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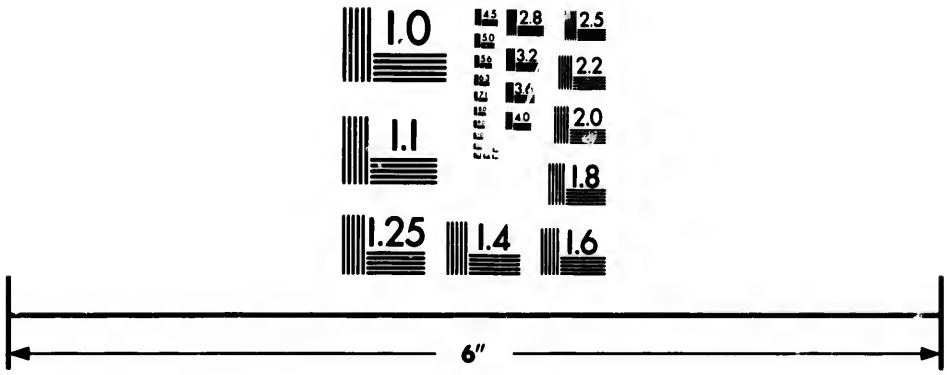

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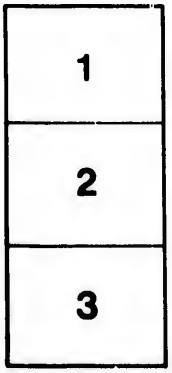
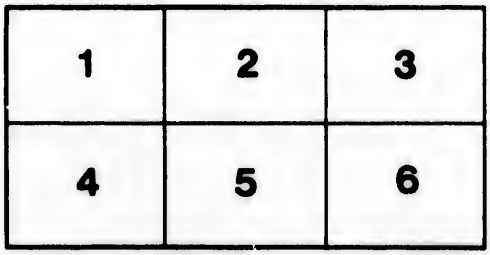




GRAND TRUNK RAILWAY COMPANY OF CANADA.

VERBATIM REPORT

OF THE

PROCEEDINGS

AT THE

ORDINARY GENERAL MEETING OF THE COMPANY,

HELD AT THE

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

On Tuesday, April 22nd, 1890,

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 Tuesday, the 22nd day of April, 1890, at Four o'clock p.m. precisely, for the purpose of receiving a Report from the Directors, for the Election of Directors and Auditors, and for the transaction of other business of the Company.

Notice is also Given that a Lease of the Toronto Belt Line Railway to the Grand Trunk Railway Company of Canada will be submitted to the said Meeting for approval or otherwise.

Notice is also Given that the Transfer Books of the Company will be Closed from Wednesday, March 26, to the day of Meeting, both days inclusive.

By order,

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

Dashwood House, 9, New Broad Street,
London, E.C., March 21, 1890.

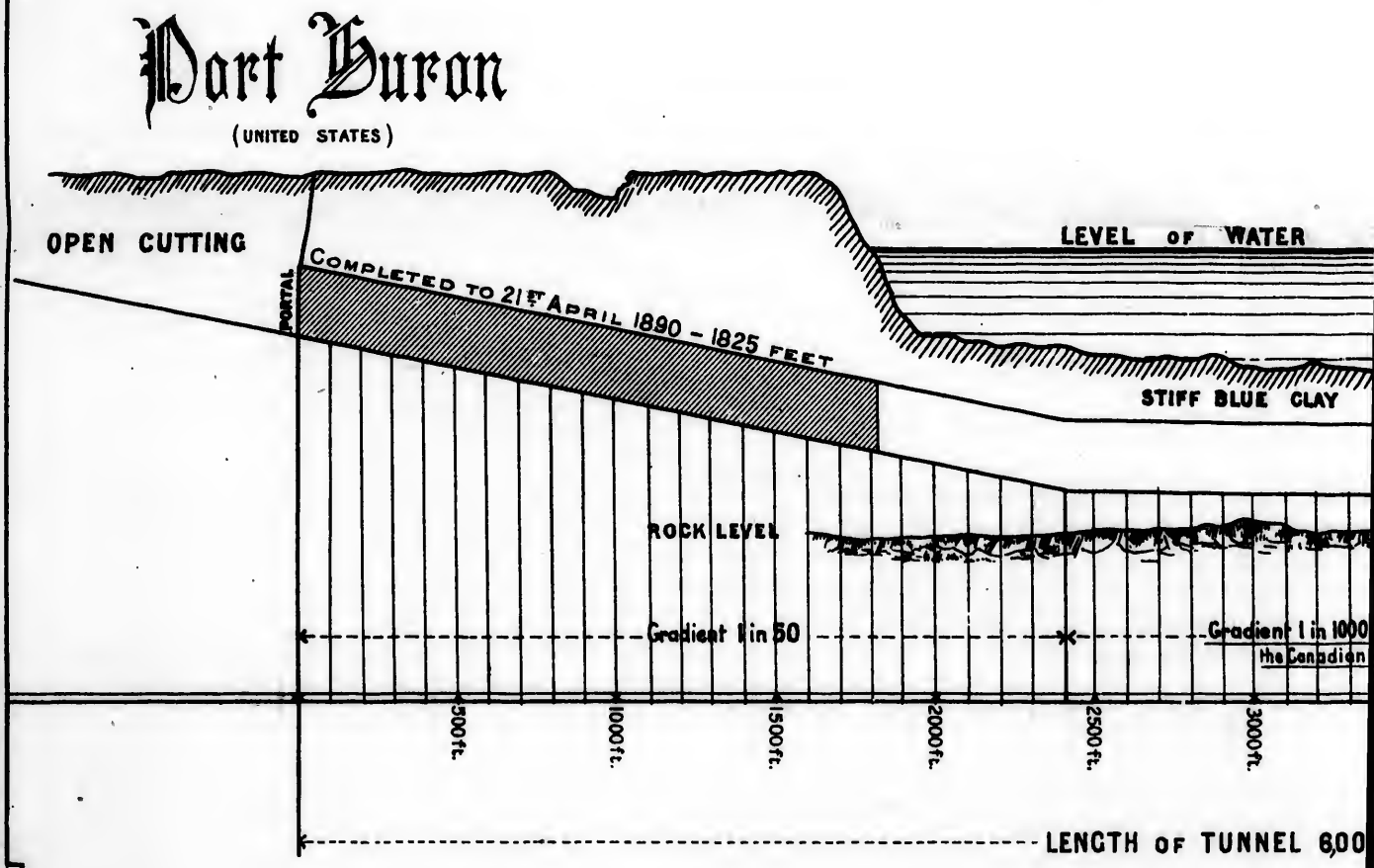
P.
P. & S.

P.
P. & Sc.

GRAND TRUNK RAILWAY C

St. Clair T

Scale 600 FEET HORIZONTAL = 60 FEET VERTICAL =



RAILWAY COMPY. OF CANADA,

Clair Tunnel.

600 FEET HORIZONTAL = } One Inch
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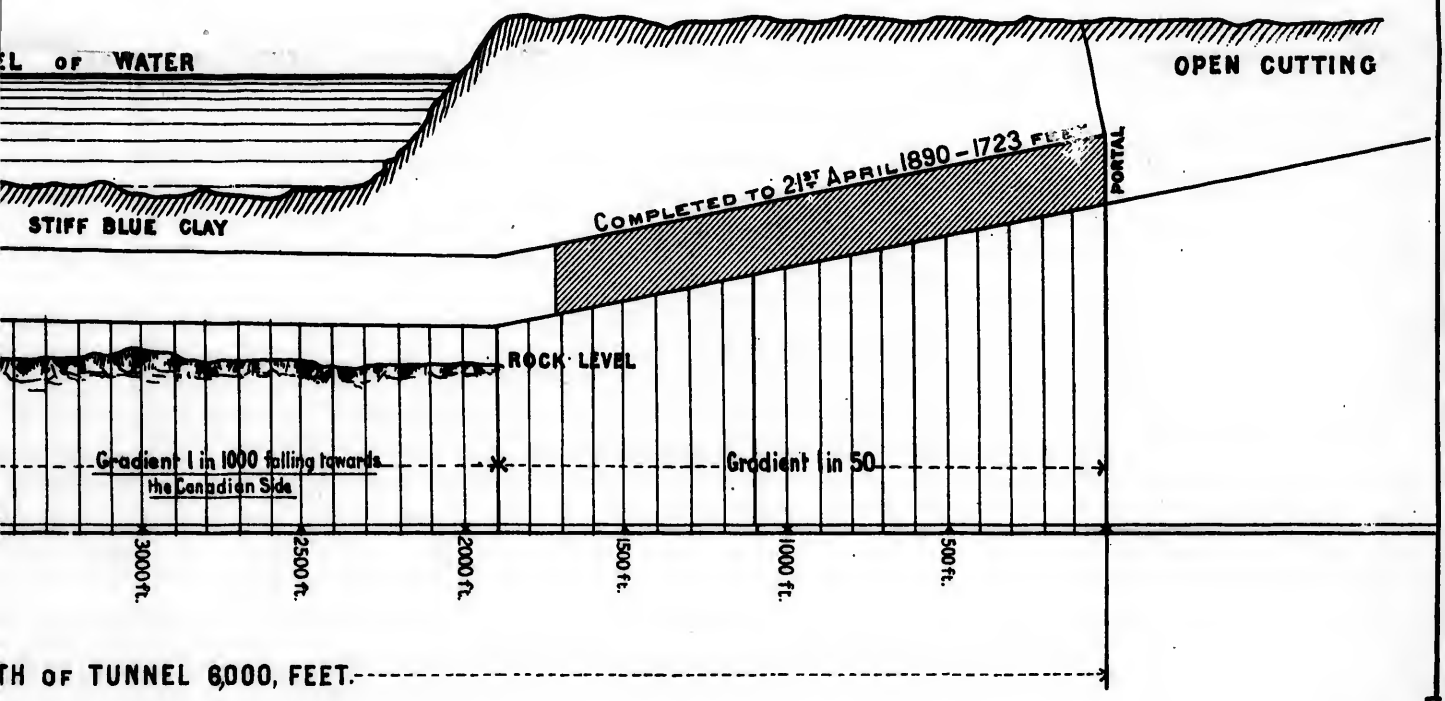
(CANADA)



GRAND TRUNK RAILWAY OF CANADA.

VERBATIM REPORT

OF THE

PROCEEDINGS

AT THE

ORDINARY GENERAL MEETING OF THE COMPANY,

HELD AT THE

CITY TERMINUS HOTEL, CANNON ST., LONDON,

On Tuesday, April 22nd, 1890.

The SECRETARY (Mr. J. B. Renton) read the notice convening the meeting.

The PRESIDENT, who was received with cheers, said: Before proceeding to the business of the meeting, gentlemen, it will be my duty to read to you a cablegram, and I may say a very satisfactory one, which we have received from Canada this morning. The cablegram runs as follows :—

"Work on St. Clair Tunnel going on most satisfactorily; from 6 to 8 feet a day being taken out on United States side under compressed air system; will be increased as men become familiar with work."

That I will explain to you presently on the diagram of the tunnel which we have prepared specially for the purpose.

"At 7 this morning (Monday) 3,548 feet completed."

That means to say, that between this day and our last meeting six months ago one-half of the tunnel has been constructed. (Applause.)

"Michigan law re passenger fares will be declared unconstitutional."

That unconstitutional law has been a considerable disadvantage to us. The State of Michigan, as you

will remember, last year enacted a law under which they reduced our passenger fares, and the passenger fares of other railways. We complained of it at the last meeting, and we have complained of it ever since, and you now see that it will be declared unconstitutional. (Cheers.) I may perhaps on that subject just mention to you that under the laws of Michigan you cannot obtain a charter for any railway, but all railways are made under a general law of, I think, 1855. Under that law we were entitled to charge 3 cents per mile. It provided that "the compensation for any passenger and his ordinary baggage shall not exceed 3 cents per mile," and the Legislature reserved the right to reduce the rates and fares, "but not without the consent of the (railroad) Corporation shall they be so reduced as to produce less than 15 per cent. on the capital actually paid." In 1889, they enacted another law, which provided that all railroads in the southern portion of the State, whose passenger earnings for the year 1888 equalled or exceeded 3,000 dols. per mile, shall carry passengers henceforth at the rate of 2 cents per mile, those whose passenger earnings were over 2,000 dols. per mile, and under 3,000 dols. per mile, at 2½ cents per mile, and those under 2,000 dols. per mile may charge 3 cents. That was a most arbitrary Act, which will now, we find, be declared unconstitutional. (Hear, hear.)

There is another matter which, perhaps, I ought to refer to by the way, and that is a statement which was made in that excellent Conservative newspaper, the *Standard*, in regard to us not many days ago. The Editor of the *Standard* was good enough to say:—"*The Grand Trunk Company published its last week's traffic figures to-day instead of, as customary, hitherto on Thursday. If it can continue to do this,*

and at the same time prevent the formation of a fresh leak, such as that whereby the figures were hitherto known privately on the day before publication, it will have effected a valuable improvement." And after something about fresh issues of capital, the editor continues: —"*If the company were about to raise money to pay for its vitally necessary extension to the Sault Ste. Marie, the news would have been favourable, not the reverse; but there is no hope of that under the present sleepy management.*" (Laughter.) These City editors are, as you know—dressed in a little brief authority—very great personages, and we, poor presidents of companies, are unable and are very foolish if we even attempt to contend with them in their City articles. There is a well-known Italian proverb, "E ardito, il gallo, sopra il suo letame," which means, the cock is bold on his own dunghill. Now, this City editor has been very bold in what amounts practically to a positive assertion that our weekly traffic figures up to the present time were hitherto known privately on the day before their publication. That is a matter which it would be useless to pretend to discuss in a City article with a gentleman who does not hesitate to make so wild an assertion, but which I am bound to lay before you as proprietors of this company. (Hear, hear.) I may say that we have ourselves, from time to time, heard rumours on this subject, and gentlemen have even come to the office saying they were able to tell us the day before what our traffic was going to be. I have always made one reply in every case to these statements. I have said, "If you will bring to me on any Wednesday evening the figures of our traffic which will be published on the Thursday morning then I will believe you. It is not sufficient to tell me after the publication that you have heard or known the figures before-

hand, but you must bring them to me on the Wednesday evening, and then I will believe you." They have several times tried it, but they have never succeeded. There is another test which I have applied. We determined a few weeks ago that the traffic should, if possible, be cabled from Canada on Tuesday night, instead of Wednesday night as formerly, in order that we might publish the figures on Wednesday instead of Thursday. Now, if outsiders knew anything of what is going on through the office at Montreal, they would have found out, through their friends inside, that we intended to make this earlier publication, and they would have known it; but the traffic was published on Wednesday, to the astonishment of everybody, and nobody had the slightest inkling of it. So far as our office in London is concerned, the traffic returns arrive during the night, and are brought to the Grand Trunk office when the telegraph office opens in the morning. The envelope is opened in the presence of the secretary or assistant-secretary at 9.30; the figures are then sent to the Stock Exchange at an hour arranged to suit the authorities there, and also sent to the country Stock Exchanges and the Exchange Telegraph; and when the messenger comes back the return is stuck up in the office and sent to all the newspapers, so that there is no possibility of any leakage in London. We have constantly communicated with Sir Joseph Hickson as to the rumours which prevailed here, and he has taken all possible pains, so that there is, we are convinced, no leakage in Canada. We cannot control the guesses which are made by interested parties, who employ persons in Canada, at considerable salaries, to forward information to them for purposes of speculation. Good guesses may easily be made from time

to time from information so supplied, and frequently even without it. But, as far as any information leaking out officially is concerned, I unhesitatingly assert that the statement as to leakage is entirely false.

As regards the allegation of large fresh issues, which the City Editor himself believes to be untrue, I may say that the foundation for such rumours is no doubt to be traced to a bill which we are promoting before the Canadian Legislature, and I will explain to you under what circumstances we are promoting that bill. You know we are constructing the St. Clair Tunnel, and we are doubling the track between Montreal and Toronto, and other money will hereafter be required for other purposes. In the case of all previous works that we have been carrying on we have issued bonds chargeable on those works, and we have power to issue bonds to pay for the construction of the St. Clair Tunnel, as we had, for instance, for the International Bridge at Buffalo. Now, we thought to ourselves it would be a much more reasonable course to pursue, and more economical for the company, if, instead of first issuing these bonds to the public, and then afterwards going through the process of converting them into four per cent. debenture stock, we were to ask for power to issue the four per cent. debenture stock in the first instance, and in so doing to acquire the bonds as security for the company. We should save the previous issue of the bonds to the public, and the conversion of them into four per cent. debenture stock; but in order to do that we require Parliamentary power, and we have therefore applied for that power, and we hope this bill will very shortly become law; and we shall then have power to issue debenture stock for the tunnel, and for the completion of the doubling of the line between Montreal

and Toronto, and for other purposes; but as for any further issues by the company, we do not contemplate issuing any more than if this bill had not been promoted, because we shall only issue stock as required for these particular purposes. But we always endeavour to look well ahead, and to be provided with an ample margin of issuing power, to meet any contingencies that may possibly arise in the future.

The only other point I need refer to, as regards the *Standard* statements, is that the City Editor is very anxious to see our line continued to the Sault Ste. Marie, and as long as we do not obey his behests in this respect I have no doubt he will continue to call us a sleepy management. As far as my experience goes the word sleepy is not very applicable to the Grand Trunk Railway. Having regard to the competition which we are constantly exposed to, and to the work we have been going through for the last fourteen years in continually amalgamating with other lines, and working in such a country against enormous competition, our operations have been the very reverse of sleepy. (Hear, hear.) You know we have enlarged this company from 1,400 miles up to nearly 5,000 miles, which we now control, and you know what we have gone through in doing that. As regards the extension to the Sault Ste. Marie, there are many things connected with it which I hardly like to discuss in public; but we have, I may tell you, applied to the Canadian Parliament for what we think we have a right to, and that is a subsidy for making the railway from a place called Burks Falls, on our northern extension, to Lake Nipissing, to the Sault Ste. Marie. Now, that is a question of making 300 miles of railway, and I am sure you would not wish us to undertake it without obtaining a subsidy from the Canadian Government,

and if we can do so from the local Parliament as well; and even when we reach the Sault Ste. Marie, there is the question of traffic from lines 500 miles further. If you get to the Sault without having arrangements for traffic coming from such lines—from Minneapolis and other places, your line would not pay; so that there are a good many considerations to be thought of, and we must be content to be called sleepy, but we are not content to bring anything before you unless we can see our way to make it pay. (Loud cheers.)

Coming to the question of the working of the past half-year to December 31, 1889, if we have not done all we could have wished during the half-year, we have at all events made substantial progress in spite of some serious disadvantages. You will have seen that such is the case by the report which has been circulated, and which I suppose we may take as read; and I will now proceed to analyse the figures, and give you some further figures with regard to the work of the half-year. In the first place, our gross receipts have been £2,203,026 for the half-year of 1889, as against £2,064,067 for the corresponding period of 1888, showing an increase of £138,959—£139,000 practically; and the net revenue for the six months ending December, 1889, was £681,830, against £613,498 for the corresponding half of 1888, showing an increase of net revenue of £68,332. Now the increase of net revenue is earned in this way: Receipts from the passenger department show an increase of only £503, but the receipts from the freight department show an increase of not less than £139,340. Added to this £26,345 for extra and special receipts (including what we received from the Chicago and Grand Trunk, and deducting the loss on the Detroit

Grand Haven and Milwaukee) the total increase was £166,183. If we deduct from that sum of £166,188 £97,856 increase of working expenses, that leaves us the figures given above of increase of net revenue of £68,332.

As regards the receipts from passenger trains, although they were, as I have said, £503 better than the corresponding half-year, yet I must add that this increase was not due to passengers but to express business carried with passenger trains, and there was an actual loss in the receipts from passengers. We ran 174,000 passenger train miles more than in the corresponding half of 1888, and 392,000 passenger car miles more. We thus provided an excellent service for passengers in order to meet the increasing competition which is always coming upon us, as a so to provide a train service for the increased length of our line. We carried in the half-year of 1889 3,696,000 passengers, against 3,646,000 in the corresponding period of 1888—50,000 more, and that is a greater number than in any previous half-year; but, unfortunately, we received a lower average fare than ever before—namely, 3s. 8¼d.—partly because of the low rates of the Michigan lines, in regard to which I have already spoken. The through passenger traffic, that is the longer distance traffic exchanged with other companies, was also lower, whilst our local short distance suburban traffic has increased. Now, the decline of passenger receipts was due to four causes—namely, (1) to bad weather during the half-year, (2) to a great deal of illness which prevailed particularly during the latter part of the year, (3) partly to people having less cash to spend upon travelling, and (4) to lower fares in Michigan. However, by the latest accounts, we are led to hope for some im-

provement in these respects, which are anxiously to be desired because the expenses of the train services are incurred in any case, and any increase of passenger receipts, not entailing extra expenses, is practically all net revenue. As one minor branch of our passenger traffic I may refer to the question of immigration. There were fewer immigrants landed in the half-year of 1889 than in the corresponding half-year of 1888. The immigrants into Canada were few in comparison to those going into the United States. The figures are these—in the half-year of 1889 there were landed at Quebec 10,504, against 13,688 in the corresponding half of 1888. In Montreal there were landed 2,019, against 3,848 in the half-year of 1888. At the United States ports there were landed 190,408, against 202,310 in the corresponding half of 1888. Of these we carried 16,821 in 1889, as against 25,953 in the half-year of 1888, so that we carried 9,132 less immigrants in the half-year of 1889 than in the corresponding half-year of 1888. These immigrants were mostly handed to us by seven of our American connections from the United States ports. You will see by what I have said that as regards immigrant traffic, we are, unfortunately, obliged to rely on what we receive from the United States rather than on Canadian sources.

I come now to the freight traffic. In the report which we have sent round to you we have given you the number of tons carried; and this, to avoid confusion, I shall not now refer to at all, but I shall speak of ton-miles only as a more correct and better mode of dealing with the matter. I mean number of tons moved one mile. In that way you will best see the actual increase of the work we have performed, how much was

through traffic, and how much was local, and how much was east-bound and how much was west-bound; and how these various descriptions of traffic compared with the half-year of 1888. I hope you will bear with me while I give you a few figures. We earned, as I have already mentioned, £139,340 more in freight in this half-year than in the corresponding half-year; and, in order to do this, we carried 957,000,000 ton-miles in 1889, against 880,000,000 in 1888, making an increase of 77,000,000 ton-miles in the half-year of 1889 over the half-year of 1888. But it is most important as regards the economy of working to ascertain how much of this traffic was east-bound, and how much was west-bound, and the relative proportions in the two half-years. We find accordingly that of the 957,000,000 ton-miles in 1889 we carried not less than 75 per cent., or three-quarters of it, east-bound—namely, 714,000,000 of ton-miles; whilst we carried 25 per cent., or one-quarter west-bound — namely, 243,000,000 ton-miles. In the corresponding half of 1888, of the 880,000,000 of ton-miles, we carried 70 per cent. or 612,000,000 ton-miles east-bound, and 30 per cent. or 263,000,000 west-bound. You will see, therefore, that what we may call unproductive mileage was increased, and many more empty cars were run west-bound, all of which militates against economy of working expenses. In fact, we had no less than 33 per cent. of unproductive mileage in 1889, against 28 per cent. of unproductive mileage in 1888. Now, looking at the question from another point of view, the east-bound and the west-bound traffic having thus been disproportionate, it will be easily understood that with a greater proportion of cars running empty from the east, the average tonnage per car per mile

must have been less. Accordingly we find that the average load of cars in 1889 was 7.51 tons, against 7.86 tons in the corresponding half of 1888.

It is hardly less important from other points of view to ascertain the working of our through and local traffic in different half-years. I have the full figures before me, but to avoid wearying you I will only give you the general results. There has been an increase in through freight of 78,000,000 of ton-miles, of which 74,000,000 were east-bound, and 4,000,000 west-bound; but, still more remarkable, there was an actual decrease of local freight of 1,000,000 ton-miles, arrived at by deducting an increase of 28,000,000 of ton-miles east-bound from a decrease of 29,000,000 of ton-miles west-bound, of which I shall presently give some explanation. The relative percentages of the ton-miles of through and local traffic have also altered as compared with 1888. The percentage of through traffic has increased from 49 to 53 per cent. of the total, while the percentage of local traffic has decreased from 51 to 47 per cent. of the total. Now, as regards the increase of through freight east-bound of 74,000,000 of ton-miles, no less than 63,000,000 ton-miles were in dressed meat and live stock more in the 1889 than in the 1888 half-year. I may say that we were fairly well patronised by all the principal dressed-meat shippers—Armour, Hammond, Swift, Morris. Out of 27,216 car loads sent from Chicago and other points we carried no less than 12,959 car loads in the half-year. But this alone will give nearly 6,000,000 loaded car miles east-bound, and 6,000,000 empty car miles west-bound. That accounts for a good deal of the increase of east-bound and the decrease of west-bound traffic. As regards the local traffic west-bound we have had no shipments of raw sugar from Halifax to Montreal, in

consequence of the failure of the Brazil sugar crop; and the rates by boat and rail from Boston were too low to admit of our competing for refined sugar to Toronto, Hamilton, or London, or for some other produce. Of this traffic, we carried 4,700 tons in the corresponding half-year, which would give a very considerable ton mileage for 1888. As regards the decrease of west-bound local traffic, we also sent less west-bound traffic in 1889 to the Chicago and Grand Trunk from local stations in our midland district and west of Toronto, notably in barley for the west, because there had been in the west a much larger local production of barley. There was a further decrease of 37,000 tons in the total traffic out of New York to points reached by the Grand Trunk Railway, though our percentage of it shows a small increase. You will remember that I had to speak last year of the decrease of our coal traffic. This last half-year we received 81,000 more tons of coal, on which we earned 47,000 dols. more. The Intercolonial and West Shore gave us less coal. All the other companies gave us more coal. I may mention, without going into detailed figures, that we received more traffic from the Wabash, the Detroit, Grand Haven and Milwaukee, the New York Central, the Rome, Watertown and Ogdensburg, the Erie, the Delaware, Lackawanna and Western, and the Lehigh Valley; and less from the West Shore, the Michigan Central, the Toledo and Ann Arbor, and the Vermont Central, though we handed more traffic to other lines, especially to our Eastern connections. It is rather gratifying to find, as we learn by recent letters, that we are now working a through freight line carrying traffic between the Vanderbilt lines on the east and the west of us through the peninsula of

Ontario; that is to say, the West Shore and the Hoosac Tunnel route bring us the traffic to Niagara to carry to Detroit and there to be handed to the Michigan Southern and Lake Shore for Toledo and the south-west, and *vice versâ.*

The traffic received at Montreal during the half-year was the largest on record; and, with our through traffic, severely taxed the large accommodation that we have near Montreal at Point St. Charles. We received increased traffic also at Toronto and Hamilton, which is satisfactory, considering the competition we now have at those places. There was a decrease in passenger traffic, but an increase in goods, exchanged with the Canadian Pacific Railway at North Bay on Lake Nipissing. The rates on this traffic have lately been settled by arbitration. The Chicago and Grand Trunk gave us a larger tonnage, yielding a larger revenue, than in any previous half-year; and on all descriptions of traffic out of Chicago you will be surprised to learn that we carried no less than 20.99 per cent., practically 21 per cent., against 14.82 per cent. in the December half of 1888; and the revenue on traffic interchanged with the Chicago and Grand Trunk—which shows we are not so sleepy as the *Standard* would lead you to believe in managing our affairs in Canada—has increased in the last four years from £210,000 to £320,000.

Next, as regards the rates at which we have carried traffic during the half-year. The actual rate received on the average per ton per mile has slightly increased as compared with the corresponding half-year; it is 75-100ths of a cent or ⅜ths of a penny per ton per mile, against 74-100ths of a cent in the corresponding half-year, and 78-100ths for 1887.

We do not find in the comparative exports and imports of Canada and the United States any explanation for the falling-off in our local west-bound traffic, but we are rather led to believe that it is mainly in consequence of more west-bound traffic having been carried at lower rates by water routes. The exports from Canada for the fiscal year ending June 30 were 89,189,000 dols., and these exports have not varied much in the last five years, though they were rather less in 1889 than in 1888; whilst the imports into Canada for the year were 115,224,000 dols., and these imports increased by 4,330,000 dols. over 1888, being an increase over all the previous four years, so that you will see, while the exports have not much varied, and are rather less, the imports have somewhat increased. But just the contrary has happened in the United States. The exports have increased more than the imports in 1889 as compared with 1888. Taking, however, the five years from 1885, the exports have increased from 688,000,000 dols. in 1885 to 827,000,000 dols. in 1889, while the imports have increased from 588,000,000 dols. in 1885 to 770,000,000 dols. in 1889. I am disappointed to find that the tonnage of sea-going vessels arriving at the port of Montreal does not increase so much as we might anticipate. There were 522 steamers in the half-year of 1889 carrying 763,783 tons, against 532 in 1888, carrying 742,276 tons; whilst of sailing ships—sea-going sailing ships—arriving at the port in 1889 there were 173 carrying 59,882 tons, whilst in 1888 there were 123 carrying 40,000 tons. Practically, there has been no great increase for the last four years. There has, however, been a great increase in the number of inland vessels, which means increased competition with the railway rates. There have been 5,848

vessels, carrying 1,069,709 tons in 1889 against 5,509 vessels, with 863,014 tons in 1888.

I come now to the question of working expenses, which is most important to us. (Cheers.) We have all experienced during the past half-year some disappointment on the arrival of certain of the monthly revenue statements sent to us from Canada, as regards the percentage of working expenses to the increase of gross receipts. However, taking the half-year as a whole, and looking carefully to all the circumstances, the result does not appear so unfavourable as we then thought it was. The passenger receipts are lower for a longer passenger train mileage. Corn, though so abundant, was carried at a miserable 20 cents rate by the action of our competitors. I have told you that the local west-bound traffic fell off, and I believe mainly because of the water competition, while the east-bound traffic increased so largely. I am sorry to say we have been compelled to carry dressed beef at a 45 cent rate, compared with a 65 cent rate which we were formerly able to obtain for it. But it is some satisfaction to find that as against these adverse conditions the expenses per train mile on the railway were reduced from 82.8 cents in 1888 to 80.8 cents for 1889. (Hear, hear.) Of the increase of working expenses of £97,855, there were spent on the permanent way and works £22,796, and on rent of rolling stock, £23,780. These two items account for something like 50 per cent. of the increase in the working expenses. The rent of rolling stock I may refer to as being the amount we have to pay on the special cars—such as dressed beef and live-stock cars—running over our line. They are owned by the consignors of the traffic, and all companies running them have to pay a certain rate for the cars. We had it reduced

from one cent to three-quarters of a cent per mile; but, unfortunately, some of the competing companies have been bidding higher. Of course, if they continue to do so we may have to pay even more than we have been doing. In the locomotive department there is an increase of £30,623, which nearly makes up, with the figures I have given you, the total increase in the working expenses; but this last item is fully accounted for by the increased mileage run; indeed, the percentage of expenses to gross receipts in the locomotive department shows an actual reduction so far as engines are concerned. The working and repairing of engines cost 20.54 cents per engine mile in 1889, against 20.96 cents per engine mile in 1888. We have run 9,462,753 train miles, against 8,636,527 train miles in 1888, giving an increase of 826,226. The cost of maintaining the car stock per car mile was in 1889 .501 of a cent, and in 1888 .545 of a cent; showing also a moderate reduction. You are aware from the report that we have added 1,000 new cars and one new snow plough to our rolling stock last half-year. There is still a cry for more engines and more cars which shows that our traffic is continually increasing.

Now the monthly Revenue Statement, which gave us the greatest feeling of discontent during the half-year was that for September. We have been at the pains of ascertaining what our neighbours experienced in regard to the working of the month of September. Their returns, that is to say the returns of our neighbours for the same period were, we find, not more satisfactory than the returns of the Grand Trunk. The Pennsylvania Company earned 143,000 dols. more in gross receipts, but showed only an increase of net receipts of 24,000 dols.; the Philadelphia and

Reading Company showed a decrease in net receipts of 70,000 dols.; the Delaware and Lackawanna, for the quarter ending September showed a decrease in net receipts of 57,000 dols.; the Boston and Albany for the same period, with a gross increase of about 26,000 dols., showed a decrease in the net receipts of 200,000 dols.; the Delaware and Hudson Company show an increase in gross earnings of 47,000 dols., with a decrease in net earnings of 1,667 dols.; and the New York Central, for the month of September, published a decreased gross earning of 16,000 dols.; so that, although we were disappointed with our own working, we still fared better than our neighbours.

As regards our capital expenditure we have only spent £51,863 on new works during the half-year, including sidings, stations, bridges, &c., though we spent £98,981 on the 1,000 new cars, of which I have spoken to you. To December 31, 1889, we have spent £449,882 in doubling the line, and £157,658 on the Sarnia Tunnel, and we shall proceed with these works as rapidly as possible because we believe—in fact we have ascertained—that we are saving a good deal of delay to our traffic by doubling the line, and we are reducing our expenses; and both of these works will be of very great advantage to the company.

I have some important details here, of which I will give you the general result, as regards the savings effected in our pre-preference interest. On a fair comparison of the pre-preference charges of 1887 and 1889 I find there was an actual reduction in pre-preference charges of £6,952 per annum, which was equal to a saving of interest of 4 per cent. on £173,800 of debenture stock. But in those

three years, during which we saved this sum of £6,952 a year, we expended £842,200 of capital expenditure; and I will give you the actual figures. During the years 1887, 1888, and 1889, we spent in doubling the track, £449,800; in new works, £195,000; in rolling stock, £173,000; on the City of Montreal claim £20,000; on the Northern and North-Western Consolidation, £7,749; on the Portland City Elevator, £2,673; on land and land damages, £1,900; total, after deducting various credits, £842,200; which we actually spent. By the saving of interest effected by the conversion of our bonds and other securities into four per cent. debenture stock we not only expended this large sum of money without increasing our pre-preference charges, but we actually saved whilst spending it, the £6,950, of which I have spoken, so that—you may put it one way or the other—there was, looking at it in one way, an actual saving of £43,000 a year by the conversions of these three years; or else, looking it in another way, we spent all this money without adding to our pre-preference charges, and not only so, but we diminished them during the same period by £6,950 a year. (Hear, hear.) I like to mention this, because I only the other day received a letter from a proprietor who said we were doing a very useless thing in doubling the line from Montreal to Toronto, that we had not enough traffic to carry on a single line, and that we ought to save money instead of spending money uselessly and thus adding to our pre-preference charges. That only shows how difficult it is to get some gentlemen to follow what we are doing; and I may add, further, that during this year 1890 we shall be able to convert £540,000 of six per cent. Great Western bonds, which are

falling due, into four per cent. debenture stock, producing an additional saving of over £10,000 a year. (Cheers.) As regards the doubling of our track, we have already given you in the report the exact figures of what we are doing. The fact is, our traffic, in spite of what my correspondent has said, has been so heavy on this Central section, and is happily always increasing, that the doubling of the track is absolutely necessary. I do not believe that anywhere else in the world has such a heavy traffic been carried on a single line for such a distance—333 miles; and I may mention to you that a great many people do not appear to realise the magnitude of the work we are carrying out in doubling that portion of our track. From Montreal to Toronto is 333 miles long. We are also doubling from Toronto to Hamilton and thence to the Niagara River, which is another 80 miles, so that really we are carrying out these works over distances as great as from London to Edinburgh. I think that gives us all a better idea of what we are doing. Fancy an English line that was laying down a second line of rails all the way from London to Edinburgh! They would think it a very great work, but I am happy to say that we have got it about half done, and it will not be many years before we have completed it. The improved results of it are already apparent. (Applause.) We are able to keep better time with our high-speed trains—the passenger, and dressed beef trains—which are required to run at a high speed in way that it would otherwise have been impossible to do. Then, again, the expenses have been reduced wherever practicable; and I may mention, as it shows the value of doubling the line, that, comparing 1889 with 1886, the train mileage between Montreal and Toronto,

which is the most crowded portion of our system, has increased 10 per cent., while the delays to the trains have decreased by 38 per cent., which is a great saving, and another indication of "sleepy" management. As yet we are embarrassed with the construction trains, and with the disadvantage of having to build a second line alongside the running line; but when these disadvantages have been got rid of, and our double line is complete, we shall find very much more value and advantage from it.

There is another point which I ought to mention to you. We had two serious accidents as you will remember during the past year; one at St. George's, 20 miles west of Hamilton, and the other in what they call the Hamilton Junction Cut, both on the Great Western section. Some inquiries have been made as to whether we have charged out the cost of these accidents, or what has been done in regard to them. Well, as to the cost of the St. George's accident, I may mention that the coroner's verdict in regard to it was that it occurred from the breaking of the tyre of the engine wheel of the train, and the jury exonerated the company and its servants. The damage to the rolling stock amounted to £3,000, and other expenses to £2,000, or a total of £5,000, which has been all paid; but there are suits pending, one of which is now before the Court. As this case is *sub judice* you will appreciate my not saying anything, except that I am hopeful as regards the result to this company. With regard to the Hamilton Junction Cut accident, that was to a limited express train from the west to New York. In this case the coroner's verdict attributes the accident to the breaking of the flange of the left leading wheel of the engine truck. The damage done to the rolling stock

amounted to £8,800, less charged to company's insurance fund £4,000, leaving £4,300. Other expenses come to £600, or £4,900 altogether, which has been paid. In that case we have had as yet noaction against the company, and no compensation has been paid.

I now come to the St. Clair Tunnel, and if you will allow me I will explain what we are doing with respect to that tunnel. This is one of the most interesting engineering works of the day. It is very much larger, nearly four times as large as any tunnel which has yet been constructed on the system adopted. The diagram on the wall has been specially prepared to give you an idea of the progress we have made.* You will see there the St. Clair River is at its deepest point 40 feet deep, and is about 700 or 800 yards wide. I may mention that—as is usual with these sort of diagrams—the horizontal scale is ten times the vertical scale, in order that you may better see it. There is an open cutting made at each end of the tunnel, and the tunnel is being driven through from the portal on the Sarnia side to the portal on the Port Huron side; the whole length of the tunnel being 6,000 feet, and the tunnel itself is about 20 feet internal diameter. We began in the first instance by putting down shafts and driving a small heading from each end, and as they were only done by way of test in a cheap way, when they got in a certain distance the gas came from the rock below and blew the wooden lining up. In that way we ascertained the nature of the stratum to be penetrated and the difficulties we had to deal with—water above and gas below. It is not that we are between the devil and the deep sea, but it is rather more like having a shallow sea above and the deep devil below.

* A copy of the diagram on a reduced scale is sent herewith for the information of those proprietors not able to attend the meeting.

(Laughter.) In constructing the tunnel we have two shields. They are of massive wrought iron, one for each end, constructed with sharp edges, and are each pushed forward by 18 hydraulic presses. They are being driven through a stratum mainly composed of clay, more or less soft, though sometimes very hard, with pockets of sand and water, and sometimes large boulders. Up to within a short period our excellent engineer has been pushing these shields forward, and making progress with the completed tunnel, at the rate of 10ft. a day at each end, which is very good work. But he has recently been putting in a water-tight and air-tight bulkhead with air-locks at the Port Huron or American end, so that the men may work in compressed air between the shield and the bulkhead. The advantage of that precaution is, if water from above or gas from below has a tendency to make its way through from the face of the work, the compressed air will keep them back and allow the men to work safely inside the bulkhead, and so continue the progress of the work under all conditions. I read a telegram to you at the beginning of the proceedings which shows that working inside the bulkhead they are able to make progress at the rate of 8 feet a day, and they hope, as they get more used to it, to be able to attain a speed still greater. This is, so far, very satisfactory, and I have telegraphed to them at once to put in a bulkhead at the Canadian end, and to use their air-locks and compressors at that end also—for this reason, that in a work of this description you should, to secure success, provide for the worst. If there is a sudden irruption of gas or water, and the bulkhead is not available, we might suddenly be inundated, and meet with an immense deal of trouble, cost, and delay,

But by taking the precaution beforehand of putting in this other bulkhead, and by working in compressed air at both ends, we avoid almost the possibility of misfortune, and we can go on with greater confidence. As the tunnel proceeds it is absolutely completed, because the heavy cast iron lining which is used throughout is strong enough to stand anything it can meet with, and follows closely on the end of the shield. The part of the tunnel which you see marked on the diagram with red lines is absolutely completed, and if we can only make the same progress that we have been making hitherto I ought to be able to announce to you at the next meeting that the tunnel is completed. (Cheers).

Well, gentlemen, you will have observed that there have been several remarkable features in the working of the last half-year, and especially during the latter part of that half-year, as in the beginning of the present half-year. It almost seems ludicrous to mention it, but what they call "La Grippe" in Canada, and what we in Europe call influenza, or the dengue fever, has been much more severely felt in Canada and the United States than in this country. It has been estimated that no less than 50 per cent. of our officers and servants have suffered from it; and from statements we have received from Montreal it has been ascertained that one-half of the population of Montreal have suffered; and from our agent in Chicago we learnt that they had in Chicago "one sick man for every well one." This has affected our traffic seriously. It was at one time difficult to keep the trains running. We actually had notice from our connecting railways that they could not receive our traffic, because they had so many people on the sick lists; and when there was so much illness

there was less travelling. That accounts partly for the falling-off in the passenger traffic. Then, again, while the harvests in Ontario and other places have not turned out to be so good as was anticipated, yet the harvest for corn (maize) has been even greater than we had been led to believe. We were told they had the greatest harvest of it the world has ever seen, but prices have been much reduced, and there is not sufficient margin of profit; and they are at the present moment finding it cheaper to burn corn for fuel in some places than it is to burn coal. Then we have had continually complaints of the want of snow during the winter. They depend upon snow to make roads and bring traffic to the stations, and from the want of snow we have lost some traffic during the winter which could not be carried to the stations. But not only has there been a deficiency of snow but there has also been a deficiency of ice. This has turned to our advantage, for when they have, as they call it, a bad crop or no crop of ice in our more Southern districts we are abundantly supplied in our Lake district, in our Midland division, and we have been carrying a good deal of ice—in fact, there has been lumber that we have not been able to carry as promptly as we could wish, because we have been carrying so much ice. Happily for us, ice is not only a luxury but a prime necessity in a great part of America and Canada, and especially so in the great cities; and we may hope to earn during the summer some extra money for carrying ice to many regions of the United States, as large quantities have been stored in various districts of our line. We really hope now, and we are led to believe, that there may be what they call in America an improvement in trade and in travel. You will observe that, although a

good deal was prophesied that we should be ruined by competition one way and the other way, both by Canadian and by American railways, you will see we have not yet succumbed, though we admit fully the serious competition which has been b ought to bear against us. (Cheers.) It has no doubt checked our improvement and delayed our progress, and kept down our rates, which is the most serious damage we could sustain ; but, as I have said before, we need not, even so, fear for the amount of traffic which we can command. It is only the shrinkage of rates and the unwisdom of cutting them down in useless and hopeless competition that we are powerless to avoid and avert. We are still in want of more engines and more cars, and long may that cry continue, because it means an always increasing traffic, and the one point to which we have to devote our earnest attention is still further to reduce our working expenses—(cheers)—so far as is consistent with true economy and with safety in carrying on our traffic. I have now, gentlemen, to move :—

"That the report of the directors and the accounts for the half-year ended December 31, 1889, now presented, be and the same are hereby approved and adopted, and that the following dividends be paid—viz., to the holders of the four per cent. guaranteed stock of £2 6s. per cent., making with the dividend of £1 14s. per cent. paid to the holders of the said stock for the half-year ended June 30, 1889, the full dividend of £4 per cent. for the year 1889, to the holders of the first preference stock of £2 7s. 6d. per cent."

Mr. ROBERT YOUNG: I beg to second the adoption of the report and accounts.

Mr. BUTT: Mr. President and gentlemen, during last year I travelled over 2,000 miles of Canadian railways, and I should like to give you my impressions of what I saw. I travelled over the whole distance of the Grand Trunk line from Portland to Chicago, and over other parts of the line. At Portland you have a large property, good elevators, and every facility for carrying on a very

large traffic. At Montreal I had two or three interviews with Mr. Joseph Hickson, who was kind enough to allow me to go through the various freight yards, machinery shops, &c., and I was highly gratified at what I saw there. Every labour-saving appliance seemed to me to be brought into use for repairing and manufacturing rolling stock. At the time I was there they were making 1,000 new cars, which the president has referred to, and they were being turned out almost automatically at the rate of 5 and 6 cars a day. At Chicago the traffic manager, Mr. Reeve, took me over the Dearborn Street Station, and also over the freight yards there, and I was very much surprised to find at Chicago that you are hampered for want of room. I hope that is remedied by this time. There was a large plot of ground adjoining the freight yard, which could not be utilised because there were two wooden buildings remaining on it which they could not come to terms about, and Mr. Reeve told me they were bound to submit it to arbitration. I hope that ground has been cleared and turned to some practical use. The great difficulty Mr. Reeve has there is to deal with the traffic. He had such an enormous amount of traffic to deal with that he scarcely knew what to do with it. At the St. Clair Tunnel I spent several hours in the shield, and going through the works on the Canadian, and on the American side in company with the resident engineer, and I must say that every appliance seemed to me to be brought to bear, to bring it to a satisfactory completion. They were working 6 feet a day at each end. Now I am happy to see they have increased their work to 10 feet a day. Of course, until the men get accustomed to working in compressed air, it cannot be expected that they will get on very fast, but now that they are getting under water it is absolutely necessary and also on account of the gas of which there is a very large quantity in the tunnel; but I think there is every prospect of seeing the tunnel finished by this day six months or by this day eight months. With regard to the physical condition of the Grand Trunk Railway, I have ridden about 1,000 miles on the tailboard of the car of some of the trains in order to notice the physical conditions.

and I must say that the physical condition of this railway is equal to that of any single line of railway I have travelled on in the States. There are subjects which the directors of this company have to deal with, and which militate very much against our dividend, but those are subjects which I am afraid they have little control over. One is the enormous amount of competition going on in the American States, by which freights are reduced to such a low sum that in this country our railway companies would not look at them, and then the price of labour, which is higher than it is here. I believe that train conductors get about £20 a month. Gentlemen, with these remarks I will sit down.

Mr. SIMS: What is expected to be the result of the saving by making the St. Clair Tunnel?

The PRESIDENT: £10,000 a year as compared with the ferries, which we are at present working, besides which a good deal of delay to the trains will be saved.

A SHAREHOLDER: Is the ground more difficult on the Canadian side than on the other side?

The PRESIDENT: No, sir, I hope there will be no more difficulty on the one side than on the other, but still, as a matter of precaution, I have asked them to put in compressors on the Canadian side also, so that we may run no risk.

Mr. NORMAN: Are there two lines through the tunnel or one?

The PRESIDENT: One line.

The resolution was then put and carried unanimously.

The PRESIDENT: The next resolution which I have to propose is:—

"That the agreement dated 20th January, 1890, between the Grand Trunk Railway Company of Canada of the one part, and the Toronto Belt Line Company of the other part, now submitted to the meeting, be approved and adopted."

You will see on the wall that there are two maps of Toronto, and you will see the Grand Trunk Railway marked in blue and the railways which are now going to be constructed and which we are going to lease marked in red. Those two lines together are about 14 miles long, or about the same length as the District and Metropolitan put together. We are only going

to pay £3,800 a year, and we consider, sleepy as we are, that we are doing a good thing for the company, and one which will benefit us very much in the future, in arranging to take over those railways on a lease for forty years; and you may depend upon it, although some of us may not live forty years, that at the end of that time the Grand Trunk will not let go of them. If anybody wishes to ask any questions about these railways I will answer them, but otherwise I will not detain you further. I will ask somebody to second the resolution.

Mr. ROBERT YOUNG: I will second the resolution.

The resolution was then put and carried unanimously.

Mr. ROBERT YOUNG: I have a very pleasing duty to discharge. You are aware that at our last meeting the whole of the directors were, with your concurrence, elected, and the order of retiring had not then been fixed by arrangement. It has been fixed now that the three directors standing first on the alphabetical list should retire, and also our worthy president. Now, I do not like to speak in praise of anyone before him, but having had the pleasure and honour of being associated on the same board with Sir Henry Tyler for a great many years I feel bound to say it is impossible to find a president who is more devoted to his work, more perfect in his performance of it, and more willing to do everything in his power for the promotion of your interests. He takes care to give us his opinion fully, and to permit the most free and perfect discussion, and during the whole time I have been at the board there has never been one serious difference of opinion, or if there be any, they are all reconciled. There is nothing like temper manifested by our respected president. It may be said we are sleepy, but if so I can honestly say the president possesses the power of walking and working in his sleep, and also is in possession of his faculties and knows what is to be done, and he constantly looks ahead, and you have evidence now with regard to his most perfect knowledge of the most minute details. I beg to move—

"That Sir Henry Whatley Tyler be, and he is hereby, re-elected a director of the company."

Mr. W. U. HEYGATE: I beg to second the re-elec-election of the president.

The resolution was agreed to unanimously.

The PRESIDENT: I am very much obliged to you, gentlemen, for kindly re-electing me, and I am sure my best services are always at your disposal, and nothing gives me greater pleasure than when I can give you some satisfactory information. I have now the pleasure of proposing—

"That Charles J. Campbell, Esq., James Charles, Esq., and William Ford, Esq., be, and they are hereby, re-elected directors of the company."

As Mr. Young has kindly said, we are a most united body. We all work harmoniously together for the good of this company, and I hope you will unanimously re-elect those gentlemen as members of the board.

Mr. YOUNG: I have great pleasure in seconding that resolution.

The resolution was put and carried unanimously.

The PRESIDENT: The next resolution is with regard to the retiring auditors, and perhaps some one in the body of the hall will move—

"That the retiring auditors—Brackstone Baker, Esq., and Thomas Davidson, Esq.—be, and they are hereby, re-elected auditors of the company."

Mr. HODGSON: I beg to move it.

Rev. A. COOPER: I beg to second that resolution.

The resolution was put and carried unanimously.

Mr. THOMAS ADAMS: I think before we part we should propose a vote of thanks to the chairman and directors. Our directors are struggling against great difficulties, which they are not responsible for, and I think we should give them our unanimous vote of thanks for their services.

A SHAREHOLDER: I beg leave to add to that, that our best thanks be given to the officers and staff.

Mr. THOMAS ADAMS: I have not the slightest objection to add that, as I know one or two of them there, and they are very persevering. I shall also add the secretary and members here.

The resolution was put and carried unanimously.

The proceedings then terminated.

THE

GRAND TRUNK RAILWAY COMPANY OF CANADA.

At the Ordinary General Half-Yearly Meeting of the Company, held on Tuesday, April 22, 1890, at the City Terminus Hotel, Cannon Street, E.C.;

Sir HENRY W. TYLER, M.P., President, in the chair.

The Secretary having read the notice convening the meeting,

It was moved by the President, seconded by Robert Young, Esq., and unanimously resolved—

"That the report of the directors and the accounts for the half-year ended 31st December, 1889, now presented, be and the same are hereby approved and adopted, and that the following dividends be paid—viz., to the holders of the four per cent. guaranteed stock of £2 6s. per cent., making, with the dividend of £1 14s. per cent. paid to the holders of the said stock for the half-year ended 30th June, 1889, the full dividend of £4 per cent. for the year 1889, to the holders of the first preference stock of £2 7s. 6d. per cent."

It was moved by the President, seconded by Robert Young, Esq., and unanimously resolved—

"That the agreement dated 20th January, 1890, between the Grand Trunk Railway Company of Canada of the one part, and the Toronto Belt Line Company of the other part, now submitted to the meeting, be approved and adopted."

It was moved by Robert Young, Esq., seconded by W. U. Heygate, Esq., and unanimously resolved—

"That Sir Henry Whatley Tyler, M.P., be, and he is hereby re-elected a director of the company."

It was moved by the President, seconded by Robert Young, Esq., and unanimously resolved—

"That Charles J. Campbell, Esq., James Charles, Esq., and William Ford, Esq., be, and they are hereby, re-elected directors of the company."

It was moved by Mr. Hodgson, seconded by the Rev. A. Cooper, and unanimously resolved—

"That the retiring auditors—Brackstone Baker, Esq., and Thomas Davidson, Esq.—be, and they are hereby, re-elected auditors of the company."

H. W. TYLER, President.

A cordial vote of thanks was then passed to the President, Directors, and Officers of the Company.

J. R. RENTON, Secretary.

DASHWOOD HOUSE,
9, NEW BROAD STREET, E.C.,
April 23, 1890.