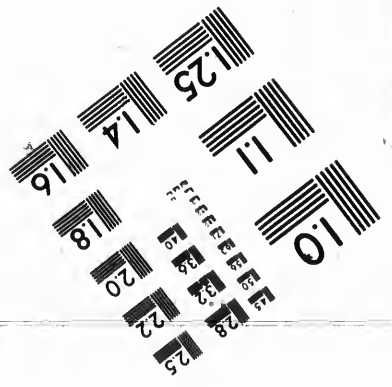
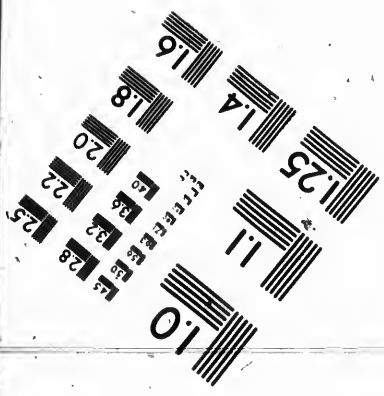
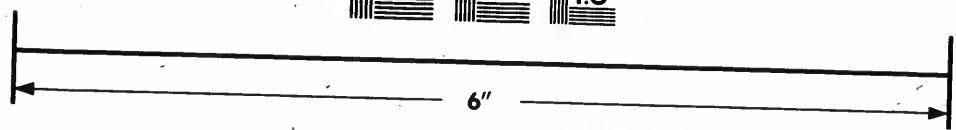
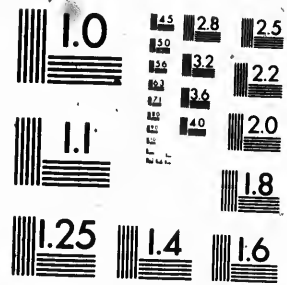


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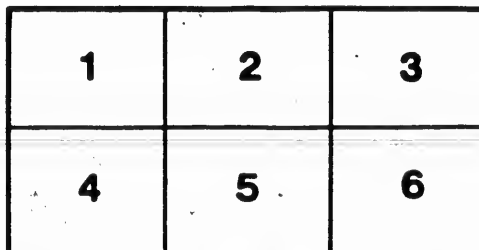
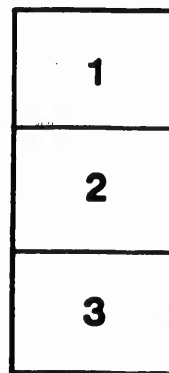
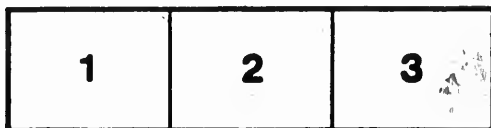
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# GRAND TRUNK RAILWAY COMPANY OF CANADA.

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## VERBATIM REPORT

OF

### THE PRESIDENT'S SPEECH

AT THE

ORDINARY GENERAL MEETING OF THE COMPANY,

HELD AT THE

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

*On Friday, October 30th, 1891.*

#### 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 Friday, the 30th day of October, 1891, at Half-Past One o'clock p.m., precisely, for the purpose of receiving a Report from the Directors, and for the transaction of other business of the Company.

Notice is also given that at the said meeting agreements made by the Company for working the line, about 11 miles in length, of the Waterloo Junction Railway Company, and for the acquisition of the Shares and Bonds of such Company, will be submitted for the approval of the Proprietors.

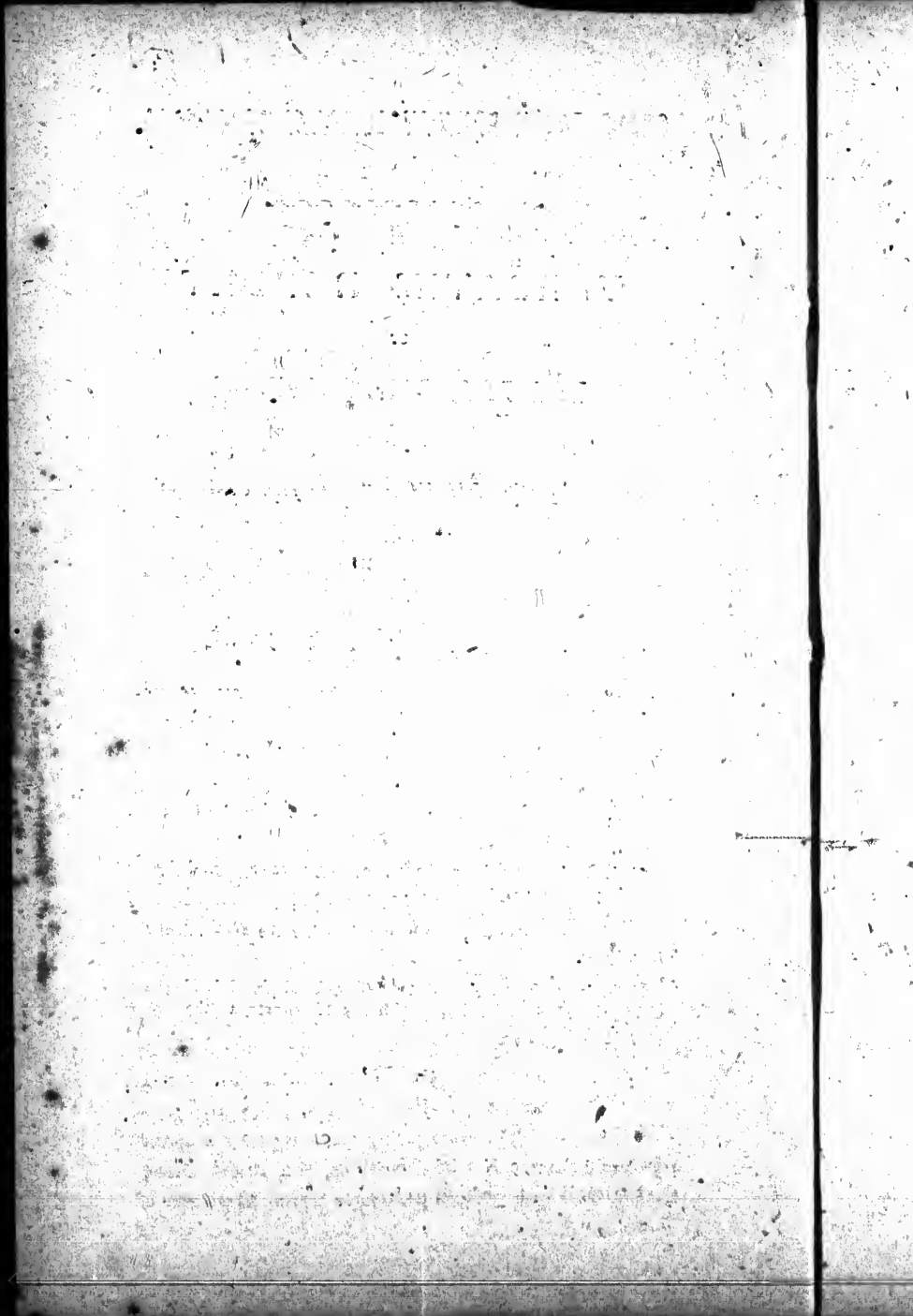
Notice is also further given that the Transfer Books of the Company will be Closed from Tuesday, the 6th day of October, to the day of Meeting, both days inclusive.

By order,

H. W. TYLER, President.

J. B. RENTON, Secretary.

Dashwood House, 9, New Broad Street,  
London, E.C., 1st October, 1891.



# GRAND TRUNK RAILWAY OF CANADA.

## VERBATIM REPORT

OF

### THE PRESIDENT'S SPEECH

AT THE

### ORDINARY GENERAL MEETING OF THE COMPANY,

HELD AT THE

CITY TERMINUS HOTEL, CANNON ST., LONDON.

*On Friday, October 30th, 1891.*

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

The CHAIRMAN, who was received with cheers: I have to commence to-day, gentlemen, with a very disagreeable duty, to apologise for the results of working of a very miserable half-year. During that half-year, ended June 30 last, we lost of gross traffic no less than £116,000, and of net traffic no less than £77,600. Omitting £10,000 for sundries and rents, our traffic for the half-year divides itself naturally into one-third in receipts from passenger trains, and two-thirds in receipts from freight trains. The one-third receipts from passenger trains amounted to £594,000, and the receipts from freight trains amounted to £1,177,000. Of the one-third, the £594,000, there is not much to say. We did a little more train mileage; we carried some 36,000 more passengers; but we received lower fares. The result was that there was a loss of £3,967 on the passenger traffic. That was partly made up by the extra receipts from mails and expresses, the result being that in the receipts from passenger trains there was a

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loss of £1,788 during the half-year. As regards the two-thirds receipts from the freight trains the matter is very much more serious. We lost altogether £105,000 in the half-year from that source. Half of that loss was due to the lower rates, which were reduced from seventy-five hundredths of a cent. to seventy-two hundredths during the half-year. The other half was due to deficiency in the traffic, in consequence of the depression which existed throughout the United States and Canada, after the bad harvest of the previous year. There was less traffic, therefore, running out of Chicago, and less exported from Canada, simply because there was so much less to export. Now, to give you an idea of the amount and the items in which the traffic decreased, I may mention that of a total decrease of traffic of 172,000 tons, 20,000 tons was from through traffic, and 152,000 tons was from local traffic. Of local traffic, we lost 12,000 tons from lumber; we lost 25,000 tons from what is called square timber; 138,000 tons from ice, because the winter having been colder in the United States, they did not want so much ice, and we lost 50,000 tons from grain and 55,000 tons from sundries. That is altogether 280,000 tons. But, on the other hand, we had an increase from coal, brick, lime, stone, cordwood, and some other articles which reduced that amount to a net decrease of 152,000 tons.

I have been in the habit of giving you, every half-year, the ton mileage, because that is the more correct way of describing the variations of the traffic; but I thought it would be more convenient to you on this occasion that I should exhibit to you in large figures the results of the whole system, and there they are. (The chairman indicated a diagram on his right hand, of which the following is a copy):—



FREIGHT STATISTICS JUNE HALF-YEARS, 1891 AND 1890.

	Total.	East Bound.	West Bound.
<b>ENTIRE TRAFFIC—</b>			
<b>FREIGHT—</b>			
No. of tons, 1891 .....	3,890,776	2,532,301	1,358,475
" " 1890 .....	4,062,494	2,660,170	1,402,324
Percentage, 1891 ..	—	65	35
" " 1890 .....	—	65	35
Tons hauled 1 mile, 1891...	822,000,000	574,000,000	248,000,000
" " 1890...	865,000,000	630,000,000	235,000,000
Percentage of Tons hauled 1 mile, 1891...	—	70	30
" " 1890...	—	73	27
<b>THROUGH AMERICAN</b>			
<b>FREIGHT—</b>			
No. of tons, 1891 .....	1,273,729	925,881	347,848
" " 1890 .....	1,228,589	958,901	269,688
Percentage of total No. of tons, 1891...	33	37	26
" " 1890...	32	37	22
Tons hauled 1 mile, 1891...	430,000,000	322,000,000	108,000,000
" " 1890...	450,000,000	354,000,000	96,000,000
Percentage of total tons hauled 1 mile, 1891...	52	56	41
" " 1890...	52	56	41
<b>LOCAL FREIGHT—</b>			
No. of tons, 1891 .....	2,617,047	1,606,420	1,010,627
" " 1890 .....	2,786,905	1,674,269	1,092,636
Percentage of total No. of tons, 1891...	67	63	74
" " 1890...	68	63	73
Tons hauled 1 mile, 1891...	192,000,000	252,000,000	140,000,000
" " 1890...	215,000,000	276,000,000	139,000,000
Percentage of total tons hauled 1 mile, 1891...	48	44	56
" " 1890...	48	44	59

You can see at a glance the results of working the whole system for the past half-year. You will observe the entire traffic in the top column, the through American freight traffic in the middle column, and the local freight traffic in the lowest column. I shall send that table round with the report of my speech, and you will be able to study it at your leisure. I will now merely direct your attention to the fact that the loss in ton miles on the entire freight, if you subtract the increase in the west-bound traffic from the decrease in the east-bound, is 43,000,000, there having been a decrease of 56,000,000 ton miles in the east-bound traffic, while there was an increase in the west-bound traffic of 13,000,000 ton miles. You will notice also that the decrease of east-bound traffic is made up of 32,000,000 ton miles of through and 24,000,000 ton miles of local traffic; whilst the increase of west-bound traffic was made up of 12,000,000 ton miles of through traffic and 1,000,000 ton miles of local traffic.

There is a table also on my left to which I especially direct your attention, and which I will also forward to you with my speech.

**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  
JUNE 30, 1883, TO 1891:—

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.
June, 1883 .....	61.67	44.47	17.20	0.92	5 1½
" 1884 .....	54.53	39.84	14.69	0.77	4 8¼
" 1885 .....	49.37	37.77	11.54	0.70	4 1¼
" 1886 .....	53.47	37.70	15.77	0.74	3 11¼
" 1887 .....	54.71	37.94	16.77	0.76	4 0¼
" 1888 .....	52.11	37.53	14.58	0.78	4 0¼
" 1889 .....	51.56	36.75	14.81	0.77	3 10¼
" 1890 .....	50.17	35.38	14.79	0.75	3 9¼
" 1891 .....	49.15	36.15	13.00	0.72	3 8¼
Decrease 1891 compared with 1883 .....	12.46	*8.26	4.20	0.18	1 4¼

If the actual traffic of June half-year, 1891, had been carried at the rates and fares of June half-year, 1883, there would have been earned full dividends on the guaranteed and preference stocks and 15¢ per cent. on the ordinary stock for the half-year.

\* Showing a reduction of working expenses on the train-mile of the June half-year, 1891, as compared with the cost per train-mile of the June half-year, 1883, of \$4,200,000.

## *The Grand Trunk Railway of Canada*

That table gives you the receipts, the expenses, and the net profits per train mile from the year 1883 down to the year 1891—for the June half-year in each case. You will see there that in 1883 we were obtaining 61.61d. per train mile as our gross receipt, but that the amount has diminished gradually, until in 1891 we only received 49.15d. per train mile. You will not fail to notice that the decreases in the first column correspond very closely with those of the last column but one, which gives you the rates in cents per ton mile, the figures being 90-100ths of a cent in 1883 and only 72-100ths in 1891. That is a terrible decrease, which could not have been foreseen, and which it was not in our power to control. In the column of working expenses you will also notice that we have reduced them from 44.41d. in 1883 to 36.15d. in 1891 per train mile. Let me tell you what that reduction means, because that is the point I wish very much to impress upon you. That means a reduction of working expenses of no less than £299,000 in the half-year. That is to say, that between the June half-year of 1883 and the June half-year of 1891 we have reduced our working expenses calculated on the train mile basis at the rate of £600,000 a year. (Cheers.) That shows you what we have been trying to do from half-year to half-year and from year to year in reducing the working expenses of the line, and the real reason why we have done so badly in the past half-year—we always have to come back to that—is because the rate per ton per mile has declined from 90-100ths to 72-100ths of a cent. But the decrease has really been more than that. That is understating the matter, because we are now doing more work per train mile than we were in 1883, in consequence of having more powerful engines, larger cars, and heavier

loads on our trains. We are still going on in that direction.

As regards any future decrease of working expenses, the one great item which we have to look to is the duty on coal. It costs us twice as much to place coal on our tenders as it does some of the American lines, and that adds enormously to our cost of working. I am sorry to say that the meeting which it was intended should have taken place on October 1 between the authorities of the United States and a deputation from the Canadian Government, to consider the question of reciprocity, was postponed. I hope that meeting will shortly come off, and that it may result in a certain measure of reciprocity. I believe one of the first articles to be dealt with will be coal, and it will be, as you will see at once, an enormous advantage to us—to the extent of something like £100,000 a year—if the duty on coal is given up; and it will be a benefit not only to us, but to Canada generally. (Cheers.) That duty is placed upon coal entering into Canada in the interest of one little corner of Canada in Nova Scotia to the detriment of the rest of Canada. There is also another matter, to which I shall refer presently, in which I hope we shall be able to see some substantial improvement.

Well, gentlemen, since I had the pleasure of meeting you last I have spent two months in paying a visit to Canada, and in going over our whole system in a most careful, exhaustive and laborious manner. I have no doubt that a good many of you will think what I went through was very hard labour, but to me it is always a matter of extreme interest to go from point to point and to discuss how improvements can be made, and how expense may be saved, and how traffic can be improved. When I

landed in New York, I went, within a few hours of landing, to a meeting, which had been summoned at the request of the east bound rate committee of Chicago (of which Mr. Reeve, the traffic manager of the Chicago and Trunk Railway, was chairman) of the managers of the Trunk lines with regard to rates. That is always the first and the last thing one has to do in that country—to discuss difficulties as regards rates. There I sat while certain of the American companies accused one another of cutting rates. We were not concerned in the matter ourselves; it was between certain of the American companies only; and according to the latest intelligence that we have there is some cutting of rates still in Chicago. But I hope it will not be serious, and it is quite certain that the traffic which is now ready to go forward and which I hope will soon begin to move in bulk will put an end for a time to any rate cutting, because we may expect, all of us, on the close of navigation, to have a great deal more to carry than we possibly can find cars for. (Hear, hear.) I went the same evening down to the St. Clair Tunnel, because I was very anxious to urge that work forward, and to get the tunnel opened as soon as possible, and I am happy to say I received a telegram yesterday, which I will read to you, in regard to the tunnel:—

“Tunnel opened auspiciously, October 24. About 6,000 train excursionists walked through October 24 and 26.”

We had arranged that when the tunnel opened, as a good many people in the neighbourhood were interested in it, we should run excursion trains and allow passengers to walk through it, and in that way to get a little money out of it, and afford them pleasure at the same time—

“Experimental train (with) seventeen freight cars taken from top to top grades in nine minutes.”

*Report of the President's Speech, Oct. 30, 1891* 11

That is to say, they took a train over the whole of the line, about 3 miles long, in nine minutes, and, therefore, at the speed of 20 miles an hour—

"During twenty hours ending 7 a.m. to-day (October 28) 206 east bound cars passed through, all there were. Ventilation perfect. One ferry boat laid up."

That means that they have already discontinued the use of one of the ferry boats at Sarnia, and I hope that when the tunnel shall have got into full work we shall get a great deal of benefit from it. After leaving the tunnel I went westward over the line to Chicago, walking over various portions of the permanent way, and inspecting all the shops and the sheds and stations in progress as I went through. And Chicago is increasing faster than ever. I found at one station, about 20 miles from Chicago on our line, a place called Harvey, where there were 140 people when I passed through it in the previous autumn, there are now 8,000 people, and they told me there will be 16,000 or 20,000 people there next year. They are building up a new city at that point. We have doubled our track, and we are improving our stations and accommodation from Harvey to Chicago for the service of the local traffic. In Chicago itself our accommodation is, as you know, of the best, and we hope to make full use of it during the exhibition in 1893. After inspecting all our lines west of the St. Clair River, I went back again to the tunnel to push on the works there; and from thence over the subsidiary lines, the Midland, and all those systems, and so on to Montreal. I found that the double line between Montreal and Toronto is just as perfect as it can be made. (Hear, hear.) It is built with heavier rails; we are sending out as our standard rails of 79 lb. per yard now. It is thoroughly well ballasted; the

gradients and curves have been much improved ; and the double line is completed as you know for the greater part of the distance. We shall have some 243 miles of it completed by the end of this year, and nothing can be better. As regards the bridges, you have heard that some complaints have been made of the bridges in this country lately, and a good deal of investigation has been going on, particularly with regard to the cast iron bridges. You will be glad to hear that we have not a cast - iron bridge on the Grand Trunk Railway—in fact, they are not suited to the climate—and that great pains have been taken to strengthen all our bridges as has been required, and as larger engines have been used to run over them. The piers in many cases have been renewed in a most substantial manner, and the permanent way and works are in such a condition that I should only be too glad if I could take some of you over the line to see them, because I know how pleased you would be with them.

You will easily understand that I went out to Canada with rather depressed ideas and very strong notions of restricting expenditure in every department. But I soon found that in regard to rolling-stock it would not be wise, because although up to the end of July they did not expect a good harvest, yet after that month the weather improved so much that it became evident that the harvest was going to be so good that we should have a great deal of traffic to carry, and more than we could carry in the course of this autumn and winter ; and therefore it was evident that our proper policy was not to run any risk of losing traffic which we might so obtain for the want of rolling-stock. Instructions were, therefore, given to prepare all the engines and cars as far as possible for this traffic which we expect, and the result has been that there are fewer



engines and fewer cars under repair on the line now than ever there were before, and especially compared with last year, when we were rather badly off for rolling stock, and might have carried more traffic if we had been better prepared for it. We have now something like 50 more engines available for traffic, and 2,000 more cars, partly from the additions we have made to the stock and partly from expediting repairs in comparison with last year. (Hear, hear.) Therefore, I hope that when the traffic does come we shall be able to make a good showing with it.

As regards the shops and the sheds along the line, there are constant improvements being made in them, and you know that our works at Point St. Charles are on a very grand scale. We are able to turn out a large number of engines and cars from them. To these works we have been adding a rolling mill, which you were good enough to authorise, and it will be finished this winter. That rolling mill will pay for itself in about a year and a half, because we shall then be able to use up our old rails and scrap iron instead of selling them at a cheap rate, and make them up into good bars and billets instead of buying inferior ones at a dear rate. The construction of this rolling-mill has been forced upon us as a consequence of the protective duty which has been placed on these articles in Canada. There are some other appliances which have been brought into use. We are employing oil for boilers and heating furnaces instead of coal. The oil is cheaper, because it can be turned on just as required, and it actually benefits the iron or steel that is heated. There is also a little adaptation of importance in all the sheds for taking the wheels more easily from under the engines, and so our

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officers go on making improvements as far as they can in every direction. The works at Hamilton, where we cast our car wheels, turn out an enormous number for the whole line; they are doing remarkably well, and have been worked very economically. We are saving £6,000. or £8,000 a year by making our own car wheels, and we have lately effected a further saving by making all our own bolts and nuts at the same establishment. (Hear, hear.) They also are done very cheaply. We have good machines, and the work is practically done by boys at small wages. I need not go into all the details of my visit, but I may mention that I met at every point representatives of municipalities and traders, and heard all that they wanted, and I was able to gratify them in many respects, and the advantage of a personal interview with the freighters on the line, and the different authorities in different localities, I feel to be very great. In going over the eastern section of our system to Portland, I was more than ever impressed with the beauty of the scenery, and the advantage of the country for summer resort. The track on that line also is in splendid condition, and the traffic to the White Mountains and the magnificent hotels at "The Glen" and "Poland Springs" gives every hope of further development. (Hear, hear.)

There is one important matter which I ought specially to mention to you. At Toronto there have for many years been negotiations between the Municipality of Toronto and the Canadian Pacific Company and the Grand Trunk Company. The Grand Trunk and its affiliated lines had possession of the greater part of the lake front of Toronto, when the Canadian Pacific came into Toronto

we accommodated them in our station there; but as the accommodation is not now sufficient for both companies, the municipality are anxious to have a better station there. It was a very difficult matter to arrange. A great many plans have been devised and considered from time to time, for the improvement of the city, and, at the same time, for the suitable accommodation of the two companies. At length we have combined upon a plan which will probably be carried out for enlarging the existing station, and for dealing with the streets. There is one street called the Esplanade, along which our trains run, which is to be handed over to us altogether. Then some of the streets that cross our line have had subways built under them, some are to be closed, and bridges are to be built over others. Altogether, the agreement if carried out as now proposed, will be advantageous to the Grand Trunk Company, to the Canadian Pacific Company, which we are glad to see; and also to the people using the station, and to the municipality generally; and the whole matter, as we have discussed it when I was at Toronto, instead of costing us a large sum of money, which I was afraid at one time we should be let in for, will so come out by the interchange of property and arrangements of that sort, that we shall not have to pay anything, and I hope there will be a little balance in our favour, at the same time that we get greatly increased accommodation. (Cheers.)

There is another important matter which I have to bring before you, and that is with reference to the Canadian Express Company. You hardly understand in this country what express companies are. They are very common, and run over almost all the lines, in the United States; and the

Canadian Express Company has been running over the Grand Trunk Railway for thirty-seven years—ever since the year 1854—and has been doing its work very satisfactorily. Express companies run over different lines in communication with other express companies, and undertake the conveyance of merchandise, money, jewels, and all the more valuable articles, and the responsibility of delivering them safely; and they are very much used by the public. Individuals prefer to deal with an express company, which is generally a responsible company, rather than run the risk in case of loss of having to make claims upon the different railway companies. The Canadian Express Company has been in the habit of paying us something like £64,000 a year, and, no doubt, of making a large sum of money for itself. An officer of the Canadian Express Company left that company, and started sometime since the Ontario Express Company, which demanded to be put in a similar position and have similar facilities on the Grand Trunk Company as the Canadian Express Company. Our officers replied that they did not consider that this new company had an establishment calculated to conduct such a business with success, or that they were sufficiently responsible to be entrusted with the valuable articles which are handed to an express company. The matter went into the courts, and the courts justified the allegations of the Grand Trunk Company, but the Ontario Express Company then went to the Canadian Parliament, and passed through Parliament a bill with a view to obliging us to take them on our line. And I may mention that this bill was so altered in its passage that the Act finally obtained did not contain one word of the original bill. (Laughter.) As the Canadian Express Company has been running so long over our

line we might have had some compunctions, perhaps, in dealing with it in the way in which we now propose to deal with it. But it would be excessively inconvenient to have to provide for two express companies, because we should have to furnish them with separate vehicles on our fast trains, and perhaps to split up those trains in doing so, and to afford them separate accommodation at the stations, and so on. Finding that we must either have two express companies competing for business over our system with the risk of lowering rates and causing mischief, or else take the business into our own hands, we had obviously an opportunity of dealing with the whole subject in a way which I think will be very advantageous to the company. We have, therefore, given notice to the Canadian Express Company to discontinue running over our system, so that we may undertake the business, and secure all the profits for the Grand Trunk Company. It is very difficult to estimate what those profits are. As I told you, we have been receiving something like £64,000 a year from them, and that was something like half their receipts—or was supposed to be half; therefore, we may suppose they have been receiving at least another £64,000 a year. If it cost them £40,000 a year to work their business they were getting a profit of £20,000; if it cost them £30,000 a year they were getting a profit of £30,000. I have no means of knowing what that profit was, but whatever it was we shall have it in future for the Grand Trunk Company, because we are arranging to take the business into our own hands as from January 1, 1892.

You will have observed that since the last meeting we have elected two new directors, Mr. Duncan McIntyre, of Montreal, and Mr. George Allen, who

is sitting here to-day, I am happy to say, and we shall propose to you presently to elect Mr. Alexander Hubbard. Mr. McIntyre was with me in Canada, and went over considerable portions of the line with me, and was just as much pleased with the condition of the road as I was, and he will do us very good service, I think, in Canada. He is influential in Montreal, and he and his friends have been purchasing very largely in the securities of this company, and I believe you are a good deal indebted to them for the price at which our securities stand at this moment. We shall propose to you to elect Mr. Hubbard, who is a director of the Great Western Railway, as soon as we have passed the resolution for the adoption of the report. With regard to Mr. Allen, I ought to inform you that he acted for eighteen years as treasurer of the old county of Middlesex—a position of great trust and responsibility. I may also mention to you that Mr. Brackstone Baker, who has been our auditor for some years, and was an old officer of the Great Western Company, has placed his resignation in my hands; and it will be for the shareholders to say presently whether they wish to continue his services or whether they wish to appoint a new auditor in his place. I know that a proprietor present intends to propose another gentleman as auditor of the company, and you will have the opportunity of expressing your own views, and doing exactly what you like on the subject, because this is a matter for the shareholders and not for the directors. With the knowledge of this intention on the part of certain shareholders, Mr. Brackstone Baker, who has been auditor for some years, promptly and disinterestedly placed his appointment at the disposal of the shareholders, though it was not his intention to

have retired from the office earlier than the date when his appointment would terminate—viz., at the meeting in April next. During the time Mr. Baker has held office he has been most assiduous and painstaking in the discharge of his duty, and has always acted up to his mandate from the shareholders to thoroughly investigate the accounts. No one knows more than he does about the financial concerns of the company. He was formerly the secretary of the Great Western Company; and, whilst acting in that capacity, he took a lively interest in the concerns of the Grand Trunk Company.

Gentlemen, in conclusion, I may sum up by saying that we have passed through a half-year of unmitigated gloom, of agricultural distress, and of political disturbance. The elections which took place in Canada last April were an obstruction to business; and they were not content with fighting each other there, but they wanted to quarrel with us here, too. However, that has passed away. The harvest was bad in the previous autumn, we lost traffic, as I have explained to you, on that account, and we have hardly recovered yet from that position. But, happily, a brighter prospect is opening out for us. The harvest in Ontario this year has produced 30,000,000 bushels of wheat, and the whole of Canada has produced no less than 55,000,000 bushels of wheat. The harvest in the United States has produced 600,000,000 bushels of wheat, 700,000,000 bushels of oats, and 2,000,000,000 bushels of corn. The corn has not yet begun to move. The farmers keep it to harden before they put it in bulk into the railway cars, but we hope that after the end of this month it will begin to move from Chicago, and that we shall have to carry a good deal of it. At all events, as I have explained to you, we

were never in such a good position to carry the traffic which we hope will come upon us. We are better provided with rolling-stock; we have a greater length of double track, and we have the St. Clair tunnel, which I hope will also be of great service to us; and, therefore whatever may betide in the future you will see that we have done all that man can do to take advantage of the opportunities which I hope are now dawning upon us. (Applause.)

I beg to move, gentlemen—

That the report of the directors, and the accounts for the half-year ending 30th June, 1891, now presented, be, and the same are hereby approved and adopted, and that a dividend of 10s. per cent. be paid to the holders of the Four per cent. Guaranteed Stock."

MR. ROBERT YOUNG: I have great pleasure in seconding the motion from the chairman.

MR. W. W. BAKER regretted that Sir Henry Tyler had not more definite assurances of recovery in the near future to give after his visit to Canada. He was struck with the identity of the position now with that of 1884, when good results at that time were anticipated from larger movements of grain. Since then the mileage had remained almost stationary. He then went on to advocate a scheme affecting the Grand Trunk and the Canadian Pacific. The Grand Trunk for the year 1890 received £4,013,000 as receipts; the Canadian Pacific received £3,310,585; the mileage of the Canadian Pacific being 5,500, and that of the Grand Trunk of Canada 3,487½. The maintenance of way and structures on the Canadian Pacific was £419,931, whilst the amount expended by the Grand Trunk on maintenance of way and structures is £577,319. The president of the Canadian Pacific Railway has recently made an inspection of the line, and he has come to the conclusion that a sum of two millions ought to be ex-



pended. Now it is rather remarkable that that two millions is the surplus which has been accumulating during the past three years for the purpose of enabling that company so pay its 5 per cent dividend when the subsidy of the Canadian Government expires in 1893. I wish to point out the necessity of our coming to an arrangement with the Canadian Pacific in their own interests—(no, no)—for improving the ridiculous rates which are submitted for our approval to-day. (Hear, hear.) If you take away the value of the land unsold, and the question of the subsidy which will shortly expire, and in view of recent scandals which are not likely to be renewed, I say we in a better position to-day than the Canadian Pacific. We have 33 millions of stock in this company paying no dividend, and I say that the only way in which dividends can be paid is by increasing the rates; and our great competitor, the Canadian Pacific, must be taught that it is to their interest to do the same as ourselves. (Hear, hear.) Sir Charles Tupper would be better employed in promoting a scheme of this kind than in writing moonshine articles about Imperial federation. I do not propose to follow the example which I have adopted on previous occasions by moving an amendment. I do not think the time has arrived when further opposition will be a benefit to this company, but I do say this—that the proprietors to-day, I think, recognise and follow to a very large extent the views I have laid down, and I do hope that those views will be taken up in a practical manner by the administration in England, and will be adopted by the executive in Canada, and if the executive in Canada are not prepared to adopt those views, I think the wishes of the proprietors should be consulted before theirs, and some other

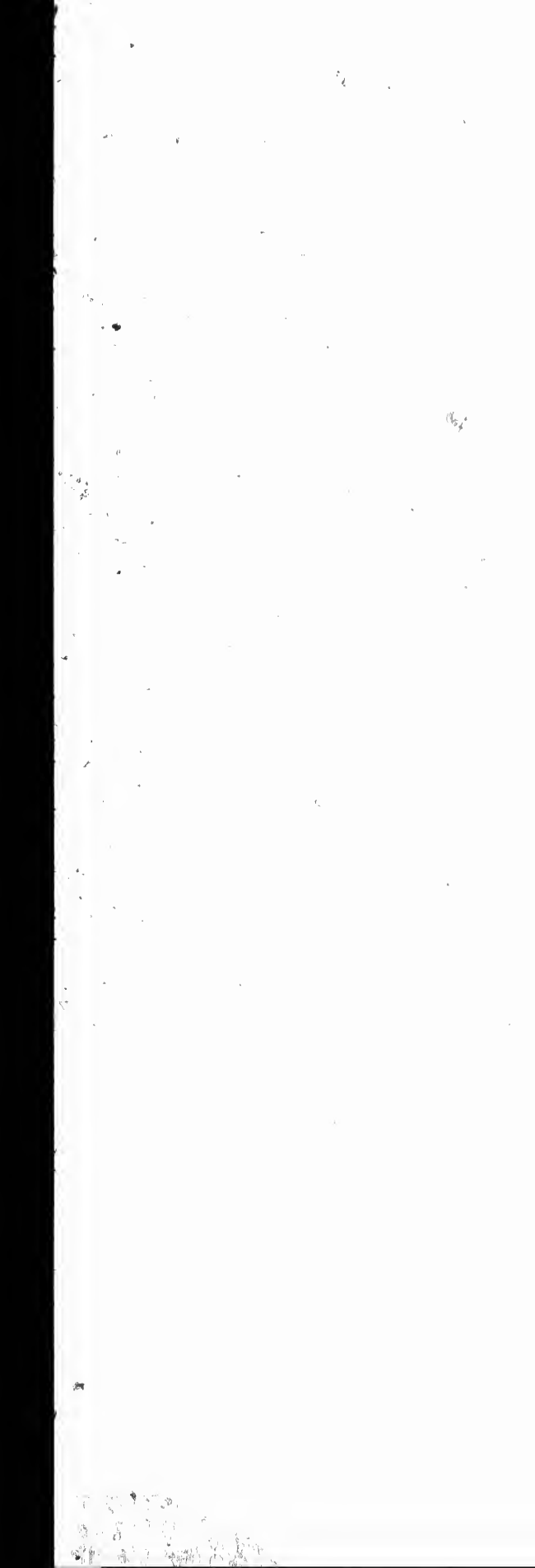
system should be adopted by which that executive should be changed and somebody placed in the position to carry out the wishes of the proprietors as they have been declared to-day and on previous occasions in the most emphatic terms. (Cheers.)

Mr. F. B. GIRDLESTONE: I should like to elicit from our new directors some idea of the views which they may have formed as to the future policy of this great company. We ought no longer to consent to live on hopes and prophecies only, but to press for such a change of policy as we believe will produce dividends. If any one is to blame it is we ourselves as shareholders. The fact is we have for many years past been far too apathetic. We have sanctioned our board spending our money and pledging our credit far too freely. We have allowed them to lease and buy up subsidiary lines at prices, I fear, far above their real dividend earning value, to spend our capital right and left, apparently regardless of the fact that owing to diminished rates, increased competition, and other causes, the net revenue available for dividend on the guaranteed and preference stocks was all the time dwindling away. Look at the present accounts. Could anything be much worse? Our net revenue has now so dwindled down as to leave us in the position of being barely able to do more than cover the interest on our bonds and the debenture stocks; that is, that  $18\frac{1}{4}$  millions of guaranteed and preference (to say nothing of  $20\frac{1}{2}$  millions of ordinary capital) get practically no dividend. Just think of this huge sum. We have been told over and over again that bad harvests and fares, poor rates, and increased competition are the chief causes of our impetuous condition. No doubt these have been factors, and powerful ones too, but is it right and

businesslike for us or our board to be content with such an answer? He advocated economy all round, and drew an analogy with the management of West India sugar estates.

Mr. HOGARTH could see no analogy between a sugar producing company and a railway company. Competition ruined everything, and he saw no hopes except in a friendly arrangement with the Canadian Pacific or a pooling arrangement of some sort.

Mr. CHESTER said: Ontario is, generally speaking, the only province of Canada that has any profit attached to it. Your railway is now the only railway practically entirely in Ontario. You have justly and very wisely, in my mind, for the last twelve years, striven to improve the connection between Ontario and Chicago. You have also put out feelers there, and at the present moment you have the whole of that valuable country in your grasp. Now your railway is in what I may term first-class condition. You have now good bridges, good steel rails, and the question we have to decide, or that our board has to decide, is what is best to be done to improve that position. Now all persons who have looked at Canadian and American prospects for many years have found that changes come very, very rapidly. You are at the commencement or threshold of a very great improvement in American traffic, an improvement which those who have not experience in these matters have not the slightest idea of. You may make some arrangement with the Canadian Pacific, but by no means venture into any joint union or joint purse, or anything of that kind with them. The Canadian Pacific is just in the position that the Grand Trunk was twenty or thirty years ago. They are just in the first blush of prosperity. As the gentleman who has



just sat down said, it is a new railway, and the collapse of the Canadian Pacific will be as rapid as the collapse of this company.

Mr. GARDNER: I want to ask a question with regard to that large sum of nearly £77,000, which is charged to rolling-stock. Another thing is the St. Clair Tunnel. I see the rates are charged sufficiently to make 5 per cent. on this stock, but is it the Grand Trunk that pays it, or is it any other company? because if we pay it we only pay from one pocket to another. I do not wish to detain the meeting any longer.

Mr. LILLEY: My eyes have been riveted on those two bottom figures in the last columns, the average rate per ton per mile .72 in 1891 against .90 in 1883; average rate per passenger 3s. 8¼d. in 1891, as against 5s. 1 d. in 1883. I do not suppose there is any chance of getting back to the 1883 rates, but will the directors make a point of approaching the Canadian Pacific directors to get the rates fixed at a point which would be remunerative, instead of working almost at a loss? I think if that is done something practical will result from this meeting. We must know that to charge a farthing a ton cannot pay for goods.

Mr. BICKWOOD asked why if it is that the debenture stock of this company has been increased to such an enormous extent during the last six or seven years. How has this money been spent? There are £3,000,000 of stock that have got no dividend, and are not likely to get any as far as I can see, and I should like the chairman to satisfy me as to that.

The PRESIDENT: It will now be your wish, gentlemen, that I should reply to the various questions which have been asked. Almost every speaker has referred to the Canadian Pacific Railway. I pur-

posely abstained on this occasion in my opening speech from referring to the Canadian Pacific, because I think we are now on such terms with them that it is desirable to avoid all appearance of hostile feeling towards them. We have said hard things about them in the past, and we have, I think, been justified in what we have said in the past, but it is wise in us now to accept the inevitable. They are there, and we have to make the best terms we can with them for keeping up rates for the benefit of both companies. That has been the wish of all the speakers, and that is what we really have been doing. I have had various interviews with Lord Mount Stephen, and with the president, Mr. Van Horne. Mr. Van Horne and Lord Mount Stephen were good enough to call upon me at Dashwood House before I left for Canada, and they left shortly afterwards. As I was returning from the West towards Montreal, I received a telegram from Lord Mount Stephen and Mr. Van Horne, asking me to call upon them, and on arriving at Montreal, I had the pleasure of meeting them, and I may tell you that we are on the best of terms personally, and that we are thoroughly agreed that we will, so far as those two companies are concerned, maintain rates—(cheers)—and that we will get all we reasonably can out of Canadian traffic. Now, I think that is exactly what we all want. But then this unfortunate figure of 72-100ths of a cent. per ton per mile does not depend upon the relations between us and the Canadian Pacific. Unfortunately we are running against water lines and American railroads, and those lines have done much more harm in cutting rates than ever has been done by the Canadian Pacific or the Grand Trunk. I do not mean to say the Canadian Pacific

has not been a sharp thorn in the side of the Grand Trunk. We lost 45,000 tons of dressed beef traffic out of Chicago last half-year mainly on account of their competition. We shall have constant competition at numerous local points with the Canadian Pacific, and we shall get into trouble now and then in consequence of the energy and activity of local officers; but the instructions of this board and the feeling of Mr. Seargeant, and my own feeling, are all in favour of minimising and healing up these little difficulties as they arise, and of working on good terms with the Canadian Pacific and doing the best we can for the mutual prosperity of both companies. (Cheers.) One shareholder asked why the traffic on the Chicago line has lately fallen off. Well, it is in consequence of the previous harvest not having been good; of the paucity of traffic out of Chicago; and of the competition for traffic by the lake lines at very low freights; and because the bulk of the new harvest, which is very abundant, has not yet come forward by rail. There has also been some cutting of rates in Chicago, and our officers did not see fit to follow the two other companies who engaged in it. I do not want to mention their names, because I do not want to make bad blood, but two companies did cut rates, and there were the usual remonstrances and attempts at restoration of rates; and we determined for some time not to follow in the cutting, and we lost some traffic in consequence. I hope that trouble will disappear shortly as navigation becomes more difficult and is at length closed. I do not know that I need trouble you with any more remarks.

A SHAREHOLDER: Who is Mr. Allen, the new director? Is he vestry clerk of St. Anne, Westminster?

The PRESIDENT: Mr. Allen is here to speak for himself.

Mr. GEO. ALLEN: I beg to state that I am Mr. Allen, the vestry clerk of St. Anne, Westminster. My father and grandfather were interested in the Grand Trunk and I am also interested in it, and I would take this opportunity of saying two or three words. I have only joined this board with the intention of carrying out if possible to the best of my ability every possible retrenchment consistent with efficiency, and to carry out any alteration which may be for the benefit of the company. (Cries of "Cannot hear you.") With regard to affiliated lines, I shall give my immediate attention to this important question. I am sure that Mr. Hubbard, who has been elected a director, will be a great service to the company, as he brings with him all the experience of Great Western methods.

Mr. HOUSEHOLD: At the last half-yearly meeting I took some prominent position with regard to this company, and tried to assist in the rejection of certain members of the board. As the result of negotiations we had with the board, three new directors have been nominated for your acceptance. Under those circumstances I thought it was acting fairly to those who are now to assist in the management of the company to make no hostile movement to-day with reference to the most unfortunate statement of accounts made to-day. I think we may conclude, from the observations generally made, that the company now should have a policy of rest and development. We have a very large system which requires to be developed, and where antagonistic interests exist they require to be ameliorated and softened. Under



those circumstances I think it is best for us, to-day to sanction the report as submitted to us. It is not the interest of this company that further lines should be dealt with. We should spend no more money in buying up lines which have been foisted on us. We have clever men on the board in England, but I am quite certain they are no match for those gentlemen on the other side of the Atlantic. (Laughter.)

The PRESIDENT: A gentleman asked a question which I did not answer, and that was—What was the amount of the addition to our loans and debenture stock between 1883 and 1890? Well, the total addition to the loans and debenture stock between December 31, 1883, and December 31, 1890, was £7,839,068. Of that seven, or nearly eight millions, £4,211,100 was caused by the issue of debenture stock to acquire bonds and other securities bearing higher rates of interest payable by the company, and on the conversion of those we have realised a very large sum annually for the benefit of the company. We have stated it to you in the reports over and over again from time to time—the enormous benefit which has arisen to the company from the issue of that debenture stock for the purpose of converting loans and bonds bearing higher rates of interest. Then, again, £1,993,000 was added to our loan capital by the absorption of the loan capital of the Northern and North-Western Companies on their union with the Grand Trunk Company in 1888. I may mention, however, that there are still outstanding of the Northern and North-Western loan capital £554,100 of six per cent. bonds and £630,300 of five per cent. bonds, on the conversion of which at lower rates of interest we may expect eventually to save a further

considerable amount in annual interest. When those companies were taken over by us their finances were capable of much improvement, which we at once supplied. We paid them off by issuing debenture stock, and realised a large annual saving by doing so. The remaining addition to the Grand Trunk loan capital, £1,634,968, has been issued for the general purposes of the company, and has been spent in the various works that have been carried on during those seven years, and I may state that it has been very well spent. Of that amount £721,000 was for double tracks, £400,000 for stone bridges, sidings, &c., £373,000 for new rolling-stock, and £139,000 for the Jacques Quartier Railway, and the United States and Canada Railway, &c. I may add that the profits on the conversions have been so great that they have nearly covered the annual charge that would otherwise have been caused to the company by the issue of this sum of £1,674,938, since 1883, for the general purposes of the company. I think I have now given full answers to all questions.

Mr. GARDNER: I wish to know why the large sum of £77,000 was spent in rolling-stock, when the traffic has not increased.

The PRESIDENT: I beg your pardon, sir. It is the rates that have gone down, not the traffic. The volume of traffic has in the course of years very much increased, and that amount has been spent to add to the rolling-stock, so as to obtain increased earning capacity, and I hope as this harvest comes on to increase the profits of the company.

A SHAREHOLDER: Who has the rolling-stock?

The PRESIDENT: When we buy rolling-stock we buy it exclusively for the use of the company. The St.

Clair Tunnel is made with your money, it belongs to you, and any other company that wants to go through it will have to pay you.

A SHAREHOLDER: Does any other company run through it?

The PRESIDENT: Not yet, because it has only been open a few days. We shall have an enormous amount of rolling-stock from other companies run through it in our trains, and we shall be paid a fixed charge for every car that does run through it. Then it has been moved and seconded—

"That the report of the directors, and accounts for the half-year ended 30th June, 1891, now presented, be, and the same, are hereby approved and adopted, and that a dividend of 10s. per cent., be paid to the holders of the Four per cent. Guaranteed Stock."

The resolution was carried unanimously.

The PRESIDENT: I now beg to propose—

"That Mr. Alexander Hubbard, of Derwentwater House, Acton, be, and is hereby, elected a director of the company." I have very great pleasure in proposing that resolution. I believe it meets the views of a large number of shareholders, who are supposed to be dissenting shareholders, but who, I hope, will no longer be dissenting shareholders, for they will find we are doing everything we can. We are very glad to work with Mr. Hubbard and others, and if they can help us to do better than we have done in the past nobody will be more glad than ourselves. (Hear, hear.)

Mr. YOUNG: I beg to second it.

The resolution was agreed to.

Mr. F. B. GIRDLESTONE proposed Mr. Household as an auditor.

Mr. ROBERTSON seconded the motion, which was carried.

The PRESIDENT: There are two more resolutions I have to lay before you. First—

"That the agreement made 25th November, 1890, between the Grand Trunk Railway Company of Canada of the first part, and the Waterloo Junction Railway Company of the second part, now submitted to the meeting (being an agreement relating to the working by the Grand Trunk Railway Company of the

Waterloo Junction Railway), be, and the same is hereby, ratified and approved."

Secondly—

"That the agreement made 25th November, 1890, between David Tisdale, of the town of Simcoe, in the county of Norfolk, Province of Ontario, of the first part, and the Grand Trunk Railway Company of Canada, of the second part, now submitted to the meeting (being an agreement for the purchase by the Grand Trunk Railway Company of Ordinary Stock and First Mortgage Bonds of the Waterloo Junction Railway Company), be, and the same is hereby, ratified and approved."

This is a line 10 miles long. The agreement is published in the report, and I do not suppose you have any objection to take it over. Assistance was received towards its construction partly by money received from the Government, and partly by bonuses from the municipalities, making together £16,000; and we are to pay £21,000 for it, so that in consequence of these bonuses it will really only cost us about £900 a year. It goes through a flourishing part of Ontario. There are some mills and factories on the way, at St. Jacobs, and we consider it a very useful branch of the company.

Mr. YOUNG: I second that.

The resolution was carried unanimously.

Mr. ROBERTSON: I propose a vote of thanks to the president and the various directors. He has been more affable on this occasion than on former occasions.

Mr. HOGARTH: May I suggest to my friend here that it is most important that we consider also the working staff in Canada. I should like to add that.

Mr. ROBERTSON: With pleasure.

The PRESIDENT: I am very much obliged to that gentleman for including the staff.

The resolution was carried unanimously.

The PRESIDENT: I thank you very much, sir, for proposing this vote of thanks, and I thank all of you for so kindly acceding to it. I can assure you on behalf of the directors and the working staff in Canada that we are all ready to do our best, and we hope to meet you under better auspices next April.

The proceedings then terminated.

# 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, on Friday the 30th October, 1891.

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 Mr. Robert Young, and unanimously resolved—

"That the report of the directors and accounts for the half-year ended 30th June, 1891, now presented, be, and the same are hereby, approved and adopted, and that a dividend of 10s. per cent. be paid to the holders of the Four per Cent. Guaranteed Stock."

It was then resolved—

"That Mr. Alexander Hubbard, of Derwentwater House, Acton, be, and is hereby, elected a director of the company."

It was proposed by Mr. F. B. Girdlestone, seconded by Mr. Robertson, and resolved—

"That Mr. Robert Henry Household be, and he is hereby, appointed an auditor of the company in the place of Mr. Brackstone Baker, resigned."

It was proposed by the President, seconded by Mr. Robert Young, and resolved—

"That the agreement made 25th November, 1890, between the Grand Trunk Railway Company of Canada, of the first part, and the Waterloo Junction Railway Company, of the second part, now submitted to the meeting (being an agreement relating to the working by the Grand Trunk Railway Company of the Waterloo Junction Railway), be and the same is hereby ratified and approved."

It was also resolved—

"That the agreement made the 25th November, 1890, between David Tisdale, of the Town of Simcoe, in the County of Norfolk, Province of Ontario, of the first part, and the Grand Trunk Railway Company of Canada, of the second part, now submitted to the meeting (being an agreement for the purchase by the Grand Railway Company of Ordinary Stock and First Mortgage Bonds of the Waterloo Junction Railway Company) be and the same is hereby ratified and approved."

H. W. TYLER, President.

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

J. B. RENTON, Secretary.

Dashwood House,

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

30th October, 1891.





