadian railways can be relied upon to take care of their wartime responsibilities.

121463

FOUNDED 1792

Surplus to policy holders
$73,365,410.66

•

Assets
$105,736,750.25

WAR CONDITIONS

THE problems confronting business executives directing the affairs of Industrial and Financial Institutions in Canada today under war conditions are innumerable. There is, however, the positive fact that Insurance protection obtained from financially strong and experienced Companies is absolutely essential.

The "North America" Companies offer qualified personnel and a financial structure that is the accomplishment of one hundred and forty-eight years of world wide Insurance experience.

Ask your local agent or broker to have a North America engineer review your present Insurance protection.

Insurance Company of North America

Canadian Head Office - TORONTO

Branches: **MONTREAL WINNIPEG REGINA CALGARY VANCOUVER**

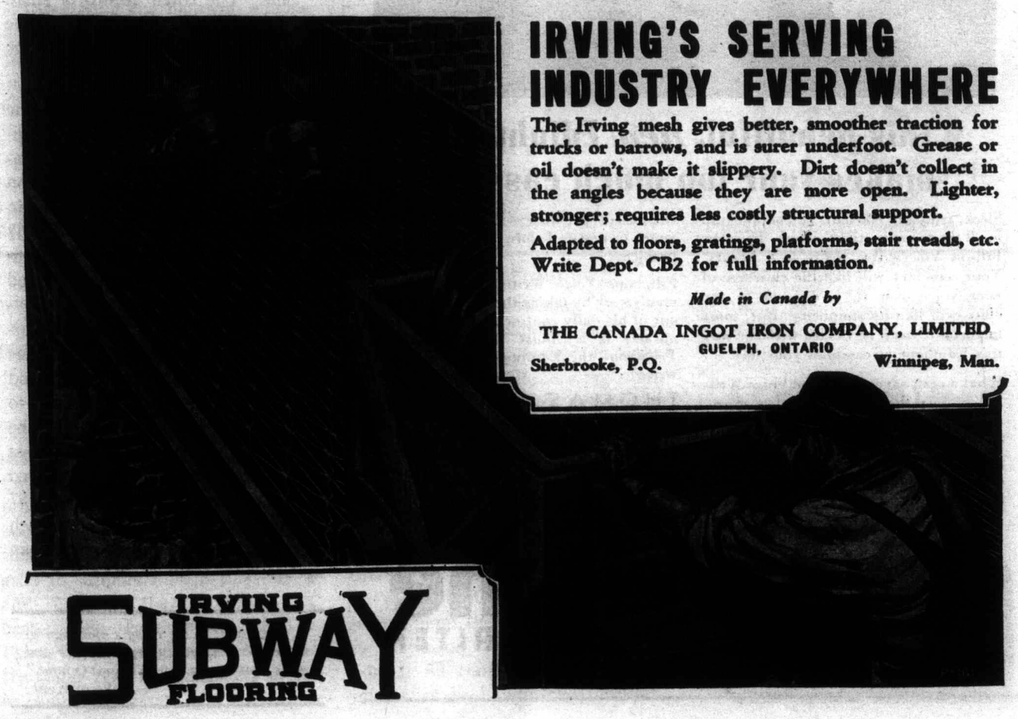
IRVING'S SERVING INDUSTRY EVERYWHERE

The Irving mesh gives better, smoother traction for trucks or barrows, and is surer underfoot. Grease or oil doesn't make it slippery. Dirt doesn't collect in the angles because they are more open. Lighter, stronger; requires less costly structural support.

Adapted to floors, gratings, platforms, stair treads, etc. Write Dept. CB2 for full information.

Made in Canada by

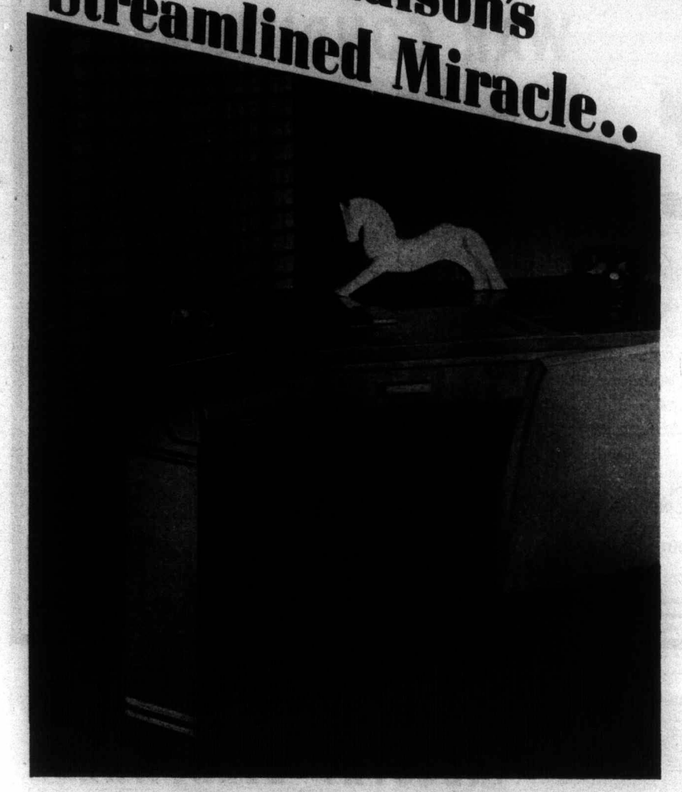
THE CANADA INGOT IRON COMPANY, LIMITED
GUELPH, ONTARIO
Sherbrooke, P.Q. Winnipeg, Man.



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Look at Edison's Streamlined Miracle..



this beautiful, *new* Ediphone makes your job much easier!

Sleek, trim and efficient. It's popping up in all the top executives' offices. This new Edison Voicewriter really is a beauty. Your secretary will like the clearness of your voice over it. Every one in the office will like its simplicity. But, most important, *you'll* be tickled with the way this Ediphone streamlines your day.

What a man-saver Ediphone Voice Writing is! Lift the receiver and get everything off your mind. Memos, correspondence, instructions, notes . . . can all be talked into the Ediphone the second they enter your thought—before they have a chance to get fuzzy—before they tax your memory—before details become problems.

Ediphone Voice Writing streamlines a man's work by taking the nuisance bumps out of his daily routine. Seeing this new miracle is a "must"! No obligation. Telephone the Ediphone (your city) or write

THOMAS A. EDISON OF CANADA, LIMITED
610 Bay Street, TORONTO, *EL. 4114*
Sun Life Bldg., MONTREAL, *MA. 6161*
Sales and Service Offices all over Canada.

E916

SAY IT TO THE

Ediphone
EDISON VOICEWRITER

Lone Sharks Beware!

(Continued from page 47)

financial position 20% by adopting a systematic spending plan designed to guarantee full value for every dollar spent. The need for education in money-management and the planned spending of income, however, seldom is realized until some sudden emergency forces the family to use its credit.

Retail business will have a vital interest in the operations of companies licensed under the new Small-Loans law. The nature of this interest is well stated by Charles A. Gates, an expert on social relations, who writes in "The Annals", as follows:

> "A business man in a state that still has no permissive small-loan law was heard to exclaim: 'I wish we had a law. I'm sick and tired of playing banker for my slow charge accounts.' Many small loans are made to refinance accumulated trade and professional bills. The tragic record of small business bankruptcies shows the hazards of slow retail charge accounts."

That statement is just as true when applied to Canadian conditions. The Canadian Bank of Commerce reports that, of $27 million loaned through its Personal Loan Department, approximately 30% or over $8 million was used to liquidate frozen debts during a period of 3½ years.

Since Household Finance Corporation reports almost equal volume of business during the same period and other companies reporting to the Government reach nearly the same total, it should be safe to guess that merchants have been relieved of the burden of carrying nearly $7 million worth of slow accounts each year by the operation of small-loan agencies.

"I know it is the King's ambition to make the Empire an even happier and more prosperous family than it is now."
—Duke of Kent.

Business Out West

By CHAS. L. SHAW

TO the north lies Canada's only unbroken frontier, and it is in that direction that British Columbia's public men have been turning with increasing concentration in recent years. Development of a vast empire, extending to the Arctic tributary of British Columbia, has been the dream of Premier Pattullo, and during the past few months he has been working with characteristic energy to make that dream come true.

Down in Ottawa last month, Mr. Pattullo was trying to enlist support for the proposed Alaska Highway, which would tap much of the country likely to be brought within the orbit of British Columbia if the project ever materializes. In Ottawa, representatives of Canada and the United States, who have been studying the highway scheme for many months, pulled their chairs up around a conference table and discussed many of the conspicuous advantages and disadvantages of the road. The international commissions lack the power to authorize the construction of the road, but they are composed of experts whose recommendations will bear considerable weight in the counsels of those who have it within their power to put up the required money—ranging from $15,000,000 to $50,000,000.

Oil for B.C.?

Up in the Peace River country near Pouce Coupe, another of Pattullo's northern projects made progress this month. Mr. Pattullo believes that oil can be found up there; he has the reports of geologists to support him in this theory and believes that nothing will hasten the development of the Peace River and its adjacent country faster than the discovery of oil in commercial quantity. Just what would be done with the oil when produced is one of those points not yet thoroughly explored. The Peace River is a long way from coastal markets which Mr. Pattullo believes would ultimately provide the most profitable outlet. Such a consideration as that, however, does not discourage the thought that oil, plus the world famous wheat of the Peace country, would stimulate the establishment of the necessary transportation and speed up settlement. So convinced is Mr. Pattullo that the Peace River field is worth exploitation that he has succeeded in getting the British Columbia legislature to appropriate $100,000 for this spring's drilling campaign.

The Peace River oil search and the Alaska highway, of course, are not directly related for they would be hundreds of miles apart, but they have this in common: they indicate a growing consciousness of the north's importance to British Columbia and tie in with Pattullo's scheme for the annexation of the Yukon, which was given considerable prominence a year or so ago, was temporarily put off, but still remains high in Pattullo's "must" list.

Home Front

Apart from these sallies into the north, British Columbia has been busy on the home front. It looks now as though the lumber exporters would be able to work out a deal for the shipping by railway to the Atlantic coast of a large proportion of their accumulated shipments to the United Kingdom. At first it looked pretty hopeless because the British timber control board, anxious to drive a hard bargain, stood pat on an offer of 50 cents per hundred pounds, and the railways, evidently in no mood to cut below their normal 82 cents figure, indicated reluctance to handle the business.

QUICK as you can say "Script Mimeo Bond" to your paper dealer, you're on the way to . . .

QUICK, clean-cut mimeographing results. Your duplicating department staff will be . . .

QUICK to appreciate this smoother-running, specially-made duplicating stock which helps them do more and better work in less time. Your clients will be . . .

QUICK to respond to your colourful, good-looking messages speeded out via the Script Mimeo Bond route. Comes in pure White, Blue, Pink, Canary, Buff, Green, Gold.

Order
SCRIPT MIMEO *Bond*
today—

Sold by leading paper merchants throughout Canada

If you would like a FREE Test Package of Script Mimeo Bond to try on your own Duplicating Work, write on your business letterhead to Provincial Paper Limited, Toronto, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121466

Then the timber control board raised its bid to 60 cents and the railroads came down a few points. At time of writing, settlement seems very near.

In peacetime, of course, the idea of sending lumber to the British Isles by rail across Canada would have been scoffed at as an unheard of piece of economic nonsense. The cost would be so much higher than the Panama Canal route and the long sea haul that it wouldn't even be seriously considered. But war has done strange things to transportation. Soaring charter rates, war risk, other costs and, most important of all, the shortage of ships have made it impossible to continue shipment by the usual route. Some lumber continues to move that way, of course, but B.C. mills have been geared to such a high production rate that a full cargo could leave every day for offshore markets. Obviously, the British merchant marine cannot afford that many ships for such a long voyage, and the situation has been further complicated by the reluctance of neutral ship owners to send their vessels to the war zone.

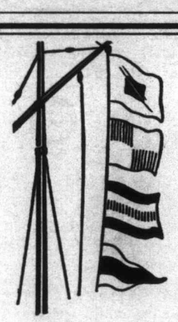
The war upset all the calculations of the experts for a boom year in wheat shipments through the port of Vancouver as a result of the big prairie crop. Most of the wheat has been moving east this season for obvious reasons. But the Vancouver route came in for its share of market interest this month because of the order placed by Russia for 1,250,000 bushels of wheat.

Immediately, a protest was heard that Canada's wheat, essential to the Allies, was being diverted to an unfriendly country. Four neutral ships were booked to handle the order, bound for Vladivostok, incidentally the first business placed in Canada for that destination in five years, although Russia has been buying wheat right along in the United States. Later, however, the shipment was forbidden.

Fruit

January is always a big month for the fruit growers of the Pacific coast province, for it is then that they hold their annual conventions. Despite war's interruption, the apple export business is apparently being well maintained. The surplus will be bigger than last year, but, under the new federal quota system, B.C. will have the prairie market pretty much to itself.

Having won in the courts the right to control marketing of fruit and other natural products, British Columbia may take the initiative in extending marketing control through Canada, using the provincial act as a model. A provincial act giving the right to control the marketing of products grown within the province does not take care of interprovincial trade, and this is regarded as the missing link in the laws now on the statute books. Nor does the measure provide a solution for surplus commodities which find an export market overseas. The growers hope that the Rowell Commission's report, outlining the economic relationship between the Dominion and the provinces, will provide a pattern on which to draft a more thoroughgoing marketing law.



SUCCESS SIGNALS

GAIN IN FORCE — During the year 1939, the National Life added $3,166,502 to the amount of insurance in force. Total in force is now $62,360,111 — the highest amount in Company history.

EXPENSES — Total expenses of operation during 1939 were reduced for the fourth successive year.

SURPLUS — After making suitable provision for special and investment reserves, unallotted surplus was again increased.

NEW BUSINESS — New settled business, including revivals and increases, showed a marked improvement both in ordinary and in group. Total production was increased by 37.3% over the results of the previous year.

The National Life Assurance Company of Canada

Home Office Toronto

Established 1897

121467

MAKING FRIENDS OF THE JONESES

THERE'S a lot of talk, today, about "public relations." You may have looked into this matter, or it may still sound to you like something somebody else ought to do something about. "Public relations" means, in the simplest sense, making friends of the Joneses — and the Smiths — and the Browns. As a seller of service or merchandise to the Joneses and the Smiths and the Browns, is there anything *more important* to your firm than their friendship?

If yours is a large firm, ten to one the Joneses don't like you. This is not your fault . . . the sad fact is that the Joneses distrust "big business," they deal with it grudgingly, out of economic necessity. "Big business" is today facing this fact . . . breaking down barriers of animosity and distrust . . . improving public relations.

Radio is the ideal public relations medium. Radio gets right into the Jones family circle . . . talks to the Joneses while they eat their meals and sit around their fireplace . . . entertains and instructs them . . . makes of your remote "big business" a trusted friend. This is what radio *can* and *will* do for you when capably handled. Discuss this with your advertising agency —they will be glad to suggest how you may meet and make friends of the Joneses through the medium of radio. All-Canada stand ready to co-operate by supplying the necessary information on time, rates, station coverage and all the technical details, and if required, will gladly audition a programme for consideration.

ALL-CANADA RADIO FACILITIES Limited

MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER

Exclusive Representatives of Leading Stations from Coast to Coast

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

We See By The Papers . . .

—Cartoon by Frise, Toronto Star Weekly

HELP TO KEEP THE HOME FRONTS DIFFERENT

WHAT A SOLDIER! ▶

THE most useful of the twenty-six soldiers of the alphabet is the "E"—useful because it does more work than any other.

The letter "E" is an unfortunate letter, however, since it is always out of cash, forever in debt, never out of danger and in hell all the time.

But those who traduce the letter "E" should not forget that it is never in war, always in peace, is the beginning of existence, and the end of trouble. Without it there would be no meat, no life, no heaven; no wine or women, both so necessary to make song enjoyable.

It is the center of honesty, makes love perfect, is the beginning of eternity, the end of time and space, the beginning of every end, and the end of every place. Without it there could be no editors, writers, or even wives or children.

From "Your Man Friday," Published by Ames Supply Company, Chicago

COLLECTION LETTER ▶

A NEW ORLEANS firm sent out the following collection letter, short but not sweet, to a number of its delinquent debtors:—

"Dear Sir,

Will you please send us the name of a good lawyer in your community? We may have to sue you.

Yours very truly."

Somewhat to the surprise of this firm, this letter brought in 50 per cent of the money that was owing.

THE EFFICIENCY MAGAZINE

CANNED SUNSHINE ▶

SUNSHINE, which has been absorbed by luminescent power and "canned" by being frozen in liquid air, has been transported by airplane 1,000 miles and released in one of science's most spectacular feats, the achievement involving the "canning" of Florida sunshine and its release in NEW YORK.

It started with the exposure of a slender glass tube containing luminescent powder to sunshine for several hours. Then the tube was placed in a vacuum flask of liquid air and flown to New York.

In absorbing light energy, scientists believe, the luminescent powder actually undergoes a temporary change in physical structure. The theory is that the outermost orbits of electrons, which make up the molecules and stone of the powder, are distorted or moved from one energy level to another when excited by impinging light, actually imprisoning some of the light.

WHAT'S NEW IN BUSINESS

I AM ADVERTISING ▶

I AM the dividend producer for your business, the money-making, order-taking, dull times force. I am the voice of rejoice; the psalm of service; the motive power of modern business. I go into the highways and by-ways; into the far corners and the niches; selling for you, telling for you upon quality; compelling for you the purse strings of a willing public to open wide the coffers and treasure chests of buying. I make trade spring from the fertile soil of hesitation; put your wares into the windows of the world; into the minds of millions. I make income out of out-go; assets of liabilities; gains of waste; safety of insecurity. I am the winged steeds upon which your business can ride to the earth's uttermost distances and shake hands with a new trade. I am profits come to the rescue of deferred dividends. I am uncomplaining; always ready; always steady; always on the job. I recognize no limitation in meeting your aspirations. Mine is the Voice in the Wilderness; the Sermon on the Mount; the Song of Labor; the March of Progress; the Knock of Opportunity. *Try me on your business!*

PHOENIX FLAME

QUOTABLE QUOTES ▶

Rule of the wisecrack: Better never than late.

PHOENIX FLAME

The wise man makes hay with the grass that grows under the other fellow's feet.

THE MONTREALER

The castles of sales are built with stones of calls.

THE ECHO

LET THE SHOE FIT ▶

INTERNATIONAL SHOE COMPANY, Chicago, has introduced a "revolutionary personalized shoe actually moulded to fit the specific characteristics of *each* of your feet." The insole is made of a secret plastic with a gutta-percha base which can be heated until it becomes soft and pliable. Any shoe dealer can easily mould the insoles to fit each customer, it is claimed. After the purchaser selects the shoe size and style, the dealer puts the shoes on a heating unit, provided by the manufacturer. In a few minutes the insole softens to a plastic condition. The customer puts on the shoes again, walks around until the impress of each foot is made in each insole. Within half an hour the plastic has regained its original hardness.

MARKETING

NOTES ON THE RELIEF SITUATION ▶

A RELIEF investigator in a Canadian city was recently sent out to examine two cases where relief had been applied for, but where through a departmental oversight no action had been taken.

At the first house an angry wife complained: "It's been two weeks since my husband applied for relief. And not a thing done about it! Well, he just couldn't wait any longer. So he had to go out and get a job." At the second house the applicants had not been forced to the dire extremity of seeking work. The husband was still at home, but he was very much vexed at the department's delay. He demanded of the relief investigator: "Is this the service you provide taxpayers in our city?"

—THE PRINTED WORD

A THOUGHT ▶

Don't neglect your windows. They are your best salesmen if they are properly arranged.

SEED WORLD

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

"Change from Peace to War Economy Effected with Little Disturbance to Industry," Says John R. Lamb, Bank of Toronto President

THE PRESIDENT'S ADDRESS

Gentlemen:

We present to you today our 84th Annual Statement. It will be noted that, in keeping with other Banks whose annual figures have appeared, a rather substantial expansion is evident in practically all important departments.

Flow of War Supplies Has Started

Canada, as part of the Commonwealth of British nations, has a vital role in the struggle against Germany. Apart from the war itself, the leading development of the year, from our viewpoint, was the emphasis thrown upon Canada's position as a source for raw materials and war supplies for Great Britain, and as an intermediary for business between the Allies and the United States. We have not been made the centre of the Empire, nor has the volume of war business come up to the expectations of the optimists, but the flow of supplies has at least been started. The opportunity exists for further development of this kind, which should be of real help to the Empire and to the Allies, and at the same time enhance the importance of Canada. The inauguration of a scheme for the training in Canada of airmen from other parts of the Empire is one example.

While our bonds with the Mother-country are thus being tightened, we are at the same time fortunate in being able to maintain and cement those close relations with the United States which have been such an important factor in past Canadian development. Even if we become more industrialized because of the war, this is likely to represent an expansion of North American enterprises as a whole, rather than an increase in competition between the two countries. In this emergency the Allies are fortunate in being able to draw upon the resources of the United States, which nation is the leading producer and consumer of industrial products, and at the same time the greatest storehouse of available supplies.

Post War Americas Will Lead in Economic Changes

It is a foregone conclusion that this war, like the last one, will do lasting damage to Europe as a whole industrially, because countries elsewhere will retain at least part of the industries and trade connections which they are now being forced to establish in substitution for European sources. The Americas, comprising two continents of peaceful development, are likely to have a leading role in these economic changes.

In order to avoid painful disillusionment over the next few years, we must bear in mind that the war will be a tremendous cost to all participants, that our particular job of furnishing some of the materials cannot bring us more than a partial compensation in the form of profit, and that even the neutrals must feel the pinch of diminished markets and trade disturbances. We can look for a stimulated production in Canada, but we probably will have to finance it through our own resources and savings, and that calls for a program of the strictest economy. We may even have to liquidate some of our external debt at the same time that we are providing the money for our own development.

From Peace to War Economy with Little Disturbance

I will not attempt to detail the economic trends of the past year, because the declaration of war in early September opened an entirely new chapter in our affairs. The first eight months had been rather discouraging, the threat of war being a constant deterrent to enterprise. By the same token, however, the actual outbreak of war found people well prepared for the shock. Thus we were converted from a peace to a war economy with little disturbance to industry. Under the war conditions of the last four months there was a stimulus to production and buying, with a gain of about fifteen per cent in commodity prices, and of course the prospect of an active war program improved business sentiment in nearly every field.

Pay-As-We-Go

Knowing that we must meet a heavy war burden, it will be better for all concerned to have a pay-as-we-go policy in which everyone must share, rather than an attempt to meet the costs through fanciful schemes which lead to ruin. It is rather significant that the monetary plans which blossom in the years of depression seem to fade out when the real needs of war arise.

Individual Effort and Incentive Must Not be Discouraged

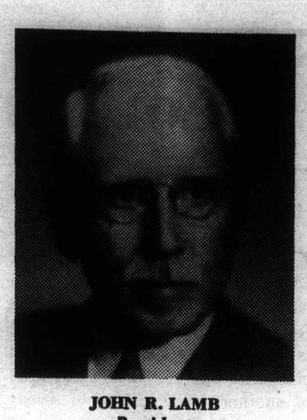
It is impossible for the people of any nation to thrive, either morally or materially, under a scheme which deprives the individual of control over his own thought and action, and leaves him entirely at the mercy of government. The welfare of the individual must remain the measure of success, in public as in private life. There must be a predominance of individual rather than of community effort, and this demands a predominance of private property and incentive. The war must not be allowed to be more than an interlude during which we temporarily lay aside our ambitions in order that we may use our existing facilities to the full for the success of the campaign.

It will leave us a further legacy of debt, taxation, regulation, and other burdens which are handicaps to the kind of development on which our future depends. But we must keep our thoughts and hopes turned toward the time when we can once again resume the kind of progress which so improved the life of the individual through the past century.

GENERAL MANAGER'S ADDRESS

Total Assets

show an increase of $19,727,103, and now stand at $168,339,469, the highest point in the Bank's history.



JOHN R. LAMB
President

F. H. MARSH
General Manager

Quick Assets

consisting of cash or of assets readily converted into cash total $109,909,026, and equal 72.95% of all liabilities to the public. Of this amount $30,658,447, is represented by cash, bank balances (including Bank of Canada) and notes and cheques of other banks.

Commercial Loans

$47,109,325, are up $6,969,587, an increase of 17.36% over the previous year.

While there has again been an appreciable increase in the amount of our funds employed under this heading, the proportion of our total deposits so employed is much lower than we would like to see and we will welcome, as they occur, opportunities of making additional funds available for sound commercial and industrial activities. The increasing demand noticeable since the outbreak of war suggests that loans required by industry during 1940 will exceed the figures to which we have been accustomed during recent years.

Municipal Loans

$6,067,530, are approximately $500,000 below last year's figure. It is encouraging to note the improvement taking place in the financial position of various municipalities as the result of greater efficiency and a more earnest effort to balance their budgets. This is commendable indeed.

Deposits

$142,034,974, show a very satisfactory increase of $20,633,407, of which $13,558,318 are deposits by the public, an increase of 11.49%, the increase of public deposits in all banks in Canada for the same period being 8.13%.

Our Government deposits are up $7,075,088, largely represented by short-term bonds purchased from the Government in October, proceeds of which had not been disbursed at the end of our year.

A review of the financial statement is not complete without commenting upon the intangible and ever-increasing asset of goodwill accumulated over the eighty-four years of the Bank's existence. We are very grateful to the many friends who favour us with their business and are proud to serve them.

In conclusion I feel sure that it is a source of satisfaction to you at this time when our country is at war, to know that your Bank is sound, liquid and buttressed by cash and securities of our own Dominion to the point that we are prepared to meet any demands that may conceivably confront us. Our primary concern at the moment must be the successful prosecution of the war, and it can be said with no uncertainty that The Bank of Toronto can be depended upon wholeheartedly to do its part.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121472

PLANT LOCATION
Facts
AT YOUR FINGERTIPS

▶ Do as hundreds of alert executives have already done; save valuable time and money with our simplified industrial engineering services on such subjects as markets, available factory buildings, etc.

▶ Contact us now with your plant location questions. No obligation—all inquiries confidential.

TORONTO
INDUSTRIAL
COMMISSION
TORONTO • CANADA
T. H. BARTLEY, GENERAL MANAGER

ROBINTEX
SUITINGS
IF YOU WANT A SUIT THAT WILL MAKE-UP WELL—WEAR WELL—AND KEEP ITS SHAPE
GUARANTEED BRITISH MANUFACTURE
also MILITARY CLOTHS for Officers' Uniforms Khaki and Air Force Blue
"Resa-Wet" ® Reg. Processed
ASK YOUR TAILOR FOR ROBINTEX

London Scene

By A CORRESPONDENT

THE arrival of income tax reminders at year's birth pretty well corrected that feeling of optimism which mankind is apt to experience at the conclusion of one period and the start of another. The history of recent years might have been enough to discourage people from expecting something better in the future, but "hope springs eternal in the human breast" and, even to-day, with the rigours of the blackout and the threats of the future, there was a sense of relief over here to be done with 1939. Mr. Chamberlain in his recent Mansion House speech sought still further to sober English minds by emphasizing the grim possibilities of the spring and suggested that there might still be some in Britain who failed to realize the stern struggle ahead.

In business circles, there is little tendency to facile optimism. Some concerns, of course, are more than busy with work of immediate national importance; others are managing to hold their own; still others find their trade gone and are in acute difficulties. But none are able to delude themselves for a moment into thinking that they are still trading under peacetime conditions. The machinery of Government control is working more smoothly now and causing less unnecessary delay yet, in one way or another, every business is reminded every day that we are at war, and those who are concerned with import and export trade in particular are faced with new conditions at every turn.

Business on the Spot

In the first place, the executive may have been evacuated from his London office to temporary accommodation on the outskirts of London or even further afield. Therefore, he may be out of touch with many of his usual rapid sources of information and under conditions which are not ideal. Particularly if he has a factory, the problems of blackout may be acute. His raw materials are almost certainly subject to control; permission must be obtained for their purchase before he knows whether he can manufacture or sell them and their price may be altered overnight by order of the controller. He has almost certainly lost some of his staff who are in the forces. Transport is slower and more uncertain than usual and, if he should have a number of travellers on the road in normal times, he will almost certainly have had to reorganize his whole selling organization because of the restriction of petrol allowances.

If he wishes to travel any distance himself, he finds the trains slower and fuller than usual. He may also be involved in the necessity of obtaining import or export licences, in the intricacies of seeking permission to send remittances abroad, and in the problems of war risks insurance. He must consider A.R.P. provisions for his staff and, in what time he can find, keep up to date with all the hundred and one orders and regulations affecting him in one way or another. It would be possible, no doubt, to think of many other difficulties, but that may be sufficient to give a business man on the other side of the Atlantic some idea of the conditions under which his opposite number here trades in war and peace. The chances of his forgetting that there is a war on are remote.

There is little dissatisfaction, however, because of all these

121473

I SEE *by the cards*

The cards by which modern business does its forecasting can't be shuffled into a Royal Flush, but these bits of "index" bristol board show the records of facts which, reviewed and analysed, play a prominent role in commerce. How well they do their job depends partly on how and of what they are made.

Long experience coupled with the finest raw materials enables us to make tough, long-service "index" bristol stocks. Always specify that the paper be Howard Smith. For your other office stationery we suggest:

KRYPTON PARCHMENT *for executive stationery*
BELL-FAST BOND *for business letterheads*
PROGRESS BOND *for sales letters and office forms*
LUXOR BOND *for routine forms*
AUTOGRAPH MIMEOGRAPH *for all duplicating work*

send for FREE portfolios of
Advertising Papers
Business Papers
Letterheads

HOWARD SMITH PAPER MILLS LIMITED
407 McGill Street,
Toronto • Montreal • Winnipeg
Manufacturers of Fine Papers for Every Purpose

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L2L474

108th ANNUAL STATEMENT

The Bank of Nova Scotia

Established 1832

Capital Paid Up
$12,000,000

Reserve Fund
$24,000,000

CONDENSED STATEMENT AS AT DECEMBER 30th, 1939

LIABILITIES

Notes in circulation	$ 8,295,375.25
Deposits (other than banks)	279,766,509.35
Deposits from other banks	10,765,862.39
Acceptances and letters of credit outstanding (as per contra)	6,757,600.98
Other liabilities	369,793.01
Dividends payable	361,815.75
Total liabilities to the public	306,316,956.73
Capital. reserve and undivided profits	37,174,559.85
	$343,491,516.58

ASSETS

Cash on hand and due from banks and bankers	$ 48,456,294.46
Notes of and cheques on other banks	18,673,812.45
Government and other public securities. not exceeding market value	122,750,569.45
Other bonds and stocks. not exceeding market value	13,314,886.43
Call loans (secured)	6,312,196.97
Total quick assets	209,507,759.76
Other loans and discounts (after full provision for bad and doubtful debts)	117,924,846.29
Liabilities of customers under acceptances and letters of credit (as per contra)	6,757,600.98
Bank premises	6,135,845.38
Shares of and loans to controlled companies	2,500,000.00
Other assets	665,464.17
	$343,491,516.58

J. A. McLEOD, *President.* H. D. BURNS, *Assistant General Manager.*

Branches from Coast to Coast in Canada

NEWFOUNDLAND

JAMAICA CUBA PUERTO RICO DOMINICAN REPUBLIC

LONDON, ENGLAND NEW YORK BOSTON CHICAGO

L2L475

troubles. When delays and restrictions have appeared unnecessary there have been complaints and criticism of some of the Government machinery. On the whole, however, the business community has accepted with remarkable readiness the sacrifices that have been asked of it. The British exporter was described in a recent letter to the "Times" as "not the least of the heroes of the war." This description can also be fairly applied to other branches of trade and industry.

Some of the general public have assumed that, because there have been no air raids, the elaborate precautions being taken are unnecessary; they are asking why rationing has been introduced when stocks of foodstuffs are still adequate. But these are a minority and, on the whole, things have been accepted as a matter of course, with due thankfulness at least for the respite we have had from the horrors of aerial warfare. The people of this country are still ready for anything and will face the future with confidence and equanimity.

The battle of the River Plate aroused here the same admiration for the gallantry of the British naval forces that was voiced throughout the world; the heroic resistance of the Finns has been watched with a sympathy not diminished by the realities of our own struggle; while war's intensification at sea has provided frequent reminders that absence of incident has not been among the troubles of those charged with the heavy responsibility of carrying our essential supplies from overseas. Among all classes here, the arrival of the Canadian Expeditionary Force has been deeply appreciated as one more witness to the unity of the Empire in the struggle against aggression.

Money and Man Power

The related questions of financing war out of income and the strength of the forces which Britain may ultimately have to muster have become matters for serious consideration by economists and others. One well known writer points out that the highest proportion of the National Income in 1914-18 devoted to the three fighting services and the Ministry of Munitions was about 43 per cent, i.e., £1,763 million, out of about £4,125 million (1917). It is possible that a greater proportion could be spent now, since the standard of living is higher. The estimate is now put forward that about 45 per cent of the gross national income could be devoted to war purposes. This diversion would give us a possible war expenditure of £2,580 million at 1937 prices.

From this estimate, the writer goes on to show that it would be sufficient to provide for a Navy of 400,000 men, its strength in 1918; an R.A.F. of 300,000 and an Army of 2,120,000. He expresses the opinion, however, that the expenditure

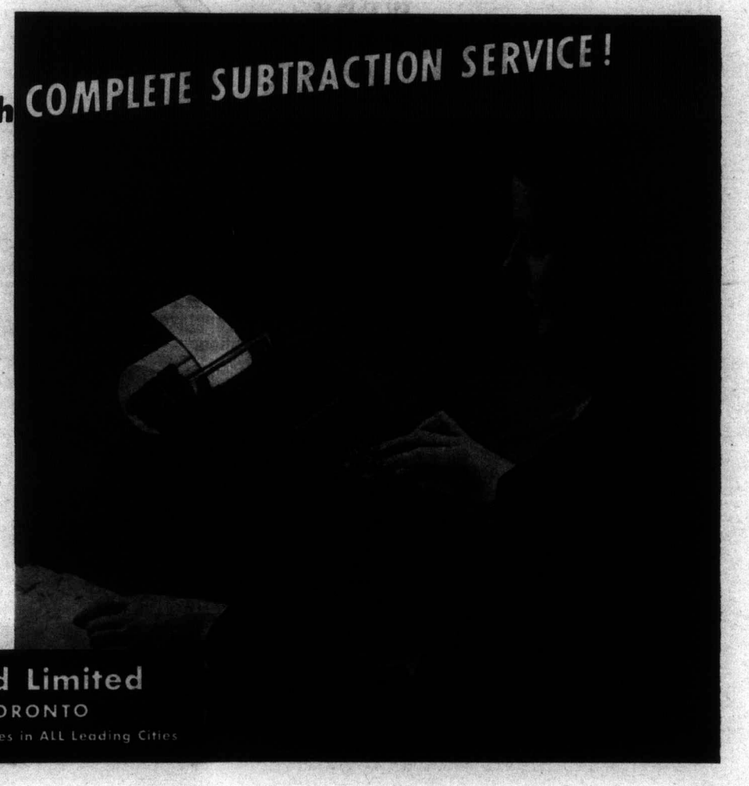
SPEED YOUR FIGURE-WORK with COMPLETE SUBTRACTION SERVICE!

HERE'S why this portable electric listing-adding machine gives you *complete* subtraction service:

1. DIRECT subtraction (*not* complementary) at a touch of the electrified Subtract-Key, for subtract items or for printed, proven corrections.
2. TRUE negative totals, printed directly or instantly . . . identified clearly . . . for all credit balance work.

This *complete* subtraction service is yours for only $10.00 more than the cost of our ordinary listing-subtracting machine. It's a feature you'll find many uses for, every day in the year.

Added features: adds and lists up to ten million dollars . . . subtracts, multiplies, totals electrically . . . speeds all figure-work with its compact, 10-key "touch-method" keyboard. This is but one model of the full Remington Rand line—22 other standard models from $79.50 up. Get a free demonstration in your own office. Phone your nearest Remington Rand branch today.



Remington Rand Limited
199 BAY STREET, TORONTO
Factory: Hamilton, Ontario • Branches in ALL Leading Cities

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

for these forces is too low and placed £3,000 million as probably the maximum. This would increase the R.A.F. to 450,000 and the Army to 2,200,000, or alternatively maintain the R.A.F. at 300,000 and raise the Army to 2,820,000. The validity of these calculations depends chiefly on the assumption that it is possible to withdraw the men from industry without reducing the real national income below the 1937 level. The reserves by which the men in the forces would be replaced include 4,000,000 women who are available for industrial work.

Even British spiders are mobilized as industrial war workers. Instrument factories keep groups of these eight-legged "craftsmen" because the webs they spin can be used as graticules, the technical name for the very fine division markings on the glass of binoculars, submarine periscopes and other delicate optical instruments. The silken strands are supplementary to mechanical methods now developed. The spiders' part in the war was mentioned by Engineer Vice-Admiral Sir Harold Brown, Director of Ammunition Production, in an account of British industry's intense adaptability to meet war needs.

"The problem today is to beat our ploughshares into swords and also to provide additional ploughshares, so that industry can supply civilian needs and carry on export trade," said Sir Harold. He gave the following instances of how industry was tackling this dual problem:—gramophone manufacturers are also making fuses and fuse boxes; sugar manufacturing machinery is turning our armour plate; the electrical industry is able to make guns and shells; knitting machine makers can provide complex war instruments; agricultural engineering produces gun mountings and tanks. The production of articles for normal civilian use in home and export markets is proceeding in many factories side by side with their special war effort. Care has been taken to spread the work as far as possible among small and large firms in all parts, so that when peace comes again industry can revert to normal commercial practice without difficulty or hardship.

Fur Market

Empire furskins, especially Canadian, will play a prominent part this season in maintaining the dominant world position of London's fur market. After the Great War, Britain's fur trade extended its leadership by capturing Germany's supremacy in dressing and dyeing, thanks to improved technical methods and the enterprise of the British chemical industry.

According to the London Fur Trade Association, skins valued at more than £13,000,000 were handled in London in 1938. During the first two months of the present war, sales were very active. Prices of "ready-to-wear" furs show a tendency to rise, not because of war conditions, but for the heartening reason of increased export demands, particularly from the United States. London imported £2,552,000 worth of Empire furskins in 1938, of which Canada's share was £1,935,000. The United States was Britain's best customer for the finished article, taking £4,711,000 worth.

Steel Engraving
WEDS
DIGNITY *to* SAFETY

MONETARY DOCUMENTS which have been steel engraved are dignified and distinguished. You will have noticed how bank notes, stock certificates, bonds and similar "money symbols" engraved in this manner reflect character and quality.

But the fine art of the master steel engraver achieves more than dignity . . . it achieves safety, because produced on specially prepared safety paper, steel engraving is proof against illegal duplication and alteration.

We invite you to place your requirements for steel engraving in our hands. We can offer you over a century of experience and the finest of available craftsmanship.

EXPERT AND EXPERIENCED ENGRAVING and Printing of Bank Notes, Bonds, Debentures, Stock Certificates, Cheques, Drafts, Postage and Revenue Stamps and other Monetary Documents.

2-39

CANADIAN BANK NOTE COMPANY
Limited

HEAD OFFICE and WORKS
OTTAWA

BRANCH OFFICES
TORONTO
MONTREAL

Highlights from the

93rd Annual Report

of Canada's Oldest Life Assurance Company

"The present strength behind our policy contracts has never been exceeded at any time in the Company's history."
A. N. Mitchell, President.

- Sales of new paid-for life insurance during the year amounted to $61,145,371. In addition, new considerations of $1,695,093 were received for annuities.
- Life insurance in force at the end of 1939, excluding annuities, amounted to $810,291,141.
- Assets, representing almost entirely accumulated savings of our policyholders, increased to $268,046,507, the highest figure in the company's history.
- The average rate of interest earned on all the company's investments was 4.29% compared with 4.25% in 1938.
- Income from all sources amounted to $39,022,044 in 1939, an increase of $380,667 over the 1938 total.
- Surplus funds and special reserves of $13,024,729 show an increase of $1,450,611 from the previous year.
- Dividends to policyholders were increased in 1939 for the third successive year. And it was announced at the annual meeting that unless unforeseen developments arise a further and larger increase will be made in July 1940.

The Canada Life
Assurance Company

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121478

TRAVEL

By LEO COX

THE 1940 motto of the American Express Company is *"Rediscovering the Americas"*. Travel and recreation expenditures by Americans exceeded five billion dollars in 1939—may reach six billion in 1940. Reasons for the expected increase are convincing. The U.S. national income is up two billion dollars over 1938. There is greater leisure due to shorter working hours, the five-day week, more vacations with pay and greater security of wage earners. Finally, transportation facilities have improved immensely—new, streamlined, economical day-coach trains—faster, better motor buses—more speed and safety in air travel. That all this vast travel trade will be concentrated upon the Americas is obvious. Many states are preparing to reap richer harvests from tourists this year. The tourist business in California, for instance, is that state's second largest industry; it brought in $439,000,000 last year.

Canada, with its double-barrelled recreation program—summer and wfnter—has already shown evidence, through the aggressive efforts of the Canadian Travel Bureau that we are planning to get our share of the "See America" movement. Provincial and municipal travel bureaux, resort companies and transportation organizations are putting their best foot forward in a volume of advertising which will reach new high proportions.

Canadian Travel Bureau Reassures Visitors

To offset wild American rumours about difficulties of visiting Canada in wartime, the Canadian Travel Bureau has issued reassuring statements to the press. "No new restrictions have been imposed or are likely to be imposed on the personal entry of tourists from the United States into Canada," a bureau statement said. "In other words," the statement continued, "tourist traffic may flow as freely as heretofore across the border between the United States and Canada, despite the conditions which have been brought about as a result of the war in Europe. Citizens of enemy countries will naturally be subject to restrictions, but these will not affect the movement of tourists from friendly or neutral countries who will continue to be welcomed as they have in the past. In addition, special provision has been made to avoid inconveniences to tourists from the United States in the regulations of the Foreign Exchange Control Board set up by the Canadian Government to regulate transactions in foreign exchange and travel. In the ordinary course of trade, licences for the export or import of goods, currencies and securities must be obtained. In the case of tourists, however, they may bring into or take out of Canada, without licence, their automobiles, personal effects, tourists' outfits, such as cameras, golf clubs, camp equipment, fishing tackle, guns and, in addition, other goods to a value not exceeding $100 in any month. Under the United States tariff regulations, residents of this country returning from Canada may bring back, free of duty, articles of Canadian merchandise up to a

TRAVEL opens new markets, creates new business, intimately concerns all traders. Here is travel news of the month that should be of interest to the Canadian business man

Everything in COMMERCIAL BAGGAGE — McBRINE BAGGAGE — Including BRIEF CASES SALES KITS ETC.

CONVENIENCE FOR *BUSY* MEN!

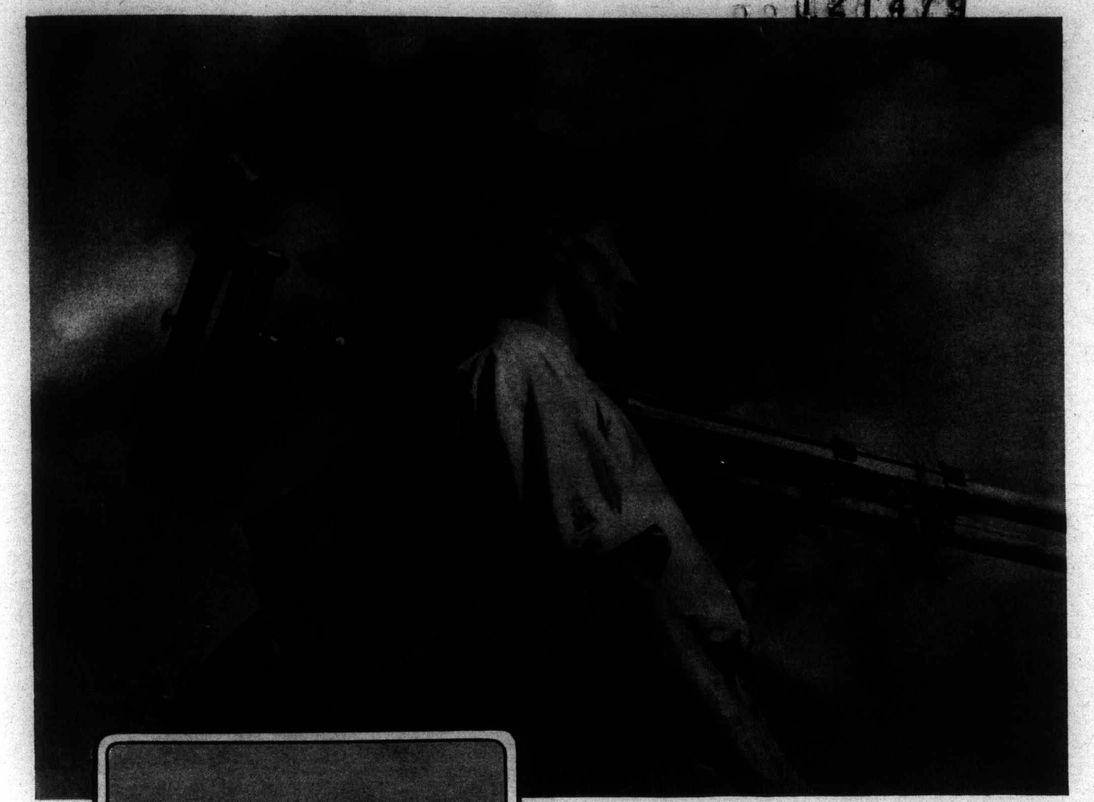
● "By long odds the most practical piece of men's baggage on the market today" say busy executives who have experienced the convenience of travelling with a McBrine Aeropack. One or two suits fold neatly into lid on patented unit while body provides crushless packing for as many shirts and other accessories as you will ever want to take on an ordinary business trip.

McBRINE Baggage

"Z" SPECIAL ORDER WORK

THE L. McBRINE CO. LTD., KITCHENER, ONT.

121479



FRONT-RANK FIGHTER on the HOME FRONT

TODAY, when every resource of Canadian industry is turned to the job of stepping up production to meet emergency demands, the Hydro engineer takes front rank place among those who serve on the "home front".

The power he has created from the waters of the province is more than ever the life-blood of industry and mining. And visualizing the greater power needs of the future, he is hard at work today charting the new developments on which tomorrow's progress will be based.

Thanks to the sound planning and great achievements of Hydro engineering—thanks to the Hydro engineer's alert preparedness to meet new demands and circumstances as they come—industry and mining are assured of power to spare to put Ontario's war effort "over the top" to success.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

GRAY ROCKS INN has them all—every sport, every type of recreation for the Winter vacationist—but above all skiing. The Laurentian terrain lends itself to this outdoor recreation, after the manner of the once popular Austrian Tyrol.

125 miles of trails, fast downhills, gentle slopes, cross country runs—something to give thrills to the most expert, something to suit the beginner.

Ski School under the direction of Hermann Gadner.

But, above all, there is the unparalleled hospitality which has made Gray Rocks so famous—at all seasons of the year.

Plan your Winter vacation now. Begin by writing for the Gray Rocks illustrated folders.

GRAY ROCKS INN
ST. JOVITE - P.Q.

F. H. WHEELER,
Managing Director

value of $100 in personal and household articles and souvenirs, provided they have stayed in Canada at least 48 hours. Further, a tourist may bring into or take out of Canada an amount not exceeding $100 in Canadian, United States or foreign currency or exchange without any permit being necessary."

This statement was widely published in American papers. It is supplemented by a personal message of invitation from the Prime Minister himself.

Cruise Installment Plan

The Grace Line is sponsoring an installment payment plan for its weekly 12-day, $250 Caribbean cruises. Down payment of $25 before sailing time, the rest in ten monthly payments. This novel idea is expected to lure cruise passengers away from the southern beaches. Elmer Davis, CBS News Analyst, broadcasts a mixture of news with contrasting sketches of the balmy Caribbean in a series of something new in radio advertising.

U.S. Liners to Italy

The crack United States liners, *Manhattan* and *Washington*, have been placed on a new regular run. They will operate a passenger and freight service between New York, Genoa and Naples. Withdrawn from their usual North Atlantic route because of the American Neutrality Act, their entry into the Mediterranean is expected to be quite popular. Sailings from New York are fortnightly.

T.W.A.'s Individual Radios

Individual passenger radio speakers, enabling air travellers to hear flight comments direct from pilots in the cockpit and listen to their favourite radio programs, have been installed on DC-3 transports of Transcontinental and Western Air for the first time on any airline. The radio sets are controlled by a master receiving unit operated by the hostess, with individual "Hushatone speakers" that are so small that they can be held in the palm of the hand or fastened under the seat cover. These speakers are plugged into outlets above each seat.

The new "snuggle radios" were developed by TWA radio technicians after more than a year of research in which many problems had to be solved before the first regular broadcast service for passengers was available on an airplane. Designed originally for "entertainment in the sky", the broadcast receiver amplifier was specially developed by TWA engineers so that the pilots could "cut in" on the broadcast program and make announcements directly to the passengers—a service that had been a vision for years.

Rotterdam Scrapped

The well-known Holland-America liner, *Rotterdam*, has been sold for breaking up, closing a 32-year career of useful service. She grossed 24,149 tons and was one of the most successful Atlantic ships in history.

Lightning to Australia

The new U.S. Maritime Commission freighter, *Lightning*—21st in the series of new Commission ships—sailed recently from Philadelphia and New York to enter the American Pioneer Line's service to Brisbane, Sydney, Melbourne and Adelaide. The vessel does 16 knots and is due to make Brisbane in some 26 days; she grosses 7,200 tons.

Non-Stop Air Service to Europe Projected

American Export Airlines has contracted with the Vought Sikorsky Aircraft Company of Stratford, Conn., to begin work on three 58,000-pound flying boats for its proposed non-stop between the United States and Europe. It is expected that the first of the boats will be ready for service by December. Designed by Igor Sikorsky, the boats will cruise at 175 miles an hour and will have accommoda-

SANTA RITA HOTEL, 250 rooms. Tucson's Social Center; Western Atmosphere and Southern Hospitality. Excellent cuisine; Famous dance bands; Polo; Golf. Nick Hall, *Manager*.

A Simple Statement *of the Year's Achievements*

1939

SIGNIFICANT ITEMS FROM THE ANNUAL STATEMENT

1. Insurances and Annuities in Force	$625,556,093
2. New Business Placed	61,657,010
3. Payments to Policyholders & Beneficiaries	16,217,516
4. Assets	167,456,202
5. Surplus, Contingency Reserve & Capital	6,604,774

What These Figures Mean:

1. **Business in force increased by $18,023,123 to a new high total of over $625,000,000. This insurance provides protection to more than one million people — Great-West Life policyholders and their dependents.**
2. **For the fifth successive year a gain in new business was recorded. 18,483 new policies were placed in force during 1939 for a total volume of $61,657,010.**
3. **Since commencing business in 1892 The Great-West Life has paid a total of over $220,000,000 to policyholders and their dependents. In 1939 beneficiaries of 1,334 deceased policyholders received $4,168,983 while living policyholders were paid the sum of $12,048,533—more than $50,000 every working day of the year.**
4. **The assets amounting to $167,456,202 are resources held by the Company to fulfil its obligations to policyholders and their dependents.**
5. **Surplus, Contingency Reserve and Capital provide a substantial fund to meet any contingency that might arise.**

The GREAT-WEST LIFE ASSURANCE COMPANY

Head Office - Winnipeg, Canada

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121482

tions for a crew of eleven, sixteen passengers and a pay load of mail and express. Each will have a wing span of 124 feet, an over-all length of 79 feet 3 inches and a hull beam of 10 feet. They will be powered by 4 Pratt & Whitney engines of 1,200 horsepower each.

As its American base, the American Export Airlines, a subsidiary of American Export Lines, steamship operators, will use LaGuardia Field at North Beach, Queens. It hopes to make its European bases at Foynes, Eire; Southampton, England; Biscarrosse and Marseilles, France, in the belligerent area, and at Lisbon, Portugal; Barcelona, Spain; Rome, Italy, in the neutral area.

Using the Sikorskys, passengers will leave New York early in the morning and reach Rome, 4,815 miles distant by American route, early in the evening of the next day. The line's tentative schedule calls for twenty hours and thirty minutes' flying time for the 3,316-mile trip to Lisbon, five hours and thirty minutes for the 928-mile leg to Barcelona and three hours and twenty minutes for the final lap of 526 miles to Rome, according to Travel Trade.

Norwegian Ship for Rotary

The *Oslofjord*, smart 20,500-ton cruise ship of the Norwegian-America Line, has been chartered to make a special cruise to the Rotary International Convention at Rio de Janeiro from June 9th to 14th this summer. The ship leaves New York on May 25th and returns June 28th.

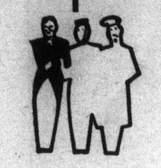
Her sister-ship, *Stavangerfjord*, has been withdrawn from the United States-Norway run due to lack of travel to the Baltic. The company's service between New York and Norway will be maintained by the *Bergensfjord*.

Quebec Dog Derby

The postponed Quebec dog derby —one of the provincial capital's more intriguing winter attractions— is to be held on February 17th, 18th and 19th, replacing the former international race. Laps of thirty miles will be run each day, probably over the international dog derby course. Mont St. Castin's tortuous ski fields promise added interest to February visistors to Quebec.

Frisco Fair to Reopen

The Golden Gate International Exposition will reopen in 1940, from May to September. Twenty-one of the nations which exhibited in the 1939 Fair will exhibit again and some ten or more prospective exhibitors from other countries are considering the matter.



80% of our guests come back!

. . . to greet them on each return is one of the most pleasant features of conducting

THE BERKELEY HOTEL

SHERBROOKE STREET, WEST · MONTREAL

MAURICE CHARTRAND - MANAGER

ADVERTISING

YOUNG MAN, 26, bilingual, college education, with sales promotion experience in New York and Montreal. Available for advertising staff or agency.

CANADIAN BUSINESS
Box 12

SALES PROMOTION

Convenience . . .

The Keynote of

THE BILTMORE

Direct elevator and stairway connections with Grand Central...to all that is best in luxurious comfort, high quality meals and perfect service. To heighten the enjoyment of your visit to New York...stay at The Biltmore.

Single Rooms with Bath, $5 up
Double Rooms with Bath, $8 up · Suites, $12 up

Canadian Funds Accepted at Par for Hotel Services

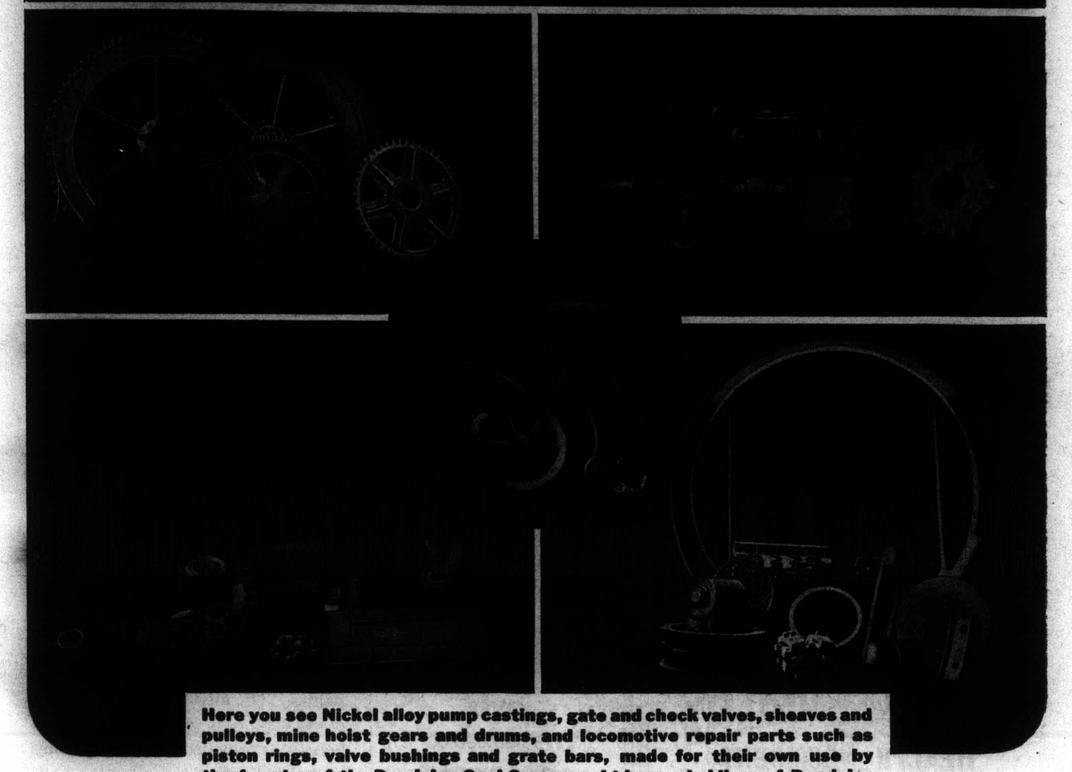
THE BILTMORE

David B. Mulligan, President
MADISON AVENUE AT 43RD STREET, N. Y.

121483

HOW NICKEL CAST IRON SERVES THE DOMINION COAL CO. LIMITED

★



Here you see Nickel alloy pump castings, gate and check valves, sheaves and pulleys, mine hoist gears and drums, and locomotive repair parts such as piston rings, valve bushings and grate bars, made for their own use by the foundry of the Dominion Coal Company, Ltd., a subsidiary of Dominion Steel & Coal Corp'n. Ltd.

On a tough mine tunnel job, one coal company had to replace steel scraper plates every couple of weeks, but plates of Ni-Hard* have lasted a year.

Another example: Liners in a coal pulverizer when made of austenitic work-hardening steel lasted only a few months. But Ni-Hard liners are standing up well after over four years service!

Many other experiences of this company are just as convincing.

*A Nickel Cast Iron, Can. Pat. No. 281,986.

In industry everywhere Nickel Cast Iron is helping to eliminate unnecessary repairs. Correspondence is invited.

NICKEL CAST IRON

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 KING STREET WEST, TORONTO

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121484

Insurance Quiz

"I do not understand why the insurance companies should demand an additional premium for policies issued to soldiers who are going overseas to risk their lives so that our present system—and our insurance companies—may survive. During peacetime, insurance risks must involve the possibility of war. Therefore, when war does develop, why must premiums be raised to meet the materialization of a possibility which always existed?"

This question comes at a most opportune time as it was recently answered by Mr. A. B. Wood of the Sun Life Assurance Company in a recent address.

As you know, the scale of premiums for all life insurance companies is based on a mortality table, derived from the experience of normal times. While the mortality table does not, in itself, provide for the extra hazard of war or other unusual risks, an allowance is made for such adverse contingencies in the construction of gross premiums. In addition, the insurance companies accumulate and maintain substantial reserves for such contingencies.

In peacetime, when the possibility of war is remote, these risks can be undertaken with safety because of the margin included in the gross premiums and because of the contingency reserves maintained by the various companies for such eventualities. But once war has become a reality, an entirely different situation is faced. The insurance companies must take certain precautions.

If, during actual warfare, unconditional policies were freely issued at standard rates, practically every enlisted man would take a substantial amount of insurance. The annual premiums would probably only represent one-quarter of the claims on such policies. An overwhelming proportion of the total new business would thus become subject to war hazards and, if no provision were made for meeting these extra hazards, either by charging suitable extra premiums or by limiting the benefits payable, the very solvency of a company might be threatened. The only condition under which the war hazard could be assumed by life insurance companies at normal rates would be an undertaking by the Government to reimburse the companies for all losses in excess of normal experience. Therefore, to meet these extra risks, a war clause has been inserted in all policies, a description of which has been given in this department in recent months.

It will be observed that this war clause does not by its terms terminate after any stated period, or after the termination of any conflict. At the close of the last war, the war clauses were usually waived as soon as the practice of granting unconditional policies to applicants for new insurance was resumed.

In addition to the war clause, certain other changes in underwriting regulations have been considered necessary in Canada. The largest amount of insurance that will be issued to a member of the active service forces with the privilege of paying an extra premium has been established at $5,000 by most companies. On any amount in excess of $5,000, only the limited death benefit as provided in the war clause is granted. Some companies have discontinued the issue of policies on the term plan at the younger ages. The total disability and double indemnity accident benefits naturally are not granted to enlisted men. Even in times of peace, policies have included a provision that such benefits shall terminate when the assured engages in military, naval or aviation service in time of war.

"Each succeeding generation is only dimly conscious of the progress made by previous generations."—Hon. Charles A. Dunning.

WANTED

Position as sales representative or executive by Montrealer. Fifteen years successful sales, sales promotion and public relations experience. Able to organise or reconstruct; engage, train and inspire salesmen. Good educational, cultural and technical background coupled with courage, enthusiasm, creative thought and vision. Presently engaged in industrial research and surveys. Excellent connections and references. If you prefer, use your advertising agency or other intermediary for interview or write direct to Box 15 Canadian Business, Montreal.

MUTUAL BENEFIT HEALTH AND ACCIDENT ASSOCIATION
HEAD OFFICE FOR CANADA TORONTO

OVER $75,000,000.00 ALREADY PAID IN BENEFITS

Business men and women, gainfully employed, are eligible for protection under our most favorable policies which pay liberal benefits in case of sickness or accident whether for one day or for a lifetime. Our policies offer exceptional advantages and we solicit inquiries regarding particulars.

FOR BUSINESS AND PROFESSIONAL MEN

Write for full particulars without obligation

MUTUAL BENEFIT HEALTH AND ACCIDENT ASS'N
34 KING STREET EAST, TORONTO

121485

NEWS! for secretaries and business executives—

THE NEW *Super-Speed* L C SMITH

Tomorrow's Typewriter...*TODAY!*

This is the finest office typewriter that has ever borne the famous name of L C SMITH. Smart and modern in appearance, complete and efficient in every working detail, sound and strong in design and construction . . . this new "Super-Speed" L C SMITH is indeed "a secretary's dream come true"! Be sure to see it.

L C SMITH & CORONA TYPEWRITERS OF CANADA LTD., 37 FRONT ST. EAST, TORONTO
New booklet on request. Branches and Dealers Throughout Canada

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121486

70th Year of Public Service

Year 1939

Surplus Earned in 1939 (*All for Policyholders*)	**$ 4,765,000**
Total Payments in 1939 to Policyholders and Beneficiaries	**$ 15,130,000**
New Assurances Paid for in 1939 (*Excluding Annuities and Revivals*)	**$ 45,525,000**
Total Assurances in Force at End of Year	**$572,110,000**
Total Assets at End of Year	**$187,635,000**

Combined Profit and Loss and Surplus Account

Revenue Basis

For Year Ending December 31st, 1939

SURPLUS FUNDS at December 31st, 1938, consisting of:			
General Investment Reserve		$ 2,000,000.00	
Policy Reserve Adjustment Fund		1,500,000.00	
Free Surplus for Contingencies		5,772,909.02	
		$ 9,272,909.02	
*Deduct amount transferred, as of December 31st, 1939, from Policy Reserve Adjustment Fund to Actuarial Reserve		1,394,592.00	
			$ 7,878,317.02
INCOME			
Premiums for Insurance	$16,933,335.88		
Consideration for Annuities	1,232,796.56		
Interest, Dividends and Rents (after provision for possible future losses)	8,130,715.72		
Consideration for Settlement Annuities arising out of assurance policies	470,492.28		
Policy Proceeds, Dividends and Other Amounts left with the Company	3,981,327.16		
Net Profit on Sale of Ledger Assets and Exchange	31,309.69		
		$30,779,977.29	
EXPENDITURES			
Under Policy Contracts:			
Death and Disability Claims	$ 3,819,644.48		
Matured Endowments and Surrender Values	7,524,452.57		
Annuities	424,910.80		
Policy Proceeds, Dividends and Other Amounts withdrawn	2,530,104.94		
	$14,299,112.79		
Taxes and Licenses	334,551.65		
General Expenses	3,097,388.73		
Net Amount by which Ledger Assets were written down	669,242.00		
	$18,400,295.17		
RESERVES			
Increase in Actuarial Reserves and amounts left with the Company	$ 9,009,087.26		
*Deduct amount transferred from Policy Reserve Adjustment Fund	1,394,592.00		
	7,614,495.26		
		$26,014,790.43	
SURPLUS EARNINGS FOR YEAR		$ 4,765,186.86	
SPECIAL CHARGES:			
Increase in Specific Reserve against loss of principal on mortgages and Sale Agreements	$ 260,241.15		
Transferred to Staff Pension Fund	205,130.00		
		$ 465,371.15	
NET AMOUNT TRANSFERRED TO SURPLUS FUNDS			$ 4,299,815.71
Total			$12,178,132.73
Deduct:			
Surplus Paid or Allotted to Policyholders			$ 3,360,634.24
SURPLUS FUNDS at December 31st, 1939, consisting of:			
General Investment Reserve		$ 2,500,000.00	
Free Surplus for Contingencies		6,317,498.49	
			$ 8,817,498.49

*This fund has been accumulated over the past five years to place the entire policy and annuity reserves on a 3% basis

MUTUAL LIFE

Assurance Company OF CANADA

HEAD OFFICE *Established 1869* **WATERLOO, ONT.**

121487

Why Management's Acceptance of New Sales Responsibilities Means NEW SALES OPPORTUNITIES

(*Continued from page 25*)

No mechanic is required to work without tools, and few of them are required to build their own. Why should a salesman in the field, hundreds of miles from headquarters, be comparatively less well-equipped for his work than the mechanic back in the factory?

Field Research

Traditional management never bothered with research, believing that the salesman needed few facts, and what he needed, he could dig out for himself, just as he could build his own sales tools.

Modern sales management, on the other hand, insists on knowing. One large and exceedingly successful firm, using scientific management methods in its sales work, catalogues the name and address of every possible prospect in the country. They assign each prospect a rating based upon his potential buying power, as calculated from the previous year's purchase of their type of product. With these unit facts as a basis, it is easy to calculate the total market potential of each salesman's territory.

Properly organized field studies reveal new applications for products, new types of possible buyers. One field research, for example, uncovered the fact that of the thousands of prospects sent into dealer's stores as a result of a 2-million dollar advertising campaign, on the average 60% were being switched to one or more competitive brands without any real effort on the part of the dealer to effect a sale of the advertiser's product.

Electric refrigerator makers had long advertised their bigger-size, higher-priced refrigerators in class publications to the wealthy white-tie-and-tails trade. Field studies, which followed the big-capacity refrigerators into the homes of their purchasers, revealed that the buyers were not the wealthy Park Avenueites, but extra-large families in the lower-income brackets. As a result, the class advertising of large size refrigerators was revamped to appeal to the correct income levels.

Modern sales management insists upon knowing the relative effectiveness of various sales appeals. New appeals or new combinations are tested by selected men in a limited territory; when they have been proved, these appeals are relayed to all the salesmen through the continuation training program so that a continual improvement is always in process. Aside from its primary value in improving the salesmen's effectiveness, this freshening of sales material accomplishes a great deal in building salesmen's morale. Always a part of any sales appeals study is the consideration of recurrent sales objections and resistances. These uncovered, new and more effective ways of handling

FOR more than seventy years this company has been preparing bonds for Canadian municipalities. It is better equipped than at any time in its history to serve municipal needs whether large or small.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

The Old Canadian Company • Established 1866

511 Place d'Armes MONTREAL | HEAD OFFICE: OTTAWA 262 Wellington Street | 1110 Montreal Trust Bldg. TORONTO

HOWARD W. PILLOW *President* | CHARLES G. COWAN *Vice-Pres. & Man. Dir.* | G. HAROLD BURLAND *Sec.-Treas.*

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L2 1488

Glo-ri-ous, Simply Glo-ri-ous

One Telephone between the Four of us . . .

"Is that the tune your staff sings 'out of school'?"

You owe it to them and to your business to have adequate telephone service to take care of your normal traffic. Each key employee should have a Telephone on his own desk. Our local manager will be glad to check your telephone requirements without obligation.

THE BELL TELEPHONE COMPANY OF CANADA — LONG DISTANCE TELEPHONE

1880 1940

60 YEARS OF PUBLIC SERVICE

them are developed, tried out and sent on to the men in the field.

Under this "laboratory" sales policy, the best ideas and the most successful methods of the top-notchers become the universal procedure for all. Contrast this with old-day methods where sales methods were the well-kept secrets of the individual salesmen, and where management, knowing next to nothing about how to sell its own product, was constantly at the mercy of the salesmen in the field.

The sales laboratory provides management with tested methods which it can pass on to the men with complete confidence. The first of the "new duties" which Taylor's method of scientific management laid upon management was that of developing "a science for each element of a man's work, which replaces the old rule-of-thumb method." The sales laboratory provides sales management with the means for developing and testing the elements of scientific selling before presenting them to the field salesmen.

This sales laboratory need not be a separate department, or even a separate man. It may be merely a function, carried on by the sales executives with their other tasks. But if its importance as a function is recognized, its benefits will be realized.

Internal Sales Analysis

The analytical study of internal sales facts and figures offers very great opportunities for improvement in sales operations. No sales department should be run without an adequate field reporting system or without a carefully planned and continuous study of all sales figures.

Sales analysis gives the sales manager of today recaps of the figure facts of sales, cross-analyzed to reveal every fact of management value. These include summaries of costs and profits and analyses of each individual salesman's production, expense records, sales of profitable and unprofitable lines, and detailed studies of the component elements of sales costs. Out of these figure studies, accurate sales quotas

L2 1489

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

and budgets are built, and standards are arrived at. These standards provide handy yardsticks for measuring sales effort, sales production, and sales costs. As an aid to planning and as a tool of sales control, sales analysis is one of the indispensable functions of sales management.

For example, a dairy and poultry feed manufacturer had been assigning quotas on the rule-of-thumb basis of a vertical increase over last year's results. After a study, we pointed out the rather obvious flaw in this plan that it took no scientific notice of the differences in the market *opportunity* of the various territories. Fortunately, reliable data were available on which a market opportunity study could be based. Completed, this analysis revealed that not a single quota figure established by the traditional method represented the correct percentage of volume for the territory. As a result, the quota figures were revised to reflect the more scientific findings of the market opportunity study. Of still more importance, the salesmen thereafter were judged, not on tonnage alone, but on the kind of job done in relation to the territorial opportunity.

In another company, the first sales analysis recaps of salesmen's reports showed that 137 commission salesmen were producing only 54 man-months of work per month. The figure was unbelievable, but nevertheless unassailable. The company's major problem was immediately revealed to be — getting effort! Gradually, the man-months of effort were increased as shown by the following tabulation of the effort figures during the following six months:

Month	*No. Men*	*No. Man-Months Work*	*Effort Rating*	** Increase in Volume**
July.....	137	54.00	39.4%	32.4%
August.....	128	55.48	43.3%	32.7%
September.	128	61.28	47.9%	69.6%
October....	119	78.57	66.0%	20.7%
November.	115	84.77	73.7%	31.2%
December.	114	86.88	76.2%	48.7%

*Increase over same month in previous year.

The percentage of increase in volume shown in the last right-hand column proves that the improvement in effort has a dramatic and substantial effect on volume.

Without sales analysis studies, the important facts out of which this increase in volume was developed would never have become known. They would have remained buried in a mass of unanalysed reports.

Stimulating Salesmen to Peak Performance

To get out of salesmen the greatest continuous effort of which they are reasonably capable, three sales management essentials must be present:

(1) Able human leadership,
(2) Extra pay for extra work,
(3) Competition with others.

The most valuable contribution to able sales management is successful human leadership which only the right individual can supply. This requires inspiration, consideration, discipline. Fairness in giving a man the benefit of the doubt in a borderline situation; refraining from "riding" him in a pinch; small acts of personal friendliness and sympathy which establish a bond of friendly feeling between men and manager—this constant procession of little things, hard to describe and difficult to define, constitutes the best possible stimulus for salesmen —and the modern manager uses these incentives liberally.

The Taylor principle of extra-pay-for-extra-work is applied with splendid results by the modern sales manager. Where the old-type

THE OLDEST
INSURANCE OFFICE
IN THE WORLD

SUN INSURANCE OFFICE LTD.
FOUNDED 1710
FIRE AND CASUALTY

Robert Lynch Stalling, Mgr. for Canada
TORONTO

EVERYONE NEEDS THE SUN

Try Convido Port

BOTTLED IN PORTUGAL
SINCE 1670

CONVIDO, the noblest of Ports, has been preferred by connoisseurs the world over for many generations. Bottled by the same firm, Warre & Co., of Oporto, since 1670. Aged for 30 years or more in wood, Convido attains the peak of perfection in body, aroma and mellow flavour.

Ask for Convido Port at government stores, hotels, and clubs.

Convido is aged for 30 years in wood before being bottled

FARGO TRUCKS

Climbing to new Sales Heights on Reliable, Economical Performance

SUCH STEADILY GROWING POPULARITY MUST BE DESERVED!

CANADIAN Truck Buyers are turning more and more to FARGO — as evidenced by the sales chart to the right! During the past four years FARGO has more than doubled its percentage of the total truck business in Canada!

This highly gratifying increase in FARGO Sales can be accounted for in two ways. First—the soundness of FARGO'S basic Chrysler-Engineered design, and second, FARGO'S reliable and economical performance under all manner of heavy hauling and fast delivery requirements.

Six engines (including Diesel) and a wide range of chassis, wheelbases, frames, clutches, spring combinations, transmissions and rear axles permit your Chrysler-Plymouth-Fargo dealer to furnish you with a FARGO truck to suit *your particular job!*

The 1940 FARGO line of Trucks covers 95% of all hauling and delivery needs. The range includes Cab-over-engine; 3-ton Dual Purpose Trucks; 3-ton Diesel Heavy Duty models and a wide variety of wheelbases and models in ½-ton, ¾-1-ton, 1½-ton and 2-ton models.

See your nearest Chrysler-Plymouth-Fargo dealer right away!

Each bar in the above chart represents the percentage of the total truck business in Canada which Fargo gained for that particular year. 1939 percentage of the business (*first 11 mos.) was more than double that of 1936.

Phone or write your Chrysler-Plymouth-Fargo dealer for the big, new 96-page Fargo Manual, illustrating the complete FARGO line of Trucks for 1940!

CHECK and COMPARE YOUR LOCAL DELIVERED PRICES!

BUILT IN CANADA BY CHRYSLER

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121492

sales management resisted all forms of special sales compensation as likely to add to the cost of selling, the modern sales director uses special payment plans, as Taylor did, to reduce the unit cost, to build morale and to keep the sales force in a happier state of mind.

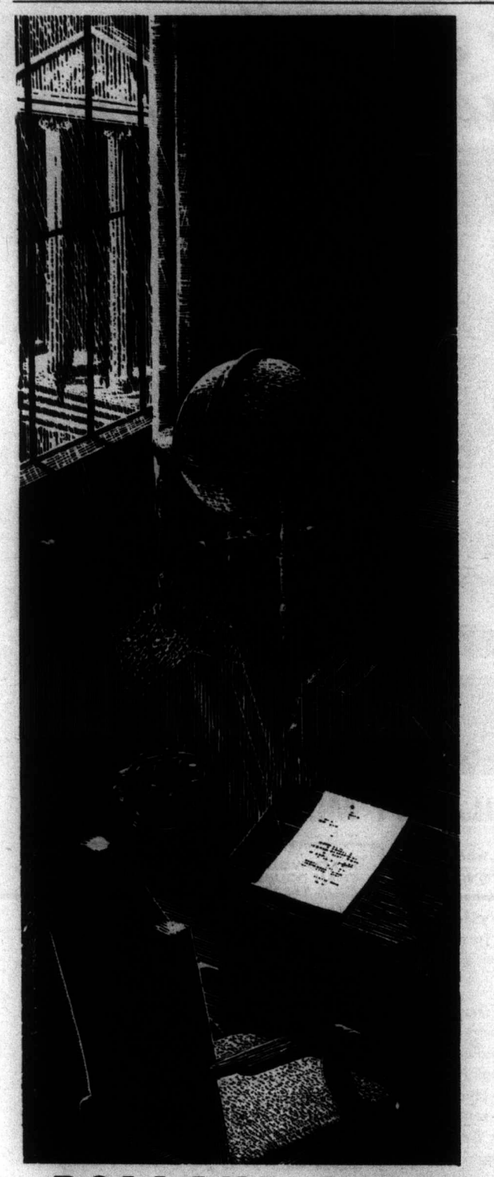
The basic human habit or failing which makes special stimulation a necessity was never better stated than by Taylor, who said, "There is no question that the tendency of the average man (in all walks of life) is toward working at a slow, easy gait, and that it is only after a good deal of thought and observation on his part or as a result of example, conscience, or external pressure that he takes a more rapid pace."

Astute sales managers use all of the incentives mentioned by Taylor —they rely upon example, prod the conscience of the guilty, and press the indolent or careless. The sales contest or competition is usually the vehicle by means of which these ends are accomplished. The tactics, however, are frequently changed. One contest will have a straight volume objective; another will reward men for those intermediate steps which inevitably lead to volume—such as calls, presentations, demonstrations, etc. Still another contest will pit two well-matched groups, one against the other, in which case the groups themselves often put up some "side bets" as prizes to heighten interest. Later contests will reward men for pushing slow-moving lines, for reclaiming lost customers, for driving hard on new items, for signing up the largest number of outlets, for selling the complete line, for making early morning or after-supper calls, for the best showing in off-the-main-line sales, for reducing expenses over all or in some special classification.

Whatever the human weak spots in the sales organization, whatever the bad habits the sales manager wishes to correct or the new habits he wishes to inculcate, he finds that the persistent use of incentives and rewards will do much to accomplish any legitimate management end.

Competition with others in the man's own division or branch may be put into the plan for the monthly sales contest. Variations in this competitive angle may be introduced by having high men in each branch compete with each other; dividing up the men in each branch or division into teams which compete with one another or having competitions between branches.

The more permanent forms of personal competition may include Hundred Point Clubs, Top Notcher's Clubs and many forms of special honour groups.



SUPERFINE

In all the realm of fine paper there is none more beautiful in texture, more distinguished in character and more crisply impressive than Superfine Linen Record, "Canada's Finest Bond".

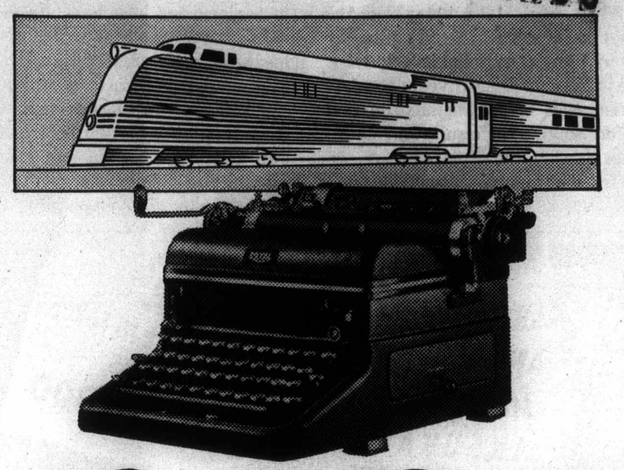
It has become the accepted stationery of large corporations . . . the safeguard of millions that are locked in the careful words of deeds, contracts, conveyances, policies and other legal instruments that will affect the lives and fortunes of unborn generations.

SUPERFINE
LINEN RECORD

is a 100% clean, new-rag paper. Specify this superfine bond to your printer, lithographer or engraver.

ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers Since 1882
MONTREAL
Branch Office: TORONTO, Ont.
Mills at ST. JEROME & MONT ROLLAND, Que.

121493



So Beautiful—So Practical

MAGIC MARGIN
A click and it's set!

TOUCH CONTROL*
Adaptable to finger pressure!

*TRADE MARK

● If you thrill to the graceful, flowing lines of a modern high-speed train . . . if you appreciate streamlined beauty combined with practical utility—then you will choose the new Royal in preference to any other typewriter.

For, once again, Royal sets a pace in typewriter design that is years in advance of today. Only Royal gives you MAGIC MARGIN . . . eliminating the old, awkward method of setting margins by hand . . . permitting a typist to *individualize* each letter . . . quickly . . . simply . . almost automatically!

Royal's sensational improvement, TOUCH CONTROL, enables the operator to adjust key tension easily and quickly . . . Royal's SHIFT FREEDOM means that she does not have to lift the heavy carriage every time she strikes a capital letter or a figure. The type segment moves instead!

Any Royal dealer will arrange a desk test in your own office . . . without obligation.

Only ROYAL has MAGIC* MARGIN

ROYAL
TRADE MARK

Made in Canada — by Canadians — for Canadians
FACTORY and HEAD OFFICE: 7035 PARK AVE., MONTREAL
DEALERS IN ALL PRINCIPAL CITIES 94

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121494

To make stimulation efforts most effective, the men must get the record of their performance as frequently and promptly as possible. "Where do I stand today?" is the first question asked each morning by every contestant. If he can't find out, he loses some of his drive for the day. Wise sales managers make special effort to give the results and standings quickly and often.

In the factory, inspection and supervision are set up on an almost continuous basis to discover and correct errors as promptly as possible. This avoids waste of both labour and materials. Compare the factory worker who is confined to close quarters, and by the nature of his work is automatically under a considerable measure of indirect supervision, with the salesman who is away from headquarters, on his own responsibility and under only intermittent observation.

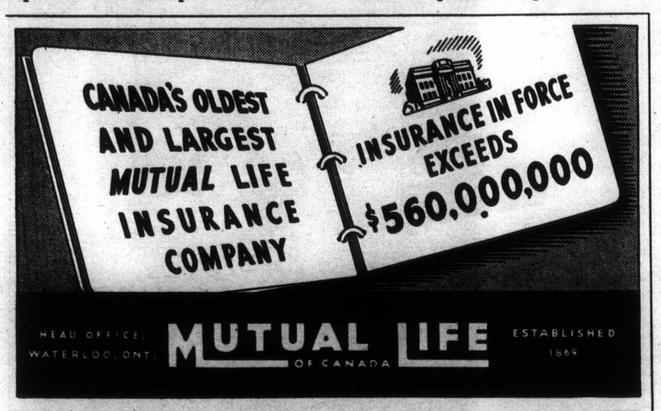
The comparison emphasizes the reason why supervision of salesmen in the field receives much attention from the up-to-date sales manager.

Taylor, it will be remembered, found most manufacturing plants to be grossly under-officered from the point of view of utilizing the principles of scientific management. Even in the more modern sales departments, this criticism still is pertinent. In most companies, the field force is too loosely, too remotely and too infrequently contacted and supervised even by a second—or third-string executive. Modern management recognizes that salesmen require more or less field supervision, depending upon several factors, including the type of product, the compensation plan, the size of the territory, the geographical density of the calls, and the types of buyers and prospects.

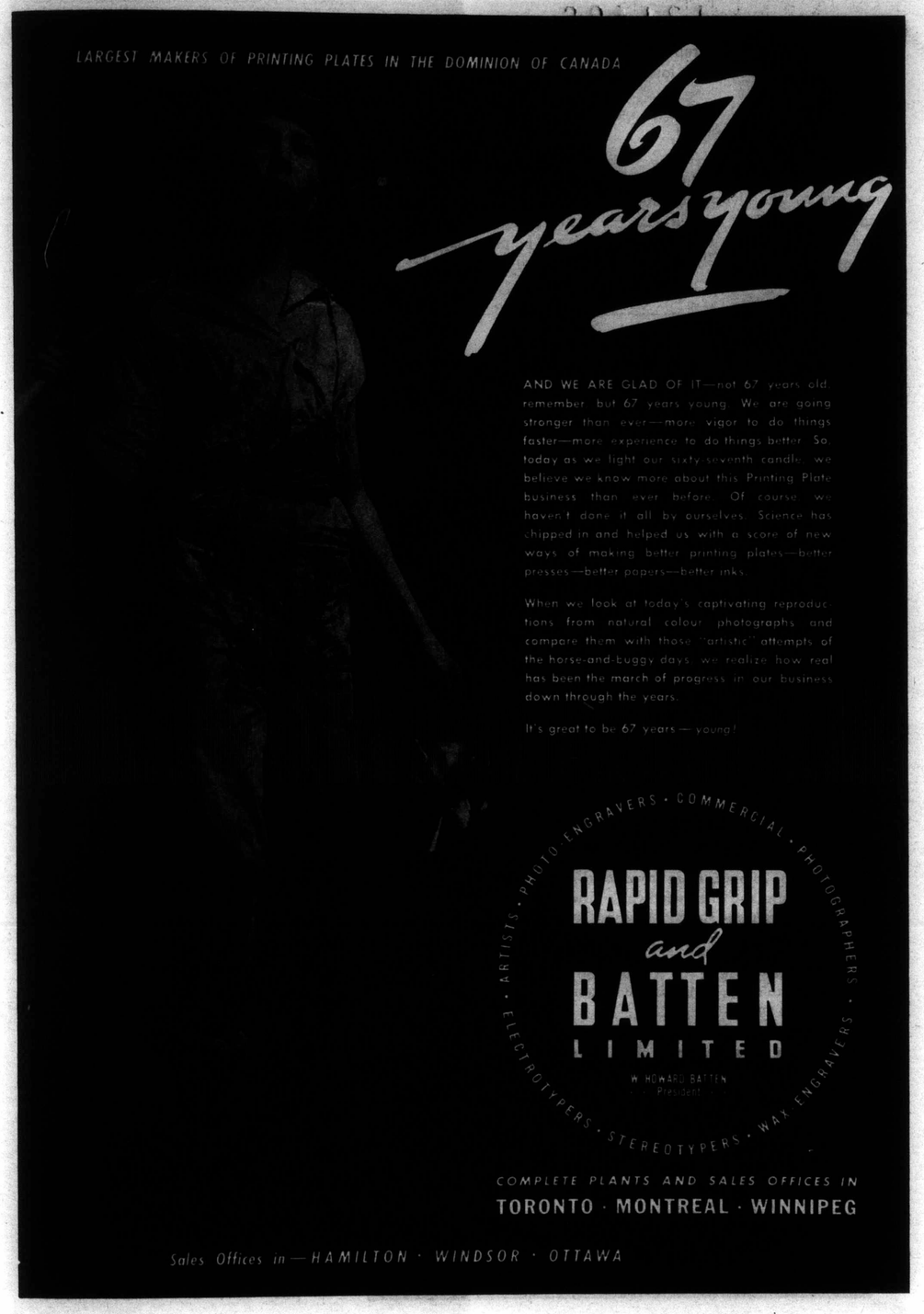
A house-to-house crew selling books, aluminum ware, vacuum sweepers, refrigerators, hosiery or brushes—to mention some well-known types—need the close supervision of a block man having not more than seven men under him. In fact, he will often get better results, as modern management has discovered, if he is required to supervise no more than three to five men. This close supervision does not increase, but actually decreases, the unit cost of selling.

Today's management requires that the typical field supervisor be part sales coach, part manager, part inspector. He represents management when in the field, and, when he returns to his office, he represents the men to the management. The field supervisor helps the salesman on tough calls, brings him news of new methods—other men's successful ways—serves, in short, as a sort of "human house organ." In behalf of management, the field supervisor checks the salesman's habits; inspects his equipment, including his samples, demonstrators, and his sales manual; observes his attitude toward his customers and toward the company, and helps him to adjust complaints and render service.

Field supervisors make regular reports of the findings, daily summary reports if their daily work is



121495



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021496

divided amongst several men, individual man or situation reports if they work with one man for longer periods.

Advertising and Sales Promotion

The modern sales department knows how to use advertising, how to manage it, and how to deal with the advertising agency to get the most from its services. The sales manager, in many organizations, is quite rightly the overlord of the advertising function, even though he has under him a competent advertising manager who is a thorough technican and detail man.

Advertising, from the sales manager's point of view, is best defined as a process of mass pre-selling. From the salesman's point of view: "Advertising is the salesman's partner. It helps to separate the prospects from the suspects; it informs the sincere; it breaks through indifference and aids in developing latent wants. It predisposes the prospect in favour of the salesman's product and his house, and lightens the labour of his job."

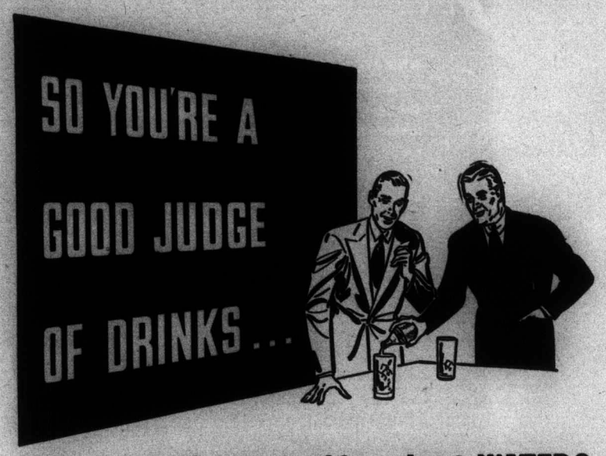
The sales promotion activity is under the closest scrutiny of sales management. Mailings, bulletins to prospects, the consumer house organ, letters in advance of salesmen, and letters to follow up their calls, office co-operation on proposals, submits, etc.—all these activities are closely tied into modern sales management.

In fact, as pointed out in the introduction, modern management leaves only one major task for the salesman—that of face-to-face presentation of the sales story, which we call here canvass and presentation. In this activity, it aids the salesman through training to acquire right habits of work, it co-operates with him so that he shall become a better self-manager, and it aids him to make accurate and meaningful reports about his activities. But the one job which management does not undertake is that of personally contacting the prospects and buyers whose dollar constitutes the *pièce de résistance* of the whole selling process.

In other words, this new-day management employs, compensates, trains, equips, plans the market strategy, devises the sales appeals, stimulates the men to greatest effort, supervises their activities, supplies them with advertising on a large scale and with sales promotion and co-operative office effort—and, although spending three or four times as much money on the overhead or management end of selling, it buys its sales in much greater volume at much less unit cost than did the old-style management where the salesmen did everything but hire and pay themselves.

It spends extra money on management — yes — but experience shows it more profitable in the long run to have money spent by able men in management than to have it wasted in the field by men who are not operating efficiently.

Modernizing of sales and sales management practices in any company need not be an expensive



but do you know anything about WATER?

Don't risk the delicacy and flavour of a long tall drink to carbonated tap water. Ask for Canada Dry's Sparkling Water.

Here's the difference: Canada Dry treats the water not just once but *three times* for purity. Then it's *alkalized* for your health. Next comes the famous "Pin-point" carbonation that gives Canada Dry's Sparkling Water millions of smaller *bubbles*, zest and sparkle that will last for 24 hours *in an opened bottle!*

The result (and that's what you're after) is a distinctive club soda with a *Champagne* sparkle, one that enhances and points up the subtle undertones, gives you a drink that's as zestful at the *bottom* as at the top.

Try it today... and you'll like it. Be thrifty, *buy* the new, easy-to-carry, handy home carton of three large family-size bottles.

CANADA DRY'S
SPARKLING WATER

THE CLUB SODA WITH THE LONGER-LASTING *Champagne* SPARKLE

Listen to Canada Dry's new radio hit
"INFORMATION, PLEASE!"

1939 A BUSY YEAR FOR THE IMPERIAL LIFE

Over $6,400,000 paid to living policyholders	AN INCREASE
Over $2,300,000 paid to beneficiaries due to Death Claims	AN INCREASE
Reserve for Policies and Annuities, over $72,350,000	AN INCREASE
Surplus Funds, over $6,500,000	AN INCREASE
Income from Premiums and Interest, over $14,000,000	AN INCREASE
Total Assets, over $91,500,000	AN INCREASE

In spite of the disturbance and uncertainties caused by the outbreak of war, new policies paid for and policies revived during the year amounted to $24,733,728, thereby increasing the Company's total assurance in force to $299,597,666.

The Imperial Life provides for all liabilities to policyholders on a more stringent basis than Government standard and takes credit for the value of its securities at an amount considerably under their market value. The Company also provides additional security to its policyholders through its surplus funds of over $6,500,000, a contingency reserve of $1,000,000 and a paid-up capital of $1,000,000.

A complete copy of the Annual Report will be mailed to you on request.

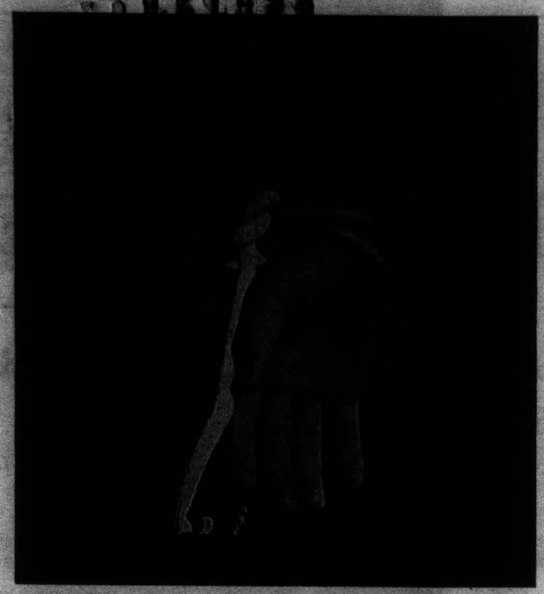
THE IMPERIAL LIFE
ASSURANCE COMPANY OF CANADA

FOUNDED 1897 HEAD OFFICE, TORONTO, ONT.

Branches and agents in all important centres

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



HANDICAPPED

The handicap imposed on workers by bad illumination is a major one. For the prompt and accurate transmission of comprehensive messages, the brain relies on the eye, as sight surpasses all the other four senses combined. The basis of profit in any plant is maximum efficiency and the basis of maximum efficiency is CORRECT LIGHTING. Insure profitable production. Have your illumination checked NOW by our nearest lighting specialist. No obligation.

ILLUMINATION DIVISION 21-815R

Northern Electric

A NATIONAL ELECTRICAL SERVICE

process. In the end, of course, it not only should cost nothing—it pays a profit.

In the beginning, such a sales modernization program need not involve even the employment of a single extra person. Some slight additional costs are likely to be involved temporarily, but these are absorbed before long and later returned as profits—plus.

And the process need not be revolutionary or upsetting in any way. The best results in any such program are accomplished by evolution—which allows the human elements to adjust themselves to new methods and practices. Only lethargy, indifference, ignorance and carelessness need to be disturbed—and even this can be accomplished so painlessly that those involved will hardly be conscious of the change.

Results—profitable results—are almost as certain as sunrise. The potentials are so great in the manpower comprising a sizeable sales force that the business man can almost certainly count on increases of ten per cent and upwards in volume without increasing his unit cost of selling.

The first requirement for real accomplishment in this direction is a state of open-mindedness. The second need is a state of "noble discontent," a dissatisfaction with present results and present practices. Self-satisfied executives seldom expose themselves to profitable improvement.

Heads of some companies will say, "We're doing all this now!" That, of course, is one of the most dangerous symptoms of self-satisfaction. The answer is—"You only *think* you are!"

The best sales betterment results we have ever witnessed came from companies who were already "doing everything." Why? Because they had the machinery for sales success—they only needed to be shown how to use it effectively. The company which is nearest to quick and profitable results from a sales modernization program is that outfit which is already "doing everything they can!"

ASSETS

CURRENT

Cash on Hand and in Banks		$ 176,329.21
Accounts and Bills Receivable		1,961,272.90
Loans and Advances, less Reserve		322,454.28
		UNLIMITED
Inventories of Finished Products	$1,842,321.56	
Inventories of Raw Materials	2,431,921.24	
		4,274,242.80
		$ 6,734,299.19

DEFERRED CHARGES

Insurance, Taxes and Prepaid E

P

INV

Se

PRO

Off

Ma

Buil

Land

TRADE

,129.66

279.12

1.62

0.00

.59

YOUR MOST VALUABLE ASSET DOES NOT APPEAR ON YOUR BALANCE SHEET

"Deprive us of our physical assets, take away our surplus and reserves, our bank balances, even our offices and furniture, but leave us our trained employees and, in a few years, we would have all the rest back again."

This statement was made by the vice-president of a world-famous corporation. It is no exaggeration. A staff of trained, loyal, contented employees is any company's most valuable asset, and one without which lasting success in any field is impossible.

Cooperation with industry to assure a future supply of trained men—from apprentices to high executives—has been a feature of I.C.S. service for more than forty years. Over 2300 companies and 285 railroads utilize I.C.S. training. These companies cooperate by SELECTION, in order that the right employees shall be enrolled; by COORDINATION, that the student employee may combine technical training with his occupation; and by ENCOURAGEMENT, that those who are striving for improvement may be stimulated to complete their courses.

Your employee does not look to you to pay for his technical training—he is fully prepared to do that. But he does look to you for advice, guidance and cooperation. Let us send you a monograph, "Training for Industry", which describes a simple, adaptable and efficient plan of cooperative training.

INTERNATIONAL CORRESPONDENCE SCHOOLS CANADIAN, LIMITED, MONTREAL

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121500

G.H.Q.

for Business in Toronto

• The popularity of the facilities provided by the Royal York with Toronto businessmen and visitors makes this great hotel a general headquarters for business in Toronto.

• The bedrooms and suites in the Royal York, each with telephone, tub, shower and radio loudspeaker, provide comfort and privacy, in addition to the convenience of being in the centre of the business section of the city. Rooms are $4. a day and up; residential rates for permanent guests.

• Businessmen entertain and lunch regularly at the Royal York. The cuisine is unexcelled for quality, and its restaurants and services satisfy every requirement. Luncheon and dinner in the Imperial Room with concert orchestra, and in the moderate-priced Venetian Cafe. Appetizing snacks at all hours in the Sandwich Shop. Numerous private dining-rooms.

• Conference facilities for small staff meetings or the largest conventions, are the finest on this continent. On the one Convention Floor are three immense halls, all air-conditioned, capable of seating a total of 4,350 persons. Numerous committee rooms. Whatever accommodation you need can be arranged through the complete facilities on this unique Convention Floor and the services of an experienced Convention Manager.

• Relaxation is provided also in this great hotel. Nightly supper dance with Horace Lapp and his famous orchestra of funmakers, in the Imperial Room. For large gatherings using the Convention Floor, sound motion-picture equipment, Casavant organ, fully equipped stage.

Write or telephone WA. 2511 for reservations.

THE ROYAL YORK TOROTNO

A CANADIAN PACIFIC HOTEL

"Always Carry Canadian Pacific Express Travellers' Cheques . . . Good the World Over"

CANADIAN BUSINESS

Advertisers in This Issue

{ February 1940 }

ADDRESSOGRAPH - MULTIGRAPH OF CANADA LTD. 64
Agency—J. J. Gibbons Ltd.
ALGOMA STEEL CORPORATION LTD. 1
Agency—Walsh Advertising Co. Ltd.
ALL-CANADA RADIO FACILITIES LTD. 79
Agency—J. Walter Thompson Co. Ltd.
AMALGAMATED ELECTRIC CORP. LTD. .....Inside Back Cover
Agency—Ronalds Advert'ng Agency Ltd.
AMES & COMPANY, A. E. 65
Agency—J. J. Gibbons Ltd.
BANK OF NOVA SCOTIA, THE 86
Agency—Clarke E. Locke Ltd.
BANK OF TORONTO 82
Agency—McConnell, Eastman & Co. Ltd.
BANQUE CANADIENNE NATIONALE. 113
Agency—A. McKim Ltd.
BELL TELEPHONE CO. OF CANADA, THE 100
Agency—Cockfield, Brown & Co. Ltd.
BERKELEY HOTEL 94
Agency—The F. H. Hayhurst Co. Ltd.
BILTMORE HOTEL 94
Agency—Kelly, Nason Inc.
BOILER INSPECTION & INSURANCE CO. OF CANADA LTD., THE 5
Agency—A. McKim Ltd.
BRITISH AMERICAN BANK NOTE CO. LTD. 99
Agency—A. McKim Ltd.
BURROUGHS ADDING MACHINE CO. LTD. 17
Agency—MacLaren Advertising Co. Ltd.
CANADA DRY GINGER ALE LTD. 108
Agency—J. M. Mathes Inc.
CANADA INGOT IRON COMPANY 75
Agency—A. McKim Ltd.
CANADA LIFE ASSURANCE COMPANY 89
Agency—J. J. Gibbons Ltd.
CANADIAN BANK NOTE CO. LTD. ... 88
Agency—Tandy Advertising Agency Ltd.
CANADIAN BREWERIES LTD.
(Cosgrave's) 6
(O'Keefe's) .....Outside Back Cover
Agency—A. McKim Ltd.
CANADIAN INDUSTRIES LIMITED (Cellophane Division) 13
Agency—McConnell, Eastman & Co. Ltd.
CANADIAN JOHNS-MANVILLE CO. LTD. 67
Agency—MacLaren Advertising Co. Ltd.
CHRYSLER CORPORATION OF CANADA LTD.
(Dodge) 60
(Fargo) 103
Agency—Walsh Advertising Co. Ltd.
CROWN LIFE INSURANCE COMPANY. 115
Agency—J. J. Gibbons Ltd.
DICTAPHONE CORPORATION LTD. .. 58
Agency—Cockfield, Brown & Co. Ltd.
DISTILLERS CO. OF CANADA LTD... 10
Agency—Lord & Thomas of Canada Ltd.
DISTILLERS CORPORATION LTD. ... 72
Agency—Vickers & Benson Ltd.
DOMINION BRIDGE COMPANY 73
Agency—A. McKim Ltd.
DOMINION ENGINEERING CO. LTD. .. 14
Agency—Cockfield, Brown & Co. Ltd.
DOMINION SECURITIES CORP. LTD. 11
Agency—Cockfield, Brown & Co. Ltd.
EAGLE PENCIL CO. LTD. 74
Agency—A. McKim Ltd.
EDISON OF CANADA LTD., THOS. A. 76
Agency—Ronalds Advert'ng Agency Ltd.
ENGLISH ELECTRIC CO. OF CANADA LTD. 3
Agency—Ferres Advertising Service
FEDERAL MOTOR TRUCK COMPANY.. 71
Agency—Grace & Bement Inc.
FELT & TARRANT MFG. CO. 8
Agency—N. W. Ayer & Son of Can. Ltd.
FORD MOTOR CO. OF CANADA LTD... 7
Agency—N. W. Ayer & Son of Can. Ltd.
GENERAL MOTORS PRODUCTS OF CANADA LTD.
(McLaughlin-Buick) 63
Agency—MacLaren Advertising Co. Ltd.
GLOBE ENVELOPES LIMITED 61
Agency—Ellis Advertising Company
GRAY ROCKS INN 92
Agency—J. J. Gibbons Ltd.
GREAT-WEST LIFE ASSURANCE CO. 93
Agency—Cockfield, Brown & Co. Ltd.
GUTTA PERCHA & RUBBER LIMITED 81
Agency—A. McKim Ltd.
HARWOOD, G. W. (Conviée Port Wine) 102
Agency—J. J. Gibbons Ltd.
HYDRO ELECTRIC POWER COMMISSION OF ONTARIO 91
Agency—MacLaren Advertising Co. Ltd.
IMPERIAL LIFE ASSURANCE CO. 109
Agency—J. J. Gibbons Ltd.
IMPERIAL TOBACCO SALES CO. OF CANADA LTD.
(Gold Flake Cigarettes) 57
(House of Lords Cigars) 4
Agency—A. McKim Ltd.
INDUSTRIAL ACCEPTANCE CORP. LTD. 2
Agency—Ronalds Advert'ng Agency Ltd.
INSURANCE CO. OF NORTH AMERICA 75
INTERNATIONAL CORRESPONDENCE SCHOOLS LTD. 111
Agency—A. McKim Ltd.
INTERNATIONAL HARVESTER CO. OF CANADA LTD. .....Inside Front Cover
Agency—Aubrey, Moore & Wallace Inc.
INTERNATIONAL NICKEL CO. OF CANADA LTD. 95
Agency—Cockfield, Brown & Co. Ltd.
LONDON LIFE INSURANCE COMPANY 12
Agency—McConnell, Eastman & Co. Ltd.
MANUFACTURERS LIFE INSURANCE COMPANY, THE 66
Agency—The Baker Adv. Agency Ltd.
McBRINE COMPANY LIMITED, THE L. 90
Agency—The Ferres Advertising Service
METROPOLITAN LIFE INSURANCE CO. 53
Agency—A. McKim Ltd.
MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION 96
Agency—The F. H. Hayhurst Co. Ltd.
MUTUAL LIFE ASSURANCE CO. OF CANADA 106
Agency—R. C. Smith & Son Ltd.
MUTUAL LIFE ASSURANCE CO. OF CANADA (Annual Report) 98
Agency—J. Walter Thompson Co. Ltd.
NATIONAL BREWERIES LTD. (Dew).. 105
Agency—Ronalds Advert'ng Agency Ltd.
NATIONAL LIFE ASSURANCE CO. OF CANADA 78
Agency—McConnell, Eastman & Co. Ltd.
NORTH AMERICAN LIFE ASSURANCE COMPANY 9
Agency—Cockfield, Brown & Co. Ltd.
NORTHERN ELECTRIC CO. LTD. 110
Agency—Cockfield, Brown & Co. Ltd.
OFFICE SPECIALTY MFG. CO. LTD. .. 116
PROVINCIAL PAPER LIMITED 77
Agency—Ronalds Advert'ng Agency Ltd.
RAPID GRIP & BATTEN LIMITED.... 107
REMINGTON RAND LIMITED 87
Agency—Leeford Advert'ng Agency Inc.
ROBINSON, C. E. (Rebintex) 84
ROLLAND PAPER CO. LTD. 104
Agency—Cockfield, Brown & Co. Ltd.
ROYAL BANK OF CANADA 68
Agency—The Financial Advertising Co. of Canada Ltd.
ROYAL TYPEWRITER CO. LTD., THE. 105
Agency—A. McKim Ltd.
ROYAL YORK HOTEL 112
Agency—A. McKim Ltd.
SANTA RITA HOTEL 92
SMITH PAPER MILLS LTD., HOWARD 85
Agency—Norris-Patterson Ltd.
SMITH & CORONA TYPEWRITERS OF CANADA LTD., L. C. 97
Agency—The F. H. Hayhurst Co. Ltd.
SOUTH AFRICAN GOVERNMENT (Wines) 114
Agency—A. McKim Ltd.
SUN INSURANCE OFFICE LTD. 102
Agency—The F. H. Hayhurst Co. Ltd.
TANQUERAY, GORDON & CO. LTD. (Gordon's Gin) 65
Agency—Willing's Press Service Ltd.
TORONTO INDUSTRIAL COMMISSION 84
Agency—J. J. Gibbons Ltd.
WOOD, GUNDY & CO. LTD. 11
Agency—Thornton Purkis
WRAY & NEPHEW LTD., J. 106

121501

BANQUE CANADIENNE NATIONALE

Condition as of 30th November, 1939

LIABILITIES

To the public:

Notes in circulation	$ 4,865,789.00
Deposits	144,591,764.34
Miscellaneous	854,364.07
	$150,311,917.41

To the shareholders:

Capital, Rest, Dividends and unallocated Profits	12,392,921.88
	$162,704,839.29

ASSETS

Cash Assets	$ 23,285,861.11
Securities (At less than market prices)	62,399,893.19
Call Loans (Secured by Collateral of ample marketable value)	4,628,476.60
Loans and Discounts and Advances to Provinces and Municipalities (After providing for doubtful debts)	63,566,326.94
Premises, Mortgages and Miscellaneous (At less than cost or value)	8,824,281.45
	$162,704,839.29

PROFIT AND LOSS ACCOUNT

Credit balance, November 30, 1938			$ 240,265.01
Profits for the year ending November 30, 1939		$1,032,518.51	
Less:			
Provision for federal and provincial taxes	$ 189,334.00		
Pension fund	60,000.00	249,334.40	783,184.11
		Total	$ 1,023,449.12

Allocated as follows:

Dividends	$ 560,000.00
Written off Bank premises	90,000.00
Province of Quebec (14 George V, Ch. 3)	125,000.00
Credit balance, November 30, 1939	248,449.12
	$ 1,023,449.12

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

SOUTH AFRICAN WINES

BRANDY
•
PAARL TAWNY
(PORT)
•
SHERRY
•

These South African Wines have won world wide popularity for purity and excellence of quality. Characterized by a distinctive flavour and bouquet they compare favourably with higher priced non-Empire wines and, owing to favourable inter - Empire tariffs, their cost is surprisingly moderate.

•

PRODUCED WITHIN THE EMPIRE

Trends of Canadian Business

Basis of Indices where quoted; Monthly Average 1926 = 100

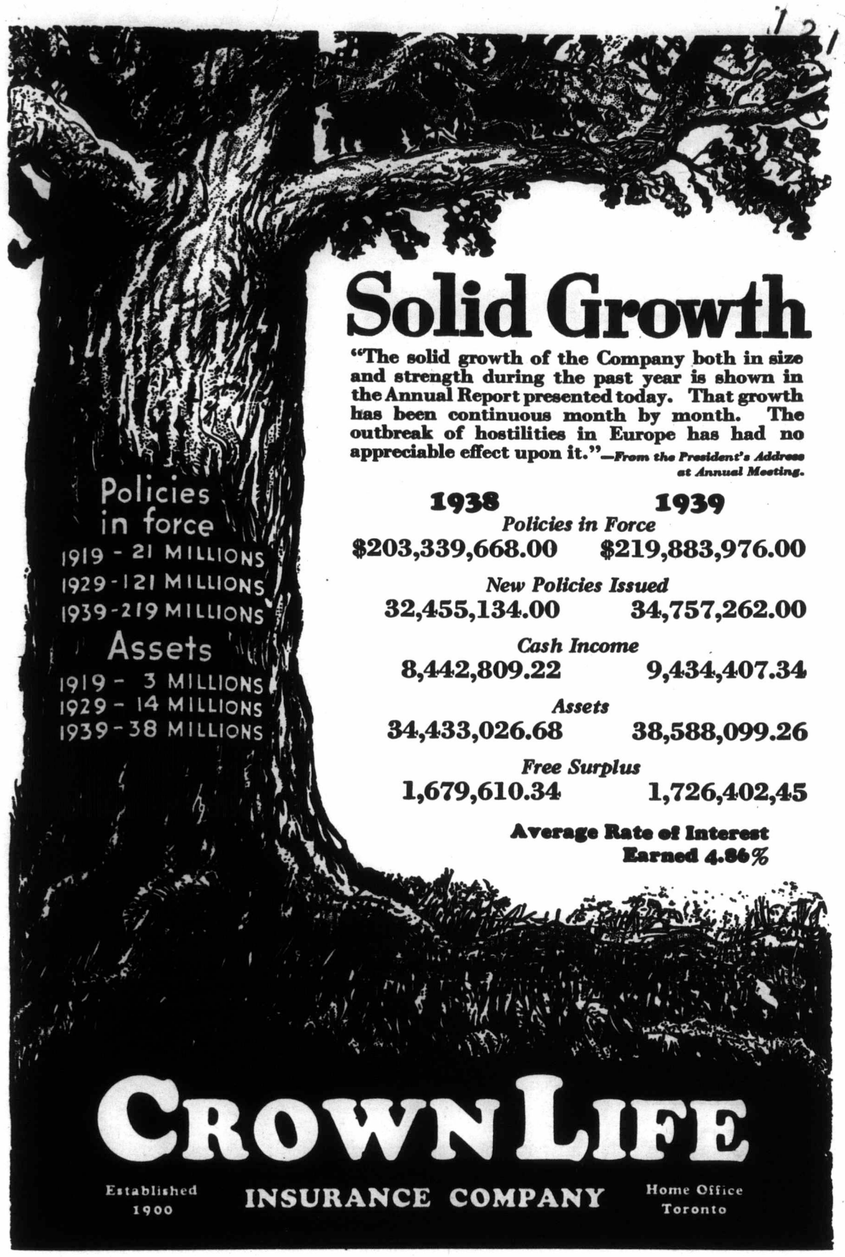
		Latest Month		Preceding Month	
		1939	1938	1939	1938
General Index of Canadian Business Activity (Our own preliminary)*	Dec.	103.5*	93.1	101.0	95.9
FINANCE					
Stock Prices—95 Common	Dec.	101.2	106.8	103.6	110.4
Stock Prices—68 Industrials	"	165.3	179.4	171.9	184.9
Stock Prices—19 Utilities	"	45.7	44.0	44.7	46.2
Stock Prices—25 Mines	"	142.4	159.0	144.7	159.6
Interest Rates	"	68.8	61.8	69.0	61.5
Shares Traded (000):					
Industrials (Montreal and Toronto)	"	1,049	977	1,163	1,375
Mines (Montreal and Toronto)	"	10,417	14,850	8,731	13,628
Bank Debits ($000,000)	"	3,057	2,906	2,930	2,965
Bank Deposits ($000,000)	Dec. 30th	2,594	2,394	2,601	2,405
Call Loans, Canada ($000,000)	"	52.8	64.8	55.5	63.9
Call Loans, Abroad ($000,000)	"	48.6	50.8	45.3	47.9
Current Loans, Canada ($000,000)	"	960.2	806.0	972.7	837.0
PRODUCTION					
Pig Iron (tons)	Dec.	94,620	53,709	87,822	46,216
Steel (tons)	"	150,062	77,809	147,182	90,120
Newsprint (000 tons)	"	240.6	209.7	288.7	245.2
Automobiles (No.)	"	16,978	18,670	16,756	17,992
Copper Exports ($000)	"	3,505	4,497	5,600	5,742
Nickel Exports ($000)	"	4,187	2,781	5,115	5,647
Electric Energy (Million Kw. Hrs.)	"	2,535	2,353	2,607	2,375
TRADE					
Employment in Trade	Jan. 1st	149.9†	144.8	144.7	139.7
Exports ($000)	Dec.	101,022	68,888	97,163	85,979
Imports ($000)	"	——	——	84,561	63,304
Carloadings (Merchandise L.C.L. 000 Cars)	"	50.8	51.1	56.8	54.7
Total Grain and Livestock Marketings	Nov.	151.1	101.6	96.5	145.6
EMPLOYMENT (All Industries)	Jan. 1st	116.2†	108.1	122.7	114.0
CAR LOADINGS (000 Cars)	Dec.	199.8	178.3	249.3	219.2
PRICE INDICES					
Retail (Prices, Rents and Services)	Dec.	85.5	83.6	85.0	83.8
Wholesale	"	81.7	73.3	80.3	73.5
COMMODITY PRICES					
Wheat No. 1 Northern (Dollars per Bushel)	Dec.	.824	.606	.705	.590
Oats No. 2 C.W. (Dollars per Bushel)	"	.388	.284	.323	.282
Copper, Electrolytic, Domestic (Dollars per cwt.)	"	11.150	10.848	11.150	11.414
Iron and Products	"	102.0	98.1	101.9	98.2
Textiles and Products	"	81.6	66.2	79.0	66.4
Wood and Products	"	85.1	76.2	84.6	76.3
CONSTRUCTION					
Contracts Awarded (Value, $000)	Dec.	9,429	10,523	12,739	15,020
Contracts Awarded (No.)	"	1,519	1,327	2,320	2,628
Cost of Building and Construction Materials	"	94.2	87.3	93.2	87.5
TRANSPORTATION					
Railway Earnings, Gross ($000)	"	32,601	26,972	36,022	29,815

†January 1st, 1940

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121503



Solid Growth

"The solid growth of the Company both in size and strength during the past year is shown in the Annual Report presented today. That growth has been continuous month by month. The outbreak of hostilities in Europe has had no appreciable effect upon it." —*From the President's Address at Annual Meeting.*

	1938	1939
Policies in Force	$203,339,668.00	$219,883,976.00
New Policies Issued	32,455,134.00	34,757,262.00
Cash Income	8,442,809.22	9,434,407.34
Assets	34,433,026.68	38,588,099.26
Free Surplus	1,679,610.34	1,726,402,45

Average Rate of Interest Earned 4.86%

CROWN LIFE

Established 1900 — INSURANCE COMPANY — Home Office Toronto

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121504

PROTECT
what you cannot
INSURE!

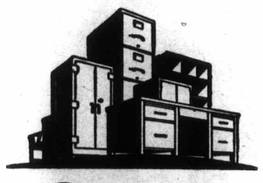
SECURITIES, certificates, contracts, essential in carrying on your business, deserve the greatest possible protection. Have you considered what the loss by fire of just routine office records of orders, accounts, merchandise, would mean to you?

Don't rely too much on that "hand-me-down" safe you may now be using. The chances are its protection has *expired*. Neglect may mean irreparable loss. Write us today for details on our complete line of fire and burglary resisting safes, chests, vault doors.

Play SAFE! Get *Permanent Protection!*

• • •

SAFES . . . CHESTS . . . VAULT DOORS
Certified Fire and Burglary Resisting by Underwriters

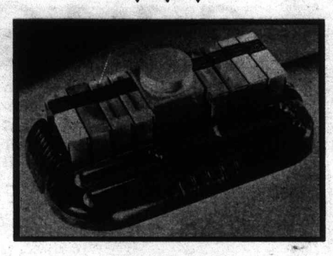


THE OFFICE SPECIALTY MFG. CO. LIMITED
NEWMARKET, CANADA
Branches in Principal Canadian Cities

THE OFFICE

FOR secretaries, there is a new desk which combines typewriter pedestal and desk. The typewriter pedestal and stationery rack slide out from one pedestal of the desk leaving the desk top clear for work. It is available in several sizes from 36″ to 60″.

▼ ▼ ▼



"Handidesk Set"

THE Dennison Manufacturing Co. has placed a new Handidesk Set on the market. Smart in appearance, the Set has a base of moulded plastic which holds 8 book boxes of items for the executive or office worker. The ink bottle is of coloured glass and the base is offered in either a black or walnut finish.

▼ ▼ ▼

A NOVEL copyholder for typists is mounted on lazy tongs which are swung from the side or back of the desk to leave the desk top clear. This DEX copyholder, a product of the Dex Manufacturing Company, is completely adjustable so that the holder may receive the best light.

▼ ▼ ▼

A NEW perforating machine known as the No. 29 has been introduced by The American Perforator Company. New in design and mechanical construction, this compact, streamlined device, which weighs 21 pounds is 4½ inches wide and 15 inches long, has a cast aluminum cover.

The forward action handle, needle roller bearings, and internal return spring, etc. are said to increase the speed and ease of operation.

The machine is said to be the only one of its kind with a removable and interchangeable die-block. Approximately 35 characters besides the changeable dates can be perforated.

THE Morriset Pen-Ink Unit has a self-filling pen with a stainless steel, easily replaceable point and a non-flooding glass reservoir built in the attractive plastic well. This Unit is made by the Bert M. Morris Company.

▼ ▼ ▼

A NEW desk memo pad and perpetual calendar, the No. 301 "Steward", has been announced by Finch and McCulloch. The cover is made of fabricated leather and may be obtained either in ivory or brown. The front cover, embossed and two-toned, contains an opening which frames a perpetual calendar—removable for adjustment to the current month. The calendar is protected from dust by a celluloid window. Inside the cover is a space for important telephone numbers. The lower cover is fitted with a pocket arrangement into which a memo pad can be inserted.

▼ ▼ ▼

"Dictatype"

THE Dictatype, a product of Dictatype Co., Inc., is a machine designed to do in the field of shorthand what the typewriter has done for longhand. It has a compact, twenty-key keyboard with two keys for each finger and thumb. Its actual size is 8¼ inches square and it weighs 4½ pounds. It has been demonstrated that one can learn to operate the Dictatype at 125 words per minute in less than 150 hours of practice.

M. E. F.

Kindly address all pertinent information or enquiries to "The Office", CANADIAN BUSINESS, 530 Board of Trade Bldg., Montreal. CANADIAN BUSINESS will be pleased to procure any of the items mentioned in "The Office" for the interested reader.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121505

A New Development in Industrial Lighting!

FLUORESCENT LIGHTING UNITS *by* AMALGAMATED ELECTRIC

IN step with the newest in lighting, these sturdy, good-looking, efficient Porcelain Enamel Units are designed for use with the revolutionary Fluorescent Lamps. Proved in Amalgamated Electric's rigid routine of testing; proved in actual use in leading Canadian industrial plants (see cut); these new Lighting Units present plenty of opportunities to step up industrial lighting. The new Amalgamated Electric Fluorescent Lighting Units are now available for prompt shipment throughout Canada. For detailed information, write or wire *today* to any of the addresses listed below.

(Inset) Lighting efficiency *steps up* with the installation of Amalgamated Electric Fluorescent Lighting Units. Maintenance costs *go down* because of the sturdy, simple, efficient design of these new-type units. Replacements are made easily and quickly. Positive contact is assured by a quick quarter-turn of the lamp. Single, Twin and Three Light Units are now available.

•

(Above) High intensity lighting at low cost is provided in this modern "inspection department" of a large Canadian manufacturer. The even distribution of *cool, glare-free* light is achieved by using Twin Fluorescent Units in the three centre rows, Single Fluorescent Units for the two outside rows. Details of this and other outstanding Canadian installations are available upon request.

Amalgamated Electric Corporation Limited

TORONTO - MONTREAL

Langley Electric Manufacturing Co. Ltd., Winnipeg

Langley Electrical Co. Ltd., Calgary

Langley Manufacturing Co. Ltd., Vancouver

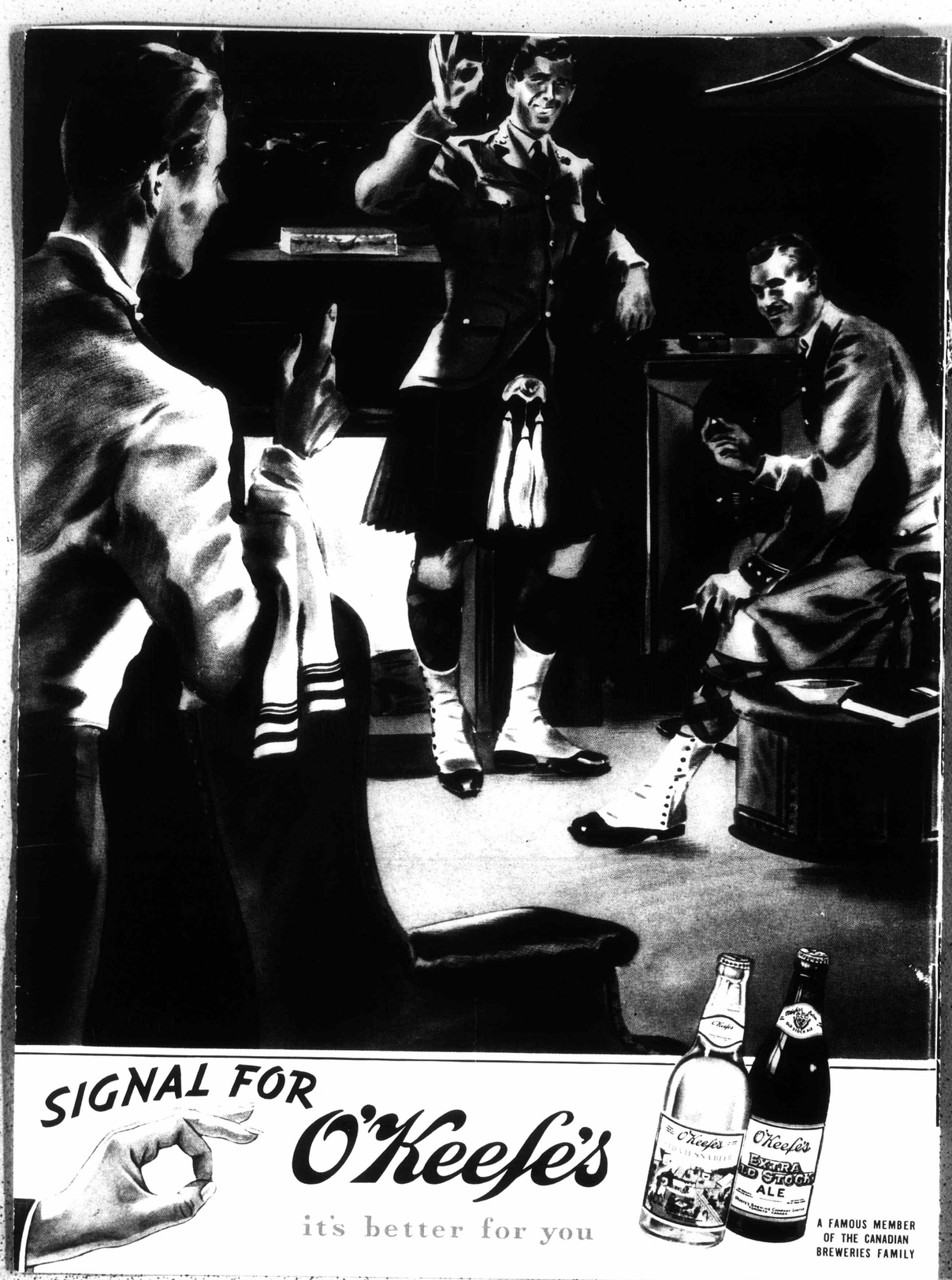
MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES

ARCHIVES PUBLIQUES

CANADA

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA



MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121507

CABLES "SAMUEL" TORONTO

TELEPHONES
ADELAIDE 2447

468 KING STREET WEST
TORONTO 2, CANADA

May 30th, 1940.

Right Honourable Senator Arthur Meighen,
320 Bay Street,
Toronto, 2.

Dear Sir,

Following conversation of today, I contacted Hamilton manufacturers by telephone but felt that personal talks would be more satisfactory. To ascertain the exact information requested by you, I am visiting Hamilton Friday, May 31st, and will communicate further immediately on my return.

Sincerely yours,

Norman Samuel.
Norman Samuel.

NMS/AW.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121508

Ottawa,
June 4, 1940.

Mr. Norman M. Samuel,
407 Walmer Road,
Toronto, Ont.

Dear Mr. Samuel:

Thanks very much for your letter of 1st and particularly for the enclosure.

No doubt you could be useful in the capacity which you have in mind, but I know from experience there is nothing I can do to help you get placed in that way.

I quite realize, as you do, that the mere promising of contingents means very little, or nothing at all, insofar as the present crisis is concerned. One has to translate himself a year ahead, or nearly that, when one considers their importance.

I am very grateful to you for the work you have done, and will remember it on any occasion when I can be of help.

Yours sincerely,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121509

NORMAN M. SAMUEL
407 WALMER ROAD
TORONTO 10
CABLES:-"FERRO, TORONTO."

June 1-1940

Rt. Hon. Arthur Meighen, Senator
Ottawa, Canada.

Dear Sir:-

My regiment, the Queen's Own Rifles, is slated for the third division and we will be mobilized within a few days.

As we have no equipment I think that much time may elapse before we can take any active part in the war.

I am a steel engineer

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121510

and well qualified to assist in many phases of the re-armament programme. I think I would be of more value to Canada designing and purchasing military equipment than drilling in camp awaiting that equipment

Needless to add that my services are at the disposal of Ottawa without charge.

Having received my various memoranda you will be in a position to judge my capabilities. If you have any ideas as to what I should do please advise.

Of course I realize that you personally have no connection

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121511

with the appointments in the Ordnance dept.

Please keep this letter confidential and oblige

Very truly yours

Norman Samuel.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C215002

#11

320 Bay Street, Toronto,
June 10, 1940.

Mr. Norman Samuel,
468 King St. West,
Toronto, Ont.

Dear Mr. Samuel:

I have yours of 7th. I will see if I can locate any way to get your name before the authorities who decide those who go to England. I would think, though, the manufacturers have their own representatives and the Government will have its representative, and if anyone gets in outside of that, he will be someone they want to advance or help. However, I will certainly make enquiries.

Yours very truly,

AM/E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121513

TELEPHONES
ADELAIDE 2447

CABLES "SAMUEL" TORONTO

468 KING STREET WEST
TORONTO 2, CANADA

June 7th, 1940.

Ottawa

Rt. Hon. Arthur Meighen, Senator,
Ottawa, Ont.

Dear Sir:-

From reports in newspapers I am much pleased to note that Dr. Bruce was able to make use of my No. 7 memorandum. It is gratifying to feel that our efforts may result in eventual equipment of Canadian forces with proper tank equipment thereby increasing their efficiency and reducing casualties.

It is noted that Canada is sending a delegation to England with the object of examining a new tank and studying the possibility of manufacturing same in Canada. Without wishing to blow my own horn unduly, I feel that my presence on this delegation could be of value. I am qualified in an engineering sense, have extensive detailed knowledge of the potentialities and capacities of leading Canadian industrial plants, and have studied exhaustively the problem of tank manufacture.

In face of a military situation of most grave and critical nature, perhaps the authorities might consider supplementing the usual channels of appointment by adding myself to the party as a non-partisan expert. I would be glad to serve without salary, but would need expenses in view of the magnitude of the trip.

From your recent letter I realize clearly that you cannot be personally responsible for appointments of this nature. However, for the good of the common cause you might possibly see your way clear to recommend a preliminary interview to the necessary authorities at Ottawa. If added to this delegation I could be of service to Canada in production of tanks; in addition there is the secondary consideration that I would be in a position to provide information to members of the Conservative Party who evidently are kept in the dark as far as possible by the party in power regarding matters not properly of a secret nature.

The memorandum regarding aircraft engines is now taking form, and I expect to be able to mail same tomorrow.

Sincerely yours,

Norman Samuel.

Norman Samuel.

NS:ML

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

#11

121514

June 11th, 1940.

Rt. Hon. Arthur Meighen, Senator,
Ottawa,
Canada.

Dear Sir:-

Reports received to-day from reliable quarters state that arrangements are being rapidly completed for manufacture of American type aeroplane engines in Canada. If carried to completion this will relieve the condition deplored in previous memorandum.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

1215

May 18th, 1940.

CANADA AT WAR.

1. After eight months of war effort conducted at the present leisurely pace, there is in the Dominion of Canada not one modern military aeroplane, tank, naval vessel or gun. Three quarters of the Canadian Pre-War Army is not yet mobilized. Those who have been called up have no arms, no ammunition, no equipment, and none of the varied paraphernalia vital to the conduct of modern warfare. The single Division which Canada has sent to England is still training with the worn out weapons left over from the war of 1918, and some of their equipment was actually used in the Boer War.

2. It is true that the Canadian Government has let many contracts for munitions. Except for a few incomplete articles, no deliveries have as yet been made nor will any deliveries be made within a reasonable time based on present policy. Many of these contracts have "joker" clauses such as whereby the contractor for certain equipment will be excused from making some vital part, and the Government will make no attempt to procure this vital part elsewhere. This means that partially incomplete equipment is ultimately delivered but cannot be used on account of the missing part.

3. Fifth column agents are rampant at Ottawa; they are well financed and act boldly. No attempt has been made to round up enemy aliens in the country, and they are carrying on their subversive activities with only spasmodic interference from the authorities. Germany has in United States hundred of millions of dollars for which she cannot find other employment. These funds are used to finance men in key positions in Canada in the same way as they did in various European Countries before the recent invasions.

4. Canada is serving the Empire only as a supplier of raw materials. We are furnishing food, lumber, metals and minerals, but our vast manufacturing facilities have been virtually immobilized. Fifth column activities find fertile field in the Canadian Civil Service at Ottawa. The Government itself is apathetic and the lack of enthusiasm permeates downward throughout all departments. In such an atmosphere it is not difficult for a few skilful enemy agents amply financed to bring activities to a complete standstill. Supplies for the army are purchased through the ordnance headquarters; this department is at an advanced stage of senility. Many of the important posts are held by men who were too old to serve in the last war; their outlook is centered on the distant past, and they have no conception of modern warfare, and many of them never had any engineering training. The task of procuring modern equipment for the Canadian Army with all urgency is entrusted to these men, 60, 70 and even 80 years of age.

5. Some Canadian factories have been given contracts for disconnected parts of various types, but no completed equipment is being delivered. Canadian aircraft plants are producing some types of aircraft, but without motors. The Canadian Chrysler plants could produce these motors but they have no orders. The John Inglis Co. is manufacturing Bren guns, but there are being produced none of the tripods on which these guns must be mounted. The Coulter Mfg.Co. has contracts for gas masks, but the vital filter is missing. A Quebec Foundry has orders for 25 pr.gun How., but certain vital parts for the sighting of these guns are said to be missing.

6. The Dominion Foundries & Steel Co. of Hamilton could manufacture as many as 500 heavy battle tanks per month; these are most urgently needed by the allied armies. The General Electric Co. could commence immediately turning out large quantities of anti-tank guns which are certainly needed more than toasters and refrigerators. The General Steel Wares could make prompt deliveries of field kitchens, water carriers, etc., of which the Canadian armies have urgent need. The General Motors Corp. could be making aircraft engines of all types instead of deluxe Chevrolets. The Page Hersey Co. is ideally equipped to manufacture trench mortars which are most urgently needed by the British force. The Canadian industries could be producing anti-tank mines. These companies have no orders.

7. Massey-Harris Co. and the Canadian Car & Foundry Co. have orders for shells. These shells are being shipped to England. Canada does not buy shells because she has no guns from which to fire them.

8. The department at Ottawa asks; how do these people vote? What jobs will they provide for our friends? What contribution will they make to party funds? When it is found that these companies will not play the game, orders are withheld. To "play the game" in this sense means to contribute enough to already swollen party funds to outbid the well financed fifth column aliens.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121516

CANADA AT WAR.

9. The remedy is (a) to convince the Government that a more urgent effort is necessary (b) to divorce ordnance purchases from Politics, (c) to replace all key positions in the Ordnance Department with men under 55 years of age, employing only qualified engineers with successful records in civil occupations, plus a certain amount of army experience (d) to place orders for army equipment with first-class companies with prompt deliveries as the only consideration (e) to mobilize and commence training of all existing units of the Canadian Army.

10. With respect to the Empire Air Training scheme, it is at a complete standstill. It was hoped by the British that we would commence immediately turning out trained pilots at the rate of 10,000 per year, and groundmen etc. at the rate of about 50,000 per year. The present rate of activity is less than 5% of the required number, and is so small as to be useless to the Empire. Huge sums of money have been expropriated and are being spent to provide offices, jobs and contracts, for friends of the Government. No doubt this condition is inevitable in a Democracy, but what is needed too is training of pilots and this has been forgotten.

11. Altogether Canada's failure to help the Mother Country in the present crisis is complete. Remember, gentlemen, Canada has not one modern gun, tank, aeroplane or vessel, nor one solider on a war footing; nor are these forthcoming under existing conditions. Are there in Canada any citizens loyal enough or British enough to take action?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

1215 May 18th, 1940.

CANADA AT WAR.

1. After eight months of war effort conducted at the present leisurely pace, there is in the Dominion of Canada not one modern military aeroplane, tank, naval vessel or gun. Three quarters of the Canadian Pre-War Army is not yet mobilized. Those who have been called up have no arms, no ammunition no equipment, and none of the varied paraphernalia vital to the conduct of modern warfare. The single Division which Canada has sent to England is still training with the worn out weapons left over from the war of 1918, and some of their equipment was actually used in the Boer War.

2. It is true that the Canadian Government has let many contracts for munitions. Except for a few incomplete articles, no deliveries have as yet been made nor will any deliveries be made within a reasonable time based on present policy. Many of these contracts have "joker" clauses such as whereby the contractor for certain equipment will be excused from making some vital part, and the Government will make no attempt to procure this vital part elsewhere. This means that partially incomplete equipment is ultimately delivered but cannot be used on account of the missing part.

3. Fifth column agents are rampant at Ottawa; they are well financed and act boldly. No attempt has been made to round up enemy aliens in the country, and they are carrying on their subversive activities with only spasmodic interference from the authorities. Germany has in United States hundred of millions of dollars for which she cannot find other employment. These funds are used to finance men in key positions in Canada in the same way as they did in various European Countries before the recent invasions.

4. Canada is serving the Empire only as a supplier of raw materials. We are furnishing food, lumber, metals and minerals, but our vast manufacturing facilities have been virtually immobilized. Fifth column activities find fertile field in the Canadian Civil Service at Ottawa. The Government itself is apathetic and the lack of enthusiasm permeates downward throughout all departments. In such an atmosphere it is not difficult for a few skilful enemy agents amply financed to bring activities to a complete standstill. Supplies for the army are purchased through the ordnance headquarter: this department is at an advanced stage of senility. Many of the important posts are held by men who were too old to serve in the last war; their outlook is centered on the distant past, and they have no conception of modern warfare, and many of them never had any engineering training. The task of procuring modern equipment for the Canadian Army with all urgency is entrusted to these men, 60, 70 and even 80 years of age.

5. Some Canadian factories have been given contracts for disconnected parts of various types, but no completed equipment is being delivered. Canadian aircraft plants are producing some types of aircraft, but without motors. The Canadian Chrysler plants could produce these motors but they have no orders. The John Inglis Co. is manufacturing Bren guns, but there are being produced none of the tripods on which these guns must be mounted. The Coulter Mfg.Co. has contracts for gas masks, but the vital filter is missing. A Quebec Foundry has orders for 25 pr.gun How., but certain vital parts for the sighting of these guns are said to be missing.

6. The Dominion Foundries & Steel Co. of Hamilton could manufacture a many as 500 heavy battle tanks per month; these are most urgently needed by the allied armies. The General Electric Co. could commence immediately turning out large quantities of anti-tank guns which are certainly needed more than toasters and refrigerators. The General Steel Wares could make prompt deliveries of field kitchens, water carriers, etc., of which the Canadian armies have urgent need. The General Motors Corp. could be making aircraft engines of all types instead of deluxe Chevrolets. The Page Hersey Co. is ideally equipped to manufacture trench mortars which are most urgently needed by the British force. The Canadian industries could be producing anti-tank mines. These companies have no orders.

7. Massey-Harris Co. and the Canadian Car & Foundry Co. have orders for shells. These shells are being shipped to England. Canada does not buy shells because she has no guns from which to fire them.

8. The department at Ottawa asks; how do these people vote? What jobs will they provide for our friends? What contribution will they make to party funds? When it is found that these companies will not play the game, orders are withheld. To "play the game" in this sense means to contribute enough to already swollen party funds to outbid the well financed fifth column aliens.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121518

CANADA AT WAR.

9. The remedy is (a) to convince the Government that a more urgent effort is necessary (b) to divorce ordnance purchases from Politics, (c) to replace all key positions in the Ordnance Department with men under 55 years of age, employing only qualified engineers with successful records in civil occupations, plus a certain amount of army experience (d) to place orders for army equipment with first-class companies with prompt deliveries as the only consideration (e) to mobilize and commence training of all existing units of the Canadian Army.

10. With respect to the Empire Air Training scheme, it is at a complete standstill. It was hoped by the British that we would commence immediately turning out trained pilots at the rate of 10,000 per year, and groundmen etc. at the rate of about 50,000 per year. The present rate of activity is less than 5% of the required number, and is so small as to be useless to the Empire. Huge sums of money have been expropriated and are being spent to provide offices, jobs and contracts, for friends of the Government. No doubt this condition is inevitable in a Democracy, but what is needed too is training of pilots and this has been forgotten.

11. Altogether Canada's failure to help the Mother Country in the present crisis is complete. Remember, gentlemen, Canada has not one modern gun, tank, aeroplane or vessel, nor one solider on a war footing; nor are these forthcoming under existing conditions. Are there in Canada any citizens loyal enough or British enough to take action?

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121519

May 18th, 1940.

CANADA AT WAR.

1. After eight months of war effort conducted at the present leisurely pace, there is in the Dominion of Canada not one modern military aeroplane, tank, naval vessel or gun. Three quarters of the Canadian Pre-War Army is not yet mobilized. Those who have been called up have no arms, no ammunition, no equipment, and none of the varied paraphernalia vital to the conduct of modern warfare. The single Division which Canada has sent to England is still training with the worn out weapons left over from the war of 1918, and some of their equipment was actually used in the Boer War.

2. It is true that the Canadian Government has let many contracts for munitions. Except for a few incomplete articles, no deliveries have as yet been made nor will any deliveries be made within a reasonable time based on present policy. Many of these contracts have "joker" clauses such as whereby the contractor for certain equipment will be excused from making some vital part, and the Government will make no attempt to procure this vital part elsewhere. This means that partially incomplete equipment is ultimately delivered but cannot be used on account of the missing part.

3. Fifth column agents are rampant at Ottawa; they are well financed and act boldly. No attempt has been made to round up enemy aliens in the country, and they are carrying on their subversive activities with only spasmodic interference from the authorities. Germany has in United States hundred of millions of dollars for which she cannot find other employment. These funds are used to finance men in key positions in Canada in the same way as they did in various European Countries before the recent invasions.

4. Canada is serving the Empire only as a supplier of raw materials. We are furnishing food, lumber, metals and minerals, but our vast manufacturing facilities have been virtually immobilized. Fifth column activities find fertile field in the Canadian Civil Service at Ottawa. The Government itself is apathetic and the lack of enthusiasm permeates downward throughout all departments. In such an atmosphere it is not difficult for a few skilful enemy agents amply financed to bring activities to a complete standstill. Supplies for the army are purchased through the ordnance headquarters this department is at an advanced stage of senility. Many of the important posts are held by men who were too old to serve in the last war; their outlook is centered on the distant past, and they have no conception of modern warfare, and many of them never had any engineering training. The task of procuring modern equipment for the Canadian Army with all urgency is entrusted to these men, 60, 70 and even 80 years of age.

5. Some Canadian factories have been given contracts for disconnected parts of various types, but no completed equipment is being delivered. Canadian aircraft plants are producing some types of aircraft, but without motors. The Canadian Chrysler plants could produce these motors but they have no orders. The John Inglis Co. is manufacturing Bren guns, but there are being produced none of the tripods on which these guns must be mounted. The Coulter Mfg.Co. has contracts for gas masks, but the vital filter is missing. A Quebec Foundry has orders for 25 pr.gun How., but certain vital parts for the sighting of these guns are said to be missing.

6. The Dominion Foundries & Steel Co. of Hamilton could manufacture as many as 500 heavy battle tanks per month; these are most urgently needed by the allied armies. The General Electric Co. could commence immediately turning out large quantities of anti-tank guns which are certainly needed more than toasters and refrigerators. The General Steel Wares could make prompt deliveries of field kitchens, water carriers, etc., of which the Canadian armies have urgent need. The General Motors Corp. could be making aircraft engines of all types instead of deluxe Chevrolets. The Page Hersey Co. is ideally equipped to manufacture trench mortars which are most urgently needed by the British force. The Canadian industries could be producing anti-tank mines. These companies have no orders.

7. Massey-Harris Co. and the Canadian Car & Foundry Co. have orders for shells. These shells are being shipped to England. Canada does not buy shells because she has no guns from which to fire them.

8. The department at Ottawa asks; how do these people vote? What jobs will they provide for our friends? What contribution will they make to party funds? When it is found that these companies will not play the game, orders are withheld. To "play the game" in this sense means to contribute enough to already swollen party funds to outbid the well financed fifth column aliens.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121520

CANADA AT WAR.

9. The remedy is (a) to convince the Government that a more urgent effort is necessary (b) to divorce ordnance purchases from Politics, (c) to replace all key positions in the Ordnance Department with men under 55 years of age, employing only qualified engineers with successful records in civil occupations, plus a certain amount of army experience (d) to place orders for army equipment with first-class companies with prompt deliveries as the only consideration (e) to mobilize and commence training of all existing units of the Canadian Army.

10. With respect to the Empire Air Training scheme, it is at a complete standstill. It was hoped by the British that we would commence immediately turning out trained pilots at the rate of 10,000 per year, and groundmen etc. at the rate of about 50,000 per year. The present rate of activity is less than 5% of the required number, and is so small as to be useless to the Empire. Huge sums of money have been expropriated and are being spent to provide offices, jobs and contracts, for friends of the Government. No doubt this condition is inevitable in a Democracy, but what is needed too is training of pilots and this has been forgotten.

11. Altogether Canada's failure to help the Mother Country in the present crisis is complete. Remember, gentlemen, Canada has not one modern gun, tank, aeroplane or vessel, nor one solider on a war footing; nor are these forthcoming under existing conditions. Are there in Canada any citizens loyal enough or British enough to take action?

BELLFAST BOND

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

May 20th, 1940.

U.21520

The Right Hon. Arthur Meighen, Senator,
Ottawa, Ont.

Dear Sir:-

Following conversation of May 19th, please find enclosed herewith carbon copies of original memorandum of May 18th.

Referring to your request for exact verification of facts mentioned, this is in some cases difficult to obtain, the Government having freely used the official Secrets Act for the purpose of concealing its mistakes in production of army equipment. The statements in my first paragraph regarding equipment of First Division are based on letters recently received from Canadian officers training with the First Division in England. They have a few sample pieces of modern equipment borrowed from the British for training purposes, but these do not amount to 25% of their requirements, and with the exception of some uniforms, nothing has been made in Canada.

In my fourth paragraph I mentioned that the Ordnance purchasing department was suffering from senile decay. According to reports which appeared in Toronto newspapers about a week ago, the head of this department recently died at an extreme old age in an Ottawa hospital. In spite of the war he was evidently still vested with the management of this department while incapacitated in the hospital for the past several months. It is said that his urgent work was being held over by helpless deputies awaiting his return. By this time no doubt his post has been filled by the next in line of the ancient members of this department.

The fifth paragraph of my memorandum mentioned that Canadian aircraft plants are producing some types of aircraft, but without motors. These aircraft are not modern bombers and combat planes, but are second line modern planes such as are used for reconnoissance and training. It is verified that no aeroplane engines of any consequence are being manufactured in Canada. In my opinion the Chrysler Plants and the General Motors Plant at Oshawa could be persuaded to commence production of modern aircraft engines immediately, but they have no orders from the Canadian Government. It may be anticipated that the British Government will be reluctant to entrust the Canadian Ordnance with their plans for modern aircraft engines. These plans and specifications are superior to the German. If the Canadian Ordnance received these plans and circulated them widely for tenders according to their usual practice, some would fall into enemy hands, which the British will avoid at all costs. The procedure therefore becomes very simple; these aircraft motors will be purchased from General Motors and Chrysler in Canada, or they will not. No alternative conjuring by Ordnance will give us deliveries of aeroplane motors made in Canada.

In paragraph five I mentioned that the John Inglis Company are manufacturing Bren guns but no tripods. Today this has been definitely verified. It can be explained that enemy infantry will never advance against a machine gun post openly in broad daylight; attacks are made under obscure conditions such as by night, in fog, or under smoke screen. To make the defence effective the Bren gun is equipped with a tripod mounting marked with graduated scales. This mounting can be set up in daylight and effective fire planned along lines where the enemy is likely to approach. By means of the triped the gun can at night time therefore be fired on pre-arranged fixed lines with satisfactory results. According to recent reports the John Inglis Company at Toronto is making some progress in producing the Bren gun, but there are definitely no tripods. The Canada Cycle and Motor Company of Weston, Ont., have the contract for the tripods, but they are not commencing production quickly; it can be definitely stated that the C.C.M. Co. has not even procured the necessary tools or materials for manufacture of these tripods. Although the C.C.M. had a large well equipped plant, they would not disturb their current production of bicycles in favour of tripods. Instead they took the time to build a new building for the manufacture of Bren gun tripods and now that the building is completed they are in a most leisurely manner developing the necessary tools and materials for production; there is no urgency in their movements and every penny's worth of material is being negotiated endlessly.

Paragraph six states that the Dominion Foundries & Steel, Hamilton could manufacture as many as 500 battle tanks per month, please reduce this figure to 250 monthly at the start. You can assert definitely that this is the only Canadian plant capable of rolling heavy armour plate. The adjoining plant of the International Harvestor Co. at Hamilton is ideally situated to provide engines for such tanks; and complete manufacture could be commenced in Hamilton at once were the order placed. The present routine of the Ordnance Department to get numerous competitive tenders on every nut and bolt on tanks will simple mean that tanks will never be produced in Canada because the models become obsolete every year or two, which is faster than orders can be placed by the present system.

To catch the four o'clock train Monday, I am unable to compile any further definite information, but will endeavour to mail an additional memo. Tuesday. My offer to come to Ottawa at my own expense stands good at any time I can be of service, to be away from Toronto for more than a week would necessitate leave of absence from my Regiment.

L. N. S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

May 20th 1942.

The Right Hon. Arthur Meighen, Senator,
Ottawa, Ont.

Dear Sir:-

Following conversation of May 19th, please find enclosed herewith carbon copies of original memorandum of May 18th.

Referring to your request for exact verification of facts mentioned, this is in some cases difficult to obtain, the Government having freely used the official Secrets Act for the purpose of concealing its mistakes in production of army equipment. The statements in my first paragraph regarding equipment of First Division are based on letters recently received from Canadian officers training with the First Division in England. They have a few sample pieces of modern equipment borrowed from the British for training purposes, but these do not amount to 25% of their requirements, and with the exception of some uniforms, nothing has been made in Canada.

In my fourth paragraph I mentioned that the Ordnance purchasing department was suffering from senile decay. According to reports which appeared in Toronto newspapers about a week ago, the head of this department recently died at an extreme old age in an Ottawa hospital. In spite of the war he was evidently still vested with the management of this department while incapacitated in the hospital for the past several months. It is said that his urgent work was being held over by helpless deputies awaiting his return. By this time no doubt his post has been filled by the next in line of the ancient members of this department.

The fifth paragraph of my memorandum mentioned that Canadian aircraft plants are producing some types of aircraft, but without motors. These aircraft are not modern bombers and combat planes, but are second line modern planes such as are used for reconnoissance and training. It is verified that no aeroplane engines of any consequence are being manufactured in Canada. In my opinion the Chrysler Plants and the General Motors Plant at Oshawa could be persuaded to commence production of modern aircraft engines immediately, but they have no orders from the Canadian Government. It may be anticipated that the British Government will be reluctant to entrust the Canadian Ordnance with their plans for modern aircraft engines. These plans and specifications are superior to the German. If the Canadian Ordnance received these plans and circulated them widely for tenders according to their usual practice, some would fall into enemy hands, which the British will avoid at all costs. The procedure therefore becomes very simple; these aircraft motors will be purchased from General Motors and Chrysler in Canada, or they will not. No alternative conjuring by Ordnance will give us deliveries of aeroplane motors made in Canada.

In paragraph five I mentioned that the John Inglis Company are manufacturing Bren guns but no tripods. Today this has been definitely verified. It can be explained that enemy infantry will never advance against a machine gun post openly in broad daylight; attacks are made under obscure conditions such as by night, in fog, or under smoke screen. To make the defence effective the Bren gun is equipped with a triped mounting marked with graduated scales. This mounting can be set up in daylight and effective fire planned along lines where the enemy is likely to approach. By means of the triped the gun can at night time therefore be fired on pre-arranged fixed lines with satisfactory results. According to recent reports the John Inglis Company at Toronto is making some progress in producing the Bren gun, but there are definitely no tripods. The Canada Cycle and Motor Company of Weston, Ont., have the contract for the tripods, but they are not commencing production quickly; it can be definitely stated that the C.C.M. Co. has not even procured the necessary tools or materials for manufacture of these tripods. Although the C.C.M. had a large well equipped plant, they would not disturb their current production of bicycles in favour of tripods. Instead they took the time to build a new building for the manufacture of Bren gun tripods and now that the building is completed they are in a most leisurely manner developing the necessary tools and materials for production; there is no urgency in their movements and every penny's worth of material is being negotiated endlessly.

Paragraph six states that the Dominion Foundries & Steel, Hamilton could manufacture as many as 500 battle tanks per month, please reduce this figure to 250 monthly at the start. You can assert definitely that this is the only Canadian plant capable of rolling heavy armour plate. The adjoining plant of the International Harvester Co. at Hamilton is ideally situated to provide engines for such tanks; and complete manufacture could be commenced in Hamilton at once were the order placed. The present routine of the Ordnance Department to get numerous competitive tenders on every nut and bolt on tanks will simple mean that tanks will never be produced in Canada because the models become obsolete every year or two, which is faster than orders can be placed by the present system.

To catch the four o'clock train Monday, I am unable to compile any further definite information, but will endeavour to mail an additional memo. Tuesday. My offer to come to Ottawa at my own expense stands good at any time I can be of service, to be away from Toronto for more than a week would necessitate leave of absence from my Regiment.

L. N. S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121523

May 20th, 1940.

The Right Hon.Arthur Meighen, Senator,
Ottawa, Ont.

Dear Sir:-

Following conversation of May 19th, please find enclosed herewith carbon copies of original memorandum of May 18th.

Referring to your request for exact verification of facts mentioned, this is in some cases difficult to obtain, the Government having freely used the official Secrets Act for the purpose of concealing its mistakes in production of army equipment. The statements in my first paragraph regarding equipment of First Division are based on letters recently received from Canadian Officers training with the First Division in England. They have a few sample pieces of modern equipment borrowed from the British for training purposes, but these do not amount to 25% of their requirements, and with the exception of some uniforms, nothing has been made in Canada.

In my fourth paragraph I mentioned that the Ordnance purchasing department was suffering from senile decay. According to reports which appeared in Toronto newspapers about a week ago, the head of this department recently died at an extreme old age in an Ottawa hospital. In spite of the war he was evidently still vested with the management of this department while incapacitated in the hospital for the past several months. It is said that his urgent work was being held over by helpless deputies awaiting his return. By this time no doubt his post has been filled by the next in line of the ancient members of this department.

The fifth paragraph of my memorandum mentioned that Canadian aircraft plants are producing some types of aircraft, but without motors. These aircraft are not modern bombers and combat planes, but are second line modern planes such as are used for reconnoissance and training. It is verified that no aeroplane engines of any consequence are being manufactured in Canada. In my opinion the Chrysler Plants and the General Motors Plant at Oshawa could be persuaded to commence production of modern aircraft engines immediately, but they have no orders from the Canadian Government. It may be anticipated that the British Government will be reluctant to entrust the Canadian Ordnance with their plans for modern aircraft engines. These plans and specifications are superior to the German. If the Canadian Ordnance received these plans and circulated them widely for tenders according to their usual practice, some would fall into enemy hands, which the British will avoid at all costs. The procedure therefore becomes very simple; these aircraft motors will be purchased from General Motors and Chrysler in Canada, or they will not. No alternative conjuring by Ordnance will give us deliveries of aeroplane motors made in Canada.

In paragraph five I mentioned that the John Inglis Company are manufacturing Bren guns but no tripods. Today this has been definitely verified. It can be explained that enemy infantry will never advance against a machine gun post openly in broad daylight; attacks are made under obscure conditions such as by night, in fog, or under smoke screen. To make the defence effective the Bren gun is equipped with a tripod mounting marked with graduated scales. This mounting can be set up in daylight and effective fire planned along lines where the enemy is likely to approach. By means of the tripod the gun can at night time therefore be fired on pre-arranged fixed lines with satisfactory results. According to recent reports the John Inglis Company at Toronto is making some progress in producing the Bren gun, but there are definitely no tripods. The Canada Cycle and Motor Company of Weston, Ont., have the contract for the tripods, but they are not commencing production quickly; it can be definitely stated that the C.C.M.Co has not even procured the necessary tools or materials for manufacture of these tripods. Although the C.C.M. had a large well equipped plant, theywould not disturb their current production of bicycles in favour of tripods. Instead they took the time to build a new building for the manufacture of Bren gun tripods and now that the building is completed they are in a most leisurely manner developing the necessary tools and materials for production; there is no urgency in their movements and every penny's worth of material is being negotiated endlessly.

Paragraph six states that the Dominion Foundries & Steel,Hamilton, could manufacture as many as 500 battle tanks per month, please reduce this figure to 250 monthly at the start. You can assert definitely that this is the only Canadian Plant capable of rolling heavy armour plate. The adjoining plant of the International Harvester Co. at Hamilton is ideally

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121524

The Right Hon.Arthur Meighen, Senator,
Ottawa, Ont.

May 20th, 1940.

situated to provide engines for such tanks; and complete manufacture could be commenced in Hamilton at once were the order placed. The present routine of the Ordnance Department to get numerous competitive tenders on every nut and bolt on tanks will simply mean that tanks will never be produced in Canada, because the models become obsolete every year or two, which is faster than orders can be placed by the present system.

To catch the four o'clock train Monday, I am unable to compile any further definite information, but will endeavour to mail an additional memo. Tuesday. My offer to come to Ottawa at my own expense stands good at any time I can be of service, to be away from Toronto for more than a week would necessitate leave of absence from my Regiment.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121525

May 21st, 1940.

MEMORANDUM NO. 3.

The Right Hon. Arthur Meighen, Senator,
Ottawa,
Canada.

Dear Sir:-

1. As the result of a conversation of Monday evening, I decided to take into my confidence, and enlist the services of, Thomas Munns who is on the Editorial Staff of the Globe & Mail. His ideas coincide with my own and he is favorably situated to collect the type of information required. Constituting ourselves an informal committee of two, it will be our endeavour to furnish you with authentic information under two headings. (a) Criticising Canadian production of war materials, and (b) Indicating the remedy for each situation based on sound business practice.

2. Paragraph five of my original memorandum read as follows:-

"Some Canadian factories have been given contracts for disconnected parts of various types, but no completed equipment is being delivered. Canadian aircraft plants are producing some types of aircraft, but without motors. The Canadian Chrysler plants could produce these motors but they have no orders."

In this connection we give you the text of a resolution passed May 20th by the employees of the Fleet Aircraft Co. of Fort Erie, Ont.

"We, the members of the Fleet Aircraft Workers' Association, wish to go on record in protest of the seeming lack of aggressiveness in the prosecution of Canada's war effort. We are prepared to do our utmost to produce aircraft and aircraft parts in greater quantities providing restrictions now in force are amended and a determined effort made by all those responsible to speed up the supplies of raw materials and special accessories which are manufactured outside the aircraft factories but are essential for the production of aircraft."

It can be definitely stated that all aircraft producers throughout the Dominion are equally embarrassed in varying degrees. Orders have been placed for aircraft with important parts such as motors, instruments, and guns, missing. Evidently the Ordnance Department have been haphazard in purchasing these necessary parts and have failed to arrange prompt deliveries. Whether this is because of sheer incompetence or deliberate sabotage we cannot be sure.

3. The remedy is to reorganize purchasing on sound lines as suggested in previous memoranda. Either the Government should order all parts promptly, stipulating clearly the time and place for delivery of each part, in which case the program should be followed in detail by competent inspectors. Alternatively, (which might be more practical in this case) the entire aircraft complete with all parts should be purchased from one main supplier; this places on such one main supplier the responsibility of purchasing, collecting, and assembling all component parts in his own factory within an allotted time.

4. The Canadian Air Force possesses no modern aircraft. Great Britain and the allies urgently need more aeroplanes. Canada is doing nothing to help.

5. Further information will be forwarded as soon as available.

N.S.

Lo

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

May 21st, 1940. 121526

MEMORANDUM NO. 3.

The Right Hon. Arthur Meighen, Senator,
Ottawa,
Canada.

Dear Sir:-

1. As the result of a conversation of Monday evening, I decided to take into my confidence, and enlist the services of, Thomas Munns who is on the Editorial Staff of the Globe & Mail. His ideas coincide with my own and he is favorably situated to collect the type of information required. Constituting ourselves an informal committee of two, it will be our endeavour to furnish you with authentic information under two headings. (a) Criticizing Canadian production of war materials, and (b) Indicating the remedy for each situation based on sound business practice.

2. Paragraph five of my original memorandum read as follows:-

"Some Canadian factories have been given contracts for disconnected parts of various types, but no completed equipment is being delivered. Canadian aircraft plants are producing some types of aircraft, but without motors. The Canadian Chrysler plants could produce these motors but they have no orders."

In this connection we give you the text of a resolution passed May 20th by the employees of the Fleet Aircraft Co. of Fort Erie, Ont.

"We, the members of the Fleet Aircraft Workers' Association, wish to go on record in protest of the seeming lack of aggressivemess in the prosecution of Canada's war effort. We are prepared to do our utmost to produce aircraft and aircraft parts in greater quantities providing restrictions now in force are amended and a determined effort made by all those responsible to speed up the supplies of raw materials and special accessories which are manufactured outside the aircraft factories but are essential for the production of aircraft."

It can be definitely stated that all aircraft producers throughout the Dominion are equally embarrassed in varying degrees. Orders have been placed for aircraft with important parts such as motors, instruments, and guns, missing. Evidently the Ordnance Department have been haphazard in purchasing these necessary parts and have failed to arrange prompt deliveries. Whether this is because of sheer incompetence or deliberate sabotage we cannot be sure.

3. The remedy is to reorganize purchasing on sound lines as suggested in previous memoranda. Either the Government should order all parts promptly, stipulating clearly the time and place for delivery of each part, in which case the program should be followed in detail by competent inspectors. Alternatively, (which might be more practical in this case) the entire aircraft complete with all parts should be purchased from one main supplier; this places on such one main supplier the responsibility of purchasing, collecting, and assembling all component parts in his own factory within an allotted time.

4. The Canadian Air Force possesses no modern aircraft. Great Britain and the allies urgently need more aeroplanes. Canada is doing nothing to help.

5. Further information will be forwarded as soon as available.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 4 May 22nd, 1940.

L21527

The Right Hon. Arthur Meighen, Senator,
Ottawa, Canada.

1. Previous memoranda have shown that Canadian war industry is paralyzed at this critical time when even a moderate output might serve to turn the tide of battle; apathy of the Government, the inadequate methods of the Ordnance Department, and obstruction from fifth column agents and other enemies having rendered our vast manufacturing plants helpless. The current memorandum turns to the staff to which our Government entrusts management of the Canadian Army.

2. Although about three-quarters of the Canadian pre-war Army has not yet been mobilized, the officers of the unmobilized three-quarters continue to carry on as much training and other activity as possible outside of business hours. Organization of various units follows the current British plan, and tactics are based on the assumption that equipment will ultimately be provided. (This assumption respecting equipment of course rests on doubtful grounds, but possibly it is harmless if recognized as purely hypothetical.) The tactics and strategy on which we base our training are irrevocably rooted in the history of the last war, and bear little practical relation to modern conditions; superficially there have been some changes; but none sweeping enough to be effective.

3. Under current Canadian tactics the old fashioned infantry constitutes the basis of the army; being expected to perform the important functions of holding defensive positions and carrying out frontal attacks. This is contrary to everything that can be learned from the current war.

4. Actually under modern conditions the frontal attack can be carried out only by (a) tanks, including mobile and armoured troops (b) aircraft. Frontal defence cannot be effective with unarmoured infantry but only with aircraft and tanks suitably trained and led, artillery, and engineering works such as mines and obstacles. The combative function of infantry in these operations must necessarily be negligible as their small-arms fire is ineffective against tanks. The function of the infantry in front line battles has become limited to such tasks as the patrolling of fortified areas, and the occupation of ground previously captured by armoured forces. On the other hand a new and most important function of infantry has become (a) as an attacking body in use as parachute troops dropped behind the enemy lines, and (b) to combat enemy parachute troops behind our own lines.

5. It is disheartening to find that none of the training of the Canadian infantry, either mobilized or non-permanent, is being based on these new conditions. Our text-books are inflexibly based on conditions outmoded during the last war and no longer existing. If and when the Canadian Army should receive issue of all the equipment which they would like to have and expect ultimately to receive, it is still doubtful that they will be an effective fighting force. Our numbers of tanks, air force, artillery, and engineers will be far too low in proportion to infantry; our tactics and training will not be suited to the specific conditions with which we are faced and our infantry will not be geared to the important function of parachute warfare.

6. It can be stated definitely that up to the present date our army staff has no consciousness of the importance of parachute warfare offensively or defensively. Our infantry are not being trained as parachute troops. Our Supply Staff are not working out equipment suitable for parachute troops. We are not constructing any planes, parachutes, or other equipment for this purpose.

7. The primary cause of this vacuum can be traced to the general staff appointed by our Government. Every man in the Canadian Army ranking as Lieut.-Col. or higher is a veteran of the last war, and while these men are young enough physically to fight a campaign, they are old mentally in as far as one cannot teach an old dog new tricks. An extremely youthful outlook is required to take full advantage of mechanical world which has developed around us during the last few years. Only the very young appreciate instinctively the conditions pertaining in the modern engineering age. The German Army has an enormous advantage in the fact that none of its generals are veterans of the last war, most of them being under forty years of age and therefore brought up in intimate contact with the mechanical age.

8. The remedy for these conditions is:- first for the Government to dismiss courageously much of the existing army staff, replacing them with the most promising available officers of much younger ages, choosing men of high natural mechanical ability, and giving them ample authority. (It is imperative that a large percentage of such new officers be not veterans of the last war. This plan may seem drastic to our somnolent bureaucracy, but is preferable to having Canada as a German colony.) Secondly reduce in the Canadian Army the current high proportion of infantry, increasing at the same time our forces of mechanized troops, engineers, artillery, aviators, etc. Thirdly, proceed immediately with organization of infantry parachute battalions.

9. (As a random illustration of the inability of our staff officers to grasp the usefulness of machinery, it can be pointed out that our infantry are still expected to dig weapon pits, trenches, and tank traps entirely by means of hand shovels although steam shovels are available in ample quantities. A trained man operating a steam shovel can dig as much in a day as can between one hundred and two hundred infantry working themselves to exhaustion. Note that steam shovels form no part of the theoretical equipment of the Canadian Infantry.)

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 4 May 22nd, 1940.

The Right Hon. Arthur Meighen, Senator,
Ottawa, Canada.

121528

1. Previous memoranda have shown that Canadian war industry is paralyzed at this critical time when even a moderate output might serve to turn the tide of battle; apathy of the Government, the inadequate methods of the Ordnance Department, and obstruction from fifth column agents and other enemies having rendered our vast manufacturing plants helpless. The current memorandum turns to the staff to which our Government entrusts management of the Canadian Army.

2. Although about three-quarters of the Canadian pre-war Army has not yet been mobilized, the officers of the unmobilized three-quarters continue to carry on as much training and other activity as possible outside of business hours. Organization of various units follows the current British plan, and tactics are based on the assumption that equipment will ultimately be provided. (This assumption respecting equipment of course rests on doubtful grounds, but possibly it is harmless if recognized as purely hypothetical.) The tactics and strategy on which we base our training are irrevocably rooted in the history of the last war, and bear little practical relation to modern conditions; superficially there have been some changes; but none sweeping enough to be effective.

3. Under current Canadian tactics the old fashioned infantry constitutes the basis of the army; being expected to perform the important functions of holding defensive positions and carrying out frontal attacks. This is contrary to everything that can be learned from the current war.

4. Actually under modern conditions the frontal attack can be carried out only by (a) tanks, including mobile and armoured troops (b) aircraft. Frontal defence cannot be effective with unarmoured infantry but only with aircraft and tanks suitably trained and led, artillery, and engineering works such as mines and obstacles. The combative function of infantry in these operations must necessarily be negligible as their small-arms fire is ineffective against tanks. The function of the infantry in front line battles has become limited to such tasks as the patrolling of fortified areas, and the occupation of ground previously captured by armoured forces. On the other hand a new and most important function of infantry has become (a) as an attacking body in use as parachute troops dropped behind the enemy lines, and (b) to combat enemy parachute troops behind our own lines.

5. It is disheartening to find that none of the training of the Canadian infantry, either mobilized or non-permanent, is being based on these new conditions. Our text-books are inflexibly based on conditions outmoded during the last war and no longer existing. If and when the Canadian Army should receive issue of all the equipment which they would like to have and expect ultimately to receive, it is still doubtful that they will be an effective fighting force. Our numbers of tanks, air force, artillery, and engineers will be far too low in proportion to infantry; our tactics and training will not be suited to the specific conditions with which we are faced and our infantry will not be geared to the important function of parachute warfare.

6. It can be stated definitely that up to the present date our army staff has no consciousness of the importance of parachute warfare offensively or defensively. Our infantry are not being trained as parachute troops. Our Supply Staff are not working out equipment suitable for parachute troops. We are not constructing any planes, parachutes, or other equipment for this purpose.

7. The primary cause of this vacuum can be traced to the general staff appointed by our Government. Every man in the Canadian Army ranking as Lieut.-Col. or higher is a veteran of the last war, and while these men are young enough physically to fight a campaign, they are old mentally in as far as one cannot teach an old dog new tricks. An extremely youthful outlook is required to take full advantage of mechanical world which has developed around us during the last few years. Only the very young appreciate instinctively the conditions pertaining in the modern engineering age. The German Army has an enormous advantage in the fact that none of its generals are veterans of the last war, most of them being under forty years of age and therefore brought up in intimate contact with the mechanical age.

8. The remedy for these conditions is:- first for the Government to dismiss courageously much of the existing army staff, replacing them with the most promising available officers of much younger ages, choosing men of high natural mechanical ability, and giving them ample authority. (It is imperative that a large percentage of such new officers be not veterans of the last war. This plan may seem drastic to our somnolent bureaucracy, but is preferable to having Canada as a German colony.) Secondly reduce in the Canadian Army the current high proportion of infantry, increasing at the same time our forces of mechanized troops, engineers, artillery, aviators, etc. Thirdly, proceed immediately with organization of infantry parachute battalions.

9. (As a random illustration of the inability of our staff officers to grasp the usefulness of machinery, it can be pointed out that our infantry are still expected to dig weapon pits, trenches, and tank traps entirely by means of hand shovels although steam shovels are available in ample quantities. A trained man operating a steam shovel can dig as much in a day as can between one hundred and two hundred infantry working themselves to exhaustion. Note that steam shovels form no part of the theoretical equipment of the Canadian Infantry.)

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 5 May 25th, 1940.

121529

The Right Hon. Arthur Meighen, Senator,
Ottawa, Ont.

Dear Sir:-

1. At the Canadian House of Commons, Ottawa, on May 22nd, Minister of Transport and Supply, C. D. Howe made the following statement,

> "One of our chief difficulties has been to obtain the latest British designs for the mechanical equipment used by our troops, British industry has not been too willing to part with its designs, many of which represent years of study and development..."

The above statement was doubtless intended to convey to the public the impression that failure of proper Canadian war production could be blamed on the British, whereas in fact the situation referred to is actually a result of shortcomings which are entirely our own.

2. By means of exhaustive research and great expense the British have evolved designs for war machines, such as aeroplane engines, superior to those possessed by the Germans. Any designs heretofore entrusted to the Canadian Government have so promptly reached enemy hands that the British have naturally become reluctant to entrust us with any more of their vital plans. The Allies are in most urgent need of procuring more of these machines, yet it is even more important for them to keep the secrets of their superior designs. So that in spite of the urgent need for production they cannot afford to lose these designs by entrusting them to Ottawa.

3. When the Canadian Ordnance Department receives a set of plans from England they proceed to have a large number of copies made, possibly several hundred from each drawing. These copies are then scattered throughout the various departments, no record is kept of them, and numerous persons throughout the offices can see them or obtain copies. Naturally enemy agents find it easy to secure such plans.

4. In order to purchase the required machines, tenders are then requested from a great number of manufacturing plants scattered throughout the Dominion. Practically any person, with or without a manufacturing establishment claiming the right to tender can obtain plans. Any secrets which may have survived the Ottawa offices are here lost. Little wonder that England is reluctant thus to expose her most vital plans.

5. The remedy is for our Government to arrange production of a particular machine with the most suitable existing manufacturing plant. This is a simple matter of elimination to anyone familiar with the capacities of the few Canadian plants. A single set of plans should then be brought from England in the hands of an English Inspector, who could guard them closely until disclosing them to the engineers actually working on production. No copies would need to be made except with close control and proper precautions.

6. Common sense procedure of this nature would enable plans to be kept secret and Great Britain would no doubt be glad to have all her latest designs of tanks, aeroplanes and guns handed over for immediate production in Canada. Many Canadian manufacturers now partially or fully idle could consequently be put to work, and our war effort would become more suitable to the seriousness of the situation.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 5 May 1st, 1930

The Right Hon. Arthur Meighen, Senator,
Ottawa, Ont.

Dear Sir:-

1. At the Canadian House of Commons, Ottawa, on May 22nd, Minister of Transport and Supply, C. D. Howe made the following statement,

> "One of our chief difficulties has been to obtain the latest British designs for the mechanical equipment used by our troops, British industry has not been too willing to part with its designs, many of which represent years of study and development..."

The above statement was doubtless intended to convey to the public the impression that failure of proper Canadian war production could be blamed on the British, whereas in fact the situation referred to is actually a result of shortcomings which are entirely our own.

2. By means of exhaustive research and great expense the British have evolved designs for war machines, such as aeroplane engines, superior to those possessed by the Germans. Any designs heretofore entrusted to the Canadian Government have so promptly reached enemy hands that the British have naturally become reluctant to entrust us with any more of their vital plans. The Allies are in most urgent need of procuring more of these machines, yet it is even more important for them to keep the secrets of their superior designs. So that in spite of the urgent need for production they cannot afford to lose these designs by entrusting them to Ottawa.

3. When the Canadian Ordnance Department receives a set of plans from England they proceed to have a large number of copies made, possibly several hundred from each drawing. These copies are then scattered throughout the various departments, no record is kept of them, and numerous persons throughout the offices can see them or obtain copies. Naturally enemy agents find it easy to secure such plans.

4. In order to purchase the required machines, tenders are then requested from a great number of manufacturing plants scattered throughout the Dominion. Practically any person, with or without a manufacturing establishment claiming the right to tender can obtain plans. Any secrets which may have survived the Ottawa offices are here lost. Little wonder that England is reluctant thus to expose her most vital plans.

5. The remedy is for our Government to arrange production of a particular machine with the most suitable existing manufacturing plant. This is a simple matter of elimination to anyone familiar with the capacities of the few Canadian plants. A single set of plans should then be brought from England in the hands of an English Inspector, who could guard them closely until disclosing them to the engineers actually working on production. No copies would need to be made except with close control and proper precautions.

6. Common sense procedure of this nature would enable plans to be kept secret and Great Britain would no doubt be glad to have all her latest designs of tanks, aeroplanes and guns handed over for immediate production in Canada. Many Canadian manufacturers now partially or fully idle could consequently be put to work, and our war effort would become more suitable to the seriousness of the situation.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 6

May 29th, 1940.

121531

Rt. Hon. Arthur Meighen, Senator,
Ottawa, Canada.

Dear Sir:-

1. According to report in Globe & Mail Newspaper May 29th, Hon. C. D. Howe told the House of Commons at Ottawa on May 28th that Canada could not possibly be equipped for production of tanks in any quantity for a year or two. He denied statements by Dr. H. A. Bruce that firms in Hamilton could manufacture 250 tanks per month. In this connection the writer is prepared to verify previous statements which have been carefully checked. It is unfortunate that at this critical time the Hon. C. D. Howe and the Hon. Norman Rogers lack accurate information as to the capacities of important Canadian industrial plants.

2. It can be stated definitely that the Dominion Foundries & Steel Co. can now at their Hamilton mill with machinery and plant on hand there roll at least 3,000 tons of prime grade steel armour plate monthly. This armour plate can be produced in a wide range of sizes, thicknesses, and alloys suitable for the manufacture of various types of tanks. Furthermore the management are prepared to install promptly sufficient equipment to double their present capacity for rolling armour plate should orders for a large number of tanks be forthcoming from the Canadian Ordnance. This plant is the only one in Canada equipped to roll heavy steel plates; in debate the Hon. C. D. Howe referred to it as an "ordinary foundry".

3. The same Company as mentioned above, namely the Dominion Foundries & Steel Co., Hamilton, have a capacity for producing monthly 2,000 tons of alloy steel castings suitable for the manufacture of tanks. The Canadian Car and Foundry Co. of Montreal also have considerable facilities for the production of steel castings, and at the present time they have idle capacity for over 1,000 tons per month. Other plants also are prepared to deliver at once castings suitable for tanks.

4. The International Harvester Co. of Hamilton have plant and machinery fully equipped for the manufacture of heavy truck engines. They have no orders for the production of tank engines, but if such orders were forthcoming they could rapidly change over their production line accordingly. It is a reasonable probability that the International Harvester Co. could provide motors for tanks as fast as the bodies of tanks could be built and assembled.

5. For assembly operations there is available the large and modern structural steel plant of the Hamilton Bridge Co. at Hamilton. This plant is not busy at the present time and they have all facilities for the assembly, riveting and finishing of heavy and light tanks.

6. Also located in Hamilton is the complete modern plant of the Canadian Westinghouse Co. This Company is suitably equipped for the manufacture of metres, gauges, instruments, electrical systems, etc. and other fine assemblies necessarily incorporated in tanks.

7. Hon. Howe mentioned that the Government had approached the C.P.R. Angus shops suggesting that they produce heavy tanks. It can be pointed out that the Angus shops manufacture and repair locomotives; they have no equipment or facilities for the manufacture of armour plate, alloy steel castings, internal combustion engines, instruments or guns; all essential ingredients of a tank. That the Ordnance Department should even consider such an unsuitable source is a condemnation of their methods. He also stated that armour plating of modern tanks was 4½" thick and obtainable from only two or three sources within the British Empire. This may be correct but one such source is certainly the Hamilton mill mentioned above who can produce rolled armour plate as heavy as 6" thick.

8. It can be positively stated that existing plants in Hamilton are in a position to commence manufacture of heavy and light tanks as soon as the Ordnance Department are prepared to place orders in an intelligent fashion. If British designs are to be used, no doubt the British War Office will require assurance that such designs will not be disclosed to enemy agents, see previous memoranda.

9. The writer would be glad to lend his services without charge at any time if he can assist in negotiating these orders on behalf of the Canadian Government. Also previous offer stands to visit you at Ottawa and furnish further information any time if required.

Not having received any word from you since telephone call Sunday May 19th, it would be appreciated if you would let me know briefly as to whether you wish me to continue furnishing these memoranda.

L.

N.S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 6

May 29th, 1940.

L21532

Rt. Hon. Arthur Meighen, Senator,
Ottawa, Canada.

Dear Sir:-

1. According to report in Globe & Mail Newspaper May 29th, Hon. C. D. Howe told the House of Commons at Ottawa on May 28th that Canada could not possibly be equipped for production of tanks in any quantity for a year or two. He denied statements by Dr. H. A. Bruce that firms in Hamilton could manufacture 250 tanks per month. In this connection the writer is prepared to verify previous statements which have been carefully checked. It is unfortunate that at this critical time the Hon. C. D. Howe and the Hon. Norman Rogers lack accurate information as to the capacities of important Canadian industrial plants.

2. It can be stated definitely that the Dominion Foundries & Steel Co. can now at their Hamilton mill with machinery and plant on hand there roll at least 3,000 tons of prime grade steel armour plate monthly. This armour plate can be produced in a wide range of sizes, thicknesses, and alloys suitable for the manufacture of various types of tanks. Furthermore the management are prepared to install promptly sufficient equipment to double their present capacity for rolling armour plate should orders for a large number of tanks be forthcoming from the Canadian Ordnance. This plant is the only one in Canada equipped to roll heavy steel plates; in debate the Hon. C. D. Howe referred to it as an "ordinary foundry".

3. The same Company as mentioned above, namely the Dominion Foundries & Steel Co., Hamilton, have a capacity for producing monthly 2,000 tons of alloy steel castings suitable for the manufacture of tanks. The Canadian Car and Foundry Co. of Montreal also have considerable facilities for the production of steel castings, and at the present time they have idle capacity for over 1,000 tons per month. Other plants also are prepared to deliver at once castings suitable for tanks.

4. The International Harvestor Co. of Hamilton have plant and machinery fully equipped for the manufacture of heavy truck engines. They have no orders for the production of tank engines, but if such orders were forthcoming they could rapidly change over their production line accordingly. It is a reasonable probability that the International Harvestor Co. could provide motors for tanks as fast as the bodies of tanks could be built and assembled.

5. For assembly operations there is available the large and modern structural steel plant of the Hamilton Bridge Co. at Hamilton. This plant is not busy at the present time and they have all facilities for the assembly, riveting and finishing of heavy and light tanks.

6. Also located in Hamilton is the complete modern plant of the Canadian Westinghouse Co. This Company is suitably equipped for the manufacture of metres, gauges, instruments, electrical systems, etc. and other fine assemblies necessarily incorporated in tanks.

7. Hon. Howe mentioned that the Government had approached the C.P.R. Augus shops suggesting that they produce heavy tanks. It can be pointed out that the Angus shops manufacture and repair locomotives; they have no equipment or facilities for the manufacture of armour plate, alloy steel castings, internal combustion engines, instruments or guns; all essential ingredients of a tank. That the Ordnance Department should even consider such an unsuitable source is a condemnation of their methods. He also stated that armour plating of modern tanks was 4½" thick and obtainable from only two or three sources within the British Empire. This may be correct but one such source is certainly the Hamilton mill mentioned above who can produce rolled armour plate as heavy as 6" thick.

8. It can be positively stated that existing plants in Hamilton are in a position to commence manufacture of heavy and light tanks as soon as the Ordnance Department are prepared to place orders in an intelligent fashion. If British designs are to be used, no doubt the British War Office will require assurance that such designs will not be disclosed to enemy agents, see previous memoranda.

9. The writer would be glad to lend his services without charge at any time if he can assist in negotiating these orders on behalf of the Canadian Government. Also previous offer stands to visit you at Ottawa and furnish further information any time if required.

Not having received any word from you since telephone call Sunday May 19th, it would be appreciated if you would let me know briefly as to whether you wish me to continue furnishing these memoranda.

L. N.S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 7

June 1st, 1940.

Rt. Hon. Arthur Meighen, Senator,
Ottawa, Canada.

121533

Dr Bruce has copy

Dear Sir:-

1. The following information regarding tanks is intended to amplify data previously supplied.

2. Several different types and weights of tanks are used by the British Army. These range from the small Bren carriers which are too light for combat, up to the heaviest battle tanks weighing seventy or eighty tons each. Before a specific manufacturing program can be recommended it will be necessary for Canada to select the type or types desired for immediate production. Assuming that Canadian industry is capable of manufacturing tanks of any weight or class, it should be possible for our Ordnance Department to make a prompt selection of type for first production.

3. In the interests of rapid and economical manufacture it is recommended that a modified Canadian design be evolved instead of attempting to reduplicate exactly any English tank. Many of the English specifications have been worked out to suit machinery existing and materials available in England; identical conditions cannot easily be reduplicated here. Taking for example the anslysis of Steel, it can be readily seen that an analysis may be specified to enable easy production from the iron ores and coals mined in England. Obviously with different types of materials available here there might be much difficulty in reproducing identically the English analysis. In view of the urgent need for speed therefore it should be our policy to adapt in the Canadian design such materials as are currently available here. This will give us tanks of which the parts will not be interchangeable with the corresponding British tanks of same weight; but our tanks will be equally usable and the time saved in initial production will be considerable.

4. The Rolling Mill of the Dominion Foundries & Steel Co. at Hamilton can with machinery and plant on hand roll 3,000 or more tons of Prime Grade Steel Armour Plate monthly. These plates can range from 1/8" up to 6" or more in thickness and can be of all ordinary sizes up to a maximum weight of 7,500 pounds per plate, which is amply large enough for all practical purposes, and most plates used on tanks will weigh much less. (A steel armour plate 2" thick x 5½ ft. wide x 15 ft. long would weigh approximately 7,500 pounds.) Armour plate after rolling is subjected to additional processes including hardening, flattening, and cutting to size. The above Company has on hand now considerable facilities for performing these operations. Whether or not their present finishing machinery could keep pace with a program of great magnitude would depend on the design and specifications of the tanks undertaken. However they are said to be prepared to install immediately any additional equipment which may be required to fill large orders if and when received.

5. Selection of a Canadian plant to manufacture engines for tanks will depend on the type of engine specified. (see paragraph 2) The General Motors plants at Oshawa, and other Canadian Companies, are already manufacturing heavy gasoline engines in Canada. The plant of the Dominion Engineering Co. at Montreal is making Diesel engines up to 600 horse power. Ample Diesel and gasoline heavy truck engines are also available from American manufacturers; there is no scarcity of these engines corresponding to the current scarcity of aeroplane engines. As mentioned in paragraph 3 it is not advisable to attempt to reduplicate identically the English engines, but rather to adopt some similar engine out of those quickly available here.

6. Treads are made from steel castings or forgings, joined by alloy steel bars. The Canadian Car and Foundry Co. of Montreal and several other foundries have ample idle plant capacity to produce the necessary castings. The Atlas Steel Co. of Welland and other mills are able to produce the necessary alloy steel bars. Boring and finishing of the steel castings and general assembly of the treads could be undertaken by the Peterborough plant of the Canadian General Electric Co. The Caterpillar Tractor Co. in the United States holds patents on the caterpillar tread, and arrangements would need to be made by the Canadian Government to authorize use of these patents.

7. Other operations in the manufacture of tanks, including assembly, could be performed in any one of several available factories depending on the weight and specification of tanks chosen. The Plants of the Dominion Bridge and associated Companies at Toronto should be readily adaptable for this purpose.

8. Using British designs as a basis, a competent group of qualified Canadian engineers should be able to work out a complete Canadian design within thirty days. The first tank should roll off production lines after an additional three months. Within one year production should be up to a rate of 250 tanks per month. Such a program would depend upon close co-operation from the Canadian Government.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 7

June 1st, 1940.

121534

Rt. Hon. Arthur Meighen, Senator,
Ottawa, Canada.

Dear Sir:-

1. The following information regarding tanks is intended to amplify data previously supplied.

2. Several different types and weights of tanks are used by the British Army. These range from the small Bren carriers which are too light for combat, up to the heaviest battle tanks weighing seventy or eighty tons each. Before a specific manufacturing program can be recommended it will be necessary for Canada to select the type or types desired for immediate production. Assuming that Canadian industry is capable of manufacturing tanks of any weight or class, it should be possible for our Ordnance Department to make a prompt selection of type for first production.

3. In the interests of rapid and economical manufacture it is recommended that a modified Canadian design be evolved instead of attempting to reduplicate exactly any English tank. Many of the English specifications have been worked out to suit machinery existing and materials available in England; identical conditions cannot easily be reduplicated here. Taking for example the analysis of Steel, it can be readily seen that an analysis may be specified to enable easy production from the iron ores and coals mined in England. Obviously with different types of materials available here there might be much difficulty in reproducing identically the English analysis. In view of the urgent need for speed therefore it should be our policy to adapt in the Canadian design such materials as are currently available here. This will give us tanks of which the parts will not be interchangeable with the corresponding British tanks of same weight; but our tanks will be equally usable and the time saved in initial production will be considerable.

4. The Rolling Mill of the Dominion Foundries & Steel Co. at Hamilton can with machinery and plant on hand roll 3,000 or more tons of Prime Grade Steel Armour Plate monthly. These plates can range from 1/8" up to 6" or more in thickness and can be of all ordinary sizes up to a maximum weight of 7,500 pounds per plate, which is amply large enough for all practical purposes, and most plates used on tanks will weigh much less. (A steel armour plate 2" thick x 5½ ft. wide x 15 ft. long would weigh approximately 7,500 pounds.) Armour plate after rolling is subjected to additional processes including hardening, flattening, and cutting to size. The above Company has on hand now considerable facilities for performing these operations. Whether or not their present finishing machinery could keep pace with a program of great magnitude would depend on the design and specifications of the tanks undertaken. However they are said to be prepared to install immediately any additional equipment which may be required to fill large orders if and when received.

5. Selection of a Canadian plant to manufacture engines for tanks will depend on the type of engine specified. (see paragraph 2) The General Motors plants at Oshawa, and other Canadian Companies, are already manufacturing heavy gasoline engines in Canada. The plant of the Dominion Engineering Co. at Montreal is making Diesel engines up to 600 horse power. Ample Diesel and gasoline heavy truck engines are also available from American manufacturers; there is no scarcity of these engines corresponding to the current scarcity of aeroplane engines. As mentioned in paragraph 3 it is not advisable to attempt to reduplicate identically the English engines, but rather to adopt some similar engine out of those quickly available here.

6. Treads are made from steel castings or forgings, joined by alloy steel bars. The Canadian Car and Foundry Co. of Montreal and several other foundries have ample idle plant capacity to produce the necessary castings. The Atlas Steel Co. of Welland and other mills are able to produce the necessary alloy steel bars. Boring and finishing of the steel castings and general assembly of the treads could be undertaken by the Peterborough plant of the Canadian General Electric Co. The Caterpillar Tractor Co. in the United States holds patents on the caterpillar tread, and arrangements would need to be made by the Canadian Government to authorize use of these patents.

7. Other operations in the manufacture of tanks, including assembly, could be performed in any one of several available factories depending on the weight and specification of tanks chosen. The Plants of the Dominion Bridge and associated Companies at Toronto should be readily adaptable for this purpose.

8. Using British designs as a basis, a competent group of qualified Canadian engineers should be able to work out a complete Canadian design within thirty days. The first tank should roll off production lines after an additional three months. Within one year production should be up to a rate of 250 tanks per month. Such a program would depend upon close co-operation from the Canadian Government.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 8 June 5th, 1940

Rt. Hon. Arthur Meighen, Senator,
Ottawa, Canada.

Dear Sir:-

1. Production of all British type military aircraft is reported to be at a standstill throughout main Canadian plants, including Canadian Car & Foundry, Fairchild Aircraft, Fleet Aircraft, National Steel Car, Ottawa Car & Aircraft, Canadian Vickers. These companies have on hand Government orders totalling about forty million dollars for bombers and other military aircraft. The Canadian aircraft industry has collapsed due to shortage of aircraft engines which has now reached the proportions of a catastrophe. In the past it was easy to purchase engines from England and U.S.A. Now England needs all her own aircraft engines and cannot spare any for export to Canada; U.S.A. has insufficient output to take care of her domestic program and orders from the Allies. Our sources of aircraft motors have dried up and at this present time when Canadian aircraft production should be at a maximum it has actually slowed down to a dead crawl.

2. There is no valid reason why aircraft engines of any or all types should not be manufactured in Canada. In the early stages there would need to be some co-operation between plants, re-alignment of existing equipment, and possibly some new equipment; but on the whole our factories are suited for the job, and there is no obstacle that cannot be quickly overcome except the inertia of the Government in power. It is interesting to note that during the last war many aeroplane motors were manufactured in Toronto at the old Overland works; the problem has since changed beyond recognition, but comparatively speaking, it is no more difficult of solution now than it was in 1918. We have the factories, many of them idle, all we need is the green light ahead.

3. Somewhere buried in the files at Ottawa can be found a report submitted within recent months by the General Motors Co. of Oshawa confirming the practicability of producing modern aircraft motors in Canada rapidly and efficiently. The only thing lacking is the necessary money, orders, and co-operation from the Canadian Government. In addition to General Motors - the largest concern - various other Canadian plants also could produce the most modern aircraft engines depending on specifications.

4. There is wide variation in the size of aircraft engines. These range from a minimum of 60 horse power in the smallest moth craft up to 1500 horse power or more in the heaviest bombers. Also there is a distinct difference in type between British and American designs. Before a definite program could be mapped out it will be necessary for Canada to decide which sizes and types of engines are most urgently needed. Taking a broad view it would probably be most constructive to aim immediately at producing some of the heaviest type engines suitable for fighter or bomber planes.

5. All requisite raw materials are immediately available. Existing Canadian industries can supply sufficient aluminum, copper, alloy steels, plastics and other materials. There is indeed a widespread shortage of machine tools, but the supply already available in Canada should be sufficient for a fair start; and determined pressure backed by the Government could no doubt procure additional tools without undue delay. A prevailing shortage is also noted of die cutters and other skilled labor. To assemble adequate numbers of skilled workers for immediate production of modern aircraft motors it might be necessary to draft them from non-essential trades; reliable authorities estimate that with government co-operation no difficulty should be encountered in procuring 5,000 of the highest class of skilled workers from luxury and non-essential trades across Canada.

6. It has been remarked in official quarters that British manufacturers are reluctant to send their designs to Canada. This is because too many copies of blue prints are made at Ottawa and circulated carelessly, resulting in loss of valuable military secrets. If proper precautions are assured, no difficulty should be encountered in arranging for the use of the latest English designs as a basis for Canadian production of aircraft engines.

7. Meanwhile the German air fleet outnumbers that of the Allies by more than three to one. Canada, the second largest industrial country in the Empire, is producing no first line aircraft, only a few light planes used for preliminary training. We must manufacture aircraft engines; the need is urgent.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 8 — 12 to 5 - 3.6.1940

Rt. Hon. Arthur Meighen, Senator,
Ottawa, Canada.

Dear Sir:-

1. Production of all British type military aircraft is reported to be at a standstill throughout main Canadian plants, including Canadian Car & Foundry, Fairchild Aircraft, Fleet Aircraft, National Steel Car, Ottawa Car & Aircraft, Canadian Vickers. These companies have on hand Government orders totalling about forty million dollars for bombers and other military aircraft. The Canadian aircraft industry has collapsed due to shortage of aircraft engines which has now reached the proportions of a catastrophe. In the past it was easy to purchase engines from England and U.S.A. Now England needs all her own aircraft engines and cannot spare any for export to Canada; U.S.A. has insufficient output to take care of her domestic program and orders from the Allies. Our sources of aircraft motors have dried up and at this present time when Canadian aircraft production should be at a maximum it has actually slowed down to a dead crawl.

2. There is no valid reason why aircraft engines of any or all types should not be manufactured in Canada. In the early stages there would need to be some co-operation between plants, re-alignment of existing equipment, and possibly some new equipment; but on the whole our factories are suited for the job, and there is no obstacle that cannot be quickly overcome except the inertia of the Government in power. It is interesting to note that during the last war many aeroplane motors were manufactured in Toronto at the old Overland works; the problem has since changed beyond recognition, but comparatively speaking, it is no more difficult of solution now than it was in 1918. We have the factories, many of them idle, all we need is the green light ahead.

3. Somewhere buried in the files at Ottawa can be found a report submitted within recent months by the General Motors Co. of Oshawa confirming the practicability of producing modern aircraft motors in Canada rapidly and efficiently. The only thing lacking is the necessary money, orders, and co-operation from the Canadian Government. In addition to General Motors - the largest concern - various other Canadian plants also could produce the most modern aircraft engines depending on specifications.

4. There is wide variation in the size of aircraft engines. These range from a minimum of 60 horse power in the smallest moth craft up to 1500 horse power or more in the heaviest bombers. Also there is a distinct difference in type between British and American designs. Before a definite program could be mapped out it will be necessary for Canada to decide which sizes and types of engines are most urgently needed. Taking a bread view it would probably be most constructive to aim immediately at producing some of the heaviest type engines suitable for fighter or bomber planes.

5. All requisite raw materials are immediately available. Existing Canadian industries can supply sufficient aluminum, copper, alloy steels, plastics and other materials. There is indeed a widespread shortage of machine tools, but the supply already available in Canada should be sufficient for a fair start; and determined pressure backed by the Government could no doubt procure additional tools without undue delay. A prevailing shortage is also noted of die cutters and other skilled labor. To assemble adequate numbers of skilled workers for immediate production of modern aircraft motors it might be necessary to draft them from non-essential trades; reliable authorities estimate that with government co-operation no difficulty should be encountered in procuring 5,000 of the highest class of skilled workers from luxury and non-essential trades across Canada.

6. It has been remarked in official quarters that British manufacturers are reluctant to send their designs to Canada. This is because too many copies of blue prints are made at Ottawa and circulated carelessly, resulting in loss of valuable military secrets. If proper precautions are assured, no difficulty should be encountered in arranging for the use of the latest English designs as a basis for Canadian production of aircraft engines.

7. Meanwhile the German air fleet outnumbers that of the Allies by more than three to one. Canada, the second largest industrial country in the Empire, is producing no first line aircraft, only a few light planes used for preliminary training. We must manufacture aircraft engines; the need is urgent.

N.S.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 9 June 13th 1940.

Hon. Dr. H. A. Bruce,
House of Commons,
Ottawa.

Dear Sir:-

1. This supplements memorandum No. 8 of June 7th, and cancels note of June 11th.

2. Aircraft continue to be manufactured in Canada apart from engines and certain instruments. The Canadian program for production of aircraft was planned in expectation of importing all engines from England. As England is now short of engines and must reserve her output for home defence, no English engines are being delivered to the Canadian aircraft industry. No aircraft motors are being manufactured in Canada.

3. In the U.S.A., production of engines has been the "bottle-neck" of the aircraft industry. The shortage applies particularly to heavy engines for fighters and bombers; at present U.S.A. industry has not sufficient capacity to supply both the demand from the Allies and the American rearmament program. Unable to procure engines from England as planned, Canada has been obliged to enter the already bare American market and bid for engines against English, French and American buyers. This results in no net gain to the common allied cause; Canada can only get heavy aeroplane engines from U.S.A. by diverting them from France or England.

4. The remedy lies in production of aircraft engines in Canada. There are numerous types and sizes, but all may be roughly divided into two classes, namely, light engines for training planes and heavy engines for fighters and bombers. As the light engines are most easily manufactured, the temptation will be for Canada to attempt the manufacture of these first. This would be a mistake as the existing shortage is not acute in the light engine field where fair supplies are currently available from U.S.A. The acute shortage is in the field of heavy engines, for military aircraft, from 500 to 1500 horse power. Canada should commence immediately a program for manufacture of these heavy motors here.

5. According to reliable information, authorities at Ottawa are considering such a program to be developed at their usual leisurely pace. It is being suggested that some of the larger American aircraft motor manufacturers be encouraged to build and equip new plants in Canada. This would give us home-made engines in about two years; the chief delay being on account of the difficulty in obtaining new machine tools. Such a program will be too slow to be of any practical value in the salvation of the British Empire. Germany is producing approximately 3,000 first line military aircraft per month; by the end of two years they will at this pace have turned out 72,000 complete aircraft before Canada will have produced a single home-made engine.

6. In view of the short time available our most practical program would be to commence manufacture of these engines using tools already available in Canada. At the factory of the General Motors Co. at Oshawa, also at the Ford and Chrysler plants and in other Canadian factories, are available machine tools suitable for the immediate manufacture of perhaps 100 heavy aircraft engines per month. An intense effort on the part of the Government could co-ordinate these existing machine tools to enable us to commence manufacture within a few weeks. This would not be more difficult than manufacture of tanks, guns and other items recently undertaken in Canada. It is hoped that the Government may be induced to take action without losing much valuable time.

7. A conference could be held at Ottawa including key Canadian owners of suitable plants and machine tools. At such a meeting no doubt the leading American manufacturers could be induced to exhibit sample engines with blue prints and drawings. Such a gathering if properly qualified could promptly devise a workable program for immediate production in Canada of sufficient heavy motors to complete the fighter aircraft chassis currently being manufactured here.

N.S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 9 June 15th 1940.

Hon. Dr. H. A. Bruce,
House of Commons,
Ottawa.

Dear Sir:-

1. This supplements memorandum No. 8 of June 7th, and cancels note of June 11th.

2. Aircraft continue to be manufactured in Canada apart from engines and certain instruments. The Canadian program for production of aircraft was planned in expectation of importing all engines from England. As England is now short of engines and must reserve her output for home defence, no English engines are being delivered to the Canadian aircraft industry. No aircraft motors are being manufactured in Canada.

3. In the U.S.A., production of engines has been the "bottle-neck" of the aircraft industry. The shortage applies particularly to heavy engines for fighters and bombers; at present U.S.A. industry has not sufficient capacity to supply both the demand from the Allies and the American rearmament program. Unable to procure engines from England as planned, Canada has been obliged to enter the already bare American market and bid for engines against English, French and American buyers. This results in no net gain to the common allied cause; Canada can only get heavy aeroplane engines from U.S.A. by diverting them from France or England.

4. The remedy lies in production of aircraft engines in Canada. There are numerous types and sizes, but all may be roughly divided into two classes, namely, light engines for training planes and heavy engines for fighters and bombers. As the light engines are most easily manufactured, the temptation will be for Canada to attempt the manufacture of these first. This would be a mistake as the existing shortage is not acute in the light engine field where fair supplies are currently available from U.S.A. The acute shortage is in the field of heavy engines, for military aircraft, from 500 to 1500 horse power. Canada should commence immediately a program for manufacture of these heavy motors here.

5. According to reliable information, authorities at Ottawa are considering such a program to be developed at their usual leisurely pace. It is being suggested that some of the larger American aircraft motor manufacturers be encouraged to build and equip new plants in Canada. This would give us home-made engines in about two years; the chief delay being on account of the difficulty in obtaining new machine tools. Such a program will be too slow to be of any practical value in the salvation of the British Empire. Germany is producing approximately 3,000 first line military aircraft per month; by the end of two years they will at this pace have turned out 72,000 complete aircraft before Canada will have produced a single home-made engine.

6. In view of the short time available our most practical program would be to commence manufacture of these engines using tools already available in Canada. At the factory of the General Motors Co. at Oshawa, also at the Ford and Chrysler plants and in other Canadian factories, are available machine tools suitable for the immediate manufacture of perhaps 100 heavy aircraft engines per month. An intense effort on the part of the Government could co-ordinate these existing machine tools to enable us to commence manufacture within a few weeks. This would not be more difficult than manufacture of tanks, guns and other items recently undertaken in Canada. It is hoped that the Government may be induced to take action without losing much valuable time.

7. A conference could be held at Ottawa including key Canadian owners of suitable plants and machine tools. At such a meeting no doubt the leading American manufacturers could be induced to exhibit sample engines with blue prints and drawings. Such a gathering if properly qualified could promptly devise a workable program for immediate production in Canada of sufficient heavy motors to complete the fighter aircraft chassis currently being manufactured here.

N.S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEMORANDUM NO. 10

July 15 1940.

Hon. Dr. H. A. Bruce,
House of Commons,
Ottawa, Can.

#11

Dear Sir:-

1. The physical standard of recruits enlisting for the Canadian Active Service Force is low. Officers of Medical Boards who have inspected recruits in both the last war and this report a perceptible decline in physical standards. It is evident that the condition of our average young man is inadequate for the strain of war, and not up to what it could be were the authorities cognisant of the problem.

2. During the battle of France allied observers were dismayed to find that German Infantry Battalions were able to march forty miles in a single day and immediately thereafter go into front line battle without resting. The greatly inferior condition of the French troops must have accounted to some extent for their inability to cope with the German attack. These German men had been trained for years to outdoor marching and hard physical labour, thus fitting themselves to the strains of warfare. Our own Canadian boys receive no similar organised training.

3. It is suggested that all Canadian citizens between the ages of fifteen and thirty be encouraged by Governmental plan to do sufficient work of a physical nature to bring them up to a reasonable standard. This could take the form of compulsory physical training in schools, labour on farms, camping and hiking clubs, sports and gymnastics, etc. It is unfair to expect the military authorities to take boys of completely inadequate physique and make physically fit soldiers out of them in a short space of time.

4. Some attention might also be given to the problem of race betterment which has been taken in hand by other countries. Maintaining huge expensive institutions for the perpetuation of people having incurable hereditary defects is an unnecessary financial expense, and reduces the standard of the race. It would be of benefit to Canada if sterilization were instituted for families showing insanity and other incurable hereditary diseases. I do not think I am overstepping the bounds of reasonable opinion when I suggest that some steps might even be taken to encourage healthy persons in the raising of larger families.

5. There have been occasional attempts to institute these reforms, but same have faded in the politics of peace time. Now, under the stress of war it might be possible to institute at least a beginning to these urgently needed reforms.

Yours.

L.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121539

The Committee referred to in the attached letter is the Standing Orders Committee of the House of Commons. The penalty referred to is one imposed under the Rules of that House for non-filing of the petition within the time limited by the Rules. By resolution of the House the Committee has been authorized to consider and report upon a suspension of the Rule in so far as it relates to the Sarnia-Port Huron Tunnel Co. A.H.H.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121540

Senator Le Sueur

House of Commons
Canada

Dear Mr Meighen:-

I have just discussed the tunnel Bill with Ross Gray. We both realize that it is impossible to get adequate recompense for the time & effort that has been expended. We also agree that the tunnel Co would not have gone to the expense it has if the men concerned had any idea that the bridge bill would be revived.

Taking all these into consideration Mr Gray has agreed that if

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121541

House of Commons
Canada

the bridge is commenced the tunnel pump is to get - $3800 which is as nearly what has been actually expended as we can figure.

I am writing this because I wished to catch the night-train and for the moment I cannot leave you. Needless to say I appreciate your considering my wish. Mr Gray will try to see you tomorrow morning.

Very truly yours.

W. A. Buckle

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121542

LESUEUR, LESUEUR & DAWSON

BARRISTERS, SOLICITORS, ETC.

R. V. LESUEUR K.C. N. L. LESUEUR K.C.
F. P. DAWSON A. H. NETHERY

SARNIA, ONTARIO | March 23, 1935.

Messrs Henderson, Herridge & Gowling,
Barristers, etc.,
56 Sparks St.,
Ottawa, Ont.

Dear Sirs, - Re Sarnia-Port Huron Tunnel

Your wire of the 22nd just received.

The principal reason for the delay in connection with this application was the granting of the three years' extension to the Sarnia-Port Huron bridge. You will remember that an application for a Tuhnel bill was made in 1932 - that at that time it was turned down because of the fact that the Bridge Bill was in existence and it was intimated to us very clearly that, to grant the rights to a Tunnel Company while the rights of the Bridge Company were still in existence, would be a serious detriment to the Bridge Company and that so long as it was in existence the Tunnel franchise would not be given.

The next year when the franchise for the Bridge had expired, we made our application and the same was granted. We then proceeded with our plans and spent a considerable amount of money on preliminary investigations, feeling all the time the same reasoning would be applied in favor of us as was employed against us on our first application. Then, in June of last year, the application was made for the revival of the Bridge Company's power and on the faith of representations, which have since turned out to have been absolutely incorrect, they were given three years. This absolutely stopped further expenditure on our part and the whole matter was held in abeyance, as the parties concerned would not put up any further money under those conditions. As a result of investigations which were made and the information we received, we were finally able to decide definitely that the representations made before the Railway Committee of the Sentate were not correct; we had a great deal of trouble in convincing the American end of the proposition of this fact but finally, with the prospect of the $4,800,000,000.00 fund to be used by the President of the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121543

United States for public works, the parties interested decided to go ahead and get an extension of time. We worked on the proposition steadily but it was only at the time we gave you instructions that we were finally able to finance the application.

I may say that an application for an appropriation for the Tunnel has been sent in as one of the schemes proposed by the State of Michigan and we are very hopeful that, when the Bill is finally put through, something will be provided by way of assistance for the building of the American end of the Tunnel.

It might appear to the standing Bills Committee that we should have been able to make up our minds more quickly than we did. I cannot point out to you too strongly what a demoralizing effect the extension of time for the Bridge had on our whole organization. It practically had to be built up all over again and as those interested on the American side are scattered all the way from New York to Chicago you will understand the difficulties and delays in getting these people together and in getting the information which each group wanted. Men who are interested in a proposition of this size have so many other deals to look after that it is almost impossible to get them together until after a great deal of chopping and changing of times and places. There is no doubt that, if it had not been for the Bridge Bill the application for the Tunnel extension would have been filed in lots of time.

I do not think it is necessary for me to come down and feel that you will be able to get the penalty waived.

Very truly yours,

NLL:OH.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121544

Sarnia

Trimble

March 25, 1935.

112-6

Dear Mr. LeSueur:

I have your letter of 23rd March. Insofar as the statements in your letter of the same date to Messrs. Henderson, Herridge & Gowling referred to the Senate or the Senate Committee and the grounds of the action of these bodies, they are correct.

I am sure these facts will be kept in mind when the matter comes before the Senate again.

Yours very truly,

Mr. N. L. LeSueur, K. C.,
Sarnia, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121545

LESUEUR, LESUEUR & DAWSON

BARRISTERS, SOLICITORS, ETC.

R. V. LESUEUR K.C. N. L. LESUEUR K.C.
F. P. DAWSON A. H. NETHERY

SARNIA, ONTARIO March 23, 1935.

Right Honourable Arthur Meighen, P.C., K.C.,
Parliament Bldgs.,
Ottawa, Ont.

Dear Mr. Meighen, - Re Sarnia-Port Huron Tunnel

I have just, this morning, received a wire from Mr. McTavish that the Sarnia-Port Huron Tunnel Bill comes before the Standing Orders Committee on Tuesday, next, and that this Committee will decide then whether the penalty of $300.00 shall be waived. In reply to the wire I have written Mr. McTavish a letter, copy of which I am enclosing.

You know the whole situation, sofar as the Bridge Bill was concerned, and will understand the consequent upsetting of all our work and plans. I feel that, in view of the fact that we had been proceeding steadily with our preliminary work for the Tunnel and that these plans were so decidedly upset by the passing of that bill, the ones concerned should be commended for having brought it back to the present position rather than be penalized for a small delay. I would certainly appreciate anything that you can do in connection with this matter.

Very truly yours,

N. L. LeSueur

Enc.

NLL:OH.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021546

347 Bay St. Toronto,
March 25, 1935.

Personal

Dear Mr. LeSueur:

I have written a letter which you can use if desired. Cannot see why you did not introduce your Bill this year in the Senate. The rules now favour all private Bills coming before the Senate first.

I don't see how I could do anything if the Commons put it in, but would think probably if you were down its Members would be influenced by a forceful statement of the facts from yourself.

Yours very truly,

Arthur Meighen.

Mr. N. L. LeSueur, K. C.,

Sarnia, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121547

LESUEUR, LESUEUR, DAWSON & NETHERY
BARRISTERS, SOLICITORS, ETC.
R. V. LESUEUR, K.C. N. L. LESUEUR, K.C.
F. P. DAWSON, K.C. A. H. NETHERY

SARNIA, ONTARIO March 29, 1935.

1126

Right Honourable Arthur Meighen,
Parliament Bldgs.,
Ottawa, Ont.

Dear Mr. Meighen, - Re Sarnia-Port Huron Tunnel

I acknowledge receipt of your two letters of the 25th instant and appreciate your courtesy. It was my understanding that the Bill would be introduced in the Senate and I believe it only went to the House of Commons Committee in respect to penalty only. Unfortunately this Committee refused to waive the penalty and we have to pay an extra $300.00.

Very truly yours,

N. L. LeSueur

NLL:OH.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121548

LESUEUR, LESUEUR, DAWSON & NETHERY

BARRISTERS, SOLICITORS, ETC.

R. V. LESUEUR, K.C. N. L. LESUEUR, K.C.
F. P. DAWSON, K.C. A. H. NETHERY

SARNIA, ONTARIO June 3, 1935.

Right Honorable Arthur Meighen, Esq. P.C.,
The Senate of Canada,
Ottawa, Ont.

Dear Mr. Meighen, - - PERSONAL -

The Bill asking for extension of our Sarnia-Port Huron Tunnel franchise will be before the Railway Committee of the Senate on Wednesday morning at eleven o'clock. We have had our Agents, Messrs Henderson, Herridge & Gowling, keeping in touch with various matters down there and our last information from them is that they do not anticipate any difficulty.

Inasmuch, however, as Mr. McTavish has to be away that day, I have been instructed by my principals to appear on the hearing and will be there at that time. I sincerely hope you will be able to be present, in case I require any assistance.

There is, also, another matter which I would like to discuss with you, if you could spare me a few minutes some time during the day. I will call your secretary on arrival in Ottawa.

With kindest personal regards, I am,

Very truly yours,

N. L. LeSueur

NLL:OH.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121549

Ottawa,
June 5, 1925.

112

Dear Mr. LeSueur:

I just received your letter of 3rd. The Bill referred to went through this morning. As you were not present I took the matter up and am now through with it.

Yours very truly,

Arthur Meighen.

Mr. N. L. LeSueur, K.C.,
Barrister,
Sarnia, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121550

LESUEUR, LESUEUR, DAWSON & NETHERY

BARRISTERS, SOLICITORS, ETC.

R. V. LESUEUR, K.C. N. L. LESUEUR, K.C.
F. P. DAWSON, K.C. A. H. NETHERY

SARNIA, ONTARIO June 7, 1935.

112-L

Right Honourable Arthur Meighen, K.C., P.C.,
Parliament Bldgs.,
Ottawa, Ont.

Dear Mr. Meighen, -

On my return to the office today, your letter of the 5th instant was awaiting me. I have already expressed to you my appreciation of what you did and sincerely hope that this is the last time that the Tunnel Bill will come before the Senate.

With kindest personal regards, I am,

Very truly yours,

F. P. Dawson

NLL:OH.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021550

Ottawa, June 26, 1934.

The Senate of Canada

Dear Sirs:

Your telegram received. The Bill is referred to the Railway Committee of the Senate, and the Chairman, the Hon. Senator Graham, advised me today that he had wired you to be present on Thursday of this week.

Yours very truly,

Arthur Meighen.

Messrs. LeSueur, LeSueur, Dawson & Nethery,
Sarnia, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC TELEGRAPHS

T.D. 1M

CANADIAN PACIFIC COMMUNICATIONS

DIRECT COMMUNICATION WITH

THE INTERNATIONAL SYSTEM - POSTAL TELEGRAPH - MACKAY RADIO
COMMERCIAL CABLES - ALL AMERICA CABLES
MONEY TRANSFERRED BY TELEGRAPH

IMPERIAL AND INTERNATIONAL COMMUNICATIONS LIMITED -
IMPERIAL CABLES - BRITISH PACIFIC CABLE
HALIFAX AND BERMUDA CABLE CO.

This is a full-rate Telegram or Cablegram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER
NL	NIGHT LETTER
NM	NIGHT TELEGRAM
LCO	DEFERRED
NLT	CABLE LETTER

W. D. NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL.

15WA. Y. 155PM., 74 DL., STANDARD TIME
SARNIA,ONT.,JUNE 26 1934 1206PM.,
THE RIGHT HON.ARTHUR MEIGHEN,
HU.OTTAWA,ONT.

APLICATION BEING MADE TO SENATE TO AMEND STCLAIR TRANSIT ACT FOR BRIDGE STOP THIS IN DIRECT CONFLICT WITH TUNNEL ACT PASSED LAST SESSION STOP APPROVAL WILL MEAN NEITHER BUILT STOP HAVE MADE CONSIDERABLE PROGRESS WITH TUNNEL INCLUDING ESTIMATES AND FINANCES HAVE OPTION ON FERRY COMPANY AND LAND BOTH SIDES OF RIVER STOP ASK PRIVILEGE BEING HEARD BY COMMITTEE BEFORE MATTER DEALT WITH STOP WILL GO DOWN IF YOU WILL NOTIFY DATE OF HEARING STOP.

LESUEUR LESUEUR DAWSON AND NETHERY.

2PM.,

D215552

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121553

June 29, 1924. 112 L

The Senate of Canada

Dear Mr. White:

I duly received the telegram of yourself and Mr. Norton regarding the Tunnel Company. This matter was before the Committee yesterday, but on the representations made it seemed the universal opinion that the Bridge Company could not be denied their extension. Finally some terms, I believe, have been arranged affecting the Tunnel Company, and these Mr. LeSueur will advise you of on his return.

Yours very truly,

Mr. C. A. White,
Sarnia, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC TELEGRAPHS

T.D. 1M

CANADIAN PACIFIC COMMUNICATIONS

DIRECT COMMUNICATION WITH

THE INTERNATIONAL SYSTEM - IMPERIAL AND INTERNATIONAL

POSTAL TELEGRAPH - MACKAY RADIO COMMUNICATIONS LIMITED -

COMMERCIAL CABLES - ALL AMERICA CABLES IMPERIAL CABLES - BRITISH PACIFIC CABLE

MONEY TRANSFERRED BY TELEGRAPH HALIFAX AND BERMUDA CABLE CO.

This is a full-rate Telegram or Cablegram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER
NL	NIGHT LETTER
NM	NIGHT TELEGRAM
LCO	DEFERRED
NLT	CABLE LETTER

W. D. NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL.

15WA. Y. 155PM., 74 DL., STANDARD TIME
SARNIA,ONT.,JUNE 26 1934 1206PM.,
THE RIGHT HON.ARTHUR MEIGHEN,
HU.OTTAWA,ONT.

APLICATION BEING MADE TO SENATE TO AMEND STCLAIR TRANSIT ACT FOR BRIDGE STOP THIS IN DIRECT CONFLICT WITH TUNNEL ACT PASSED LAST SESSION STOP APPROVAL WILL MEAN NEITHER BUILT STOP HAVE MADE CONSIDERABLE PROGRESS WITH TUNNEL INCLUDING ESTIMATES AND FINANCES HAVE OPTION ON FERRY COMPANY AND LAND BOTH SIDES OF RIVER STOP ASK PRIVILEGE BEING HEARD BY COMMITTEE BEFORE MATTER DEALT WITH STOP WILL GO DOWN IF YOU WILL NOTIFY DATE OF HEARING STOP.

LESUEUR LESUEUR DAWSON AND NETHERY.

2PM.,

121552

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Have written parties to be here Thursday morning

N.G.

Com. @ 10 30 Wed

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121553

June 29, 1924. 112 L

The Senate of Canada

Dear Mr. White:

I duly received the telegram of yourself and Mr. Norton regarding the Tunnel Company. This matter was before the Committee yesterday, but on the representations made it seemed the universal opinion that the Bridge Company could not be denied their extension. Finally some terms, I believe, have been arranged affecting the Tunnel Company, and these Mr. LeSueur will advise you of on his return.

Yours very truly,

Mr. C. A. White,
Sarnia, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE	SYMBOL
Full-Rate Message	
Day Letter	D L
Night Message	N M
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a full-rate message. Otherwise its character is indicated by the symbol appearing after the check.

FORM 6122

121554

CANADIAN NATIONAL TELEGRAM

D. E. GALLOWAY, ASSISTANT VICE-PRESIDENT, TORONTO, ONT.

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

STANDARD TIME

42GWA 50 DL 3 EXTRA

SARNIA ONT JUNE 28 121P

For Messenger Call Canadian National Telegraphs Phone - Local 298

HON ARTHUR MEIGHEN

OTTAWA

UNDERSTAND SENATE CONSIDERING BILL AUTHORIZING STCLAIR TRANSIT COMPANY TO BUILD INTERNATIONAL BRIDGE AT SARNIA THE MEMBERS HOLDING TUNNEL FRANCHISE STRONGLY PROTEST THIS ACTION TRAFFIC WILL NOT SUPPORT BOTH STRUCTURES AND FERRY COMPANY COOPERATIVE NEGOTIATIONS SHOULD BE UNDERTAKEN BEFORE GRANTING FURTHER FRANCHISE PUBLIC FUNDS DOUBTFUL WITHOUT TREATY NEGOTIATIONS

C A WHITE AND R M NORTOR FOR TUNNEL CO

231P

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121555

DEPARTMENT OF FISHERIES
CANADA

OFFICE OF THE DEPUTY MINISTER OF FISHERIES

OTTAWA

March 14th, 1934

123

Dear Senator Meighen,-

Adverting to our conversation over the telephone of yesterday, I now attach a copy of a memorandum regarding the Pelagic Sealing Treaty which I hope will adequately serve your purpose. If after reading it there is any further information you may need, will you kindly let me know.

Enclosure

Yours truly,

Wm A Found

Right Honourable Arthur Meighen, P.C.,
Leader,
The Senate,
O t t a w a.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121556

MEMORANDUM FOR HONOURABLE MR. MEIGHEN, SENATE LEADER

Re Pelagic Sealing Question

.....

This question is a long and involved one. While it is understood that what is desired mainly is what has been done under the Pelagic Sealing Treaty, for a proper understanding of the matter it will be necessary to deal briefly with the most salient points leading up to it.-

The fur seal, or sea bear, frequents areas in different parts of the world, such as the South Atlantic, Australasia and the East Coast of South America, in addition to the Northern Pacific, but by far the largest herds and best furred animals are found in the North Pacific. There are two main herds there, the American and Asiatic. The latter is divided into two groups, the Russian and the Japanese. These seals are all of the same family but, not intermixing, they are separate species. The fur seal is largely amphibious. It can move considerable distances by land over very rough going, and can, on the other hand, remain in the water for months at a time. It is polygamous in its habits, one male gathering about him a large ~~quantity~~ number of females, the average number under ordinary conditions being not less than thirty-five. The female seal matures when it is two years old and has its first pup when it is three, while the males which grow to a much larger size, are slower in maturing. They usually take from five or six years. The seals are born in about equal numbers as to sex, so that, as with sheep, etc., a large percentage of the young males can annually be removed from the herd, not only without detriment, but with positive advantage to it.

The nomenclature regarding these animals is very peculiar. The mature male is a "bull". The mature female is a "cow". The young is a "pup". The areas to which they resort for breeding are "rookeries".

The fur seals come to land to have their young, but feed entirely at sea.

Starting in the spring, the habits of the North Pacific herds are: The bulls reach the Islands usually beginning in May, some time in advance of the females, and take up stations on the rookeries which are usually held only after sharp battling amongst the bulls, the stronger ones maintaining the stations nearer the water and the weaker ones having to move farther and farther back. As the females arrive, they are gathered round the males in what are known as "harems". After being there a short time they have their young, and finally the harems break up and the mothers leave their pups ashore and go to sea to feed, returning at intervals to suckle their young. This process takes several weeks, and as the young seals get large enough, they too make their way to the water

and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121557

and eventually learn to find their own food. The whole herd remains about the Islands during the summer and early fall, by which time the young seals have become large enough to look after themselves. At the approach of winter the whole herd leaves the Islands and starts southward, not returning again until the following spring. The American herd has its rookeries on the Pribilof Islands in Behring Sea, which islands are part of Alaska. The Russian herd has its rookeries on the Commander Islands, also in Behring Sea. The main Japanese herd, which is small, has its rookeries on Robben Islands off Saghalin Peninsula. The herds journey southward until about January. By that time the American herd is opposite Southern California. The seals then turn back and reach the Islands in the following spring.

When the United States secured Alaska in 18~~76~~67 the American seal herd was apparently at its maximum. The number of animals was variously estimated up to 4,700,000.

Shortly after the purchase of Alaska the United States Government leased the sealing privileges on the Pribilof Islands to the Alaska Commercial Company. The lease was for twenty years from 1870. The annual rental was $55,000., plus a revenue tax of $2.00 per skin and other taxes amounting to more than $1.00 a skin. At that time fur seal skins were not steadily on the market, so that a demand for them in large quantities had to be built up. The company soon succeeded in doing this, and until pelagic sealing began, it had no difficulty in taking 100,000 young male seals from the Islands each year.

It may be noted in passing that the Russian Government followed the lead of that of the United States, having given a lease of sealing privileges on the Commander Islands to an American company known as the Russian American Company. At that time Robben Island was part of Russia as it only became Japanese following the Russian Japanese war.

The demand for fur seal skins, and the fact that these seals spent so many months at sea passing up and down the American coast of the northern part of this continent, prompted the hunting of these seals at sea, which method of taking seals became known as pelagic sealing. It grew rapidly both from British Columbia and United States ports. From the standpoint of the seals themselves, it had obvious disadvantages. On land, only the selected young male seals were killed, but at sea no selection could be made and, in the nature of things, the females becoming heavier with young as the season progressed, were easier to catch, and they formed by far the greater proportion of the catch. This practice must obviously result seriously to the future of the herd. Objection arose to it by the lessees on two counts,- (1) the destruction of the herd; and (2) interference with their exclusive franchise. The United States Government tried to maintain the exclusive privilege of sealing to their lessees. With this in view it contended that the seals were really United States property as their places of reproduction were entirely on United States islands, and so far as Behring Sea is concerned, they contended that following the purchase of Alaska all the waters east of the 180th Meridian were United States national waters and they undertook to prevent all sealing vessels from operating there. As many Canadian sealing vessels

made

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121558

made large catches in Behring Sea, the United States contention resulted in several seizures from 1887 to 1889. This action was immediately challenged by Great Britain, and after protracted negotiations it was agreed to submit the question to arbitration and at the same time to have the arbitrators deal with the matter of protective regulations for the seals. The arbitration took place at Paris in 1893, though by modus vivendi arrangements pelagic sealing was restricted in Behring Sea in the meantime. The finding of the arbitration, which is known as the Paris Award, 1894, was entirely in favour of the British contention that the only territorial jurisdiction the United States had in Behring Sea was the usual three marine miles along the coast and around the islands. Hence the United States Government was required to pay large damages for the seizures. The Award, however, imposed sharp restrictions on pelagic sealing with a view to the proper protection of the herd. These were:

(a) A sixty-mile protective zone around the Pribilof Islands.

(b) A close season on the whole eastern side of the North Pacific and Behring Sea, covering about 5,000,000 square miles of water, during May, June and July.

(c) Sailing vessels only might be used in connection with which canoes or boats propelled by oars or sails only might be operated.

(d) The place at which each hunting was carried on must be entered in a log book and the information communicated to the two governments.

(e) The use of spears only was permitted in the killing of seals in Behring Sea and no nets or guns, other than shot guns, were allowed to be used in the ocean outside Behring Sea.

(f) The governments should take measures to control the fitness of the men engaging in the industry.

At that time quite a large pelagic sealing industry was going on from United States ports as well as from Canadian, but the United States Government had been continuously trying to stop all pelagic sealing, and in 1897 legislation was passed prohibiting it in the North Pacific Ocean and Behring Sea by United States nationals.

It was generally believed that the Paris Award Regulations sounded a death knell to pelagic sealing, but the very year they came into force,- 1894,- the biggest pelagic catch in the history of the industry,- 94,474 animals,- was made, though 56,430 of these were taken on the Asiatic side.

This leads to another feature of the question.

In the early days of the industry there was no pelagic sealing on the Asiatic side, but following the modus vivendi

of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121559

of 1890, which closed the eastern half of Behring Sea to such sealing, many of the Canadian sealers transferred their operations to the Asiatic side where they did well. This resulted in several seizures about the Commander Islands by the Russian authorities, the outcome of which was protracted negotiations, and final agreement by Russia many years later to settle approved claims.

Pelagic sealing on that coast became a steady practice. This drew to the attention of the Japanese the possibilities of this industry, and in the late nineties a rapidly growing Japanese fleet was engaged in the business. That fleet had the distinct advantage over the Canadian fleet, in that Japan was not a party to the Paris Award so that its vessels could seal not only during the close season, but right up to the three mile limit around the Pribilof Islands.

The attack that was being made on the seals both by land and sea soon began to show its results on the herd. To what extent this was the case will be gathered from the following statement of the Canadian pelagic sealing operations from 1894 onward:

YEAR	American Side		Asiatic Side		TOTAL
	VESSELS	CATCH	VESSELS	CATCH	
1894	27	38,044	35	56,430	94,474
1895	40	41,984	22	24,968	66,952
1896	54	34,050	28	19,274	53,324
1897	31	20,689	11	8,703	29,392
1898	31	26,589	1	410	26,999
1899	25	33,755	1	699	34,454
1900	36	33,951	2	208	34,159
1901	37	17,627	8	5,527	23,154
1902	31	10,129	9	4,671	14,800
1903	21	12,026	6	1,910	13,936
1904	19	11,355	6	1,790	13,145
1905	17	11,355	3	1,651	13,006
1906	17	8,508	3	1,651	10,159
1907	15	4,792	2	448	5,240
1908	8	3,559	2	893	4,452
1909	4	2,932	1	623	3,555
1910	5	3,596	2	626	4,222
1911					2,673

Following the Paris Award Regulations, protracted international study of the natural history of the fur seal on both the Pribilof and Commander Islands was made, and negotiations proceeded looking to the elimination of pelagic sealing.

From a Canadian standpoint it was growing more and more evident that if something were not done, it would not be long until there would be no pelagic sealing as the resource would be economically exhausted. As early as 1900 practically all the

Canadian

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121560

Canadian sealers joined in what was known as the Victoria Sealing Company. At that time the fleet was reduced to 46 vessels, 43 of which came under the control of the company. The object of the company was to reduce expenses by not sending out more vessels than would pay. The company year by year sent out fewer and fewer vessels until 1909 when only one was sent out and none thereafter. Had it not been for a few independent vessels that took up the industry, Canada's position would have ceased to have the strength of any industry behind it.

In 1890 on the expiry of the lease of the Pribilof Islands to the Alaska Commercial Company, the United States Government gave a lease to the North American Commercial Company for a period of twenty years. During this term the company was able to take only 343,756 seals, while in the early years the previous company readily took 100,000 a year. When the lease expired in 1910 the American seal herd was reduced to approximately 133,000 animals.

The negotiations finally resulted in a quadripartite convention of July 7th, 1911, between Great Britain, the United States, Russia and Japan. A copy of this treaty is attached. It will be observed that this treaty provides for the prohibition of pelagic sealing by all the Parties thereto, in the North Pacific Ocean and Bering Sea, and makes such sealing by any other one impracticable as the ports of the countries concerned are closed to sealing vessels. Article X provides for the share by the different countries in the results of land operations, and that Canada is to receive fifteen per cent gross in number and in value of the seals taken on the Pribilof Islands, while Article XII provides for a similar proportion of the catch on the Russian Islands, and Article XIII for a ten per cent sharing on the Japanese Islands.

Article XI provides for an advance payment in cash of $200,000. to Great Britain and Japan. The object of this was undoubtedly to enable the governments concerned to make needed compensation for prohibiting pelagic sealing without having to make demands on the exchequers of the countries concerned.

Article XVI provides that the Treaty shall remain in force fifteen years and thereafter until terminated by twelve months' written notice by one or more of the Parties to all the others, and even if this is done that a conference may be held to consider a further convention.

Article IV provides for the continuation of sealing by the Indians along the coasts of Canada and the United States in the manner that they had been engaging in for years past.

It will also be noted that Articles VI and VII of the Treaty provide for necessary legislative and patrol measures to enforce the Treaty.

Following the coming into force of the Treaty, both the United States and Russia arranged a close season of five years on all sealing operations on the Islands, excepting for the needs of the natives, the object being to give the seals a chance to become restablished to a reasonable extent, so that commercially, excepting to a small extent in Japan, the results of the Treaty did not begin until 1917.

Following

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121560

Following the Treaty large claims were made by the Victoria Sealing Company and others for compensation, though as previously pointed out, the said company had, at its own instance, withdrawn from the business in 1909. After much consideration of the matter, it was finally decided to appoint a commissioner to investigate all claims, and his authority was extended to investigate claims under the Paris Award Regulations. Mr. Justice Audette, the then Assistant Judge of the Exchequer Court, was appointed Commissioner. ~~*A copy of his report is attached.~~ He determined that the only sealers entitled to recover are those coming under the Treaty of 1911 whose names were set out under Schedule "D", pages fourteen and twenty-seven. This compensation covered the vessels that were owned by persons or concerns independent of the Victoria Sealing Company, that were actually sealing when the Treaty came into force and the crews thereon, and totalled $60,663.75. The Report of the Commissioner was approved by the Government and compensation was made in accordance therewith.

Up to the time that the Treaty became effective, the fur seal skin market of the world was in London. It was only there that concerns were established for the dressing and dyeing of seal skins, and they carefully safeguarded the privacy of their methods. It will be noted from Article XI of the Treaty that it was contemplated that the marketing of the skins in London would be continued, as that Article provides that the repayment of the $200,000., which was to be made up in skins, would be reckoned at the market value of the skins in London. During the five-year close time, however, the United States Government entered into an agreement with the Fouke Fur Company of St. Louis by which the latter was entrusted with the dressing, dyeing and marketing of all the United States skins. That company established a plant at St. Louis and succeeded in employing an expert, or experts who had previously been engaged with the companies in London.

During the war the price of furs went very high and St. Louis became probably the most important fur market in the world.

Article X of the Treaty provided that Canada's share should be delivered to an authorized agent at the Probilof Islands. To take delivery of the skins there would have been an expensive matter, as it would mean sending out a boat specially for that purpose, and owing to inadequate harbour facilities such vessel might have to remain at the islands for a much longer period than would otherwise be necessary. On the other hand, the United States Government is entrusted with the care of the natives on the Pribilof Islands and in that connection has to maintain a vessel for transporting supplies, etc. This vessel could take all the seal skins from the islands quite readily. Hence it was decided that instead of Canada taking over her share of the seal skins, it should be arranged that the United States Government would transport them all to St. Louis and arrange for their preparation and sale there and account to Canada for fifteen per cent of the net proceeds, no cost being charged to Canada for expenses incurred until the skins were landed at Seattle.

While

*I find our supply is exhausted.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121562

While for several years the prices obtained at St. Louis were high, they were continually receding.

The method of handling the skins in a cooperative way is most economical, but Canada was anxious that an opportunity should be given for the reestablishment of a market in London, amongst other things with the object of building up a competitive demand. The question of modifying the agreement with the Fouke Fur Company when it terminated in 1932 was taken up with the United States authorities with a view to having a reasonable proportion of the skins sent to London. This, however, was not done, and also by that year the prices obtained for the fur seal skins at St. Louis dropped so low as to leave no worth while profit.

In the above circumstances Canada decided last year that its share of the seal skins should be sent to London and marketed there. The United States cooperated in every way in enabling this to be done and charged us nothing for preparing the skins on the Islands or transporting them to Seattle.

The first sales of skins in London took place in February and were in the circumstances quite gratifying. The average net price received for the dressed and dyed skins was £2.6.7. It was also considered best by the London trade to offer some undressed skins for sale. These brought an average net price of £1.10.3.

Under the Treaty, the seal herd has been increasing very rapidly. As time goes on the increase becomes more rapid because of the growing size of the herd. What has been accomplished will be realized from the fact that as previously stated, when the Treaty became effective the American seal herd was estimated at 133,000 animals. By 1932 the population had risen to 1,219,961 animals, an increase of 92,879 from the previous year. While in the last year that pelagic sealing was carried on the total number taken by our vessels was 2,673, in 1933 the number of selected young male seals taken on the Pribilof Islands was 54,553, Canada's share being 8,183.

So far as Japan is concerned, its herd is small and never can be large as the rookeries are so restricted. The annual take for a number of years past has been about 1,700, of which Canada receives ten per cent.

Japan, like Canada, has as a general thing, been marketing her skins at St. Louis, and instead of Canada taking over the raw skins at the Japanese islands, it has arranged for receiving ten per cent in cash of the net proceeds of the sales of the skins.

The

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121563

The situation with Russia is not satisfactory. It is hard to find out what is going on on the Russian islands, and since 1925 nothing has been received from Russia.

With the growing proportions of the American herd, as would be expected, there is some dissatisfaction with the prohibition of pelagic sealing. Hence there have been suggestions that the Treaty ~~it~~ should be terminated. What the result of such a course would be is evident in the light of the foregoing, and it should not be forgotten that should this be done, Canadian sealers would still have to operate under the Paris Award Regulations, though the sealers from other countries would not need to do so. Also, the United States could put an end to the industry in a very few years by allowing the killing of all the seals as they return to the islands. Indeed, this course was suggested many times in the United States during the protracted negotiations leading up to the Treaty.

Keeping in view that the United States bears all the expense of caring for the herd and of killing operations, it was considered that the contribution it is making of thirty per cent of the seal skins taken,- fifteen per cent to Canada and fifteen per cent to Japan,- was fair.

There has been some contention that the herd will become a growing menace to our Pacific fisheries owing to the large quantities of fish that will be consumed by the seals. Neither experience nor investigation vindicates this contention. When the seal herd was at its heighth, while our salmon and halibut fisheries were not developed, they were also at a maximum. Investigation has revealed that probably the main food of the seals are kinds of fish that do not enter into the commercial fisheries, such as squid. It has been ascertained that they do eat other fish and in cases have been known to follow fish on the hooks of halibut fishermen that were being hauled up to the boats, but generally, an examination of the stomachs of seals taken off the west coast of Vancouver Island, showed small proportions of salmon, no halibut and mainly herring.

In the nature of things, such a fisherman as a halibut fisherman who sees a fish being taken from his hook, is likely to come to regard the damage caused as out of proportion to what actually takes place.

Attached

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Attached hereto are,-

(a) A copy of the Pelagic Sealing Treaty.

(b) A statement showing the total net receipts by Canada to November, 1933.

Ottawa,

March 14th, 1934

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY

121565

STATEMENT OF RECEIPTS UNDER PELAGIC SEALING TREATY AND EXPENDITURE INCURRED THEREWITH TO 30 NOVEMBER, 1933

FROM	Net Receipts to Pelagic Revenue	Less Expenditure by the Department therewith	NET
United States Skins 1,082,187.94 Less Int. 8,157.36	1,074,030.58	1,790.20	1,072,240.38
Japanese skins	11,805.17	178.90	11,626.27
Russian skins	5,308.97	545.92	4,763.05
Seized skins	172.89	5.82	167.07
	1,091,317.61	2,520.84	1,088,796.77

PLUS EXCHANGE

	Premium	Discount	Total
U.S.Prior 1921	24,560.59		
U.S. 1921	6,309.07		
U.S. 1922	566.73		
U.S. 1923	1,094.50		
U.S. 1925	17.68	18.83	
	32,548.57	18.83	32,529.74
Russia 1919	91.92		
Russia 1921	242.43		
Russia 1923	1.77		
	336.12		336.12
Seized Skins	.30		.30
			32,866.16
			1,121,662.92

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121566

CONVENTION

BETWEEN GREAT BRITAIN, THE UNITED STATES OF AMERICA, JAPAN AND RUSSIA, FOR THE ADOPTION OF MEANS LOOKING TO THE PRESERVATION AND PROTECTION OF THE FUR SEAL. SIGNED AT WASHINGTON, ON JULY 7, 1911

TEXT

OF

PELAGIC SEALING TREATY

SIGNED AT WASHINGTON, JULY 7, 1911

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1925

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121567

CONVENTION

BETWEEN GREAT BRITAIN, THE UNITED STATES OF AMERICA, JAPAN AND RUSSIA, FOR THE ADOPTION OF MEANS LOOKING TO THE PRESERVATION AND PROTECTION OF THE FUR SEAL. SIGNED AT WASHINGTON, ON JULY 7, 1911

The United States of America, His Majesty the King of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, Emperor of India, His Majesty the Emperor of Japan, and His Majesty the Emperor of all the Russias, being desirous of adopting effective means for the preservation and protection of the fur seals which frequent the waters of the North Pacific Ocean, have resolved to conclude a Convention for the purpose, and to that end have named as their Plenipotentiaries:

The President of the United States of America, the Honourable Charles Nagel, Secretary of Commerce and Labour of the United States, and the Honourable Chandler P. Anderson, Counsellor of the Department of State of the United States;

His Britannic Majesty, the Right Honourable James Bryce, of the Order of Merit, his Ambassador Extraordinary and Plenipotentiary at Washington, and Joseph Pope, Esquire, Commander of the Royal Victorian Order and Companion of the Order of St. Michael and St. George, Under Secretary of State of Canada for External Affairs;

His Majesty the Emperor of Japan, Baron Yasuya Uchida, Jusammi, Grand Cordon of the Imperial Order of the Rising Sun, his Ambassador Extraordinary and Plenipotentiary at Washington; and the Honourable Hitoshi Dauke, Shoshii, Third Class of the Imperial Order of the Rising Sun, Director of the Bureau of Fisheries, Department of Agriculture and Commerce;

His Majesty the Emperor of all the Russias, the Honourable Pierre Botkine, Chamberlain of His Majesty's Court, Envoy Extraordinary and Minister Plenipotentiary to Morocco, and Baron Boris Nolde, of the Foreign Office;

Who, after having communicated to one another their respective full powers, which were found to be in due and proper form, have agreed upon the following articles:

Article I.

The High Contracting Parties mutually and reciprocally agree that their citizens and subjects respectively, and all persons subject to their laws and treaties, and their vessels, shall be prohibited, while this Convention remains in force, from engaging in pelagic sealing in the waters of the North Pacific Ocean, north of the thirtieth parallel of north latitude and including the Seas of Behring, Kamchatka, Okhotsk and Japan, and that every such person and vessel offending against such prohibition may be seized, except within the territorial jurisdiction of one of the other Powers, and detained by the naval or other duly commissioned officers of any of the Parties to this Convention, to be delivered as soon as practicable to an authorized official of their own nation at the nearest point to the place of seizure, or elsewhere as may be mutually agreed upon; and that the authorities of the nation to which such person or vessel belongs alone shall have jurisdiction to try the offence and impose the penalties for the same; and that the witnesses and proofs necessary to establish the offence, so far as they are under the control of any of the Parties to this Convention, shall also be furnished with all reasonable promptitude to the proper authorities having jurisdiction to try the offence.

94921—1½

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121568

ARTICLE II.

Each of the High Contracting Parties further agrees that no person or vessel shall be permitted to use any of its ports or harbours or any part of its territory for any purposes whatsoever connected with the operations of pelagic sealing in the waters within the protected area mentioned in Article I.

ARTICLE III.

Each of the High Contracting Parties further agrees that no sealskins taken in the waters of the North Pacific Ocean within the protected area mentioned in Article I, and no sealskins identified as the species known as *Callorhinus alascanus*, *Callorhinus ursinus*, and *Callorhinus kurilensis*, and belonging to the American, Russian or Japanese herds, except such as are taken under the authority of the respective Powers to which the breeding grounds of such herds belong and have been officially marked and certified as having been so taken, shall be permitted to be imported or brought into the territory of any of the Parties to this Convention.

ARTICLE IV.

It is further agreed that the provisions of this Convention shall not apply to Indians, Ainos, Aleuts, or other aborigines dwelling on the coast of the waters mentioned in Article I, who carry on pelagic sealing in canoes not transported by or used in connection with other vessels, and propelled entirely by oars, paddles, or sails, and manned by not more than five persons each, in the way hitherto practised and without the use of firearms; provided that such aborigines are not in the employment of other persons, or under contract to deliver the skins to any person.

ARTICLE V.

Each of the High Contracting Parties agrees that it will not permit its citizens or subjects or their vessels to kill, capture or pursue beyond the distance of three miles from the shore line of its territories sea otters in any part of the waters mentioned in Article I of this Convention.

ARTICLE VI.

Each of the High Contracting Parties agrees to enact and enforce such legislation as may be necessary to make effective the foregoing provisions with appropriate penalties for violation thereof.

ARTICLE VII.

It is agreed on the part of the United States, Japan, and Russia that each respectively will maintain a guard or patrol in the waters frequented by the seal herd in the protection of which it is especially interested, so far as may be necessary for the enforcement of the foregoing provisions.

ARTICLE VIII.

All of the High Contracting Parties agree to co-operate with each other in taking such measures as may be appropriate and available for the purpose of preventing pelagic sealing in the prohibited area mentioned in Article I.

ARTICLE IX.

The term pelagic sealing is hereby defined for the purposes of this Convention as meaning the killing, capturing or pursuing in any manner whatsoever of fur seals at sea.

121568

ARTICLE X.

The United States agrees that of the total number of sealskins taken annually under the authority of the United States upon the Pribilof Islands or any other islands or shores of the waters mentioned in Article I subject to the jurisdiction of the United States to which any seal herds hereafter resort, there shall be delivered at the Pribilof Islands at the end of each season fifteen per cent (15 per cent) gross in number and value thereof to an authorized agent of the Canadian Government and fifteen per cent (15 per cent) gross in number and value thereof to an authorized agent of the Japanese Government; provided, however, that nothing herein contained shall restrict the right of the United States at any time and from time to time to suspend altogether the taking of sealskins on such islands or shores subject to its jurisdiction, and to impose such restrictions and regulations upon the total number of skins to be taken in any season and the manner and times and places of taking them as may seem necessary to protect and preserve the seal herd or to increase its number.

ARTICLE XI.

The United States further agrees to pay the sum of two hundred thousand dollars ($200,000) to Great Britain and the sum of two hundred thousand dollars ($200,000) to Japan when this Convention goes into effect, as an advance payment in each case in lieu of such number of fur-seal skins to which Great Britain and Japan respectively would be entitled under the provisions of this Convention as would be equivalent in each case to two hundred thousand dollars ($200,000) reckoned at their market value at London at the date of their delivery before dressing and curing and less cost of transportation from the Pribilof Islands, such market value in case of dispute to be determined by an umpire to be agreed upon by the United States and Great Britain, or by the United States and Japan, as the case may be, which skins shall be retained by the United States in satisfaction of such payments.

The United States further agrees that the British and Japanese shares respectively of the sealskins taken from the American herd under the terms of this Convention shall be not less than one thousand (1,000) each in any year even if such number is more than fifteen per cent (15 per cent) of the number to which the authorized killing is restricted in such year, unless the killing of seals in such year or years shall have been absolutely prohibited by the United States for all purposes except to supply food, clothing, and boat skins for the natives on the islands, in which case the United States agrees to pay to Great Britain and to Japan each the sum of ten thousand dollars ($10,000) annually in lieu of any share of skins during the years when no killing is allowed; and Great Britain agrees, and Japan agrees, that after deducting the skins of their respective shares, which are to be retained by the United States as above provided to reimburse itself for the advance payment aforesaid, the United States shall be entitled to reimburse itself for any annual payments made as herein required, by retaining an additional number of sealskins from the British and Japanese shares respectively over and above the specified minimum allowance of one thousand (1,000) skins in any subsequent year or years when killing is again resumed, until the whole number of skins retained shall equal, reckoned at their market value determined as above provided for, the entire amount so paid, with interest at the rate of four per cent (4 per cent) per annum.

If, however, the total number of seals frequenting the United States islands in any year falls below one hundred thousand (100,000), enumerated by official count, then all killing, excepting the inconsiderable supply necessary for the support of the natives as above noted, may be suspended without allowance of skins or payment of money equivalent until the number of such seals again exceeds one hundred thousand (100,000), enumerated in like manner.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121570

Article XII.

It is agreed on the part of Russia that of the total number of sealskins taken annually upon the Commander Islands, or any other islands or shores of the waters defined in Article I subject to the jurisdiction of Russia to which any seal herds hereafter resort, there shall be delivered at the Commander Islands at the end of each season fifteen per cent (15 per cent) gross in number and value thereof to an authorized agent of the Canadian Government, and fifteen per cent (15 per cent) gross in number and value thereof to an authorized agent of the Japanese Government; provided, however, that nothing herein contained shall restrict the right of Russia at any time and from time to time during the first five years of the term of this Convention to suspend altogether the taking of sealskins, on such islands or shores subject to its jurisdiction, and to impose during the term of this Convention such restrictions and regulations upon the total number of skins to be taken in any season, and the manner and times and places of taking them as may seem necessary to preserve and protect the Russian seal herd, or to increase its number; but it is agreed, nevertheless, on the part of Russia that during the last ten years of the term of this Convention not less than five per cent (5 per cent) of the total number of seals on the Russian rookeries and hauling grounds will be killed annually, provided that said five per cent (5 per cent) does not exceed eighty-five per cent (85 per cent) of the three-year-old male seals hauling in such year.

If however, the total number of seals frequenting the Russian islands in any year falls below eighteen thousand (18,000) enumerated by official count, then the allowance of skins mentioned above and all killing of seals except, such as may be necessary for the support of the natives on the islands may be suspended until the number of such seals again exceeds eighteen thousand (18,000) enumerated in like manner.

Article XIII.

It is agreed on the part of Japan that of the total number of sealskins taken annually upon Robben Island, or any other islands or shores of the waters defined in Article I subject to the jurisdiction of Japan to which any seal herds hereafter resort, there shall be delivered at Robben Island at the end of each season ten per cent (10 per cent) gross in number and value thereof to an authorized agent of the United States Government, ten per cent (10 per cent) gross in number and value thereof to an authorized agent of the Canadian Government, and ten per cent (10 per cent) gross in number and value thereof to an authorized agent of the Russian Government; provided, however, that nothing herein contained shall restrict the right of Japan at any time and from time to time during the first five years of the term of this Convention to suspend altogether the taking of sealskins on such islands or shores subject to its jurisdiction, and to impose during the term of this Convention such restrictions and regulations upon the total number of skins to be taken in any season, and the manner and times and places of taking them as may seem necessary to preserve and protect the Japanese herd, or to increase its number; but it is agreed, nevertheless, on the part of Japan that during the lats ten years of the term of this Convention not less than five per cent (5 per cent) of the total number of seals on the Japanese rookeries and hauling grounds will be killed annually, provided that said five per cent (5 per cent) does not exceed eighty-five per cent (85 per cent) of the three-year-old male seals hauling in such year.

If, however, the total number of seals frequenting the Russian islands in any year falls below six thousand five hundred (6,500) enumerated by official count, then the allowance of skins mentioned above and all killing of seals except such as may be necessary for the support of the natives on the islands may be suspended until the number of such seals again exceeds six thousand five hundred (6,500) enumerated in like manner.

121570

Article XIV.

It is agreed on the part of Great Britain that in case any seal herd hereafter resorts to any islands or shores of the waters defined in Article I subject to the jurisdiction of Great Britain, there shall be delivered at the end of each season during the term of this Convention ten per cent (10 per cent) gross in number and value of the total number of sealskins annually taken from such herd to an authorized agent of the United States Government, ten per cent (10 per cent) gross in number and value of the total number of sealskins annually taken from such herd to an authorized agent of the Japanese Government, and ten per cent (10 per cent) gross in number and value of the total number of sealskins annually taken from such herd to an authorized agent of the Russian Government.

Article XV.

It is further agreed between the United States and Great Britain that the provisions of this Convention shall supersede, in so far as they are inconsistent therewith or in duplication thereof, the provisions of the treaty relating to the fur seals, entered into between the United States and Great Britain on the 7th day of February, 1911.

Article XVI.

This Convention shall go into effect upon the 15th day of December, 1911, and shall continue in force for a period of fifteen (15) years from that date, and thereafter until terminated by twelve (12) months' written notice given by one or more of the Parties to all of the others, which notice may be given at the expiration of fourteen years or at any time afterwards, and it is agreed that at any time prior to the termination of this Convention, upon the request of any one of the High Contracting Parties, a conference shall be held forthwith between representatives of all the Parties hereto, to consider and if possible agree upon a further extension of this Convention with such additions and modifications, if any, as may be found desirable.

Article XVII.

This Convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, by His Britannic Majesty, by His Majesty the Emperor of Japan, and by His Majesty the Emperor of all the Russias; and ratifications shall be exchanged at Washington as soon as practicable.

In faith whereof, the respective Plenipotentiaries have signed this Convention in quadruplicate and have hereunto affixed their seals.

Done at Washington the seventh day of July, in the year one thousand nine hundred and eleven.

CHARLES NAGEL,	[L.S.]
CHANDLER P. ANDERSON,	[L.S.]
JAMES BRYCE,	[L.S.]
JOSEPH POPE,	[L.S.]
Y. UCHIDA,	[L.S.]
H. DAUKE,	[L.S.]
P. BOTKINE,	[L.S.]
NOLDE.	[L.S.]

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121572

HOUSE OF COMMONS

NOTICE OF MOTION

By Mr. Plunkett on Wednesday (Feb. 14, 1934) next.

Inquiry of Ministry.

No. Department of Fisheries

1.- Has the Pelagic Sealing Treaty of 1911 between the United States of America, Great Britain, and Canada expired by time limit?	1. - No.
2.- If so, what was the date of such expiration?	2 & 3 - Answered by 1.
3.- Has there been any action taken towards a renewal of such treaty on terms more favourable to Canada?	
4.- What was the approximate number of seals in the herd of 1912?	4.- 215,940 in the American herd.
5.- What was the approximate number of seals in the herd for the last available calendar year?	5. - 1,219,961 in 1932
6.- Did the United States pay Canada in cash last year or did Canada accept raw pelts in payment of her claim for 1933?	6.- Canada accepted th pelts.
7.- In what cities or markets of the world are the pelts sold or disposed of?	7.- London
8.- Has Canada the privilege of either accepting the raw pelts or a cash remuneration?	8.-The treaty provides that Canada is to receive 15% of the pelts; but for a number of years prior to 1933 the arrangement with the U. S. Government was that it should process and sell all the skins and account to Canada for 15% of the net proceeds.
9.-What cash payments were received by Canada for the calendar years of 1931-32, 1932-33, and 1933-34?	9.-1931-32...$44,471.94 1932-33... 2,583.53 1933-34 (to date) 12,717.63 (fiscal years)
10.-What is the total amount received by Canada under the terms of the Pelagic Sealing Treaty from 1911 to the last calendar year of 1933, inclusive?	10.-Cash payments received from the Ul S. Govt. to Dec. 31/33 - ...$1,074,030.58

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121573

11.- What was the cost of the judicial inquiry which was appointed under Mr. Justice Audette to settle the claims of those who were engaged in the sealing industry?

11.- $35,546.93

12.- What was the total sum paid to such claimants by the award of Mr. Justice Audette?

12.- $60,663.75.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121574

DEPARTMENT OF FISHERIES
CANADA

OFFICE OF THE DEPUTY MINISTER OF FISHERIES
OTTAWA

March 27th, 1934

123

Dear Senator Meighen,-

As I had to be absent from Ottawa last week, it was not until my return to the office yesterday that I had an opportunity of reading the discussion in the Senate following Senator Taylor's motion for certain fishery investigations. The reason for this letter is to thank you most warmly for insisting in the light of Senator Taylor's closing speech and the implications therein, that instead of deferring the appointment of a committee to make the proposed investigation until next session, this should be done immediately. I appreciate this more highly than I can express in words. I trust that without loss of time, the committee will take up the investigation following the Easter Recess. I cannot understand why when accurate information in the whole matter could have been so readily obtained, Senator Taylor should have taken the course he did. However, I can see no possible room for doubt as to the result of the inquiry by the committee, but as you will realize, the difficulty with matters of this kind is that the same publicity is unlikely to follow the report of the committee as the speech that resulted in its appointment.

Immediately after reading the discussion yesterday, I telephoned your office to thank you, without having noticed that the Senate had adjourned for the Easter Recess.

Yours very truly,

Wm A Found

Right Honourable Arthur Meighen, P.C.,
The Senate,
O t t a w a.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121575

Ottawa, Ontario,
April 11, 1934.

123

Dear Mr. Duranleau:

I have your letter of 6th. I have asked that this Committee get organized and down to work at once, stating that this is your desire.

Yours very truly,

Arthur Meighen.

Hon. Alfred Duranleau,
Minister of Fisheries,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121576

THE MINISTER OF FISHERIES

OTTAWA

CANADA

PRIVATE

April 6th, 1934

Dear Senator Meighen,-

In view of Honourable Senator Taylor's recent speech in the Senate with regard, amongst other things, to the working out of the Pelagic Sealing Treaty, it seemed to me that the attached copy of a memorandum with reference to the sale of the remaining portion of Canada's seal skins that is now in London, would be of interest to you. You will note from it the care that is being taken to see that our best interests are being safeguarded from all standpoints.

I was particularly glad, in view of the tenor of Honourable Senator Taylor's speech, that you arranged for the immediate appointment of a Committee to give the matters with which he dealt consideration. I trust the Committee will organize without delay. No doubt it will, at the outset, call Mr. Found to give evidence, and I presume that he will be given a full opportunity to state the facts on the different points raised by Honourable Senator Taylor.

From

Right Honourable Arthur Meighen, P.C.,
The Senate,
O t t a w a.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121577

From such attention as I have been able to give the matter, there seems to be no doubt that it has been carefully and properly dealt with throughout.

Faithfully yours,

Alfred Sauriol

Acting Minister.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

COPY

121578

MEMORANDUM

Re Selling of Seal Skins in London in a salted condition.

.....

The Acting Minister will recall that it was decided last year, in view of the low prices we were receiving for our share of the seal skins taken under the Pelagic Sealing Treaty, that we should try selling them in London. It was further decided to consign the skins to C. M. Lampson and Company, Limited, who prior to 1912 handled practically all the fur seal skins of the world. It was agreed that Messrs. Lampson should be authorized to offer for sale a number of the skins in a salted undressed condition with a view to ascertaining whether a competitive market with the dressed and dyed skins could be worked up that would pay as well or better.

Our portion of last year's take of skins from the Pribilof Islands, Alaska, was 8,183. It was found on opening the packages in London that one barrel was two short so that the total actually shipped was 8,181. The United States is to include two additional skins to our share for the present year.

Messrs. Lampson arranged to have 2,300 skins immediately put into process of dressing and dyeing by Messrs. Martin and Rice, to be sold in the February sales. Apparently only 974 could be made ready in time, as that was the total number of dressed and dyed skins that were sold at the February sale, but 2,078 salted skins were sold. The average gross prices received were as follow, the dollar equivalent being based on valuing the shilling at twenty-five cents:

Dressed and Dyed	Average Price	
735 Black (Martin's dye)	82 s.	$20.50
154 Brown	94 s.	23.50
85 Brown (Bessborough)	55/6	13.87
The average cost of dressing and dyeing is	32 s. or	8.00
Salted Skins	32 s.	8.00

After the sale there were still on hand 5,133 skins of which 3,013 were in process of dressing and dyeing, leaving 2,120 in a salted state, and in spite of the lower net price received for the salted skins Messrs. Lampson recommend selling a good proportion of those on hand in a salted condition, giving as their reason, "we are clear that a certain number of buyers will always prefer to purchase skins which they can have manufactured themselves."

The undersigned, after giving this matter thought and making feasible inquiries, could not see the justification for selling important quantities in a salted condition. It was pointed out to the Department of External Affairs that unless

there

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

there is danger that the total quantity of skins could not be sold if they were dressed and dyed, it would be of doubtful wisdom to sell skins at a lower price to us merely to accommodate the wishes of certain buyers. It was further observed that any salted skins that would be sold to London or continental dealers would have to be dressed and dyed for final use by Messrs. Martin and Rice, who are doing our work, as they are the only firm so far as this Department knows, in Great Britain or on the continent who have the knowledge and facilities for properly dressing and dyeing seal skins. If raw skins were purchased for shipment back to the United States they would have to be dressed and dyed by the Fouke Fur Company in St. Louis, as it is the only company in the United States equipped to handle the skins, and their costs are somewhat higher for dressing and dyeing than are those in England. It is true that there is no duty on raw skins going into the United States, while there is a duty of 30% on dressed and dyed seal skins, but keeping in view that the work done in London is of the best and if the skins were purchased in a salted condition, freight would have to be paid on them to St. Louis, after they reached the United States, as well as back to the purchaser, it was not seen why we should lose business if we restricted our sale to dressed and dyed skins. The Fouke Fur Company is the only firm by whom the United States' share of the skins are sold in that country.

This information was communicated by the Department of External Affairs to the High Commissioner's office in London, which now forwards a further letter from Messrs. Lampson stating that while they had previously intended offering 2,000 skins at the next sale in a salted condition, they still think that 1,000 skins should be so offered.

Apparently the dressing and dyeing process is taking longer than was anticipated and it may be that this is another reason for urging that a large proportion of the skins be sold in a salted condition, but if this were done it would not relieve the situation as time goes on, as the purchasers of these skins would have to come to Messrs. Martin and Rice to have them dressed.

In the light of the above, the undersigned can see no justifiable reason for selling further skins at the present time in a salted condition, though he hesitates in view of lack of experience in commercial transactions to recommend against the opinion of Messrs. Lampson. It might be best in the circumstances to agree to a smaller proportion, say 200, skins being sold salted and to require the remainder to be dressed and dyed.

As the time of sale is near at hand, being, it is understood, in early May, it is necessary that a decision in this matter be reached without delay.

O t t a w a,

March 28th, 1934

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121580

123

CANADA

MINISTER OF MARINE

Ottawa, April 14th, 1934.

My dear Mr. Meighen,

I have yours of the 11th instant advising me that you have asked that the Committee get organized and down to work at once.

Yours very truly,

Alfred Duranleau

Rt. Honourable Arthur Meighen,
Leader of the Senate,
The Senate,
Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Senate of Canada
COMMITTEES BRANCH

121580

MEMO:

Mr. Meighen was Prime Minister from 28 June, 1926, to 25 September, 1926.

Royal Commission on Maritime Claims appointed by Order-in-Council 7 April, 1926.

Commission Report dated 23 September, 1926, laid on Commons Table by Mr. Mackenzie King 10 December, 1926.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Hinds. no. 121582

Do you know who the Senator was referred to in this letter? So I can connect it with his name for reference.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Measures for
Dinner to
Mrs. R. Mather
of U.S. President
Cat - Can. Mr
M. accept.

Wire

8.15 p.m.
Drawing Room
Ball Room
Entrance

U.2.7.5.83

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE SENATE CANADA

121584 M

Dear Mr Meighen,

The Committee of Standing Orders is composed of nine members, with three as a quorum. There is need of a sitting of this Committee but it is not possible to get a quorum, members of it, but two, being away.

Senator Burkeau was a member and has not been replaced since he died.

Would you accept the suggestion of making

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

a petition has been received and read on a private bill last week. Since then, it has not been possible to have a quorum. Applicants have been waiting from day to day.

Senator Bernier from the other side - possibly their leader or representative should be consulted.

Meanwhile

Senator Graham?

Whom would you suggest. I should come to-day

Cee.

an appointment to replace him at this time so that a quorum would be secured?

This might oblige other interested parties besides present applicants on a certain private bill -

Yours truly.

Archibald McCorkill

Senator.

What is depending in the Committee having a meeting this session - important I will make requested - Also whom do you suggest?

Cee.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Canadian Pacific Railway 121587

EN ROUTE

Brandon.

Dear Senator.

As my old friend Blake Wilson died, I left Friday night for the funeral

Yours truly.

M Burns

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121588

Herewith reference made in Commons to the late Lord Byng. If Mr. Meighen is to make a similar reference Sen. Dandurand should be informed.

A.H.H.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE SENATE
CANADA
121589

112 B

Canadians ~~[illegible]~~
and all will mourn
the death of Baron
Byng. This country
never had a more
devoted friend. In
war and peace he was
a prince among men
— a courageous and
skilful captain in battle
but an ardent champion
of all that makes for peace.
He was of the sort of
who have made England
great. I have never known

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

a finer type of manhood

121590

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121591

112 - B

Canadians one and all will mourn the death of Baron Byng. This country never had a more devoted friend. In war and peace he was a prince among men--a courageous and skilful captain in battle but an ardent champion of all that makes for peace. He was of the sort who have made England great. I have never known a finer type of manhood.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

1932

121592

112

POSITIONS VACANT IN SENATE.

(1) The Law Clerk - vacant since 1930. The Government refused to supply money to fill this vacancy.

(2) The Stationery Clerk - vacant since last November (1933). The Government refused to supply money to fill this vacancy.

(3) The Senior Clerk - This position has been vacant for about a year. The Government refused to supply money to fill this position.

(4) The Second Clerk Assistant. - vacant since last year. As you know, Mr. Potvin then translated our Hansard, but was appointed to the Civil Service Commission, and the Government refused to supply money to fill this position. So far as they know, there is no Senate Hansard being translated at the present time.

The Speaker asked the Prime Minister and the Finance Minister for enough money to put on two Messengers, but they refused to do so. Later on, Mr. Samuel Gobeil, M. P. asked the Prime Minister to put on a Messenger on the Senate Staff and he sent his Secretary over to the Clerk and ordered that the Messenger be put on.

With reference to the amalgamation of the Translation Branches, this Bill was brought down and proceeded with in the House of Commons, but we were never consulted in any way, shape or form.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CABLE ADDRESS "CANGENSEC"
CODE: BENTLEY'S
PETERSEN'S 2nd EDITION

121593

TELEPHONE-ADEL.3241

CANADIAN GENERAL SECURITIES LIMITED

W.W. EVANS
PRESIDENT
RT. HON. ARTHUR MEIGHEN, K.C.
VICE-PRES. & GENERAL COUNSEL

INVESTMENT BANKERS

NATIONAL BUILDING
TORONTO, ONT.

WINNIPEG
MONTREAL
REGINA
CALGARY

2-4 COCKSPUR STREET
LONDON, ENG.

Kryston Parchment

Mr. A. H. Hinds,
Chief Clerk of Committees,
The Senate,
Ottawa, Ont.

Dear Mr. Hinds:

Will you kindly send to Sir Henry Drayton, 162 Crescent Road, Toronto, a copy of the evidence of the Duff Commission.

Yours very truly,

E. M. Edmondson.

E.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121594

Senate

1932

Ottawa, February, 1932.

Dear Mr. Trask:-

Very many thanks indeed for your kind letter. This expression of your goodwill is encouraging as many difficult tasks confront the Government, and I desire only to give the best assistance in my power.

I have read with interest the enclosure received with your letter.

Am sorry to learn there is still disaffection in Nova Scotia. Being closely engaged in business for some years our experience was that the Maritime Provinces were in the best shape of any part of Canada.

I am asking that the Senate Hansard be sent you.

Yours truly,

L. M. Trask, Esq.,
YARMOUTH, N. S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Sales Distributors
for
The Maritime Provinces
of Canada.

Wolverine Motor Works Inc.
Diesel Engines 25 - 150 H.P.
Bridgeport, Conn., U.S.A.

Brown Clutch Co.
Sandusky, Ohio.

Two - In - One
Propels Your Boat and
Hauls Your Pots

L. M. TRASK & CO.

TRASK HEAVY DUTY GASOLINE ENGINES
THE "LOBSTERMAN" ENGINE
5 TO 115 H.P.

Broadd

TRADE MARK

1836 EUCLID AVE., CLEVELAND, OHIO.

Yarmouth N.S. Frburary 6th 1932.

Rt.Hon .Arthur Meighan,
Ottawa Canada.

Dear Mr. Meighan:-

Although I feel that the people of Canada are more to be congratulated, allow me to gongratulate you on your appointment as leader of the Senate of Canada. A change of the Senators has often occurred,usually on party lines only,and I sincerely trust that Mr. Bennett will consider the calibere,as well as the party affiliations of future members.

I gave the"Reform of the Senate"some thought and some study a few years ago,and wrote the essence of my conclusions,which has met with the approval of many of the best informed men of the Maritimes.

I am enclosing a copy,and trust that you will find time to read it.I offer it as constructive suggestions,and believe that whereas you are of the West,you might see more merrit in it than could be expected from any of the members of the Central Provinces of Canada.

Please note that my efforts are not a suggestion of secession,but rather of redress,using secession as the alternative.Allow me to add,that while the secession movement in the Maritimes,or I should say Nova Scotia,is a dead issue,the Province is seathing with it.The Herald has kept it smothered,but unless we have a change in our economic condition very soon it will break out again,and when started will spread the province like a Prairie fire and will sweep the Province just as clean.In fact it was the talk of it that turned the province in 1926.

It is possable that two Western Senitoral districts,ie, Central West, and British Columbia,might have the desired effect,and retain the extra 24 members.I would appreciate your criticism.

As the party is all shot to pieces in this County,I have no one to appeal to for the Hansard,and will appreciate it if you will have my name added to the list if as I assume it is free.

Yours truly,

L.M.Trask.

L M Trask

Granted

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121596

THE REFORM OF THE SENATE
or
RE-ADJUSTMENT OF THE CONSTITUTION.

While so much recently has been written on Maritime Rights and so many people are inquiring as to the meaning of this expression, I would like to record a few facts which I consider the rights of Nova Scotia.

The Western people accuse us of not knowing what we want, and I will acknowledge that they have considerable ground for the accusation. What Nova Scotia requires is exactly what she obtained from the British Government in 1758. The right to form her own government, to make her own laws, to develop her own country, to handle her own trade and commerce, which she did up until Confederation in 1867.

Nova Scotia was the first colony of the British Empire of Nations to have self-government. Thirty-four years later in 1792 the Provinces of Quebec and Ontario established their own parliaments and remained separate colonies of the British Empire for Forty-eight years.

In 1840 the union of the Upper and Lower Provinces took place and formed the then Canada. The population of Quebec and Ontario were approximately the same, and they had the same representatives in both the Commons and the Senate, and for Twenty-four years they scarcely agreed on any subject, and while Ontario increased 400,000 in population and paid three-quarters of the taxes, Quebec had the same representatives in the Parliament and Senate and only paid one-quarter of the taxes.

The Hon. Geo. Brown, President of the Executive Council of Canada, speaking on the subject in 1865 said:- "It has been said that we have had the opportunity before now of entering into a close union with Nova Scotia and New Brunswick, but that we did not avail ourselves of it-- that we were offered an Intercolonial Railway, but refused to undertake it-- and that we only came now seeking union with the Provinces to escape from our own sectional difficulties at home. Now, I am a member of the party in Canada, which up to this moment has been most strenuous in its resistance to the Intercolonial Railway; and I am persuaded that there is not one man in this assembly who, under similar circumstances, would not have acted precisely as we did."

"In these lower provinces you have all had your political troubles, but WE IN CANADA HAVE HAD SECTIONAL DIFFICULTIES to distract and embitter us vastly more serious than any you have had to contend with. Our Constitution of 1840 brought together under one Government two countries peopled by two races, with different languages, different creeds, and different laws and customs; and unfortunately, while making us nominally one people it retained the line of demarcation between Upper and Lower Canada, AND GAVE THE SAME NUMBER OF REPRESENTATIVES IN PARLIAMENT IN EACH SECTION, without regard to their respective population, their contributions to the general revenue, or any other consideration. The disproportion between the two sections gradually increased, until Upper Canada has 400,000 people more than Lower Canada, AND PAYS FULL THREE-QUARTERS OF THE WHOLE NATIONAL TAXATION,- but all the while the Lower Canadians had equal representation with us in both Houses of Parliament. A systematic agitation for the redress of the great wrong was commenced in Upper Canada-- and as the only means of enforcing justice, we resisted all large schemes of improvement, we refused to enter into any new undertaking involving an increase of our public debt, until a reform of our constitutional system was obtained, and we knew what our future position as a people was to be."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121597

"We regard the apparently far-off scheme of Federation of the whole Provinces as no remedy for our present wrongs, and we scouted the idea of building more railroads from the public chest until the taxpayers who were to bear the burden of their construction, had their just share of control over the public purse."

"Long and earnestly did we fight for the justice we demanded, but at last the light broke in upon us. Parties were nearly equally balanced, the wheels of government had nearly ceased to move, a deadlock was almost inevitable, when Mr. Cartier, who wields great power in Lower Canada boldly and manfully took the ground that this evil must be met, and he would meet it.----------"

It will be seen that the Twenty-fours years of Confederation of the two Provinces resulted in a deadlock which was only broken by a reform of their constitutional system, and to obtain redress for what they called "the great wrong" they drew Nova Scotia and New Brunswick into the Confederation, forming a new situation which was far more objectionable and unfair to us than it had previously been to Ontario.

Under the new terms which formed the Constitution of Canada, Quebec retained her original 65 members in the Commons, Ontario was given her long fought for "rep. by pop", (representation by population), having 82 members, making a total of 147 members for the Central Provinces. Nova Scotia was given 19 and New Brunswick 15, leaving us 34 representatives in the Commons against 147, which is a little less than 25%.

The opponents to the pact opposed the scheme on the grounds that we would be absorbed and as a remedy a Senate was formed, the formation of which was to be such as would give the smaller provinces sufficient representation to stop prejudicial legislation against them. The forming of this Senate was our first unfortunate mistake. Canada instead of being treated as an entity and given one senatorial division with 24 members, was divided into two senatorial divisions taking 24 each. Nova Scotia and New Brunswick, being two separate entities should have had 24 each, but we were united into one senatorial division with 12 senators in each province, making a total of 24. The further provision was made that when Prince Edward Island entered the union, she was to have a representation in the Senate of 4, two to be taken from Nova Scotia and two from New Brunswick, leaving each of these provinces with 10 Senators each.

The admission of Newfoundland into the new Confederation was also provided for. She was to have 3 to 6 representatives in the Senate, but the British North America Act specifically states that the Senate of Canada shall never exceed 78, and whereas Newfoundland has never entered the Union, the maximum number of senators should remain at 72.

The constitution of this Senate was the beginning of the end for the Maritime Provinces. The Senate was not created on a basis of representation by population, but rather that each separate unit was to have equal representation, and should have been constructed as follows:-

24 for Nova Scotia
24 for New Brunswick
24 for Canada.

This would have given the two Maritime Provinces a majority in the Senate, in any case where legislation was arbitarily passed which was against the interests of the smaller provinces.

When the areas carved out of the western part of Canada were formed into separate provinces, a new senatorial division was created, giving the western provinces 24 members, and in order to accomplish this, Section 28 of the British North America Act was repealed. This never could have been if the Maritime Provinces had had a majority in the Senate.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121598

Another illustration of undue legislation being passed against the eastern division which operated entirely in favor of Quebec was in 1908, when an Act was passed giving to the Province of Quebec, 118,000 square miles of area, almost six times the size of Nova Scotia, on which we had built a railroad costing multi-millions.

In 1867 the area of Quebec was about 210,000 square miles, and has since been increased to almost 800,000 square miles, while Nova Scotia remains with its original 21,000 square miles, and has received no indemnity nor redress for the vast areas taken by Quebec by coercion.

I have outlined what I think would have been a fair construction of the Senate in 1867, but it would not be applicable to the Dominion as a whole at the present time.

There have been many schemes outlined for reform of the Senate. The most practical to my mind would be, if the East and the West could unite on any equitable or fair basis to cancel the newly created 24 senators, and give the 24 which were unjustly allotted to the Central Provinces to the West, and in an instance where the Central Provinces were passing undue or arbitary legislation against the Maritimes or the West, the 24 Senators of the East and the 24 Senators of the West could unite as a protection against any proposed abuses.

There are many who abhore the thought of secession and there are some who cannot think of secession without connecting it with the idea of annexation to the United States, but it is far fetched to assume that the loyal people of the Maritime Provinces, either Liberal or Conservative, would ever consent to annexation to the United States a country with 115,000,000 people after being bled white by a plurality of 8,000,000.

The contention that we will not be allowed to separate from the Dominion of Canada is a threat which would lead one to believe that instead of being a part of the British Empire of Nations, which are united by the ties of patriotism, that we are held to Quebec by a constitution which makes us slaves of a province with people of a different language, different creeds, different laws and customs, a condition far worse than that of the negroes of the South in the United States.

The Fathers of Confederation contended that they aimed to create a constitution superior to that of the United States, which would avoid the possibilities of civil war such as our neighbours fought in 1861, and to my mind the unfair and unequitable construction of the Senate has created a like condition, and our experience after sixty years under this constitution has produced the prophesied condition, and we are now practically only hewers of wood and drawers of water for the upper provinces.

I am submitting this not as a solution to all of our troubles, but merely as a beginning of a foundation, on which to construct a systematic agitation for redress, as was done by Ontario when she found herself in an impossible position.

However, we differ from Ontario in this respect, because while she had equal representatives in both the Commons and the Senate, as well as a majority of 400,000 in population, the Maritimes have only 25% of the Senate and only a little more than 10% of the representatives of the Commons, and about one-ninth of the population

We are urged by the upper provinces to take a National rather than a Sectional view of the situation, but it would be well for those provinces to put their views into practice, as we have always taken the broad view and contributed to the building of their Canals, Railroads, Quebec bridge, and Hudson Bay folly, until we have reached a position where we must have redress, within the Confederation if possible, but by Secession if necessary.

Dec 12th 1926.

L. M. Trask,
Yarmouth. N. S.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE SENATE
CANADA

12599

OTTAWA, 8 February, 1932.

My dear Colleague,

On taking over the Leader's office in the Senate I find there is no accommodation for a secretary, the room formerly used for this purpose having been taken over by a Senator. I am informed that a few years ago an exchange of rooms between the Senate and the House of Commons was arranged by the late Senator Bostock, then Speaker of the Senate, whereby the Commons were given the whole of the sixth floor and the Senate in return was to receive, after the general elections, rooms 264 and 265mon the main floor then occupied by the Honourable Mr. Motherwell. I am also informed that when the Clerk of the House of Commons was approached shortly after the elections with regard to this exchange he denied all knowledge of the arrangement and the rooms were assigned to Sir George Perley.

In order that secretarial accommodation may be arranged and other provisions made for the Senators who will have to be moved it is necessary that rooms 264 and 265 be given to the Senate. It has been suggested that Mr. Rhodes will take over the offices of the Minister of Finance in the Commons and that the offices used by him as Minister of Fisheries might be assigned to Sir George Perley.

It is very difficult for me to carry on under the present arrangement in the Senate, and I would appreciate it very much if you could arrange that these rooms be placed as the disposal of the Senate forthwith.

Believe me,
Yours very truly,

Honourable H.A.Stewart, P.C., M.P.,
Minister of Public Works,
Ottawa.

P.S. At the present time between answering the door, the telephone, and people walking in on me, I can't get my work done.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Senate 121600 112

Ottawa, March 22nd, 1932.

Dear Senator Burns,-

I have your letter of the 16th instant. Yes, Mr. Bennett told me you had gone to be present at the funeral of Mr. Cross. I was very sorry indeed to hear of his death.

It was intended to have the Senate adjourn until Tuesday, April 5th, but if the unemployment relief bill is not through tomorrow when the House of Commons adjourns it will be necessary for the Senate to reconvene not later than Wednesday, March 30th, in order to be in session in time to deal with the bill immediately it is passed by the House of Commons. We cannot afford to have any delay in bringing this measure into effect as you can well understand.

With kindest regards,

believe me,

Yours truly,

Arthur Meighen.

Hon. P. Burns,
31 Michael Bldg.,
Calgary, Alta.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121601

31 MICHAEL BLDG.
CALGARY

March 16th, 1932.

The Hon. Senator Arthur Meighen,
The Senate.
Ottawa, Canada.

Dear Mr. Meighen:-

I left Ottawa hurriedly on Friday last to be home Monday for the funeral of my old friend, Mr. A. E. Cross, who died in Montreal last week. I only learned of his death after I was last talking to you and I am sorry I did not get an opportunity to let you know I was coming away.

I saw Mr. Bennett before I started home and he knew I was leaving. From the trend of affairs in the Senate I felt there would not be much work of importance until after Easter.

On my return to the West I found winter still with us, but feel sure from indications the weather will be breaking up before long.

With kindest personal regards,

Yours sincerely,

PB/I

PB

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121602

Ottawa, March 24th, 1932.

Dear Mr. Gault,-

I regret very much that owing to a sitting of the Senate on Wednesday next, I am unable to be present at the dinner being tendered to the Honourable Senator Ballantyne.

It is a pleasure for me, however, to say to you that I personally welcomed the elevation of Mr. Ballantyne to the Senate. My long association with him and recollection of his loyal support on all occasions, on dark days and bright, rendered his appointment to my mind a particularly happy event for me. It will be a great advantage to Canada to have the benefit of his long experience and mature judgment in the Parliament of our country.

Yours truly,

Arthur Meighen.

Mr. C.E. Gault,
232 St. James Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121603

A complimentary Dinner

is being tendered by a few friends

to the

Honourable C. C. Ballantyne

on the occasion of his appointment

to the Senate

at the Windsor Hotel, on Wednesday Evening, 30th March, at half past seven o'clock, and they will be very pleased if you will join them.

To Right Hon. A. Meighen.

R.S.V.P. to
C. E. Gault, 232 St. James Street.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121604

Senate 112

Ottawa, March 30th, 1932.

Dear Mr. Truman,-

I appreciate very much your letter of the 22nd instant with respect to my remarks in the Senate on the question of water diversion at Chicago.

Yours truly,

Arthur Meighen.

M.G. Truman, Esq.,
President, March & Truman Lumber Company,
332 South Michigan Ave.,
Chicago, Ill.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

TELEPHONE HARRISON 6491

M. G. TRUMAN, PRESIDENT
A. F. MARSH, VICE PRESIDENT
E. R. ROSS, SECRETARY
W. M. BURNS, TREASURER

COAST OFFICE
SEATTLE, WASHINGTON

SOUTHERN OFFICE
HATTIESBURG, MISS.

MARSH & TRUMAN LUMBER COMPANY

332 SOUTH MICHIGAN AVENUE

CHICAGO

TIMBER
OAK-FIR
YELLOW PINE

RAILROAD
CAR MATERIAL

SWITCH TIES
CROSS TIES

BARGE MATERIAL

121605

Rec'd

March 22, 1932.

Hon. Arthur Meighen,
c/o Dominion Senate,
Ottawa, Canada.

Diversion of Water at Chicago.

Dear Mr. Meighen:

After dictating yesterday attached letter to Senator Casgrain, which however was not transcribed until today, I was pleased to see in the Monitor of March 18, your reply justifying Chicago's position in this matter to a considerable extent.

I did not chance to have at hand the detailed figures that you quoted so effectively.

Chicago, and we think the United States as a whole, is seeking only what is right and just in this matter, and we hate to see our position misrepresented in any way that might cause feeling between Canada and the United States. Too many newspaper readers not only do not know the facts but are not able to distinquish when unjust statements are made for political effect.

We wish to thank you for your very just and consistent reply.

Yours truly,

MARSH & TRUMAN LUMBER COMPANY

M. G. Truman, Pres.

MGT/S

cc Editor,
Christian Science Monitor,
Boston, Mass.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MARSH & TRUMAN LUMBER CO.
CHICAGO

121606

March 22, 1932.

Hon. J.P.B. Casgrain,
c/o Dominion Senate,
Ottawa, Canada.

Diversion of Water at Chicago.

Dear Sir:

We note with surprise your statements before the Senate, March 10, as reported in the Monitor of that date, and if correctly reported are wondering if they are not based on some misapprehension on your part as we can hardly believe that anyone in your position would wish to make for local effect statements that were possible of such unjust interpretation.

What proof have you that the Sanitary District of Chicago are violating either the treaty between Canada and the United States, or the decision of the Supreme Court of the United States?

Have you taken into account the fact that diversion of water for power purposes at Niagara Falls has been for many years adjusted on a basis of allowing Canada to divert 14,000 cubic feet per second more than was taken on this side? Did you know that this was arranged to compensate expected diversion at Chicago, and that Chicago had never at any time had, nor had yet asked for this amount, the amount under discussion here varying from 8500 to 10,000 cubic feet?

Did you realize that Chicago's diversion was substantially the same during the low water period of 1921 and 1922 that it was in the high water period of 1928 and 1929 when cities all around the Great Lakes were damaged by high water, and shipping inconvenienced by boats floating too high at the docks?

In the light of this and with the knowledge that neither the diversion at Niagara Falls nor diversion at Chicago makes any difference in the level of the Lakes comparable with the evaporation on a warm dry day in comparison to damp weather when there is no evaporation from the surface of the Lakes, is it fair to intimate that this small diversion at Chicago, made in accordance with what was thought a perfectly legal and proper Government permit, and with the full knowledge and concurrence of Canada at the time, should be treated now as though it were the only or even principal cause of fluctuation in the water available for navigation.

We feel that the United States and Canada should be the friendliest of neighbors, and that for lack of information, for political expedience, or anyother reason which we may not anticipate, it is a mistake to broadcast incomplete or misleading statements on a subject like this, which are likely to cause feeling between the people of these two friendly countries.

Please pardon the length of this letter which seemed necessary on account of our knowing nothing of your contacts and information on this subject.

COPY

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

-2-

MARSH & TRUMAN LUMBER CO.
CHICAGO.

March 22, 1922.

121607

Please let us hear from you at your convenience.

We hope that you will be able to advise that the remarks credited to you were made hastily and without full ~~information~~ in the matter, and that we may look for a different attitude on your part in the future.

Yours truly,

MGT/S

MARSH & TRUMAN LUMBER COMPANY

M. G. Truman, Pres.

cc Editor, Christian Science Monitor,
Boston, Mass.

COPY

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121608

THE MINISTER OF FISHERIES
OTTAWA

CANADA

April 2nd, 1932

Private

Dear Senator Meighen,-

In compliance with your recent letter, I attach a memorandum on the Quebec fisheries question, which I hope will give you all the information you are seeking. If there are any points on which you desire any further information, I shall be glad to have it supplied if you will let me know what they are. You will probably recall that on the Debate in the House on the 21st ultimo following a notice by Mr. Casgrain that he would urge further Federal assistance to the Quebec fisheries, Honourable Mr. Rhodes and Mr. Gagnon made speeches in which the situation was fairly well covered. You will find these at pages 1415 and 1430 of the Unrevised Hansard.

Faithfully yours,

Alfred Duranleau

Acting Minister.

Right Honourable Arthur Meighen,
The Senate,
Ottawa.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121693

Ottawa, April 8th, 1932.

Dear Senator,-

I attach herewith a memorandum regarding "Quebec Fisheries Question" as requested.

Yours truly,

Arthur Meighen.

Hon. C.C. Ballantyne,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

112
121610

Ottawa, April 8th, 1932.

Dear Dr. McKinley,-

Your telegram of the 4th instant followed me to Toronto and back to Ottawa, and has just reached me here today.

I am not quite sure what it is all about and would be glad if you would be more specific. I will try to be ready to meet Brutus, Cassius or any others.

Yours very truly.

Wm. Wallace McKinley, Esq., M.D.,
7 Lytton Blvd.,
Toronto, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

FORM T. D. 1 X

CANADIAN PACIFIC TELEGRAPH

Ottawa

TELEGRAM

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

(Printed in Canada)

J. McMILLAN, General Manager of Telegraphs, Montreal.

STANDARD TIME

2ORN ZA 110 NL CNT COMMAS DASHES ETC.

TORONTO ONT APR 4-32.

THE RIGHT HON ARTHUR MEIGHEN

SENATE OTTAWA ONT.

MY DEARLY RESPECTED LEADER I AM PROMPTED BY MY MEMORIES OF THE PAST (WINNIPEG CONVENTION ETC) AND FEARS FOR YOUR FUTURE SELFPRESERVATION TO RECALL THE WARNING ARTEMIDORUS GIVE HIS LEADER ON THAT MEMORIABLE OCCASSION - "BEWARE THE IDES OF MARCH" AS BRUTUS IS TO APPEAR IN THE SENATE TO DELIVER HIS ORATION - I BEG YOU BEWARE OF BRUTUS, WHO, ANTHONY SAYS IS AN HONORABLE MAN -

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

FORM T. D. 1 X

TELEGRAM

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

(Printed in Canada)

J. McMILLAN, General Manager of Telegraphs, Montreal.

20RN ZA 2ND SHEET MEIGHEN SENATE STANDARD TIME FM TORONTO APR 4-32.

OH, MASTER, IF I WERE DISPOSED TO STIR
YOUR HEART AND MIND TO MUTINY AND RAGE
I SHOULD DO BRUTUS WRONG WHOM,
YOU KNOW, IS AN HONOURABLE MAN.

THE MIGHTY GOD DEFEND THEE.

ARTEMIDORUS.

WM WALLACE MCKINLEY MD. — 7 Lytton Blvd. Toronto

2AM5.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121613

THE SENATE
CANADA

Montreal
April
Fifteenth
1 9 3 2

My dear Leader:-

I regret to inform you that I have been confined to my house for the past week with a heavy attack of "La Grippe". I am however recovering and will be in Ottawa, without doubt, on Tuesday next.

I acknowledge and thank you for your note of the 8th instant enclosing memo regarding Quebec Fishery Question.

Yours sincerely,

Rt. Hon. Arthur Meighen,
The Senate,
Ottawa.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Dom. Steel & Coal

121614

11r/D.

Ottawa, April 27th, 1932.

Dear Mr. Cameron,-

I thank you very much for your letter of the 25th instant.

This further information is of value.

Yours very truly,

C.S. Cameron, Esq.,
Vice-Pres. and Secretary,
Dominion Steel & Coal Corporation,
Canada Cement Building,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121615

DOMINION STEEL AND COAL CORPORATION LIMITED

Canada Cement Building
Phillips Square

CABLE ADDRESS "DOSCO"

MONTREAL, CANADA

25th April, 1932

Rt.Hon. Arthur Meighen,
The Senate,
Ottawa, Ont.,

Dear Sir:-

One of the Senators spoke to me to-day about the conversation he had with you in which mention was made of the miners in Nova Scotia earning as high as $17.00 a day, and asked me if I could coroborate or contradict such a statement. I was able to explain to him that this was a very exceptional case, particulars of which might be found on page 46 of the evidence taken before Sir Andrew Rae Duncan's commission. A list of men working on contract rate was exhibited with the object of showing that these rates were excessive and should be reduced. It was remarked on a casual examination of this list that the daily earnings ran as high as $17.00, but on more particular examination by the Chairman as revealed in the evidence, it appeared that one man drew $140. in one month on contract rates and that he only reported 8-5/8 days in the pit; this would give an average daily rate of $16.22. It was explained that this was possible because of favourable conditions and that there was no other instance in which the earnings were at as high a rate per day. Other men in the same category, paid at the same rate, earned only $7.00 per

MEIGHEN PAPERS, Series 5 (M.G..26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121616

day worked. One of the recommendations of the Commission was that contract rates should be reduced. As a matter of fact the earnings of the men working on piece rate and tonnage and yardage rates depends very greatly on the men themselves. Those who are willing and able to extend themselves and take advantage of conditions will always do better than others who are less fortunate, or less enterprising and industrious.

Yours truly

Vice President and Secretary

CSC/LLB

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121617

Senate

11M
M

Ottawa, May 6th, 1932.

Dear Mr. Murphy,-

I have your letter of the 5th. I am always glad to hear from you and hope to see you soon.

Undoubtedly, the right course was adopted in not pursuing Senator Haydon further at this time. I refused to take the responsibility of such action. The possibility of a very serious situation resulting is what influenced me.

I have no special information as to the Harbour bridge, except that it cost about three times what they assured us it would cost when the late Government brought in the proposal.

Yours very truly,

A.M. Murphy, Esq.,
1016 Bleury Street,
Montreal, Que.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121618

1016 Bleury Street,
Montreal, Que.

May 5th., 1932

The Right Honourable Arthur Meighen,
Leader of The Senate,
OTTAWA, ONTARIO.

Dear Mr. Meighen:

I congratulate you very sincerely upon the manner in which you handled one of the most delicate, and at the same time one of the most nauseating situations in the history of Canada.

I recognize that the kindness of the Irish heart which you inherited overcame your sense of justice with respect to the sick Senator.

This is as your Mother would have had it, and will be approved of by all right-feeling people.

I hope you will be free of further experience of the same character.

I think, however, that the Commons has a duty to perform with respect to the Harbour Bridge.

With warmest regards,

Sincerely and cordially yours,

Alex McA Murphy

AMM: JB

ALEXANDER McA. MURPHY
1016 BLEURY STREET
MONTREAL

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

(Printed in Canada).

121619

FORM T.D. 2 X.

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

TIME FILED

112-D

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.

OTTAWA, 6 May, 1932.

Honourable W.H.Dennis,

Royal York Hotel,

Toronto.

Much important business awaits Senate but anticipate nothing involving difficulty of obtaining majority.

Arthur Meighen.

Charge Rt. Hon. Arthur Meighen,
The Senate.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM T. D. 1 M

CANADIAN PACIFIC RAILWAY COMPANY'S TELEGRAPH

TELEGRAM

CABLE CONNECTIONS TO ALL PARTS OF THE WORLD

(Printed in Canada)

W. D. Neil, General Manager of Communications, Montreal.

6WA JS DH FRANK STANDARD TIME

RY TORONTO ONT MAY 6/32

RT HON A MEIGHEN P.C.

HU OTTAWA

CANADIAN PRESS MEETINGS CONCLUDED IN VIEW OF EARLY PROROGATION WILL LEAVE DIRECT FOR HALIFAX IF SATISFACTORY TO YOU IF ANY IMPORTANT MATTERS PENDING WILL ARRANGE TO STAY UNTIL CLOSE OF SESSION PLEASE REPLY COLLECT TO ROYAL YORK.

DENNIS

948A

Hon W. H. Dennis

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Ottawa, Jly 25th. 1932.

34

Right Honourable Arthur Meighen,
347 Bay Street,
Toronto.

Senator Robertson's wife died suddenly yesterday.

Presume you will wire your sympathy.

Hinds.

Chg. Senator Meighen
The Senate.

012162

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC TELEGRAPHS

T.D. 1

CANADIAN PACIFIC COMMUNICATIONS

DIRECT COMMUNICATION WITH

THE INTERNATIONAL SYSTEM - IMPERIAL AND INTERNATIONAL

POSTAL TELEGRAPH - MACKAY RADIO COMMUNICATIONS LIMITED -

COMMERCIAL CABLES - ALL AMERICA CABLES IMPERIAL CABLES - BRITISH PACIFIC CABLE

MONEY TRANSFERRED BY TELEGRAPH HALIFAX AND BERMUDA CABLE CO.

This is a full-rate Telegram or Cablegram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER
NL	NIGHT LETTER
NM	NIGHT TELEGRAM
LCO	DEFERRED
NLT	CABLE LETTER
WLT	WEEK END LETTER

W. D. NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL.

RNA33 44 DL STANDARD TIME

1932 JUL 29 AM 9 52

HALIFAX NS 29 1037A

RT HON ARTHUR MEIGHEN

OTTAWA ONT

OTTAWA OFFICE
PHONE QUEEN 1070

70

GENUINELY APPRECIATE YOUR THOUGHTFUL LETTER THE ACCIDENT WAS DISTRESSING ONE RESULTING IN THE LOSS OF ONE LIFE AND VERY SERIOUS INJURIES TO SEVERAL OTHERS THANKFUL THAT MY INJURIES ARE NOT SERIOUS AND AM MAKING STEADY PROGRESS KINDEST PERSONAL REGARDS TO YOU AND MRS MEIGHEN

DENNIS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

HEAD OFFICE, TORONTO, ONT. W. C. BARBER, GENERAL MANAGER

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Ottawa, October 5th, 1932.

Hon. W.H. Dennis,
c/o Halifax Herald,
Halifax, N.S. Please forward)

Would be pleased if you would second the address in reply to the speech from the throne Tuesday or Wednesday next. Senator Poirier moves.

Arthur Meighen.

Chg. Senator Meighen.
The Senate.

D 21623

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC TELEGRAPHS

T.D. 1M

CANADIAN PACIFIC COMMUNICATIONS

DIRECT COMMUNICATION WITH

THE INTERNATIONAL SYSTEM - IMPERIAL AND INTERNATIONAL

POSTAL TELEGRAPH - MACKAY RADIO COMMUNICATIONS LIMITED -

COMMERCIAL CABLES - ALL AMERICA CABLES IMPERIAL CABLES - BRITISH PACIFIC CABLE

MONEY TRANSFERRED BY TELEGRAPH HALIFAX AND BERMUDA CABLE CO.

This is a full-rate Telegram or Cablegram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER
NL	NIGHT LETTER
NM	NIGHT TELEGRAM
LCO	DEFERRED
NLT	CABLE LETTER
WLT	WEEK END LETTER

W. D. NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL.

DHA.Y. 11JOAN., DH. FRANK, STANDARD TIME

HALIFAX,NS.,OCT., 6 1932.

RT.HON.ARTHUR MEIGHEN,

HU.OTTAWA,ONT.

WHILE DEEPLY APPRECIATING THE HONOR OF YOUR TELEGRAPHED SUGGESTION I DO NOT FEEL EQUAL TO THIS TASK AS I HAVE NOT YET RECOVERED FROM SEVERE NERVOUS SHOCK RESULTING FROM RECENT MOTOR ACCIDENT STOP I KNOW YOU WILL UNDERSTAND AND APPRECIATE MY POSITION KIND REGARDS.

W.H.DENNIS.

112/P

7

U21624

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6123, replacing Form 1-TW

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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

42GD 32 XU STANDARD TIME

Senators

RE MONTREAL QUE OCT 19 1225P 1932

112 - "B"

RT HON ARTHUR MEIGHEN KC

OTTAWA

I WISH TO TAKE MY SEAT IN SENATE TOMORROW EVENING IF POSSIBLE COULD YOU AND POSSIBLY D O LESPERANCE OR G P BEAUBIEN PRESENT ME LEAVING FOR OTTAWA TOMORROW MORNING KINDLY CONFIRM.

A J BROWN

1247P

OT 21 1932

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

OTTAWA, 19 October, 1932.

Honourable A.J.Brown, K.C.,
Messrs Brown, Montgomery and Co.,
Barristers, MONTREAL, P.Q.

Senator Meighen arriving in Ottawa tomorrow morning, when I am sure he will arrange for your introduction tomorrow evening as desired.

Private Secretary.

Charge Rt. Hon. Arthur Meighen,
The Senate.

121626

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121627 112

Senate

Ottawa, October 20, 1932.

Dear Dr. Schaffner:

I just returned this morning and have your letter of 15th.

My experience has been that this question of seating gives a whole lot of trouble and certainly it has given some to me. I, therefore, have asked for definite rules to be framed by caucus, and I will follow these rules faithfully. I do not like making favourites even among Privy Councillors, if I can avoid it. I understand the Committee has already numbered all the seats. Have not received the numbering but will accept it, whatever it is. The special P. C. to whom you refer has not asked for any favour whatever or pressed the matter of his seat upon me at all.

Yours very truly,

Arthur Meighen.

Hon. Dr. F. L. Schaffner,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121628

THE SENATE
CANADA

Private & Confidential

Ottawa, October 15th, 1932.

The Right Honourable Arthur Meighen, P.C. K.C.,
Leader of the Government in the Senate,
Ottawa, Ontario.

My dear Meighen;-

I wish to state as briefly as possible my opinion of what occurred in Caucus regarding the seating of members. Some most remarkable and most impracticable suggestions were made. For example, one Senator suggested, I think, that eight or nine seats next to you be reserved that you might call down some members possessing giant intellects, wisdom and judgment with whom to confer. I did not get just who would be seated in those seats when giant intellects were not to be called. I asked the question, but did not receive a satisfactory answer. I do not know whether he intended that those eight or nine seats should be kept vacant or not. If he did, Arthur, you would be very lonesome, and would require some good "spirits Frumenti", or some other strong stimulant to keep up your courage. So much for that.

The suggestion of numbering the seats is not clear to me, or how the Committee can do it. I think we can state that the central seats either in the front, middle ~~and~~ or back rows, are the most desirable.

.....2

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121629

Ottawa, October 15th, 1932.

The Right Honourable A. Meighen -

You explained yesterday, say, a man was sitting in Number 8, the only way he could be changed would be to be promoted, not demoted - if there is any such word. If they number from you to the right and to the left in the three rows, I cannot see how your system will work out. For instance, a Senator who was sitting in No, 9, say, in the back row, he might be promoted to the second row, but in a lower number than #9, and yet not be promoted, but demoted. I do not know whether I have made myself clear or not Mr. Meighen in all this, but that system seems to me to be difficult. Having had a seat in either Houses for twenty-eight consecutive years, I have never noticed any difficulty in seating the members either in the House of Commons or the Senate. There is only the fair rule, and that is PRECEDENCE - or seniority.

Now, as to the Privy Councillors. There are Privy Councillors and Privy Councillors. For instance, the late Sir George Foster should have the very highest seat in the Synagogue next to the Leader - which he had - but so far as a certain Privy Councillor from Montreal who has but recently come in is concerned, in my opinion deserves no consideration. As regards his becoming a Minister, I think he is very much like Forke - a Minister by accident. I have never known or heard tell of his being considered a man of very much importance.

I have endeavoured to be as brief as possible in the foregoing. It is certainly my opinion, and believe it to be the opinion of many others. I do not see how the numbering business can be successful.

Yours sincerely,

F. L. Schaffner

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121630 112

Ottawa, Oct. 20th, 1922

My dear Senator,-

I have your letter of the 14th instant, and note that you are unable to come to Ottawa at the present time.

The duration of the present sitting of the Senate is uncertain but, should anything of importance arise requiring your attendance here I will try to let you know in ample time.

Believe me,

Yours very truly,

Honourable P. Burns,
51 Michael Building,
Calgary, Alta.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121631

31 MICHAEL BLDG.
CALGARY

October 14th, 1932.

Dear Senator Meighen:-

I have been trying to arrange my plans in order to get down for the Senate, but as you realize at this time things are very pressing here, and I regret very much that I have been unable to get away. I had hoped to go East later on, but I understand this is to be a short session and under the circumstances I feel that I shall not be able to be in Ottawa for this sitting.

With kindest personal regards,

Yours sincerely,

The Rt. Hon.
Arthur Meighen, K. C.,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121632

Senate

OTTAWA, October 20, 1932.

My dear Senator Robertson:

Just arrived this morning and have read with very great interest your letter of 17th. Personally I am very strongly in favour of introduction of the Railway Bill in the Senate. The reasons you give are convincing and there are others as well. I had understood this was decided upon, but from the statement made in the House yesterday, I am not now quite so certain.

I am afraid I cannot offer anything very intelligent on the question of Radio Broadcasting. It is a subject in which, so far, I have taken very little interest, but, of course, no one can dispute its importance. I have a lot of confidence in Mr. Charlesworth. No doubt you know him, and it seems to me it would be a good idea if you would write him your views.

Yours very truly,

AM/EME

Arthur Meighen.

Hon. Senator G. D. Robertson,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121633

THE SENATE
CANADA

OTTAWA, October 17th, 1932.

PERSONAL.

The Rt. Honourable Arthur Meighen, K.C.,
The Senate,
O T T A W A.

Dear Senator and Leader:-

There are two subjects which probably will be dealt with by Parliament before prorogation, concerning which I crave your indulgence so that you will be familiar with my thoughts on the matters concerned.

The first is the assurance that legislation will be brought down by the Government concerning its recommendation as outlined in Mr. Justice Duff's Commission report on transportation. One recognizes the probability of Parliament naturally expecting that the Report will be properly submitted through and by the Government in the House of Commons, in due course reaching the Upper House for review and comment if deemed necessary or desirable.

My thoughts travel backward over the railway history of Canada during the present century, particularly as I have been associated with it as a member of the Order of Railroad Telegraphers since January, 1902,

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121634

and with the passing of time grew quite familiar with events as they occurred.

There were three stages of development which seem to merit comment now. The first was the rapid growth of railway construction at a rate, perhaps, quite beyond what could now be justified, until about 1907, the Government of that day passed the Industrial Disputes Act legislation, the principle of which I was opposed to at the time, but subsequently came to be an ardent supporter, until 1921, when railway development and expenditure reached its peak, and there was a temporary setback by reduction in railway men's earnings in every class of service to the extent of about 15%. This was not warmly welcomed by the railway employees, but they loyally accepted and submitted to the results, until by 1927 they had regained all that had been lost in both the United States and Canada. In 1929 the present depression period set in with disastrous results, not only in North America but throughout the world.

This depression has had very far reaching and dreadful results. I think our country and Government should have realized, especially from 1923 onward that the wave of seeming prosperity experienced up to 1929 must surely pass over. Up to the 1930 Special Session of

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121635

Parliament, the present Government's opponents contended that the country was wholly prosperous, and during 1929 and the first half of 1930, even denied publicly that serious unemployment existed. Now, the dire results of the depression and the utter fallacy of the contention that the present Government is wholly responsible for it is, of course, utterly untrue, and Mr. Justice Duff's report surely makes it clear to all thinking citizens that everything that could reasonably be done by the Canadian people to relieve the situation and to stimulate employment and relief for the really needy was well accomplished.

Parliament now faces the most trying period of its domestic history, arising out of mistakes of the past, no matter what Government, or Party, may have controlled our country's destinies. The problem now is what should be done with the legislation now anticipated. Thinking of the experience of 1917, when after Sir Robert Borden's Government had three times initiated semi-monthly pay bills for railway employees, and on each occasion it had failed to obtain approval in the Senate, Sir Robert suggested that I introduce the Bill in the Senate in 1917, which was done in April of that year, received a second reading in May and by July had passed both Houses of Parliament and had become law, quite largely due to the co-operation and

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121636

support of the present President of the Canadian Pacific Railway . The Act gave to railway employees payment of wages they had earned semi-monthly instead of monthly, as had been the case for a long term of years.

Again in 1915, before I was honoured with a seat in the Senate, a revision and consolidation of the Railway Act was also considered, but it was not until 1919 that such consolidation actually occurred.

These two instances of legislation rather indicate that it might be advisable, if both the Government and the Opposition could, or would agree, that the anticipated legislation on railway matters now pending be initiated in the Upper House, rather than in the House of Commons, where the Members have probably more time to give attention to the matter, and subsequently send it along to the House of Commons for consideration, making it the reviewing chamber in this case instead of the Senate, which has too long seemed to be regarded as an honourary, rather than a working unit in Parliament.

I have felt inclined to discuss details outlined in this suggestion with Senator Murdock, Vice-President of the Brotherhood of Railway Trainmen, and ex-Minister of Labour, succeeding me in 1922, believing that if he could feel as I do and exert his influence among his

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121637

own Party associates and upon his Leader, a very useful purpose both to Parliament and to the many thousands of railway men, which the Brotherhood of Railway Trainmen and Telegraphers' organization jointly represent, would be served, and would contribute to moulding public opinion and support along the lines of the legislation the Government might formulate and introduce. I know, you, as Leader of the Government in the Senate, and former Prime Minister, will appreciate fully the importance of the legislation arising out of the Duff Commission Report.

The other matter, which I presume to mention at this time , will doubtless come before Parliament at a later date, probably after it re-convenes in the New Year. It has to do with the Radio Commission recently created by Mr. Bennett's administration, but which was initiated, as you may remember, some time ago, when the Department of Labour, over which I had the honour of presiding at that time, started an inquiry into the alleged combine that was said to be adversely affecting the production and distribution of radio tubes to the public. It was fully and clearly proven that the manufacturer's costs and sale prices were very different, and as a result of that inquiry radio tubes dropped in price to the retailer from a maximum of about $5.00 to less than $2.00.

Following that inquiry and arising

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

121638

out of it the Radio Commission was subsequently established, and now is beginning to function. I regard this development as of tremendous import and importance to the Canadian public, and our Government might wisely consider a proper course of action to be pursued concerning national broadcasting.

The importance of this subject in my opinion transcends the public's conception of it, as demonstrated by the public interest taken in the subject in the neighbouring republic now in the throes of a Presidential campaign. My thoughts, however, go somewhat below that, and I marvel at the possibilities that seem to open up when one surveys the future. You will remember with me the anxiety and uncertainty which found birth in Canada about 1918, which culminated in the industrial disturbance at Winnipeg in 1919, and of the steady growth of the then socialist propaganda, which has ultimately developed into definite communism in many parts of our beloved country. I am inclined to feel that the Christian religion has often erred along the line of a tendency towards commercializing its faith, and I feel this especially after being in Europe at Geneva last April and seeing the results of communistic propaganda agitation . When nations rise

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121639

boldly and declare that there is no God, one trembles for the future of both Christianity and civilization as we understand it. The control of radio transmission can conceiveably be used as a marvellous public benefactor, or if misused a curse to society. In our own country one remembers that radios are purchased by the Canadian people, and their use licensed by the state. During the last year the cost of radio licenses has been, I think, doubled, and the number of radios in use purchased by the people multiplied several times . Our Christian churches continue to spread their gospel propaganda abroad, especially urging the Canadian people to support more liberally foreign mission fields, but one wonders, if not withstanding the many years the Canadian people have been earnestly endeavouring to spread the gospel, whether foreign lands, China for example, will much longer welcome assistance from us in this direction. The thought projects itself in one's mind that if radio broadcasting wholly controlled by the State, were directed along the lines of supplying religious truths to people inclined to listen free of cost, who are within reach of radio facilities, it would be an admirable method of spreading the gospel of Christian faith regardless of individual views or the views of every nationality within hearing of the broadcast.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121640

It seems possible that if this were publicly known and realized, that radio licenses might be obtained for the price formerly existing, and the Gospel truths as familiarly known to Jew, Christian, Protestant or Catholic made available to them by the opportunity of hearing any doctrine of their choice, except the denial of the existence of God, which should in my humble opinion be absolutely prohibited by our Government in Canada - much could be accomplished for the general good of the people; and as socialism which ultimately begets communism, and communism denies the existence of God and therefore begets chaos and destruction of all civilization, surely broadcasting of such doctrines should be absolutely prohibited.

Your kind consideration of the foregoing, as opportunity presents itself, is respectfully submitted to you personally, and as a Member of the present Dominion Government in the hope that it may give thought for consideration even by the Prime Minister and his Cabinet.

Yours respectfully and faithfully,

J. D. Robertson.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Senate 121641

11n/A

Ottawa, Oct. 27th, 1932.

Dear Mr. Allen,-

I have just returned to Ottawa this morning and find your letter of the 19th awaiting my arrival.

I am in the same position as yourself, indeed probably on a larger scale, as I invested a considerable sum in the Manufacturers' Finance Corporation. The fact that a man has induced another to invest in a company, which in these times has failed is no reason, in itself why he should lose his seat in the House.

Senator McDonald made no representations to me that I could say were even insincere much less dishonourable. Conduct not affecting public business and not coming within the terms of the British North America and Parliament Acts or constitutional precedents, it seems to me, would not be such as would come under review in connection with the right of a member of either House to retain his seat.

Yours very truly,

L.R. Allen, Esq., M.P.P.,
Summerside, P.E.I.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121642

Summerside, P.E.I.
Oct. 19-1932

Rt. Hon. Arthur Meighan
The Senate,
Ottawa.

Dear Sir:-

I have been following with considerable interest the debates in the Senate during the last Session and also during the present one. I was particularly interested in the debate concerning Senator McDougall of Montreal, and also your remarks, as reported in the press, regarding your intention of making the Senate a wholesome place for the Senators.

Now, I would appreciate very much if you would take into consideration the advisability of investigating the affairs of Senator J. A. McDonald of Amherst, Nova Scotia. Possibly a short sketch of his activities might be helpful.

Some years ago he organized and was President of the Manufacturers Finance Corporation, with headquarters and office at Toronto. He came here, and through his representations and guarantee sold me a considerable quantity of the stock. When I made the purchase I thought I was making an investment that would be, as he stated, absolutely water proof. I was surprised to learn the company went into liquidation and that it has been in this state for a number of years, with no immediate hope that even when the estate is closed out there will be anything left for the shareholders.

I am simply giving you a brief outline of his activities and if more information is required, same will be supplied on request.

Yours very truly,
L R Allen
L. R. Allen, M.P.P.

LRA/W

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121643

Senate

112
Mc

THE SENATE
CANADA

Personal.

Ottawa, October 27th, 1932.

The Rt. Hon'able Arthur Meighen, P.C., K.C.,
The Senate,
Ottawa, Ontario.

My dear Meighen;-

Accepting your invitation to put in writing one's views on committee work in the Senate, I submit the following;-

It is of vital importance for the Senate to retain and even increase its effectiveness in dealing with matters which come before it, and consequently to hold, or maybe enhance, its high standing with that part of the public which is familiar with its procedure. Moreover, there is a feeling within the Senate that a body of men, all of whom have in one way or another proved themselves capable, have had wide experience, have first hand knowledge of current affairs, should be able to make a greater contribution to the well being of the country than is at present the case. This feeling waxes and wanes. You are familiar with its manifestations, particularly among the recently appointed.

The most serious defect in the work of our main Committees is that we pass Bills with inadequate information. No one knows better than you, and other Leaders of the House, how tenuous in this respect are the memos given to you on which you pilot the measures through our House.

.....2

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121644

Ottawa, October 26th, 1932

The Rt. Honourable A. Meighen -

Legislation should not be passed without information covering;-

(a) The recent history of the proposed Bill, and those, if any, allied to it.

(b) Its antecedent course in Parliament; if examined in the Commons, and if opposition developed there.

(c) What testimony for or against; the attitude of the Departments - principally that of Justice - and in appropriate cases, that of the Superintendent of Insurance.

It seems to me if these points were covered by a memorandum of the Chairman, (or House Leader, if the Bill should come before the Committee of the Whole) our work might be more effective than under the present system. As at present, beyond the information given by the Leader, only points come up which have been gathered by various members of the Committee, or the House, in a haphazard way, or from interested outsiders. There is no chance to weigh the information given. If a more thorough system were put into effect, it would entail a good deal of work.

By whom should this be done?

The Leader of the House has too many claims on his attention. Should it be undertaken on the other hand by the Chairman of the appropriate Committee, who would see that the memorandum outlined above was distributed to all the members of that Committee before its meeting. If this

.....3

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121645

Ottawa, October 26th, 1932.

The Right Honourable A. Meighen -

were undertaken by the Chairman of the Committee, it would add to his power and to his value. For example, the memory of the thorough work of Sir George Drummond who, in the years between 1900 and 1909 was Chairman of the Banking Committee, still lingers among some of the Staff of the Senate. But Sir George was proud of his position, worked hard to fill it in a most perfect way, and I have been told retained - at his own expense - a Secretary who devoted himself entirely to looking into all the details of the legislation which was referred to that Committee.

I am of the opinion that the system of letting satisfactory Chairmen continue is good enough, and if the work proposed above is added to what is now expected of a Chairman, it might curb those ambitions of which you spoke the other day.

I would like to call your attention to the dormant committees. Their history was condensed by me last year in a paragraph or two which I add to this letter;-

> "Honourable Members, I should like to ask the "further indulgence of this House in order that "I may explain this report. It comes now almost "like a ghost from limbo. This Committee was "formed in 1908 and has continued ever since, "though it has done little beyond meeting at the "beginning of each session for no other purpose "that I can ascertain than to reduce the quorum.
>
> "In 1908 there was - I will not say a stirring "in the valley of dry bones, but there was one "of those periods when the Senate was seized

...4

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121646

Ottawa, October 26th, 1932.

The Right Honourable A. Meighen -

"with the idea, an absolutely sound one, that "it could do more and better work than was then "being carried on. Hon. G.W.Ross, afterwards "leader of the Government in this House, pro- "posed that there should be eleven new standing "committees formed, namely; Agriculture, Immi- "gration, Commerce and Trade Relations of Canada, "Geological Surveys, Transportation Routes to the "Seaports and Harbours, Coast Surveys, Fisheries, "Industrial Arts and Exhibitions, Civil Service "Administration, Public Health and Inspection of "Foods, Public Buildings and Grounds. The debate "began in February and went on until April, when "Hon. Mr. Scott, then leading the Senate, concurred "in the following additions to its Standing Com- "mittees: Agriculture and Forestry, Immigration "and Labour, Commerce, Civil Service Administration, "Public Health, and Buildings and Grounds.

"In 1919 there was also formed, at the suggestion "of the late Senator Nicholls, a Committee on Fin- "ance - a member of the same family as the committees "I have named, and one which displayed about the same "degree of activity."

The existence of these Committees tends to make the work of the Senate open to jesting about the seriousness of our occupations. Many things might be referred to these Committees - for example, the fuel question, which was brought up the other day would fall appropriately to the Committee on Commerce and Trade Relations, and so on.

.....5

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121647

Ottawa, October 26th, 1932.

The Right Honourable A. Meighen -

The objection to such references is that on almost every subject there are men in the House familiar with it who would only by chance be on the appropriate Committee. If these Committees are to be continued, I think some arrangements should be made by which they could have power to add pro tempore to their number, choosing men especially qualified to discuss whatever the subject might be, who at its conclusion would retire. On such questions I feel confident that it is not desirable to have large Committees.

If some change along these lines is not made, it seems to me it would be better to cease electing them after the present year. The alternative is Special Committees. All of them - while I have been in the House - have done excellent work. The Committees on the Hudson's Bay, Fuel, Hoppe Leases, the St. Lawrence Waterways, and so forth, have done good work, and their representations have had great influence. They gathered together very valuable information on the subjects with which they had to deal.

Another matter, allied to those under consideration, is that of printing evidence. It is hard to say when a subject is referred to a Committee whether the evidence to be given before it is important enough to be printed. If, in the final report of the Committee, it asks for power to print, no one has had time to read the report, and so a decision is made in the dark. Such at least was the fate of the Commerce Committee of last Session, and yet, I am told, its typewritten evidence had to be sent for during the Conference to find evidence which was of vital importance to the Canadian case in one of the matters decided in favour of Canada at the Conference. I would suggest that a limitation of the amount of evidence to be

...6

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121648

Ottawa, October 26th, 1932.

The Right Honourable A. Meighen -

printed should be set. If further space is desirable, leave might be asked from the House. This, on the whole, would be a better way than by having a precis of the evidence made, submitting it to the witness, and then incorporating it in the report.

I regret to have been so long in expressing my views on a subject to which I have given a good deal of thought. I, therefore, close with one suggestion, that the appearance of partizanship should be eliminated, and that you should not go into conference with Senator Dandurand with a cut and dried programme which you would ask him to accept. The view on which you settled should be expressed in a form which would easily weave in with any suggestions he and his associates might make.

Yours very sincerely,

J. S. McLennan

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

THE SENATE
CANADA

Senate 21.6.4

Ottawa, October 29th, 1932.

The Rt. Honourable Arthur Meighen, P.C., K.C.,
The Senate,
Ottawa, Ontario.

Dear Mr. Meighen;-

I am leaving this afternoon for Halifax. I have arranged with Tom. Blacklock to notify me when the Railway Bill is reported to Committee. On receipt of that information, I will return to Ottawa.

Yours very truly,

W. H. Dennis
per N. Foley

Dictated but not read.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Borden Cix. Star
29 oct 32

221650

ies Star

al Page o

The Railway Bill

The Government is approaching railway changes based upon the Duff Commision's report with pardonable caution.

Mr. Bennett, Mr. Meighen and others know that the situation is loaded with political dynamite. Consequently they are not going all the way with the Duff recommendations. Also, Mr. Meighen has made it clear to the Senate that the bill intended to implement the recommendations is not, strictly speaking, a Government measure and that suggestions and changes will be welcomed from all sides.

No one can properly criticize the Administration for this attitude. The railway question is highly controversial. At the same time the problem is so serious, from a financial point of view, that it is imperative to bring about changes. The Government must make them even if they are politically dangerous. It is the natural thing, then, that Mr. Bennett should be interested in achieving a maximum of improvement with a minimum of political embarrassment.

Once more let us suggest that Mr. Meighen himself should be chosen to head the tribunal of three that will be set up to take charge of the problem. As we said the other day, no man in Canada knows more about the railway situation. He is the obvious, logical person to take the helm.

Editorial Points

Had your apple?

Ghosts of 1932 walk 10 percent slower.

The whole world this ... ms to be holdi...

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121650

OTTAWA, 29 November, 1932.

My dear Colleague,

I would appreciate it as a personal favour if in recommending appointments to the staff of the Tariff Board you could see your way to recommend Miss Orma Graham, presently employed as a temporary stenographer on the Senate Committee staff. Due to a decrease in Private Bill and divorce work reductions in this Branch have been necessary and in the near future Miss Graham's services will not be required.

From time to time during the past year she has been assigned temporarily to my office and from my personal knowledge of her work I can recommend her as a capable and conscientious worker. Her experience in business offices, the Senate and Commons has been such as to qualify her as a valuable assistant in any office.

I am very anxious to assist her in finding other employment, as is also the Speaker of the Senate, and I

trust

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121652

trust you may be able to give favourable consideration to our request on her behalf.

Believe me,

Yours very truly,

The Honourable E.N.Rhodes, P.C., M.P.,
Minister of Finance,
Ottawa.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121653

OTTAWA, 30 November, 1932.

Dear Mr. Meighen,

I enclose Miss Edmondson's cheque for salary to today.

Mr. Blount has written you today with respect to a telephone conversation he had with the Prime Minister and the Speaker's instructions to discontinue the pay of all Sessional employees during the adjournment. This means that Miss Edmondson will be off the pay roll until the Senate resumes in January.

Miss Graham has been notified by the Clerk of the Senate that her services terminate today and that she will not be employed by the Senate after the adjournment.

Yours faithfully,

The Right Honourable Arthur Meighen, P.C.,
Toronto.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121654

THE SENATE
CANADA

The Clerk of the Senate
Ottawa

30th November, 1932.

Dear Mr. Hinds,-

I am instructed by the Honourable the Speaker to notify all sessional employees that they will receive no pay during the long adjournment. This instruction includes the secretary of the Rt. Hon. Mr. Meighen, and the secretary of the Hon. Mr. Dandurand.

Will you be good enough to show this letter to Miss Graham. I regret that the Senate will not be able to employ her after the adjournment.

Yours truly,

A. B. Shand

A. H. Hinds, Esq.,
Chief Clerk of Committees,
The Senate, Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121655

(112)

THE SENATE
CANADA

347 Bay Street, Toronto,
November 30, 1932.

Dear Mr. Hinds:

Mr. Meighen has duly received for signature your letter written on behalf of Miss Graham.

As he has already written to Mr. Rhodes on the subject, he does not feel that he should do so again, and suggests that you have Senator Blondin write a letter along the lines of the one which you enclosed.

Yours very truly,

E. M. Edmondson

Mr. A. H. Hinds,
Chief Clerk of Committees,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C233

121656
11

THE SENATE
CANADA

Acknd 10-12-32
H

347 Bay St., Toronto,
December 8, 1932.

Dear Mr. Hinds:

Mr. Meighen would like you to send to him, if possible, Reports of the Superintendent of Insurance on Companies other than Life Insurance Companies from 1927 on. We have volumes here up to 1927 but have not had any since. Please send the 1931 report if others not available.

Will you also kindly send me a supply of Senate letterhead.

Thanking you,

Yours very truly,

Mr. A. H. Hinds,
Chief Clerk of Committees,
The Senate,
Ottawa.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121657

112

MEMO;

Miss Edmondson.

I have your note asking that a copy of the evidence of the Duff Commission be sent to Sir Henry Drayton.

This evidence has not been printed and it is not likely to be. It consists of eight or ten large typewritten volumes and is available only in the Library of Parliament.

A.H.Hinds.

OTTAWA,

12 Dec. 32.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121658

THE SENATE
CANADA

347 Bay St., Toronto,
December 13, 1932.

Dear Mr. Hinds:

Could you not get for me a copy of the typewritten evidence before the Duff Commission? It would seem to me I have a right to take out a copy, and if so, please get it for me and send it up.

Also I wish you would get from the Library for me Edward Marjoribanks book on "The Life of Lord Carson".

Yours very truly,

Arthur Meighen.

Mr. A. H. Hinds,
Chief Clerk of Committees,
The Senate,
Ottawa, Ont.

Mr Sandwand

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121659

OTTAWA, 14 December, 1932.

Dear Mr. Meighen,

I had a conversation today with Mr. Sim, Secretary to Mr. Ryckman, regarding the edible oil and linen matters.

Sim told me privately that both cases are apparently at a standstill and his view is that unless someone stirs things up a bit there will probably be considerable delay and possibly an adverse decision. From a conversation with his Minister he gathered that Council was lukewarm with respect to the oil matter. Sim thinks your presence here is necessary to secure action, particularly with regard to the oil question.

Yours faithfully,

A. H. M.

The Right Honourable Arthur Meighen, P.C., K.C.,
Toronto, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Lirvane. CB 495
Lirv Can 277

121660

THE SENATE
CANADA

347 Bay St., Toronto,
December 15, 1932.

R in Toronto over

Dear Mr. Hinds:

I have your letter of 14th. This is exceedingly disappointing. Please tell Mr. Sim that I will be down Saturday, that is if there is to be a Cabinet meeting Saturday, and see if he cannot arrange to have the subject come up then. What can be the obstacle, I do not know, as it seems to me utterly absurd to practically fine a Company for not doing the impossible. The Company would have been far better to have bought the oil in China if the duty has to be paid. If there is to be no meeting Saturday, please phone or wire me tomorrow.

Kindly phone Mrs. Roy Cameron (I think her address is corner of Daly and Stewart or Daly and Laurier) and tell her I have been expecting to be down daily and will be down very shortly and try to help some in the matter about which she wrote me.

Yours very truly,

~~R-2516-W~~
R-2967 W

Arthur Meighen.

Mr. A. H. Hinds,
The Senate,
Ottawa, Ont.

P.S.--Kindly mail the enclosed letters.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121661

112

OTTAWA, 16 December, 1932.

Dear Mr. Meighen,

Your letter of yesterday was received only on the afternoon mail today, and I have just wired you that there will be no meeting of Council on Saturday and that Mr. Ryckman is in Toronto.

Sim suggests that you might have an opportunity of speaking to Mr. Ryckman there and arrange with him when the oil matter could be again brought up in Council.

I have telephoned Mrs. Cameron, as instructed.

Yours faithfully,

Arthur

The Right Honourable Arthur Meighen, P.C., K.C.,
Toronto, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

OTTAWA, 16 Dec. 1932.

Rt. Hon. Arthur Meighen,

Canadian General Securities, Ltd.,

347 Bay Street, Toronto.

There will be no meeting of Council Saturday. Mr. Ryckman now in Toronto and will remain there over week end.

A.H.Hinds.

Charge Rt. Hon. Senator Meighen,
The Senate.

P.21.6.67

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121663

OTTAWA, 17 December, 1932.

Dear Mr. Meighen,

Since the receipt of your letter of the 13th instant I have been endeavouring to secure a copy of the evidence before the Duff Commission. I can locate only two copies and these are in the Library of Parliament. The officers of the Library have very definite instructions not to allow them out of the Library, and as Mr. Burrell is confined to his house I have not yet been able to take the matter up with him. He is expected back early next week.

Early in the Session I located a broken set of the evidence in the Railway Department and was able to secure for Senator Dandurand the loan of the evidence given by Mr. Beatty, Mr. Hungerford, Mr. Ruel and Sir Henry Thornton. I think most of this is in Senator Dandurand's office here and could bensecured without difficulty. Would it be of use to you in the event of the complete evidence not being available? The complete evidence consists of eight large volumes and comprises about 5000 pages.

A few days ago I forwarded you a copy of "The Life of Lord Carson" received from Mr. Meredith, and I am assuming you do not now want a copy from the Library.

Yours faithfully.

The Rt. Hon.
Arthur Meighen, P.C.,
TORONTO, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121664

THE SENATE
CANADA

347 Bay St., Toronto,
December 19, 1932.

Dear Mr. Hinds:

Referring to yours of 17th, if you can get even the part of the evidence you refer to and send it up to me, I would be glad to have it. The fact is I want to loan it just for perusal to Sir Henry Drayton, and it is absolutely sure to be sent back in good time. I will see to that.

Received "The Life of Lord Carson" so, of course, do not want the Library copy.

Regarding Canada Packers and edible oils, I spoke to Mr. Ryckman yesterday, and he assures me this is going through O. K., but will have to wait until Mr. Bennett's return or until definite approval is given by the British Government. If you are talking to Sim at any time, ask him to see that no time is lost.

returned to Sim 29-12-32.

Yours very truly,

Mr. A. H. Hinds,
Chief Clerk of Committees,
The Senate,
Ottawa, Ont.

Please mail the enclosed letters.
E.M.C.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021865

Toronto, Dec. 20, 32.

Dear Mr. Hinds,

Would you be good enough to send over with the enclosed card a box of cigars to Mr. W.E. Matthews, delivery say by Saturday. Let me know and I will send you a cheque.

Yours very truly,

Arthur Meighen.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

L21666

THE SENATE
CANADA

December 22, 1932.

Dear Mr. Hinds:

Sorry I omitted to enclose card for Mr. Matthews, in previous letter.

Jim C.

450

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

121667

OTTAWA, 22 December, 1932.

MEMO:

Miss Edmondson.

Yesterday I sent to Mr. Meighen two large envelopes containgng the evidence given before the Duff Commission by Mr. Beatty, Mr. Ruel, Mr. Hungerford and Sir Henry Thornton, which Mr. Meighen desires to lend to Sir Henry Drayton.

Would you be good enough to make a note to have this evidence returned here by the 31st January next when the Senate will resume sittings and on which date Senator Dandurand expects me to return the documents to him.

A.H.Hinds.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

0.21666 (112)

OTTAWA, 24 December, 1932.

MEMO:

Miss Edmondson.

I have sent a box of cigars to Mr. W.E.Matthews as requested by Mr. Meighen.

The cost was $4.50.

A.H.H.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121669 (112)

THE SENATE
CANADA

347 Bay St., Toronto,
January 3, 1933.

Dear Mr. Hinds:

As requested in your letter of 22nd December, I am returning to you to-day the evidence given before the Duff Commission. This material is being mailed in three large envelopes.

Yours very truly,

E. M. Edmondson.

Private Secretary.

Mr. A. H. Hinds,
Chief Clerk of Committees,
The Senate,
Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121670

THE SENATE
CANADA

347 Bay St., Toronto,
January 7, 1933.

My dear Hinds:

Mr. Bennett intended to have the matter of Insurance, (Provincial and Dominion jurisdiction, etc.,) on the Agenda for the coming Dominion-Provincial Conference. I wrote him a letter a week ago Wednesday saying I wanted to be down when the Agenda was under review. Have heard from him since, but evidently he has not reached my letter in his file. You might mention this to Merriam.

Also please keep track, especially if I should not be there, of when the insurance matter is coming up for discussion, and notify V. R. Moore, Confederation Life Insurance Co., Toronto, as he desires to be in attendance then.

? of Conference

Yours very truly,

Arthur Meighen
per E.

Mr. A. H. Hinds,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE | SYMBOL
Day Message

PRINTED IN CANADA
T. 6296
12-25
ORIGINAL OF MESSAGE
Telephoned
TO BE Ded Senate am
OFFICE, TORONTO, ONT.

CANADIAN NATIONAL TELEGRAM

W. G. BARBER, General Manager

Exclusive Connection with WESTERN UNION TELEGRAPH CO. Cable Service to all the World Money Transferred by Telegraph

STANDARD TIME

R A300 18 COLLECT

1933 JAN 10 PM 9 05

TORONTO ONT 10 900P

A H HINDS 317

THE SENATE OTTAWA ONT

ADVISE PRIME MINISTER CANNOT BE DOWN WEDNESDAY HYDRO DAY CAN BE THERE SATURDAY ADVISE ME IF SATISFACTORY

ARTHUR MEIGHEN.

Inlayson p.m. office
#5 on agenda
#4 can lain

John Garland.

This is a Collect message, and will be charged to your account unless we are notified at once to the contrary.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Cons. 6 & 7 P & 6.

Agenda Complexed.

Mr Cantlon) presence

Keeping Times.

Plaxton prepared

a — on legal, Capital practice

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

(112)
121672

THE SENATE
CANADA

347 Bay St., Toronto,
January 11, 1933.

Memorandum to Mr. Hinds:

Will you kindly send to Mrs. George Mitchell, Cobalt, Ontario, a copy of Mr. Meighen's remarks about Sir George Foster, made in the Senate after his death.

Yours very truly,

E. M. Edmondson

Acct 1/12/33
H

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121673

THE SENATE
CANADA

347 Bay St., Toronto,
January 11, 1933.

Dear Mr. Hinds:

The London & Western Trusts Company are negotiating with a Company which is considering the establishment of a picture-producing business in Canada. The idea is to sell them a large block of property which is owned by the London & Western in Windsor. The Manager of the Company writes me as follows:

> "It is suggested by those who are behind the formation of the Company that I might obtain from you some indication as to whether there might be barriers created by tariff or quota to the use of Canadian films in Great Britain and the Dominions and per contra anything which might favour them to the partial exclusion or restriction of American films within the Empire. The promoters think that there is a growing feeling of favour toward the British film as against those produced in the United States. I think there was some discussion on this point at the Imperial Conference."

I wonder if you could get in touch with Mr. Charlesworth down there, or with the Member of the Government who takes the most interest in the subject, and send me a memorandum indicative of their views on this point.

Yours very truly,

Mr. A. H. Hinds,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121674

117

OTTAWA, 13 January, 1933.

Dear Mr. Meighen,

Referring to my telegram of today, I am just informed that the memorandum prepared by Plaxton with respect to insurance jurisdiction is being recast and will not be available until tomorrow morning. I will mail it special delivery to your house address.

While the insurance matter is item number five on the Conference agenda it does not mean that it will be taken up in that order. I am told the Prime Minister's idea is that the proceedings be as informal as possible. His view also appears to be that the conference will not last longer than three days. Finlayson, of the Prime Minister's office, is under the impression that Mr. Bennett expects you to be here for the Conference, particularly in connection with the insurance question, but he could find no trace of any letter having been written you as to this.

I have written Mr. V.R.Moore, of the Confederation Life, as instructed in your letter of the 7th instant, and enclose copy for your information.

Yours faithfully,

A. St. L.

The Rt. Honourable Arthur Meighen, P.C.,
Toronto, Ontario.

+++ mailed 12.30 pm 14 Jan 33 nt.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121675

OTTAWA, 13 January, 1933.

Dear Sir,

The Right Honourable Senator Meighen has directed me to write you with respect to the insurance matter to be taken up at the forthcoming Dominion-Provincial Conference.

I am today informed that this question is item number five on the agenda, but it is impossible to ascertain the exact day on which it will be considered by the Conference. The proceedings will be informal and the order of the agenda is not necessarily binding on the Conference.

The Conference will open on Tuesday next and it is expected that the business before it will be disposed of in three days.

I am sorry I cannot give you more definite information on the subject.

Yours faithfully,

A.H.Hinds.
Private Secretary.

V.R.Moore, Esq.,
Confederation Life Insurance Company,
Toronto, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

OTTAWA. 13 January, 1933.

Right Honourable Arthur Meighen,
Canadian General Securities, Ltd.,
347 Bay Street, Toronto.

Reference your telegram tenth. Agenda for Conference has been completed. Insurance Jurisdiction matter is item five on list. STOP Plaxton has prepared memo on legal and constitutional side of question and I expect to obtain copy in time for mailing to you tonight.

A.H.Hinds.

Charge Rt. Hon. Senator Meighen,
The Senate, Ottawa.

RUSH

L 21 9 7 6

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121677

OTTAWA, 13 January, 1933.

Dear Mr. Chamberlain,

Referring to our telephone conversation of this morning, I now give you below an extract in part from a letter I have received from the Right Honourable Senator Meighen:

"A company is considering the establishment of a picture producing business in Canada. It is suggested by those who are behind the company that I might obtain some indication as to whether there might be barriers created by tariff or quota to the use of Canadian films in Great Britain and the Dominions and per contra anything which might favour them to the partial exclusion or restriction of American films within the Empire. The promoters think there is a growing feeling of favour toward the British film as against those produced in the United States. I think there was some discussion on this point at the Imperial Conference.

"I wonder if you could get in touch with the Government Department taking the most interest in the subject, and send me a memorandum indicative of their views on this point."

Believe me,
Yours faithfully,

A.H.Hinds.

K.G.Chamberlain, Esq.,
Assistant Deputy Minister,
Department of Trade and Commerce,
OTTAWA.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121678

OTTAWA, 13 January, 1933.

Dear Mr. Meighen,

I have your letter of the 11th instant with respect to the proposed establishment in Canada of a motion picture production business.

The Department of Trade and Commerce is looking into the matter of tariffs and quota restrictions, etc., and I hope to send you a memo on the subject in a few days.

Yours faithfully,

R. B. Bennett.

The Right Honourable Arthur Meighen, P.C.,
Toronto, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

112

OTTAWA, 18 January, 1933.

Right Honourable Arthur Meighen,

57 Castle Frank Crescent, Toronto, Ont.

Conference will take up insurance first thing tomorrow Thursday morning.

A.H.Hinds.

Charge Rt. Hon. Senator Meighen,
The Senate, Ottawa.

L21,157,9

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK SAFETY FILM

~~DAY LETTER~~

Form D.L. 2 T.W.

CANADIAN NATIONAL TELEGRAPHS

GREAT NORTH WESTERN TELEGRAPH CO. CANADIAN NATIONAL TELEGRAPH CO.

EXCLUSIVE CONNECTION WITH WESTERN UNION TELEGRAPH COMPANY

HEAD OFFICE, TORONTO, ONT. GEO. D. PERRY, VICE PRES'T AND GEN'L MANAGER.

RECEIVER'S NO.	TIME FILED	CHECK

SEND the following Day Letter, subject to the terms on the back hereof, which are hereby agreed to

Ottawa, 20 Jany. 1933.

112

Rt. Hon. Arthur Meighen,
Canadian General Securities, Ltd.,
347 Bay Street, Toronto.

Evan Gray checked out at noon. Have repeated your message to train assuming he is enroute to Toronto.

A.H.Hinds.

Charge Rt. Hon. Arthur Meighen,
The Senate.

P 21580

SENDER'S ADDRESS FOR ANSWER

SENDER'S TELEPHONE NUMBER

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

~~DAY LETTER~~

Form D.L. 2 T.W.

CANADIAN NATIONAL TELEGRAPHS

GREAT NORTH WESTERN TELEGRAPH CO. CANADIAN NATIONAL TELEGRAPH CO.

EXCLUSIVE CONNECTION WITH WESTERN UNION TELEGRAPH COMPANY

HEAD OFFICE, TORONTO, ONT. GEO. D. PERRY, VICE PRES'T AND GEN'L MANAGER.

RECEIVER'S NO.	TIME FILED	CHECK

SEND the following Day Letter, subject to the terms on the back hereof, which are hereby agreed to

OTTAWA, 20 Jany. 1933.

W.Evan Gray,
Passenger for Toronto,
C.N.R. Train

Mr. Meighen wires asking that you be at Sigmund Samuels house tomorrow morning eight forty five sharp.

A.H.Hinds.

Charge Rt. Hon. Arthur Meighen,
The Senate.

SENDER'S ADDRESS FOR ANSWER

SENDER'S TELEPHONE NUMBER

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

FORM 6124

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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

1933 JAN 20 PM 12 38

RA179 16 COLLECT STANDARD TIME

TORONTO ONT 20 1227P

A H HINDS

179

THE SENATE OTTAWA ONT

ASK EVEN GRAY TO BE AT SIGMUND SAMUELS HOUSE TOMORROW MORNING EIGHT FORTY FIVE SHARP

ARTHUR MEIGHEN.

A

Can.

Rec'd 10 pm

H.

D 21962

For Prompt Service - Call
Queen 4500 - Queen 5280-1
Cor. Sparks and Metcalfe Streets

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121683

DEPARTMENT OF

ASSISTANT DEPUTY MINISTER
K. G. CHAMBERLAIN

TRADE AND COMMERCE
CANADA

ADDRESS ALL COMMUNICATIONS TO
THE DEPUTY MINISTER

IN REPLY REFER TO FILE No.

OTTAWA January 23, 1933.

A.H. Hinds, Esq.,
Private Secretary,
Right Hon. Senator Meighen,
The Senate,
Ottawa.

Dear Mr. Hinds:

Referring to your letter of the 13th instant asking for information regarding the picture producing business in Canada, I enclose a letter from Mr. F.C. Badgley, Director of the Motion Picture Bureau, together with some tariff information which Mr. Gilchrist, Chief of the Foreign Tariffs Division, has prepared for me.

Yours sincerely,

K G Chamberlain

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121684

112

OTTAWA, 24 January, 1933.

Dear Mr. Meighen,

Referring again to your letter of the 11th instant, I now enclose reports received from the Department of Trade and Commerce dealing with tariffs, quotas, etc., with respect to motion picture films, requested by the Manager of the London and Western Trusts Company.

Yours faithfully,

A. K. M.

The Right Honourable Arthur Meighen, P.C., K.C.,
National Building,
Toronto, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102, replacing Form 2A-T.W.

CLASS OF SERVICE DESIRED	
Day Message	X
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

CANADIAN NATIONAL TELEGRAPHS

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

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Toronto, January 26, 1933.

112

Mrs. Jacques Bureau,
982 St. Joseph St.,
Three Rivers, Que.

HAVE LEARNED WITH DEEPEST REGRET SAD NEWS OF SENATOR BUREAUS DEATH STOP FOR MYSELF AND ON BEHALF OF COLLEAGUES DESIRE TO EXPRESS GREAT SENSE OF LOSS OF BELOVED COLLEAGUE AND EXTEND SINCEREST SYMPATHY TO FAMILY

ARTHUR MEIGHEN

Charge Rt. Hon. Arthur Meighen,
c/o The Senate,
OTTAWA, Ont

U 21686

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121686/113

Ottawa, Ontario,
January 31, 1933.

My dear Senator:

I have not written you, but asked your son, who has been keeping me advised of your condition, to pass on my very sincere sympathy to you.

We are just opening now and we certainly will miss you and hope it will not be for long. If you are able at all to write, I wish you would tell me just how you are feeling, and give me some confidence, if you can, that you will soon be with us.

Will likely be out in Regina before the Session ends, and will look forward to having a chat with you, if you are not down before I go.

Yours sincerely,

Hon. Senator Laird,
Regina, Sask.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Ottawa,
January 31, 1933.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121687 -6

THE SENATE
CANADA

604 Balfour Apts.
Regina Sask.
July 6th/33.

Senator Meighen

Dear Sir

Your letter to my husband arrived
I wrote to him when he was sick & he was glad to hear from you
and he feels very keenly not being in Ottawa with you
but I am afraid he will not be able to be there this year
He is delighted. His health and brain are both clear
he thinks he can do a day's work, and he is in no pain, but he
has not improved. any in his home nerves he has been
in his bed in hospital.
Now I hope you will bring him home with you as soon as you
get in. Hospital food and care & nurses, but I am afraid it
will take months to recover, he has been so much change.
It is very sad, just when he is needed, and at

121688

THE SENATE
CANADA

Dear Dada, I hold her a bundle for Father. I hope very, very I hope
Dinner. He cannot wade, poor.
Thanking you for your letter and sympathy:

Sincerely
Lillie Laird

Mrs H. W. Laird.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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-TW

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

96 S 16 COLLECT STANDARD TIME

TORONTO ONT 1039A FEB 13 1933

For Messenger
Call Canadian National Telegraphs
Phone - Local 298

A H HINDS

ROOM 348 THE SENATE OTTAWA ONT

ACCEPT FOR ME ALONE IF SUITS PRIME MINISTERS CONVENIENCE HIS INVITATION FOR DINNER WEDNESDAY NIGHT

ARTHUR MEIGHEN

1136A

Mr Meighen.
This has been done.
A. H. H.

This is a collect message, and will be charged to your account unless we are notified at once to the contrary.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121690

THE SENATE
CANADA

Ottawa Feb. 14th/33

My dear Chief

I shall be unable to attend the sitting to-night. Will you please have my bill postponed to Thursday for second reading

Yours sincerely

G. B. Fleming

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121691

TORONTO, March 10, 1933.

Dear Senator Tanner:

Please read the enclosed by H. L. Mencken, and afterwards maybe you will want to pass it on to Senator Lewis.

Yours sincerely,

Arthur Meighen.

Hon. Senator Tanner,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

228

Senate

Elections

121692.

112

OTTAWA, March 23, 1933.

Dear Madam:

I have your letter of 20th March on the subject of certain statements made by one or two Senators regarding elections on Sunday.

There is no Bill before the Senate or before the House dealing with this matter at all, and I think I can assure you there will be no Bill containing such clause and still less likelihood of such a clause passing if it were in any Bill.

Yours very truly,

Arthur Meighen.

Mrs. M. L. Beacom,
R. R. #1,
Lindsay, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

KODAK

121693

Lindsay R.R. 1
March 20th. 1933

The Hon. A. Meighen.
Ottawa.
Ont.

Sir —

On the 16th. Inst. there appeared an article in the "Mail & Empire" under the heading "Sunday elections in Canada are advocated by the Senators". Senator Dandurand going so far as to say "I believe, the holding of our elections on a Sunday would imbue the electors with the idea that it was a day consecrated to God and to their country." Election day should certainly be a day consecrated to God, but how an election held on a Sunday could be anything but a breaking of God's law is hard to be seen.

The majority of the people of Canada are sufficiently enlightened to know what the laws of God, and the teachings of Christ are, with regard to the Sabbath, and we look to the Government for a higher type of leadership and example, than what would be given by legalizing Sunday Elections.

To hold an election on a Sunday would undoubtedly mean a day of labor for a

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121694

great many persons, besides making it impossible for the voters to take that rest of mind and body, from worldly affairs, so necessary in these days of unrest, hurry and worry.

We are proud of the fact that in Canada we have the sacred quiet of the Sabbath, legalize Sunday elections, and that will in all probability, be only the thin edge of the wedge, and soon we may see the sad spectacle of our fair Dominion in such a condition as is seen across the border to the south every Sunday in the year; and the Sabbath quiet of our land will be a thing of the past.

The women of Canada, even had we not been given the franchise, would object to our men having to go out to vote on a Sunday; how much more then when we have the franchise, and would be more directly affected? Also, the women of our nation-wide organization — The Women's Institute — in so far as we, locally, have been able to get in touch with them, are strongly opposed to the proposition.

We therefore appeal to you, as leader of the Senate, to do all in your power to prevent the passing of such legislation.

If you can prevent such an

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121695

anomalous piece of legislation from being placed on the Statute Books of our country, we feel that we can assure you of the deep and lasting gratitude of, at least, the women of Canada.

Respectfully Yours
(Mrs.) M. L. Beacom
On behalf of the local W. D.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121696 112

OTTAWA, March 27, 1933.

My dear Senator Dennis:

I have your letter of 24th enclosing letter of Colonel Phinney, which I have read with interest and appreciation.

Have not been able as yet to take a personal interest in the matter of the Gibbs Report and the appointments which may become necessary by virtue thereof. Will keep in mind Colonel Phinney's representations, and indeed have had this phase of it in mind for some time.

Yours very truly,

Hon. Senator W. H. Dennis,
The Senate,
Ottawa, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121697

THE SENATE
CANADA

Ottawa, March 24th, 1933.

The Right Honourable A. Meighen, P.C., K.C.,
The Senate,
Ottawa, Ontario.

My dear Mr. Meighen;-

I am still confined to my bed. As a matter of fact I have had a slight relapse during the past few days, but if possible I am going to move down to Atlantic City over the week-end.

My purpose in writing you is to solicit your interest and co-operation in connection with the enclosed confidential letter from Colonel E.C. Phinney. Will you kindly take his suggestions under consideration. To be quite frank with you, we in Nova Scotia feel that you are one of the few men in public life in Canada who has a grasp of our situation in the Maritimes, and who is sympathetic in connection with our development.

In case I do not see you when the Senate resumes next week, I extend to you my high esteem and kindest personal regards,

Yours very truly,

W H Dennis
per A. Foley

Enc.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121698

Cable Address: Dawapir

A.B.C.
Western Union
Legal Codes

Daley, Phinney & Outhit
Barristers, Solicitors &c.

Tramway Building

Gordon McL. Daley, K.C.
Earle C. Phinney K.C.
William D. Outhit

Halifax
Canada

CONFIDENTIAL

March 20, 1933

Senator W. H. Dennis,
The Senate,
O t t a w a, Canada.

Dear W. H.:

I was very glad to get the reassuring news from Kelly today that you are coming along satisfactorily. What you probably require as much as anything else is a rest away from the thousand and one things that will dog your steps so long as you are available.

I am wondering if Ottawa is making any progress towards a selection of personnel for the Railway Trustees, or if any suggestions are being considered re members of the Central Harbour Board if the Gibb bill is introduced this session and passes the House. Proper representation on both of these boards if possible will in the long run mean more to us than any amendments which could be secured by way of protecting our position. On the other hand if we secure representation in the person of someone who is looking for a job we may be worse off than if we were not directly represented. Senator Meighen

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121699

is one of the best friends the Maritimes ever had and he can no doubt exert a great deal of influence in this regard if he chooses to do so.

I am wondering if it would not be a wise move for you to discuss this feature with him, as we will probably get nowhere unless some action is taken. I suppose it would be expecting too much to hope for representation on both boards and therefore we should try to place our representative where he could do the most good.

I also find some difficulty in suggesting who might be our representative, but we surely can find someone who will be satisfactory, after we know what the conditions are.

I am simply passing this thought along to you in case you think it worth while to feel out the situation at this time.

Sincerely yours,

E. W. Thomson

P/J.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

CANADIAN PACIFIC TELEGRAPHS

T.D. 1M

CANADIAN PACIFIC COMMUNICATIONS

DIRECT COMMUNICATION WITH

THE INTERNATIONAL SYSTEM - IMPERIAL AND INTERNATIONAL
POSTAL TELEGRAPH - MACKAY RADIO COMMUNICATIONS LIMITED -
COMMERCIAL CABLES - ALL AMERICA CABLES IMPERIAL CABLES - BRITISH PACIFIC CABLE
MONEY TRANSFERRED BY TELEGRAPH HALIFAX AND BERMUDA CABLE CO.

This is a full-rate Telegram or Cablegram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER
NL	NIGHT LETTER
NM	NIGHT TELEGRAM
LCO	DEFERRED
NLT	CABLE LETTER
WLT	WEEK END LETTER

W. D. NEIL, GENERAL MANAGER OF COMMUNICATIONS, MONTREAL.

STANDARD TIME

11WA.Y. 33 DL.,

BC.CALGARY,ALTA.,MCAPL. 3 1933 1130AM.,

RT.HON.ARTHUR MEIGHEN,

HU.OTTAWA,ONT.

WHEN DO YOU EXPECT SENATE ADJOURN FOR EASTER HOLIDAY HOW LONG WILL HOUSE BE CLOSED STOP COULD GO NOW BUT WOULD WAIT UNTIL AFTER HOLIDAY IF ONLY FEW DAYS SITTING LEFT BEFORE EASTER.

P.BURNS.

156PM.,

121700

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Form 6102

CLASS OF SERVICE DESIRED	
DAY MESSAGE	
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

CANADIAN NATIONAL TELEGRAPHS

W. G. BARBER, GENERAL MANAGER, TORONTO, ONT.

Exclusive Connection with WESTERN UNION TELEGRAPH CO.
Cable Service to all the World
Money Transferred by Telegraph

RECEIVER'S NO.	TIME FILED	CHECK

Send the following message, subject to the terms on back hereof, which are hereby agreed to

RUSH RUSH OTTAWA, April 4, 1933.

112

Hon. Senator P. Burns,
31 Michael Bldg.,
Calgary, Alta.

WILL PROBABLY ADJOURN FOR EASTER ON THURSDAY THIRTEENTH UNTIL FOLLOWING TUESDAY BEST REGARDS

ARTHUR MEIGHEN

Chg. Senator Meighen,
The Senate.

12120

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Mr. Meighen.

121702

The Prime Minister has given notice in the Commons "that when the House adjourns on Thursday, 13 April, it stand adjourned until Tuesday, 18 April".

Presume interim Supply will have to be passed before the Easter adjournment.

A.H.H.

KEEP ON TOP OF FILE NO.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

copy

Senate 121703 12 W.

OTTAWA, Ontario,
April 4th, 1933.

The Honourable R. Dandurand,
The Senate,
O t t a w a.

Dear Senator,-

I am sorry you found it necessary to write me a letter of even date to inform me of the practice which is followed when a new Member of the Senate is to be introduced to the Speaker. You say that "the invariable practice" has been to allow the Senator the privilege of selecting his own sponsors.

I will not say that you handle the truth carelessly but, with more charity, I conclude that your memory requires support, but most people would say that your proverbial diplomacy is not invisible. Be that as it may, my information is at variance with your understanding. When you called at my office last Thursday, I told you so and that I was willing to rest the case upon the laps of Messrs. Bennett, King, Lapointe and Meighen and submit to the judgment of the majority. You replied in no uncertain terms that these men knew nothing about the rules governing our Chamber, upon which I reminded you that Mr. Meighen had served in both Houses, and you replied that he was a newcomer in our House.

Putting all that aside, let me remind you that on the evening of April 13th, 1932, I stood on the outside of the closed door leading to the Chamber and awaited word from you as leader of the

.....2

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121704

Liberal Party in the Senate. To my great disappointment and astonishment you flew passed me without the usual "good evening" and still less a welcome, and rushed to your seat. I then felt sure that my information from a member of the Cabinet in the King Government, who talks in his sleep, that you had not sponsored my candidature to the Senate, was a fact. But that was your own affair and to this opposition I never take umbrage, but, there again, you were dismally wrecked, as upon other occasions in the past whenever you took issue with me as regards appointments and in reference to my ascendency to the presidency of social and educational societies, especially that of my candidature for the presidency of l'Ecole Menagerie (Domestic School of Economy), and to which I was notwithstanding elected.

Your preference for a certain aspirant to the Senate in 1930, might have been an improvement upon myself, and he would have been a willing subject under the thumb of your dictatorship.

I then asked the Honourable Messrs. Graham and Gagnain to sponsor me, and, after taking the oath, my grief and anguish was quickly soothed when the Honourable Members from both sides of the Chamber came over and shook hands with me, and I distinctly recall that the Honourable Mr. Beique and the Honourable Mr. White led the procession, but you did not follow their example. That, however, may be "an invariable practice." I was then given a seat, only temporarily, I regret, next to our charming lady Senator.

Again brushing all this aside and coming to my now famous speech of November 16th, 1932, on tax evaders - re bearer bond coupons and other evasions - which was heralded by all the Canadian press, you will recall that during my speech you left your seat and spoke to two or three Honourable Members behind you and you stated - to use your own expression - "After all this is a serious House." Should you desire, I think I could produce them as witnesses to my statement. Do you think that was a courteous move during a speech which was anything but a Mark Twain causerie? I can assure

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121705

you it was not considered as a joke by many members of the financial clique of St. James Street, and the same applies to my rising to a question of privilege on the 28th ultimo to deny flatly the criticism of my speech contained in a financial paper situated in the Royal Bank Building of Montreal.

Personally, I am indifferent to all criticism, as such tirades regarding myself have the same effect as the proverbial 'water on a duck's back,' but I do not forget that I have children who are grown up, grandchildren, and, I believe, thousands of friends, who, I consider, like me for myself and not because I am a Senator or hold any other exalted position and in whose eyes I should not like to be humiliated as such actions as yours would do, inadvertently, I hope.

I come from very humble parentage, if I must believe the speeches that were made during my campaign by emissaries for so-called Liberal-Independent candidates sent into the Vaudreuil - Soulanges Constituency by Montreal capitalists, who stated on the public platform that my grandfather was hanged in Scotland for stealing sheep and that my grandfather's father was an old bachelor. This I cannot refute or admit, but I do know that my grandmother was a squaw, named Cookeri, - see archives in the presbytery in my parish. Her father's name, I understand, was "Fire Water," but, strange as it may be to you, I would not exchange the red blood in my veins for the fish blood in those of my enemies.

In conclusion, I wish to say I have no inclination - and I suppose you share the same desire - that this controversy should continue, but as I consider your explanation absolutely unsatisfactory and not made in the manner or place in which I should be given an explanation, and while I do not harbour any ill-feeling towards you but continue to follow the dictates of my wigwam temple, I feel that I cannot

.....4

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021706

Rev. E. Desbarats, ...4

retain the privilege of your leadership.

Very truly yours,

L. Wilmot

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Senate 21707

House of Commons
Canada

April 10th, 1933.

I have been requested by several Members of the House to notify you that Senators and Members who are interested in discussing the proposals of Mr. Arnold-Forster in connection with the British Commonwealth Peace Confederation will meet in the Railway Committee Room on Wednesday, the 12th instant, at 11:00 o'clock.a.m.

Mr. Arnold-Forster has sent us considerable information in connection with the movement in the United Kingdom.

All interested are invited to attend.

Arthur Beauchesne

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121708

Senate 11th

OTTAWA, April 12, 1923.

Dear Mr. Winnett:

I regret that I omitted to return the enclosure referred to in Mr. Meighen's letter of 10th. Mr. Meighen had not at that time read the document and I intended to retain the letter until he had done so, but inadvertently mailed it. Same is now returned herein.

Yours very truly,

Secretary to Mr. Meighen.

J. W. G. Winnett, Esq., K. C.,
London, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121709
112 W

OTTAWA, April 10, 1932.

Dear Mr. Winnett:

I duly received your letter of 7th with enclosure which I am herewith returning as requested.

All I feel justified in saying now is that nothing of discredit at all is attachable to Senator Little for the action he took on Friday last. His words were not prompted at all by ungenerous motives, but rather the contrary.

On the subject matter of his own position, that, of course, would have to stand on its own merits.

Further as respects myself, I need only say that everything I stated in answer to Senator Little was entirely correct. I have been from the first day of my appointment as Hydro Commissioner exceptionally careful--at least I thought I was--and my only fear is that no authoritative and intelligent investigation will be demanded or made, but that those attacking will prefer to be without a verdict as would undoubtedly result from such an investigation. Their plan, I think, is to depend upon misrepresentation and the present distressed and irritable state of the public mind

I thank you for your expressions of confidence, and can assure you they will be vindicated to the full if opportunity arrives.

Very sincerely,

J. W. G. Winnett, Esq., K.C.,
London, Ontario.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121700

WINNETT, MOREHEAD AND CO.
Barristers, Solicitors
J.W.G. WINNETT K.C. GEORGE MOREHEAD
418½ TALBOT STREET
CABLE ADDRESS "WINNETT"
LONDON, ONTARIO April 7th, 1933

Honorable Arthur Meighen
Parliament Buildings
Ottawa, Ontario

Dear Sir:

I regret to see by the daily Press that Senator Little saw fit to interrogate you as to the O.S.P. bonds held by you.

If it should become necessary for you to deal him a knockout blow I am enclosing you the necessary documents for such a purpose. His Solicitors, Messrs. Green & Johnston, of Ottawa gave consent to judgment but Senator Little has been fighting to keep this judgment from being entered because he would necessarily have to resign as Senator, and is setting up a claim that the plaintiffs had agreed not to enter it. The Court has ordered it to be tried next month.

It might be well for you to know that the monies represented by the consent to judgment were stolen by him from Robinson, Little & Company. He with three other brothers took, according to the auditor's report, $ 473,483.97 while they were directors, without resolution of the directors or knowledge of the shareholders, and not even for services rendered. After the action was brought they gave promissory notes to the Company and had the Company without consulting any directors transfer the notes to the Bank of Montreal as collateral security to the Company's indebtedness to the Bank.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C21200

Honorable Arthur Meighen

I know your explanation and defence is ample but it occurred to me this information is well for you to have anyway. A lthough the Company intend to enter up judgment next month they do not expect to be able to collect anything.

I would ask you to have your Secretary return the documents when you are through with them.

Hoping you will have no difficulty, and I know you will not, in meeting the accusation brought against you.

Believe me

Yours sincerely,

J. W. Gwynne

JWGW/E

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

112112

112

OTTAWA, April 25, 1933.

My dear Senator Wilson:

Have just this morning received your telegram. Will make every effort to be present tomorrow. Hope you will not expect me to say much, as I am a lover of silence.

Yours sincerely,

Hon. Senator L. A. Wilson,
The Senate,
Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121713

Form 6123, replacing Form 1-TW

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	D L
Night Message	N M
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

STANDARD TIME

For Messenger
Call Canadian National Telegraphs
Phone - Local 298

112

19G DR 21

CX MONTREAL QUE 11A APR 26 1933

RT HON ARTHUR MEIGHEN

OTTAWA

WOULD APPRECIATE IF YOU WOULD ASK WESLEY GORDON NOT TO MAKE PUBLIC INFORMATION GIVEN IN MACGREGORS REPORT SEEING NO COMBINE ESTABLISHED

LORNE C WEBSTER

1122AM.

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021714
112

THE SENATE
CANADA

OTTAWA, Ontario,
April 27th, 1933.

Rt. Hon. Arthur Meighen, K.C., LL.D.,
Leader of the Government in the Senate,
The Senate,
O T T A W A.

Dear Senator Meighen,-

I am not going to throw a bouquet of flowers at you this morning for your presence at the "party" last night at the Ottawa University, as your facetious remarks, coupled with a profundity of thought, so overshadowed my little speech that I now regret that the Rector invited you to attend. Take warning, that the next bouquet of flowers I shall throw at you will contain a brick. However, I believe from all I can hear from all sides to-day, that it was a wonderful success and that, of course, is due to the broadminded men who attended irrespective of politics, nationality, or religion.

May I remind you that in future you may address me as Doctor, and I believe that degree covers all classes of medical science including that of vacant upper stories, and it would be beyond my dignity to inform certain Honourable Members which you must necessarily see when you rise in the Chamber, as to my new calling. Of course, I intend having a special department for the unfortunates coming under that category.

With kind personal regards, I am,

Yours sincerely,

Sam

Senator.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121715

THE SENATE
CANADA

1.1.24

Dear Mr Meighen
The enclosed I intend
to raise on privilege to-day -
unless you can improve upon it
a object. Lang.

L.G. Wilson

Hon the Leader Mr. Meighen
The Senate

31/3/3

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021705

Encl

112 8.

OTTAWA, May 15, 1933.

Dear Mr. Scott:

Your letter of 13th is received to-day.

The reasons for rejecting the clause which you wished restored are contained in the remarks made in the Senate by various members, but particularly by Senator Dandurand. It does not appear to me that they are answered in the argument presented in your letter.

I am personally anxious not to stand in the way of any essential and defensible legislation on this subject, and I feel the Senate would not object to such amendment in the Commons as would not be open to the special objection raised by Senator Dandurand and concurred in by myself and others.

Yours very truly,

Arthur Meighen.

Mr. W. D. Scott, K. C.,
Blackburn Bldg.,
Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

JOHN S. EWART, K.C.
W. L. SCOTT, K.C.
LEE A. KELLEY
CUTHBERT SCOTT
BYRON W. HOWARD

121717

CABLE ADDRESS: "EWARTSCOTT"
TELEPHONES QUEEN 7950-7951

EWART, SCOTT, KELLEY, SCOTT & HOWARD
BARRISTERS, SOLICITORS, &c.

Blackburn Building,
~~114 METCALFE STREET~~
OTTAWA, CANADA

13th May, 1933.

A. 35.4.

The Right Hon. Arthur Meighen,
The Senate,
Ottawa.

Dear Mr. Meighen:

Re: Amendments to Section 215 of the Criminal Code.

I very greatly regret that owing to absence from the city I had no opportunity of communicating with you before Bill No. 71 came up for consideration in the Senate. I was waiting for it to pass the Commons but it went through there in my absence and went at once to the Senate.

I very greatly regret that the proposed sub-section 3 was eliminated from the Bill, that being, from our point of view, the most important of the proposed provisions.

If you will further consider what the sub-section proposes, and the nature of the evil sought to be remedied, I think you will agree that the proposed sub-section is not only reasonable, but absolutely essential. It was always thought that sub-section 4 of the present Act, which is practically identical with sub-section 4 of the amendments, served the same purpose, but the Court of Appeal in the case of The King vs Vahey decided that it was necessary in every case to show affirmatively that the childs morals had actually been affected by the conduct complained of, but a moments reflection will show, I think, that it would be impossible in almost any case to give such affirmative evidence. How can it be shown affirmatively in a Court of law that a child who has been submitted to the conditions objected to in sub-section 2 has actually been injuriously affected. I think that there would be scarcely any case in which this would be possible.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

121718

I am suggesting to the Solicitor General that the House of Commons ought not to concur in the Senate's amendment striking out this sub-section, and should that course be adopted, I hope that upon further consideration you will be willing to agree that the Senate's amendment should be withdrawn, and that sub-section 3 should remain in the Bill.

I understand that Miss Whitton has forwarded to you a copy of a memorandum on the subject, prepared by me for the information of the Solicitor General. From that you will gather that the whole object of the proposed provisions (which add nothing to what we all thought the law was under the present Section since 1918) is to endeavour to avoid the necessity of removing children from undesirable surroundings and of, instead, rehabilitating the natural home of the children. In every Province except Quebec it is the right now of Children's Aid Societies to remove children from surroundings such as are described in sub-section 2 of Section 215, but the Societies think that it is much more desirable to make the natural home of the child a fit place for it than to remove it.

I see that in the discussion in the Senate something was said as to the mention of "adultery". As to this I would remark

first, that the use of this word does not appear to me to go any further than the language of the present sub-section 2 implies, and

second, that there is no desire at all to prosecute for adultery, as such.

All that is desired is that in the interests of the children, irregular unions should be broken up where, following on that, it is possible to rehabilitate the natural home.

It is the opinion of Mr. W. B. Raymond, K. C., of Toronto, the Honorary Counsel for the Toronto Children's Aid Society, that the proposed sub-section 3 (which was drafted by him) is absolutely necessary to get over the effect of the view of the Court of Appeal of Ontario in the Vahey case. Further, the amendments are being asked for by the Canadian Council on Child & Family Welfare, the Canadian Association of Child Protection Officers, and every other children's agency in the Dominion.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

I sincerely hope, therefore, that something can still be done to save the very important provision embodied in the proposed sub-section 3.

Yours truly,

A. E. Scott.

SUPERFINE
LINEN BOND
MADE IN CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

021720

Senate

Nov 24

OTTAWA, May 15, 1933.

Dear Miss Whitton:

Your letter of 12th is received this morning.

The reasons for rejecting the clause which you wished restored are contained in the remarks made in the Senate by various members, but particularly by Senator Dandurand. It does not appear to me that they are answered in the memorandum which you were good enough to send me.

I am personally anxious not to stand in the way of any essential and defensible legislation on this subject, and I feel the Senate would not object to such an amendment in the Commons as would not be open to the special objection raised by Senator Dandurand and concurred in by myself and others.

Yours very truly,

Miss Charlotte Whitton,
Canadian Council on Child and Family Welfare,
245 Cooper Street,
Ottawa, Ont.

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

The Canadian Council on Child and Family Welfare

(Founded 1920)

Ottawa, Canada

Past President—
MRS. C. H. THORBURN, OTTAWA, ONT.
President—
MR. J. FRED DAVEY, OTTAWA, ONT.
Vice-Presidents—
DR. H. E. YOUNG, VICTORIA, B.C.
MR. F. N. STAPLEFORD, TORONTO, ONT.
Treasurer—
MME. JULES TESSIER, QUEBEC, QUE.
Child Welfare Division—
CHAIRMAN, MR. ROBERT E. MILLS, TORONTO, ONT.
Family Welfare Division—
CHAIRMAN, MR. G. B. CLARKE, MONTREAL, QUE.
Executive Director—
MISS CHARLOTTE WHITTON, M.A., OTTAWA, ONT.

UNDER THE DISTINGUISHED PATRONAGE OF
THEIR EXCELLENCIES THE GOVERNOR GENERAL AND
THE COUNTESS OF BESSBOROUGH

THE RT. HON. R. B. BENNETT, P.C., K.C., LL.D.
THE PRIME MINISTER OF CANADA

THE RT. HON. W. L. MACKENZIE KING, P.C., C.M.G.
THE LEADER OF THE OPPOSITION

Advisory Finance Committee—
HON. SENATOR H. H. HORSEY, OTTAWA, ONT.
MR. JOHN B. LAIDLAW, TORONTO, ONT.
MR. C. L. BURTON, TORONTO, ONT.
MR. W. H. CARRUTHERS, TORONTO, ONT.
MR. J. M. MACDONNELL, TORONTO, ONT.
MR. A. J. MILNER, TORONTO, ONT.
MR. JAMES A. RICHARDSON, WINNIPEG, MAN.
MR. PHILIP FISHER, MONTREAL, QUE.
MR. J. H. T. FALK, VANCOUVER, B.C.
MR. W. H. LOVERING, HAMILTON, ONT.
MR. R. L. SMITH, HAMILTON, ONT.
HON. SENATOR D. O. L'ESPERANCE, QUEBEC, QUE.
MRS. J. A. STEWART, PERTH, ONT.
MR. JAS. D. MCKENNA, SAINT JOHN, N.B.

Honourary Counsel—
SENATOR THE HON. R. DANDURAND, K.C.
W. L. SCOTT, ESQ., K.C., OTTAWA.
JUDGE P. A. CHOQUETTE, QUEBEC.

COUNCIL HOUSE, 245 COOPER ST., (QUEEN 16)
OTTAWA, CANADA

May the twelfth,1933

The Rt. Hon. Arthur Meighen,
The Senate,
O t t a w a, Ont.

Honourable and dear Sir,-

I am venturing to approach you in respect to the action of the Senate in dealing with Bill 71, Section 3, in the Senate at yesterday's session, the results of which have just come to our notice this afternoon.

Unfortunately both Mr. W. L. Scott, K. C., Honourary Counsel to this Council and I were out of the city yesterday morning. On prior occasions when amendments of this nature have been sought to the Criminal Code the Senate has almost invariably referred the matter to a committee and given the opportunity to those interested to appear and be heard on behalf of the amendments sought. I had assumed that this would likely be the procedure in this case and consequently we were quite unprepared for the action which was taken in the Senate yesterday afternoon.

I am venturing to urge upon you that if there be any possible way in which this action could be reconsidered, upon the reporting back of the Bill to the Senate from the Commons, assuming the Commons' non-concurrence in the changes, that you and your colleagues in the Senate should give the opportunity to be heard at least, to our Honourary Counsel, Mr. W. L. Scott, in respect to this vital amendment to the Code.

I am taking the liberty of attaching hereto a memorandum prepared on the subject which I would hope would have the effect of reassuring you and your colleagues both as to the wisdom and necessity of the amendments sought. In its absence practically all of our agencies

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

Governing Board

Advisory Committee on Child Welfare

French Speaking Section—
CHAIRMAN, LT.-COL. L. R. LAFLECHE, OTTAWA, ONT.
Child Hygiene—
CHAIRMAN, DR. J. T. PHAIR, TORONTO, ONT.
The Child in Employment—
CHAIRMAN, MR. TOM MOORE, OTTAWA, ONT.
Recreation—
CHAIRMAN, CAPT. WM. BOWIE, MONTREAL, QUE.
Child Care and Protection—
CHAIRMAN, MR. W. A. WESTON, WINNIPEG, MAN.
Delinquency—
CHAIRMAN, MR. HARRY ATKINSON, PORTAGE LA PRAIRIE, MAN.
The Spiritual and Ethical Development of the Child—
CHAIRMAN, DR. D. N. MCLACHLAN, TORONTO, ONT.

Advisory Committee on Family Welfare

DR. HELEN R. Y. REID, MONTREAL, QUE.
MISS MALCA FRIEDMAN, MONTREAL, QUE.
MISS DOROTHY KING, MONTREAL, QUE.
MR. A. CHEVALIER, MONTREAL, QUE.
MISS THELMA WILLIAMS, OTTAWA, ONT.
MRS. G. CAMERON PARKER, TORONTO, ONT.
MR. J. H. T. FALK, VANCOUVER, B.C.
MISS MARY MCPHEDRAN, VANCOUVER, B.C.

Governing Council

MR. F. C. BLAIR, OTTAWA, ONT.
DR. F. S. BURKE, OTTAWA, ONT.
MR. C. A. SEGUIN, OTTAWA, ONT.
MME. P. E. MARCHAND, OTTAWA, ONT.
MR. C. S. MACDONALD, TORONTO, ONT.
MR. C. L. BURTON, TORONTO, ONT.
MRS. J. S. DRISCOLL, TORONTO, ONT.
MISS GERTRUDE CHILDS, WINNIPEG, MAN.
MRS. R. A. ROGERS, WINNIPEG, MAN.
MRS. J. A. STEWART, PERTH, ONT.
DR. FRANK PEDLEY, MONTREAL, QUE.
MR. JOHN T. HACKETT, K.C., MONTREAL, QUE.
MR. W. MCL. CLARKE, MONTREAL, QUE.
MR. A. M. BELDING, SAINT JOHN, N.B.
MISS H. DYKEMAN, SAINT JOHN, N.B.
JUDGE E. H. BLOIS, HALIFAX, N.S.
MRS. HAROLD RILEY, CALGARY, ALTA.
MRS. R. J. MACDONALD, SASKATOON, SASK.
MISS OLIVE SNYDER, VICTORIA, B.C.
MISS LAURA HOLLAND, VANCOUVER, B.C.

EXECUTIVE STAFF.

Executive Director—
MISS CHARLOTTE WHITTON, M.A.

Assistant to Director—
MISS ELIZABETH KING, M.A.

Secretary, to the French Speaking Section—
MME. NOEL CHASSE, Reg.N.

Official Publication—
"CHILD AND FAMILY WELFARE."

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

END OF REEL

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 191)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA