



MINISTRY OF TRANSPORT

4 Whitehall Gardens, S.W.1.

Thursday, July 22, 1920.

C O N F E R E N C E
BETWEEN MINISTRY OF TRANSPORT AND
REPRESENTATIVES OF THE CANAL COMPANIES AS TO
THE FUTURE POLICY OF THE GOVERNMENT WITH REGARD TO CANALS

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C O N F E R E N C E between Ministry of Transport and
Representatives of the Canal Companies as to the future
policy of the Government with regard to Canals.

PRESENT:

SIR GEORGE BEHARREL, D.S.O. (in the Chair).

MR. PRESTON (Chairman of the Canal Control Committee).

SIR WILLIAM MARWOOD, K.C.B.

SIR HARDMAN LEVER.

MR. H. R. CRIPPS.

MR. ASH.

MR. ROSSITER.

MR. H. DADE (Secretary, Canal Control Committee).

(TRANSCRIPT of the Shorthand Notes of Ernest L.

Humphreys, Mitre Court Chambers, Temple, E.C.4. Telephone No.
City 1270.)

The following were also present :-

Mr. W. H. Dreach	Aire & Calder Navigation.
Mr. J. Sutcliff Thomas	Rochdale Canal.
Mr. Amos Mitchell	do.
Mr. M. A. McGrath	do.
Mr. E. Rippon	Oxford Canal.
Mr. O. A. Anderson	do.
Mr. J. D. Haward	Stourbridge Canal.
Mr. J. R. Bliss	Grand Junction.
Mr. G. Hatcher	do.
Mr. G. G. Hawkins	do.
Mr. W. H. Curtia	Regents Canal & Dock.
Mr. E. Clarkson	do.
Mr. E. P. Abbot	do.
Mr. E. L. Tailley	Worcester & Birmingham.
Sir James Burton	do.
Mr. S. H. Hunt	Birmingham Canal.
Mr. G. Macpherson	do.
Mr. Henshaw	do.
Mr. W. C. Bacon	Bridgwater Canal.
Mr. F. A. Eyre	do.
Mr. A. Smith	do.
Lord Hayherton	Stafford & Worcester Canal.
Mr. J. E. Mitchell	do.
Mr. J. S. Sparrows	do.
Mr. A. J. Butler	do. and Severn Commissioners.
Mr. F. G. Jones	Severn Commissioners.
Mr. T. W. Forster	Weaver Navigation.
Mr. C. S. Pain	do.
General Talbot	do.
Major Wilbraham	do.
Col. J. S. Saner	do.
Mr. A. W. Horsfall	Calder & Ribble Navigation.
Rt. Hon. J. A. Waldron	Grand Canal Co., Ireland.

Mr. J. MacCann	Grand Canal Co., Ireland.
Mr. H. Phillips	do.
Mr. H. Tighe Rea	Lurgan Navigation.
Mr. W. R. Rea	do.
Mr. Peploe	Leeds & Liverpool Canal Co., Liverpool.
Mr. G. Welsh	Sheffield & South Yorkshire Navigation.
Mr. H. Coverdale	do.
Mr. W. Browett	Coventry Canal.
Mr. A. Chadborn	do.
Mr. Bloxham	Stroudwater.
Mr. Snaips	do.
Mr. Margetson	do.
Mr. Salt	Warwick Canal.
Mr. Lane	do.
Mr. W. C. Harris	Glamorganshire.
Mr. Llewellyn	do.
Mr. Manning Lewis	Sharpness.
Mr. J. H. Jones	do.
Mr. Baxter	Leicester Canal.
Sir Charles Ellis	Loughborough.
Mr. Woolley	do.
Sir Albert Wyon	(Price, Waterhouse & Co.)
Mr. Nicholson	do.

MR. PRESTON: Gentlemen, I will now introduce Sir George Beharrel to you. He will tell us what the Government yesterday decided at the Cabinet Meeting with regard to the future of the Canals. Sir George, will you explain the position?

SIR GEORGE BEHARREL: Mr. President and Gentlemen, I have no doubt you all have had to possess yourselves with considerable patience in waiting to hear the decision which the Government came to as to the future of the Canal industry, which everybody recognises is of very great importance. There has been a delay, I must admit, in dealing with the matters which come forward from time to time; but I think you all probably realise that the Cabinet and the Minister have had a good many things to do as well as to consider the question of canals, and that it has not been from any lack of sympathy with the canal industry that the delay has taken place. The policy of the Government has been enunciated by the Chancellor of the Exchequer and other Cabinet Ministers on different occasions, and I think you are all fairly familiar with the main plank in their programme; that is, that the industry should be self-supporting and that subsidies and doles of all kinds should cease at the earliest possible moment. I think we will all agree that that is a sound policy. As you are aware, the regulations under which the canals are at present controlled will come to an end on August 31. That, of course, leaves you with tolls and charges on a pre-war level and expenses on a post-war level. The Government recognise that some steps must be taken, and as quickly as possible, to rectify that very difficult position. I believe there will be no objection raised - or if at all, by very few - to taking advantage of the Ministry of Transport Act under which the Minister can take technical possession of your undertakings, and having done so, can refer to the Rates Advisory Committee the whole question of tolls, dues, and charges on your canals. He must give you a month's notice of taking possession, and before he gives that notice he would require from each undertaking an application that he should take possession of them under the Act. The Rates Advisory Committee would, I am afraid, find it necessary to look into the circumstances of individual canals. We could see probably what your proposals were, and if they could be dealt with in a more general way, I am quite sure that the Rates Advisory Committee would welcome it, and we would welcome it; but it may very well be that a rate of increase for one canal would be entirely inappropriate, either up or down, for other undertaking, so that it may be that we should have to have a canal investigation. I hope, however, that we shall be able at any rate to deal with them, if not as a whole, in groups, where the circumstances as to expenses are more or less similar. The Committee have had a very heavy time, and they are now the cynosure of all eyes and Press comments on the question of passenger fares and the increase of goods rates. I do not think it would be reasonable, even if it were practicable, to ask them to undertake a very heavy canal inquiry before they went away for their August recess; but the Committee will resume very early in September and we will see, if in the meantime we have had your applications and notice has been given to you in accordance with the terms of the Act, that the question of canal charges is one of the very first questions that they take up immediately they resume. They do not intend to take a long recess such as they are accustomed to do in the case of the Law Courts.

Now you will probably have noticed in connection with railway charges that we are having now to increase rates to cover not only the present deficiency in the working of the railways, but in order to pick up by the end of the Government control the loss which has already accrued as from the beginning of this financial year - that is from April 1. I would suggest to you that if there is a slight interregnum where you are working at pre-war rates and post-war costs as from August 31, that could very well be met in the same way. You could put on a little more, say, to the end of the Minister's possession, or even to the end of the 18 months after the end of the Minister's possession, which is the period during which you would be entitled to charge the rates in force at the end of the period of possession, and thus recoup yourselves for any undoubted loss which would occur in the intervening short period between the end of the subsidy and the date by which you would get your tolls and charges increased. I am sure you will all welcome freedom to manage your own undertakings and to get back on to purely commercial lines, and I am sure the Government are only too anxious that all industries should as far as possible get into that happy state so that economic laws can operate, which will be for the good of everyone.

I do not think I can add anything more to this stage, but if there are any questions, and probably there will be a number, I will do my best to deal with them, or if I cannot answer them for myself Mr. Preston will help me.

Mr. Preston suggests that I have not made it quite clear that the subsidy will cease on August 31. I endeavoured to make that clear, and I thought I had done so. The Government have no intention of continuing the subsidy after that date. We want to get back on to an economic basis.

MR. SUTCLIFFE THOMAS: Will the Government continue to control the canals in any way after August 31?

SIR GEORGE BEHARREL: It is impossible to take advantage of the Ministry of Transport Act without the Ministry takes possession of your undertakings; that would mean technical possession. But of course, in the case of any difficulty he has certain rights to give directions under that Act which he could not relieve himself of. Our intention, however, is that you should work your own undertakings.

MR. BREACH: We made application on March 26. I wrote: "On behalf of the Navigation I have therefore to request that you will take possession of the undertaking," and so on. That was on March 26; so that you have already had notice.

SIR GEORGE BEHARREL: Would you mind my looking at that letter? (Same handed) Yes; but that is not the form of letter one would wish. You see you make this request on a certain assumption.

MR. BREACH: Yes; but there is the direct application in that letter.

SIR GEORGE BEHARREL: Yes, on a certain assumption, which is an assumption we could not accept.

MR. BREACH: But you never replied to it.

SIR GEORGE BEHARREL: I agree. I apologise for that, but it is not my fault.

MR. BREACH: You want another application?

SIR GEORGE BEHARREL: Yes.

GENERAL TALBOT: We have made an application.

SIR GEORGE BEHARREL: Yes; but you coupled with that a request for terms and conditions not less favourable than at present. I want a formal application that we should take possession of the undertaking under the Ministry of Transport Act. We could not have that coupled with any condition as to subsidy.

MR. FORSTER: We made a similar application to that of the Aire & Calder Navigation.

SIR GEORGE BEHARREL: Yes; but I think they are all coupled with some condition of that kind.

MR. W. R. REA: If that qualification is to be taken away, what position should we then be in? Do I understand that the Government are going to see us back in the position we were in in pre-war times and are not to be responsible for any loss sustained in the meantime? If that is so, so far as my knowledge of canals goes it will be absolutely fatal. The canals would have to be thrown up altogether. We could not run them.

SIR GEORGE BEHARREL: I am afraid I have not quite got your point. We propose to authorise you to increase your charges so as to bring them on to a post-war level.

MR. W. R. REA: Yes; but in some cases in increasing our charges it will be a problem as to what the result will be. I think, in many cases, including our own, it would not enable us to meet the circumstances at present, or enable us to live on till the thing came on to a different basis.

SIR GEORGE BEHARREL: You should not lose sight of the fact that the rates of the railways have already been substantially increased and that there is a further substantial increase under consideration which will be in force, I hope, before very long, at any rate by the end of your control.

MR. W. R. REA: What you ask us to do is to make such proposals as will enable us to live through the month of August?

SIR GEORGE BEHARREL: Yes.

MR. W. R. REA: Will the Ministry of Transport be able to deal with that or will they have to be referred to the Advisory Committee?

SIR GEORGE BEHARREL: I think you will have to refer to the Advisory Committee.

MR. W. R. REA: We will have to wait till September?

SIR GEORGE BEHARREL: There will be a slight period, probably three or four weeks, before you can get your order.

MR. W. R. REA: And you suggest that we should take that into consideration in fixing the additional amount?

SIR GEORGE BEHARREL: Yes. It is a relatively short period compared with the total period. Probably 2 per cent. would cover it.

MR. McGRATH: Do you say that the Rates Advisory Committee will be able to deal with all the canals in the period of three or four weeks after they begin to tackle the subject?

SIR GEORGE BEHARREL: That will depend on the way the applications come forward and shape themselves. If they come forward in such a form that individual consideration of each canal would be necessary, I do not think it could be done in that space of time; but if, on the other hand, they came forward in such a way that they could be dealt with collectively or in large groups, then I think there is no reason to doubt that they could be dealt with in the time.

MR. McGRATH: In the least favourable event how long do you anticipate it will take, because it is a very vital question?

SIR GEORGE BEHARREL: You are asking me a question which I assure you I cannot answer.

MR. WALDRON: It has taken from March to the present time to tell us that the applications which have been made cannot be accepted. The meeting knows that such matters as these cannot be settled in three weeks. It would take six months to go into the case of even group canals. I certainly think we ought to be assured of the responsibility of the Government that either these matters will be settled by the given date or that the intervening period between August 31 and that date will be made good under the subsidy. Nothing else would be any good.

GENERAL WILBRAHAM: If this goes on for many months, I do not think we could go on. I do not see how we could pay our wages if it went on for three or four months.

SIR GEORGE BEHARREL: If that unfortunate circumstance did arise, we should have to consider any special case. If you have made proper provision for recouping yourselves on your future traffic, and you could not borrow money, we should have to make a temporary loan.

MR. BREACH: I think you ought to take into consideration in dealing with these canals that we are at the end of a long period of depression. It is a harder question with the canals than it was with the railways. They have had an abundance of traffic during the war period and they have had the Government support. We have not had an abundance of traffic. The action of the Coal Controller has taken out traffic away. Instead of carrying 2,000,000 tons of coal, we are carrying less than 200,000 tons in the year. The consequence is that if we are abandoned on August 31, we shall be practically bankrupt, because we have been getting Government support so regularly that we are dependent on it to carry us over to that period when the Coal Controller will put us back on coal. We are suffering from the action of one Government department, and if we are going to suffer from the action of another Government department in suddenly cutting off our subsidy on August 31, we shall be in the unhappy position that we shall have to shut down. The Navigation will have to close its carrying operations and it will simply be reduced to a toll taking undertaking.

SIR GEORGE BEHARREL: You said "suddenly". Had you any reason to anticipate that this subsidy would go beyond August 31?

MR. BREACH: We made the application in March so that we should be anticipating any difficulty, but we certainly do not think that we should be governed by the action of the Coal Controller in cutting off our coal.

SIR GEORGE BEHARREL: I am afraid that is not quite relevant.

MR. BREACH: No; but it is a Government department and the Government ought to pay us.

SIR GEORGE BEHARREL: But they could not pay everybody who loses from the same action, even the men who team the coal, and so on.

MR. BREACH: I agree; but you have been compensating us all this time.

SIR GEORGE BEHARREL: Do not use the Government's good deeds as a witness against them.

MR. BREACH: We are in a hopeless position.

MR. PEPLUE: If the subsidy ceases at the end of August, we must give our men a week's notice to leave, because we cannot carry on. Also we should close down about 3,000 odd mills and works. We cannot go on, and as Mr. Waldron has just said, if the subsidy is to be continued until such time as the rates and tolls are put up to enable us to try to work our way, then we might be able to go on; but if you are going to take the subsidy away at the end of August, then we come to a sudden stop; there is nothing more for us to do. ("Hear, hear").

MR. MACPHERSON: If the railways are going to be continued to be controlled till August 31 next year, why cannot we be controlled in just the same way?

SIR GEORGE BEHARREL: The railways will be continued till August 15 next year, but we are making every effort to see that they are not a burden on the State. That continuation of the subsidy is not the action of this Government; it is the action of a former Government, and we have to honour that undertaking. We are taking care, however, that the railways do not become a burden on the State. I do not quite follow your point about becoming bankrupt and closing down. I have thrown out a suggestion which I think is a very reasonable one and which I think should be adopted. For the intervening period there will be some loss undoubtedly until you get your rates up; but from the date you get your rates up you can raise them a little more than the actual circumstances justify in order to allow for the intervening period. That is what we are doing with the railways.

MR. WALDRON: Is there one man who can stand up to this room and say that the proposition you have put forward is justifiable? I say it is a mere matter of justice that, taking into consideration the way in which you have acted, you should guarantee us a date, and an early date, by which our

cases will be investigated and an arrangement come to, and pay us for the intermediate period. You took from March to July to tell us that the form in which we had applied was not a proper form. Anybody here will tell you that the consideration of rates differs very much in an agricultural country like Ireland from an industrial district like Leeds, and so on. It cannot be done, even if you have a competent tribunal set up with nothing else but to attend to it, in the time mentioned. I say, and I do not think you could produce anyone to contradict it, that it cannot be done under from three to four months. During that time you have given us the cold comfort of saying that we can put on something to deal with our loss. The thing is so staggering that I could not believe it. No offer is made; no date is fixed. You can deal with people's property like that, but you ought not to do it.

SIR GEORGE BEHARREL: You have asked me for a guarantee as to time. I am quite sure that if without knowing the nature of the proposals - as to how they compare one with another - I were to try and fix a period of time, I should lose the respect of everybody who knows I have any experience at all on rate matters.

MR. BUTLER: I represent the Stafford & Worcester Canal. With regard to the point as to the time that may be occupied in fixing charges, Mr. Preston has already been clearly told that we should be in a bankrupt condition if the subsidy were suddenly taken away. How are we to carry on between August 31 and some future date - it might be next Christmas - before we got any authority for the increase in toll charges? We could not carry on. We should have to shut down because we should not have the money to pay the wages with. The very unfortunate position we find ourselves in has been expressed to the Canal Control Committee several times by all the representatives of canals. I never anticipated the control would cease on August 31, knowing the position the canals were in owing to the enormous increase in wages, which the Government has thrown upon us ("Hear, hear"); and then in addition to that we have the increased cost of materials all round, some of the increases being as high as 300 per cent. We lose more than we ever took. Therefore we cannot carry on from August 31 to some unknown date, which might be next Christmas --

SIR GEORGE BEHARREL: It might be the middle of September.

MR. BUTLER: Yes - without a considerable amount of money. It is no fault of ours. We have been sitting waiting and waiting. I do not think there is a representative in this room who did not wish that the tolls should be put up so that we could earn sufficient money to do without the subsidy. We do not like the subsidy. The canals before they were controlled had to compete with the subsidised railways, which was impossible. Then we were controlled from a particular date in 1917, and now we are asked in six weeks' time to go on our own and carry on as the Government decides without any subsidy at all. It cannot be done. ("Hear, hear")

MR. HATCHER: I do not think the meeting will disagree if I say that the amount by which it would be necessary to raise the rates would be such that you would never get any tolls at

all. If you tried to impose them you would drive off what little traffic there is.

SIR GEORGE BEHARREL: Where would you drive the traffic to?

MR. HATCHER: To railways and road transport.

SIR GEORGE BEHARREL: The railway rates are going to be very high.

MR. BUTLER: What is the subsidy going to be for next year? There is some talk of £75,000,000 for the railways next year.

SIR GEORGE BEHARREL: I hope there will be no subsidy for the railways.

MR. BUTLER: We cannot carry on on hope.

SIR GEORGE BEHARREL: The Committee is considering their Report to-day, and they have been doing so for the last fortnight. It is hoped they will be able to complete it before they go away at the end of this month. It is not a thing of the future.

MR. BUTLER: The tolls that would have to be put on to get the thing in an economic position would have to be very large. In some cases we should want enormous tolls to pay our way, and it would have a very unsatisfactory effect upon the canal traffic.

MR. BROWETT: On behalf of the Coventry Canal, assuming that the Government are adamant on the question of not continuing the subsidy, could we get a guarantee that until we know our fate with regard to rates and are able to come to some decision as to whether with the increased rates it would be worth while carrying on or not, during the interval from August 31 until the matter was settled the Government would guarantee us against loss?

SIR GEORGE BEHARREL: I am afraid that is asking for the subsidy in another name.

MR. BROWETT: I do not think so. The subsidy is something to divide amongst the shareholders.

SIR GEORGE BEHARREL: You eliminate the interest on capital?

MR. BROWETT: You would eliminate that. It is only part of the loaf; it is a slice of bread which might enable us to carry on. Then one more question about the notice. I think most of us have given notices which, as you point out, are upon an assumption or a condition. What the Ministry will require will be an unconditional request to take over?

SIR GEORGE BEHARREL: That is so.

MR. BROWETT: There will hardly be time probably for us to consult our Committees and for the Government to give their month's notice before August 31. I take it we may assume, however, that if the Ministry does take us over, the benefit, if any, under the Transport Act, will date back to August 31, that is to say that we shall be taken over as from that date even if there is not sufficient time for you to give your notice?

SIR GEORGE BEHARREL: The Minister would use the present machinery to enable you to increase your charges. You could not do it to-day except by an Act of Parliament.

MR. BROWETT: There are under the Act certain discretionary powers. I do not think there should be a hiatus between the period of control and the period of taking over.

SIR GEORGE BEHARREL: But what benefits are you referring to?

MR. BROWETT: I have not got the Act before me, and I am not quite sure of the Section; I think it is under Section 9 or Section 11 that with the consent of the Treasury the Minister can do certain things.

SIR GEORGE BEHARREL: Yes, he can.

MR. BROWETT: I do not think there should be an interregnum, so to speak, between the expiration of control and the date of taking over.

MR. FORSTER: Would you look into our position? We are in the heart of the West Riding - a small canal about 30 miles long. We are pure toll takers, and with the present expenditure which we have to meet with the help of the Government, our tolls would have to be increased 243 per cent. to carry on. Nobody would pay that.

MR. H. T. REA: What position are we supposed to be in if we do make a request to the Government to take us over? Does it mean the canal companies are to hand over their property to the Government and to allow the Government to do what they like with it? What benefit should we receive in asking the Government to take us over?

SIR GEORGE BEHARREL: The benefit you would undoubtedly receive would be the availability of the machinery for getting your rates and charges increased. Without that machinery you could not do it until probably a couple of years. You could do in days or weeks with this machinery what would otherwise take years to do.

MR. FORSTER: Is that fair to canal companies when the canal company shareholders are getting the same rates as previous to the war?

MR. SUTCLIFFE THOMAS: I should like to protest against the action of the Government in this matter. They have taken over the canals, and raised wages in the most reckless fashion. I think it is monstrously unfair that the Government at the eleventh hour should throw us back our canals and say "We have been doing the best we can". It is unjust and unfair.

MR. WALDRON: It is clear that the canals are to some extent comparable with railways. It would be rational to see how the increased charges of the railways work. The thing should be tried as an experiment.

MR. SUTCLIFFE THOMAS: I think it is an abominable thing to treat the canals in the way that the Government have done.

There ought to be some method adopted for carrying us over until the same time as the expiration of control of the railways takes place. The canal system is bound up with the railway system, and I think it is impossible on the whole for the ordinary canals of England to compete with railways. I think, especially in view of the difficulty we have in raising money, we ought not to be left in this unfortunate position. I certainly think that on re-consideration the Government ought at any rate to continue to keep the whole of the canals under their control. We have never asked for any profit, but merely that we should be in the same position as we were in in 1913 until the control of the railways ceases. The Government are not only apparently to take over the railways, but they say they are going to group them together, so that they will be in a better position to compete against canals than ever. The grouping of railways, as I understand it, is for the purpose of enabling them to work on lower rates and with more efficiency. It would be a direct blow at the canal industry.

SIR GEORGE BEHARREL: You would not suggest that we should incite railways to work at the highest possible rate of expense to aid the canal industry, would you?

MR. SUTCLIFFE THOMAS: But you incite them to work at a lower rate.

SIR GEORGE BEHARREL: I think that is a very laudable object.

MR. SUTCLIFFE THOMAS: From your point of view.

SIR GEORGE BEHARREL: No; from the nation's point of view.

MR. SUTCLIFFE THOMAS: From our point of view it is not.

MR. WELSH: I represent the Sheffield & South Yorkshire Navigation. Before the war we were able to pay a dividend on our preference stock, but nothing on the ordinary. Last year our total earnings amounted to £36,000, and our maintenance charges and working expenses amounted to £56,000. We were £20,000 short of paying our way.

SIR GEORGE BEHARREL: That is on a pre-war basis of charge. No one suggests that that is a reasonable basis to-day.

MR. WELSH: The men working on the Sheffield & Yorkshire Navigation were paid 2/6d per ton of freight pre-war; to-day they are demanding 7/6d as a minimum. 7/6d as a minimum with increased tolls would mean that every ounce of traffic we are now getting would be driven on to the railways or to the roads. What are we going to do at the end of August when you stop the subsidy? Are we to discharge every man?

SIR GEORGE BEHARREL: I hope not; that would be the very last thing the Government desires.

MR. WELSH: But what are we to do?

SIR GEORGE BEHARREL: I said if a canal company were in the unfortunate position of not being able to pay its way, then we would be prepared to investigate that particular canal, and I am sure we should be able to come to some arrangement which would enable us to tide over. We do not want to see

the canal systems closed down. Far from it. But we do want to get rid of this pernicious system of subsidies and doles.

MR WELSH: We were practically shut out during the war. The Government took a great many boats away from us.

SIR GEORGE BEHARREL: Are you a carrying company?

MR WELSH: No; when I say our boats I mean the boats that were coming down the Navigation. The lighters were taken at Hull Docks, and the canal boats were taken. To-day the boats that should be working up and down the canal are working in the docks and they are making more money than they would at Sheffield.

MR HAWARD: In order to pay wages we must have cash or credit, and we have neither. We have a few hundred pounds in the bank and a few hundred pounds of War Stock. Unless we have some definite guarantee, we cannot pay our wages.

SIR GEORGE BEHARREL: There is no question of guarantee. In cases where you cannot carry on something must be done to enable you to carry on; but as to a definite pledge, I am afraid that is impossible.

MR WALDRON: In the case of the Irish canals we protested against these constant incursions into questions of wages. As a matter of fact we are some shillings under what you asked us to increase our wages to. I saw that last week you put on 10s. more. There has been no reason why there should be any increase at all. I think a man who has managed to conduct his business for less than the State is asking him to pay is entitled to some commendation; but instead of commendation we are asked to pay another 10s. We cannot carry on this business in the way it has been carried on. Plain speaking is the best. You cannot carry on any undertaking with those constant incursions into the business by persons who are uninformed. As regards Ireland, the Government set up a Canal Control Committee in Dublin headed by Sir George Stevenson. He is not here. He told me he had not heard a word about it. I met Mr. Burgess on the boat coming over and he said: "I will not be there; I do not know anything about it." Can you wonder that Ireland is discontented when such things go on? You set up a tribunal to try Irish questions. You try Irish questions and they arrive at a most unjust decision without a word of authority on the part of the authority you create.

MR PRESTON: The Secretary of the Irish Committee was informed of this meeting.

MR WALDRON: He is at Llandudno.

MR PRESTON: An intimation of this meeting was sent to the Irish Sub-Committee on Saturday.

MR WALDRON: I did not hear anything of it. I am on the sub-Committee. Sir George Stevenson told me he had heard nothing about it. I think the whole thing is unjust and unreasonable and badly thought out in its details, and I do urge on

you, sir, before we separate that you should give a date by which the cases of the companies who are to increase their charges will be heard and decided, and that between August 31 and that date - be it November 1, October 1, or September 31 - that between the discontrol, if that is the right word, and the date when those rates are fixed, the Treasury or the Board of Trade will indemnify the companies. You have made no offer of any sort; you have read to us the baldest of statements. Certainly it has been seasoned by fine sentiments about the disadvantage to commerce of subsidies, and so on; but you have not made a single offer; you have indulged in generalities. If these rates are to be raised, the date ought to be fixed within which they will be raised, and the income between August 31 and that date made good. I hope the other canal people here, if they share the opinions I have expressed, will become vocal, because we have had no offer. We have been offered either the bowl of poison or the dagger. It is not fair or reasonable and I defy Sir George to say it is fair or reasonable.

MR BUTLER: I also represent the Severn Commissioners, who have no money in the bank to pay their wages week by week. They will be in no better position. I am asking what method are we to adopt to get financial aid to carry on until we get the increase in tolls, which will be not less than 200 per cent. Until we get those tolls in operation it is absolutely impossible to go on. The Commissioners have no credit at the bank. It is a public trust and I cannot think what can be done.

SIR GEORGE BEHARREL: I think if that case is put forward to us there will be no difficulty in meeting it.

MR WALDRON: Why not undertake to meet it; you have undertaken to consider it.

SIR GEORGE BEHARREL: I have not undertaken to consider the subsidy, and talking for the rest of the day will not get me to do that.

MR BUTLER: I want to ascertain, if I can, in a simple way what is the method of obtaining this temporary financial assistance.

SIR GEORGE BEHARREL: You have to apply in the first case for control, and then you will have to make application setting out the facts of the case.

MR BUTLER: We have applied for control.

SIR GEORGE BEHARREL: We will start again.

MR BUTLER: We fear when the new application goes in that there will be a similar delay.

SIR GEORGE BEHARREL: I can assure you there will not be a similar delay.

MR BUTLER: We know the Government do not wish to interfere with us and cause a stoppage on the waterways.

SIR GEORGE BEHARREL: That is so.

MR BUTLER: That is why I am asking the question.

SIR GEORGE BEHARREL: I do not want you to infer from that that we say you must keep your canals working. That is entirely in your own unfettered judgment.

MR BUTLER: All we want is the money to meet the current demands each week -- we are not asking for anything else -- until the income derived from the increased tolls is found sufficient to enable us to carry on.

SIR GEORGE BEHARREL: Say that again, please.

MR BUTLER: Until the increased tolls are found sufficient to enable us to carry on.

SIR GEORGE BEHARREL: That is a permanent guarantee.

MR BUTLER: I do not wish you to take that as being an application for the subsidy which we have been enjoying; that has been the pre-war net revenue. In asking to carry on I am not asking for the pre-war net revenue; I am asking to be kept alive until it is proved that the tolls and charges the Advisory Committee put upon us are sufficient.

SIR GEORGE BEHARREL: If they give you what you ask for, the responsibility would be more yours than theirs.

MR BUTLER: Exactly, except that the Severn Commissioners will require 200 per cent. increase. It seems a lot to ask the public to pay having regard to the fact that the increase on the railways at the present time has not exceeded 60 per cent. plus certain charges.

SIR GEORGE BEHARREL: Yes, but as I have indicated they are going up some more.

MR BLISS: On behalf of the Grand Junction I want to make our position quite clear. I think our position is the same as that of the Oxford, the Coventry, and the Warwick canals. When the subsidy is discontinued as from August 31st, it will be absolutely necessary for the greater part of our system to be closed up. We shall have to discharge labour right and left. We have not got the funds to pay for it, and the traffic will not warrant it. We were in hopes that this subsidy would at any rate have been continued for another year to see what position we are in with regard to the increased railway rates. As they stand at present it will be impossible for us to carry on, and I think you must anticipate that so far as the canals between Paddington, Brentford, and Birmingham are concerned the labour will have to be withdrawn - there is no help for it - and men who have been with us for a number of years will have to be discharged.

MR. W. R. REA: And come on the Government for unemployment pay.

MR BLISS: Yes. I want to make that quite clear.

SIR GEORGE BEHARREL: It is not quite clear to me, but that may be my fault. Do I understand you to say that even when you

get authority to put up your rates you will still have to get rid of your men?

MR BLISS: It is tolls in our case. We are not carrying traffic. I say that if you put up your tolls 100 per cent. on the through traffic on the canal, even in that case it will not help us.

SIR GEORGE BEHARREL: Then it really comes to this: You say that it is not possible to make those particular canals self-supporting.

MR BLISS: I do not think so at the present time. Of course, if the railway rates increase, that will be an entirely different matter.

SIR GEORGE BEHARREL: I have told you that that will be so.

MR MCCANN: One thing appears to be clear - namely, that all the gentlemen representing the various canal undertakings here of the United Kingdom are absolutely agreed on one point; that is to say, that all of them are absolutely bankrupt. One question we want answered is: Why should we be getting this different treatment from the railways? I think we have made a perfectly fair case in coming forward. Why should you treat us in that way. You admit you want to decontrol all the various industries - the coal industry, the shipping industry, and so forth. We say we are practically similar in every way to the railways, being inland transport. Why not give us a control during the 12 months period up to the 15th or 31st August, 1921, in the same way as you are giving the railways. It is only a reasonable request. Carrying goods inland we should be treated in the same way as the railways instead of leaving us in a totally bankrupt condition.

SIR GEORGE BEHARREL: I am afraid I have not gathered that from the meeting. If you were left with your present powers of charge, I think no one would dissent from what you have said.

MR MCCANN: Why not try the other thing, under a control? You say that under a control we may be able to pay our way; but why not try it under a Government control? The Government will get the advantage of these increased rates. They will go into the Government's pocket if the Government is convinced that it is a fair proposition. The railways have been allowed to put up their charges to such a rate. Why not allow them to try it? Surely that is a reasonable thing to do? You say "We are going to do so and so with the railways. We are going to put the railway rates up." If that is fair, well you will get the advantage of it. The Government are going to run this trial with the railways for 12 months, or whatever it is. The rates are going to be increased. The canal rates will be increased and the Government will get the advantage of it. The increased rates will go into the Government's coffers; is not that so?

SIR GEORGE BEHARREL: Certainly they will go to meet the working expenses of the railways.

MR MCCANN: I mean supposing the Government care to take over the management of the canals, they would get into their

pockets the increased rates which the canal companies will get now as the result of the increased rates which are going to be given to the railways. Why not work it on those lines? Surely that is sound. What answer has the Government got to that?

SIR GEORGE BEHARREL: Their policy is not to continue subsidies and tells when they normally come to an end. That is a clear out policy. This has come to an end by Act of Parliament and they do not intend to take any further powers to continue it.

MR McCANN: But surely we are an exceptional case as being in every way similar to the railways. We deal with the inland transport of the country. If we were a shipping company or a colliery, I think we would have to listen to your answer and agree it was true; but we are not similar in any way; we are exactly on all fours with the railways.

MR PEPLUE: My directors passed a resolution yesterday somewhat on the same lines as this gentleman has just spoken. You perhaps might laugh at it.

SIR GEORGE BEHARREL: I am sure we should not.

MR PEPLUE: They suggest that a trial be made of an increase in tolls and rates similar to what the railway rates may be increased to, and that a reduced subsidy be paid by the Government for 12 months to see where we should land. We think we should come out right, and it would cost about one-third or less for the Government than it is costing now. I think that is practically how it stands. I would also like to point out to Sir George that there are other demands from the Trades Federation - Bob Williams & Co. That demand is signed by Cramp, of the N.U.R. Now it is quite certain that we shall have to discharge our men if this subsidy is withdrawn. They will have to go out, and it is equally certain in our opinion that the railway men headed by Cramp will say: "Now they have caused you, the canal men, to be discharged, we will come out again on a railway strike." I am perfectly certain of it.

SIR JAMES BRUTON: I represent the Worcester and Birmingham canals. We asked to be taken over, but I am told that although they asked to be taken over under present conditions their application was turned down. May I ask if that is so?

SIR GEORGE BEHARREL: We could not act on an application which coupled a condition with it. I want a simple application for control under the Ministry of Transport Act.

SIR JAMES BRUTON: We asked to be taken over under present conditions.

SIR GEORGE BEHARREL: That is a condition which the Government could not accept.

SIR JAMES BRUTON: I think the gentlemen on the other side of the table exactly put the position we are in. We ask that we should be kept on in the same way as the railway companies (hear, hear), and that 12 months should be given to see whether it is possible to go on or not.

MR McGRATH: We in common with other canal companies made an application to be taken over and we suggested the terms on which we would like to be taken over. I scarcely think it is treating the canal companies in a fair or reasonable way to come now within six weeks of the termination of the control and tell us that because some technical condition was attached to the applications no notice has been taken of those applications of the canal companies, and at the end of six weeks without knowing anything other than what has passed this morning we are to find ourselves without the wherewithal to continue our business. I consider, Sir George, that that is one vital reason why the Government or you representing the Government should undertake to continue the subsidy to the canal companies until the increased rates and charges which the Advisory Committee recommend for adoption can be put into operation. That I think is an obligation which falls naturally upon the Government for failing to notify the canal companies who made application to be taken over that their application has been ignored, and that now we have to start where we started many months ago when we sent in those applications. Further than that the position of the canal companies, as has been so often stated, has been forced upon them by the Government granting the increase in wages which the canal companies if they had been left alone could not have made. Therefore the position of the canal companies has been intensified very considerably by the action of the Government, without any notice to us, that on August 31 we have got to do what they tell us. I think that is most unfair. I think the subsidy should be continued until the rates are put into operation.

MR FORSTER: Is it not possible to get all the canals without exception as from September 1 to increase their tolls by say 150 per cent. until such times as each individual canal company has settled its schedule? The Ministry could do what it likes.

SIR GEORGE BEHARREL: You say the Ministry of Transport could do what it likes. If you refer to Section 22, you will get the very definite limitation as to what the Ministry's powers are.

MR FORSTER: The Minister could get something, a temporary advance.

MR PRESTON: Are you representing the Weaver Carrying Co.?

MR FORSTER: I represent the Navigation.

SIR GEORGE BEHARREL: If you look at Section 22, you will see there that before directing any revision of any rates the Minister has to refer the matter to the Advisory Committee for advice. The Minister need not take that advice, but he has no power to vary any charges until he has consulted the Rates Advisory Committee.

MR FORSTER: I agree with that; but cannot he put it before the Advisory Committee as a special and urgent matter before they rise?

SIR GEORGE BEHARREL: We could not possibly do it. The Rates Advisory Committee have more to get through than they possibly can get through with the railway rates.

MR FORSTER: It is only a temporary measure for six months.

SIR GEORGE BEHARREL: Which?

MR FORSTER: For all canals to have the power to increase their tolls for six months by say 150 per cent. I will not mention any figure exactly until the Rates Advisory Committee can deal with each canal company separately.

SIR GEORGE BEHARREL: It is not practicable before they rise. You could not give the notice you have to give of an inquiry. There has been a good deal of discussion and a good deal of straight talk, and I think that is all to the good. But I will try to sum up in a few words how I understand we leave the position this morning. The canals who think fit to do so will at once make application to be taken possession of under the Ministry of Transport Act. Without the loss of a day we can serve the notice on you. You will have the month's notice. The subsidy, as I have said, must cease on August 31. That is a Cabinet decision which I am sure no consideration will lead them to alter.

MR WALDRON: I am not so sure of that; they have been compelled to diverge.

SIR GEORGE BEHARREL: Will you allow me to proceed, please? When notice has been given to take possession we will give a reference to the Rates Advisory Committee calling their attention to the extraordinary urgency of the case, and if it is possible - and I think that was a very good suggestion made by the gentleman from the Weaver Navigation as to whether it is possible to deal with it in some general way as he suggests - we shall be only too glad to deal with it in that way. But whatever it is, you may take it as definite that it will be dealt with in the most expeditious way which the machinery which exists will allow.

Now we have come to the question of the financial difficulties. First of all I suggested that for the period where you have not got your increased rates it may be possible, as we are doing for the railways, to try to recover that. It will be a comparatively short span of time compared with the length these rates can run. That is 18 months after the period of possession by the Ministry - namely, up to February, 1933. Therefore you have a fairly long time to make up the leeway which occurs at this stage. We recognise there are financial difficulties in some, perhaps in most, cases, and we are quite prepared to give favourable consideration to applications for assistance to meet working expenses from any canals under the control of the Minister until the rates are increased. After that I think you must work on your own resources and on your own responsibility. I hope that will meet you and that we shall not have any gentleman saying that the canal industry will cease in that interregnum.

MR CLARKSON: The amounts advanced by the Government to meet working expenses will have to be paid back, I take it?

SIR GEORGE BEHARREL: I think if you increase your rates to meet the losses in that period it is only fair the advance should be paid back.

MR WALDRON: You have given us no promise. This is a very big question, and it has been handled very roughly, I think. We have had very short notice, and we have been dealt with with very scant justice. We are entitled to be given a date. First of all, who are the Advisory Committee? Are they the people who use the canals? I do not know. Is there an authority set up for dealing with the Irish question?

SIR GEORGE BEHARREL: The Rates Advisory Committee has appeared in the Press. If you look at the paper you will see almost a life history of the members.

MR PAIN: Might I ask you to add one word, and that is to make it "adequate" financial assistance. It means life or death to us.

SIR GEORGE BEHARREL: I said assistance to meet working expenses.

MR PAIN: I ask you to say "adequate",

SIR GEORGE BEHARREL: If it meets working expenses it would be adequate. I did not say partly to meet working expenses.

MR CLARKSON: Could you tell us what would be the effect of your decision on the railway-owned canals?

SIR GEORGE BEHARREL: In what way?

MR CLARKSON: Will they share in the subsidy of the railways and thus be in a position to do things that the independent canals could not do?

SIR GEORGE BEHARREL: It is not within the powers of the Government, if inclined, to dissociate the railway canal from the undertaking. The undertaking as a whole was taken possession of in 1914, and you cannot de-control part of the undertaking.

MR CLARKSON: That is another injustice, (Hear, hear.)

SIR GEORGE BEHARREL: In what way is it an injustice?

MR CLARKSON: That the railways can carry on their canals and the independent canals cannot.

General WILBRAHAM: The railway canals are in competition with the Weaver.

SIR GEORGE BEHARREL: The railway canal must be a rather rare bird.

MR PEPLIE: No -- the Shropshire union.

SIR GEORGE BEHARREL: Well, you had that position before 1916. That was not this Government. I cannot alter it. Without an Act of Parliament you could not alter it. It is not my doing,

MR WALDRON: As far as I can understand the position, we are invited to surrender our property to the Government or else to promote Acts of Parliament to raise our tolls and rates. We are then to enter a blind pool. The thing is to be discussed by an Advisory Committee, as regards Ireland not yet set up; as regards England, I have asked men of business.

and they cannot tell me the names of one of the members. They do not know who they are. It is a very unsatisfactory position.

SIR GEORGE BEHARREL: The composition of the Committee — not the names of the individual members — is very fully set out in Section 21 of the Ministry of Transport Act. If it would be of any assistance I will read out how the Committee are appointed and the names of the gentlemen filling the particular positions.

MR WALDRON: Thank you.

SIR GEORGE BEHARREL: It says the Committee shall consist of five persons, one being a person of experience in the law, who shall be Chairman, nominated by the Lord Chancellor. The Chairman is Mr. Gore Brown, who is very eminent K.C. He was nominated by the Lord Chancellor. Then two being representatives of the trading and agricultural interests, nominated by the Board of Trade after consultation with the Associated Chambers of Commerce, the Central Chamber of Commerce, and other interests concerned. Those two representatives are Mr. Martin, who is the representative of trade, and Sir Walter Berry, representing agriculture. They were nominated by the Board of Trade after being suggested by these various bodies. One member is to represent transportation interests, nominated by the Minister. That is Mr. Jephson, who was Assistant General Manager of the North Western. One is to be a representative of labour interests, nominated by the Minister of Labour after consultation with the Parliamentary Committee of the Trades Union Congress and other interests concerned. That representative is Mr. Davis, of the Brassworkers' Union. He is a man who has given very considerable time and thought to this particular question and has been of great help to the Committee. Then if deemed advisable there is to be an additional member who may at the discretion of the Minister be nominated from time to time. On this particular enquiry it is Mr. Acworth. He is the floating member for this particular enquiry. Who will be the floating member on the canal enquiry I cannot say. I have no doubt it will be someone with very great knowledge of canal affairs. The floating member is left so that you get specialist assistance on the particular point that is under consideration.

MR WALDRON: I am much obliged to you. It was stupid and ignorant of me not to know about the Committee, but I did not know.

MR McCANN: I understood you to say that during this period of uncertainty while the rates were being raised the Government would make good working expenses — only working expenses.

SIR GEORGE BEHARREL: I do not say make good. We would lend you financial assistance to enable you to meet the expenses.

MR McCANN: You would not advance financial assistance to pay a dividend?

SIR GEORGE BEHARREL: No, I do not think you could ask that. It is a short period.

MR McCANN: But it is unknown.

MR GEORGE BEHARREL: Yes, and I would not attempt to put a limit to the date.

MR McCANN: Another point is: If we were to make this application we should be taken over unconditionally. You say that all the applications that were made by the various companies were thrown out because a condition was made. I think, as our Chairman Mr. Waldron mentioned, that it is natural to make a condition. Nobody wants to go into a blind pool with an unknown liability on their back, and they naturally put in a condition when they ask to be taken over. Now we have to ask the Ministry to take us over on any conditions that suits them; is that it?

SIR GEORGE BEHARREL: We have taken over other undertakings really to enable them to put up their dues and charges. It is the only way they could get the benefit of the Act for that purpose. The biggest example of an undertaking we have taken over, apart from railways, which were taken over under the Act of 1871 and not under the Ministry of Transport Act at all, is the Port of London Authority. They were taken possession of so that they could get their dues up. They asked to be taken over. They could not make any conditions.

MR McCANN: In other words, this application, if it is made by all the various canals, is only made for the purpose of increasing their rates.

SIR GEORGE BEHARREL: Yes; but the Minister cannot divorce himself from his powers. He does not want to interfere with your work. We want you to get back to work your own business.

MR McCANN: But from the practical side of the question as far as the Government are concerned, the object of this application is so that the rates can be increased. That is what it amounts to as a practical point.

SIR GEORGE BEHARREL: Certainly. And I will point this out to you — that if the Minister gives you any directions at all that you do not concur in — supposing he said; "I want to interfere in your management; I want you to widen this bridge or to improve this lock," — then you have got your remedy under Section 8 of the Act, which very clearly protects all undertakings in the possession of the Ministry.

MR McCANN: What do we do then?

SIR GEORGE BEHARREL: I will read it to you if you wish, but it is a very long section.

MR PRESTON: It gives you a claim for a compensation.

MR McCANN: It seems foolish of me to say it, but if one is going into this blind pool —

SIR GEORGE BEHARREL: But I am surprised you made your application in March if you did not read the Act and see what your position was.

MR McCANN: We made an application on certain grounds knowing that we wished to be taken over. Surely you will not repeat that, because most of the members here think they have been

treated in rather a shameful manner because the Government said: "We could not consider this, because you made conditions." Everybody makes conditions before they go forward.

- SIR GEORGE BEHARREL: I think really the delay from March till now — I am not going into the reason — but there was considerable pressure here and pressure there. It was an unlucky batch. I can only say that we have good will towards you, and I personally will see that there is no avoidable delay whatever in dealing with your applications, and especially your applications to have the increased rates.
- MR McCANN: But you do not think it is unreasonable on our side when we say that this delay having taken place we are a little apprehensive as to the future.
- SIR GEORGE BEHARREL: There are a few people around the table who know me and if I say there shall not be delay they will believe me.
- MR CHADBORN: May I refer to sub-section 2 of section 8? It is laid down there, "the payment of any working expenses of the undertaking," and I think it is only reasonable we should have the guarantee now. Otherwise we shall be in the unfortunate position that we do not ask to be taken over, Nobody can stop us from closing down. We can sell our land and our houses and perhaps get a dividend of 3s. 4d. in the £ on our capital. If we ask to be taken over without any requirement, and we find we are losing a few thousands a month, we cannot stop. The Minister may say, "You must go on."
- SIR GEORGE BEHARREL: If he has given you the direction you will have your right against him.
- MR CHADBORN: We have no right to any money.
- SIR GEORGE BEHARREL: You have a right for any direction which has reduced the value of your undertakings.
- MR CHADBORN: The undertaking will reduce its own value; it will gradually bleed to death. I thought the provision you referred to referred to some large capital expenditure or new scheme which we should not be willing to undertake on our own.
- SIR GEORGE BEHARREL: The very least they can do under this section, if you apply to them unconditionally to be taken over, is to pay your working expenses as long as they order you to go on.
- MR CHADBORN: They ought not to make us bleed to death. The Minister has got ample power under this Act to give us that guarantee in five minutes, and he ought to do so.
- MR HAWARD: If my application was out of order, I do not say it was the Ministry's fault, but it certainly was not my canal's fault that this was not settled in March or April if the Committee has not been in a position to do business. The Rates Advisory Committee could have investigated our figures and improved our tolls, and we should have been in working condition now. That applies equally to every other canal that made application and for that reason alone you would not be infringing the policy of the Government in any way to abolish subsidies as

soon as possible if you gave us a little breathing space to make good loss of time which occurred through no fault of the Ministry, but certainly through no fault of those who applied.

SIR GEORGE BEHARREL: I am afraid you are rather begging the question when you say the Rates Advisory Committee could have done this and could have done that. I can assure you that there is no Committee sitting on public affairs that has worked so assiduously and continuously as that Committee.

MR HAWARD: Yes, we are at one. I say the reason was that they were pre-occupied with certain things. There should have been a second Committee.

SIR GEORGE BEHARREL: I am afraid you do not get the point. The Minister cannot set up a second Committee. This is a statutory Committee appointed by Act of Parliament. First of all they are to be nominated. There is only one Committee which has legal powers, and that is the one appointed by the Act.

MR WALDRON: Then they should pass another Act. The Government with its majority could pass anything.

SIR GEORGE BEHARREL: That is not my experience. You dismiss it in rather a light and airy way -- getting an Act of Parliament by the machine -- But I can assure you you cannot.

MR WALDRON: There might have been an effort made and that would have disarmed criticism.

MR FORSTER: Would it be troubling you too much to give us some of these points again? Some of us cannot take it down in shorthand, and it would be a help to us.

SIR GEORGE BEHARREL: A shorthand note has been taken, and Mr. Preston will send extracts of that to you all, so that you will have them.

MR WALDRON: Will there be a special Canal Advisory Committee, or shall we have to go to this Railway Committee?

SIR GEORGE BEHARREL: It is a Rates Advisory Committee.

MR WALDRON: What other rates does it settle?

SIR GEORGE BEHARREL: Dock charges. It has dealt with the Caledonian Canal rates already.

MR WALDRON: It seems a hard thing in such a specialised matter as canals -- there is great rivalry in places between railways and canals -- to hand us over to a Rates Advisory Committee which appears to be composed of railway men.

SIR GEORGE BEHARREL: There is one railwayman on it.

MR WALDRON: And one labour man, and no canal man up to date. He is to be a floating man. I think we ought to have a committee and ad hoc for canals.

SIR GEORGE BEHARREL: You are tied by the Act of Parliament. The Committee was not put in by the Government, but it was put in by Members of Parliament for the protection of

various industries. You cannot have an ad hoc committee. Is there anything more I can say this morning?

MR CURTIS: Would the Ministry of Transport facilitate our getting our tolls raised without coming under control but being left to manage our own affairs?

SIR GEORGE BEHARREL: In what way?

MR CURTIS: By some method that they could appoint. It can only be done by Act of Parliament, I understand, but if we all act together, it would be far better. We are going to get no benefit by applying for de-control. We want our tolls raised; that is all.

SIR GEORGE BEHARREL: Do you see a possible way of getting an Act of Parliament through before this day month, dealing with canal tolls?

MR CURTIS: If the Ministry set their minds to it they could perhaps do it.

SIR GEORGE BEHARREL: The Ministry could not do it.

MR. PRESTON: There can be nothing quicker than getting it under the Ministry of Transport.

MR CURTIS: If we do get an increase we only have a guarantee of 18 months.

SIR GEORGE BEHARREL: It is after the period of possession; that is till February 1923 -- 2½ years. That is the longest the Minister can give it to you. It is not any holding back on the part of the Minister. That is the longest period he is entitled to increase rates under the Act.

MR CURTIS: We appreciate that; but it remains something quite indefinite. We do not want to be left in the soup then; it would be better to be in it now.

SIR GEORGE BEHARREL: I would respectfully suggest to you that if you got your rates increased under the Minister's powers you have then 2½ years. First of all you have a certain length of time when you can see how conditions settle down and whether the traffic will carry the charges you find it necessary to impose, whether labour has become stabilised, or whether there is a tendency for labour to fall, and there are many other advantages from having some experience. Then you have ample time, either collectively or individually, or it may be that it could be dealt with in general legislation -- that I do not know; I could make no promise about it but it will be considered -- to deal with the matter. Parliament will not wish to be burdened with a separate Bill for each canal undertaking; neither will it wish to be burdened with a Bill for each railway undertaking. The railways will be in precisely the same position. They will have no powers after February 1923, unless there is a further Act giving them further powers; and if it gave power to railways there should be no objection, as far as I can see, to including canals in that arrangement.

MR WALDRON: Certainly the results of this communication cannot

be considered ~~satisfactory~~ in any way to any section of the canal industry, I think we have been treated with great injustice. At the same time, at the conclusion of this meeting we must acknowledge the conspicuous fairness, courtesy and pleasantness of the Chairman. (Hear, hear.) I hope he will not think I am offensive if I say that a milder mannered man never scuttled ship or cut a throat. We thank him for his personal courtesy, but I hope he will carry away with him a knowledge of the detestation with which we regard his proposal.

SIR GEORGE BEHARREL: Thank you very much for your kind remarks.

proceedings then terminated.