

don and terminating at Edinburgh. There, as here, on the argument, it was urged that "it is impossible to read the agreement without seeing that it constitutes a quasi partnership, and is not a mere arrangement for through traffic, such as is authorized by the Railway Act." "Through traffic means only traffic carried along a series of lines in continuation of one another; it follows, therefore, that the agreement is *ultra vires* and illegal. The East route and the West route have not a mile of railway in common . . . . It is the same thing to buy off a competing railway: and that is what this agreement is designed to do." For the defence it was there as here argued: "Railway companies are carriers, and are at liberty to conduct their business as other carriers may, except so far as they are subjected to express prohibition by the Legislature. There is nothing in any of the Acts to say that a Railway Company may not make such arrangements as they consider most advantageous, to enable them to make profits in their own proper business as carriers, and this is all that has been done. . . . The true principle is, that a Company may conduct its business as it pleases, subject only to any prohibition imposed by the Legislature."

In that case, as here, the railways entering into the agreement were not lines in continuation the one of the other, but they ran side by side, and the Vice-Chancellor first disposes of this point, using the following language:—"With regard to the argument against the validity of the agreement, I may clear the ground of one objection by saying that I see nothing in the alleged injury to the public arising from the prevention of competition. I find no indication in the course taken by the Legislature of an intention to make competition by authorizing various lines. . . . It is a mistaken notion that the public is benefited by pitting two railway companies against each other till one is ruined, the result being at last to raise the fares to the highest possible standard. . . . I must, therefore, dismiss from consideration the arguments founded on the notion that the Companies were under any obligation to carry on their traffic with a view to keep up competition, and proceed to the real question on which the legality of this agreement depends. It may be briefly stated thus:—There are two lines of connected railways, one forming the West coast route, the other the East coast route; and the question is, how far the Companies owning these distinct groups of lines are justified in coming to an arrangement by which, having calculated the probable amount of traffic