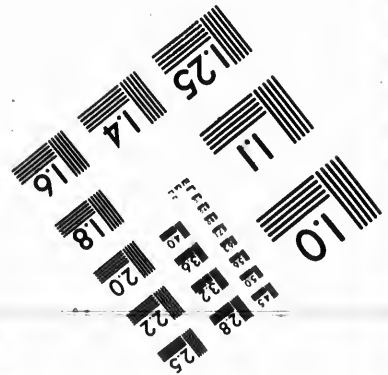
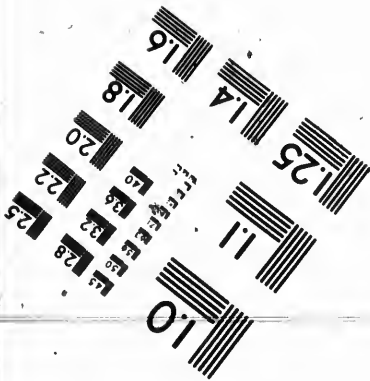
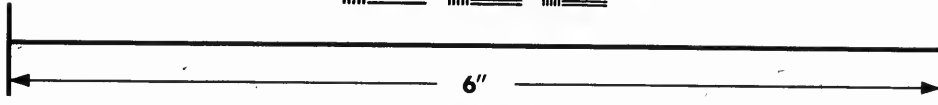
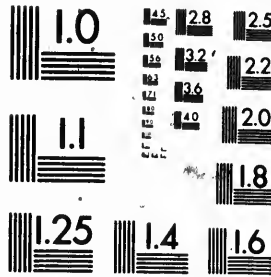


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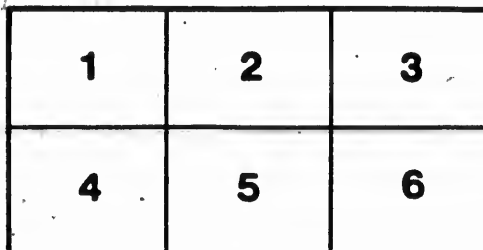
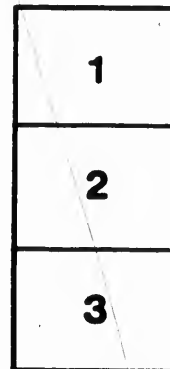
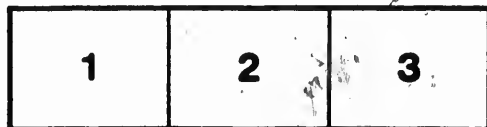
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GRAND TRUNK RAILWAY COMPANY OF CANADA.

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
MONDAY, 30th APRIL, 1894,

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 Monday, the 30th April, 1894, at Two p.m. precisely, for the purpose of:—(1) Receiving a Report from the Directors; (2) The election of Directors and Auditors; (3) Authorising such further exercise of the borrowing powers of the Company as the meeting may deem fit; (4) Approving an Agreement (involving no capital expenditure by the Company, and which will be circulated with the Report) with reference to the construction of a branch of the Grand Trunk, Georgian Bay, and Lake Erie Railway, 13½ miles long, between Park Head and Owen Sound, and authorising the Directors to take all necessary steps to give effect thereto; and (5) The transaction of other business of the Company.

Notice is also hereby given that the Transfer Books of the Company in London will be closed from Saturday, the 7th April, to the date of Meeting, both days inclusive.

By Order,

H. W. TYLER, *President*
J. B. RENTON, *Secretary*.

DASHWOOD HOUSE, 9, New Broad Street, London, E.C.,
30th March, 1894.

GRAND TRUNK RAILWAY COMPANY
OF CANADA

Statement Report

THE PRESIDENT'S SPEECH

SUMMARY OF THE PROCEEDINGS

ORDINARY GENERAL MEETING OF THE COMPANY

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

MONDAY, 30th APRIL, 1904

In pursuance of the following Advertisement:-

NOTICE is hereby given that the Ordinary General Meeting of the Grand Trunk Railway Company of Canada will be held at the City Terminus Hotel Cannon Street, London, E.C. on Monday, the 30th April 1904 at Two P.M. precisely for the purpose of (1) receiving a Report from the Directors (2) the election of Directors and Auditors (3) authorizing such further powers of the Company as the Directors may see fit to give. A copy of the Report of the Directors will be placed at the disposal of the Shareholders in the Company's Office at the Grand Trunk Railway, 100, Cannon Street, London, E.C. on the 29th April 1904. The Report will be placed at the disposal of the Shareholders in the Company's Office at the Grand Trunk Railway, 100, Cannon Street, London, E.C. on the 29th April 1904. The Report will be placed at the disposal of the Shareholders in the Company's Office at the Grand Trunk Railway, 100, Cannon Street, London, E.C. on the 29th April 1904. The Report will be placed at the disposal of the Shareholders in the Company's Office at the Grand Trunk Railway, 100, Cannon Street, London, E.C. on the 29th April 1904.

J. B. PRINCE, Secretary

Printed and Published by the Grand Trunk Railway Company of Canada, 100, Cannon Street, London, E.C.

GRAND TRUNK RAILWAY OF CANADA

The year 1898 will not be forgotten easily by any of us in this country.

VERBATIM REPORT

THE PRESIDENT'S SPEECH

SUMMARY OF THE PROCEEDINGS

ORDINARY GENERAL MEETING OF THE COMPANY

HELD AT THE

CITY TERMINUS HOTEL, CANNON STREET, LONDON,

On Monday, 30th April, 1894.

The ordinary general half-yearly meeting of this Company was held at the City Terminus Hotel, Cannon Street, on Monday, 30th April, 1894. Sir Henry W. Tyler (President) in the Chair.

The notice convening the meeting having been read, The Chairman: Before I open the business of the meeting, gentlemen, you may like to hear what has been published this morning, but which a great many of you, I dare say, have not seen—the result of the working for March. (Hear, Hear.) In gross receipts, less cartage, there was a decrease of £33,610 on the Grand Trunk proper; in the working expenses there was a decrease of £24,196 (applause); on the Chicago and Grand Trunk there was a decrease in the gross receipts of £13,536, and a decrease in the working expenses of £6,937 (applause); on the Detroit

Grand Haven and Milwaukee there was a decrease in gross receipts of £1,273, and a decrease in the working expenses of £1,286.

The year 1893 will not, gentlemen, easily be forgotten on either side of the Atlantic. (Hear, hear.) In this country the British investor is estimated to have suffered from loss and depreciation to the extent of upwards of £100,000,000 sterling. You will remember the conflicts between labour and capital, including sixteen weeks coal strike in England, and twelve weeks in Scotland, and all the other adverse conditions—such as the Australian bank failures, revolution and ruin in South America, the difficulties of trust and other companies—during the year. But matters have been far worse on the other side of the Atlantic. There is no less than one-fourth of the American railways in extent of mileage and capital now under the control of the courts of law, and during the year 1893 alone seventy-four railway companies, including a mileage of 30,000 miles and a capital of 360 millions sterling, passed into the hands of receivers. I do not know whether anyone in this country is able to realise the amount of industrial and commercial depression that has existed in America during the year 1893. The banks were constantly failing; there were frequent troubles between labour and capital; currency at one time, after the panic of July, 1893, was unobtainable; factories and mills were stopped. The silver question—the tariff discussions and uncertainties—the low price of wheat in Europe—and the rate cutting, so frequently associated in an extreme degree with scarcity of traffic—all added to the anxieties and difficulties of the situation; and it was no wonder that we suffered under such circumstances so much in loss of gross receipts from freight traffic. There have been volumes written in the newspapers, in pamphlets, and in books, to trace the causes of this depression. We cannot afford time to go into that subject, which is a very large one, to-day—(hear, hear)—but those who are most interested in the railways of America have all come to one conclusion, and

that is, that there ought to be an alteration by Congress of the Interstate Commerce Law, so that the railway companies may be able legally to combine in maintaining moderate but uniform rates, which would be to the interest alike of the public, the freighters, and the railway companies.

But I must turn from these burning but general subjects to our own immediate concerns—(hear, hear)—and more especially to consider the working of the Grand Trunk Railway for the last half-year of 1893. You will see by the reports which have been sent round to you that during that half-year we had an excess of gross receipts of £17,000. There was a diminution in freight traffic of no less than £130,000 on the Grand Trunk proper. On the other hand there was, including the two or three months of extra traffic in connection with the Chicago Exhibition, an increase in the passenger traffic of £134,000, so that the passenger traffic for those two or three months made up for the deficiency in freight traffic for the half-year. Then we had also an increase on account of mails and expresses of £13,000. Now, as regards the passenger traffic we carried about 500,000 more people, and at rather a better average fare, in consequence of the World's Fair traffic. As regards mails and expresses, I have a very satisfactory story to tell to you. You will all remember the reason why we were forced to take over the Canadian Express Company, which had been running a great many years over our line. Another express company was started, and we could not possibly afford to accommodate them both. If we had not taken over the Canadian Express Company we should have been bound to afford equal facilities for the other express company, and therefore we determined to take it over and work it for ourselves. The result has been very satisfactory. In 1891 we received from that company £65,000; in 1892, the first year that we worked it ourselves, we received £81,000 from it; and during 1893 we received £89,000 from it. Not only have we made £24,000 more from having taken the express company into our own hands, but we have also

secured a good many other incidental advantages, in the transmission of funds and in managing the traffic ourselves, and I am happy to tell you that we now control all our own traffic on our own line, and that the express business is working satisfactorily in all respects. (Hear, hear.) As regards the freight traffic, as I mentioned to you, we suffered a loss from freight traffic—and no wonder, considering the state of the country, to which I have above referred—of £130,000. The loss in the volume of traffic was as much as 91 million tons moved 1 mile in the half-year, of which 64 million tons were in through traffic and 27 million tons were due to loss of local traffic. But we lost still more in receipts, because, unfortunately, the average rate per ton per mile went down from 68-100th of a cent to 67-100th of a cent during the half-year; and you will appreciate the importance of that diminution, which may not seem from the mere figure to be a very important one, when I tell you that every 100th of a cent means a diminution in receipts of between £19,000 and £20,000 for the half-year.

The next subject which I come to is that of the working expenses, and it is the most important that we have to consider, especially during the present crisis. (Hear, hear.) We employ in Canada—because we are speaking now of the Grand Trunk proper only—no fewer than about 20,000 people, of whom, roughly, one-third are in the traffic department, one-third in the mechanical department, and one-third in the way and works department—that is to say, there are between 6,000 and 7,000 in each of those departments. The pay-rolls amounted for the year 1892 to £1,760,000, and in 1893 to £1,733,000, so that you see we saved on those pay-rolls between 1892 and 1893 no less than £27,000. Those pay-rolls are what we should like to attack, because there is a great deal to be saved in them if we could only save it; but, unfortunately, that is a very difficult and delicate matter. A great many companies have tried to save on their pay-rolls. The Erie Company made the attempt, and

when I went to America, on one occasion I found 10,000 troops in Buffalo maintaining order, which they did with very great difficulty, and the Erie went into bankruptcy afterwards. I could mention to you other companies that have tried to save money on their pay-roll, and have followed the example of the Erie, in that respect. Therefore it is a very difficult question, and it is one about which I cannot say all I should like to say, in this room; but I may say this, that the labour organisations are in America far more powerful and far more wealthy and far more influential than in this country, and are very difficult to deal with; and I can tell you that our officers in keeping down the pay-rolls as much as they have done have used very great tact, and have deserved our warmest thanks for what they have done in this respect. (Hear, hear.)

But having regard to continued industrial and commercial depression, low prices in Europe, and wretched rates for conveyance, it is now incumbent upon us to adopt more drastic measures than would otherwise be justifiable. The train mileage has therefore been reduced by 1,000 miles a day. Shops have been closed, and workmen dispensed with. Our officers are fully alive to the necessities of the situation, and are doing in these respects what is necessary to compensate for diminished weekly receipts and maintain the credit of the company.

The next question which is of the greatest importance to us is that of the coal duty. During the year which ended on October 31st, 1893, we paid no less a sum than £73,799 for duty on coal which we imported from the United States for the use of our railway, so that you see there is a very large item to be saved. You will have seen by the newspapers that the tariff question has been discussed in the House of Representatives in America; and has been sent forward to the Senate. It has had a very long hearing in the Finance Committee of the Senate, and has been remitted to the Senate itself. There are accounts even this morning; and we read from day to day how the discussion on the Tariff Bill is proceeding in the Senate. The latest news is

that the Democratic party have settled their differences amongst themselves, and intend to vote in a body for the Tariff Bill, with some modifications as regards the income tax sections, and I hope before very long we shall see that the bill has passed the Senate and has become law in the United States. The late Sir John A. Macdonald, when he was Premier of Canada, wrote a letter at Sir Joseph Hickson's instigation, and gave it afterwards to a gentleman, who published it, to the effect that if the United States would take the coal duty off, the Canadian Government would take it off also. Sir John Thompson, his successor, a man of the highest honour and in whom we can place implicit reliance, has given an assurance to Mr. Seargeant and allowed him to use it at Washington to a similar effect; and I understand that a Conservative member of the Canadian Parliament has given notice of motion to the effect that if the duty in the United States is taken off or reduced the Governor-General shall be empowered to at once do the same in Canada. (Hear, hear.) I have reason to believe that the question is not in an unfavourable condition for solution in a way which will be of material benefit to us. (Hear, hear.)

There is also a question which has recently been under discussion in Montreal which I think I ought to bring next before you. You will remember that at previous meetings I have spoken of the widening of St. James Street, on the north-west of our Bonaventure Street Station, which street runs parallel to and along the whole length of the station yard. The City Council propose to take away two tracks from us in order to widen the street, and we have gone through a long arbitration on the subject, in which we claimed £90,000 as compensation for what is to be taken from us. Well, the arbitrator, instead of awarding us £90,000, only awarded us £30,000, which we have received from the city as compensation, because it is the law there that the amount of such an award should be paid even pending an appeal. We have appealed against that decision, because the arbitrators have only given us apparently what

they consider the actual value of the land, 51,147 cubic feet, and not the consequential damages which we claim: our case having been that we should have to go to very considerable expense to accommodate both freight and passenger traffic, in consequence of the loss of valuable space to be taken away from us. There is another difficulty in connection with that station. There are several level-crossings of important streets by our railway not more than about half-a-mile from the Bonaventure Street Station, of which the Mountain Street crossing is the most important. That street crosses over eight tracks. It is only 280 yards from our passenger station, and in fact the passenger platforms run all the way from the station building to Mountain Street. There is constant shunting over that level crossing, in and out of the yard, of goods trains and passenger trains. There is also constant traffic in the street. You may see a whole line of vehicles waiting on each side of it, and when the trains are shunting you cannot—though two watchmen are constantly employed there—prevent people jumping and running over, and through them, and risking their lives in their hurry to get across the tracks. That has been a sore for a very long time, and constant articles have appeared in the newspapers about the “deadly level crossing” question. Mr. Seargeant has lately been in communication with the city authorities, and they are now prepared themselves to build a bridge in one span across our railway, so as to offer no obstruction to our traffic at that point, which they estimate will cost £16,000; and it has been proposed that, if we give up our appeal in regard to the street widening before referred to, the city should add to the amount already awarded to the company, as I have before stated, the sum of £8,000, to meet our contribution of half the cost of the bridge; such a sum representing pretty nearly the capitalised cost of maintaining the level crossing. We have frequently stated that we should be prepared, in order to get rid of any of these level crossings, to pay over to the city the capitalised cost of maintenance if

they would build a bridge in place of it, and undertake all expenses in connection with it. We have not actually concluded the arrangement, because we think we ought to get more than the \$8,000 extra, but you will see it will be an enormous advantage to us and to the city that a bridge should be constructed and the level crossing done away with.

I am very much obliged to you, gentlemen, for the patience with which you have listened to what I fear is a dismal tale, but you will understand that our officers are taking exceptional measures at the present time to economise expenses. The incidents of the half-year's working have been entirely exceptional, and may fairly be described as a prolonged crisis, tempered only by two months of heavy passenger traffic in connection with the World's Fair. I know that fears have been expressed that our debenture stock interest will not be met for this half-year. Well, gentlemen, I am here to dissipate that fear to-day (applause) — to tell you that unless anything unforeseen occurs it shall be met at the end of the half-year. (Applause.) It shall be earned too. (Renewed applause.) Mr. Sargeant has called his officers together, with a view to the necessary reductions being made. Exceptional difficulties require exceptional measures, and these exceptional measures are being applied, and shall be applied. (Applause.) You have seen the results of it so far, in the March working, and that will be continued. (Applause.) I have put a very straight question to Mr. Sargeant on that point, because I was sure you would be glad to hear his reply to such a question. I telegraphed to him two or three days ago, "Can you enable me to state at the meeting that extraordinary economies now being made will enable us to show that the debenture stock interest will be earned for this half-year?" I received a reply on Friday — "I will accept to end of half-year of course, I understand, but I fear present indications and possibilities connected with extraordinary reduction in expenses require

"may reasonably rely on debenture stock interest being covered." You will see we are doing all we can for this half-year. We have gone now through three months of it, we have the working statements for the three months, and the result is we have still £20,000 to the good, for the interest of the present half-year, and we shall hope to make that do, gentlemen. (Applause.) Then you must not expect that America is always going to be in this state of depression, you must not expect that we are always going to receive reports of decreases of freight traffic. The Tariff Bill will pass before long. Stagnation will pass away, and business revive. There will be more freight to carry, and, with a decrease of extreme competition, we will hope better rates for its conveyance. Serious proposals for peeling traffic are under discussion, and there is a very general feeling in favour of amending the International Commerce Act. You know we have meanwhile made an economy of £45,000 in the reduction of the price of coal for the present year, even without the duty taken off, and there are many other favourable circumstances to consider in view of present economy in train mileage and work carried on; but above all, when this Tariff Bill passes, you may reasonably expect a resumption of trade, when all the little rills and streams that form the great river of commerce will begin to flow again freely, and a reaction, which is certain sooner or later to be experienced, and always follows periods, however severe and prolonged, of universal depression. I beg now to move:

That the Report of the Directors and Accounts for the half-year ended 31st December, 1893, now presented, be, and the same are hereby approved and adopted, and that a dividend of 21. 12s. 6d. per cent. be paid to the holders of the Four per cent. Guaranteed Stock, and the dividend of 21 per cent. paid to the holders of the said stock for the half-year ended 30th June, 1893, a dividend of 22. 12s. 6d. per cent. for the year 1893.

Mr. HARRISON: I beg to second the resolution you have just heard read.

Mr. B. HENBY HOUSEHOLD moved the following amendment:—

“That the report and accounts be received but not adopted, and that a committee of three shareholders and three directors be appointed to investigate and report on the present financial position of the Company, its liabilities and commitments, and the liabilities of every company connected with the Grand Trunk system. That the meeting be adjourned until the 14th of June.”

He said, that never during the history of the Company had its financial position been so unsound as it was at the present time. In 1889 the gross receipts of the Grand Trunk proper were £4,022,004, and in 1893 they amounted to £4,062,217; while the working expenses during the same periods were 71·20 per cent. and 72·45 per cent. respectively. The consequence was that, whereas in 1889 there was £289,000 to distribute, which gave 4 per cent. on the guaranteed, and £2. 7s. 6d. on the first preference stock, this year, notwithstanding the Chicago Exhibition, they had only £136,000 to distribute, which gave £2. 12s. 6d. out of the £4 on the guaranteed stock, and left nothing for the first preference. Putting the increase passenger receipts against decreased freights, there was less than £10,000 decrease on 1893 against 1889. The proprietors were constantly told at the half-yearly meetings that it was the decreased rates for freight which caused the deficiencies in net revenue for preference dividends. This statement was more than misleading. The cause of lost dividends arose wholly from the reckless policy of buying, leasing, and absorbing what were called the “subsidiary lines,” at rents and rates far beyond their value; and all these lines were enjoying interest by preferentially secured securities to the prejudice of the original Grand Trunk preference shareholders. Had those lines been taken over under ordinary working agreements and the receipts pooled, the entire system of railways must have borne the burden of reduced rates, instead of which the whole of the reduction was practically borne by the preference shareholders of the Grand Trunk proper; and

it was hopeless to expect any improvement whilst the existing rates were in force until drastic measures were taken to grapple with the ever-increasing expenditure. (Applause.) Having criticised the accounts and expenditure, he wished to say he was still of opinion that, bad as the position was, it was not hopeless. They had a system with gross receipts of from £4,500,000 to £5,000,000 a year. Capably administered, it ought to earn some interest on its preference stocks; but so long as Sir Henry Tyler was allowed to maintain his power, reform seemed impossible. (Hear, hear.) Leases, extensions, guarantees, additional capital expenditure, and the assumption of liabilities on other lines—without any information as to their actual indebtedness—prevented the parent Company from obtaining any net results for the preference stockholders, and the continuance of this baneful policy could only end in bankruptcy.

Mr. W. W. BAKER said he intended to have proposed an amendment to the effect "That this meeting is of opinion that the ruinous competition now existing between the Canadian Pacific and the Grand Trunk Railway Companies is calculated to produce similar results in Canada, which cannot fail to be highly prejudicial to those employed by these services, and to all concerned in the welfare and progress of the Dominion; that the salary of the General Manager, Mr. Seargeant, be surcharged £1,000; subject to which, that the report and accounts be received and adopted," but, having regard to the importance of securing unanimity among the proprietors in order to put an end to the half-yearly burlesque which had been taking place for some years past, he rose to second the amendment proposed by Mr. Household. (Applause.) Sir Henry Tyler, in his speeches during the last few years, had invariably omitted to deal with the actual situation, or to make any practical proposals with the view of improving the position and prospects of the Company. At the last meeting the Chairman contradicted his assertion as to the question

of the increased capital account, and the advisability of consolidating the debenture debt. He (Mr. Baker) wrote a letter, which was published, giving the actual figures of the capital account, and showing the increase made. Sir Henry did not think fit to reply to that letter, and he therefore assumed that the statement he made at the meeting was not accurate. He thought that in any scheme of consolidation they ought to have some advantage instead of an increase in the debenture debt and in the interest obtainable. The Company would have to consider, with the Canadian Pacific whether they were going to continue to carry freights for the benefit of the public or for the benefit of the shareholders. (Hear, hear.) It was no advantage to receive £85,000 in consequence of the Chicago Exhibition if that amount were to be swallowed up in expenses. (Amid cries of "Time!") Mr. Baker resumed his seat.)

Mr. HAYGATE said he did not wish to speak in an apologetic tone. He felt that he had not been guilty of any sin either of commission or omission during the time that he had had a seat on the Board. As a Board they had acted together honestly, industriously, and perseveringly, in a most difficult and delicate task for many years with disappointing results through no fault of their own. Referring to the vicissitudes of the Company from its inception, he said that he could not see in what way anyone had proved that the policy of the Board at any period of its existence had been the cause of the events which had transpired, and he listened in vain to find some practical solution of these difficulties. It was very easy to say that such and such a line ought never to have been made, it was very easy to say that they ought to be able to keep up the rates, but he would like to know if even Mr. Household himself could do anything in that direction. He did not take Mr. Household's remarks very seriously. That gentleman had spoken of an unbusinesslike policy, of jumping and of bluffery. A gentleman who used language like

that either meant it or did not mean it, and he (Mr. Heygate) did not believe for one moment that he did mean it. ("Oh, oh!") He believed if they had Mr. Household on the Board he would adopt the same policy as the Directors had. This was so disappointing a concern, that if it were not for the stake he held, and the stake held by many of his friends throughout the country, he would have the greatest pleasure in making his bow and retiring. The Directors had adopted every reasonable proposal or suggestion which had been made to them by the proprietors. ("No.") They had had on the Board representatives from all the great successful companies in England, and did the proprietors suppose that if there was some royal road to a dividend, or some certain means of improving the position of the Company to a degree which it had not yet arrived at, some of these gentlemen would not have given hints and rendered assistance in arriving at that consummation so much to be desired. It had been suggested that it would be better to have a Canadian Board. (Applause.) That was a very plausible idea, and he acknowledged that he was once bitten with it himself to a certain extent, but he soon found out what a mistake it would be. This was tried with regard to this very Company many years ago, and it was found that Canadian Directors could not help being influenced by commercial and political considerations which were altogether out of place in the management of a railway company. When they considered that out of the 28,000 shareholders of the Grand Trunk Railway only 800 existed in Canada, they would see that it would be a most suicidal policy to hand over the control of the railway to a Canadian Board. (Hear, hear.) With regard to economy, the Directors had followed the desires of the proprietors to the very best of their ability. They had cut down every salary to the lowest point, they had reduced the number of officials to a point at which efficiency was almost endangered, and the Directors had reduced their own salaries to a point which was perfectly ridiculous. All they could do now was to

attack the pay rolls, and Sir Henry Tyler had told them what a dangerous thing that would be. With regard to the capital expenditure, they had also tried to follow the proprietors' wishes, which were, in fact, their own. The old idea of closing the capital account was an absolute impossibility. They could not say that they would never enlarge a station, or that they would never put a new siding here or there. Mr. Household had spoken of the accounts of the Chicago and Grand Trunk in a very discouraging way. No doubt they were disappointing, but without that railway they might as well shut up the Grand Trunk. It was the Chicago and Grand Trunk which gave a new lease of life to the Grand Trunk. (Applause.)

Mr. HOGARTH said the Company was now verging very closely to that line of demarcation when the debenture debt would be in jeopardy. He appealed to the proprietors to make this the turning point of the Company.

Dr. ROBERTSON accused Lord Claud Hamilton of being a Director of nine different companies.

His LORDSHIP denied the accusation.

Dr. ROBERTSON apologised, but subsequently repeated his statement.

Mr. BEAVIS referred to the issuing of proxies, and asked who had to bear the expense. He protested against the Company paying for proxies.

Mr. DAVIES asked if the coal strike in Pennsylvania was likely to affect the railway.

THE PRESIDENT: If there is no other gentleman who wishes to speak I will answer what has been said, and also the questions which have been put to me. The last gentleman asked what effect the coal strike in Pennsylvania will have upon the Grand Trunk. That is difficult to answer without knowing the extent to which it will go, or how long it will last. I am not aware that we have suffered in any way from it yet, and I sincerely hope we shall not do so.

Now, gentlemen, this unprecedented state of depression in America, which none of us can in any way control, is a

rare opportunity for gentlemen like Mr. Household and Mr. Baker. They have done all they could to make the most out of its consequences without-making allowances for its effects, and they have made a number of extraordinary statements to you, a great many of which are hardly worth replying to. Mr. Household made a great point of a supposed discrepancy between my statements of 1892 and those of Mr. Hubbard, to the effect that we could not, with advantage to the Company, make further economies than we then recommended, on the one hand; and my present statement that we are carrying out further economies in 1894, on the other hand. Mr. Hubbard and I, it is true, went together over the system in 1892, and examined the shops and stores and the pay-sheets, and did everything we could to promote judicious economy, and-with a considerable amount of success. We came back and told you—what was perfectly true—that we could not then do anything more in that direction without injuring the Company; and that was so. But what is the fact now? We have been passing through a crisis of unprecedented depression in America, during which our receipts, from no fault of our own, or of yours, or of anybody's, have fallen off; and in the face of which we are obliged to make further and exceptional economies, such as would not under ordinary circumstances be recommended, or be justifiable; and, as I have said to you before, in exceptional times you have to take exceptional measures. We are bound to do so in your interest, and we will do it—and that cannot be brought properly as a fault against us—whilst we are acting honestly for your best interests in that and in other matters. (Hear, hear.)

Mr. Household was also very vehement upon the enormous amount of money wasted in taking over the lines of the Chicago and Grand Trunk and the Detroit Grand Haven and Milwaukee, and he particularly referred to some occasion when the latter line was taken over. Well, it was not taken over by us at all. It was a section of

the Great Western system. When the Grand Trunk and the Great Western were fused together, the Detroit, Grand Haven and Milwaukee came over as part of the Great Western system. And does anyone but Mr. Household now question the wisdom of fusing the Great Western and the Grand Trunk together? Because if they do, I will say this: if those two lines had not been put together when they were they would both have gone into bankruptcy inevitably. If the Great Western had continued fighting with the American lines against the Grand Trunk, and running down rates, neither the Great Western nor the Grand Trunk could have survived. It is all very well to say now, "Look at what has happened!" but we must remember the circumstances as they were at the time. We cannot, unfortunately, when we are called upon to take action, foresee what will happen in the following ten years. All the conditions of the case at the time were most anxiously considered by the Board, and explained to the Shareholders, and were approved of by the Shareholders, the facts presented most carefully to them. As regards the side lines in Canada which were taken over, and which we are now accused of wasting money upon—supposing we had not taken them over, they would have all gone to the Canadian Pacific, and you would have had very little Canadian traffic on your main line. The acquisition of certain existing lines in Michigan, and the completion, with great labour and anxiety of the Chicago and Grand Trunk in connection with them, were wise measures in the interest of the Company. We had disposed for £300,000 of our Rivière du Loup section to the Canadian Government on the express condition that we should extend our line west to Chicago. With that small beginning, with great exertion, with great tact, on the part of Sir Joseph Hekton, we at length extended our line into Chicago. We have a magnificent position in Chicago, worth a million of money at this moment, for which we only pay a comparatively small amount annually, so carefully was it managed. And look

what the Chicago and Grand Trunk has done for us in the past half-year? Mainly in consequence of the severe winter and the bad rates and the depression in America, in the first half-year we carried forward a deficit in June of £41,000 from the Chicago and Grand Trunk. But what has happened in the second half-year? Let us look at the figures. The Chicago and Grand Trunk itself has from the profits of the second half-year wiped out the deficit of £41,000; it has paid off the suspense account of £30,000; it has paid back £6,000 which was subscribed by the Chicago and Grand Trunk Company originally (as was done in a proportionate levy made upon them by all the other companies going into Chicago at the inception of the World's Fair), it has paid £13,000 on account of the Nichols accident, and it has paid £26,000 for the year to the Pullman Company for cars in connection with the World's Fair traffic, and the deficiency charged in the accounts, after paying all these sums and its fixed charges, is £12,000. If it had not been for the Nichols accident, for which £13,000 was thus charged, we should have had an absolute benefit after paying all these runs from the Chicago and Grand Trunk for the year *credit* of *£12,000*. Mr. Brier: How did you deal with those two servants you speak of in the Report? *and I did not understand or read* The President: We prosecuted one of them. Those two servants were amongst the best men we had in our employ. They had written orders in their hands that they were not to pass a certain point until they had crossed No. 9 train. They passed that point and the collision occurred, and we prosecuted one criminally, but the jury would not convict him for reasons I prefer not to describe, though the facts were perfectly clear. The Chicago and Grand Trunk would, I was saying, have paid all its charges, exceptional and otherwise, for the year, and left something for the Grand Trunk if it had not been for that accident. But that is not the advantage of the Chicago and Grand Trunk to the system. It is the traffic which it brings upon

the line. If we were to do as Mr. Household proposes—cut off all the side lines in Canada and cut off the Chicago and Grand Trunk—you would have comparatively little traffic left on the Grand Trunk main line. The Detroit Grand Haven and Milwaukee has been a more unfortunate line, because it has not only not benefited by the traffic to Chicago, but it has had the traffic taken away from it, as explained in the Report. I have here a statement of the proportion of traffic interchanged between the Chicago and Grand Trunk and the Detroit Grand Haven and Milwaukee on the one hand, and the Grand Trunk on the other hand, for the year 1893, and that statement shows the benefit of these lines to the Grand Trunk proper. The traffic interchanged between the Grand Trunk proper and the Chicago and Grand Trunk in 1892 was £895,000, and in 1893 it was £761,000; and on the Detroit Grand Haven and Milwaukee, bad as it is, the traffic interchanged between the Grand Trunk proper and that line for 1892 was £272,000, and for 1893 it was £80,000, so that the traffic interchanged between those two systems and the Grand Trunk proper in 1892 was £768,000, and in 1893 it was £822,000. What would you do without those lines? (Hear, hear.)

Next about the St. Clair Tunnel. This through traffic we have so interchanged has been mainly by means of the St. Clair Tunnel. Mr. Household described the inception and construction of this tunnel as a sort of fraud, and he has used a series of discourteous expressions towards us about that and other matters. But let me tell you that every passenger train and every goods train passing between our main line and Chicago is saved some two hours in time and 6 miles in distance by the tunnel, and if you multiply that by the train mileage expenses and money payments for time you will find a very handsome saving, of which none of us need be ashamed. The fact is the tunnel is a credit to the Grand Trunk, and to all connected with it. It was a tremendous success in an engineering point of view, and is still the only successful work on the Continent of America

of this description, whilst other similar tunnels have been attempted and failed. Without this tunnel you could not have obtained or carried the passenger traffic during those two busy months to and from the World's Fair. As to Mr. Household's allegation that the estimates were so largely exceeded, the cost of the tunnel was under £300,000. Of course we have made extension lines and shunting yards in connection with it on both sides of the river—expenses which would otherwise have necessarily been incurred elsewhere—and made stations and custom houses on the two sides, and bought valuable property on both sides of the river, but the actual cost of the tunnel was under my original estimate. (Hear, hear.)

Then something has been said about our loans outstanding on December 31, and I may explain that from time to time there is a certain amount of capital spent on this line as on every other line, but it is reduced to its lowest possible limits, and is really very small compared to other lines in England or America. You cannot work a large system without putting in sidings and accommodation for traffic, and charging for the strengthening of bridges, for extra weight of rails, increase and improvement of rolling stock, stations, &c., and so on, and you must thus expend on capital account a certain amount of money year by year. We have also had to pay off from time to time securities falling in at higher rates of interest. As we mentioned in the report, we paid off during the half-year £122,000 of bonds at a higher rate of interest which fell due. In order to raise money for these purposes we have to sell debenture stock from time to time, and if we do not find the market available, or if we do not get so good a price as we think we ought, we wait for better times. Meantime, we are paying a less amount of interest than if we had issued debenture stock, and, therefore, it has not been a bad operation financially for the Company to carry these loans, which every railway in the country does, in the place of selling debenture stock for the time.

Then Mr. Household complains of the enormous amount of expense we are going to in the way of agents—that Mr. Quinn is here, and that we conceal the amounts paid to him by having it charged through the Canadian account. It is really miserable to see such a matter so brought forward. The accusation, on the other hand, is that the Canadian Pacific is every where, and we are nowhere, because we won't spend enough money on agencies. I will tell you what agencies we have. Mr. Quinn has been sent over from Canada to be our agent in Europe. And I will tell you the whole secret of how this happened. So long as we were working with the Allan and the Dominion Steamship Companies, and there was no Canadian Pacific, we were able to trust to them to get the business for us in Europe, and we got the business for them in America; but when the Canadian Pacific came upon the stage, and employed their own agents in Europe, and when certain steamship companies were not as favourable to us—but were favourable to the opposite party—as they used to be, we were compelled to establish an agency of our own, and look after our own interests, and we did it after some delay and with great reluctance. For those reasons Mr. Seargeant appointed Mr. Quinn, from Canada, to be our agent in Europe, and now these thousands upon thousands which are being wasted upon the agencies, and concealed, you will find all charged in the accounts. You will find in Account D, page 39, that all these expenses in London, Liverpool, Glasgow, and abroad, amount to £2,792, 4s. 5d. (Laughter.) That is for half-year. (Applause.) I am not sure that the accusation might not be made more fairly against us that we do not do enough in that way rather than that we do too much. As Mr. Baker, I think there is not anything he said worthy of an answer; I shall leave him entirely alone. (Applause.)

Now will you kindly to vote upon the resolution.

The proxies.

RESIDENT: I have been written to by one other gentleman upon the subject of proxies. It appears to have

been ruled legally in this country, that companies cannot send out proxies unless the directors pay for them. But we are not under English law. We derive our powers from the legislature of Canada. We do not send proxies to everybody, because that would be attended with a great deal of expense, but we do send out a limited number of proxies at comparatively small cost, and we shall continue to do so. (A VOICE: "Quite right.") We are here representing 28,000 proprietors, and we are not going to hand over this great system and all its interests to the tender mercies of Mr. Household and Mr. Baker. (Loud applause.)

Mr. KENNEDY: Will you hear me for a minute? Very strong accusations have been levelled at the directors, and they have been levelled from time to time, and I think I shall be justified if I deliver myself of the opinion against the two gentlemen in particular who have levelled these accusations, that I consider that Sir Henry Tylee, the chairman of the company, has well answered their accusations in the opinion of every fair-minded man. (Applause.) Now my impression is that if the directors were to do what Mr. Household desires in his own interest, and what my friend, if I may so speak of him, Mr. Baker has been longing for, they would not have said things they have been saying. I think both these gentlemen would have exceedingly well liked, and are desirous of occupying a position on the other side of the table. (Heavy hear.) My impression is that that is the great secret, and that is what they have been working for, and that has been resisted by the feeling of the board that they are not gentlemen that they could receive. (Cries of "Time.") Now when we come to the vote let every lady and gentleman present hold up their hands in support of the directors.

The amendment was then put and lost by a show of hands, and the substantive resolution was then put to the meeting and declared by the President to be carried.

The President: The next business before the meeting is the election of directors. Lord Claud Hamilton and

Mr. W. U. Heygate are directors seeking re-election. We have, with regret, accepted the resignation of Mr. Doughty Browne, from ill-health; and we have, since the report was issued, been further informed that Mr. McIntyre does not offer himself for re-election. We do not propose that Mr. McIntyre's vacancy should be filled up at present, but, anxious to meet as far as possible what we believe to be the wishes of the proprietors, we have in the meantime elected Mr. Jeffries to take the place of Mr. Doughty Browne. Mr. Jeffries received the thanks of the meeting on one occasion for his visit to Canada, and for the statement he then made, and he will now come forward for re-election in the place of Mr. Doughty Browne.

It having been agreed to submit the names of the retiring directors separately, the PRESIDENT proposed, and Mr. W. U. HEYGATE seconded, the re-election of Lord Claud John Hamilton, which was carried.

Lord Claud HAMILTON: I beg, gentleman, to thank you, and to say how strongly I deprecate these personalities, which are brought forward at these meetings simply, I am thankful to say, by only two shareholders. It is very unnecessary, and it imparts heat and discussion which are not necessary. I hope if any gentleman has anything to say against me, or against any other director, he will satisfy himself beforehand of the correctness of his belief, instead of coming here and making unfounded assertions like the gentleman sitting over there. (Applause.)

The PRESIDENT then proposed, and Mr. HOGARTH seconded, the re-election of Mr. William Unwin Heygate, which was carried.

Mr. HEYGATE: I thank you, gentlemen.

The PRESIDENT then proposed, and Mr. KENNEDY seconded the re-election of Mr. William Brame Jeffries, which was carried.

Mr. JEFFRIES: I take this the earliest opportunity of returning thanks to the board of directors for having selected me to fill the vacancy created by the retiring director,

through ill-health; and I thank you very much, brother shareholders, for having given me your support by declaring in your opinion that the vacancy was so well filled by voting for me as you have done this afternoon. As I have no business occupation my whole time will be at your disposal either in England or in America, and I will do all I can to try and resuscitate the Company, and improve its financial position.

The PRESIDENT : The next resolution is—

“That the agreement made 7th June, 1893, between James Craigie Boyd of the first part, and the Grand Trunk Railway Company of Canada of the second part, relating to the construction of a branch line of railway from Parkhead to Owen Sound, now submitted to the meeting, be, and the same is hereby approved, and that the directors be and are hereby authorised to take all necessary steps to give effect thereto.”

This is a little line which has been constructed, about 13 miles long, to connect our Georgian Bay and Lake Erie section with the important port of Owen Sound. It has been advocated for a very long time, and the people of Owen Sound and other places along the route have given subsidies in favour of it. There is no question of expenditure on the part of the Grand Trunk, there is no guarantee on the part of the Grand Trunk, and all we are asked to do is to work the line at 70 per cent. and hand over 30 per cent. of the gross receipts to those who hold a mortgage of \$100,000 on the line, and if that is not sufficient to pay the interest on the mortgage they will have to go without. In working the line at 70 per cent. we are not bound to run any more trains than will pay. Therefore, there is no fear of loss to the Grand Trunk Company. Under these circumstances I have no difficulty in asking your consent to this agreement which has been described in and appended in full to the report.

LORD CLAUD HAMILTON : I have very much pleasure in seconding that.

The resolution was carried unanimously.

The PRESIDENT : Perhaps somebody in the meeting will be kind enough to propose Mr. Whinney and Mr. Davidson as auditors. Mr. Davidson retires on this occasion in Canada,

and Mr. Whinney in England. Mr. Whinney is known to you all as an acquaintance of the very first class, and Mr. Alfred Brown of a big name proposed to the non-election of Mr. Frederick Whinney and Mr. Thomas Davidson as auditors of the company. The resolution having been duly passed, was carried unanimously.

The PRESIDENT: The next resolution is—
 "That the directors be, and they are hereby, authorised to borrow and raise, by the creation and issue of Grand Trunk Consolidated Four per cent. Debenture Stock, (in addition to debenture stock authorised under the Acts of 1887, 1888, 1890, 1892 and 1893), such further sum or sums as they from time to time may think fit, provided that the total interest payable thereon shall not exceed £20,000 per annum."

We have only two large items of expenditure in view that I need mention at the present moment. One is, as you are aware, the Union Station at Toronto, with its buildings, yards and appurtenances. We engaged to spend \$150,000 on those objects, but that \$150,000, although we have to find it in the first instance, will be a remunerative investment, because we are to be paid under the agreement between the Canadian Pacific and the Grand Trunk, 4½ per cent. upon half the value of the existing station which is our own, and 4½ per cent. upon half of the money spent in improving the station. We also sell certain lands and acquire others, and certain streets are closed, things which are very advantageous to the Company, so that the net result will be a benefit of several thousands a year to this company. There is one other matter of expenditure which it will be necessary to undertake. On our Northern Pacific Junction section—the line which runs up to Lake Nipissing—a temporary viaduct was originally constructed, 1,200 yards long, through a swamp—intended to be superseded later by a deviation on solid ground. We have postponed that matter as long as we could, but that viaduct is in such a state that we are obliged now, either to replace it where it is, or to place the line on more solid ground. To replace it by a new wooden viaduct would cost \$52,000, and to make the line on solid ground

will cost \$60,000, and there cannot be a doubt in the mind of any sane person as to what is the best thing to do. A wooden viaduct 1,200 yards long is a constant source of danger from fire. It is our means of connection with the main line of the Canadian Pacific, with which company we exchange a large amount of traffic at North Bay. Therefore we are strongly of opinion that we ought, instead of replacing that viaduct with wooden material over the swamp, to construct a deviated line on solid ground, and make a good job of it for ever.

A SHAREHOLDER: Are we on friendly terms with the Canadian Pacific?

The PRESIDENT: We are. We do not want to expend any more money, or to issue any more debenture stock than is absolutely necessary, but we ask your authority, to be used if, and when, we find it to be required. We have powers from the Canadian Parliament for an amount corresponding to a further annual interest of £65,000. We do not ask for any such amount as that, but we believe that in a crisis like the present our credit will be enormously strengthened by its being thoroughly well understood outside and inside that we have ample reserve power.

A SHAREHOLDER: May I ask whether the Board have any intention to issue the debenture stock at anything like the depreciated price they did years ago?

The PRESIDENT: I have already mentioned to you that we maintain a floating debt because we do not want to issue so much debenture stock at low prices. I now propose the resolution which I have read to you.

Sir HENRY JACKSON: I beg to second that resolution.

The resolution was agreed to.

Mr. KENNEDY: I beg to propose a vote of thanks to the chairman and directors, which, having been seconded, was carried unanimously.

The PRESIDENT: We are very much obliged to you for your resolution, gentlemen, and I hope we shall meet in October under happier auspices.

The proceedings then terminated.

STATEMENT OF GROSS RECEIPTS, WORKING EXPENSES
AND NET PROFITS PER TRAIN MILE.

WITH THE AVERAGE RATES PER TON PER MILE, AND THE AVERAGE
FARES PER PASSENGER, FOR HALF-YEARS ENDED 31ST DECEMBER,
1883 TO 1893:—

Half-years ended—	Gross receipts per train mile. Pence.	Working expenses per train mile. Pence.	Net profits per train mile. Pence.	Average rate per ton per mile. Cent.	Average fare per pas- senger. s. d.
Dec. 1883	65-75	44-70	21-05	0-85	4 9½
" 1884	57-08	41-73	15-35	0-75	4 2½
" 1885	53-64	40-76	12-88	0-68	3 9½
" 1886	58-73	40-75	17-98	0-73	3 10½
" 1887	59-98	41-53	18-45	0-78	3 10½
" 1888	57-36	40-86	16-50	0-74	3 8½
" 1889	55-88	39-77	16-11	0-75	3 8½
" 1890	55-12	40-31	14-81	0-72	3 8½
" 1891	55-96	40-28	15-68	0-73	3 8½
" 1892	53-22	38-36	14-80	0-68	3 8½
" 1893	53-19	38-49	14-70	0-67	3 10½
Decrease 1893 compared with 1883	12-56	6-21	6-35	0-18	0-11

THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

At the Ordinary General Half-yearly Meeting of the Company, held at the City Terminus Hotel, Cannon Street, London, E.C., on Monday, 30th April, 1894:

Sir HENRY W. TYLER, President, in the Chair:

The notice convening the meeting having been read:

It was moved by the PRESIDENT, and seconded by Mr. HEYGATE—

That the Report of the Directors and Accounts for the half-year ended 31st December, 1893, now presented, be and the same are hereby approved and adopted, and that a dividend of £1. 12s. 6d. per cent. be paid to the holders of the Four per cent. Guaranteed Stock, making, with the dividend, of £1. per cent. paid to the holders of the said Stock for the half-year ended 30th June, 1893, a dividend of £2. 12s. 6d. per cent. for the year 1893.

To which as an amendment it was moved by Mr. R. H. HOUSEHOLD, and seconded by Mr. W. W. BAKER—

That the Report and Accounts be received but not adopted, and that a committee of three Shareholders and three Directors be appointed to investigate and report on the present financial position of the Company, its liabilities and commitments, and the liabilities of every Company connected with the Grand Trunk system. That the meeting be adjourned until the 14th of June.

On a show of hands the amendment was rejected, and the original motion was then put to the meeting and carried.

It was moved by the PRESIDENT, seconded by Mr. W. U. HEYGATE, and resolved—

That Lord Claud John Hamilton be and he is hereby re-elected a Director of the Company.

It was moved by the PRESIDENT, seconded by Mr. HOGARTH, and resolved—

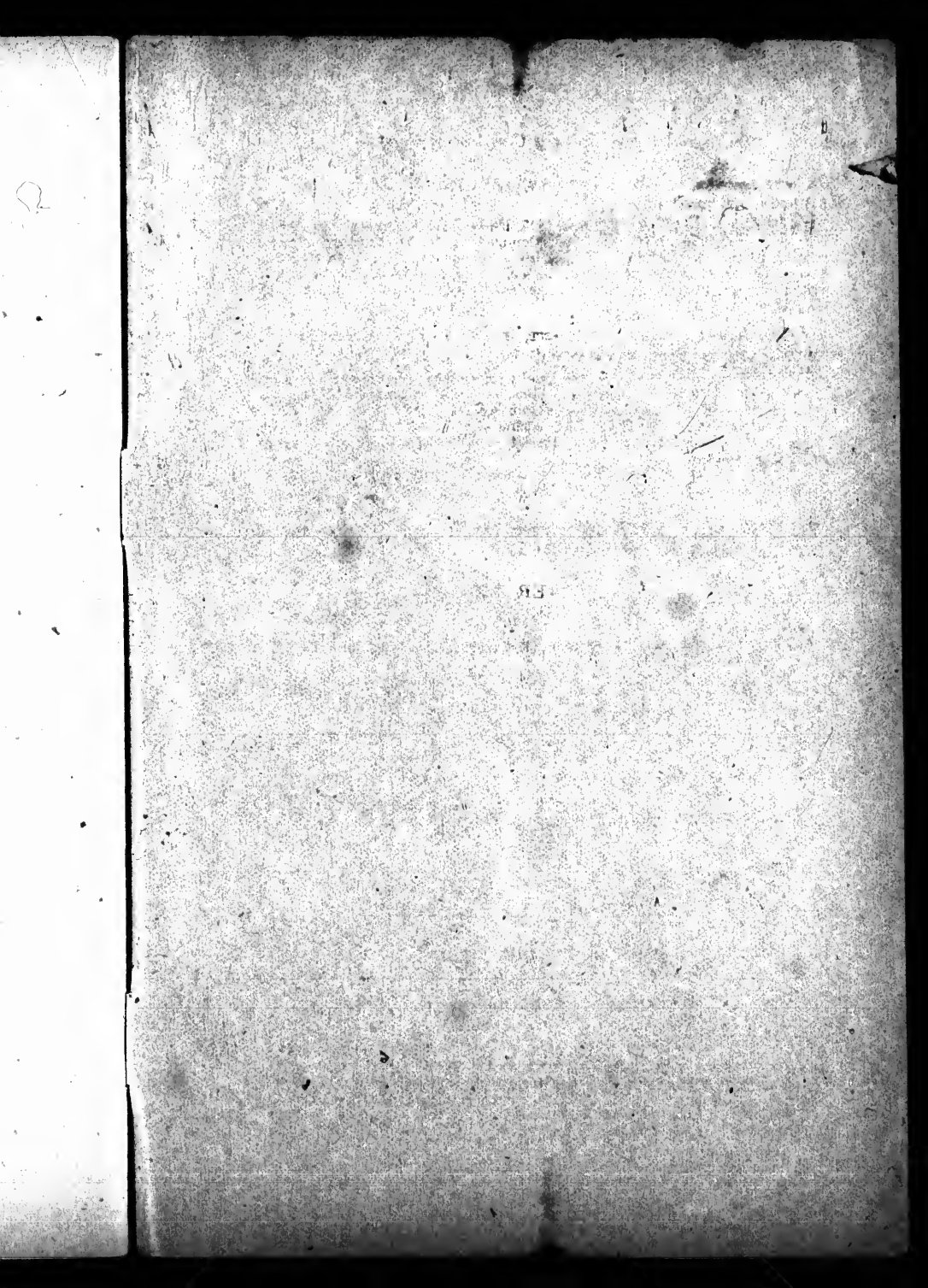
That William Unwin Heygate, Esq., be and he is hereby re-elected a Director of the Company.

It was moved by the PRESIDENT, seconded by Mr. KENNEDY, and resolved—

That William Brame Jeffries, Esq., be and he is hereby re-elected a Director of the Company.

It was then resolved—

That the retiring auditors, Frederick Whinney, Esq., resident in England and Thomas Davidson, Esq., resident in Canada, be and they are hereby re-elected Auditors of the Company.



The next subject which I come to is that of the working expenses, and it is the most important that we have to consider, especially during the present crisis. (Hear, hear.) We employ in Canada—because we are speaking now of the Grand Trunk proper only—no fewer than about 20,000 people, of whom, roughly, one-third are in the traffic department, one-third in the mechanical department, and one-third in the way and works department—that is to say, there are between 6,000 and 7,000 in each of those departments. The pay-rolls amounted for the year 1892 to £1,760,000, and in 1893 to £1,733,000, so that you see we saved on those pay-rolls between 1892 and 1893 no less than £27,000. Those pay-rolls are what we should like to attack, because there is a great deal to be saved in them if we could only save it; but, unfortunately, that is a very difficult and delicate matter. A great many companies have tried to save on their pay-rolls. The Erie Company made the attempt, and

