

A REVIEW OF THE OPERATIONS OF THE CANADIAN NATIONAL

**S. J. Hungerford, President of the C.N.R., Goes
Into the Outstanding Features --- Industry
Increased**

The outstanding feature of the year 1936 is that industrial activity has increased to a point where continued steady improvement may be expected and planned for. The gross revenues of railways are normally a sensitive index of business conditions, although of late years disturbing factors have caused the revenues to increase at a slower rate than general business activity; nevertheless, the increases in railway gross revenues have been of such an order as to justify confidence in the outlook and to enable the Canadian National Railways to plan constructively for the future. The gross revenues for the years 1933 to 1936 and the increases, year by year, are as follows:

Year	Revenues	Increase
1933	\$148,519,742	
1934	164,902,502	\$16,382,760
1935	173,184,502	24,664,760
1936	184,500,000	35,980,258

Railway traffic is drawn from all types of industry. It would appear that a large measure of recovery has taken place in general manufacturing and trade. Of particular note is the extensive development in mining in territory contiguous to the Canadian National Railways, particularly in Northern Ontario and Quebec. Agricultural production suffered a setback both in the east and the west, but the freedom with which the carry-over of grain was marketed afforded some measures of compensation. Moreover the carry-over into the crop year 1937-38 will not be the disturbing factor which it has proved to be in the past. The production of capital goods, apart from the mining industry, has not as yet responded to the industrial recovery to the same extent as the production of consumer goods, but with public confidence restored it is to be anticipated that the production of capital goods will become more general and will prove to be a stimulating factor. In view of the increasing traffic which may be anticipated, it is to be expected that the Canadian National itself again be in the market for capital goods, the production of which is characteristic of the second stage of recovery from an industrial depression.

The Canadian National (West Indies) Steamships, Limited, continues to show steady improvement in the amount of business done as will be seen from the following:

Year	Revenues	Increase
1933	\$2,956,974	
1934	3,509,738	\$ 552,764
1935	3,816,246	859,272
1936	4,319,000	1,362,026

This growth in business is indicative of the growing trade between Canada and the West Indies and the British possessions in Central and South America, a growth which is more than a mere reflection of the recovery from the depression and represents a real advance in our mutual trade relationships.

Under the stress of the depression the Canadian railways were forced to put wage deductions into effect which were returned in some degree as railway revenues increased. Wages during 1936 were maintained at a level 10 per cent. below those in effect in 1929. Negotiations between representatives of all Canadian railways and of organized labor were conducted during the year with regard to a further restoration of wage deductions. It proved impossible to reach agreement and recourse was had to a Board of Conciliation under the Industrial Disputes Act, which has not yet rendered its decision.

From an operating standpoint the

year 1936 witnessed a continued improvement in operating performance indicative of the ability of the railway to carry increased traffic economically. The year, however, was marked with extreme difficulties due to severe winter conditions and flood damage. The damage through floods was altogether exceptional. Many miles of line in British Columbia were out of service for a considerable period and required extensive rehabilitation while in Eastern Canada the most serious damage was the loss of the Fredericton bridge over the Saint John river.

Throughout the year the problem of completion with other forms of transport received earnest consideration, but it is becoming increasingly evident that until such time as the competitive situation receives some adequate form of treatment by governmental authorities to place competition on an even footing, railways



S. J. HUNGERFORD

must continue to bear an undue burden from uneconomic competition. The continued wastage is deplored. The benefits to the few are more than offset by the economic waste which is borne by the community at large. It is a situation which the railways alone cannot hope to solve and is one which urgently calls for attention.

During the years the company took delivery of the equipment ordered under authority of the Supplementary Public Works Construction Act—1935, consisting of the following:

5 locomotives, Northern type, 6100 class; 5 locomotives, Northern type, 6400 class; 5 locomotives, Mikado type, 3800 class; 250 gondola cars; 400 automobile cars; 80 sand cars; 450 freight refrigerator cars; 8 snow plows.

The stream-lined passenger locomotives of the 6400 class have proved to be very satisfactory in service, being both reliable and economical. Apart from these equipment purchases, expenditures on capital account have been almost entirely limited to those essential for safety in operation. Construction is proceeding on the extension of the line from Noranda to Senneterre through the mining section of Northwestern Quebec. This territory is responding to mining development to a gratifying extent. It is one of the bright prospects of the Canadian National Railways that so much of the mining territory is contiguous to its lines.

The Board of Directors which replaced the Board of Trustees for the management and direction of the Canadian National Railways took office on October 1st, and it is my pleasure as President and Chairman of the Board to record the earnestness with which the Board is dealing with the various problems of the railway.

For the fifth successive year the necessary cash required to meet the income requirements of the system will be reduced. Canada is, unquestionably entering the second phase of recovery from the depression and the country may look forward with confidence to recovery in all lines of trade. The improved general outlook may be regarded with restrained optimism.

EDWARD, DUKE OF WINDSOR, AS STRONG ADVOCATE OF BRITISH SLUM CLEARANCE

This is the second of a series of articles on the Duke of Windsor, written by H. M. Paint, of The Daily Mail staff. Others will follow.

Edward, before his accession to the British Throne received no salary from State funds but derived most of his income from the activities on his Duchy of Cornwall estates. Among the properties attached to the estates were certain London real estate holdings.

During the illness of King George V in 1929 much business of State had passed through Edward's hands. He was relieved of these duties but began to conduct an extensive examination of conditions in the homeland. Politicians of the old school were horrified at his departure from precedent. One of them is reported to have said, "Every time the Prince of Wales opens his mouth he costs us fifty votes."

Diplomacy was discarded for sincerity. He did not feel it enough to sympathize with the hardships his father's people were suffering but demanded that conditions causing them be removed. He visited every section of Great Britain. On one occasion he inspected a housing reform project in a colliery town. At one house he talked to a five year old girl and asked her how she liked her new home. The tiny tot said she was only a visitor and her home was nothing like the one he was in. Edward taking her by the hand asked her to lead the way to her house. All her family slept in one room. Baths were taken in the backyard, one member of the family pouring water over another.

"In future," the stern Prince of Wales told the officials, "I will myself choose the houses I wish to examine." And he did.

In 1932 he spoke face to face with 10,000 boys and girls at a monster rally in Albert Hall.

"Depression and apathy are the devil's own—they are not English, so away with them."

He made voluntary inroads into his yearly income from the Duchy of

Cornwall when against great difficulties he gave the leadership in the huge slum clearance programme which England adopted mainly through his efforts. It removed a condition which was a disgrace to civilization and provided work for all branches of the building trade. The stimulus resulting was one of the major factors in Britain's return to prosperity.

London properties of the Duchy of Cornwall were torn down and rebuilt at great financial loss—but with a gain in the respect and love of his tenants. Those he was helping no matter how impoverished and idle they were always gave him a warm welcome.

A solitary mal-content one day called loudly above the cheering: "There goes one of the idle rich." "Rich if you like, but, hang it, not idle," Edward called back. The cheers of the crowd redoubled.

He saw people of the country out of work, half starving, insufficiently clothed and poorly housed. He searched conditions to the bottom with tireless questions. It was no uncommon thing to see him make notes of grievances which he felt should be redressed. As no other prince before him he saw the hardships and sufferings of the more unfortunate at first hand. Instead of a life of ease he chose a life of hardship.

In one of the distressed areas he found conditions the worst he had encountered. A journalist reported that he ended his tour white-faced and white-lipped. It was alleged that he had described conditions as a "damnable disgrace."

On Christmas day 1929 Edward appealed over the air from the Mansion House on behalf of 250,000 miners out of work in Durham and Northumberland.

"They face helplessly distress and starvation."

He finished his address by calling for subscriptions to assist them for the Lord Mayor's Fund.

—H. M. PAINT.

MOSCOW, LONDON ARE OPPOSITES

Cities Represent Contrasting Philosophies in Turmoil of Europe

NEW YORK, Jan. 2—I know that Fascism and Communism are supposed to be the two great irreconcilable ideas now battling for the soul of Europe.

If Moscow is one of the poles round which the future of the Continent and the fate of civilization are revolving, then Berlin or Rome is the other. It may be so.

One can believe it when in Moscow. One can believe it, though less confidently, in Berlin, or when talking to a frightened French businessman or a cocksure Leftist in Paris, or when reading the Spanish news of the speeches of Il Duce. Any one travelling casually through Europe would not find it difficult to accept the notion—until he got to London. And at that point the theory fades.

The future of Europe may lie between Fascism and Communism.

British Still Aloof

But it is not the impression one brings away after a single look at the great capital of 19th-century liberal democratic empire—still lying beneath her smoking chimneys along the Thames, still rich with her solid wealth, her immense accumulated equipment of technical skills and material facilities, her great social and political traditions scarcely touched as yet by all the storms of continental dogma.

There is a vast, underlying reserve of strength and stability in London, which, like so much else in Europe, has to be directly sensed to be appreciated; it unavoidably escapes the current flow of newspaper dispatches reporting the confessions of British foreign policy or the excitements of domestic disturbance, but it is, I suspect, among the most important facts of Europe.

Mosely Riots Irrelevant

When I was in London Sir Oswald Mosely was putting on his Fascist riots in the East end. The newspapers were working hard over the sensation; you would see chalked slogans, "Down With Mosely!" or "Defend Our Liberties!"—scrawled on the walls, and I believe a lot of heads did get broken.

Yet it was a fantastically-irrelevant ripple on the surface of the strong, deep-running tides of British life. It is true that there are Fascist impulses in Great Britain among more important people than Sir Oswald.

London is still one of the great centres of vital force in Europe; it is true, I think, that Moscow, is the other. Between them Paris is always Paris, but a Paris temporarily paralyzed at the moment by the growing pains of modern democratic economy—rather like those which the British successfully surmounted a quarter of a century ago, on the eve of the World war.

Resembles Small Town
And Berlin, for all its size and

bumptiousness, leaves the impression in some curious way of being only a small town. It is friendly, childlike and provincial; it is still, though one of the first cities in Europe, the imitation country capital that it was in the days of Frederick the Great. If it remains architecturally a third-rate Paris, it is increasingly becoming in its ideology and its politico-social inspirations a third-rate Moscow.

For all its immensely greater wealth and higher living standards as a principle of human organization it is a copy, with the lack of vitality of all copies, and if the future is to belong to dictatorship it is Moscow one must salute as the true capital of Europe's future.

London, Moscow Contrasted

London and Moscow are at the opposite ends of the continent and at the two poles of contrast in everything save the energy flowing through their crowded streets.

Moscow is raw, sprawling, unbeautiful and unsubstantial. She is enmeshed in poverty, high purpose and unending red tape. Her people troop in vast, impassive and shabby crowds alike through the new, enormously wide and well-paved avenues and the mud and devastation of the unpaved streets and unfinished building operations behind them.

Some of them work in the model factories through which the tourist is conducted and others in the crowded, ill-lit and ill-ventilated workshops and offices one sees through the fogged window panes along the streets.

Always a Rush Hour

It is always, apparently, a rush hour and the crowds look as they ride to and fro neither gay nor sad, but stolid—in fact, just as the working crowd in subways or street cars or cheap buses look pretty much all over the world.

They fill up the sides of buildings or blank walls with huge graphs and modern statistical diagrams showing the progress of their battles with contemporary technology, but at the cashiers' desks in shops and stores one finds, instead of cash registers, the ancient abacus—the primitive calculating machine of beads and wires that is almost as old as arithmetic.

Few Beggars

Moscow is a great capital city with out a fashionable shopping and business centre, with no (visibly) 'exclusive' residential or amusement section and with no well-dressed people, unless one must except the uniformed Red Army officers and men, who are everywhere. But there are only a few beggars.

The occasional expensive automobile of a higher bureaucrat or a foreign diplomatist is a rarity in the hosts of rattling trucks, of one-horse drays with pneumatic tires beneath their primitive frames, and of the

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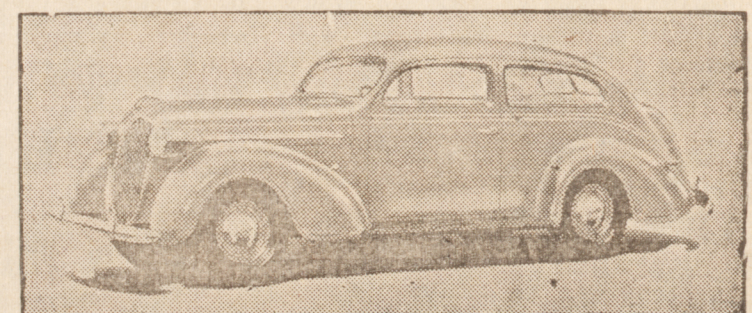
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Its promptness and effectiveness is loosening the phlegm such that the trouble may be checked before anything of a serious nature sets in. Children like it; take it without any fuss.