G. T. R.

Each annual meeting of the Grand Trunk Railway brings with it a discussion and newspaper criticisms, calculated more or less to injure the credit and reputation of this country. This arises from a want of fairness in considering the position of the company. The railway returns, to the Dominion Government for the year ending 30th June, 1893, show a G.T.R. mileage of 3,168½ miles, and a capital (including Dominion, Provincial, and Municipal aid) of \$334,073,611.04, and a C.P.R. mileage of $5,784\frac{7}{10}$ miles, and a capital (including Dominion, Provincial, and Municipal aid) of \$297,797,110.73. This makes the capital per mile of the G.T R. \$105,435.88, and the C.P.R. \$51,480.15 while the average capitalization of all the railways of the United States is \$63,421.00 per mile. The capitalization per mile of the G.T.R. is, therefore, more than twice that of the Canadian Pacific. It is estimated that a railway, similar to the Grand Trunk, should be built and thoroughly equipped, for from \$40,000 to \$50,000 per mile. Taking the highest estimate, the capitalization of the Grand Trunk Railway is double what it should be to be on an ordinary business basis. A large proportion of the capital of the Company consists of discounts allowed in disposing of the stock. It is unreasonable to expect this road ever to possess an earning power which will give a satisfactory return to the ordinary shareholder on such an enormously inflated capitalization.

The head office should also be brought to this country. It can hardly be expected that the local conditions, which are so important a feature in the management of the road, can be properly understood by the English shareholder. The profits, earned from Canadian local business, are called on to pay the losses of through business, and of controlled lines located in the United States. In 1893, the losses through the lines in the United States, west of the St. Clair River, were nearly a quarter of a million dollars. The loss on through traffic, on account of competition with the United States Trunk lines, I have not been able to obtain, but venture to say it is a large sum. The direction, by a Board out of touch with the conditions of the country, or the necessities of our people, is a mistake. The incongruity of directors managing the company from a point 3,000 miles distant, is shown by the delays which occur in important business. To quote from a correspondent in the London *Economist:*

"Sometimes weeks or months have elapsed before the management, three thousand miles away, have permitted or authorized a decision on the part of the management in Canada, on a point or question which, not infrequently, an assistant-manager of a similar road in the United States would have satisfactorily settled in forty-eight hours."

It is manifest, that a readjustment of the over capitalization of the company must take place, and the head office be transferred to this side of the Atlantic, or else a Board of Control established here, with ample power, before the Grand Trunk Railway can be put on a proper or creditable business basis.