

GRAND TRUNK RAILWAY OF CANADA,

General Manager's Office,

Montreal, 7th February, 1884-

The Right Honorable

SIR JOHN A MACDONALD, K.C.B.

Ottawa.

DEAR SIR JOHN,

Your letter of the 4th reached me late in the evening of the 5th. I, advised you by telegraph yesterday that I had received and would reply to it at the earliest possible moment.

At the interviews which I had the pleasure to have with yourself and the Honorable Minister of Railways last week, I pointed out how seriously the interests of investors in Grand Trunk securities had been and were being affected by the large subsidies and advances made, and proposed to be made, to the Canadian Pacific Company; and as I propose to again communicate with you on that matter, I will in this letter simply endeavour to supply the information which you advise me is desired.

If it be admitted that some arrangements between the two Companies which, whilst permitting the fullest utilization in the interest of the public of all the lines actually constructed and owned or controlled by both, would secure a reasonable amount of protection to invested capital, is desirable, I venture to submit that the ways and means of bringing about such an arrangement would, if the Government supported it, be found.

Of course if it is considered that the public interests are promoted by fostering antagonism and rivalry and the construction of unnecessary lines—which are not only destructive of existing investments, made in good faith, and from which the country has admittedly derived the very greatest advantages, but, as is also admitted, destroy credit and frighten away capital from the country—then any arrangement between the two Companies must necessarily be considered by the Government as undesirable.