

this expenditure. If he had read Mr. Brydges' report he would have seen ample evidence on this point. He (Mr. Fildes) always looked upon it as a good sign when a railway wanted additional rolling stock. Increased business and traffic in the case of the Grand Trunk meant increased profit. In the past five years the traffic had increased  $47\frac{1}{2}$  per cent., while the working expenses had decreased 19 per cent., leaving of course a very considerable profit to the Company. Mr. Brydges gives in his report his reasons for believing that with increased rolling stock large additions to the revenue might be obtained. The only wonder to his mind was that with such insufficient means at his disposal the general manager should have been able to add so largely to the business carried by the line, and should have been able to reduce the working expenses from 79 to 60 per cent., and increase the profits by a sum of £347,000. If they could hit upon some plan by which they would be enabled to raise capital to provide rolling stock, and with the traffic of the Intercolonial Railway brought upon the road, with the agreement just entered into with the Great Western of Canada, which would largely help the traffic of the Grand Trunk, he thought the result would be most satisfactory. If they would not provide rolling stock nor the means by which they could be equipped, they could not complain if the working of the line should be unsatisfactory. The Directors might fairly reply to any complaints upon that head, that they wanted rolling stock and they refused to give it to them. If the means of doing the work were denied to the Directors, it was not possible for them to make dividends for the proprietors. (Hear, hear.)

Mr. NEWMARCH, referring to the observation made by Mr. Smith, said that that gentleman was not quite accurate in his statements respecting the Arrangements Act of 1862. It was a distinct part of the scheme that the postal and military revenues should be given to all classes of creditors. The arrangement was that they should take a certain number of shillings in the pound of their claim in these bonds, and for the remainder a certain number of shillings in the pound at a certain price of fourth preference stock, and that in return for these the creditors should give up a certain amount of the Company's securities which they held. With regard to the disturbance of the settlement of 1862, it should be borne in mind that when that settlement was come to, nobody expected a civil war in America which would last four or five