

2nd. For having dismissed Mr. Reith, the General Manager, without assigning any reason in his report for so doing; and for which the Grand Trunk Directors in London paid £1,500 as compensation to Mr. Reith.

2nd. In regard to this matter, I assume no individual responsibility whatever, nor did I make to the Canadian Board any proposition on the subject; but I concurred in the views taken by my Co-Directors in Canada, who were unanimous in adopting the course which preceded Mr. Reith's retirement. The following resolutions of the Canadian Board explain all that occurred at the time—

On July the 8th the president submitted a circular which had been issued by the order of the general manager to reduce the wages of the *employees* at all stations, and those employed in running the trains, ten per cent., and reported that neither he nor the vice-president had been consulted before the issuing of the order; and the correspondence on the subject, as well as certain letters between the managing director and the general manager on the nature of Mr. Reith's duties having been laid before the board, and the assistant-general manager and the locomotive superintendent having reported to the board that they had gone fully into the wages paid by the Great Western, Northern and other railways, and the comparison showing that the wages of this Company were lower than any of these lines.

It was resolved—

That this board feels the deepest anxiety to reduce the expenses of the Company to the lowest possible limit consistent with the safe and efficient working of the line, and to this end have gladly co-operated with the managing director from time to time in making such reductions as could safely be made; but the board cannot recognise the right of the general manager to issue a circular of so important a character as the foregoing without the fullest consideration and discussion before the board, involving as it does a step that might have disorganized the service of the whole line resulting in consequences of the most serious nature.

The Board therefore have to express their disapprobation of the issue of the circular in question without their concurrence, and direct the Secretary to intimate this to the General Manager, and at the same time to state that the circular is hereby rescinded.

And it was further resolved—

That the whole of the correspondence be sent to London for the information of the London Board.

And on the 22nd July, the President stated that having received a reply from Mr. Reith, the General Manager, to the Minute which was passed at the meeting held on the 8th instant, he considered it imperative to consult with his colleagues at the earliest possible period, in reference to the answer to be sent to that gentleman, and he thereupon read to the Board the letter of the General Manager, and the draft of the reply he proposed with the concurrence of the Board to send to Mr. Reith, which was approved.

And it was resolved—

That Mr. Reith be informed that in the interests of the Company the Board has authorised the President

3rd. As the stationer, D.C. Huron pro- lease the Managing Jessor and