

the bill. No doubt the American war, and especially the Reciprocity Treaty, had contributed to their difficulties, but not to the extent which the board represented they had. They had been told at their last meeting, "Only wait until October." Their chairman had pledged himself if their traffic was not largely increased and their expenditure greatly diminished that Mr. Brydges should resign. They were promised very large reductions in three great points, viz.: in wages, materials, and fuel. Mr. Creak went on to give figures showing that for a rise of 6 per cent. in the traffic there had been a rise of 6 per cent. in wages. If they were to pay thus for every increase in the traffic, what was the benefit of the increase? The cost of materials was reduced only 4 per cent., while the cost of fuel was £2,000 extra. This was not the amendment they were told to expect. He asked the board to fulfil their pledge, and withdraw Mr. Brydges from the management; and as that gentleman had come across the Atlantic to be present at that meeting, he would ask him a few questions. One was as to the condition of the road and what percentage was in good working order? What was the condition of the rolling stock, and what number of engines and cars were useless, and what was the number of the remainder? 90 of the 293 of their engines were in hospital, and a large number of their cars were useless. He would also ask Mr. Brydges what was the amount likely to be yet required to put the line in good order. He contended that no one should leave the room that day without they knew what they had yet to pay on this score. He had been told that £100,000 after this would do it; but he never had yet seen an estimate of the Grand Trunk verified. What was the number of free passes granted last year? how many of these passes were for officials, and how many were complimentary? How the loss arose on green-backs? How was it, however, he would ask, that they could only get 35½ miles out of a cord of wood, when the Great Western of Canada could get 45½ miles? They paid as much for fuel in Canada as the London and North Western did in this country. How was it that while coal was 19s a ton in Quebec, that it would not be better than wood, as it was cheaper, as wood cost them 17s a cord. Mr. Yates was the engineer of the line for some time, but no one of them knew who were the engineers now. Now, when Mr. Yates came to this Company he had a patent, and he would ask Mr. Brydges if, while that gentleman was engineer, he had certified the work of which he got the business? Mr. Brydges himself admits that he was connected with the Kingston Locomotive Works, out of which several engines had been supplied to the Grand Trunk. He would ask Mr. Brydges whether he or any of the officials on the line were connected with any company who did work for the Grand Trunk, or to his knowledge any official had received commissions for work done?

Mr. Brydges said that he would state deliberately, as man to man ought to state, that there was not one single word of truth in the allegation, and he was not in any way connected with any company supplying materials to the Grand Trunk, with the exception of the Kingston Ironworks, nor to the best of his knowledge was any officer connected with the company, and that neither they nor he received commissions for any materials which had been supplied.

Mr. A. Creak said that he was very glad to have received that declaration from Mr. Brydges, and he did not think that gentleman would blame him for giving him an opportunity of distinctly stating the facts. The committee of which he had been chairman, had been called very hard names. It had been said that they had been overcome by the soft sawder and the blandishments of the chairman (Sir E. Watkin). They had, he assured them, done nothing of the kind, but they would carry out the wishes of the meeting that appointed them. The committee had been willing to agree to anything which would produce peace, and he

was sorry that such a compromise had been agreed to. He had received, on Saturday last, by the latest post, a letter saying that two members of the shareholders' committee should be appointed to the board, and that two members of another committee should also be appointed—viz. Messrs. Fearon and Hodgkinson. He looked upon this as a departure from the understanding which had been arrived at with the board. He was no party to it, and he repudiated it. Mr. Fearon was not a holder of stock in this company, but merely represented another company who held a stake in the Grand Trunk. Both Mr. Ritter and himself held a moderate interest, about £35,000 or £40,000. He did not think that they ought to receive a nominee of another company. He was going to move an amendment to the effect that the report and accounts not being satisfactory, the directors be requested to resign, and that a committee be appointed to represent the board. If the board had not repudiated the arrangement that had been made he would not have taken the course which he now recommended. He believed that 600 proxies had been received in favour of a new board, and there was a large section of the proprietors determined for a change, and that change must and ought to come.

Mr. Hesselstine, in seconding the amendment of Mr. Creak, said that the remark of the chairman that his connection with the company would soon cease, removed all his objections to him. He had received the proxies of 398 proprietors, with a view of reorganizing the board. He would say to the proprietors and to the chairman, that the well-being of that company was the well-being of the Buffalo, and if he could see the interest on the Buffalo bonds paid, he would be satisfied. Sir Edward Watkin said that he had received something from him in the shape of an apology. If he looked upon that in the light of an apology, he would let him do so. He was, however, sorry that he had used the strong statements that he had done. He was extremely sorry that he had gone the length that he had done. He hoped that the chairman would pass the question by and consider the difficulty with him settled. He also trusted that Sir Edward Watkin would consider this statement satisfactory. He begged to second Mr. Creak's motion.

Sir E. Watkin said that if Mr. Hesselstine meant that he was sorry for having charged him with doing that which, as an honorable man, he must have known him to be incapable of doing, he should be perfectly willing to accept the apology.

Mr. Hesselstine said that such was his intention. Sir E. Watkin said that from that time by-gones would be by-gones.

Mr. France said it now devolved upon them to set about reforming their board. He did not wish to lose the services of the board as a body, as he should be sorry to see Messrs. Baring and Glyn unrepresented on the board, not only in the interests of the shareholders, but in the interests of the Canadian Government, as without the assistance of that Government he did not see how they were to pull together. They wished, if possible, to make the Canadian hopes and feelings identical with their own. Although he did not think that they had treated the Company well, or in a fair manner, yet he was anxious that they should do everything in their power to conciliate the Government of Canada. He would also wish to have the presence of Mr. K. Hodgson on the board, but thought they could dispense with the services of Mr. Brydges as a managing Director, because he was too ambitious to suit the Company.

Mr. Ritter was sorry that the chairman had alluded to the peat question, as it was not his own intention to have done so. He had gone very deeply into it, and he would give them the benefit of his labours. He had found that there was a large quantity of bog land along the line, and the sole reason which had induced him to largely increase his holding was, because he believed he could make every economy in the fuel question. That which had been referred to as a patent was

no patent at all. He had proved to Sir Edward Watkin that the machinery was twelve or fourteen years old, and that was the reason why he had particularly insisted on the contract being put an end to. The contract rate was about 13s. 4d., whereas, he maintained that peat could be raised easily by the Company at the rate of about 5s. or 6s. That would not be a two-penny affair, but would involve a sum of about £40,000 or £50,000. He would go further and say that a Company like the Grand Trunk, that could not pay its dividends, might have made great use of that peat, and might have supplied the various towns and places along the line. He did not think it was to be treated as a twopenny affair, because it was fairly to be anticipated that £1,400 a year could have been realised. In Canada they could not work all the year—they could not work in the winter, and so it would be some months before they could proceed to work at this. There was another inconvenience with reference to the contract, it could never be executed. What they had been getting was half mud. They had been paying nominally 13s. 4d., but Mr. Trevethick had shown in his report that they were actually paying 18s. Mr. Handyside had also gone out to Canada at his own expense, and had brought back a report that the peat would come ultimately to 24s., and, in short, that one cord of wood would go as far as two tons of peat. It was a very painful thing to charge a gentleman like Mr. Brydges with great neglect; but it appeared to him that information should have been obtained in France, Bavaria and Italy before the contract had been entered into. Mr. Handyside had brought home documents, and had given a short report, and he would move that the Secretary of the Company be allowed to read it, as the facts contained in it were most valuable.

[The Secretary then read the report of Mr. Handyside.]

Mr. Brydges said that a distinct statement had been made that he and others connected with the Grand Trunk Company had entered into a bad contract for the supply of wheels against the interests of the Company. He begged again to be allowed to state on his honour that the statement was an entire fabrication. The man who wrote that letter was a Mr. Scovill of Toronto. Mr. Scovill was a wheel manufacturer, and some years ago the Company bought wheels of him, and also of the Three Rivers Company. In 1865 the Three Rivers Company failed, and so were unable to make any more wheels for the Grand Trunk. The moment that this happened, Mr. Scovill gave the Company notice that he would require an extra dollar for every wheel, supposing that he could have all the market to himself. But the Company proceeded to take some steps to promote some competition, and so bring down the prices. They went to Montreal and said that there was a place in Toronto making wheels, but who wanted a higher price than they wished to give. On that certain parties contracted to supply wheels at \$14½ a piece—a dollar and a half less than Scovill tried to force upon them, and that man dared to come forward and tried to accuse him of not doing his duty to the Company.

To be Continued.

ERIE AND NIAGARA EXTENSION RAILWAY COMPANY.

At a meeting of the Provisional Directors of the Company held at the Court House, St. Thomas, on Tuesday, the 10th day of November instant, the following were present:—Wm. A. Thompson, Esq., President of the Erie and Niagara Railroad; Colin Munro, Esq., Sheriff of the County of Elgin; John Duck, Esq., Warden of the County of Kent; Thomas M. Nairn, Esq., Warden of the County of Elgin; Richard Graham, Esq., Fort Erie; John Smith, Esq., Tilsonburg; John Wright, Esq., Colchester, County of Essex, and A. F. Farrel, Registrar of Haldimand. The chair was taken by Mr. Sheriff Munro, and Mr. Nicol King-