

It makes the Government of the day the perpetrators of a fraud against the Province in this, that by empowering the two Companies to raise money on their net receipts, the hope and possibility of any interest on the Provincial Lien being ever received by the Province, is completely destroyed.

It does not specify how the money is to be applied when borrowed and the power being once granted Enables Preferential Creditors of the Grand Trunk Company Bankers, &c., to obtain a portion of the money raised instead of its being applied to the working of the two roads.

It renders amalgamation of all the roads in the Province in the Grand Trunk Company, perfectly easy by the combination of its influential shareholders and the precedent afforded by this clause and Act of Parliament.

The 6th clause establishes the fact of the amalgamation of the 2 Companies and their interests since the 1st July, 1864, in the Grand Trunk Railway Company, and that the road is now controlled by a Committee of 4 individuals two from each board.

The 5th clause enacts that the Grand Trunk Railway Company may within 6 years for £660,000 buy up the Buffalo and Lake Huron Railroad Share capital of £1,230,000 to be paid either in cash or stock of the Grand Trunk Railway Company and the preceding, 4th clause enables them to raise as much money on the net receipt of the two roads as will purchase the share capital of the Buffalo and Lake Huron Company.

The 11th clause enacts that these two Companies may renew for the next twenty years the application to Parliament to Sanction the borrowing of money under the agreement on the net receipt of the roads to the prejudice of the prior and legitimate creditors of the Grand Trunk and Buffalo and Lake Huron Companies respectively.

The money raising power obtained by the Grand Trunk Company under this Act, can be correctly estimated by the last return to Parliament by this Company. By those returns it appears that the yearly receipts of that company, amount to six millions of dollars and allowing 80 per cent for working expenses, rent &c., it leaves the net receipt of the road one million of dollars.

By this agreement and Act the Company by means of the Committee of four persons can raise two millions sterling on the security of those net receipt to the prejudice of bondholders shareholders the Provincial Lin, and the creditors of the two Companies of all kinds.

The pecuniary injury to the Provincial Revenue from this Act.

The Provincial Revenue so far as repayments to the Municipal Loan Fund by the nine townships holding stock in the Buffalo road extends, is injuriously affected in this way, that \$100,000 yearly is payable to the Fund by the Municipality, and this Act of Parliament ratifies an agreement which destroys the rights, powers, interest and property held by the Municipality in the Road to the extent of one million of dollars, and therefore the Municipality may demand to be released by Government of their debentures for the million borrowed from the Loan Fund, and also the future yearly payment to Government of \$100,000 annually, for interest and Sinking Fund on their respective loans.

As a summary of the injury effected by this amalgamation agreement and Act of Parliament, it may with truth be said that the Municipalities lose one million and a quarter of dollars, the Provincial Revenue \$60,000 annually from the Municipalities, and \$60,000 annually payable in England for interest on the Provincial Debentures for Loan Fund purposes.

The Province having by Statute waived its claim for interest on the Provincial Lien of three millions and one half sterling, in favor of first and second bondholders of the Grand Trunk Company, until that road pays six per cent. to the stockholders, by this Act is completely deprived of any claim hereafter for interest on its lien.

The future annual loss for interest on the lien is \$200,000, which with the arrears of interest amounting to two millions of dollars, is completely lost by the power given to raise money on the net receipts of the two roads.

The political injury effected by this Act.

The Government by supporting by their votes the passage of this Act, allow the Municipalities, whose interests as their debtors they are specially bound to protect, to be plundered by the Grand Trunk Company.

They establish as a precedent, that an agreement signed by the Presidents of two Companies, shall sell the share capital of one Company to the other for one half of its amount, without the consent of the Municipalities as Shareholders, whose stock is so disposed of.

By this Act they allow the mortgage security given by the Buffalo road to its creditor on the security of the Company's Act of incorporation, to be destroyed without his knowledge, or any proof given of his assent to the Act; and this legislative robbery is effected to enable the same Company jointly with the Grand Trunk Railway to effect a larger mortgage on the two properties to the destruction of the prior mortgagees' claim.

The Legislature is bound to all creditors of companies created by virtue of Acts of Parliament, not only to protect their claims so created but also to see that the true intent and meaning of an agreement which imperils such claims directly or indirectly, is shown and expressed in such agreement when it is converted into an Act of Parliament, and that its provisions are just as affecting the rights of dissenting creditors and Share-