

hostility towards investors in railways in Eastern Canada." The only important road in Eastern Canada in the stock of which English capitalists are interested is the Grand Trunk, and we have so strong a desire for the prosperity of those interested in that great Canadian enterprise that we cannot but deplore that they should join in the crusade against another national undertaking. There was a time when the Grand Trunk Company had to ask a much larger measure of relief than what has been proposed for the Canadian Pacific Co. The latter has been compelled to ask for a loan on security which, under all the circumstances of the case, must be considered adequate, whereas the Grand Trunk Company had to claim that a prior mortgage on the road and its equipment should be postponed and placed behind even the ordinary stock of the Company. This was an immense concession to the Grand Trunk Company, but the importance of the completion of the road to the Canadian public induced Parliament to come to the aid of the company, and we have no reason to believe that the liberality then extended has been the subject of complaint.

As regards the Canadian Pacific Company certain capitalists undertook to form a company to construct the railroad on clearly specified terms, the subsidies in cash and land being payable according to the progress of the work. A large amount of capital has been expended by the company but, owing to causes entirely beyond their control, it has been found impossible to place on the market a large portion of the stock on which the promoters relied. The scheme of guaranteeing the interest of the stock for a period of ten years was admitted to have been a failure, but it was believed by many who were supposed to be good authorities that it would have proved successful. All the allegations that have been made as to the gentlemen in the direction of the Canada Pacific Company having made large sums of money out of that work are utterly without foundation in truth. The gentlemen known as the Syndicate never entered into a contract with the Government to build a road for a certain price, but they agreed to form a company which would undertake on receiving certain subsidies, to build a road for themselves. They have taken stock in the company and have paid for it, and are no further liable. They may abandon the work and forfeit all that they have paid or they may postpone the construction for the present. Fortunately their interests, and the interests of the public at large, are the same, and will be best promoted by the ener-

getic prosecution of the work. The Government is not called on to incur any additional risk unless the final abandonment of the work should become necessary, in which case the promoters will lose about \$36,000,000, while the Government will obtain a road which it was pledged to construct at a much lower price than it would have cost had it been undertaken by the railway department. We entertain no doubt that even in the event of the complete failure of the Canadian Pacific Company to complete the work under the proposed conditions the road will cost the Canadian Government much less proportionately than the Intercolonial railway did, and yet, but for the arrangement made with the syndicate, the Government would have been compelled to construct the entire line. With regard to the second syndicate, we take the opportunity of rectifying a statement that we made in a recent issue, to the effect that it was under the control of the Northern Pacific, and which we have been assured of more than once. We have been positively assured on good authority that it was not. There is no doubt that it was strongly opposed to the construction of the line North of Lake Superior, and this naturally led to the belief that its object was the diversion of Western traffic to the United States lines. The policy of building the line on Canadian territory was adopted, not by the Syndicate but by the Government, and we have reason to believe that the former would have much preferred the Southern line. It ought not to cause surprise that a political party opposed to the present Government should oppose its policy on this as it does on all other measures, but there is no getting over the fact that the country is committed to the construction of the railroad, and the most economical mode of securing its early completion is by aiding the company.

#### THE ROYAL CANADIAN INSURANCE CO.

The annual meeting of the shareholders in the Royal Canadian Insurance Company was, as might have been anticipated, a very stormy one, but the result was the election of those of the old directors who were candidates. The public are to be congratulated on the defeat of those who have been long endeavoring to obtain the control of the company, chiefly, as has been generally supposed, for the object of winding it up. Even if this surmise be not correct, there can be no little sympathy with shareholders who deliberately lay themselves out to remove a

number of directors of the highest standing in the community, and against whom there cannot be brought a shadow of a charge. We infer from the protests of the minority that there will be yet a good deal of litigation, and possibly an examination into the dates of the proxies, many of which were claimed by both parties. The directors had taken the precaution to deposit their proxies with the Secretary, and to have them registered and certificates given that they had been so. This course was not followed by the opposition, or the secretary would have had to examine the dates, and to give the certificates in accordance therewith. So far as we can learn, a large number of shares changed hands after the closing of the books, and, as transfers could not be made, proxies were given to the purchaser to enable him to vote on them. It seems probable that some of these shares were owned by parties who had already given their proxies to the directors. The opposition played a bold game, borrowing large sums of money chiefly from the Exchange Bank for the carrying out of the speculation. It is unfortunate that so large an amount of stock should be under the control of parties, who cannot really desire to promote the interests of the company, or they would never persist in a course which cannot but prove injurious to it. We fear that under the existing circumstances the points in controversy will have to be settled in the courts, indeed proceedings have been already commenced. The injunction will, doubtless, be again applied for, in regard to the shares on which the calls were not fully met, and, of course, there will be a proper examination of the proxies, which may cause a diminution in the large majority favorable to the directors.

#### A CORRECTION.

In Mr. Thomas White's recent speech on the Pacific Railway question he fell into what I consider serious errors of fact regarding transactions which took place over thirty years ago, and which I consider it my duty again to explain, although, in December, 1875, there was published in the *Montreal Gazette* a letter of mine correcting similar errors on the part of Mr. Potter, then president of the Grand Trunk Railway Company. I am bound to admit that, in my judgment, Mr. White weakened his own case by arguing that the Government of Canada had been so far committed to the prospectors of the Grand Trunk railroad as to have been bound in honor to come to the relief of the