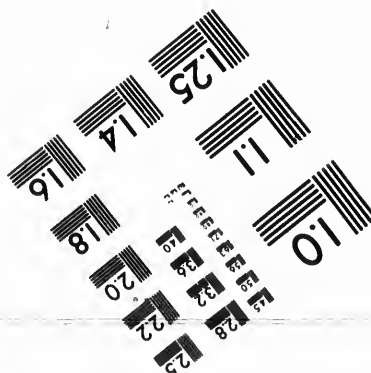
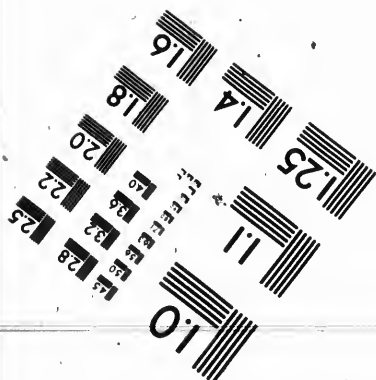
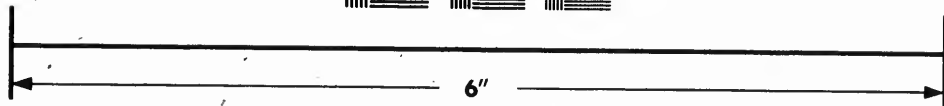
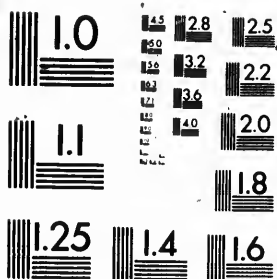


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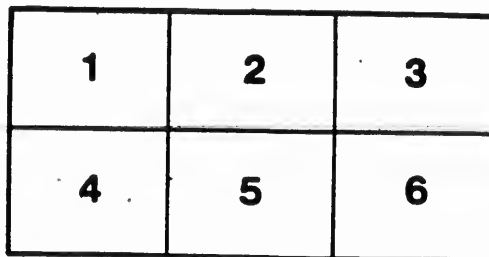
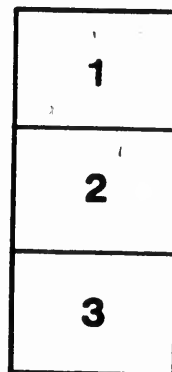
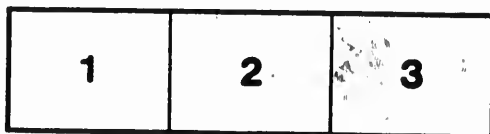
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# GRAND TRUNK RAILWAY COMPANY OF CANADA.

## Verbatim Report

OF

## THE PRESIDENT'S SPEECH,

WITH

SUMMARY OF THE PROCEEDINGS

AT THE

## ORDINARY GENERAL MEETING OF THE COMPANY,

HELD AT THE

CITY TERMINUS HOTEL, CANNON ST., LONDON, E.C.

ON

THURSDAY, 14th. OCTOBER, 1897,

In Pursuance of the following Advertisement:—

NOTICE IS HEREBY GIVEN, that the **Ordinary General Half-Yearly Meeting** of the Grand Trunk Railway Company of Canada will be held at the **City Terminus Hotel, Cannon Street, London, E.C.**, on **Thursday, the 14th day of October, 1897, at Two o'clock p.m. precisely**, for the purpose of receiving a Report from the Directors, and for the transaction of other business of the Company.

NOTICE IS ALSO GIVEN, that an Act passed in the late session of the Parliament of Canada, entitled the "Grand Trunk Act, 1897," will be submitted to the said Meeting for acceptance, and if accepted, the necessary resolutions to authorise the exercise of the additional borrowing powers conferred by it will also be submitted to the Meeting.

NOTICE IS ALSO GIVEN, that the Transfer Books of the Company will be closed from Thursday, the 16th day of September, to the day of the Meeting, both days inclusive.

By Order,

C. RIVERS WILSON, *President.*  
WALTER LINDLEY, *Secretary.*

DASHWOOD HOUSE, 9 New Broad Street, London, E.C.

10th September, 1897.

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# GRAND TRUNK RAILWAY OF CANADA.

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WITH

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ORDINARY GENERAL MEETING OF THE COMPANY,

HELD AT THE

CITY TERMINUS HOTEL, CANNON STREET, LONDON,

*On Thursday, 14th October, 1897.*

Sir CHARLES RIVERS WILSON, G.C.M.G., C.B., in the Chair.

THE SECRETARY: (Mr. Walter Lindley) read the notice convening the Meeting.

The Report and Accounts were taken as read.

THE PRESIDENT (who was received with applause) said: Ladies and Gentlemen, from the very friendly reception which you have just given us I hope I may infer that you are not altogether dissatisfied with the progress we have made in trying to restore prosperity to the Company. (Hear, hear.) I assure you it is a source of great gratification to the Directors to be able to come before you to-day with healthier accounts and more encouraging prospects than have been presented to you for the last four years. Our position, in a few words, may be summarised as follows:—Instead of a deficit of £82,062 for the half-year ending June 30th, 1896, we are able to show a surplus of £2,708 for the past half-year. The total gross revenue receipts of the Company amounted to £1,722,491 being an increase, com-



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pared with the corresponding half-year of 1896 of £14,951, and, therefore, from a gross traffic point of view, there was not any very material improvement; but the actual net profit for the half-year shows an increase of £84,770. (Applause.) The passenger receipts, owing in a great measure to the continued effect of the commercial depression which had unfortunately existed for so long a period, but which I am happy to think is now disappearing, show a decrease of £4,315. We carried, owing to the circumstances I have just mentioned, and from causes which are not attributable to us, no fewer than 300,000 passengers less than in the previous half-year. Therefore, I think it is creditable to the management that notwithstanding this falling off in the number of passengers, our receipts on the whole have been so satisfactory. (Hear, hear.) I may say that this, in a great measure, is owing to the stricter manner of collecting the tickets from the passengers, and the more close and constant supervision than perhaps was exercised in the past. The receipts from mail and express service are more by £456 than for the corresponding period, and the freight earnings have increased by £17,032, although there has been a small reduction in the quantity carried of 12,047 tons, the average rates having been slightly higher than in the June, 1896, half-year. The revenue derived from rents was £524 more, and from sundry receipts there was an increase of £1,254, making a total increase in the receipts from all sources, as I have said, of £14,951. It will, therefore, be seen that it is from the reduction of the working expenses that the larger proportion of the increased net revenue has been derived. The total working expenses amounted to £1,162,568, showing a decrease of £55,677, and when the details of this reduction are carefully considered, you will, I am sure, agree with the board that the economies effected in almost every branch of expenditure, reflect the greatest credit on the management. In the

first place I wish to call your special attention to the large reduction in the train mileage, which could only have been secured by the most careful and untiring efforts of the general manager and his executive officers. The gross receipts, as I have mentioned, have increased by about £15,000, while there has been a diminution of no less than 594,073 in the train miles run, a reduction of upwards of  $6\frac{1}{2}$  per cent., which has had the effect of raising the earnings per train mile from 49·95*d.* in the June, 1896, half-year to 49·66*d.* in the past half-year, an increase of 3·7*d.* per train mile, or 8 per cent. This reduction in the train mileage has been accomplished partly by the larger average number of cars hauled in each freight train, partly by the reduction of unprofitable passenger service, and there has been also a marked decrease in the shunting mileage, resulting altogether in large savings more particularly in the locomotive, car and-traffic departments, to which I will presently refer. I should say that the increase in the average number of freight cars hauled per train during the past half-year has been from 21·2 to 23·3, and gentlemen who are conversant with railway matters will see the importance of these figures. In the last complete return—viz., for July, the average number of freight cars hauled in each train is 25·8 as compared with 23·1 in July, 1896, and the shunting mileage was 298,986, against 353,416 in July, 1896. It will be observed that the maintenance and renewal of way charged to revenue in the past half-year amounted to £156,164, being £14,196 in excess of the corresponding half-year's figures, caused chiefly by a larger quantity of steel rails being put into the track, and also by a larger expenditure for the maintenance and renewal of bridges and culverts; from my own observation, and what I heard during my recent visit to Canada, no diminution under this head can reasonably be expected for some time to come, as it will be absolutely necessary to continue the work of renewing and strengthening

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the bridges in view of the constantly increasing weight of the larger engines and increased loads running over them. The expenditure in the locomotive department is divided under two heads: Firstly, the working of engines or running expenses which amounted to £308,770, a decrease of £21,670; secondly, the repairs and renewal of engines which amounted to £101,411 a reduction of £14,462. The total expenditure in the locomotive department thus shows a diminution of £36,132, equal to about 8 per cent. I may mention that on June 30th last there was a sum, as stated in the general balance-sheet, of £40,026, which was charged in the expenses and remains at the credit of the locomotive department for future renewals. It has been decided to establish three standard types of locomotives with interchangeable parts, which will gradually supersede the numerous types now in use, a reform which cannot fail to be attended with great economy and convenience. The charge for the repairs and renewals of cars is practically the same as in the corresponding half-year, and amounts to £127,126, against £127,371. It will also be observed that an amount of £68,603 stands in the general balance-sheet at the credit of the car department, which will be appropriated to the replacement of the freight cars broken up and out of stock referred to in the report. It is intended to replace the old 10-ton cars out of service by the construction at Montreal, and in the new car shops at London of new 30-ton cars, which are urgently needed for the heavy traffic now passing over the line. I must also mention that so urgent is the requirement for extra cars that we have thought it our duty to order an extra 500 cars to be made in addition to those which will be manufactured in our own shops. In the traffic department the economies effected are very marked, amounting altogether to £36,729, or 9 per cent., the expenses being only 21.29 per cent. as compared with 23.63 per cent. of the gross receipts for the corresponding half-year. The general charges

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were also less than in the corresponding period by £3,158, but there were special charges in that half-year's accounts of £1,250, which reduces the actual saving under this head to £1,908. The miscellaneous expenses are about the same as in the corresponding half-year, and consist of taxes, insurance, and the Company's contributions to the employes' superannuation and insurance and provident funds, over which expenditure the management can exercise but little control. The only other item of expenditure it is necessary to refer to is the charge of rent of rolling stock, which consists of the mileage paid for the use of cars of other companies less the amounts received for the use of our cars by other companies. The balance of increased charge on this account was £5,485, caused by the larger quantities of traffic carried during the half-year in refrigerator cars not belonging to our Company.

Having thus referred to the reduction of working expenses, I desire to state that the economies which have been accomplished are due entirely to improved methods introduced by the present management into all the spending departments; that they have been carefully and legitimately effected, and will be of a permanent character. The savings that have been made have not in the least degree adversely affected the condition of the line or of the rolling stock, which have been efficiently maintained, and, I may say, greatly improved.

It is only right that I should recall to you the names of the principal officers to whom—under our general manager whose eulogy it is not now necessary for me to make—these really remarkable results are attributable. The efforts of Mr. McGuigan, our general superintendent, have been conspicuously successful, and deserve the highest approval of the board and the proprietors. Mr. Reeve, the chief traffic manager, holding one of the most responsible and

difficult positions in our employ, has done admirable service, and has laid the foundation for good results in the future. The high qualities of Mr. Hobson, our chief engineer, and Mr. Wainwright, the assistant to the general manager, are well known to you, and they are working with greater energy than ever, if possible, for the advancement of the interests of the Company. Mr. Morse, the superintendent of motive power, and Mr. McWood, the car superintendent, have their respective departments in excellent condition, and have been preparing assiduously for the gradual replacement and improvement of our rolling stock. The revenue accounts for the past half-year, in comparison with those of the half-year ended June 30th, 1896, may be briefly summarised as follows: The gross traffic receipts increased by £14,951; and the working expenses were reduced by £55,677, showing an improved net traffic result of £70,628. (Applause.) There was an increase in the balance of net revenue charges of £2,421, but the amount payable by the Grand Trunk for revenue deficiency of the Chicago and Grand Trunk was £4,593 less, and of the Detroit Grand Haven and Milwaukee Company £11,970 less, leaving the net result of the half-year £84,770 better than that of the corresponding half-year of 1896.

Although the present board came into office in May, 1895, the new management for all practical purposes cannot be said to have commenced until some months later. It may be interesting to the proprietors to hear the result of the traffic operations for the entire year ending June 30th, 1897, compared with the two preceding years. The following are the results of the year ended June 30th, 1897, compared with the year ended June 30th, 1896. The gross traffic of the Grand Trunk proper increased by £110,734, the working expenses decreased by £31,832, and the increased net traffic receipts amounted therefore

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to £142,566. Compared with the year ended June 30th, 1895, the traffic operations of the year to June 30th, 1897, show the following results. The gross receipts increased by £195,061, the working expenses by £56,029, and the net traffic receipts by £139,032. (Applause.)

With reference to the capital account, there was issued in the early part of the half-year £450,000 4 per cent. debenture stock, the proceeds of which were applied partly in repayment of loans, partly to meet capital expenditure, and finally in increasing our cash balance, which stood at December 31st, 1896, at £128,481, whereas the cash in hand at June 30th, 1897, was £433,175. The amount of loans outstanding at June 30th, 1897, was £400,000; but I am happy to say that these loans have since been paid off.

At the suggestion of the general manager, the board have considered and adopted an improved system for the better supervision and checking of the expenditure accounts in Canada, and also for a revised classification of the revenue expenditure accounts, which it is confidently expected will result in greater uniformity and economy. This amended system came into operation on July 1st last, and the current half-year's accounts will be rendered to the proprietors on the revised basis, the figures of the corresponding half-year being adjusted to conform to the new regulations for the purpose of comparison.

The net working of the Chicago and Grand Trunk Railway has been less unfavourable than in the corresponding half of last year, as although there was a decrease of £32,482 in the gross traffic, there was an improvement in the net result of £4,593, the working expenses having been reduced by £36,251, and the net revenue charges by £824. The half-year's working resulted in a deficiency of £50,073, which under our agreements, is charged in the Grand Trunk net revenue account. As you are aware, these apparently



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burdensome payments which we have to discharge on account of the Chicago and Grand Trunk Company are amply compensated by the value of the traffic interchanged with them. The Grand Trunk earnings from traffic interchanged with the Chicago and Grand Trunk Railway for the half-year ended June 30th, 1897, amounted to £302,284.

The gross earnings of the Detroit Grand Haven and Milwaukee Company were larger than in the June, 1896, half-year by £5,757, while the working expenses were less by £6,429. After the payment of interest charges the deficiency amounted to £20,084 against £32,054, an improvement of £11,970.

On the whole system the aggregate gross receipts of past half-year amounted to £2,112,619, a decrease of £11,774. The working expenses were £1,406,265, a decrease of £98,356, and the net traffic receipts £616,354, an increase of £86,582, and deducting the increased net revenue charges of £1,812 for the half-year, the improvement amounts, as I have previously stated, to £84,770, a result which in the circumstances must be considered very satisfactory. (Applause.)

I have lately returned from Canada, where I was engaged for several weeks on the business of the Company.

I took an early opportunity of placing myself in communication with representatives of the Central Vermont bondholders, being anxious, if possible, to terminate the unsettled state of our relations with that Company. After a good deal of discussion on the eve of my departure for England, we came to a mutual understanding as to the lines on which the Company might be reorganised. It is only within the last few hours that I had the satisfaction of receiving a despatch announcing that the scheme had been submitted to a meeting of the bondholders and adopted by a large majority. I think they have acted wisely in their own



interests, and I hope that this long-pending and troublesome matter is now in process of satisfactory adjustment, with a due regard to our financial interests and the maintenance of a useful connection with the New England States. Of course, as soon as the matter is brought to a focus it will be submitted to you for your confirmation and approval.

I have to inform you that an arrangement of a temporary and tentative character with the Wabash Railroad Company has been in operation since June last, giving that Company trackage facilities for a limited number of passenger trains over the Grand Trunk line between Windsor and Suspension Bridge, on mutually satisfactory terms, and when in Canada, I, with Mr. Hays, was in personal communication with Mr. Ashley, the president, and Mr. Ramsey, the general manager of the Wabash Railroad, and discussed with them the terms of a more comprehensive and permanent agreement for affording the Wabash Company trackage arrangements for passenger and freight business over our line between Windsor and Buffalo and to Niagara Falls via Welland Junction. Our negotiations have not yet reached a final result, but the nature of the communications which we had together lead me to hope that an alliance, advantageous to both Companies, may be contracted. Our proceedings in this matter are guided by that policy of conciliation and joint-working to which I alluded at our last Meeting, and of which I think you signified your approval.

A good deal of excitement was created when I was in Canada, by the unexpected introduction into the United States Tariff Act of a clause which would appear to have the effect of imposing a discriminatory duty upon goods introduced from a foreign country into the United States through Canadian territory; and it was feared that if such were indeed the effect of this legislation, the result would be injurious to the interests of the Canadian railways. I am happy to state,

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however, that the Attorney-General of the United States has advised that this proposed amendment to the law is unconstitutional, and, therefore, of no effect. I am bound to say that I do not think the effect upon our Company would have been of material consequence, but it is satisfactory to know that such a possible cause of friction is not likely to arise.

When I addressed you last April, I was able to inform you of an arrangement with the Dominion Government, under which the Intercolonial Railway would be extended to Ste Rosalie, a point on our line, whence running powers would be given to them over our system, and over the Victoria Bridge into Montreal, a distance of 38 miles. The amount of rental to be paid the Grand Trunk for this use of our line was \$140,000 a year, together with a proportionate contribution for working expenses. After the passing of the Bill embodying this agreement through the House of Commons, it was rejected by the Senate, the opposition to the measure being founded apparently upon certain objections, relating not to the Grand Trunk Company, but to the intermediate line between Chaudiere Junction and Ste Rosalie. The Government intend to reintroduce the measure next session, and in the meantime have obtained a vote in supply for the necessary funds, and the arrangement will probably come into effect next month. (Applause.)

You will be interested to learn that good progress has already been made with the works of the Victoria Bridge, which by the way, in commemoration of the great event of the present year, is to be known in future as the "Victoria Jubilee Bridge." Mr. Gibson, the contractor for the masonry, will have completed before the frost sets in twelve out of the twenty-four piers besides the two abutments. An immense amount of iron material has already been deposited on the two sides of the river, and it is confidently expected that the new bridge may be opened for public traffic some time in the month

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of August next. Tenders were received for the supply and erection of the steel superstructure, and contracts were awarded to the Dominion Bridge Company and to the Detroit Bridge Company. We have also an agreement with the Carnegie Steel Company, under which the proper fulfilment of the work by the Detroit Bridge Company covered by the contracts is guaranteed. The total cost of reconstructing the bridge, with a double track and with roads for foot passengers and vehicles, complete for traffic, after allowing 10 per cent. for contingencies, is estimated at \$1,794,000, but to this must be added the outlay required for widening the approaches of the bridge, and the making of carriage ways and side walks on each side of the river. The total cost of the whole work will be considerably less than originally estimated, and we are, I think, within the mark in concluding that the total expenditure, including approaches, will be less than \$2,000,000, or, say, £400,000. (Applause.) We have been fortunate in placing our contracts at a time when the price of material was low. Another fortunate circumstance attending the construction of this great work is that the piers of the bridge—although at the time of its erection a double track was certainly not contemplated—were so broadly framed, with the exception of the upper sections, that we are able to lay a double track upon the existing piers at a comparatively small additional outlay. Had it been necessary entirely to rebuild the piers, the estimated additional cost is placed by Mr. Hobson, our chief engineer, at \$4,000,000.

The Dominion Parliament have voted a subsidy towards the cost of this important work of 15 per cent. of the whole cost to an amount not exceeding \$300,000; and the Quebec Government have also agreed to subsidise the bridge to the extent of \$250,000, making a total contribution of \$550,000, or £110,000, thus leaving an expenditure to be borne by the Company of say, \$2,000,000. In what proportion this amount

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shall be charged to capital and to revenue is a matter for calculation and future consideration, but in view of the magnitude and exceptional character of the work, I think it will not be unreasonable to spread any proportion of the cost that it may be decided to charge against revenue over a certain limited number of years. On the other hand, it is estimated that a considerable saving in the cost of maintaining the new double track bridge as compared with the old tubular single track bridge will be permanently effected, amounting for the first ten years to about \$18,000 per annum, while the traffic capacity of the new bridge will, it is stated, be fully four times that of the old bridge. Moreover, the tolls that will be paid by other companies for the use of the new bridge, and for foot passengers and carriages, although difficult now to estimate, are expected to reach from \$30,000 to \$40,000 a year. Hence, taking into consideration the reduced cost of maintenance and the revenue expected to be derived from the bridge, the annual cost to the Company of this double track bridge will not be great, and the additional charge, if any, will be entirely compensated for by the increased traffic facilities afforded by it; and we may congratulate ourselves if we can accomplish this important work on such satisfactory terms. (Applause.)

I must not omit to state that it was with much pleasure that I visited the new bridge across the Niagara River, which is now open for traffic. It is a magnificent structure, of great solidity, and with its double track will largely increase our facilities for handling traffic at that point.

One other important work which I visited I must mention, viz., our new grain elevator at Portland, from which we anticipate very substantial advantages. A great deal is being done also in the improvement of our line on the Portland section, 25 miles of new sidings have been added, and our traffic manager, Mr. Reeve, has been active in promoting

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connection with the steamers plying to Europe for the accommodation of our freight. Fourteen different steamers are at present under engagement for this purpose, running from Bristol, Liverpool, London, Glasgow, and Antwerp. The earnings of the Company from traffic to and from Portland during the past half-year were £37,000 more than in the corresponding period in 1896.

I will not detain you with an account of the various incidents of my inspection, but confine myself to saying that I carried away a most satisfactory impression, not only as to the condition of the line, but as to the remarkable activity and intelligence which are manifested by the whole of the working staff.

I was glad to find Mr. Hays particularly impressed with the necessity of doing all in his power to locate manufacturing establishments in close proximity to our line. Great portions of the country through which our line passes are almost exclusively agricultural, and however bountiful the harvests may be, and however considerable may be the traffic which these fertile lands may send over our line, the advantage to be derived from manufactories is of a far more conspicuous character. For instance, a 30-ton box car holds 1,000 bushels of wheat; the average yield of wheat per acre is about 20 bushels; therefore it would take no less than 1,250 acres to produce one train-load of twenty-five cars. Compare these results with what might be obtained from factories on our road. Such factories, in the first instance, give a haul of raw material into their premises, and the railway carries out the finished product, besides all the traffic secured for supplying the food and clothing required for the maintenance of the employés. I think, therefore, you will see that any steps we may take in the direction I have pointed out will be of great advantage to the Company. (Applause.)

You have no doubt made yourselves acquainted with the

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provisions of the Act of the Dominion Parliament, which is appended to the report, and to which I now have the honour to ask your approval. Its objects are threefold. Two of these objects require but little explanation. In the first place we desire to take formal powers to make advances to the Chicago and Grand Trunk Company, which under certain circumstances we are compelled to make, but for which it appeared to be doubtful whether we had statutory powers. Then in what I may call the ordinary course, we have to ask for additional borrowing powers to enable us to meet from time to time capital expenditure as necessity may arise. There is no immediate necessity for exercising these powers now asked for, but as I said at the last Meeting, we have obtained the powers in anticipation of possible future requirements of the Company. The third object is one to which I must refer more particularly, in consequence of various communications which have been addressed to us by individual proprietors. The Act enables the directors to charge to capital the revenue debit balance as it stood on June 30th last, the time and manner of charging the same being subject to the approval of the proprietors. We applied for those powers as a precautionary measure and as an act of prudence. At the time that we applied for them we felt that such a step might at no distant date be found necessary if the depression then prevailing continued. In the face, however, of the great improvement both in our returns so far this year and in the outlook for the future we hope and believe that it will not be necessary to act upon them—(applause)—for it is perfectly obvious that only in an extreme case could such a course be defended as sound finance. We have those powers, or shall have them, if the Act is now approved, and we shall retain them, but if, as we believe, there will be no necessity to use them, it will be because the recent serious decline of our revenue has been arrested and has proved to be only

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temporary, which must be a source of the greatest gratification to every proprietor of the Company. (Applause.) We have, as you are aware, paid out of revenue already a portion of the revenue deficiency, which reached its climax on June 30th, 1896, when it amounted to £306,769. There was a surplus after the payment of fixed charges for the half-year ended December 31st, 1896, of £39,086, and of £2,709 in the past half-year. We have, therefore, reduced the original deficiency by £41,795, leaving the amount outstanding at June 30th, 1897, £264,974. (Applause.) This amount, capitalised at 4 per cent., would represent a permanent increase to our fixed charges of about £11,000 a year to the detriment of all stocks, the guaranteed stock included, and it may reasonably be estimated that towards this deficiency of £264,974 we have earned in excess of our fixed charges up to the present date about one-half.

There is another matter of which I may remind you, which should particularly interest the guaranteed stockholders, who rank first for dividend after the payment of the fixed charges, namely, that five and six per cent. terminable bonds, amounting altogether to £6,500,000, begin to mature next June, the first amount so maturing being the Hamilton and North-Western six per cent. bonds amounting to £409,400, and that within five years nearly £3,000,000 of the bonds of the Grand Trunk and its controlled lines fall in, which, with our improving credit, will mean a large reduction in our fixed charges. (Applause.) In face of the obvious importance of raising the money to meet these obligations whenever we do it, on the best possible terms, you will see of what great consequence it is in relation to the question I have just disussed—that of dealing with the deficit—that we should adopt no course calculated to impair the credit of the company. (Applause).

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In conclusion, I can only repeat, upon a general review of our situation and prospects, that I think the outlook is distinctly encouraging. We are paying our way, and at the present moment we have not a farthing of floating debt, and the results of the working of the first two months of the current half-year show a net gain of £57,000 over the corresponding two months of last year. (Applause.) It is true that a continuance of the same ratio of progress cannot be confidently anticipated, owing to the fact that we are now entering upon a period of comparison with economies recently introduced; but, on the other hand, we may reasonably expect that the business revival in the United States and in Canada, of which there are evident proofs, and of which the effects are already beginning to be felt, will be attended with results which will satisfactorily swell our revenue. In conclusion, I will ask you to vote upon the following resolution:—

“That the Report of the Directors and Accounts for the half-year ended 30th June, 1897, be, and the same are hereby, approved and adopted.”

MR. JOSEPH PRICE: I beg to second the resolution for the adoption of the Report and Accounts.

MR. W. W. BAKER (Bristol) pointed out that since the issue of the Committee's circular of April, 1895, the Directors had continued to make advances to the Chicago and Grand Trunk, instead of ascertaining in what way they could get rid of the subsidiary lines. In the general balances the amount of £586,626 was set down as advances under traffic agreements, and that did not include advances to controlled lines for general purposes, amounting to £324,636. He would like to know the value of that asset, and whether the Directors could justify their policy of furthering the interests of the American railways, which in the past have prevented the proper working



and successful development of the Grand Trunk Railway. In the report there was stated to be an improvement in the result of the past year's working of £84,770. He ventured to think that that was in a certain sense a misrepresentation. (Cries of "Time.") During the past year £450,000 of Debenture Stock had been issued, on which no less than £84,375 was charged for discount and commission. That was a dead loss, and, therefore, it was absurd to say that during the past year there was an improvement of £84,770. Mr. Baker proceeded, amid considerable interruption, to complain of the way in which the accounts were rendered, and to refer to the subsidiary railways, and concluded by asking the value of the assets they represented.

MR. LANDAU said that if the Grand Trunk had been an American railway they probably would have been wiped out by now, or the proprietors would have had to pay a very large amount of money in the shape of assessment. With regard to the discount and commission of the Debenture issue, charged to Capital account, he hoped that when there was any further issue made the Directors would let the Shareholders have the benefit of it. (Hear, hear.) He was glad that the Board had come to the determination not to issue any bonds in respect of the debit balance, so as to enable the Proprietors to receive a dividend immediately. He had reason to believe that with the present prosperity and prospects in Canada, it would not be long before the directors would be able to wipe out the whole debt which was hanging so heavily upon the company.

MR. HOGARTH expressed satisfaction with the funding scheme.

A SHAREHOLDER: Is it true that there have been many gold mines found on the lands adjoining our railway?

THE PRESIDENT: No, I am afraid not; we have not had that good fortune.  gentlemen, I think I have fewer

questions to answer to-day than on previous occasions. Naturally, with regard to our friend Mr. Baker, we should have been very much disappointed if he had not made his usual oration. (Laughter.) But, really, he travels over such a wide field, and he criticises us upon so many points, that I am afraid I should take up the whole afternoon if I followed him in detail in order to justify our conduct in the several matters he has mentioned. But, speaking for myself and my colleagues, our conscience is absolutely clear, and I think I should be able to prove to you in the course of a detailed examination of all these charges that there is not one of them that can stand upon its legs. It is not for me to justify and to defend the committee that sat two or three years ago. There is a gentleman much more competent than myself present here who was one of the most responsible members of that committee, who could answer if he thinks it worth his while to do so, which I am sure he will not upon this occasion. (Hear, hear). But there is one thing that Mr. Baker pointed out, *viz.*, the necessity for better and more explicit accounts. I think he might have done Mr. Price, of all men, the justice to confess that it is to Mr. Price's sagacity and intelligence that you are indebted for the admirably clear, and lucid accounts published every half-year, and which you used not to have from the former administration. I have not much to say in reply to Mr. Landau except to thank him for his kind remarks, which are always listened to by us with interest. I have made a note of his observations with regard to the future issues of debenture stock, which shall be duly considered. One gentleman, whose name I did not catch, gave me great pleasure when I heard his remarks eulogising our chief engineer, Mr. Hobson. I quite agree with him that Mr. Hobson has not perhaps had full justice done to him in the past, but as everyone who knows him knows he is a most modest and retiring man, and that he is the last man to put himself

forward to receive the honours which he deserves as well as any man in the world. He is having entire charge of the reconstruction of Victoria Bridge, and I feel sure that he will add another leaf to his crown of laurels in this work, which I am satisfied will turn out to be one of the most magnificent works in the world. I thank Mr. Hogarth for his fair and sympathetic remarks. There was one remark which fell from him, which came home to me. I think the sense of what he said was this—and I entirely agree with him—that the duties and responsibilities of this board—and I will say of any board—of directors are towards their permanent investors only, their proprietors, their real proprietors. I do not wish to say anything disrespectful of any of my correspondents, but I have had several letters addressed to me during the last few days from gentlemen, stating candidly and honestly, I am sure, the reasons why we ought to charge this overdraft to Capital—because, why! forsooth? Because these gentlemen have just purchased some of these stocks in anticipation that we should fund the deficit, and that thereby they would derive a profit by selling. I assure you—as it may appear incredible—that that is the nature of the communications I have received, and, therefore, I take up what Mr. Hogarth says, and I say that I think our duty is to the proprietary at large. (Hear, hear.) It is not, certainly, due to the speculators—(applause)—and it is not due to any one particular class of the proprietary in contradistinction to any of the others. Therefore, I hope you will bear us out in this, that we should try to do our duty fairly, and evenly, and equitably, for the whole body of Proprietors. (Applause.) If no one has any more remarks to make I will put the motion.

The Resolution for the adoption of the Report was then agreed to unanimously.

THE PRESIDENT: The next Resolution is as follows:—

“That the ‘Grand Trunk Act, 1897,’ be and the same is hereby accepted by the Company, and that the Directors be and they are hereby authorised to put in force and exercise from time to time as they may think fit, the borrowing powers thereby conferred on the Company, provided that the aggregate amount of the annual interest payable on the Debenture Stock to be issued under the said Act shall not exceed £50,000 sterling.”

MR. JOSEPH PRICE: I beg to second the Resolution.

The Resolution on being put to the Meeting by the President, was carried unanimously.

MR. HOGARTH: I rise to propose a very hearty vote of thanks to Sir Charles Rivers Wilson, our President, and the Gentlemen who sit with him, at this Board. We owe them grateful thanks for what they have done in putting the concern into the improved condition it is in to-day, aided by such splendid men in Canada as Mr. Hays and the Gentlemen who surround him. I beg to move that a very hearty and cordial vote of thanks be given to the Chairman and Directors, and to the staff.

A SHAREHOLDER: I beg to second that.

The Resolution was agreed to.

THE PRESIDENT: Mr. Hogarth and Gentlemen, I return you our most respectful thanks for your kindness, and I trust you we shall do in the future as in the past, and I shall certainly communicate to our friends in Canada your kind expressions.

The proceedings then terminated.

# GRAND TRUNK RAILWAY COMPANY OF CANADA.

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At the Ordinary General Half-yearly Meeting of the Company, held at the City Terminus Hotel, Cannon Street, London, E.C., on Thursday, 14th October, 1897:

Sir CHARLES RIVERS WILSON, G.C.M.G., C.B., President, in the chair:

The Secretary having read the notice convening the Meeting:

It was moved by the PRESIDENT, seconded by Mr. JOSEPH PRICE, Vice-President, and unanimously resolved—

That the Report of the Directors and Accounts for the half-year ended 30th June, 1897, now presented, be and the same are hereby approved and adopted.

It was moved by the PRESIDENT, seconded by the VICE-PRESIDENT, and unanimously resolved—

“That the ‘Grand Trunk Act, 1897,’ be and the same is hereby accepted by the Company, and that the Directors be and they are hereby authorised to put in force and exercise from time to time as they may think fit, the borrowing powers thereby conferred on the Company, provided that the aggregate amount of the annual interest payable on the Debenture Stock to be issued under the said Act shall not exceed £50,000 sterling.

C. RIVERS WILSON, *President.*

Thereupon it was resolved—

“That a hearty vote of thanks be passed to the President and Directors, and to the General Manager and Staff, for their services to the Company.”

WALTER LINDLEY, *Secretary.*

DASHWOOD HOUSE,

9 NEW BROAD STREET, LONDON, E.C.

15th October, 1897.



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