

Canadian National Railways Presents Its Case

Importance Of Prince Rupert Line Admitted

USED AS ARGUMENT BY CANADIAN NATIONAL RAILWAYS IN CASE FOR BETTER FINANCIAL SUPPORT

MONTREAL (CP)—Importance of the Prince Rupert line of the Canadian National Railways from a strategic standpoint is emphasized among submissions which will be presented to the Royal Commission on transportation which convenes in Winnipeg tomorrow. Stressed, however, is the heavy financial burden involved in maintaining such an essential pioneering line which, during the war, had proven of such vital importance as to fade into insignificance the losses it had entailed. The development of pioneering lines like this, the submission contends, present a special financial problem.

Counsel for Canadian National Railways are placing before the Royal Commission on transportation, this week, an outline of the submissions which are to be presented to that body on behalf of the management of the system. The Royal Commission will open its public hearings at Winnipeg tomorrow. The Canadian National in its submissions will cover the wide field of railway transportation and ask the Royal Commission to make recommendations directed towards placing the railways in a better position to serve in the development of the country and its commerce.

In this outline brief the railway counsel say: "The Canadian National considers that its capital structure is unsatisfactory. The fixed charges are grossly excessive in relation to the earning power of the railway or when compared with the fixed charges of other major railways. In 1923 Canadian National was required to assume without mitigation the debts of its bankrupt predecessor corporations. The assumption of these heavy debts by the newly organized system is the principal underlying cause of the present excessive fixed charge burden.

"While the total capital of the Canadian National need not be reduced, nevertheless, in the view of the management, an adjustment is required between the portion of total capital represented by interest charge debt and the portion represented by equity capital. In its annual report tabled in the House of Commons last month, the Canadian National showed that the fixed charges of the system in 1948, after the payment of operating expenses, were \$46,341,727 of this, \$23,202,818 was interest to the public and \$21,627,033 interest on government loans.

"The railway states that over-capitalization is only one of several difficulties. It must be pointed out that the financial difficulties of the company do not arise in their entirety from over capitalization but also from the operation of railway lines which can bear no fixed charges and, as a result, place an excessive burden on the remunerative line. The Canadian National operates under a tariff

"Heavy cost accrue to the Canadian National through the special characteristics of the system. The Canadian National," says the management, "is today the pioneering railway of the country and bears a large share of the responsibility for the development of national resources, the railway is also of vital strategic importance.

"Striking instances of pioneering lines," says the railway, "are those which have developed the mineral belts in northern Quebec, Manitoba and Saskatchewan.

"As to strategic value, consider the outstanding strategic importance of the line to Prince Rupert which, though for many years a thin traffic line, during the late war suddenly became of very great strategic value. The losses which had been incurred in the maintenance and operation of the line up to the time of the emergency faded into insignificance as compared with its strategic value. Similarly, the lines connecting the ports in the maritime provinces with the rest of the country were of outstanding strategic value.

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THE WEATHER

Synopsis

Cool air from the Pacific is causing showery weather along the British Columbia coast. Showers will spread to the interior this afternoon with the likelihood of a few thunderstorms in the Cariboo and Kootenays before evening. Slowly improving conditions are expected tomorrow.

Forecast

Intermittent rain today. Cloudy with showers tomorrow. Southerly winds (20 m.p.h.). Slightly warmer tomorrow. Lows tonight and highs tomorrow—At Port Hardy 45 and 60, Masset 45 and 58, Prince Rupert 46 and 60.

Northern B.C.—Overcast with showers today. Cloudy tomorrow with scattered showers in the afternoon. Light winds. Little change in temperature. Lows tonight and highs tomorrow—At Prince George 40 and 65, Smithers 40 and 60, Telegraph Creek 40 and 60.

Flash

EXPORTS INCREASED

OTTAWA—A sharp increase in exports to the United Kingdom brightened Canada's trade picture during April, the Bureau of Statistics reports. During the month exports totalled \$63,049,000 compared with \$44,353,000 in April of last year. Total exports to all countries were \$237,800,000 compared with \$216,800,000 in March and \$212,300,000 in April 1948.

PARIS CONFERENCE

PARIS—Foreign ministers of three western powers held an unannounced meeting today to consider how to meet Russia's rejection of their plan for political union of east and west Germany. The western powers presumably want to decide well in advance what to do next if the Four Power talks fail.

SHIP SLIPS OUT

BRISTOL, Eng.—Fulled by tugs operated by an office staff, the Canadian ship Gulf-side, held up by the Canadian Seamen's Union strike, slipped out of the harbor here today. Members of the dock office staff also operated the local gates. The ship is believed bound for Montreal.

NEWIE ELECTION

ST. JOHN'S—Latest returns from the Newfoundland provincial election show 19 Liberals, four Progressive Conservatives and one Independent elected. Progressive Conservatives are leading in one seat. Two icebound constituencies are still to be heard from.

SURPLUS IN APRIL

OTTAWA—The federal budget showed a surplus of \$106,000,000 this April, \$26,000,000 down from the same month last year. Finance Minister Douglas Abbott announced today.

ST. LAURENT HONORED

MONTREAL—Prime Minister St. Laurent received an honorary degree of doctor of laws from McGill University and, in effect, told a record class of graduates that they cannot do better than seek their futures at home in Canada. He asked them: "What other place in all the world would you wish to live in? What other country offers so much in the way of opportunity for her youth as Canada."

VULCAN'S FORGE WINS SUBURBAN

NEW YORK—Vulcan's Forge and Eddie Arcaro ran away with the \$61,300 Suburban Handicap at Belmont Park yesterday before a record holiday crowd of 60,095, the season's largest at a New York track.

Rt. Rev. James B. Gibson, Bishop of Caledonia, leaves on tomorrow evening's train for Prince Rupert whence he will fly into the Peace River section of his diocese for a month's visit on ecclesiastical duties.

FINDS BOOTLEG GOLD REFINERY

High-Grading Plant Uncovered at Bralorne by Former Local Officer

BRALORNE—Police said today that they have uncovered a bootleg gold refinery here after recovering \$14,000 in sponge gold stolen from the Bralorne Mines Ltd. at Easter.

Constable Roger Brett reported finding a home-made refinery in a miner's house and behind the garage he found the sponge cache.

Gregory McGregor, a miner, is in custody charged with unlawful possession of high-grade gold ore.

The investigation is continuing. (Constable Brett was formerly stationed at Prince Rupert and more recently at Prince George.)

Threat Of Strike Off

Agreement Reached Between B.C. Electric and Street Railwaymen's Union

VANCOUVER—The British Columbia Electric Co. and the Street Railwaymen's Union today announced that a transit strike by the Union's 3000 men in Victoria, Vancouver and New Westminster "has been averted" but did not disclose the terms. The locals of the three cities will be asked by the Union's advisory board to "unanimously" accept a new agreement offered by the company in balloting which will take place Wednesday, Thursday and Friday.

W. Gladstone, native patient from Kitkatla, was transferred in the city ambulance yesterday from Prince Rupert General to Miller Bay Hospital.

LOCAL TIDES

Wednesday, June 1, 1949

High	3:45	19.9 feet
	17:04	17.4 feet
Low	10:36	3.5 feet
	22:42	9.0 feet

Three Way Ball Split

National and American League Races Beginning to Shape Up

NEW YORK—Major League pennant races are beginning to shape up as predicted. The National League remains in a triple tie for first place and the American is tightened up with such familiar contenders as Boston and Cleveland moving closer to the top.

From splits in yesterday's double-headers, Brooklyn, Boston and New York are still crowding for the lead in the National League. Each team has won 22 games and lost 17. The Boston Red Sox and Cleveland Indians, who got off to wretched starts in the American League, are beginning to roll in second and fourth spots behind the New York Yankees.

Yesterday's Memorial Day scores were:

National	
Chicago 8-6, Pittsburgh 5-8	
Boston 7-5, Philadelphia 3-6	
Brooklyn 1-4, New York 0-7	
Cincinnati 6-2, St. Louis 8-9	
American	
Detroit 3-1, Chicago 2-2	
Philadelphia 2-3, Boston 10-4	
St. Louis 1-0, Cleveland 2-5	
New York 2-13, Washington 6-3.	

POLICE FINES DOWN IN APRIL

Fines and court costs collected in city police court during the first four months of this year totalled \$5,500, according to reports submitted to the civic police committee by Sgt. L. A. N. Potterton. Fines during April dropped to \$690 under the \$2,300 level set in March.

Number of charges laid in April was 112, of which 110 resulted in convictions and two in dismissals. Fines for the month totalled \$690 and costs \$131, aggregating \$821. Losses reported from Criminal Code complaints totalled \$735, with recoveries valued at \$209.



PLAY MAJOR ROLES IN MERCY FLIGHT TO EDMONTON—An R.C.A.F. mercy plane brought two sick Cresswell Bay Eskimos to Edmonton for treatment but six others were said to be lost with dog-teams in a blizzard. The Eskimos were picked up at Fort Ross, N.W.T. A mysterious ailment hit the Eskimos in the Cresswell Bay area, eight of them were brought out by trapper. Major roles in the mercy mission were played by the above trio. They are, left to right: Wing Cmdr. Hugh Bright, senior medical officer, Northwest Air Command; Flt.-Lieut. T. Benson, in charge of plane; Dr. J. H. Harvey.

TODAY'S STOCKS

(Courtesy S. D. Johnston Co. Ltd.)

Vancouver	
Bayonne	.06
Bralorne	9.15
B. R. Con	.03 1/4
B. R. X.	.08
Cariboo Quartz	1.17
Congress	.03 1/2
Hedley Mascot	.22
Pacific Eastern	.05
Pend Oreille	3.40
Pioneer	3.05
Premier Border	.02 1/2
Privater	.13
Reeves McDonald	1.50
Reno	.05
Sheep Creek	1.15
Silbak Premier	.28
Vananda	.12 1/2
Salmon Gold	.12
Spud Valley	.07
Oils—	
Anglo Canadian	3.25
Atlantic	.59
A. P. Con	.18
Calmont	.32
C. & E.	4.60
Central Leduc	.69
Home Oil	9.25
Mercury	.69
Okalta	1.50
Pacific Pete	2.45
Princess	.25
Royal Canadian	.98
South Brazeau	.15
Toronto	
Athona	.10
Aumaque	.10
Beattie	.48
Bevcourt	.21
Bobjo	.13
Buffalo Canadian	.09 1/4
Consol. Smelters	85.00
Conwest	.36
Donalds	.37
Eldona	.51
East Sullivan	1.95
Giant Yellowknife	5.40
God's Lake	.33
Hardrock	.17
Harricau	.05 1/2
Heva	.06 1/4
Hosco	.20
Jacknife	.03 1/2
Joliet Quebec	.29
Lake Rowan	.08 1/2
Lapaska	.07
Little Long Lac	.60
Lynx	.11
Madsen Red Lake	2.65
McKenzie Red Lake	.33
McLeod Cockshutt	.86
Monela	.38
Negus	2.12
Noranda	50.00
Louvicoourt	.10
Pickle Crow	1.80
Ijgcourt	.04
San Antonio	3.75
Senator Rouyn	.31
Sherit Gordon	1.33
Steep Rock	1.42
Sturgeon River	.14 1/4
Silver Miller	.33 1/2

Halibut Sales

American
Pierce, 22,000, Cold Storage,
20.1c, 18c and 16c.
Canadian
Pauline V., 10,000, and Nor-
len, 13,500, Co-op.

HEAR Mr J. T. HARVEY

Over CFPR At
5:45 p.m. - - Wednesday

In Support of Coalition

NO TORY IN THIS RIDING

There will be no Conservative candidate in Skeena riding at the forthcoming federal election, it has become known. This will make it a straight fight between H. G. Archibald, member of the last Parliament, and E. T. Applewhaite, the Liberal candidate. It is understood that the Conservative candidate in West Kootenay will not be opposed by a Liberal.

PASSING OF ARCHBISHOP

Most Rev. A. U. DePencier Dies in Vancouver

VANCOUVER—Archbishop A. U. DePencier, aged 83, died suddenly here yesterday at his home.

Pioneer of the Anglican Church, he was prominent in its work for over fifty years. In 1940 he retired as Archbishop of British Columbia and the Yukon. He was also Metropolitan of the ecclesiastical Province.

The Archbishop came to Vancouver in 1908 to the rectory of St. Paul's Church, a post he held until he became Bishop in 1910. He was named Archbishop in 1925. During the First Great War he served as an Army padre.

Born at Burrill's Rapids, Ontario, Archbishop DePencier attended Trinity College in Toronto and was ordained in 1890. Known as British Columbia's "First Citizen" of the Church of England, he had a colorful career, working in a widespread field which included far stretches in Northern British Columbia, in the Kootenays and in the pioneer Cariboo country. The funeral will take place tomorrow afternoon from Christ Church Cathedral with Rev. J. E. Whittles, formerly of Burns Lake and now of All Saints Church, Vancouver, representing the diocese of Caledonia.

APPLEWHAITE ON ISLANDS

Heard at Queen Charlotte City, Tiell and Port Clements Over Week-end

QUEEN CHARLOTTE CITY—"Making Democracy Work" was the subject of Ted Applewhaite, Liberal candidate for Skeena in the federal election, when he addressed an enthusiastic meeting here Saturday night. He discussed Liberal achievements, Liberal platform and a number of matter of local interest. Questions were put to the candidate and answered.

Practically the entire community at Tiell turned out to hear Mr. Applewhaite at an afternoon meeting Sunday. In the evening there was an interesting meeting at Port Clements when election issues and local needs were discussed.

The candidate stated that all communities visited have assured him of good support. Mr. Applewhaite spoke at Masset last night and will fly back to Prince Rupert today.

EISLER NOW IN PRAGUE

PRAGUE—Gerhart Eisler landed in CzechoSlovakia today enroute from London to Germany and said: "I'm glad to be here and not in the United States."

There was no official delegation to meet the Communist leader and fugitive from the United States.

Meanwhile United States authorities are continuing their attempts to bring Eisler back for official deportation.

CIVIC CENTRE

HON. R. W. MAYHEW, M.P.

Dominion Minister of Fisheries will speak on our Fishing Industry and Federal Affairs, in support of

TED APPLEWHAITE

Liberal Candidate for Skeena

FRIDAY, JUNE 3, 8:30 P.M.

Under auspices Skeena Federal Liberal Campaign Committee. (129)