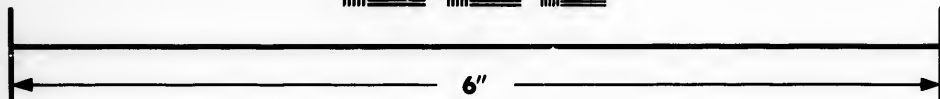
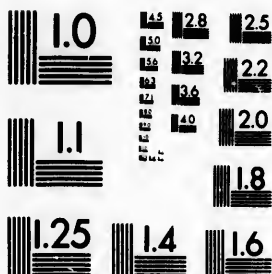


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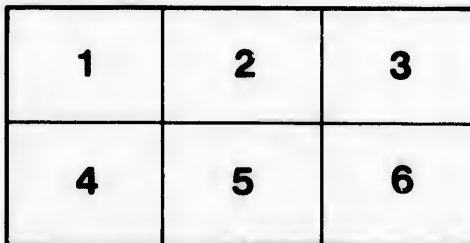
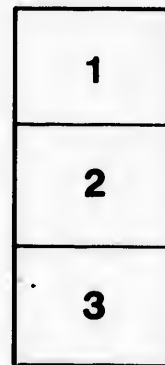
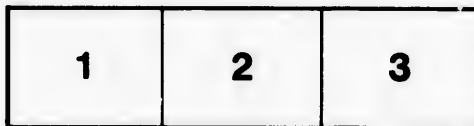
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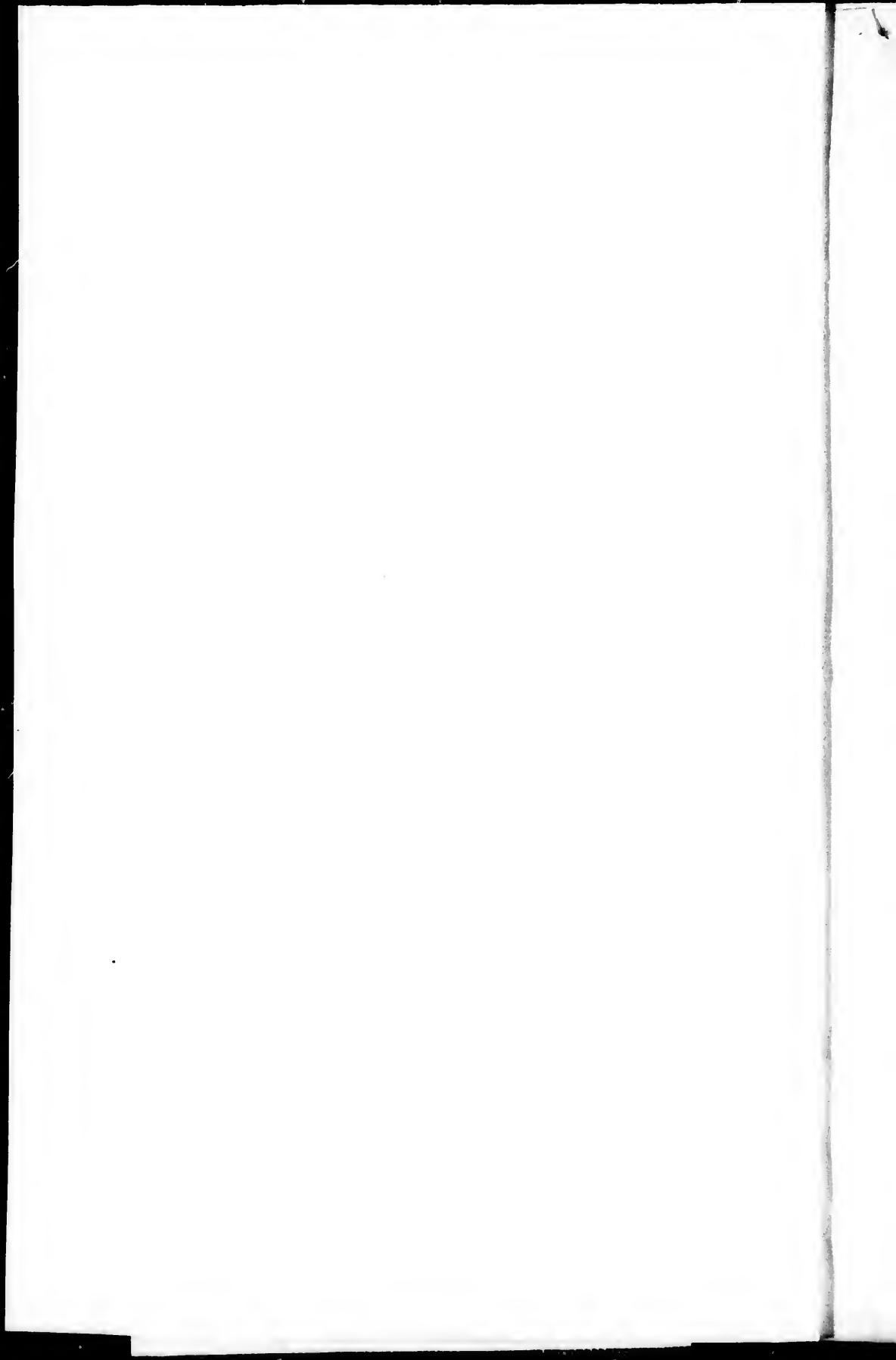
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Grand Trunk and Buffalo and Lake Huron Bill.

IN THE RAILWAY COMMITTEE OF THE HOUSE OF ASSEMBLY ON THE 29TH INSTANT,
MR. BRYDGES STATED THE CASE AS FOLLOWS, ON BEHALF OF THE
PROMOTERS OF THE BILL :—

The object of this Bill is to confirm an arrangement made between the Buffalo and Lake Huron and Grand Trunk Railway Companies, under the authority of the 131st clause of the Consolidated Statutes referring to Railways.

The agreement provides that the two Railways, as is contemplated in that clause, shall be worked as one system, the receipts of the two Companies being divided in the proportions set out in the agreement. If the agreement established nothing else but that bare fact, it would not be necessary to ask the sanction of Parliament to it at all, except on the general principle that all agreements between Railway Companies in England, (and both the Grand Trunk and Buffalo and Lake Huron are practically English Companies, from the fact of the capital being held there)—are submitted to Parliament, and confirmed by an Act thereof. That is one reason why the Bill is introduced ; another reason is, that authority is sought in this Bill, to raise for the purposes of the joint traffic of the two Companies, a sum of money, necessary to accomplish certain things, those things being the laying of a third rail between Buffalo and Sarnia, and the construction of the International Bridge at Buffalo.

Beyond the matters, which are all contained, and for which ample authority exists, in the 131st clause of the Railway Act, the only things in the Bill requiring sanction, are the raising of the money for the purposes stated ; and the clause stating that in the event of the proportion of net receipts accruing to the Buffalo and Lake Huron Company, not being sufficient to meet the interest on their Bonds in full, their claim shall be confined to the proportion of net receipts going to that Company.

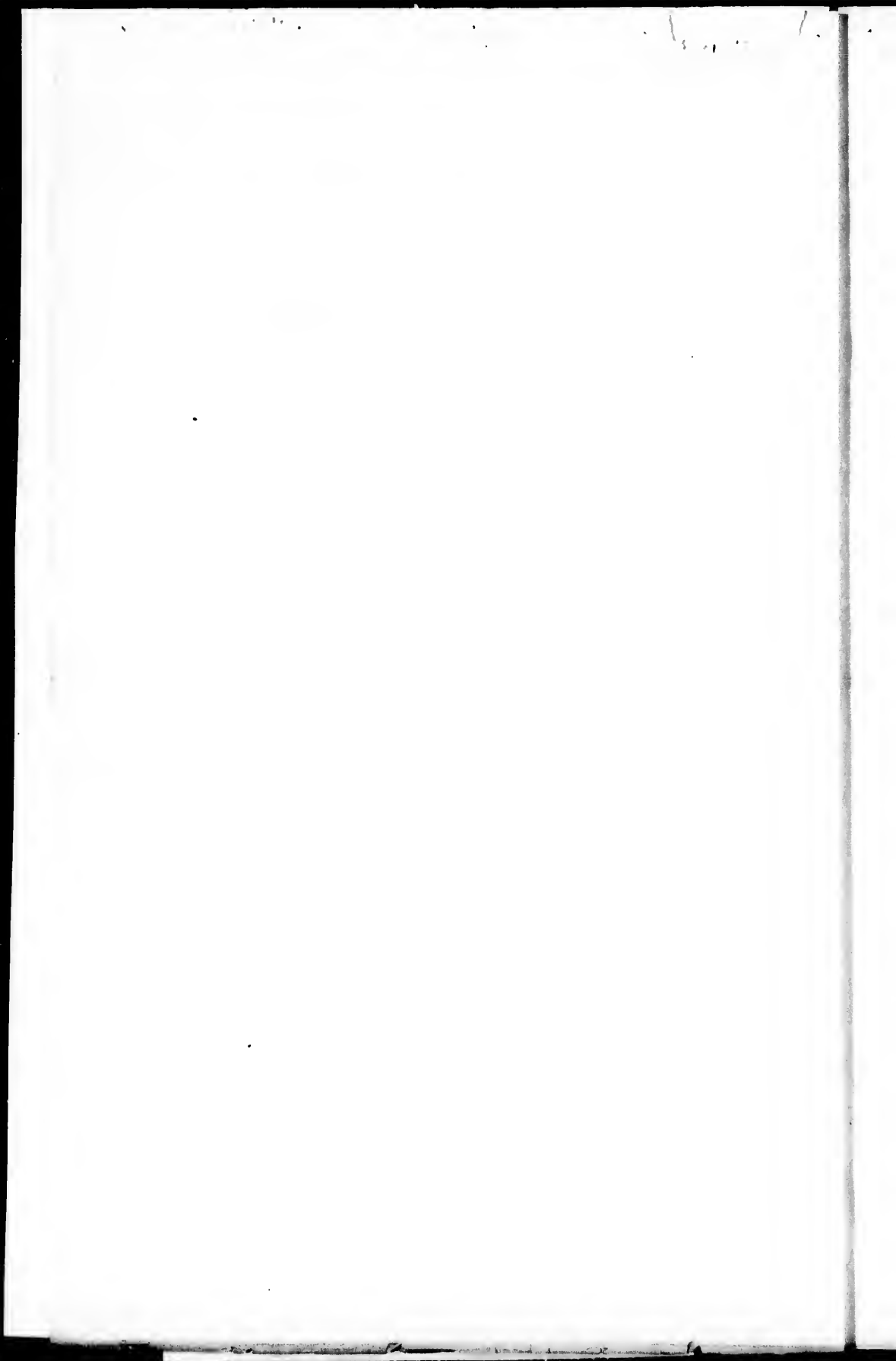
This is a short statement of the matter, and the agreement is attached to the Bill, so that any one reading it will see that the facts are as stated.

Mr. Wood, who had charge of this Bill, made a statement in reference to it last week ; it is not necessary that I should now enlarge upon what he said.

Mr. IRVING, solicitor to the Great Western Railway Company, stated, that he appeared on behalf of that Company, and after mentioning several objections of a technical character as to the legality of the agreement set out in the Schedule to the Bill, he proceeded to say.

Mr. Wood, in opening the matter the other day, made some remarks with reference to the objections raised by the Great Western Company to the Bill being clearly on account of competition. The system which the Grand Trunk Company has pursued towards the Great Western ever since it has obtained control of the Buffalo and Lake Huron, has been one of direct rates against them (the Great Western) to the injury, not only of the Great Western, but to the injury of the public—Numbers of instances could be brought forward if necessary.

The whole policy is one to injure the Great Western, and all people experienced in these matters in England, well know, that a large Company can afford to lose week by week, what is a large matter to small Companies, and thus in time by irritating the Shareholders bring them to agree to become party to the larger system by securing to them their interest payments. This is the whole scope of the policy of the Grand Trunk Company in reference to this matter. I think in a few minutes I can give you one or two instances which will surprise you. Before the Buffalo Company, passed into the hands of the Grand



Trunk Company, they used to interchange Cars. This business is now put an end to by the conduct of the Grand Trunk, except in one or two cases where Traders applied to the Grand Trunk Company, and from personal considerations have succeeded but only in one or two instances. The average of exchange of Cars for the three years previous to the Railway passing into the hands of the Grand Trunk Company—as can be ascertained by figures that, whenever one Car was upon the Railway of another, they pay \$1 a day demurrage, (which is a matter well understood between Railway Companies). The average number of Cars exchanged, I say, for each year between Great Western and Buffalo Company amounted to 5708—Since the year it has been in the hands of the Grand Trunk, the number has been 397. This is not solely a loss to the Great Western Company, but it is an injury to the whole of the Western portion of the Province, who are almost to a man crying out against this amalgamation. The average for the same three years of local grain that came from the Buffalo and Lake Huron Line, on to the Great Western, and sought a market at the port of Hamilton was 75,000 bushels—During the last year there has not been one bushel.

In 1864 the Great Western received from the Buffalo and Lake Huron Company, in Timber 450,000 cubic feet.

In 1865 they received 70,000

In 1862-63 the Great Western received a large amount of through grain which came in at Goderich, and was carried on the road, nearly one million bushels of grain and 40,000 barrels of flour, but since the arrangement between the Buffalo and Lake Huron and Grand Trunk Companies, all this has been put an end to.

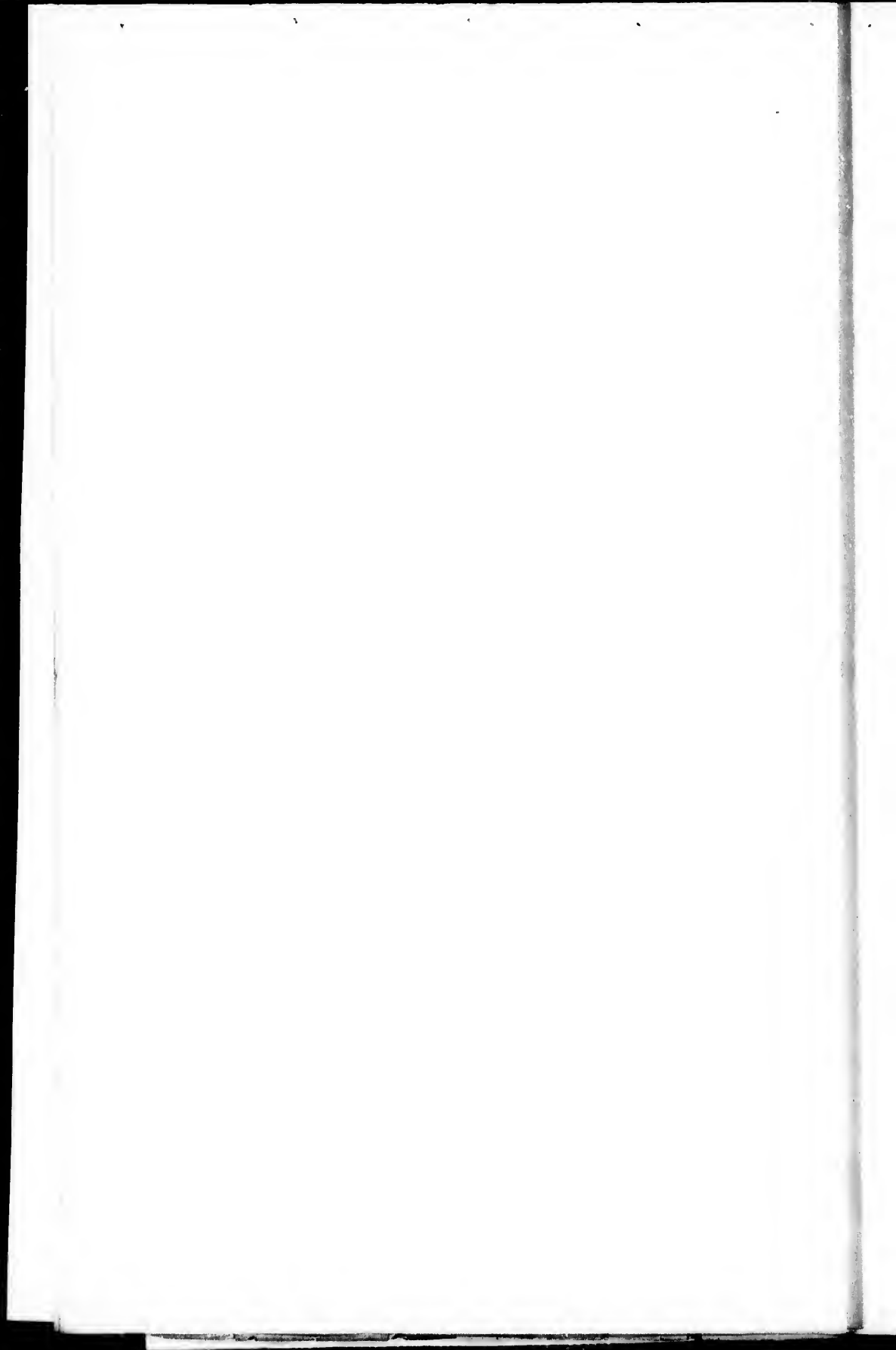
With reference to the live stock business, there is competition between all American routes to the South, and Great Western and Grand Trunk to the North.

The American Roads get \$55 a Car for stock, and the Great Western and Grand Trunk Companies could also get \$55, but the Grand Trunk in order to injure the Great Western Company puts it down to \$35 in American currency, for cattle from Detroit through to Buffalo, a price which it can be shown does not pay their running expenses.

The Grand Trunk are reducing rates to the injury of the Buffalo and Lake Huron property, so that the Great Western Company may be injured.

Mr. BRYDGES, in reply spoke as follows :

“As Mr. Irving in behalf of the Great Western Company, has made a variety of statements intended to oppose this Bill, I hope the Committee will do me the favor to allow me to make some remarks with reference to them. I must say I was surprised at his objection about the third rail, because if I am correctly informed, or can understand the Reports which the Great Western Company have themselves issued, they have obtained the authority of their shareholders to do precisely the same thing, viz: lay down a third rail upon their own line; and therefore if there is any thing improper in the course we are taking, they are certainly precisely in the same position as ourselves, and they will have to go to Parliament to ask for the same authority that we are now asking. I cannot therefore see what ground for objection that can be as coming from the Great Western Company. With regard to the next point, and that really is the gist of his whole case. He says that the agreement between these two Companies is productive of competition as against the Great Western Company, and, I presume therefore, he means is injurious to the public interests. I most distinctly and clearly deny that the policy of the Grand Trunk Company has been to reduce rates as against the Great Western, and I will state very shortly the policy which the Grand Trunk Company has adopted in this matter, which I think will satisfy you, that we have adopted in the Western part of the Province, simply the same policy as on every other part of the Grand Trunk Line.



First in regard to passenger fares. The Grand Trunk Company when I became connected with it 3 years ago, was charging between Montreal and Toronto,—which is certainly not a point in competition with the Great Western—\$9 in summer and \$10 in winter—The fare that has been charged for the last 2 years, and is being charged now, is a uniform charge of \$8 in winter and summer, which is equivalent to a reduction on that portion of the line which has no reference to the Great Western—of 16 per cent. On the line between Montreal and Quebec—which again is not in competition with the Great Western Railway—the charge used to be \$5.50, whilst in the two last winters, it has been \$4 or a reduction of nearly 33½ per cent.

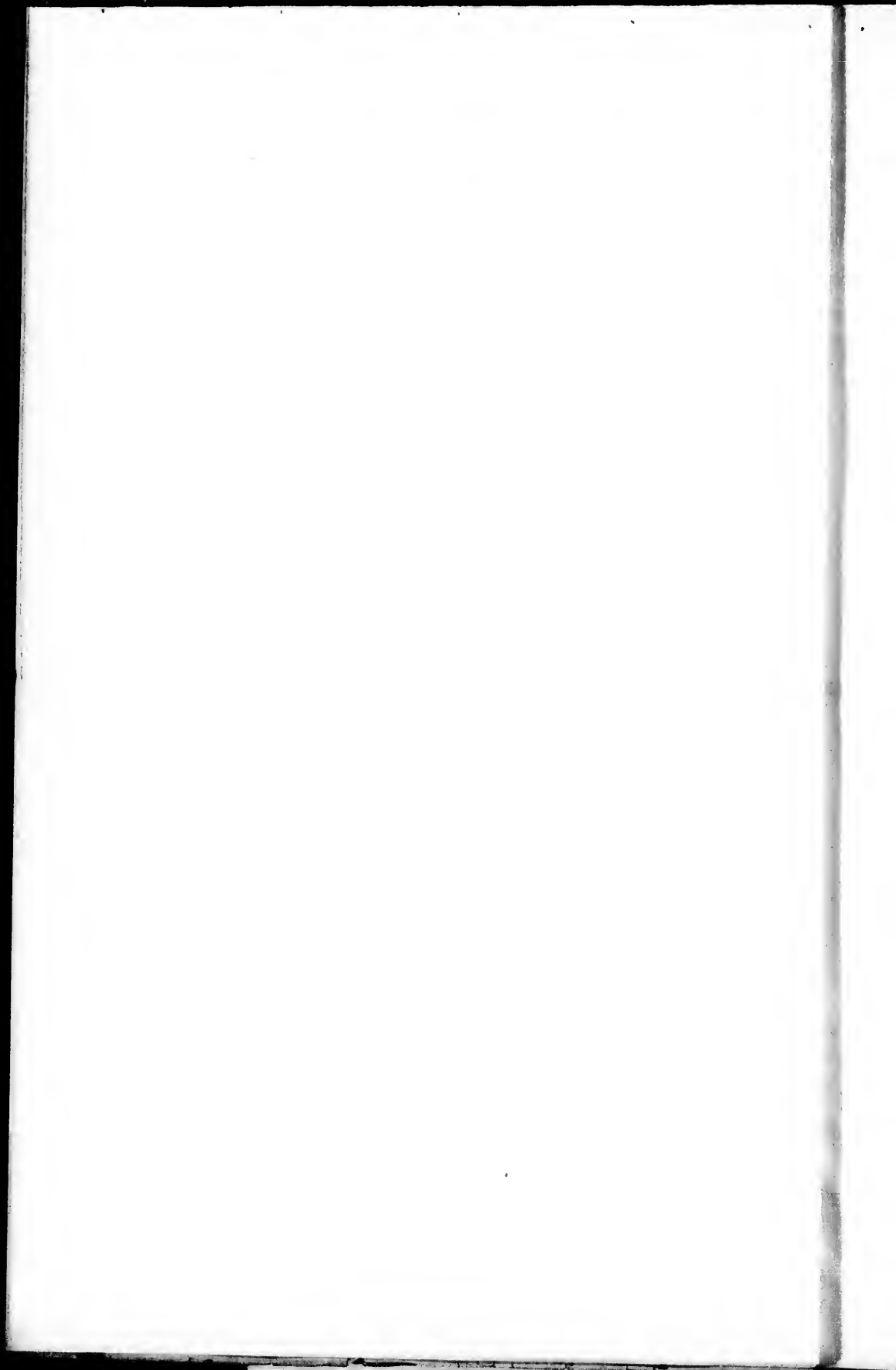
Again in regard to the Montreal and Champlain line, before the amalgamation took place the fare from Montreal to Rouses Point a distance of 50 miles, was \$2—since the amalgamation the fare has been reduced to \$1.50 cents or a reduction of 25 per cent—all the local fares on that amalgamated line having been reduced in proportion.

The Montreal and Champlain line in no way affects the interests of the Great Western, and I mention these facts to shew that the Policy of the Grand Trunk is to make its fares as low as possible consistently with a due regard to getting paid for the work they perform.

Adopting that policy, the fare between Toronto and Detroit, and Sarnia, (equivalent distances to that between Montreal and Quebec,) has been reduced from what it originally was viz: \$7 to \$4—a reduction has been made in the same way in the fare between Sarnia and Buffalo. These reductions have been made because I believed that they would bring about larger receipts to the Company; and the result has been as was expected; and I say that it is entirely wrong and false to charge the Grand Trunk Company, with having reduced the fares on the Western District specially for the injury of the Great Western, when we have adopted precisely the same Policy on every other part of the line where the Great Western does not come into competition with us in any way whatever.

The same remarks will apply in regard to Freight. The Freight rates upon the Grand Trunk Line from Toronto Eastward, and upon all parts of its line have been materially reduced during the last three or four years, and reduced with advantage to the Grand Trunk Company, as I have always held that the interests of the public and of the Company are identical, and you cannot make rates too high without injuring the traffic of the Company as well as the public interests. There have been no greater reductions west of Toronto, than on other portions of the Road, and I say that the statement made, that injury is being done by a reduction of these rates, and that they have been specially adopted for the purpose of injuring the Great Western Company, is not a fact,—it is simply carrying out the policy determined upon by the Grand Trunk Company, and which is found advantageous to the net results of the earnings of the line.

In regard to the questions of this particular amalgamation, Mr. Irving states, that since this arrangement has come into play, there has been a considerable falling off in the interchange of Cars between the Buffalo and Lake Huron and Great Western Companies. No doubt there has, and for this reason. The great majority of cars interchanged between the Buffalo and Lake Huron and Great Western Companies were interchanged at Paris, that is to say: Cars were loaded at Windsor on the Great Western, taken through to Paris, and handed over to the Buffalo and Lake Huron Company. Well, the simple result of the present arrangement is, that these Cars instead of being loaded at Windsor are loaded at Detroit, and go upon the Buffalo and Lake Huron line at Stratford, 31 miles north of Paris, and so, directly benefit the colliers of the Buffalo and Lake Huron Company by carrying the traffic over a longer mileage. It may be that the traffic over the Great Western line is not so good now, in connection with the Buffalo and Lake Huron Road, but if the Buffalo and Lake Huron Company can carry the Traffic 31 miles more over their own line, I should like to know, why they are not to do it. It may not be for the benefit of the Great Western Company, but it is for the benefit of the Buffalo and Lake Huron and



the public—who benefit by the cheapening of the cost of transportation. It certainly does seem exceedingly strange that that should be made a ground for objection to this bill.

The interchange of cars was at all events to a very large extent, in connection with the through traffic I have alluded to, which has simply gone over 31 miles more of the Buffalo and Lake Huron line, to the benefit of that Company.

In regard to the question of grain and timber; there is no doubt a considerable decrease in the aggregate quantity carried upon the line in connection with the Great Western, during this last year, and no doubt some of the timber now goes to Toronto that used to go down to Hamilton, just in the same way that some of the other freight that went *via* Paris, now goes to Toronto *via* Stratford. It may be a question which line it shall go by, but it is there, and it goes to Hamilton or Toronto, and it is not right to object to the carrying out of an arrangement which may have the effect of diverting traffic from Hamilton, which previously went there. So long as the public have the advantage of the carriage of the freight at a reasonable rate, that is all that is necessary so far as they are concerned.

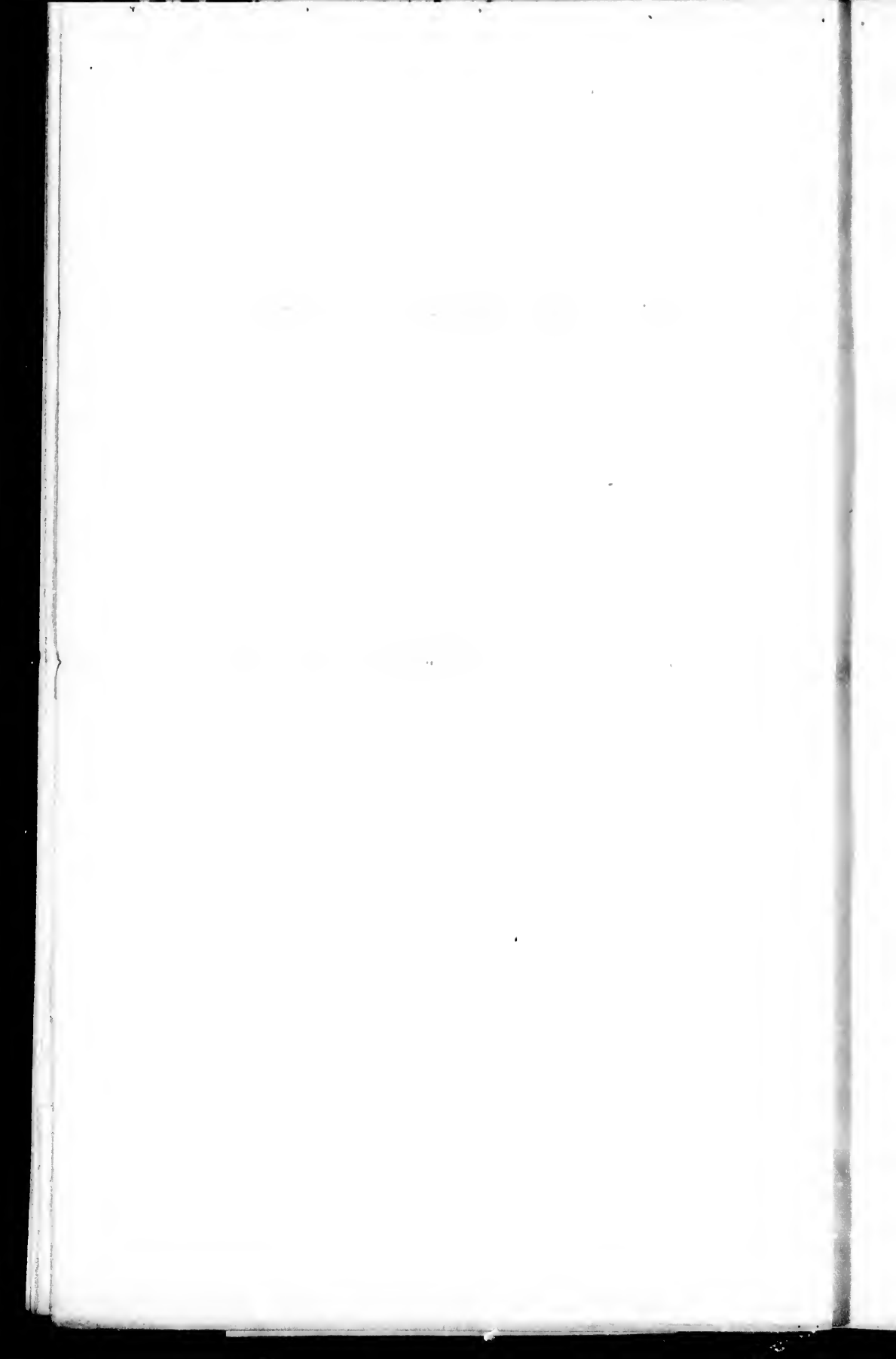
In regard to grain,—the grain that used to go to Hamilton, no doubt goes partly to Toronto, and partly to Montreal, and the country north of Stratford or Paris is going to gain largely in the future by this operation.

During the time that the Buffalo and Lake Huron Railway was worked independently, it was the policy of that Company to send the whole of the traffic as far as it could, to Buffalo, because in doing so, it got the traffic carried the greatest length of mileage. In placing it in communication with the Grand Trunk line, it is a matter of indifference whether the traffic is sent to Buffalo, Toronto or Montreal—it is now left entirely to the decision of the shipper. Prior to the amalgamation between the two Companies, the price of getting a barrel of flour from stations north of Stratford to Montreal, was 85 cts. to 88 cts. a barrel, besides delay in transshipping at Stratford. The rate at the present time, without transshipment, is 70 cts. a barrel. There is a direct gain to the producer, who gets from 15 to 18 cents more for his flour, by thus reducing the cost of carriage.

The same fact exists in regard to grain, in the carriage of which to Buffalo, we have been enabled by this arrangement to make a reduction, and at the same time realize a larger amount of profit.

I should like here to make a few remarks with reference to what fell from Mr. Dickson the other day. There is no doubt whatever that last winter there were large accumulations of freight at stations upon the Buffalo and Lake Huron Line. So there were at all the stations on the Grand Trunk Line, as well as at every station, and on every Railway on this northern Continent. I believe that every one knows that last winter was one of the most severe known upon this Continent since Railways have been in existence, and no one is aware of this better than Mr. Irving, for so general was that the case, that the New-York Railways which his Line connects with, had during last winter 13,000 tons of freight lying at Suspension Bridge nearly all the season. The fact was that no freight could be forwarded from stations on the Great Western Line to New-York or Boston, over those Railways. We were placed in the same position to a large extent, and the matter was very much aggravated, from this fact, that last winter the Banks were very tight, they would not discount bills except at short periods, and as the Country was poor, every body was most anxious to get their productions to market, and there was thus a greater pressure of freight during last winter than was ever known before, and yet there was actually a greater weight carried over the line between Paris and Goderich during last year than ever was the case previously.

Upwards of 61,000 tons of Freight was carried during the year between Dunnville and Goderich, (not including that which came by water,) and that is a larger quantity than from the returns of the Buffalo and Lake Huron Company appears to have ever been conveyed before. 61,000 tons of Freight requires



something like 6,500 Cars, and without, I am sure, in the slightest degree, charging Mr. Dickson with stating that which he supposed was not correct, I would say that he was entirely misinformed when he said that the Buffalo and Lake Huron Stock had been used for the carriage of through Freight on the Grand Trunk Line. Finding that the accumulations of Freight were very great at all Stations, I gave orders to stop receiving Freight at Detroit altogether, and although there were 3000 to 4000 tons lying at Sarnia, to send no Cars except they were loaded Cars going there, and to use the whole of our Stock for the accommodation of the Local Traffic. It was the pressure of the Banks, and the position of matters generally, forcing a larger amount of freight than had been known before, that placed us in the difficulties we were, crippled as we were besides by the severity of the winter.

In regard to taking the Stock of the Buffalo and Lake Huron off that line,—I dare say any gentleman travelling over the line would observe that many Buffalo and Lake Huron Cars that used to be there were not there; but the arrangement was this—

The Buffalo and Lake Huron Company have about 360 Cars of their own, which is somewhere about 2 per mile of Railway. The Grand Trunk Company have nearly 3 to a mile of Railway. The two stocks have been put together without ever attempting to separate them, and they are used in common. If Buffalo and Lake Huron Cars were not there, Grand Trunk ones were used to the greatest extent possible, and at the Stations on the Buffalo and Lake Huron line in proportion to their wants, they had as large an amount of stock as any other part of the Line,—all our efforts with regard to through Freight were stopped, and the whole of the resources of the Company put into the local trade.

The Buffalo and Lake Huron Company, as Mr. Dickson knows very well, was not in a position financially to increase its stock—They could not do it. Last year the Grand Trunk Company added 250 Cars to their Stock—This year they will add 250 more, and in addition 15 to 20 engines according to the speed in which the makers turn them out—All this stock is put into common use and used indiscriminately over the two lines and as the Grand Trunk Company, is enabled to increase its Rolling Stock, so the facilities on the Buffalo and Lake Huron line will be increased.—And I may add that under no circumstances can the Buffalo and Lake Huron line, if working alone, as a matter of fact, carry the same amount of Freight, that it can do if worked in connection with the Grand Trunk Railway.

One other point; I may say, that with regard to the interchange of Cars, I am prepared, as I told Mr. Irving last session, to enter into arrangements with the Great Western Company, to give them running powers over certain portions of our line, they in return giving us running powers over such parts of their line as may be agreed upon.—I now repeat this, and add I am ready, if they prefer it, to agree with them that at every place where our Railways come into connection there shall be an interchange of Cars, so that property may pass from one system to the other without breaking bulk.—I am ready as soon as they may be, to do this, in order to give the public facilities for getting their property from one end of the Province to the other, at the cheapest possible cost.

I will only in conclusion add, as I am sure the Committee are desirous of closing this discussion without delay, that I shall not attempt to discuss with Mr. Irving the legal questions which he has raised, and which formed the bulk of his speech. He has had the agreement in his hands for a year, and if he had the least idea that he had a good case, I am sure he would have taken full care of his client's interests, by testing the agreement in the Courts of Law.

