

been in the service of the company for about five years, at a salary of £400 a year, being able to retire with a fortune of £110,000.

If Mr. Heseltine will tell me whom he refers to I will state all I know about him. In the meantime I may state distinctly that I do not believe there is the slightest foundation in fact for any such statement.

The third question is as to the Toronto rolling mills—Whether they enjoy any advantage in freight rates, and if any of the employees of the company have ever been connected with these works?

The Toronto Rolling Mill Company never send any freight of any kind over the railway, or receive anything by it.

The contract now in existence with the mill was entered into in 1859, nearly three years before I was connected with the Grand Trunk Company. Since the duty was taken off the importation of rails into Canada, rails have been procured in England to the extent during the last two years of 10,000 tons, and to the reduction, of course, of the work done at the Toronto mill.

I have never had the slightest interest in any way whatever in the Toronto rolling mills, nor has any other employee of the company.

The fourth question is in regard to the Kingston locomotive works. The concern is not engaged in freighting upon the line, and for any materials that are forwarded for it upon the railway, they pay the rates charged to the public generally.

The Kingston works were started at least 20 years ago as a foundry and machine shop for steamboats, mill work, &c. When the Grand Trunk line was started, a contract was made with them to build engines; to do this they enlarged their works and added to their machinery, and they constructed some 20 engines, which are now running upon the line. In 1862 the owner died, and the property passed into the hands of one of the banks which had made advances to it on a mortgage. The bank worked the shop for a short time, but deemed it desirable at length to dispose of it, offering it for £6,000, which I presume was the amount of their advances. A company was formed to buy it to be worked as a foundry and a machine shop for the making and repairing of marine engines, steamboats, mill work, &c. I was invited to join in the purchase which I did to the extent of one-fifth of the sum I have named, payable over a considerable length of time. I thought the price a reasonable one, and, as it offered a fair prospect of success, I decided to embark in it to the extent I have named.

Prior to the time I became connected with the works, the Grand Trunk Company, after comparing the prices of engines built and sent from England, and those built and sent from the various workshops in the United States, had ordered all the engines they then required in the latter country. But the majority of the engines so being built were seized by the government of the United States, as being required to work their military railways during the war. We could not get any of the shops in the United States to take an order with a guarantee for a delivery at any price, and all the works in England were full of orders, and the prices of engines so high that there was no possibility of procuring them at all. Under this condition of things the board in London approved of an order being given for ten engines at Kingston. The price paid was considerably lower than the rates current in the United States at the time, and about £800 an engine less than if imported from England with freight and duty added.

This order was given in June 1861, and the last engine delivered in July, 1868. No other order has ever been given, and no other work of any kind has ever been done at Kingston for the Grand Trunk Company. Since then engines have been built for the company at workshops in the United States, and latterly in England, prices here having greatly fallen in the last two years, and the rate of Canadian duty having been reduced.

These are the simple facts regarding the Kingston works and my connection with them. I have nothing whatever to do with the management of the works. I am simply a shareholder to the extent I have named.

The fifth question is as to an officer of the company having bought a house lately, furnished it extravagantly, keeping a large establishment, many horses &c. From some anonymous letters I have lately seen I have no doubt whatever that this refers to Mr. Hickson, secretary of the company in Canada, and who occupies the second position in the company's service, and represents it in my absence.

There never was a more false and malicious charge than this, or one more completely unfounded. Mr. Hickson, more than a year ago, did what is universal in Canada—he purchased a moderate sized house, for which he pays a moderate sum spread over a number of years, the interest on the unpaid cost being the equivalent of rent. He purchased the entire plot of ground in which the house was situated, and the sale of the land not required for the house will, when paid, nearly, if not quite, recoup him for the whole purchase. He has furnished it comfortably, but plainly, with furniture made in Canada; he keeps a very moderate establishment, and the whole is entirely within his means as derived from his position in the Grand Trunk Company. I regret any one, but if I had not distinctly disproved this most false and malicious charge against a very deserving officer of the company, I should not have done my duty to him as his chief.

The sixth question is as to a large number of persons travelling on the line without payment.

The number of persons travelling on the company's business is reduced to the smallest possible limit, and a return of the passes issued sent regularly to London.

The seventh and last question is as to whether it is true that I am actively engaged in mining operations. It is not true. I own six shares in a copper mine in Lower Canada which I have seen twice, and in which I have probably seen the last of the money I paid for the share. It is not a large investment, and although

one does not like to lose even a small sum of money, it has not diverted one hour of my time and thoughts from the affairs of the Grand Trunk Company.

I believe this answers all the specific charges or insinuations contained in Mr. Heseltine's circular as drawn from the mass of his anonymous correspondence. He very properly himself designates them as libellous and slanderous. That they are so is beyond all doubt. No man is safe from the coward who uses the pen as the bravo uses his dagger.

I know that the air has been full of late of anonymous slanders, the disseminations in this company having opened a wide door to the outpouring of discharged employees of the Company in Canada, and to those whose schemes of profit and speculation it has been my duty to the company to counteract and check-mate.

Time does not permit of my saying more. I reached the office yesterday, and found these insinuations in print against me. I met them at once, fully and squarely. If any one has had any more of these "libellous and slanderous" statements poured into his ear, I ask him to state them in my presence on Thursday next, at the meeting, when I will answer them.

I ask you to circulate this letter, as an act of common justice to me, amongst the proprietors of the Grand Trunk Railway.

I am, gentlemen,

Your obedient servant,

C. J. BRYDGES.

To the President and Directors of the Grand Trunk Railway Company of Canada, London.

## BUFFALO AND LAKE HURON RAILWAY.

REPORT FOR THE HALF-YEAR ENDING JUNE 30, 1868.

WITH this the Directors now forward to the proprietors a copy of the Grand Trunk Company's report just issued, together with copies of correspondence between Mr. Creak and Mr. Heseltine; also a special report from the chairman relating to the proposed arbitration.

It will be seen from the Grand Trunk report that the gross revenue for half-year ending 30th June last is..... £446,797  
Ordinary working expenses..... £426,477  
Renewals of permanent way..... 36,020  
Loss by fires at Sarnia and Toronto..... 4,110

Leaving a net balance of..... £180,190  
Deduct further—

Amount carried to suspense account for the half-year ending December, 1867, now retransferred..... £31,383  
Montreal & Champlain proportion..... 10,807  
Loss on American currency..... 18,882

61,072

Balance divisible between the two Companies, in the proportion of 84½ per cent to the Trunk Company, 15½ per cent to the Buffalo and Lake Huron Company..... £119,118  
Thus making the Company's share..... 18,456  
Not as published in the Trunk report..... 22,045

In partial explanation of this discrepancy the Directors would refer to their previous report, in which the proprietors will see that the amount due to this Company for the half-year ending 31st December, 1867, was £18,429, although the Trunk Company only made the amount £12,284. This was done by dealing with the sum of £31,383 then carried to the debit of suspense account in a most extraordinary manner, as is explained in that report, page 7.

The amount really due for the half-year ending December, 1867, is..... £18,429  
June, 1868..... 18,456

Total for the year ending 30th June, 1868..... £36,885

The Grand Trunk Company make the figures—

31st December, 1867..... £12,284  
30th June, 1868..... 22,045

Total..... £34,329

Of this amount the Directors regret to state they have not received any portion. Comparing the Trunk revenue with the corresponding period last year—

The revenue has increased..... £37,676  
The ordinary working expenses decreased..... 3,315  
Less expended on renewals of permanent way..... 18,953  
Less charged to the Sarnia and Toronto fires account..... 8,164

£66,188

Deduct amount from suspense account..... 31,383

Actual gain on the half-year..... £34,725

The board now publish a copy of the account handed into the Trunk Company, showing the sum due to the Buffalo and Lake Huron Company. They feel no doubt about the whole sum being legally due, but in respect of one item, viz., interest on extra capital, although no part of this extra capital has been raised in accordance with the agreement, they are prepared to admit now, as they have always done, a fair proportion of this liability, as they consider there exists a moral, though not a legal obligation. In the Trunk report is the following paragraph—

"Every effort that the Directors had made to bring about an amicable settlement of the differences of account with the Buffalo Company had hitherto failed. The Buffalo board would neither agree upon, nor allow an impartial officer of the Board of Trade to settle a deed of arbitration. Recent further negotiation, through Messrs. Creak and Ritter, had ended in nothing, as, while the president of the Company signed a memorandum of settlement of all matters, as Mr.

Creak suggested, the representatives of the Buffalo Company had refused to do the same."

On this statement the board would only remark that your chairman did certainly refuse to sign a document put before him by Mr. Creak having the signature of Sir E. Watkin, because it was drawn up in such a loose and inexact manner, leaving blank spaces for amounts to be afterwards settled, and still proposing to refer most points to arbitration. There was also introduced a fresh claim, which until that moment had never been heard of. This also was to go to the arbitrators. To evince, however, the desire for peace, Mr. Heseltine, while refusing to sign Sir E. Watkin's paper, put into Mr. Creak's possession a carefully drawn up memorandum based on the verbal recommendations of Messrs. Creak and Ritter which paper left nothing open, no point unsettled, but disposed of all subjects in dispute without arbitration. It need scarcely be added the Directors have heard nothing ever together with Mr. Heseltine's remarks about arbitration are printed in the appendix. To these letters the board would draw the most particular attention of the proprietors, and they are well content to abide by the verdict of all honorable and right thinking men. Sir E. Watkin loses no opportunity of impressing upon his shareholders the small value to them of the Buffalo line. He is continually urging an alteration of the lease. The board uniformly reply that they would be surprised, indeed, if the line did pay, seeing the manner in which the traffic is conducted. Loud complaints are made all along the line of want of accommodation. Your Directors are ready, however, as soon as Sir Edward Watkin will fairly carry out the present agreement, and pay, or make arrangements for paying, the balance due to this Company, to discuss terms for an alteration in the lease. They do not intend, however, to be coerced into any fresh agreement by Sir E. Watkin withholding the balance due. There is a remarkable expression in Mr. Creak's letter of the 24th September to Sir E. Watkin, to which your attention is particularly drawn. Mr. Creak thinks there should be a modification of the terms of the lease, but adds, "I do not think the £75,000 is a lever by which you can legitimately effect this." Quite true. Although prepared to discuss terms for an alteration of the lease, the board would prefer to entertain the question of cancelling it entirely. It may be Sir E. Watkin fails to see, when he wishes a modification of the lease to be made, the value of the property; but your directors have no hesitation in saying it is worth all and more than the Grand Trunk Company have given for it, and if the line were in other hands, and the power over its contributions of local traffic and "through" United States traffic were cut off from the Grand Trunk system, their loss would be much more than this Company's present share of joint revenue. In conclusion, the directors have much to regret their inability to make any payment to the bondholders. The present attitude of Sir E. Watkin, if continued, must, of course, lead to protracted and expensive legal proceedings. The board, however, for the present remain quiet; hoping that before long they may have to deal with some other gentlemen, rather than Sir E. Watkin, in the settlement of these disputes.

## THE FUTURE OF NORTH AMERICA

THREE hundred and seventy years have passed away since Columbus first sighted the Western World. Since that time some twelve generations of men have lived and died. The progress made within that period in art and science, in every appliance appertaining to social and civil society, has been immense. The human mind can neither measure nor take it in, and yet it is very questionable whether it will be equal to that progress which is still before us, destined to mark out the footsteps of the next dozen generations. Without descending into the region of speculation at all, but guiding our eyes by past experience, we are able to estimate with tolerable exactness what will be the state of matters on this great Continent in the days of our great-grand children's children, that is about one hundred and sixty years from the present time. Within the last fifty years England has doubled its population, but within ninety years the United States has increased its numbers ten-fold. A stream of emigration has flowed out from the former, while one of immigration, has with a still larger volume, flowed in upon the other. We shall suppose that the whole family of British American Colonies are destined to be gathered into one, and that at some no very distant day, the vast country lying towards the West will be opened up to the shores of the Pacific. Nor will it be taking too much for granted, if we assume, that within the next quarter of a century a large, perhaps the larger portion of Mexico, will fall more or less quietly, into the arms of the Great Republic. One million square miles of fertile territory will then be the portion of British America, and three times that extent is the share enjoyed by the United States. At present there may be throughout the whole British American possessions nearly five millions of people; in the United States about thirty-five millions—making altogether forty millions who speak and think in the English tongue. Such is the state of things in the year eighteen hundred and sixty-eight. What will it be within five generations from the present writing—what, when another 370 years shall have sped their course? Should plague or famine keep away from us, should foreign or civil commotions not throw us back into barbarism, should no physical convulsion visit our country, we may safely take for granted that our population will go on steadily increasing, doubling itself each thirty years. The wilderness will be invaded and subdued, forests will fall before the axe, and vast prairie lands bring forth grain instead of rank grass. Each successive decade will show a larger conquest than its predecessor, till roads, and fields, and fences, farm houses and factories, mills and villages, towns and great cities,