

1898. The average cost of ton movement was similarly reduced to 3.55 mills a mile. However fully we may recognize the inadequacy of the ton-mile standard of comparison, it is unavoidable that these figures should be generally accepted as peculiarly significant. The magnitude of the reduction in freight rates during recent years on the Pennsylvania lines is perhaps most strikingly conveyed by the mere statement that with an increase in ton mileage of about 20% (or nearly three thousand million ton miles), the gross revenues were over \$4,000,000 less than in 1892.

We all hope & believe that the present year will show a general increase in the rate received as compared with 1898. The rapidity of the decline of the last few years, & especially the extraordinary lowness of the average ton revenue last year, was not the result of any legitimate & deliberate reduction of schedule rates, but of demoralization, from the effects of which all roads, the just & the unjust alike, suffered deplorably during the year. It is not necessary to say that rates to-day are much better maintained. There is every hope that the averages for 1899 will make a materially more favorable showing than those of 1898. The recovery will, however, be no more than temporary, for the ultimate tendency of all rates is downward, & what is now a low-water mark under exceptionally bad conditions will sometime come to be a normal figure.—Railway Age.

The I.C.R. & G.T.R. Agreement.

The St. John, N. B., Sun, of Aug. 26, contained the following article: "Two representatives of the Allan Steamship Co. have been to this city to meet the Minister of Railways, Mr. Blair, & to discuss with him some serious aspects of the transportation question. As far as can be learned the situation is this: The Minister of Trade & Commerce called for tenders for the Atlantic mail steamship service, intending to make a contract for two years, pending the establishment of the more ambitious service, which for the present is in abeyance. The Allan Co.'s tender is said to have met the requirements better than that of the only other offer, which was made by the Elder-Dempster Co. Consequently the Allan Co. was asked to sign a contract. The Co. thought it prudent before going that far to ascertain what arrangements could be made with the C.P.R. for winter export freight. It did not take Mr. Shaughnessy long to explain to the steamship men that he was not in a position to make freight contracts. He is reported to have told them that the I.C.R. had virtually transferred its whole business to the G.T.R. & had shut out the rival railway from any share of the west bound traffic. The Government railway also proposed to close out the passenger arrangement now in operation, & was generally engaged in diverting traffic from the St. John route. In these circumstances the C.P.R. could not do business at this port without loss, as the cars would all have to go west empty. This being the situation the Co. could not see its way clear to make contracts for the delivery of ocean freight at its St. John terminus. Having received this statement the Allans waited upon Mr. Blair & acquainted him with the situation. It is not known what shape affairs have taken since, but it will be seen that the situation is a grave one, not only for the railway & steamship companies but also for this city. The steamship companies want to have the matter settled at once so that if they cannot come here they may make other arrangements. St. John is not so much concerned in the dispute between Mr. Blair & Mr. Shaughnessy as it is in having some sort of settlement which will allow business to be done here. One difficulty is that Mr. Blair is bound so fast to the G.T.R. by his traffic arrangement as to make it diffi-

cult to come to any arrangement with the other road. The Senate has done the Minister a service by making the agreement revocable, but it cannot be cancelled without the consent of the G.T.R. in time for next winter's business. It will be seen that the trouble affects not only the mail lines but all the other winter freight services from this port."

On Aug. 29 the Montreal Herald published the following as a despatch from St. John, N.B.: Hon. A. G. Blair, Minister of Railways, was to-day shown the Sun article relative to the Messrs. Allan's visit, which he had not previously seen. He very much doubted whether the Sun was authorized to make the statements contained in the editorial with respect to Mr. Shaughnessy or the C.P.R. The Minister said it is true the tender of the Allan Co. had been accepted, & they had an interview with him regarding some objection taken by the C.P.R. to the proposed action of the I.C.R. The only objection which Messrs. Allan mentioned to the Minister as having been made by Mr. Shaughnessy was that if the Government persisted in the contention that all traffic originating in the territory traversed by the I.C.R. & intended for points in the West must be delivered at Montreal, it would necessitate the C.P.R. holding back empty cars it had carried east with freight intended for points on the Intercolonial. The I.C.R., Mr. Blair said, does not object to receiving freight from the C.P.R. at St. John for points on the I.C.R. He recognizes it is the right of the railway in whose territory traffic originates to deliver to a connecting road at the end of its long haul, & therefore all C.P.R. freight for points between St. John & Moncton & east of Moncton would properly be receivable by the I.C.R. at St. John. The C.P.R. has complained that cars brought down laden & handed over to the I.C.R. at St. John would have to be hauled back empty, & the Minister is well aware that the C.P.R. would therefore be doing business to less advantage than if it hauled the cars back laden or received the empties free of cost from the I.C.R. at any junction point near Montreal.

So anxious have the I.C.R. authorities been to meet the C.P.R. in a reasonable spirit that they have advised Mr. Shaughnessy of their willingness to deliver empties to the C.P.R. at Montreal or any junction point near that city, & this, it is believed, will obviate the alleged difficulty. "It is not correct," Mr. Blair said, "nor do I think it fair to ascribe to Mr. Shaughnessy the statement that the I.C.R. has virtually transferred its whole business to the G.T.R., meaning, it is supposed, its whole freight business, & shut out rival roads from sharing in the Western traffic. The I.C.R. has not done this. As Minister, I have simply made the best arrangement possible in the interests of the Government railway through the G.T.R., as being the only road that would exchange traffic at Montreal, & this ensures to the I.C.R. the use of its whole line from the terminus at Montreal in preference to the small portion of its line from St. John, to which it would be limited if an exchange agreement were made with the C.P.R. at St. John. But this agreement is confined entirely to unconsigned freight, & would not, & does not, preclude shippers from requiring delivery to the C.P.R. at St. Rosalie, Montreal, or Jacques Cartier junctions in respect of goods destined for the West. Neither is it correct to say that the Minister has decided to terminate the passenger agreement between St. John & Halifax. Mr. Shaughnessy would not, I am sure, authorize any such statement, because no such conclusion has been come to. The I.C.R. is only bound to give to the G.T.R. as respects freight, & then only as far as the interests of the I.C.R. have made it desirable or necessary that such an arrangement should be concluded." The statement in the Sun that the Senate had done the Minister a service by making the agreement

revokable, Mr. Blair declared, was not of a character to impress anybody who understands the railway situation. "So far as the senators have interfered with the contract between the G.T.R. & the Intercolonial, they have interfered to its injury," said Mr. Blair, "& I have not the slightest intention of exercising the power the Senate so kindly placed in my hands. I have not the slightest intention this year or next or in any future year, so far as I know now, of cancelling the G.T.R. traffic agreement. The agreement is of that nature that there has been no period, there will be no period, or can be no period, in which the G.T.R. would not cancel the agreement in its own interests if the I.C.R. was willing, without having any statutory provision to do so. As regards St. John," Mr. Blair said, "I have only one feeling. I would do anything in my power consistent with my duty as head of the I.C.R., & with the claims of other localities, to promote the well-being of St. John & the interest of the port, but I am bound to frankly state, however, that I am quite sure the people in no port of the country touched by the I.C.R. expect me to sacrifice what I believe to be the general interest of the I.C.R. at the instance of any other railway system or the individual interests of any other locality."

Mr. Shaughnessy was interviewed on the subject of the Sun's article, & Mr. Blair's reply, but absolutely declined to discuss the matter. He, however, said that the C.P.R. still hoped to have the co-operation rather than the active opposition of the Government road in the former's efforts to maintain a Canadian winter port.

The Montreal Witness, which supports the Government, quotes "a gentleman who has watched railway affairs closely for a good many years," as saying that Mr. Blair's attitude regarding this question left no other alternative for the C.P.R. to assume than that of diverting its seaboard business to Boston. Should this be done the I.C.R. will be practically without steamship connection at either St. John or Halifax, because that railway is not in a position to make freight contracts with any steamship company that would warrant a permanent line of vessels running to & from any of the maritime ports. Without access to business west of Montreal the Government line cannot be a feeder for any steamship line, hence the action of the C.P.R. will certainly close up St. John & Halifax as winter ports & leave the Government railway out in the cold as regards steamship traffic.

Freight Traffic Matters.

Large quantities of cheese are being shipped on the Canada Atlantic at stations between Ottawa & Montreal.

Grain traffic on the Canada Atlantic is very heavy, 5,087,000 bus. having been received at Depot Harbor from the opening of navigation to Aug 1.

The Alberta Ry. & Coal Co. has established an agency at Nelson, B.C., & will ship coal there from Lethbridge over the Crow's Nest Pass Ry.

The White Pass & Yukon Ry. is hauling about 170 tons of freight daily from Skagway to Bennett. It goes down the river immediately upon arrival in scows & steamers.

Trade has improved along the Bay of Quinte Ry. to such an extent that an additional freight train has been put on. A great deal of lumber is being brought from the back country for exportation to the U.S.

The Manitoba Department of Agriculture estimates the grain yield of the province this year as follows:—Wheat, 33,504,766 bus.; oats, 23,003,126 bus.; barley, 5,532,972 bus.; flax, 296,208 bus.; rye, 65,626 bus.; peas, 26,637 bus.