

## THE DOMINION TELEGRAPH COMPANY.

THE Toronto daily papers recently contained accounts of a meeting of shareholders of this company, which was called for the purpose of affording the Directors an opportunity to explain to the public, its claims to confidence. The meeting was composed of fourteen persons—of whom four were directors, two were canvassers for stock, two had become possessed of stock in payment of advertisements, and one was a reporter—so out of the fourteen, there were only five independent stockholders present outside of the Directors. It appears that in Toronto, there is stock held to the extent of \$150,000, divided among—say 100 shareholders, who—it is fair to presume—had all notice of the meeting, and it is rather a significant commentary on the management of the company, that so few responded to the invitation to attend. Mr. Cayley drew comfort from the limited number however, and is reported to have said that the absence of so many, was a proof of the confidence they had in the undertaking, and those who "managed it." Mr. Cayley's philosophy under the circumstances compares favourably with the Jollity of Mark Tapley; we really fear, after such a remark, that we have under-rated him. Certainly, the shareholders in this case have need of confidence; but the way in which the company has been managed thus far, is not—we fear—calculated to inspire it. Hon. John Hillyard Cameron seemed to take a different view of the matter from that of Mr. Cayley, and indicated a very deplorable lack of confidence, when he said, the best way of showing it, was to pay up "the arrears of calls upon their subscribed stock" now past due. Mr. Cayley must have felt his legs going from under him, when his bosom friend thus let the cat out of the bag, and for a "cut and dried meeting the episode is a refreshing one. We think it pretty evident that of the one hundred Toronto stockholders, the ninety five who did not attend the meeting, not only have not paid up their calls, but what is more—as is indicated by their absence—are not likely to do so.

But let us leave these preliminaries of the meeting, and examine the statement which Mr. Cayley made, and from which the public are to judge whether they are wise or not, in investing their money. In doing so, we confess to a feeling of disappointment. We did really think that having got rid of Mr. Reeve, with an experience of nearly two years, and with the fact so patent that the people are ripe for an opposition telegraph company, Mr. Cayley, or the directors among them, would present some tangible and feasible scheme, by which this unfortunate enterprise could be carried out. But Mr. Cayley is like the Bourbons, he never forgets anything, but he never learns anything. It would have been natural to suppose that the hints we gave him in our last article on this subject would have enabled him to prepare for the public some satisfactory statement. What was needed, were figures showing the amount of capital required to build a line, the number of miles needed, the cost of maintenance, the proportion of yearly depreciation in value of the property, the total amount of business of telegraphing done, the receipts of other lines, and a calculation of the profits to be earned. But instead of this, to what are we treated? One-third of the speech of two columns is taken up with the arrangement by which Mr. Reeve was got rid of, which, by the way, affords another illustration of the excellent management of this company. The public stopped paying up their shares when they ascertained that the contract to Reeve compelled the payment of \$250 per mile, but what will they say when it is told them that the directors have paid Mr. Reeve \$2,000 for the 113 miles between Toronto and Suspension Bridge—equal to \$371 per mile? Another large portion of the statement was taken up dilating upon the enormous value of the United States connections which Mr. Reeve had secured for them. We have again and again pointed out what ridiculous nonsense this is. The Atlantic and Pacific line which is their only immediate United States connection, is glad to have any feeder to its wires, and no particular merit need be claimed by Mr. Reeve or Mr. Cayley for that connection. But the character of that connection may be imagined by our readers when we tell them that this line was built under a contract to take stock in payment at the rate of \$1,000 per mile. As the line did not cost more than \$200 greenbacks per mile it follows that the contractors can make money by selling the stock at 15 cents on the dollar; and inasmuch

as they (the contractors) have foisted it upon the gullible public at par and as near it as they could, it stands to reason that they have made a good deal bigger thing, than—but for us—Mr. Secia-Reeve would have accomplished in Canada. If there is not some "hocus pocusing" in that concern, we shall be surprised, especially with W. D. Snow as the contractor, with his father "the original Josiah" of happy memory, as the promoter of its western connections. Let the public, once for all, dismiss from their minds all this humbug about the value in dividends, or right of property in these connections. We admit that it is of importance to have a United States connection, other than the Western Union line, but it is folly of the worst kind to estimate it beyond its value.

Mr. Cayley went on to say that a contract had been made with Mr. Colby, to build as far as Oshawa, for \$10 per mile, which is the only sensible and really practical thing the Directors ever did. We believe Mr. Colby to be a good contractor, and the price a reasonable one, but unfortunately for him and for the public, we very much fear, Mr. Cayley has got things so muddled that he won't be able to go further than Oshawa, if he even gets paid for what he does. We vainly try to cypher out what is the actual position of the concern. One fact is patent, they are in great and urgent need of money, for they have to pay Mr. Reeve \$5,000 on the first of December, and \$5,000 every three months for a year after, besides paying for the work as it progresses, and as but a very limited number of the shareholders respond to the calls, the financial condition of the concern seems deplorable. He says a single call of 10 per cent on the stock subscribed would yield \$14,000, but the result of the last call was only \$1,400. Alas for Mr. Cayley all he wants is money, and he exclaims, "If we could only get in the calls; if we can only get even \$5,000 on each call, we can pay everything and go on, and he proceeds to hold up a terrible calamity to induce the shareholders to pay up, by stating that "If they did not extend East, the People's line would certainly come to Toronto!" Awful, isn't it? And further—"If they did not get to Montreal, what would their line be worth?" and so on, for a column of platitudes, Mr. Cayley proceeds to beg his hearers. It never seems to strike him that the people would like to know "How much money do you want? At the outset you called upon us for \$500,000 to build 2,000 miles of telegraph. While you have been fussing with a New York sharper named Reeve, and throwing our money away at the rate of \$371 per mile, the People's line has been organized, and built over the best part of the Eastern Territory, yet you never tell us what difference that makes in your plans or policy. While you have been dilly-dallying, the Montreal line has reduced its rates, extended its facilities, and in no small degree obviated the necessity for an opposition, and certainly largely diminished its chances of success. Give us some facts upon which to justify an investment." But Mr. Cayley does not know how, he contented himself with vague generalities as to the difficulties which the Montreal line had to overcome, the rates it had to pay for Morse's patent (which is all nonsense), and the ample room there was for another line. We believe him. There is ample room for another line, and with good men at its head, and an efficient telegrapher to manage a good line well and cheaply built, and well and economically handed, a new line would pay a fair dividend. We have always thought so, and we think so still; the public would be benefited, and the shareholders paid a fair return, but we have no hope of it with the existing state of affairs in the Dominion Line. Why is it? It would be impossible to select an able board of directors. Mr. McMurrich is one of the best of men, Mr. McMaster one of the most successful, and John I. McKenzie one of the cleverest business men of the West, and yet somehow, the whole history of the Dominion line is so utterly bad, its management so poor, that it bids fair to fasten upon us—or many years more the monopoly of the Montreal lines, simply from its own imbecility and weakness. We are sorry to come to this conclusion. We had hoped that as soon as Mr. Reeve was got rid of, and time allowed to get matters into shape, we should have a clear and distinct statement of the condition of the company, some idea of its policy and plans, some facts (not platitudes) in relation to the profits of the business, and some sort of information of a practical and reliable kind. But in this hope, we are disappointed and if the results of the Toronto meeting are all that is to be expected, we fear

the chances of success of the Dominion Telegraph Company are slim indeed. The public, who were induced to take stock under the false representations of Reeve and his agents, will be much more content to lose all they have paid, than to throw away more money on the mere *ipse dixit* of Mr. Cayley and his friends. We have no doubt in the world, but that Mr. Cayley and his fellow-directors are perfectly honest in their conviction that a line under their direction will pay, but something more than honest belief is demanded, and unless they can produce facts as a basis for their belief, they must not be disappointed if the public hesitate to assist them. The Directors of the Grand Trunk line were just as honest, just as sincere—the projectors of the Provincial line equally so, and far more enterprising, but neither that sincerity, nor their faith in the project brought success.

Mr. Cayley may be a passable lawyer, Mr. Cameron a very excellent one, Messrs. McMurrich, Moffatt, McMaster and McKenzie honourable and successful merchants, but they know nothing about telegraphing, and it will take them a good while to learn. We admit that it is not necessary they should know how to operate an instrument, or string a wire; but we do know, that there ought to be some idea of the work they have on hand; some knowledge of values, salaries, extent and character of business, cost of maintenance, &c., to fit these gentlemen for the position of custodians of money entrusted to them for a special object. All that they know is that the Montreal line without opposition, with the most skilful management, the best connections, and a high tariff has succeeded, and because it has succeeded, Mr. Cayley argues his line must succeed with a perfect net work of wires to compete against, rates lowered already to the lowest point consistent with profit, a United States swindle for a connection, (liable at any moment to fall into the hands of the Western Union Company, as did the connection of the Provincial line) with the best part of the Eastern country already covered with opposition lines, the best part of the Western country built at a cost of \$371 per mile, and confessedly not paying running expenses, with an empty exchequer, and obligations extending over a year to pay. With all this, and not a practical man at hand nor an atom of information and all their past mismanagement staring us in the face, we really cannot conceive what Mr. Cayley and his friends take the public to be, if they can be prevailed on to throw away their money on such an enterprise under such circumstances.

The public are, perhaps, not aware that before Mr. Reeve closed his negotiations with the Directors, he offered the Dominion charter lines from the Bridge to Toronto, and the whole affair to the Montreal Company at a very reasonable rate! It may astonish Mr. Cayley and his directors, but it is a fact. And the refusal of the Montreal Company to absorb the concern, which they could readily have done, indicates two facts: first, that they did not care to make an investment in a line that would not pay its expenses, and secondly, that their experience with oppositions has taught them to believe that the cheapest time to buy is when they are complete, with the capital all spent, and the owners glad to get rid of it at any price. The public will readily argue thus, "If the Montreal Company could not afford to buy up this opposition and extinguish it—if with all the money they have made (according to Mr. Cayley) they could not find a profit in running these lines, is it possible that Mr. Cayley and his coadjutors can do so?"

In Mr. Cayley's speech he implied that we had doubted his personal honesty, and that we had advised the stockholders to be on their guard for fear the funds would be misused. We call our readers to witness that we never implied such a suspicion, we believe Mr. Cayley to be a thoroughly honest man, we have always said so, and we say so still, but in relation to telegraph matters, he has not shown as much ability as honesty. Our readers perhaps will agree with us in quoting the shrewd remark of Josh Billing, that in telegraph matters as in everything else, "the fools do more harm in this world than the knaves."

An idea may be formed of the immense business of Friday, the day of the great panic in New York, by a perusal of the following telegraphic statistics. On that day the Franklin Telegraph sent 5,000 messages, the Bankers and Brokers, 2,222, the office of the Western Union Telegraph Company at the gold room, 300; the office of the same line at 21 Wall Street, 800, and the main line about 1,000. More than four-fifths of this number were quotations of gold