

Erie, & Windsor, where there is constant traffic of passengers between the American shore & the Canadian shore, it is a matter of great importance that this restriction should be removed. When the law was passed it was never intended, I believe, to apply to Canadian citizens, but it has been so applied & it has caused a great deal of disagreeable friction on the frontier. That is one of the matters which I hope will be adjusted by the Commissioners. Then there is the question of tariff, in which we are vitally concerned, because the Grand Trunk is the largest taxpayer in the Dominion of Canada. Therefore any relief we can get in reduction of duties will be so much to the advantage of this company. Whatever measures of success may attend the labors of the Commission the real significance of their appointment lies in this, that it is the outcome of the strong desire which has been expressed in many ways by the two countries to live together on terms of good fellowship, so that while each maintains its own separate nationality they may tend more & more to become one community for all purposes of social & industrial development.

In conclusion, I will ask you to pass the following resolution: "That the report of the directors & accounts for the ½-year ended June 30, '98, now presented, be approved & adopted, & that a dividend of £2% be paid to the holders of the 4% guaranteed stock."

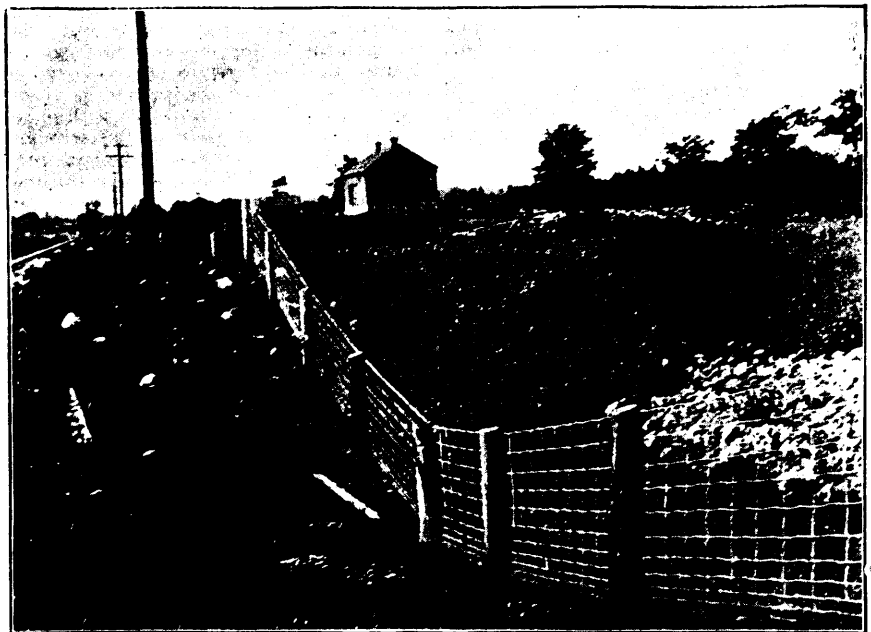
Vice-President Jos. Price said: I have recently returned from Canada & the U.S., where I spent about 2 months, having during that time made a very careful inspection of the track & rolling stock of the G.T.R. After spending several days in Montreal considering some important matters with the President & General Manager, I commenced with the Portland division, 297 miles, & the terminal property at that point. I found the permanent way well cared for, & the ballasting well attended to. Great improvements have recently been made at Portland, where 13 miles of new sidings have been laid ready for this winter's business. The elevator, which was finished about a year ago, is a fine structure & is answering all expectations; 9,000,000 bushels of grain were passed through this elevator last winter. While there we discussed what was the most useful traffic for railways. With modern rolling stock immense areas of land are required to feed a 1st-class railway like the G.T.R. with grain traffic. For example, the average crop of wheat is about 15 bus. per acre (except in Manitoba, where it is heavier). One of our 30-ton box cars has a loading capacity of 1,000 bushels; therefore, it takes about 70 acres of land to feed one box-car, & as our new locomotives are capable of hauling 40 cars, it will be seen that to supply one of these trains takes the produce of no less than 2,800 acres of land. With the boundless extension of the great West, however, the railways are well supplied with tonnage. After finishing the Portland division I went over the Quebec & Montreal section, 174 miles, which is in good order, & quite equal to the traffic on that section. From Montreal I proceeded west to Niagara, 421 miles, over the main line of the G.T.R. & the Great Western division. Both were in excellent order. A very large portion of the G.W. division, that from Toronto to Niagara Falls, has been reballasted with a very superior quality of ballast obtained from Lake Erie, near Port Colborne. At Niagara Falls the new double track girder bridge, erected in place of the old Suspension bridge, is a very fine, solid structure, capable of supporting any amount of traffic. Proceeding west to Port Huron, 182 miles, I went over the workshops at that point. These shops are fitted with the most modern improvements, & very good work is done there. From Port Huron I went over the Chicago & G.T. to Chicago, 335 miles, & found the track very much improved. The

gradients are good, & one of our new large 85-ton locomotives can haul a train of 40 cars over that section needing the assistance of pushers at only two points—viz., Flint & Valparaiso. Returning from Chicago, I came over the Wabash connection to Detroit, 272 miles, the shortest line between Chicago & Detroit. It is a line with very favorable gradients, & with the good gradients upon the loop line division of the Great Western, affords the Wabash a very good line from Chicago to the Niagara River, under our contract with that company, which is working satisfactorily. From Detroit I returned to Montreal, 557 miles. Altogether I found the permanent way of the main line of the G.T. system in excellent order, so that trains can be run as fast as upon any other line in the country with perfect safety.

With regard to the rolling stock, the improvements since I was there 3 years ago have been simply wonderful. Our trains are made up of new cars, & the best of the old rolling-stock reconstructed in the same style as the new cars; in fact, I may safely say that they compare favorably with the best trains in the country. I did not see a shabby train upon the whole system. Some misgivings have been expressed here lest the rolling stock & roadway were being impoverished to secure the reduction in expenses. The shareholders may rest that this is not the case. Indeed, at the very time when Mr. Hays was reducing the working expenses he was actually charging in the expenses more than he was spending, & this enabled him to build up a locomotive & car renewal fund, all at the expense of revenue, out of which he has been able to pay for 20 new 85-ton locomotives & 26 new 1st-class passenger cars (all of which have been put upon the line during the last 6 months), still leaving a reserve fund of £85,000 for further improvements. It is really wonderful how he has been able to accomplish so much in this direction & still to establish such a large saving in the ratio of working expenses. With regard to the stations & station yards, they are models of neatness, & lately there have been finished 2 very complete

yards where the traffic is heavy, one at York, near Toronto, & the other at Belleville. The yards are so constructed that access is given to every siding from one straight line on the outside. During my examination I had the advantage of the attendance of the practical operating officers. Mr. Hays has selected a very efficient staff of energetic men who thoroughly understand their duties. In Mr. McGuigan, the General Superintendent, we have a most efficient officer, & in Mr. Reeve, the traffic Manager, Mr. Morse, the Mechanical Superintendent, & the divisional superintendents, we have men who are rendering excellent service to the Co.

Having passed over 3,000 miles of the system, all by daylight, & some of it, including the main line, twice, I am able to speak with confidence of its good general condition. Notwithstanding the competition which has been introduced by new lines, you may rest assured that the old G.T.R. is undoubtedly the strongest line in Canada in the district which it occupies, having access to every important town in Quebec & Ontario, & through its connections at Chicago, with all the important U.S. railways. Mr. Hobson, the Chief Engineer, who was associated with me for many years on the Great Western of Canada, is another valuable official of the Company. He has under his supervision the new Victoria-bridge, which will be completed in January, a magnificent work. As it is built outside the old tube, one can easily see the difference between the two, as the old tube is still in existence, being gradually cut away, but the trains are now passing over on the new girders from one end to the other. The old tube looks only about ⅓ the size of the new bridge, & looking from the rear of the train, the difference is very perceptible after you have passed through. I will conclude by giving an example of the thorough manner in which the line is being operated by mentioning that in passing both ways on the main line, between Toronto and Montreal, with the working time-table before me, I could have set my watch by our arrival at any station on the line. The freight traffic is also moved ex-



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