

as an export route to St. John & Halifax, in view of the vast expenditure made by the Government during the last couple of years in providing steamship terminals for the I.C.R. at St. John.

"It cannot be that the division of rates is an obstacle, unless it be admitted that your agreement with the G.T.R. Co. was unfair to the I.C.R., because the divisions proposed in my letter are precisely the same as those specified in that agreement, as approved by Parliament, & we are convinced that there is no disposition on the part of the Government to discriminate between railway companies or individuals in the charges for the carriage of the same classes of traffic between the same points on the I.C.R.

"Clearly, then, we have the right to expect—indeed if we were dealing with a private railway corporation, instead of the Government, we would have the right to insist—that in the interchange of traffic we shall be given the same terms as are given to any other company routing traffic over the line between Montreal & St. John or Halifax.

"Taking it for granted, therefore, that the I.C.R. will accept in the division of the rates the proportions specified in the G.T.R. agreement, viz., 375 miles on St. John & 425 miles on Halifax as its compensation in full for the carriage of import & export traffic, between Jacques Cartier Jct. (Montreal) & those points, we shall regulate our winter business accordingly.

"The steamship companies that have heretofore made St. John their winter terminus will, within the next couple of weeks, desire to renew arrangements for the coming season. We shall refer them to the officials of the I.C.R., & I have no doubt that you will give such instructions as will ensure a regular ocean service to Liverpool, London, Glasgow, Belfast, Dublin, & Manchester from the time navigation closes in the St. Lawrence until it opens in the spring.

"In order that the port of St. John may not be prejudiced, & the steamship lines embarrassed, a prompt & satisfactory train service will be required. I am sure that we may rely on the I.C.R. officers to see that the export traffic controlled by this Co., which we intend to hand to the I.C.R. at Jacques Cartier Junction, during the coming season, will be moved to the steamer's side with regularity and despatch. In return, we promise that all import traffic delivered to this company, as mentioned in my letter of Sept. 3rd. will be trans-

ported over our line to the satisfaction of everybody concerned."

MR. BLAIR TO MR. SHAUGHNESSY, SEP. 18.

"I have been unavoidably delayed in acknowledging & replying to your favor of the 3rd inst., with reference to the transfer of your export traffic to the I.C.R. at Montreal, & I have only just now concluded my conferences with my officers & the General Manager. The proposition you make, as I understand it, to deliver to us at Jacques Cartier Jct. the traffic you have been heretofore carrying to St. John for export, is one which with some minor modifications I am bound to say has much to commend it to favorable consideration. The arrangement of details to ensure a satisfactory working agreement & the necessary preparations which the I.C.R. would have to make to enable it handle so large an additional traffic, would require time to adjust & provide for. Your suggestion that I should let you know inside of 12 or 15 days whether the I.C.R. is or is not prepared to enter into a binding agreement with you to take care of this traffic during the approaching winter you must, on consideration from the standpoint of the Intercolonial, see does not afford adequate time in which to complete the negotiations necessary before such a contract could be concluded. The volume of your traffic last year eastbound for export aggregated some 200,000 tons. To add such an enormous business to the normal traffic of the I.C.R. would involve the settlement of many details. Let me enumerate these:

"First, your suggestion is based upon the condition that we should make with your Co. an arrangement on the basis of that existing between the G.T.R. & the I.C.R. for export traffic. This would be satisfactory if you make the conditions identical, or nearly so, & in order that we may be on as good a footing in a financial sense carrying your merchandise as we are with respect to any we may receive from the Grand Trunk, we would require you to deliver to us at Ste. Rosalie, rather than at Jacques Cartier Jct. This is a minor detail, however, which we could, I have no doubt, after discussion, arrange between us.

"Second, our facilities at St. John, which are approaching completion, & which will be ready for winter business, would be quite insufficient to handle anything like the large volume of business you propose to turn over to us. As a consequence, we would

have to discuss with you, & also with the bridge company, the terms upon which we could utilize your works on the west side of the harbor, & the bridge and tracks. Upon the assumption that you are retiring from the export business at St. John this ought to be practicable, but some necessary arrangements would require to be made for taking over, either temporarily or permanently, your west side facilities, with the Carleton bridge & connecting tracks, & in this relation I presume the corporation of St. John would be entitled to have a say as to the property which they have constructed & placed at your disposal, & following the results of our arrangement, parliamentary action would have to be had to enable us to legalize & effectuate such agreement as we might make.

"Third, as a sub-question, & perhaps involved in the above, the terms upon which the use of the bridge could be acquired is a matter of importance. The charges now made for crossing the bridge by the bridge company, & the charges of the miles of track which we would have to use to reach the west side terminals, would involve to the I.C.R. an additional cost, as against east side shipments of over \$1 a ton. This is an expense which your Co. avoids, as you are not under the necessity of crossing the bridge, & \$1 a ton taken off the rate which you propose to us would be a very considerable item, & would necessitate our endeavoring to secure the bridge upon terms entirely different from any which the bridge company has heretofore been willing to concede.

"Fourth, the C.P.R. has reached its present capacity for handling the considerable tonnage which you were able to take care of last winter as the result of years of organized work, & is the growth of time. To cast upon the I.C.R. the responsibility of handling 200,000 tons of additional freight beyond its ordinary business during the approaching winter, & to do which you would bind us to undertake in a manner satisfactory to shippers, is such a large problem that months would be required of vigorous preparation to justify us in assuming it. Our present locomotive & car equipment is really not sufficient to handle the ordinary business which now comes to us, & I have been making strenuous efforts to increase our capacity for the purpose of this normal business. I have had no parliamentary authority to incur expense this year to make up such a burden as you would suggest we might assume. I quite understand

# MICA BOILER AND PIPE COVERING.

Used after exhaustive competitive tests by the

**BRITISH ADMIRALTY on H. M. THE QUEEN'S YACHT.**

*The following Railways use it extensively:*

**C. P. Ry., M. C. Ry., L. E. and D. R. Ry., and C. O. Ry. in CANADA.  
G. E. Ry., G. C. Ry., S. E. Ry., and L. & Y. Ry., in ENGLAND.**

For full particulars, prices, etc., apply to the Company's Head Office in Canada.

**The Mica Boiler Covering Co., Limited, 86-92 Ann St., Montreal.**