

of 5,188,263 dollars, the alleged loss upon converting which amounted to 1,508,885 dollars, thereby crediting the Company with every cent of American currency received under every condition. But the Managing Director receives from a passenger going from Detroit to Toronto 7 dollars in greenbacks, while the fare in Canadian currency is only 5 dollars, and he takes the additional 2 dollars in greenbacks, and debits the Company with a loss to that amount. The success which has attended the effort to palm this illusion off upon the Bond and Shareholders of the Grand Trunk Railway in England is incredible to the Railway Managers of the United States.

The Fenian raids of 1866 and the failure of the Commercial Bank last year may be fairly charged as having temporarily injured the trade and prosperity of Canada; but as they did not perceptibly diminish the gross receipts of the Company, they cannot be charged with increasing the working expenses, unless by the expenses incident to the maintenance of the volunteer force of the Company. The Manager of the Grand Trunk is said to govern Canada, and it is therefore right that the Bond and Shareholders should pay for the expense of defending their dominion.

It is alleged, as another reason of failure, that there have been several successive bad harvests in Canada. This was the alleged cause for years before the re-organisation in 1862; and, therefore, if there is any force in it, it may be said to be the normal state of Canada.

But it is neither to the American War, nor the enhanced price of labour and material, nor the termination of the Reciprocity Treaty, nor the loss in conversion of American currency, nor deficient harvests, nor Fenian raids, nor the failure of the Commercial, and Bank of Upper Canada, that the Grand Trunk Railway does not pay. The great house of Baring, Brothers, and Co. could not run for six years managed as the Grand Trunk Railway has been. The entire staff in Canada is demoralised through the loose manner in which the Company's affairs are conducted. The Managing Director is a Director or partner in other companies, who have, without competition, extensive dealings with the Grand Trunk. Take, for instance, the purchase and sale of stores, and first the question of rails. The Managing Director causes to be re-rolled from 10,000 to 12,000 tons of rails yearly with Messrs. Gzowski and Co., of Toronto, paying for so doing about 26 dollars or £5 7s. per ton. Now, old rails find a ready sale in any quantity in the United States at 23 dollars or £4 14s. per ton, thereby making the cost to the Grand Trunk Railway of all their re-rolled rails £10 1s. per ton. Now, they can buy new rails of the best quality of iron, sent from England, and delivered in Montreal, freight and insurance paid, at less than £7 10s. per ton—rails that will wear from five to ten years longer than their re-rolled rails. What are the reasons which cause this arrangement to be