

new lines, as well as the Canadian Government and people, had expected that immigration of capital and labour from Europe would rapidly settle the areas tributary to the new railroads and give them abundant and lucrative traffic, as had been the case with the C.P.R. Instead, the war came, and European labour and capital were conscripted for the struggle; immigration fell off, while cost of operation increased, owing to the scarcity of labour and material in Canada. The interest on the bonds had to be met, and in 1915 the Government felt it necessary to give assistance to the railways. In 1916, after having again made loans to the Grand Trunk Pacific Railway and the Canadian Northern Railway Co., a Royal Commission was appointed by Order in Council of July 13, 1916, to investigate:— (1) the general problem of transportation, (2) the status of each of the three transcontinental systems, (3) the reorganization of any of the said systems, or their acquisition by the State, and (4) other matters considered by the Commission to be relevant to the general scope of the inquiry. Alfred Holland Smith of New York, Sir Henry Drayton of Ottawa and Sir George Paish of London, England, were originally appointed to the Commission. On the resignation of the latter, William M. Acworth, a distinguished English authority on railways, was appointed to take his place. The majority report of the Commission, signed by Sir Henry Drayton and Mr. Acworth, has formed the basis of the subsequent railway policy of Canada. Their recommendation was that the public should take control of the Canadian Northern, of the Grand Trunk Pacific and of the Grand Trunk proper, and that they should be administered on purely business principles by a board of trustees, such compensation as seemed proper to be decided by arbitration and given to the shareholders of the Canadian Northern and the Grand Trunk.

The process of the acquisition of these railways and the financial results of their operation down to the end of 1929 are described in Section 3, "The Origin and Growth of Government-owned Railways in Canada", appearing on pages 667 to 677 of this volume, and illustrated by tables dealing with capital expenditure, physical operations, earnings and expenses, and the growth of the railway debt to the public and to the Government.

## Section 2.—Statistics of Steam Railways.

The steam railways of the world may be said to have commenced their operations with the opening of the Stockton and Darlington Railway in England on Sept. 26, 1825. In the intervening century, the mileage of the steam railways of the world has increased to an estimated total of 771,245 miles, of which figure 291,887 miles are State railways. Of the enormous total, nearly one-third, or 249,432 miles, is in the United States. Canada is second with 41,073 miles (exclusive of 336 miles of Canadian railways in the United States) and British India third with 33,736 miles. Germany has 36,218 miles, France 33,208 miles, Russia in Europe 36,359 miles and in Asia 11,298 miles, Australia 27,409 miles, Great Britain and Ireland 24,342 miles, Argentina 23,430 miles, Brazil 19,560 miles, Mexico 16,406 miles.<sup>1</sup> Of all the leading countries of the world Canada has the smallest population per mile of her railway lines, *viz.*, 235.

The mileage of steam railways in operation in Canada is given by single years for each year from 1850 to 1929 in Table 1, showing the first great period of construction in the 1850's, when the mileage grew from 66 to 2,065, the lull

<sup>1</sup> From Slason Thompson's *Railway Statistics of the United States of America, 1929*, p. 34 with revisions for Canada and United States.