

in this country who hold the bonds and shares of the railway.

The Undersigned have from the first been strongly of opinion that it is to this transfer of the seat of management and control, and to the due exercise of their authority by the Share and Bondholders, that perhaps in the largest degree we must look for the future prosperity of the undertaking.

The Arrangements Act also consolidates the legal technicalities affecting the line, clearly sets forth the order of priority in which net earnings shall be distributed; and carefully defines working expenses. As regards the powers contained in the 35th section of the Act, on the subject of satisfying certain claims in Canada, the Undersigned have ascertained that measures have been taken properly to define and restrict the operation of the powers so given.

Mr. Watkin has stated at length in his report the progress already made in the plans of wholesome Co-operation among the Canadian railways. The Undersigned are fully persuaded that the real interests of all the Canadian railways are not unreasoning rivalry but judicious co-operation, and they desire to see the policy of harmonious action largely extended.

But among the most gratifying portions of Mr. Watkin's report are the statements given in by him of the prospective saving of say £40,000 per annum in the expenses of the Locomotive and Car Departments; of the large savings in other branches of the service; and of the thorough revision of the system of account and record prevailing over the line.