

items under consideration as they appear in the balance-sheets of the several dates specified :—

	Cash Invested in Securities not charged to Capital Expenditure.		Securities on hand.		Totals.
	£		£		£
June, 1883	...	—	...	—	1,079,275
Dec., „	...	—	...	—	1,207,528
June, 1884	...	906,244	...	244,129	1,150,373
Dec., „	...	922,749	...	138,492	1,061,241
June, 1885	...	922,749	...	179,923	1,102,672
Dec., „	...	889,549	...	158,902	1,048,451
June, 1886	...	890,576	...	165,566	1,056,142
Dec., „	...	967,216	...	173,307	1,140,523
June, 1887	...	963,272	...	173,289	1,136,561

It seems very desirable that an explanation should be given of these fluctuations, and of the plan on which the Securities are valued for the purposes of the periodical balance-sheets.

Competition.—On this subject not much can be said with precision. That competition exists and will continue appears to be certain, but what will be its extent, or what its practical effect on the net revenue of the Company, is altogether uncertain. At the General Meeting in October, 1885, the President estimated the net loss to the Grand Trunk during the preceding half-year, in consequence of the competition of the Ontario and Quebec section of the Canadian Pacific Railway, at £32,000 net. In that year the Grand Trunk suffered very severely indeed from general competition and excessive cutting of rates. At the last General Meeting in October, 1887, the President again made some observations on this subject, especially on the “further expected competition” referred to in the June Report. His conclusion was that the only thing to