

THE DOMINION TELEGRAPH COMPANY.

We copy the following communication from the President of the Dominion Telegraph Company, addressed to the Editor of the *Montreal Gazette*:

Sir,—May I ask the privilege of replying, through your columns, to an article which appeared in a *Montreal paper*, *The Trade Review*, of the 13th instant, assailing the Dominion Telegraph Company, and impeaching the good faith of those who are promoting that enterprise.

When my attention was first called to the article in question, I hastily drew the conclusion that it had emanated from the head quarters of the *Montreal Telegraph Company*, and I frankly confess to having been pained at the thought that the President of that Company, a gentleman occupying a prominent position in the commercial world, towards whom, in former days, I stood in no unfriendly relations, had sanctioned a resort to personalities as an effectual means of damaging a rival Company. I was soon satisfied, that in entertaining this impression I had done Mr. Allan a wrong, as later in the day a printed paper was handed to me, headed "Private Circular," written by Mr. Dwight, an employee of the *Montreal Company*, and addressed to its agents. This circular, less the personalities, forms the sum and substance of the article in the *Trade Review*. I am not disposed to quarrel with Mr. Dwight's circular, far less with the embellishments it has received at the hands of the *Trade Review*. No doubt those gentlemen are satisfied that they have done good service to their masters. I am more than satisfied that they have done yeomen's service to the Dominion Company in furnishing us with an opportunity which we might long have sought for in vain, of meeting our opponents face to face, and of exposing the misrepresentations which, by private circulars and the command of the wires, have been so secretly and diligently spread throughout Western Canada. Before entering upon the main subject, I must allude, passing, to the attack on Mr. Ryan, a gentleman associated with the Company. That attack is so personal, and reflects so strongly on the character of the party assailed, that I may not attempt in his absence to anticipate the course which he may think it right to pursue for his own vindication. This much I am authorized to say, that the Directors are unaware of anything which would justify them in attaching the slightest credit to the aspersions put forth in the *Trade Review*. To the Messrs. Reeve, also, I shall leave the task of throwing light on their supposed relationship to Mr. Snow, an individual not known even by name to the resident Directors of the Toronto Board. My sole object in entering into print is to clear the Dominion Telegraph Company from the suspicions attempted to be cast upon it, to show that it is no humbug, as Mr. *Trade Review* is pleased to suggest, and to expose the real and dishonest design of the writer, while professing to recognize the irreproachable character of such men as McMurrich, Moffatt, Michie and McMaster, to covertly convey the insinuation that they contemplate the perpetration of a vast swindle on the public.

We have a right to ask of the public to accept our Prospectus as a plain and honest outline of our scheme, until our actions speak otherwise. In that Prospectus, while giving a sketch of the career of Telegraphy from its infancy on this continent down to this period, when it has assumed gigantic proportions, we have stated our reasons for viewing the present opportunity as favorable to a still further extension of its usefulness in Canada. By way of reply our opponents, those who seek to retain the monopoly of the whole field for the *Montreal Company*, point to the failure of the *Grand Trunk Telegraph Company* in 1852.

We deny that there is any analogy in the surrounding circumstances. Then, the telegraph was but occasionally resorted to, now it is in universal request. Then, through the close connection formed between the Western Union of the State of New York and the *Montreal*, the field was closed against all others. Now, through the more recently established Companies, the Atlantic and Pacific, and the Great Western, with whom we have entered into engagements, the whole field is open to both.

Is the *Montreal Company* prepared to endorse the allegations put forth by Mr. Dwight, or the imputations cast upon our motives by his backer, the *Trade Review*? Both Mr. Dwight and the *Trade Review* roundly assert that the Dominion Company is simply a second edition of an alleged old swindle, the *Grand Trunk Telegraph Company* of sixteen

years ago, and that the same prominent actor, Mr. Snow, is again at work behind the scenes. We, the Toronto Board, have stated, and repeat the statement, that we are not even aware of the existence of such a personage. It is hinted that Mr. Reeve is a relative of his; of that fact, if it be one, we are ignorant. Nor can it affect the question if it be true. Have we given the *Montreal Company* any grounds for the charges of bad faith and intended fraud imputed to us by their Agents? Have we, the Board of Directors, the only competent authority which the Dominion Company recognizes, approached the *Montreal Company* with any propositions that could give color to such charges? Have we attempted to intimidate, or suggested that we were ready to be bought out, or made any proposal of a combination against the public? We have pointed to what we considered objectionable features in the *Montreal Company's* scale of rates and system of adjustment. Would that be a defensible ground for its attempts to discredit us? On both these points Mr. Dwight, in his circular, confirms our view, for he informs his agents that the Company is about to make a second reduction of rates, lower than ever, and make reforms so as to embrace whole sections of country under a new system of classification. The professed object of Mr. Dwight's circular is thus stated: "It is of course impossible for us to meet and expose all the extraordinary statements made by these Agents, and it is hardly necessary for us to do so, as the truth will in due time appear. In fact, anxious enquiries are already being made as to these representations by parties who have through them, been induced to subscribe for stock. There are, however, some facts regarding our own Company's affairs, which it is as well you should know, in order that you may answer intelligently such enquiries as may be made of you, and inform your friends whenever called upon to do so." On reading this I fully expected to find matters treated of with regard to which the *Montreal Company* felt that they had been injuriously misrepresented by the Dominion Company. No such thing. Nearly one half of the circular was devoted to proving that the *Montreal Company* was not doing half as well as was supposed, and possessed nothing like the capital which had been represented. The pains that Mr. Dwight takes to explain to his agents, in order that they might be able to explain again how none but the initiated could understand stock quotations is somewhat amusing. By far the larger portion of the sheet is taken up with the Snow story, in order, I suppose, that the Agents might be able to explain it intelligently to their friends and the subscribers for Dominion Stock. Much labor is bestowed upon this portion of his circular in order to prove that the Dominion Telegraph scheme is to "all appearance a precisely similar operation." Only one short paragraph is devoted to the subject of rates, explaining what changes and reductions they were about to make, to which I have already alluded. I must not omit to notice another passage in Mr. Dwight's circular, in which he endeavours to connect Mr. Snow with the Dominion Company, and to hold up both in anything but a credible light. He states that early last spring (it must be borne in mind that the Dominion Charter was not obtained till the 25th June, and that the present Board of Directors was not organized till late in July, and issued their Prospectus in August) Mr. Dwight states that early last spring the *Montreal Company* was approached by Mr. Snow with a proposition that neither Company should reduce rates. In whose behalf was Mr. Snow supposed to speak? Surely not the Dominion Company, which came into existence some months later! And yet this impression is most distinctly intended to be conveyed, although Dr. Dwight has not the hardihood to state it in express terms. We learn, however, from Dr. Dwight that Snow is manipulating other companies in the States. Was it in their name that he made the proposition? Nothing more probable than that the companies recently organized in the States should seek to extend their field of operation to Canada, and propose a reciprocity treaty with the *Montreal Company*, leaving the latter to adjust its own rates. And it is equally certain that such a proposition, if made, would be at once rejected. What! lend a hand to break down monopoly and introduce the wedge for the reduction of rates? However the fact, nothing is more clear than that the Dominion Company, whose central Board was organized in the latter end of July, put forth its Prospectus, announcing its policy of low rates, with the view to encourage a more general use of the Telegraph.

Turning to the *Trade Review*, I find several state-

ments, admissions I might call them, to which I beg to call the attention of our subscribers. Statement No. 1: "We honestly believe in the encouragement of anything that will tend to increase telegraphic facilities, and think that a competition with the existing company, who have a monopoly of these facilities, would be desirable."

The question naturally suggests itself here, why should not the Dominion Telegraph Company be that "anything" which it is so desirable to encourage, in order to break down the great monopoly? Is there anything in the composition of its Board of Management calculated to disqualify it from performing that service to the public. What says the *Trade Review* on this point. He enters into some detail, and has evidently bestowed pains to make himself master of the subject. The portraiture he gives of the writer is more graphic than flattering. A wornout politician—very needy. The "saving clause" "but respectable," enables him to pass muster, and the *Review* pronounces his flat that the Directors, as a Board, are, "unimpeachable." But then it is objected, "their utter ignorance of the work in hand." Well, there is Mr. Allen, is he a practical operator!—is he a sufficiently good chemist to select the best materials for a good battery? Would he venture, on his own judgment, to select a bundle of wire? Mr. Allan owns a fleet of steamers, is he a practical engineer? And yet he is at the head of two of the most successful companies on this continent. What is the reason? He knows how to select the right man for the right place—to appoint skillful commanders to his ships, competent officers to their several posts. Mr. Dwight is a very valuable, energetic officer in his proper department—with a little too much zeal, perhaps. I again quote the *Review*:—"The scheme, so far, has met with success. A large amount of stock has been signed for, and the chances are that the new line will be built, and a good thing made by some one." By the stockholders, we confidently believe. Here then, we have these very important facts admitted by one who writes with no friendly pen. That there is a monopoly which should be broken up. That a rival Company in the interest of the public should be encouraged. That the Board of Directors of the Dominion Company is irreproachable, and composed of men of honor. That so far the scheme as met with great success, with every probability of its being carried through. I shall not stop to enquire why Mr. Dwight has been at such pains to underrate the success, and belittle the standing of his own company. What he has raked up the skeleton of the old *Grand Trunk Telegraph Company*, and thrown its foul shroud about the shoulders of the Dominion Company, to scare away intending subscribers. Or why the *Trade Review*, so anxious to find something and anything to break up the great monopoly, should be so suspicious of the honesty of the irreproachable Board. I shall not quarrel with either Mr. Dwight or the *Trade Review*, for giving us the opportunity of having the Dominion scheme thoroughly ventilated.

The winding up of the *Trade Review* article is so thoroughly marked with good sound sense, that one can readily overlook all else that is personal, irrelevant, or unfriendly. I reiterate his caution, and address to the stockholders as well as the directors—"All we have to say in conclusion is, that the directors owe it to the public, and especially to the shareholders, who are beguiled into the investment on the faith of their respectability, to exercise more than the ordinary vigilance; and if the work is to go on, to call to their aid men of reliability and practical knowledge." Let the stockholders show that while they have proved their confidence in the Board, they will expect from them an honest discharge of the duties they have assumed, and in due time a full account of their trust; and let the directors show that they are keenly alive to the responsibilities of their position. It is not in the power of any man to command success; it is in the power of every one to deserve it. Your obdt servant,

W. CAYLEY, President.

No portion of the work has yet been taken over from the contractors, nor will be until it has undergone a rigid inspection by thoroughly competent parties. The aid of the local board will also be called in, to see that this inspection is satisfactorily made in their respective districts. The Inspectors will also be required here and there, to take a survey of the *Montreal Company's* line, as a test for ours, and to pass nothing which does not, at least, come up to that standard of excellence.—W. C.