

has increased by 1½ million dollars during the year, being altogether close on 10 millions. In the report sent for publication we observe that the encomiums pronounced upon the management, and the complimentary resolutions moved by Sir William Howland and seconded by one of Toronto's most experienced insurance managers, as well as the remarks of the chairman, have been suppressed. One can scarce object to such modesty in these days when the fault so frequently tends in the other direction. One of the remarks of the first vice-president of the Association, himself no second-rate authority on financial and commercial affairs generally, must close our review: "I do not think, and I say it advisedly, as a person who has some little knowledge of the workings of the association—I do not think that there is any company in Canada, whether a banking or insurance company, or loan association, that can show a better report or a stronger position than we present to-day."

THE GRAND TRUNK AND THE CITY.

There is some reason to hope that the long pending dispute between the two powerful corporations named above, and which has been the cause of the infliction on the citizens of Montreal of the present disgraceful station on Bonaventure street, is likely to be settled. The Finance Committee has agreed to recommend a settlement substantially similar to what the Grand Trunk Co. agreed to accept on a former occasion, and which is, that if the city will abandon its claim against the Grand Trunk Co., amounting to about \$400,000 with interest, the company will erect a new station, to cost not less than \$300,000. It is much to be regretted that the Finance Committee was not unanimous, and we have noticed that the *Witness* and *Star* are both hostile to the settlement, so that it may be feared that when the Finance Committee's recommendation comes before the Council it will be vehemently opposed. The members of the corporation and the journals referred to have carefully avoided the discussion of the question on its merits, and have assumed that the indebtedness of the company to the city is beyond dispute.

We endeavored to place this disputed question fairly before our readers in November last, as it seems impossible that after a lapse of 33 years the circumstances can be familiar even to the members of the corporation. Alderman Mooney is reported as contending "that the fact of Mr. Hickson making an offer

"of \$400,000 in stock was a sufficient admission that the company owed the debt." Now we contend that the worthy alderman has only proved by the remark that we have cited, that he does not understand the question, for Mr. Hickson's offer is in strict accordance with the pretension of the Grand Trunk Co., which is, that the city subscribed for \$500,000 stock in the St. Lawrence & Atlantic Railway, subsequently amalgamated, under the authority of Parliament, with the Grand Trunk Railway, and agreed to give their bonds in payment—that the cancellation of the original agreement was never regularly made, and that the Grand Trunk are not bound by law to retire the city bonds, while they are certainly not bound to do so on any other ground. We believe that the above is a tolerably correct statement of the pretension of the Grand Trunk Co., although our information is not derived from any official source, and we have never seen any satisfactory explanation of the precise ground of the city's claim.

It was in July, 1849, that the original agreement was made between the city and the Grand Trunk Co. by which the former was to take \$500,000 stock in the St. Lawrence & Atlantic Railway, and to pay for it in debentures which the Railway Company agreed to take instead of cash, although not at the time worth anything like par. The Finance Committee adopted the scheme, and when it came before Council, Mr. Beaudry (we are not certain whether it was the present mayor) moved its adoption. Alderman Bourret moved, in amendment, that a public meeting of the citizens should be called to consider the subject, as two influential gentlemen, Mr. J. D. Gibb and Mr. John Molson, were opposed to the scheme. The amendment was adopted, and the public meeting was held 31st July, 1849, the mayor being chairman. The names of the movers and seconders of the resolutions approving of the action of the Finance Committee were as follows: Hon. A. N. Morin, Joseph Shuter, Benjamin Holmes, David Torrance, George E. Cartier and John Rose. Mr. O. Berthelet, one of the wealthy Montreal citizens, spoke in opposition to Mr. Gibb and Mr. Molson, who said that "he came forward with great reluctance to second Mr. Gibb's amendment." The vote was unanimous, except the mover and seconder of the amendment.

It must be obvious from the foregoing statement of undisputed facts, that the City issued the debentures in payment of stock, and, judging from a passage in Mr. Hickson's letter, to the effect that "the stock certificates of the St. Lawrence &

"Atlantic Railway Co., now held by the city, be surrendered to the Co." we should infer that the stock certificates are still in possession of the city authorities. The question is, what is the precise nature of the instrument by which the Grand Trunk Co. agreed to relieve the city of its stock and of its liability for the debentures. There is nothing in the remarks of the Aldermen to elucidate this very important point. Aldermen Mooney, the most prominent opponent of the settlement, said that, "according to the city auditors the money had been duly loaned, and was owing to the city." Now it is beyond doubt that it was not "loaned." When the first \$100,000 became due, in 1859, it is a historical fact that the Finance Minister, Sir Alexander Galt, advanced from the public chest that sum to the city of Montreal, if Turcotte's History can be relied on, to redeem the bonds of the city. For this the Government was censured by Parliament, in 1862, on which occasion the negotiations which led to confederation took place. Whether that \$100,000 was ever repaid to the Government we are unaware, but certainly it was not paid by the city, which thus got relieved of that portion of its original indebtedness.

The case as it at present stands is that the city of Montreal agreed to take \$500,000 of stock, paying for it with its debentures, and that it is now pretended and supported by the opinions of some lawyers that the Grand Trunk Co. relieved the city of the stock, and agreed to pay the debentures. On the other hand, the Grand Trunk Co. deny that this arrangement was legally made, and is sustained by the opinion of other lawyers. Surely under the circumstances, it is a wise mode of settling the dispute to adopt the proposition that the alleged debt should be cancelled, conditionally on the expenditure by the Grand Trunk of \$300,000 on a station that will be a credit to the city. Strange to relate, one alderman actually declared that, as other railways had been subsidized by the city, he would have supported a subsidy if proposed, but "would not blot out a debt." And yet all the city has been asked to do is to carry out an agreement made in the most formal manner 33 years ago, which the city claims that it has been generously relieved of by the Grand Trunk Co., but which the latter deny.

THE SUPPLEMENTARY ESTIMATES.

Great anxiety prevails as to the additional estimates which are daily expected to be submitted. The Montreal Harbour Board hope that their claim will not be overlooked and that the unanswer-