

ANALYSIS

Of the Grand Trunk Amalgamation agreement with the Buffalo and Lake Huron Company converted by Bill into an Act of Parliament, shewing its injurious results under the following Headings.

1st. The illegality of the sections in Bill and their inconsistency with the terms and language of agreement.

2nd. The frauds permitted if not contemplated by the agreement, when converted into an Act of Parliament.

3rd. The pecuniary injury to the Municipalities The Bondholders and Creditors of the two Companies.

4th. The injury done to the Provincial Revenue property and Credit, and to Parliament as representatives by legislation of Provincial integrity of principle.

The Illegality and inconsistency of the Act.

The preamble of the Act declares that the two Companies have petitioned Parliament that the agreement between them should be confirmed, and is manifestly untrue in this, that the seven municipalities, who, as Shareholders represent 750,000 dollars, are no parties to this Act, have never been consulted as to the agreement, and have never consented to it, but on the contrary have ever opposed it.

The second section of the Act establishes the agreement in the Schedule as the "Formed Agreement" between the Companies, is wholly inconsistent with the seventh section of that agreement, which admits and enacts the partial application to this Act of the provisions of the previous agreement in Schedule "B."

The third section of the Act vests all the property, rights and powers, of the Buffalo and Lake Huron Company in the Grand Trunk Company, from the 7th July, 1864, and is wholly unauthorized by the agreement. It is also manifestly illegal and inconsistent with its language and intentions in this, that the sixth section of the agreement vests the control and working of the Buffalo and Lake Huron road in two nominees of its own Board and two from that of the Grand Trunk Company.

The fourth section of the Act declares that general and special meetings of the Shareholders of the Buffalo and Lake Huron Company may be held any where in England, and legalizes their acts as if held in Canada, this section forms no part of the agreement, is wholly unauthorized by any part of it, is an amendment if not a repeal of the Company under the Buffalo and Lake Huron Railway Acts, is wholly unsought for by petition or otherwise of that Company's Shareholders, and is therefore illegal and inconsistent with the terms of the agreement.

This fourth section (unauthorized under the agreement) deprives the seven Canadian Municipalities (as Stockholders) of representation at such meetings, owing to the distance, time required and expence necessarily incurred in travelling to England, and leaves the Board of Directors and nominees of the two Companies at the control of the Grand Trunk Company. This fourth section if even authorized by the agreement is defective in this, that no provision is made in it whereby Canadian Municipalities as Shareholders, may be represented or vote by proxy at such meetings, which should be regarded by the Legislature as an unanswerable objection to the section, and is inconsistent with the terms of the agreement as therein expressed.

The 5th and 6th Sections of the Act are also wholly unauthorized by and inconsistent with the agreement. They repeal the sections of the Buffalo and Lake Huron Company's Act which empower meetings of Directors and Shareholders to be held in Canada only. And,

The 6th section of the bill empowers the reduction of the number of the Buffalo and Lake Huron Company's Directors to 3 individuals, and is not only unauthorized by the agreement but objectionable and inconsistent with the proper exercise of the privilege contained in the 6th clause of the agreement, by which clause the Board of Buffalo and Lake Huron Company's Directors, when reduced to three persons, must nominate two of themselves as a Committee to conduct the joint undertaking with the Grand Trunk Company.

The substance of those 5th and 6th sections of bill is not embraced in the agreement between the Companies, effects a total change in the future constitution of the Board of Directors and the rights and powers of the Stockholders, and far exceeds the petition and preamble of the Bill, which specially defines its object to be the Parliamentary confirmation of the agreement between the two Companies.