

Such exchange of interests to be accompanied by agreements which, whilst securing the freest use by the public of the lines involved, would determine the interest of the two Companies in the results of their operations, and the terms of which agreements, in case it should be necessary, might also be settled by arbitration.

There are other plans upon which an arrangement might be brought about. I will mention one. The Ontario and North Shore Lines might be organised as independent Companies, owned and operated as such in the interest of the Canadian Pacific and Grand Trunk Companies, under agreements which would secure full facilities to the public and for the traffic proper of the main lines of both Companies. Under such an arrangement some independent authority to settle disputes would be necessary, and it would be requisite to make well defined traffic contracts.

Under either of these plans the fullest facilities could be afforded for traffic to and from the Intercolonial road, an unbroken through route via that line and the Canadian Pacific from the Atlantic to the Pacific secured, and the making of Halifax the winter port of the Canadian Pacific, to which the Honorable Minister of Railways in his recent speech attached importance, rendered possible of accomplishment.

The Grand Trunk Company has been, and is, quite willing to afford all requisite facilities for the traffic of the Canadian Pacific line proper, over its lines East and South of Montreal in both directions, and to practically place such traffic on as favourable terms as its own business.

I trust it may be convenient to you to let me know the views of the Government upon these suggestions at an early date. I submit them with a well assured confidence that, dispassionately considered, they will be deemed to be practicable and reasonable.

I am, Dear Sir John,

Yours very faithfully,

J. HICKSON,

*General Manager.*