

First in regard to passenger fares. The Grand Trunk Company when I became connected with it 3 years ago, was charging between Montreal and Toronto,—which is certainly not a point in competition with the Great Western—\$9 in summer and \$10 in winter—The fare that has been charged for the last 2 years, and is being charged now, is a uniform charge of \$8 in winter and summer, which is equivalent to a reduction on that portion of the line which has no reference to the Great Western—of 16 per cent. On the line between Montreal and Quebec—which again is not in competition with the Great Western Railway—the charge used to be \$5.50, whilst in the two last winters, it has been \$4 or a reduction of nearly 33½ per cent.

Again in regard to the Montreal and Champlain line, before the amalgamation took place the fare from Montreal to Rouses Point a distance of 50 miles, was \$2—since the amalgamation the fare has been reduced to \$1 50 cents or a reduction of 25 per cent—all the local fares on that amalgamated line having been reduced in proportion.

The Montreal and Champlain line in no way affects the interests of the Great Western, and I mention these facts to shew that the Policy of the Grand Trunk is to make its fares as low as possible consistently with a due regard to getting paid for the work they perform.

Adopting that policy, the fare between Toronto and Detroit, and Sarnia, (equivalent distances to that between Montreal and Quebec,) has been reduced from what it originally was viz: \$7 to \$4—a reduction has been made in the same way in the fare between Sarnia and Buffalo. These reductions have been made because I believed that they would bring about larger receipts to the Company; and the result has been as was expected; and I say that it is entirely wrong and false to charge the Grand Trunk Company, with having reduced the fares on the Western District specially for the injury of the Great Western, when we have adopted precisely the same Policy on every other part of the line where the Great Western does not come into competition with us in any way whatever.

The same remarks will apply in regard to Freight. The Freight rates upon the Grand Trunk Line from Toronto Eastward, and upon all parts of its line have been materially reduced during the last three or four years, and reduced with advantage to the Grand Trunk Company, as I have always held that the interests of the public and of the Company are identical, and you cannot make rates too high without injuring the traffic of the Company as well as the public interests. There have been no greater reductions west of Toronto, than on other portions of the Road, and I say that the statement made, that injury is being done by a reduction of these rates, and that they have been specially adopted for the purpose of injuring the Great Western Company, is not a fact,—it is simply carrying out the policy determined upon by the Grand Trunk Company, and which is found advantageous to the net results of the earnings of the line.

In regard to the questions of this particular amalgamation, Mr. Irving states, that since this arrangement has come into play, there has been a considerable falling off in the interchange of Cars between the Buffalo and Lake Huron and Great Western Companies. No doubt there has, and for this reason. The great majority of cars interchanged between the Buffalo and Lake Huron and Great Western Companies were interchanged at Paris, that is to say: Cars were loaded at Windsor on the Great Western, taken through to Paris, and handed over to the Buffalo and Lake Huron Company. Well, the simple result of the present arrangement is, that these Cars instead of being loaded at Windsor are loaded at Detroit, and go upon the Buffalo and Lake Huron line at Stratford, 31 miles north of Paris, and so, directly benefit the colliers of the Buffalo and Lake Huron Company by carrying the traffic over a longer mileage. It may be that the traffic over the Great Western line is not so good now, in connection with the Buffalo and Lake Huron Road, but if the Buffalo and Lake Huron Company can carry the Traffic 31 miles more over their own line, I should like to know, why they are not to do it. It may not be for the benefit of the Great Western Company, but it is for the benefit of the Buffalo and Lake Huron and