

nects the American sea-board with the Western States. More than half its income is derived from foreign traffic, freight and passenger. But with the Grand Trunk the case is different. There has always been a doubt about the profitable nature of the freight traffic it receives from the Western States. Any estimate of profit that did not make full allowance for the wear and tear of the road ; the crushing, rather than the fair wear of the rails, by the heavy trains laden with freight carried at the lowest competition rates, would be delusive. A cheap road, intended only for Canadian traffic, would have been fully employed, independent of this foreign freight, and it would almost certainly have been in a position to serve the home trade better. But it would be unprofitable to dwell upon errors which only experience has developed, which the wisest did not foresee, and which cannot now be remedied. If we profit by the lessons they teach, the experience will not have been in vain.

It is surely persisting in error longer than is excusable, to go on constructing the Intercolonial on the old condemned gauge of five feet six, discarded now in the Canada Pacific. But there is this to be said : the reasons for preferring the four feet eight and a half gauge were not so obvious when the Intercolonial was commenced, and the reluctance to change the gauge of a road under construction would naturally be great.

In our whole railway system there is no line so stamped with the fatal marks of continuous failure, in a financial point of view, as the Grand Trunk. It is an object of perennial promise and of perpetual disappointment. Not only do the proprietors get no returns on their capital : the creditors of every class are left without interest on their bonds. This road has to compete against the water communication of the St. Lawrence, during the season of navigation, for local traffic, and with the American railways, for western traffic, at all seasons. When the line was about to be located, it was a question whether

it should run along the banks of the river and the shore of Lake Ontario, or strike some thirty miles into the interior. There might have been an advantage in locating the line half that distance from the water. Such a line would have lost very little business on the front, while it would have facilitated settlement in the rear, and thereby added to the traffic on that side. The proposal to run a parallel interior line, which is now made, would not have been heard of, or if started at all, the impossibility of its being realized would soon have become apparent. In any case, the competition of the water communication could not have been wholly avoided; and the possibility of a rival railroad was a contingency too remote to be taken into account. Whatever may be the merits of the project now started, it appears under conditions which did not exist twenty-two years ago. The failure of the Grand Trunk, if it had been placed thirty miles in the interior, would probably have been more conspicuous than it has proved ; but at half that distance it would have had a better chance of success, and future rivalry need not have been dreaded. Besides, it would have got much of the business now done by roads which run in a transverse direction into the interior.

Canadian railways have been almost entirely free from some large items in the cost of English railways. Preliminary expenses, connected with legislation and the securing of the right of way, have scarcely made any figure at all. No second Chamber, in which there was a dominant land-holding interest to be bribed into acquiescence by the offer of high prices for the right of way, formed an obstruction. Millions of dollars had not to be expended in obtaining a charter, or in maintaining against opposition a position once secured. The Grand Trunk charter was carried through by the Government, without a dollar of cost to the company. The land over which the road ran, always cheaply secured, was sometimes obtained as a free