

\$1,000 a year, which motion, however, he declined to put, saying that his services had been cheerfully rendered, and that he did not consider that the Company were then in a position to make the appropriation. If the meeting is now of opinion that the retirement of Mr. McMurrich from the position he so ably filled affords a fitting opportunity to make some suitable recognition of his services, and will leave it in the hands of the Board to assign him a sum not exceeding \$2,000, and to pay it at a convenient period, I feel that he will be highly gratified with such a recognition of his past services, extending over a period of nearly eight years.

I dare say your attention has been called, as has that of the public generally, to what has been going on during the last six weeks in England in reference to the efforts of the Globe Telegraph and Trust Company to bring about an amalgamation or joint purse arrangement between the Direct United States Cable Company and the Anglo-American Telegraph Company. The attention of the Company was drawn to this matter about the middle of December, and it so happened that Mr. Swinyard, the Managing Director, and myself were at that time deputed by the Board to proceed to New York for the purpose of meeting the representatives of the Direct Cable and the Atlantic and Pacific Telegraph Companies. The morning after our arrival in New York a cable report from London appeared in the New York papers announcing that an attempt would be made by the Globe Trust Company to bring about an amalgamation or a joint purse arrangement between the two competing Cable Companies. As the correspondence which thereupon took place has been published, I need not detain you by going into details. The adjourned special meeting of the shareholders of the Direct United States Cable Company was held yesterday, and the conclusions arrived at are announced in to-day's papers, and I am happy to say, they show that the attempts of Mr. Pender, and the Telegraph Stock Company he represents, have for the present been rendered nugatory. I desire now to bear testimony to the fidelity of the Board of the Direct Cable Company to its obligations made with this Company. As stated in our Report, a supplementary agreement has been entered into with them by which the relations of the two Companies are made of the closest kind, and the arrangements that now exist between the Atlantic and Pacific Company, the Vermont International Telegraph Company, the Direct, and ourselves, are of a character that I think will assure to us and to them a larger share of the business of the public. I believe that, now our lines are so nearly completed, and our arrangements more universal, we shall be able to afford to the public that security and promptitude in the despatch of their business which they require. We have been faithful to the Direct Company, and they have now been faithful to us. We agreed to build a line in the Maritime Provinces to effect a junction with their Cable, since which messages have been transmitted on more favorable terms to all parts of the world; and I am glad to see that in the speech of the Chairman of the Direct Company, at their meeting on Friday last, he gives our Company the credit of having rendered material assistance to them when their Cable was broken between Torbay and Rye Beach, as it was on several occasions. Having, by means of our Nova Scotia lines, been able to effect a connection with the Western Union system, the Direct Company were enabled to continue their business uninterrupted. At the time of the first break, however, we had a short distance of line to complete from Guysboro' to Torbay, where the Direct Company land their cable, a distance of twenty-two miles, and to bridge over that in the month of January in such a rough and exposed country was no very slight task; but we were equal to the occasion. Mr. McQuarrie, the Superintendent of Construction, and those who assisted him, strung a wire from tree to tree and on temporary posts between the two places mentioned, and by doing so the Cable Company's business was saved. It is gratifying under such circumstances to notice that the

services we rendered them have been publicly recognized. Having regard to these services and to the attempts made by stock jobbers and others to destroy the independence of the Direct Cable Company, we felt that the outlay this Company were making ought to be guaranteed in the event of such a contingency, and I am therefore happy to say the supplementary agreement I have referred to was made, by which, in case the Direct Company are absorbed by or amalgamated with any other company, or in any other way prevented from carrying out their obligations to us, they are to repay us the sum of money which we expend on the construction of those lines for their special benefit, and that, notwithstanding such repayment, the lines are still to belong to our Company. We have, in fact, entered into an alliance, offensive and defensive; and it is one which all concerned, who are not stock-jobbers, will think well of. I do not express a selfish view, but I think I speak in the interests of the public when I say that this alliance should be maintained; it is the association of three companies on one side against three on the other, it is in fact the establishment of a necessary rivalry, which, carried on in a fair spirit of emulation, ought to result in benefit to all. (Cheers.)

There is another point which I wish to remark upon, and it is the rumour which was afloat as to an amalgamation being effected between the Montreal Telegraph Company and this Company. In reply, I have simply to say that no overtures have ever been made by the Montreal Telegraph Company to this Company. It is true that some letters were written to the Managing Director by certain gentlemen who felt interested in bringing about an amalgamation of this kind, presumably with the same, or similar object in view that Mr. Pender of the Globe Trust Company had, but it went no further. The communications received were purely of a private character, and the Board could not entertain them. To give you an idea of the views of the Board upon this subject, I may state, that, before the Directors elected me to the Presidency, I gave them two assurances—one, that I would do nothing towards moving the general offices of the Company to Montreal; and the other, that I would not do anything to bring about an amalgamation between the two Companies. I have no desire to do so, either in my own interests as a merchant, or in the interests of the public generally, and I think I can speak for the latter though I am President. I do not consider it advisable that such amalgamation should take place, because if it did, another competing line would rise to take our place, just as another Cable would be laid across the Atlantic if Mr. Pender's scheme succeeded. (Cheers.)

We have made important connections in the Lower Provinces, extending now from Torbay, by the way of Pictou, to Halifax. We have constructed something like 300 miles of line, and strung 600 miles of wire. We propose to extend this line during the present year from Pictou to Fredericton and Vanceboro', by way of St. John. We shall thus carry out an agreement with the Atlantic and Pacific Telegraph Company, by which they are to meet us at Vanceboro', to which place they propose to extend their line—Vanceboro' being on the boundary of New Brunswick, and the State of Maine. As soon as we shall have reached Vanceboro', a distance of 320 miles, we shall be able to receive messages from the Direct Cable, and to transmit them over our land lines to any part of the Continent without the intervention of the Western Union Company. Our Company also contemplates the construction of a line from Quebec to Moncton, which will complete our system in the Maritime Provinces. We believe that from the sale of our bonds and the disposal of the balance of our stock which we are authorized to issue, we shall have funds enough to make these extensions, and also to build a new line between Montreal and Quebec. These being done I think the work of the Dominion Company may be allowed to remain in abeyance for some time. In the meantime, by making the communication by way of

Vanceboro' we shall get to the Maritime Provinces a year sooner than we should be able to do if we built our direct line from Quebec to Moncton. (Cheers.)

Another important point I have to refer to is the dividends you have received during the past year. We have laid before you a comparative statement, showing the rise and progress of the business of this Company during the years of its existence. I think that the exhibit we have made is gratifying. We have been able to pay a dividend of six per cent. for the past year, which we leave a respectable balance to the credit of profit and loss account. We hope by strict attention and economy—and I think the principle of economy is thoroughly instilled into every director and officer of the Company—to build up a business which shall be satisfactory to every shareholder. When I refer to economy I do not mean underpaying the people in our service, but the holding of a tight line over expenditures in every department. I do not hold out anything wonderful, but I may state that the returns which have come in to-day, indicate that this year's business is not only equal to last year, but promises to be very much better. These returns show that in the month of January, 1876, our revenue was \$8,973.44, and for the month of January, 1877, \$11,852.40, or an increase of \$2,878.96, or about 32 per cent. January, 1876, however, was a poor month, but to some extent I think the increase is owing to the completion of our Vermont Line, by which connection we are enabled to discharge a duty to the public which we have not been able to do before, by affording greater despatch to their New York business and Cable messages. Hitherto all such messages have had to pass through Buffalo, as that was our only through connecting point with the Atlantic and Pacific Company, and thus messages from Quebec and Montreal were delayed by having to be sent so far west. Now we have provided another outlet, and are enabled to serve the public better, and thus to do a larger business than we did when we had only one. If this be the cause of the increased receipts, it only shows the wisdom of the Directors in building the line.

A SHAREHOLDER.—Has this line been an expensive one to build?

THE PRESIDENT.—No, it has cost about \$150 per mile. The line is a first-class double wire one, and the poles through the City of Montreal to the crossing point are all 50 feet in length, and capable of carrying any number of wires which may be required to be put on them.

Now, gentlemen, I think I have taken up as much of your time as I ought to do. We desire to hear from the shareholders, and it will be a matter of encouragement to us if we have come up to your expectations. If not we must hear the consequences. We are here to give an account of our stewardship, and to answer questions, and to give any information respecting the affairs of the Company which the shareholders may require. I will now simply move that the Report I have read be adopted. (Applause.)

Mr. MacKENZIE, the Vice-President, said: I desire to second the resolution proposed by the President. After the exhaustive remarks he has made, I think it unnecessary that I should say much with regard to the proceedings of the Company during the past year. We have to regret that our Managing Director, Mr. Swinyard, cannot be with us to-day; he is ill in Hamilton and unable to leave his house. It was expected he would be here, and go into all the points connected with the management of the Company. I may, however, state that we have now entered on our ninth year, and so far we have made very steady progress. It is a matter for congratulation that during the past year our gross earnings have been as large, in fact a little larger, than during the previous year. The depression in business generally would naturally have led shareholders to conclude that we would scarcely be able to show such large returns as formerly, but the result is before you, and it must be gratifying. We have all been labouring to keep down expenses, and since Mr. Swinyard has acted as