

Trunk arbitration was passed and became law on May 3, 1921. It provided for reviving the arbitration proceedings, conditional upon the resignation of the Grand Trunk English directorate, the substitution of a Canadian board, and the establishment of the head office in Canada. The English directors resigned on May 26, and a Canadian board was thereupon appointed. The arbitration proceedings were revived on June 1, and finally concluded on July 8. The award was made on Sept. 7, the chairman, Sir Walter Cassels, and Sir Thomas White holding that the preference and common stocks of the Grand Trunk Company had no value in view of the financial condition of the Grand Trunk, consequent upon its Grand Trunk Pacific entanglements. Hon. W. H. Taft dissented from this finding, holding that the securities in question should be valued at not less than \$48,000,000, his contention being that the preference and common stocks would be earning dividends in five years' time. The acquisition agreement provided for an appeal on a point of law, and as the majority of the arbitrators had declined to hear evidence as to replacement value of the physical property of the system, an appeal was made to the Judicial Committee of the Privy Council. This appeal was dismissed on July 28, 1922.

Consolidation and Reorganization of the Canadian National System.—The Grand Trunk arbitration finally disposed of, steps were taken to consolidate the various railways under Government operation and control. In October, 1922, the Grand Trunk board and the Canadian Northern board gave place to a single Canadian National board, the president and chairman of which was Sir Henry Thornton. To this board the former Canadian Government railways were turned over for management and operation. The unification of the Grand Trunk and Canadian National railways was provided for by Order in Council of Jan. 30, 1923, which also brought into effect the Act to incorporate the Canadian National Railway Company and respecting Canadian National railways (c. 13, 1919). This was followed, on Feb. 5, 1923, by an Order in Council establishing the head office of the Canadian National railways at Montreal, Que.

Operation of the Canadian National Railways.—The Canadian National System steam mileage at Dec. 31, 1925 was 22,191.77. Including the Central Vermont, 493.02, and the Thousand Islands Railway, 6, controlled by constituent companies but separately operated, the total steam mileage was 22,690.79. Including 187.12 miles of electric lines, the grand total was 22,877.91. For convenience of local administration and operation the system's steam mileage is divided into four regions:—the Atlantic, lying east of Rivière du Loup and Monk, Quebec; the Central, lying between the last-named points and Current River, at Port Arthur, and Armstrong; the Western region, extending from the head of the Lakes to the Pacific; the Grand Trunk western lines, American mileage between the Detroit and St. Clair rivers and Chicago. The mileages, in the above order, are 2,811.93, 7,646.02, 10,742.13 and 991.69. Of this system mileage, 20,832.42 is owned, 1,231.23 is leased and 128.12 operated under trackage rights. The net increase in operated mileage in 1925 was 319.58.

The Quebec bridge across the St. Lawrence above Quebec city, with a main span of 1,800 ft., the longest in the world, and carrying a double track railway and accommodation for pedestrian traffic, forms a connecting link in the Canadian National Railway system and is operated as a part of it.

Table 19 shows some of the more important train traffic statistics of Canadian National Railway operation for the years 1924 and 1925.