

1867, the last date to which the accounts have been made up, interest has been paid upon different securities amounting in the aggregate to £5,500,000 sterling.

[At the request of Hon. Mr. Holton, Mr. Brydges then read a statement shewing the amount of the different securities making up this sum.]

I may also add that but for the loss caused by the American currency, and the increased expenses which it involved, the Company would now be paying interest upon a capital of between £9,000,000 and £10,000,000, instead of between £5,000,000 and £6,000,000.

At the time the Arrangements Act was passed in 1862, it was perfectly understood that hardly any interest was then being earned, and that securities for a certain length of time should be issued for interest which was due but not earned. Ten years was the time allowed, and half of that period had expired. You now see what progress has been made, and it must rest, of course, with the results of the next five years, to see if the anticipations formed when the Arrangements Act was passed will be all realized.

The Company has now no floating debt; all its supply accounts and wages are promptly paid as due, and its credit in Canada is entirely re-established.

The equipment bonds, authorized by the Act of 1862, having now been nearly all issued, the Company desires to add still further to its rolling stock, hoping and believing that if it is better able to supply the wants of the trade of the country, and secure a larger share of through traffic as well, that it will in the next five years be able to pay interest upon a still larger proportion of the capital invested in it. To obtain this additional rolling stock, powers are required from Parliament, and I will now proceed to show that the present Bill is desired by those interested in the securities of the Company, and on whose behalf I now appear before the Committee to advocate its passage.

The discussion of the terms of the present Bill has been carried on for some time amongst the bondholders, &c., the necessity of raising more capital being admitted. These discussions were brought at length into a definite shape by the Board, in their report for the half-year ending 31st December, 1866, inserting the following clause upon the subject, viz. :—

“Looking to the heavy loss which has, during the last five years, arisen from the condition of the American currency, to the pressure of the excessive outlay for renewals of the permanent way, to the impossibility of the Railway earning even the amount of revenue now become obtainable without an increasing quantity of rolling stock, and to the realization of the expectations so long formed of the construction of the Intercolonial Railway, the Board consider that the time has arrived for maturing a plan under which the progress of the traffic and the resources of the undertaking—now destined to become an integral portion of a great continental highway—shall be fully kept pace with. They will be prepared at the meeting to lay their recommendations before the bond and stockholders for discussion. Any further legislation required will give an opportunity for obtaining power in reference to the General Capital Account, and if thought fit, as to the conversion of the Postal and Military Bonds also.”

The whole question was very fully discussed at the meeting at which that report was submitted, held in London, on the 18th April, 1867, when the following resolution was unanimously adopted, viz. :—

“That the Board be requested to consider whether any and what arrangement can now be made with advantage to the Company, in regard to the General Capital Account, and the position of the Postal and Military Bonds, reporting to an adjourned meeting to be held at this place, on Thursday, the 30th day of May next, at one o'clock, and that the Board be requested in the meantime to confer on these important subjects with some of the largest holders of each class of Bonds and Stocks, and that the meeting be adjourned accordingly.”

After that resolution was passed, the Board called a meeting of the holders of the Postal and Military Bonds, and the plan for the arrangement of those bonds was agreed to. Subsequently a meeting of holders of all classes of securities was called, the parties