

whatever that the roads would pay. It was the opinion of the late Mr. Robert Stephenson, one of the highest authorities in England on such subjects, that the Grand Trunk would have to provide a double track in a very short time after the opening of the road. It has been too much the fashion of people in England to complain of their unfortunate investments in Canada, but they ought to bear in mind that the chief responsibility devolves on Englishmen who had had great experience in railroads of the management of which Canadians were completely ignorant. The two principal railroads, the Grand Trunk and Great Western, have been most beneficial to Canada, and there ought to be a general feeling of satisfaction at any measure calculated to place both roads on a paying basis. Even if the result of amalgamation were to be increased rates there would be no great cause of complaint, so long as the tariff of rates prescribed in the charter was not exceeded.

There is, however, little ground for apprehension. The great object in amalgamating the two companies is the saving of expense in the management. It is said that a very large annual saving can be effected, by running the passenger and freight trains so as to obtain the maximum of profit with the minimum of expense. It stands to reason that two companies competing for traffic over the same territory will be able to effect a considerable saving by conducting their business under one management. It is, however, sufficiently evident that some influential journals in Ontario are determined to offer a persistent opposition to amalgamation, on the ground that the interests of capitalists are not to be placed in competition with those of the public and that the cutting of rates is beneficial to the latter. It has been agreed by the Grand Trunk Company that a dividend of 3 per cent. on the ordinary stock of the Great Western will be paid before the Grand Trunk preferential shareholders are entitled to any return on their investments. This, it must be admitted, was a most liberal offer, and is based on the saving which will be effected in the management. It has been suggested as probable that in the event of amalgamation the head offices would be removed from Montreal to Toronto, but this seems highly improbable. Toronto and Hamilton will of course be points where there must be efficient local management, but there are obvious reasons for maintaining the head offices in the vicinity of the Victoria bridge. As usual, there has been a resort to interviewing the officials of both roads,

and it may be worth while giving the views of some of these gentlemen, although it must be borne in mind that they do not profess to speak with authority.

Mr. Whyte, Assistant Superintendent of the Grand Trunk, gave the following opinions:—

"Have you heard if the much-talked-of fusion was ratified at the meeting in London to-day?"

"I heard so this afternoon, but I could not say positively if it is so."

"Will not the feeling of opposition be very strong against the amalgamation?"

"I have no doubt there will be a great outcry among the shippers, but I do not think they will have anything to fear, as it is not probable the rates will be advanced under the new arrangement."

"Will the interests of the public be as well served?"

"If the rates are not advanced I see no reason why the interests of the public will not be better served, as, with the increased facilities consequent upon the fusion, the Grand Trunk will be able to offer every accommodation."

"Would you mention a few instances in point?"

"It is well known that the Great Western is the popular route to Chicago, and doubtless the through express would be run on that line and a local on the Grand Trunk main line. The competition in freight traffic is so keen at present on the Grand Trunk that freight is taken all the way from Sarnia around by Stratford to reach Port Erie. Now there is a double track on the Great Western from Windsor to Glencoe, and by coming over one of these lines to Glencoe Port Erie can be reached by taking the air line. The grades, too, on these lines are not so steep, and the great majority of merchants will receive their freight more promptly and receive better accommodation generally."

"What do you consider the saving of money will be by operating the two roads together?"

"That's a rather difficult question, but I don't think it would be less than a million and a half yearly. You see so many short cuts can be made, so much time saved, and I have no hesitation in saying that twenty-five per cent. more cars can be hauled with every train. This keen competition for passenger and freight business, which in many instances is a loss to railway companies on account of the circuitous routes taken, and which, in most cases, is no benefit to the public, will cease, and arrangements will be made to save time and render the best accommodation to the public. By enlarging the Grand Trunk freight sheds the Yonge-street and Queen's Wharf sheds could be closed. In fact," broke off Mr. Whyte, "there are a thousand and one ways by which money can be saved. The amount," continued Mr. Whyte, "I think would be saved by working the two roads under one management. The business can be concentrated at one station."

"Do you think any arrangement has been made regarding the officials of the Great Western?"

"I could not say: but I don't think there would be much chance for them when it is remembered how they stood out against the amalgamation, and, besides that, Mr. Broughton has always been opposed to the Grand Trunk. It is quite likely, however, that many of the officials would be retained, as a larger staff would be required on the Grand Trunk."

"Do you think there is any chance of getting an Act to amalgamate the two companies passed in the House of Commons?"

"I do not think any such Act will be sought, as the charter of the Grand Trunk allows it to lease or acquire any other roads."

"How about the Credit Valley?"

"That is a problem I have been trying to solve; but I presume the reported arrangement between the Great Western Railway and Credit Valley will fall through, and the latter road be operated as an independent line. I think, however," continued Mr. Whyte, "that it is quite

likely the Grand Trunk will secure the Toronto, Grey, and Bruce."

"Will it not be necessary to remove the head offices of the Company to Toronto?"

"Yes, I think that will follow as a natural consequence, as this city will be the centre of the whole system."

Mr. Charles Stin, Superintendent of the Great Western, upon being interviewed by a *Globe* reporter, stated that, in the event of the fusion being carried out, he thought it impossible to work all the mileage from Montreal, the present head-quarters of the Grand Trunk. He thought that the Great Western part of the amalgamation would be worked, as at present, from Hamilton.

#### GENERAL OPINION.

It is the general opinion that the offer and guarantee of three per cent. to the stockholders was the cause of the fusion—otherwise a fusion would have been impossible. It is said that the Great Western stockholders not only get their three per cent. but also come in before the preference stock of the Grand Trunk. The question of the amalgamation passing the Dominion Parliament is freely discussed, and it is generally believed that the Dominion Government will refuse to allow the fusion. Several other officials were interviewed on the matter, but were very reticent, and did not wish to make any statements regarding the amalgamation.

We would, observe, in conclusion, that when the Great Western Company is willing to amalgamate on the basis of a 3 per cent. dividend on its stock, and when the Grand Trunk Company, though long most anxious for amalgamation, found itself unable to make a better offer, there is not much ground for complaint on the part of the public. It is clear that the capital invested is getting very far short of an adequate return. When this is the case, experience proves that amalgamation follows almost as a matter of course. When Sir Charles Tupper recently gave comparative rates of freight on various lines of railway, in order to prove that those on the Pacific Road were not excessive, it was immediately objected that he did not compare the latter rates with roads that were running in opposition, and of course cutting rates. It really seems to be the opinion of some of our journalists that capitalists should not obtain an adequate return for their money. We believe that this is a mistaken policy, and that the best interests of the people at large will be promoted by the contrary policy.

#### THE TARIFF.

The Opposition members seem to have thought it the most advisable mode of bringing public opinion to bear against the tariff to attack it in detail, and accordingly the woollen and cotton duties have been made the subject of one amendment, while those on iron have been likewise objected to. What seems to us the weak point in the woollen and cotton duties does not appear to have been seized on by the Opposition: we refer