

were originally appointed to the Commission. On the resignation of the latter William M. Acworth was appointed to take his place. The majority report of the Commission, which was 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.

Origin and Growth of Government-owned Railways.

Canadian Government Railways.—The Intercolonial railway, built as a condition of Confederation and completed in 1876, and the Prince Edward Island railway, opened in April, 1875, have since their construction been owned and operated by the Dominion Government. In 1903 the Dominion Government undertook the construction of the eastern division of the National Transcontinental railway from Moncton, N.B., to Winnipeg, to be leased to the Grand Trunk Pacific Railway Company for a period of 50 years. On the failure of the latter company to take over the operation of the road when completed in 1915, the Government itself undertook its operation—capital expenditure up to Dec. 31, 1922, \$169,090,122. Thus on March 31, 1918, the Canadian Government railways had a total mileage of 5,150.08, comprising the Intercolonial railway, 2,305.23 miles; St. John and Quebec railway, leased under authority of Chapter 49 of the Statutes of 1912, 127.72 miles; Prince Edward Island railway, 313.82 miles; and National Transcontinental railway, 2,403.31 miles. Under Orders in Council of May 22, 1918, and August 30, 1918, the Moncton and Buctouche, the Elgin and Havelock, St. Martin's railway, the York and Carleton railway and the Salisbury and Albert railway were taken over. Also, under Order in Council of December 1, 1919, the Lotbinière and Megantic railway; under Order in Council of June 10, 1920, the Caraquet and Gulf Shore railway and under Order in Council of June 12, 1920, the Cape Breton railway, were incorporated in the Government railway system. The Hudson Bay railway, with 332.5 miles of steel rail at the end of 1920, and 214 miles operated, out of its total length of 424 miles, has been declared to be comprised in the Canadian Government railways, and is being operated to a limited extent by the board of directors of the Canadian National Railways. Its cost to Dec. 31, 1922, was \$20,569,266, of which \$14,354,162 was chargeable to the railway and \$6,215,104 to the terminals at Port Nelson. During the calendar year 1922 its gross earnings were \$32,626, its working expenses \$57,577—a deficiency of \$24,951.

Canadian Northern Railway.—In pursuance of an Act passed in 1917 (7-8 George V, c. 24), intituled an Act providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company, and an agreement entered into under the Act, the Government acquired the entire capital stock of the Canadian Northern Railway Company, except five shares issued in exchange for Canadian Northern Railway income charge convertible debenture stock. Having thus acquired control, the Government, in September, 1918, appointed a new board of directors of the Canadian Northern Railway Company. This board, under Order in Council of November 20, 1918, became also a board of management of the Canadian Government railways, with all the powers theretofore vested in the general manager of the Canadian Government railways. The use of the general term "Canadian National Railways" to describe both systems was authorized