

ten per cent. less price, besides transportation of some four hundred miles."

Mr. Brydges interrupted the reading of this report, and said: The letter just read deals with a specific case; there is something in it I can lay hold of and answer. A great deal that is recited in the paper is general, and it is impossible to touch it; but here is a distinct statement that I and others connected with the Grand Trunk Railway Company have made a bad contract for the company that we might benefit by it. Let me state again, upon my honor as a man, that that assertion is a pure fabrication. Some years ago Mr. Scoville's establishment was employed by the company in making wheels; and the only other source of supply was a firm at Three Rivers. That firm failed in 1865 and Mr. Scoville had a monopoly of the trade. He immediately gave notice that he would not supply another wheel except at an advance of a dollar—from 15 to 16, exclusive of carriage, which was a greater charge upon the company in Mr. Scoville's case than in that of the Three Rivers firm. We said we could not pay the advance that the price we had been paying was fair and ample and that if Mr. Scoville persisted in taking advantage of the absence of competition, we would take steps to bring it in. We did so, and although the market is very small, and cannot possibly support many makers, the result was that certain parties in Montreal, who had facilities for making wheels, came forward and said, "We will make them at 14½ dollars," or 1½ dollars less than Mr. Scoville demanded. Because we would not pay his price, the man now dares to accuse us of not doing our duty to the company. (Cheers.)

Mr. Handyside, referring to his visit to Canada, said that he considered the Grand Trunk was possessed of great resources as a line, but that it would have to be managed on different principles from now. He received information, he said, that in many instances rails had to be taken after they had been in the ground only 1½ years on an average, and he complained that there was not on the whole extent of the line, a single machine for testing the quality of the rails that were re-laid for the company.

Mr. Brydges: If all the gentlemen have put their questions I will now proceed to answer them; but before doing so I may perhaps be allowed to say with reference to what fell from Mr. Price, who said I was on my trial, that I have also to ask that you will be good enough to give me a patient hearing—I will not occupy your attention long—and to give me that fair play which I am quite sure will always be given in any meeting of Englishmen. Mr. France, I think it was, said that he wanted some one to manage the Grand Trunk who would give his whole time and attention to its affairs. Gentlemen, I can say for myself with the most perfectly easy conscience that there is not an hour in the day whilst I am in Canada which is not entirely devoted to the interests of the Grand Trunk Railway. I have nothing, no matter what may be stated, to disturb my attention from the affairs of the company; and I give all my time and all my abilities, such as they are, and I cannot under any circumstances give it more. I have referred to the matter which was mentioned in Mr. Handyside's pamphlet with reference to Mr. Scoville, so I will say no more on that, as I am sure the explanation which I gave must be satisfactory. With regard to rails we have had a great deal of difficulty on that subject during the last few years. Mr. Handyside, to whom, as to every one coming to Canada to look after his property, I was happy to give every facility for making inquiries, did not, he must permit me to say, spend sufficient time to thoroughly understand all the difficulties we have had to encounter. His statement that rails are taken up in one, two, or three months shows that he is utterly mistaken. As a matter of fact, there is no doubt whatever that in every large quantity of rails laid down there is an occasional rail at the end of a week. That is taken up perhaps soon after it is made; but I will say, so far as the subject of re-rolling is concerned, it is not possible for me to enter into a discussion as to the best process for manufacturing rails—is that we have taken all possible means of getting the best rails of the materials of which the old rails consist. Captain Tyler has shown that those made in Toronto have answered better than those made in England. We apply every possible test, and we give them the test of traffic, and if they fail we take them up and send them back to the mill and insist on getting new rails without making payment. Something has been said, I think, in Mr. Handyside's pamphlet about the price paid for the various commodities being in excess, because people do not always get the orders they expect. I have no doubt that there are many people very anxious to sell their goods to the Grand Trunk Railway if they can get their price; but it is our duty to take care that we get good materials at the lowest possible price. That is the principle we go on. With regard to the rail contract just was made at Toronto three years before I was connected with the company, all that I had to do is to see that contract fairly carried out. (Hear, hear.) With respect to the fuel and sleepers, what do we do? We advertise all over the length and breadth of the land, giving a statement of the quantity we require, and state where they are to be delivered. Tenders are sent in by every man who desires to do so; and when we get them we select the most eligible, and those of the lowest price always, unless there is some special reason why the man who makes the lowest tender should not be accepted from the fact of his having previously improperly carried out a contract. In every other case the lowest tender is accepted, and those tenders are laid before the executive committee of directors that sits in Canada, and after being revised and approved, they are sent over to this board for consideration. The same system is pursued with regard to all other materials required. (Hear, hear.) That, I think, disposes of the questions raised in Mr. Handyside's pamphlet, and I will now proceed to give Mr. Creak replies to the questions put to me by him. He was good enough to send to the office a copy of his questions,

and I have written answers to them, which I will read, and if any further explanation is required, I shall be happy to give it. With respect to the rails on the line, we have of "T" rails fished 608½ miles, and of "U" rails of a lighter pattern, not fished, principally laid on branches, 282 miles, and of the old "U" rails originally laid on the whole length of the line, there are still 336½ miles, making the total of 1,377 miles now working. I should say that of 336 miles of the old "U" iron, 118 miles are on the Riviero du Loup, where the traffic is small, and where the renewals will not amount to anything appreciable for some years to come. The balance of the old iron still on the main line between Portland and Detroit is nearly 200 miles, and it will have to be renewed within the next three years. With regard to the condition of the road, the "T" iron with the fish joints is in fair working order, the renewals being attended to so as to keep that iron in good condition. The light "U" iron of which 68 miles is still retained on the lower section of the Buffalo line, is rapidly wearing out, and will require early renewals. The next question is as to the condition of the rolling stock, and to the number of engines and cars. The whole stock of our cars are in a good running condition. There are always a certain number in the workshops under repair, but of those of the Grand Trunk there are not more than four or five per cent. of the whole, which is about the usual proportion of all railways. In addition to that, I may say that we have, during the last two or three years, built 60 or 70 new cars every year, the entire cost of which has been charged to working expenses. With regard to engines, the report will have told you we have 2.8 including the stock of the other lines, the Buffalo and Champlain, and of these, at the time Mr. Trevethick was in Canada, 53 per cent. were not in use, or were under repair. But that time was immediately after the close of winter, when the number of engines under repair are always at a maximum. It always is and always will be the case, owing to the damage which occurs to engines during the winter. Perhaps Mr. Creak is not aware that taking the average of English railways (and on American railways the average is greater) there are always from 20 to 25 per cent. of the engines under repair or requiring repair. The difference between 25 and 31 per cent. is due partly to the damage of the winter and partly to the fact that some of the lighter engines that have been a long time on the road are not being used, but are laid by to break up or sell. But during the last four years we have either built in our shops at Montreal or purchased in the United States, twenty-one engines of large and improved construction, which have been paid for out of working expenses, and have gone to replace twenty-one old engines, which had proved useless from age or inferior construction. We have on the stock list 7 engines in excess of the 293, or that number more than we have sold or broken up. With regard to renewals, the average cost of renewals and maintenance combined of the Grand Trunk from the 1st of January, 1890, to the end of 1897—a period of eight years—was \$468.80 per mile, while on the Great Western, for the same period, the average was \$346.49 per mile of railway in operation. I see by the report of the Great Western in Canada, that during the last half-year they have expended \$715 per mile on their railway, or considerably more than the average of the last eight years. A great deal has been said of extraordinary renewals, but I think a great deal of misapprehension has arisen on that matter. The fact is there will always be renewals on a railway to a certain extent, and if you relaid the Grand Trunk tomorrow you would still have in a reasonable lapse of time to undergo renewals, which must always be a variable amount depending, first, on amount of traffic, secondly, on the character of the iron, and thirdly, on the price which you have to pay for it and the current rate of wages. Unless you can predicate these matters to a certainty, it is impossible to say what will be the cost of renewals for the future. On the Great Western, with an average spent for eight years of \$648 per mile per half year, the last half year's expenditure is \$715. When, therefore, you ask me what the renewals are going to be, I cannot tell you, but I reported to the board two years ago what would be the probable cost of renewals for the then next three years, which was about £139,000 to £140,000 a year, including the Buffalo and Champlain, or the whole 1,377 miles of the Grand Trunk. When that £140,000 a year has been expended for renewals apart from maintenance of way, for the three years, a great deal of work will have been got through; but I cannot say we shall not have to go on, because renewals really never can cease. With regard to the ballasting of the Grand Trunk, I suppose it was well understood that there was a considerable portion of the line that had never been properly ballasted at all, and which now requires it in order to make it a perfectly good road. That is not my fault, for had nothing to do with the original construction of the line; but we have spent a considerable sum for ballasting every half-year. During the last three years, a sum of £30,000 to £35,000 has been so expended and charged to revenue. I make that statement deliberately, and if Mr. Creak is not satisfied with it, and will come to the office, I will show him exactly how it has been done. (Hear, hear.) The next question has reference to free passes, and asks what number was given last year, and how many complimentary, and how many to officials travelling over the line. I regret that I did not know of this before I left Canada, or I could have given the exact numbers, but I will state the circumstances regarding passes. Nothing would be a greater boon to me than to take away the power of issuing free passes. That issue is more extensive in America than in England; but we issue them only to those actually engaged in the business of the company, and under certain restrictions to members of the press and officials connected with the railways with which we interchange traffic. That is the universal system all over America, and if we did not exchange passes in that way we should

not be fairly treated by the officials of other companies. We restrict the issue of free passes to the utmost, and a clerk regularly goes over the return of all passes issued by the few officers who have the power of issue and he calls my attention to any irregularity, which, if committed once, I take care is not committed again. The next question is with regard to greenbacks. Now the loss on greenbacks arises from the traffic which comes over our line from one place in the United States, and which is going to some other place in the United States. From all such places we have competing lines entirely within the United States which receive pay in the currency of the country, and unless we also received payment in greenbacks at the same rate as the American competing lines, we should get none of the freight or the passengers. It is the loss on that income which constitutes our loss on American currency. The freight, which is purely Canadian, is paid in Canadian money, on which there is no discount. On American freight we have increased the fares and freights to the fullest extent; but if we were to charge a man going from Chicago to Boston \$5 more than he could go for by an American line, it would be simply advertising that we did not wish to carry him at all. (Hear, hear.) The next question is with regard to fuel, and it asks why on the Grand Trunk a cord of wood goes 55¢, while on the Great Western it goes 45¢, and whether coal is not cheaper than wood at 17s. or 18s. a cord. The answer is simply that the quality of the wood which is obtained on the Great Western is better than on the Grand Trunk. We are compelled in certain parts of Canada to take a large proportion of soft wood, which has not the same heating quality as hard wood. As a consequence, it takes a larger quantity to do the same work. I am not, however, aware of the mode in which the mileage of the engines is given in the accounts of the Great Western, and unless their accounts and ours are made up in precisely the same way, of course no comparison could be made. As to whether coal would not be cheaper than wood at 17s. or 18s. a cord, we don't pay 17s. or 18s., but 16s. a cord. I beg Mr. Creak will take from me the statement that the contracts have been let for the supply of fuel for the present year even a shade under the price at which they were let last year in Canada—and on the American section it is a little less—when we were charged a trifle under 16s. a cord. I hope next year to make a reduction in that. With wood at that price it would not be economy to burn a large quantity of coal delivered at Quebec at the price mentioned by Mr. Creak, for the reason that the carriage of the coal to Montreal would add another dollar per ton to the cost; and because, moreover, all our fire-boxes are made of iron, and to use coal in them would add considerably to the cost of repairing the engines. The next question is as to Mr. Yates; did he, while engineer, work directly or indirectly a patent of his own so as practically to certify to his own work? Mr. Yates was patentee twelve years ago of a mode of mending rails, and that patent was in use upon the Great Western and the Buffalo and Lake Huron before it was upon the Grand Trunk; before I had any connection with the company. He had sold his patent-right so far as the Great Western and Grand Trunk were concerned to a *bona fide* buyer; that is my belief. Mr. Yates was for three years the engineer of this company. He left us in 1895, and to the best of my knowledge had no interest in the patent which prevented his doing his duty while he was an officer of the Grand Trunk Company. Mr. Yates left the service, and I have nothing whatever to say against him, except that I thought it was for the interest of the company we should have none of his kind. (Loud cheers.)

Mr. Haig asked how it was that in the last half-year only \$59,175.3d. had been spent for ballasting.

Mr. Brydges repeated the explanation he had given about the annual expenditure out of revenue for that purpose, and then went on to say: The last question is on I thought I had fully replied to. It is, whether I have any interest in anything supplied to the company, excepting the Kingston locomotive works. I have already replied to that. I have stated on my honour what is perfectly true, and I hope I may be allowed to say now, that having come here to give an account to any gentleman of any matter which they may think requires explanation, I hope they will do me the justice, if there is any further charge to be made against me, to state them while I am here to meet them as a man with a character to lose, and not to pay them till I am 3,000 miles away. (Cheers.)

A shareholder: It is, I think, sir, a very bad thing, when it is clear that Sir Edward Watkin raised our receipts from between six and seven thousand pounds per week to £35,000 per week, that all the blame should be thrown upon his shoulders. When we compare what was the state of the Grand Trunk in 1868 with what it is now, we owe him our gratitude instead of blame. I will now leave that part of the subject, and go to certain reports which have been circulated about Mr. Brydges. I heard those reports and imputations, and that the business of the company was corruptly conducted from one end to the other. Mr. Brydges has, however, boldly thrown down the gauntlet, and has challenged anyone to repeat the charge. With respect to the reorganization of the board, I should regret any precipitate action in the matter.

A shareholder: Can Mr. Brydges give his whole attention to the duties of his office? Is it not a fact that he has accepted the office of one of the commissioners on the Royal Commission on the Intercolonial Railway?

Mr. Brydges: I repeat that I do give the whole of my time to the business of the Grand Trunk. With respect to the second part of the question, the appointment has not yet been offered to me, and therefore I have not accepted it.

The Chairman: I wish to add to that statement that to the suggestion of the Canadian Government, that our chief officer should sit on that commission, our reply was that we should be delighted to hear that the Government had appointed him.