

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 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 1930 are described in Section 3, pp. 548 to 558 of this volume.

During 1930 and 1931 both freight and passenger traffic declined until new low records were being established each succeeding month. Freight and passenger revenues consequently decreased at alarming rates and with increasing capital expenditures and fixed charges, the financial condition of Canadian railways demanded readjustment. The dividend rate of the Canadian Pacific Railway was reduced from 10 p.c. to 5 p.c. for the second and fourth quarters of 1931 and early in 1931 it was evident that the Canadian National system would not earn the interest due on public holdings of its debentures exclusive of over \$32,000,000 interest on Government loans. To study the situation and, if possible, to remedy it, the Dominion Government appointed a Royal Commission by Order in Council P.C. 2910 dated Nov. 20, 1931. The Commission, under the Chairmanship of the Rt. Hon. Lyman P. Duff, Judge of the Supreme Court of Canada, held hearings throughout the country and are now preparing their report 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 785,925 miles, of which figure 286,232 miles are State railways. Of the total, nearly one-third, or 249,099 miles, is in the United States. Canada is second with 41,739 miles (exclusive of 336 miles of Canadian railways in the United States) and British India third with 41,724 miles. Germany has 36,231 miles, France 33,208 miles, Russia in Europe 36,938 miles, Russia in Asia 11,298 miles, Australia 28,151 miles, Great Britain and Ireland 24,185 miles, Argentina 23,795 miles, Brazil 19,835 miles and Mexico 17,224 miles.¹ Canada has an average of 224 persons per mile of her railway lines.

The mileage of steam railways in operation in Canada is given by single years for each year from 1850 to 1930 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 in the 1860's, the second great period of construction in the 1870's and 1880's, the lull in the 1890's, the third great period of construction between 1900 and 1915 and the subsequent falling-off in the rate of increase.

¹ From Slason Thompson's *Railway Statistics of the United States of America, 1930*, p. 32 with revisions for Canada and United States.