

THE RAILWAY & SHIPPING WORLD.

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TORONTO, CANADA, OCTOBER, 1898.

TO ADVERTISERS.

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Sir William to Sir Rivers.

A letter written by Sir Wm. Van Horne to Sir Rivers-Wilson, on the eve of the latter's departure from Canada, after his recent inspection trip, has been made public as follows:

MONTREAL, Sep. 1, 1898.

DEAR SIR RIVERS,—In order to guard against any possible misunderstanding, I beg leave to state in writing our position concerning the questions we have recently discussed. The two main questions between our respective companies are:—

1st. The existing demoralization of transcontinental & local passenger rates.

2nd. The future use of the G.T. line between Toronto & North Bay as a means of connection between the C.P. Co.'s lines in Middle & Southern Ontario & its main line.

The 1st question is of immediate & pressing importance to the G.T. & the C.P. Cos., & to all of the trunk & transcontinental lines as well.

The 2nd question is a domestic matter in which lines other than the G.T. and C.P. are not necessarily interested.

As regards the 1st question, the C.P. was indisputably the party attacked, & while we felt quite justified in our demand that rates & conditions ante bellum should be restored as a condition precedent to a meeting of the lines interested, looking to a new arrangement, we proposed later on that disinterested arbitrators should determine whether the rates & conditions should be restored in whole or in part, or not at all, as a condition precedent to such a meeting. The fairness of this was recognized by your own Co., which assented to it, as did all the other lines interested, save two of your western connections—the Great Northern & the Northern Pacific. So matters stood until, quite recently, a proposition from a disinterested source was made to the lines interested that the transcontinental passenger rates should be restored & the question of differentials to the C.P. submitted to arbitration, & pending such arbitration the C.P. should be allowed $\frac{1}{2}$ the differential it formerly enjoyed. We indicated our willingness to join the other lines in the restoration of rates on these conditions, & we have indicated to you our willingness to agree that as between the C.P. & G.T. all passenger rates should be restored at the same time to the ante bellum basis.

You have emphatically stated that the termination of the North Bay arrangement by the G. T. had no connection with or relating to the transcontinental rate question. Certainly the question of the future use of your North Bay line for our traffic has no relation to the transcontinental rate matter.

Whether or not we shall make use of your North Bay line for our Ontario traffic, instead of using our own longer line as we are now doing, or instead of making a new & shorter line of our own, we cannot permit anybody to determine for us. That is not a proper subject for arbitration. We may or may not be able to agree with you for the use of your line, but there is no reason why negotiations concerning this matter should in any way be complicated with or delay the settlement of the passenger rate difficulty.

Yours truly,

W. C. VAN HORNE, President.

Sir C. Rivers-Wilson, G.C.M.G., President
G. T. R. Co.

Commenting on the above on Oct. 15, when it was made public in England, the Financial Times said the C. P. R. was not so utterly unreasonable in its attitude as would be inferred from words uttered by Sir Rivers-Wilson in his recent speech.

The Financial News expressed the opinion that if Sir Wm. Van Horne refused much longer to arbitrate there would be a grave suspicion that he was swayed more by personal feeling than by real regard for the interests of C. P. R. shareholders.

A London cablegram of Oct. 17 said:—"Sir Rivers-Wilson will not let the C. P. R. side of the case, as set forth in Sir Wm. Van Horne's comments on the rate war, pass unnoticed. He is preparing a lengthy reply. All correspondence relating to the North Shore line & the rate war will be issued late to-night. In the reply it will be denied that the G. T. is responsible for the rate war. The blame is placed on the U. S. roads. The C. P. R. seeking to penalize the G. T. is declared to be neither equitable nor practical. Sir Rivers-Wilson will ask for a restoration of local rates now that the transcontinental difficulty is ended. Further, the G. T. President will offer to submit differences to arbitration, suggesting as the board of arbitration the Joint Traffic Association & ex-Attorney-General Olney of the U. S. to refer all matters in dispute."

Pacific Coast Passenger Rates.

Transcontinental passenger rates were restored by the C.P.R., Sep. 5, to about ante bellum figures, but it would appear that the war is likely to break out again at any moment. The C.P.R. Passenger Traffic Manager stated early in Oct. that the U.S. lines were again cutting rates, & now the Great Northern makes a similar charge against the C.P.R. General Passenger Agent Whitney, of the G.N., has addressed a letter to the Chairman of the Western Central, Trunk Line, East & New England Passenger Associations, charging that the C.P.R. Agent at Dyea, Alaska, had as late as Oct. 1, sold orders on Seattle for tickets from that point to Minneapolis for \$10, the lowest point reached during the war. The letter intimated that the Great Northern might be forced to protect its own interests. It is charged that with this low rate the C.P. secured all the miners returning from Alaska. It is said the Western U.S. lines will attempt to convince the Interstate Commerce Commission that the C.P.R. has not kept its promise to restore & maintain rates. The Great Northern & Northern Pacific may decide to make an open reduction in rates to meet those of the C.P. The Eastern lines & those reaching St. Paul hope the transcontinental rate war, which cost them millions of dollars, will not be renewed.

The C.P.R.'s Passenger Traffic Manager stated on Oct. 19 that he had sent in his reply to the Great Northern's charges to the interested associations. It was to the effect that the accuser was making mountains out of mole hills. The fact of the matter was, he said, that they had not had time to notify their Alaska agent of the restoration of rates. As soon as the news reached Dyea of the present condition of affairs the cause of the complaint would be removed.

The Ontario Rate War.

So far the C.P.R. shows no sign of restoring local rates in Ontario, & the Passenger Traffic Manager has publicly stated that so long, to use his own words, "as the G.T.R. shows a disposition to play into the hands of the U. S. lines, against the interests of the Canadian Northwest, by diverting traffic to the U.S., so long will the present form of punishment for the G.T.R. be maintained." With the restoration of western rates, the C.P. has to compete with the G.T. on even terms, so far as rates are concerned, in the Manitoba & Northwest business. This is something the C.P. has never had to do before, & it is undeniable that upon even terms the G.T., with its U.S. connections, is bound to secure some of the business that has hitherto gone to its rival. One result of the restoration of rates to the west is sure to be that the C.P. will lose some of its business there, & the same will occur in regard to Manitoba travel. Under these circumstances the C.P. is probably anxious to secure from the G.T. a differential on Manitoba business, & it is said in railway circles that it is withholding the restoration of rates in Ontario in order to force the G.T. to come to its terms.

Canadian Ticket Agents' Association.

The annual meeting held at Ottawa, Oct. 12 & 13, was well attended, over the usual average number being present, as well as a large number of travelling representatives of U.S. lines. The following officers were elected: President, W. E. Rispin, Chatham, Ont.; 1st Vice-President, S. O. Perry, St. Thomas, Ont.; 2nd Vice-President, G. Duncan, Quebec; 3rd Vice-President, W. H. C. McKay, St. John, N.B.; Sec.-Treas., E. de la Hooke, London, Ont.; Auditor, S. H. Palmer, St. Thomas, Ont.; Executive Committee, J. A. Macdonald, Arnprior, Ont.; W. H. Harper, Chatham, Ont.; C. E. Morgan, Hamilton, Ont.; T. Long, Port Hope, Ont.; A. Calder, Winnipeg.

It was decided to hold the next meeting at Winnipeg, Oct. 13, 1899. The following presentations were made: To W. T. Dockrill, Travelling Passenger Agent C.P.R., gold watch; to Alderman Black, Chairman of Reception Committee, gold-mounted umbrella; to J. A. Walsh, Assistant General Passenger Agent, Canada Atlantic, gold-mounted walking-stick, the two latter being for attentions during the meeting.

Washington County.—This line, which was described in our June issue, pg. 100, is almost completed. The branch to Eastport, Me., has been completed, giving connection with Calais, Me., & with the C.P.R. at St. Stephen, N.B. The rumor that this line is owned by Russell Sage, of New York, is denied, but it is expected that it will be amalgamated with his South Shore Line, running between St. Stephen & St. John, N.B. He controls a charter for a bridge over the St. Croix River, which would have to be built to connect the 2 lines. The J. P. McDonald Co. Calais, Me., are the contractors & H. J. Ensling is their Superintendent.