

REPORT OF THE DIRECTORS
TO THE
SHAREHOLDERS
OF THE
MONTREAL TELEGRAPH COMPANY,

PRESENTED AT THE

Annual Meeting, on Thursday, 13th Jan., 1887.

In view of the numerous rumours and reports circulated regarding the affairs of this Company, the Directors suggest to the Shareholders the propriety of receiving such rumours with caution.

A resolution passed by the Directors of the Great North-Western Telegraph Company, on the 29th of September last, was received by this Company the following day. It reads as follows :

“ It was moved by Mr. Richard Fuller, seconded by Mr. A. S. Irving, that

“ Whereas the Canadian Pacific Railway Company, since the making of the contract between this Company and the Montreal Telegraph Company, of 17th August, 1881, for working and operating the lines and system of telegraph of the said last named Company, have undertaken the transmission of messages for the public over “The Canada Central Railway,” “The Credit Valley Railway,” and “The Ottawa and Prescott Railway,” in Ontario, and “The South Eastern Railway,” in Quebec, in contravention of the contracts between the said Railway Companies and the Montreal Telegraph Company, which were then in force, and not terminable without the consent of the said Montreal Telegraph Company.

“ And, whereas, this Company is not legally competent to enforce the said contract against the said Railway Company, or either of them

“ And, whereas, it will be impossible for this Company, as contractor, for working and operating the lines of the Montreal Telegraph Company, to pay “out of the proceeds of the operation and use of the said Company’s lines and property” the annual sum mentioned in the fifth article of their contract of 17th August, unless the said Railway Companies are restrained from violating their contracts with the Montreal Telegraph Company as aforesaid.

“ Resolved, that the Secretary of this Company be instructed, and he is hereby authorized to notify the Montreal Telegraph Company of the aforesaid violations of their contracts by the Canadian Pacific Railway Company, and that this Company will not be able to pay the amount mentioned in the said contract of 17th August, by reason of the serious loss of business and reduction of the income of the said Montreal Telegraph lines and property now being worked and operated by this Company, if the Montreal Telegraph Company fails to enforce their contracts with the Railway Companies aforesaid.”

Acknowledgement of its receipt was made on the 30th of September, and on the same day the Directors resolved to obtain the best legal opinion on the position of this Company under its agreement with the Great North-Western Telegraph Company. From various causes unavoidable delays occurred, and it was not until the 10th of November that the final opinion of one of the Counsel engaged was received. On the 17th of November, immediately after the return of the President, who in the meantime had been absent in England, the following letter was despatched to Toronto :—

MONTREAL, 17th November, 1886.

F. ROFER, Esq.,
Secretary,
GREAT NORTH-WESTERN TELEGRAPH COMPANY,
Toronto.

DEAR SIR,—I am instructed by the Directors of this Company to say that they regret very much the unavoidable delays which have unfortunately occurred in replying to your letter of the 29th of September, accompanying which was an extract from the minutes of a meeting of the Board of Directors of

