

After due consideration the new management divided the combined and reorganized National railway system into three regions for operating purposes:—

*Atlantic Region:* All lines in the Maritime Provinces and as far west as, and including, Rivière du Loup, on the Intercolonial, and as far as, but not including, Monk on the Transcontinental; headquarters, Moncton.

*Central Region:* All lines from Rivière du Loup and Monk, Que., to Current Junction, on the Canadian Northern, 2 miles east of Port Arthur, and to Superior Junction, on the National Transcontinental, and including the Portland line and the lines west of the Detroit River; headquarters, Toronto.

*Western Region:* All lines from Current Junction and Superior Junction, Ont., to the Pacific Coast, including Vancouver Island; headquarters, Winnipeg.

The Central Vermont, for the present, is being operated as a separate entity, with headquarters at St. Albans, Vt.

As to reorganization, Sir Henry Thornton, Chairman of the Board and President of the Canadian National railways, stated, in a communication which the Minister of Railways made to Parliament on March 27, 1923, that, when the new management took charge, about December 1, 1922, there had been three primary problems which demanded immediate attention: 1. The determination of the kind of an organization which was to be employed in the administration of the property; 2. The determination of the regions into which the property was to be divided for operating purposes and the location of regional and general headquarters; 3. The selection of officers for the various posts involved in the organization.

The organization which had been decided upon was what might be called a strengthened divisional organization as distinguished from a departmental organization. The executive officers consist of a chairman and president, assisted by five vice-presidents, as follows:—

1. Vice-President in charge of operation, maintenance and construction.
2. Vice-President in charge of financial affairs.
3. Vice-President in charge of insurance, immigration, development, lands, express and telegraphs.
4. Vice-President in charge of legal affairs.
5. Vice-President in charge of traffic.

The above executive officers represent the minimum with which, in Sir Henry Thornton's judgment, it would be possible to operate such a property as the Canadian National railways; indeed, as time goes on and traffic increases, it would, he stated, probably be necessary to add another vice-president.

In dividing the railway into three regions for operating purposes, the principle followed had been to give to each operating region as much autonomy and local control in the actual operation of the property as was consistent with efficient principles of administration. Every effort would be made to confine the functions of the vice-presidents and the executive officers to policies, leaving to general managers, general superintendents and superintendents the responsibility of carrying out details. He felt that in the administration of such a large property as is represented by the Canadian National railways no other theory of organization could be successful, and, in conclusion, the new President made the following suggestion:—

“In the organization of such a property, where we employ about one hundred thousand people, scattered over nearly 23,000 miles of line, the process of consolidating and harmonizing the various forces is one which will necessarily take some time. It is, therefore, earnestly hoped that those who administer the affairs of the nation will be sufficiently patient to give those who are sincerely, honestly