

of capital sunk in that admirable work of British engineering might have proved, as in the case from which it is copied, a wise expenditure in a country of dense population ; but must be regarded worse than waste since, expended on a mile of track in a country thinly peopled, they have been hung in a very madness of formulary, a millstone around the neck of a great enterprise. And the moral pointed in that instance may be drawn through this review at each of the general facts which lie at the bottom of the failure of our chief railway as a subject of investment—that the circumstances existing here declare to be totally out of place an administration based on ideas formed on railways in a country so old and thickly settled as England.

To give point to subsequent criticisms on the management, it may be well to lay down here a few simple premises :—

Economy of length is a consideration in railway-carriage overlooked or undervalued at home. Its violation in any serious degree is not a danger in a system whose lines are so short. On a great continent, however, where the spaces operated on are so vast, and in a new country where the lines of intercourse, not settled by immemorial usage or final adjustments of trade, are in progress of determination by a competition which knows little restraint in *statu quo*, every rod in the length of a railway has a creative value. While, for instance, 20 miles of unnecessary length in a line tapping a great stream of traffic, might result in the diversion of that stream to a rival, it would at the same time burden the through and the way-business remaining, by an unnecessary outlay in transportation. If six trains each way should prove to be the measure of the business in that case, the excess of working would represent 240 train-miles per day ; and this waste of effect, put at, say \$240, would amount to a waste of money at the rate of \$87,600 a year. Capitalizing that annuity at 6 per cent., it would represent \$1,460,000 ; and would show thus the saving of every mile of distance in the case of a line of 12 trains a day to be worth, *on the ground of economy in working*, \$73,000. Additions to the direct length of an average railway represent therefore additions to capital at the rate of \$14 per foot.

Distance and cost may be taken in railway generalizations as convertible terms. A line equidistant at all its points from two ports

represents, therefore, a succession of instances of equality of cost of transportation to either port. In the competition of the two for the freights of the interior, that line may be said to traverse a route of neutrality. Like waters dividing on a ridge, the surpluses on either side take different directions, one outflow going to one port, the other outflow to the other port. In an analogy from nature, it may be said that the division of those two volumes takes place on a trade-*summit*, while the area bounded by two such summits—one on one side of the surface tributary to the business of a port, and the other on the other side—may be said, in pursuance of the same analogy, to constitute a trade-*basin*.

The products offering for transportation within any trade-basin belong economically to the shipments of the corresponding seaport. They constitute the proper traffic of the railway or railways designed to tap that basin for discharge into its proper port. The restriction put by inference from this upon railway-rivalry may, it is true, be made by disturbing considerations to vibrate over a certain breadth of debatable ground ; but still cannot be pressed aside beyond a limited extent, in pursuit of a carrying-trade conducted legitimately. To make this important point of application to the present case more plain, it may be added that, as no competition can be maintained profitably with a rival who obtains his wares at a first cost necessarily lower—and as length of transportation is, in general, the measure of first cost in railway competition,—distance must be held to put upon that competition an impassable limit of range.

The elementary considerations laid down here may be applied in the next place to a preliminary survey of the field of the Grand Trunk.

Montreal is nearer by 18 miles of railway than New York to the Niagara frontier at Suspension Bridge. It is further by 25 miles of railway than New York from the Niagara frontier at Buffalo. During her direct intercourse with the sea, our commercial capital includes, therefore, in her trade-basin—the area, be it recollected, tributary economically to her commerce—the whole Province of Ontario. In winter, however, the ocean recedes from her to a distance which measured on her outlet to it, is 297 miles. At that time, abstract economy forces Montreal back