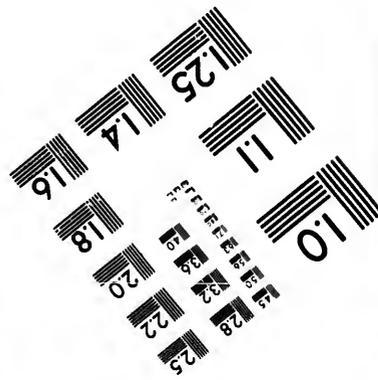
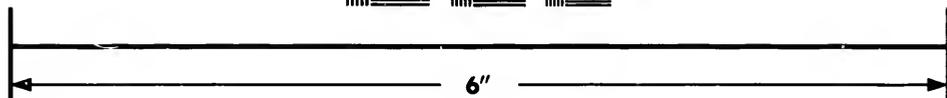
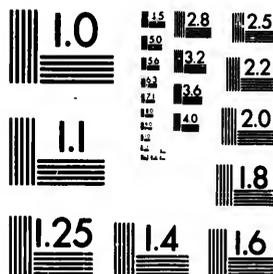
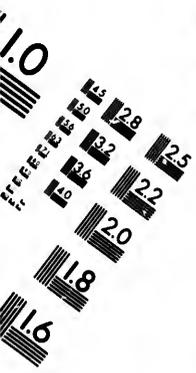


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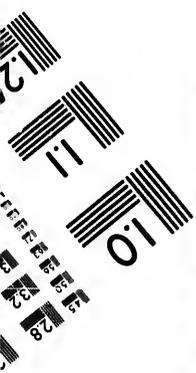
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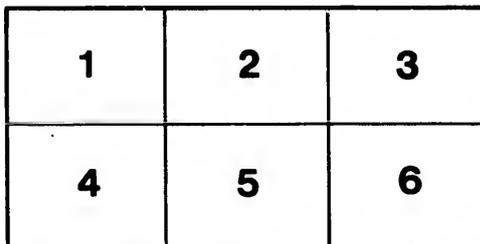
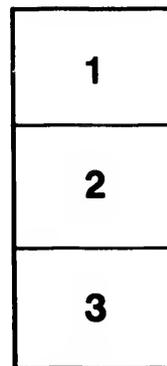
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GRAND TRUNK RAILWAY COMPANY OF CANADA.

On Tuesday, the 29th September, at one P. M., the Fourth Annual General Meeting of the Stockholders in this Company was held at the Rossin Hotel, Toronto; the President, the Hon. JOHN ROSS, occupying the chair.

The Chairman called upon the Secretary to read the advertisement convening the meeting.

Mr. J. M. GRANT, Assistant Secretary, having done so, proceeded to read the Report of the Directors, as follows:—

The Directors of the Grand Trunk Railway Company of Canada, in submitting their Fourth Annual Report to the Shareholders, beg leave to lay before them the Report of their London colleagues, dated the 11th of last July—the Report of Charles Hutton Gregory, C. E., and the Reports of the General Manager, and the Locomotive Superintendent, and also the Report of Mr. A. M. Ross, on the state and progress of Victoria Bridge.

These Reports, conveying as they do the fullest information concerning the Company's affairs, its position and future prospects, leave but little for the Directors to add.

The Directors consider that the progress made in the works in the organization of the staff and the working of the road as extremely satisfactory—considering the difficulties which have had to be overcome whilst the line remained in broken sections. The primary object of the Directors has been to open the line for local traffic as the sections were finished, as they considered this accommodation due to the people of the Province after the aid extended to the Company by the Legislature, although such partial opening would necessarily lead the shareholders to form an unfavourable opinion of the prospects, unacquainted as they are with Canada, and the ultimate result contemplated, when the line (with the Victoria Bridge) is completed to Sarnia, and the western traffic tapped. Motives of prudence also rendered it good policy to do so, as every season's experience would indicate what requisites were necessary to secure the legitimate share of the enormous goods traffic passing from east to west, at the various intercepting points on the lake, as well as on the river.

In common with the people of Canada, the Directors cannot sufficiently over-estimate the wise and liberal policy of the Legislature in granting an increased subsidy for a weekly line of Ocean Steamers—the success attending this enterprise having been such as to acquire for the Canadian Mail Steamers a prestige both in Europe and in the Western States which has established the St. Lawrence and the Grand Trunk route as the shortest and quickest to the Western and South Western States.

It is also now apparent that during the open navigation, Quebec must become the port of exchange for the lake produce with that from Europe destined for the West, but to secure this vast trade suitable wharfrage and warehouse accommodation for ships is required in connection with the Railway, and this capable of being furnished equal to that already provided at Portland.

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The advantages of Railway transit being simply a question of cost, it follows, that where the transhipment can be made direct from the Railway to the ship and *vice versa*, the saving in time and in terminal charges alone at Quebec and Portland, with no break of gauge throughout, as against the New York and Boston lines, must settle the point as far as the through Railway transit to the Western States is concerned; and this equally applies to the River and Lake transit by the St. Lawrence as compared with the United States Canals.

The Directors trust that ere long the Legislature will take steps to improve the natural advantages which the Rivière du Loup presents for forming a Harbour for the fishing craft which the valuable fisheries of the St. Lawrence so much require; a naval depot at this point would also be a protection to shipping in distress, and with the additional Lighthouses about to be erected do much to diminish the risk of the Navigation and with it lower the premium of Insurance on sea-going ships.

When the Grand Trunk Railway is finished, Quebec, Portland, Montreal, Kingston, Toronto, Hamilton, London, Detroit, Sarnia, Collingwood, Peterboro' and Ottawa will be connected by railway without a break, and as a commercial enterprise your Directors feel confident that it will ultimately fulfil all the expectations which have been entertained of it. With regard to that portion below Quebec which forms part of the Inter-Colonial chain of Railroad originally contemplated, your Directors entertain the most sanguine hopes, confidently believing that no lengthened period can elapse ere the New Brunswick Government will have run its road to the frontier, and one unbroken line of communication will have been effected between the Western waters of Lake Huron and the South-eastern extremity of Nova Scotia.

With reference to the anticipated traffic in the other sections, the Directors fully believe that the arrangements which have been made will be amply sufficient for some time to come, and the Capital Accounts annexed have been prepared in such a detailed form that reference can be readily had and particulars obtained as to the total cost of each of the several sections.

In the report recently issued by the London Directors to the Stockholders, the latter were informed that the Directors, coinciding with the Government of Canada, deemed it of great importance that they should be in possession of a Report from an Engineer of high standing, wholly unconnected with the previous operations of the Company, upon the construction of the Railway, the character of the works and the quality of the Rolling Stock supplied under the contracts. The gentleman appointed for the purpose was Mr. Charles Hutton Gregory, C. E., and after a careful examination of all matters embraced in his instructions during a two months' sojourn in the Province, he has made an elaborate Report, a copy of which is now in course of transmission to every Shareholder.

Owing to the restrictions contained in the Relief Act of 1856, with respect to the application of the Two Millions preference Bonds to specific objects, it is necessary to obtain the sanction of the Shareholders to raise further capital, and the published notice convening the meeting asks for the concurrence of the Shareholders to an increase of the capital by Two Millions of pounds sterling to meet existing liabilities, and for additional rolling stock, station and other accommodation, amounting in the aggregate to £1,184,226.

It is only intended, however, to issue an amount not exceeding £1,500,000, the balance of £500,000 being intended to be in substitution of the C. Debentures created last year, and which will be cancelled.

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The Directors recommend that these Debentures be created on the following terms, viz: that they rank immediately after the existing Debentures of the Company, and bear interest at the rate of 7 per cent. per annum, and that one-third be repayable in five years, one-third in ten, and one-third in fifteen years.

In 1856 an independent Company, called the Grand Trunk Junction Railway Company, obtained an Act for the construction of a Railway from the Grand Trunk Line at St. Mary's, nine miles west of Stratford, to London, a distance of 22 miles: and the Directors of that Company have offered to transfer its rights to the Grand Trunk Company at par, and as by means of this short line an important connection will be made with the Railways centering at London, it is very desirable that the sanction of the Shareholders should be given to the amalgamation of the two companies, and to an agreement which has been made for the construction and equipment of the Railway with responsible Canadian contractors—the cost being at the rate of £8,000 per mile, including rolling stock, and which is included in the sum available under the relief Act of 1856.

The Act of last Session, a copy of which has been already forwarded to each stockholder, having dispensed with the Government Directors, a reorganization of the Board becomes necessary: and it is recommended that the number of the Directors be fifteen, ten of whom shall be resident in Canada and five in England. That the order and manner of rotation in the Board shall be decided by ballot, and that five members actually present in Canada with two London Directors present in person or by proxy, and three members actually present in London, shall be quorums for the Boards.

At present there are but eight elective Directors in Canada, and it is a recommendation to the meeting of the Shareholders, in order to make up the required number, that Mr. Bidder, the General Manager, and Mr. Blackwell, recently recommended by the London Board, as a Director, be elected Directors.

The engagement with the Engineer-in-chief has expired, and the Directors in order to maintain the confidence of the English proprietors, have thought it expedient to secure to the Company the services of a gentleman on the Direction who would be willing to devote his whole time to the Company, and while possessing the confidence of the English shareholders, would be enabled to exercise a general supervision over the management of the Railway, especially in the Engineering and Financial departments, and would co-operate with the Directors resident in Canada, in the promotion of the general welfare of the undertaking; and this arrangement is submitted for the approval of the shareholders at the present meeting.

The retiring Directors are the Hon. John Ross and Messrs. Holmes and Crawford, of the Canada Board, and Messrs. Thomas Baring, M.P., George Carr Glyn, M.P., and K. D. Hodgson, M.P., of the London Board, all of whom are eligible for re-election, and offer themselves for re-election accordingly.

JOHN ROSS, *President.*

JOHN M. GRANT, *Assistant-Sec.*

GENERAL MANAGER'S REPORT.

Mr. GRANT then read the following Report, from Mr Bidder:—

GENTLEMEN:—Herewith I beg to submit for your information a report of the operations of the Railway during the past twelve months.

I have to refer with pleasure to the very efficient working of the trains throughout the entire lines during the past year, and with gratitude to the exemption of the road during that period from any serious casualty.

The last winter was one of unusual severity, and consequently brought with it in a greatly increased proportion, all the attendant difficulties of working a railroad in these latitudes, which were again considerably augmented by the hasty manner in which the important section between Brockville and Oshawa was opened, (to avoid causing a general disappointment to the travelling community, in not having, as promised, a railway communication during the winter between Montreal and Toronto); and having in addition to employ in numerous instances a staff not properly organised by previous experience. But, notwithstanding all these obstacles, the trains were run with a regularity which was not surpassed, and in the majority of cases not equalled by any railroad on the continent. And as since the opening of this section so much additional knowledge has been gained, it is anticipated that little or no difficulty will be encountered in running the trains during the ensuing and following winters with almost the same regularity that they are now run during the summer months.

Since the date of the last report no additional mileage has been opened, and the shareholders will bear in mind that the line still remains in unconnected sections, a fact which fully accounts for the business of the road being almost altogether of a local character.

On referring to the traffic returns herewith submitted, it will be seen that out of a total of 663,023 passengers, 555,012 were local; and out of 375,221 tons of freight, 316,000 were also local; figures which must be considered as gratifying in regard to the local resources of the railway, and as amply confirmatory of the expectations of local traffic given in my previous reports.

It has already been said that the Company's lines are still disjointed—that the line from the Great West to the Atlantic is still incomplete, not only at Sarnia and London, but also at Toronto and Montreal; and that as a consequence the through traffic naturally still seeks the old channels in preference to the new route with its, at present, numerous transshipments; facts sufficiently explanatory by themselves of the meagre receipts from through traffic; and when coupled with these it is borne in mind that the general depression in the commerce of the whole of the Northern portion of the Continent has been such that the ordinary travel of the main railways of the neighbouring republic, as well as of the Great Western of Canada, has decreased from 12 to 20 per cent. as compared with the corresponding period of the past year—it may fairly be said that for the present no estimate can be formed of what the traffic will be when the lines are connected, and the ordinary commerce of the country is unchecked by any such depression, as that through which the whole community has just passed.

Nor must it be forgotten that one of the anticipated principal sources of revenue on the Eastern sections of the road, viz: Lumber, has been almost entirely withdrawn since 1854 and '55, when the depression in that staple of the country was so great that the subsequent period of two years has barely sufficed to restore it to its former importance in the products of the Province.

The prospects are now, however, of a much more cheering character.

The links which have been referred to as wanting in the chain of communication from West to East, are the Esplanade in front of the City of Toronto, (over which will be made the connection between the Montreal and Toronto and the Toronto and Stratford, London and Sarnia sections)—the length between Stratford and London—Stratford and Sarnia—the extension east of St. Thomas,

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and the Victoria Bridge, all of which are now being pushed forward with the utmost vigour.

The total length of railway now open is 840 miles, and in view of the very large increase of traffic which may be expected this winter, it has been found necessary to increase, not only the rolling stock by 47 additional engines and 400 box cars, but also the station accommodation, particularly as regards the freight arrangements, which have had to be considerably extended, especially in the west. Additional "stables" for the new engines ordered are now in course of construction at Toronto, Belleville, Brockville, Longuenil, and Island Pond; and even with this extra expenditure which the requirements of the traffic have necessitated, more still remains to be done if the main features of this great enterprise be carried out as originally intended, viz: the making of this Trunk Line the highroad for the conveyance of the breadstuffs of the illimitable corn fields of the West to the ocean: and I have therefore now to advise the Directors of the necessity for immediately erecting commodious granaries at such points as Kingston, Prescott and Montreal, without which accommodation it would be in vain to attempt to compete successfully with the rival routes on the opposite shores of the water communication; and I earnestly recommend that no time should be lost in the speedy completion of these works.

In drawing attention to the Revenue Accounts for the past half-year it will be seen that the total receipts have been £280,468 19s. 7d. currency, whilst the expenditure has reached the sum of £284,688 10s 7d, leaving a balance of £4,780 9s. which with the balance of the half year ending December, amounting to £32,829, makes a total of £37,609 9s. to the credit of the revenue account for the year.

This excess in the estimated amount of expenses for the mile run is almost solely attributable to the very large expenditure which has been necessitated in "extraordinary repairs" in the leased lines from Montreal to Portland, in the re-rolling and re-laying of lengthy sections of rails, and in the entire renewal of bridges; and I have still to inform the Directors that these works of renewal on this section are still going on, and will require an amount of nearly £50,000 before it is put in the same safe and sufficient state which characterises the other sections of the Grand Trunk line, built by the English and Canadian contractors since the amalgamation.

The amount thus spent in the re-erection of stations, and in the renewal of bridges and rails during the past few months has been upwards of £30,000, and but for which extraordinary expenditure the working expenses would not have much exceeded the estimate given by the Locomotive Superintendent and myself, viz: £10 per mile per week, an amount which we still believe will, on the completion of these extraordinary repairs, be sufficient to earn a receipt of £20 per mile per week.

The Locomotive expenses have been, since the arrival of Mr. Trevithick, reduced by one cent and a half per mile run; a saving amounting to nearly £5000 in the six months working and which that gentleman still hopes to be able to improve.

Whilst referring to the large outlay for "extraordinary repairs" which has been charged against the revenue; it is proper to state that in my opinion this expenditure was legitimately chargeable to capital; but as the money had been expended through the monthly accounts, and had been carried through the books in the same manner as a charge against revenue, it has been allowed to remain so; but it is for the Directors now to determine whether this amount of

£31,000 shall be carried into the capital accounts of the Company, and the half-yearly revenue be hereby relieved of a burden it should never have been saddled with.

The Directors are aware that a company called the South Quebec Wharfage and Dockage Company has obtained an act of incorporation for the purpose of building wharves and docks at the Point Levi terminus; and that as such accommodation is absolutely necessary, and will be of the greatest advantage in developing the traffic of the St. Lawrence route, I would earnestly recommend the cordial cooperation of the Directors in the speedy accomplishment of these works, arrangements, I am happy to say, being now in the course of adjustment for their immediate prosecution.

The Emigration arriving at Quebec has received during the past year my especial attention, and I have to state that the through-booking arrangements, as completed by Sir Cusack Roney, in England, have been productive of the most beneficial results as regards the comfort and expedition with which the Emigrants have been conveyed to their places of destination after their arrival in the St. Lawrence.

The number who have availed themselves of "Through Tickets" has been up to the present time, nearly one third of the total number of Emigrants who have arrived; and I may also mention that over 100,000 books, maps, and general information circulars, with reference to Canada as a home for the emigrant, have been gratuitously circulated from the London Office of the Company, and throughout the British Isles, Germany, Norway, and Sweden.

And, in addition to the above, I beg to refer to the following facts, not only as indicative of the rapid development of the Country, but also as affording abundant proof of the speedy advent of that foreign traffic upon which the success of the whole undertaking so much depends:—

First, a weekly line of fast Screw Steamers, from Liverpool to Quebec in summer, and to Portland in the winter, (with which an agreement has been entered into which will make this Steamship Line, in connection with the Railway, not only the cheapest but by far the quickest route between Liverpool and all parts of the Canadas and the Northern and North Western States of the Union.)

Secondly, an additional line of auxiliary Screw Ships from London to Montreal.

Thirdly, a monthly line of Screws from Liverpool to Portland.

Fourthly, a proposed new line of Screw Steamers between Glasgow and Quebec, and lastly, the "Great Eastern," steamship which, as it is now generally known, will make her first trip to Portland, in connection with the through-booking arrangements of the Grand Trunk Railway Company.

In conclusion, I have only to again reiterate my conviction that all past anticipations will still be realized upon the completion of the original scheme in its integrity, and the vast through business attracted to this new and direct channel, between the Old and the New Worlds.

I have the honor to be,

Gentlemen,

Your most obedient servant,

S. P. BIDDER.

VICTORIA BRIDGE.

To the President of the Grand Trunk Railway Company;—

MONTREAL, September 22, 1857.

Sir,—In my report of 28th August last year, I stated that by the end of the season the two abutments and nine piers would be completed, and by the 12th of November following this had been accomplished.

The progress intended for the present year was limited to seven additional piers, the dams for which were commenced as early in the season as the state of the river, by its freedom from ice, would permit, and to the present time two piers have been completed, and the masonry of two more are now in a forward state. The remaining three dams commenced this year are completed, and the masonry will be forthwith commenced, and I have every hope that by the middle of November all these piers will be finished, the time hitherto occupied in completing a pier after the masonry is commenced seldom exceeding six weeks, sometimes only five.

The iron work for one tube is now in course of erection, and will be finished by the 1st of November. Material for the second tube is in course of transit from England, and I am advised of the preparation for eight more tubes, to be despatched early in the ensuing season, so as to reach here in time for erection next year.

The embanked approach on the North side is made up to its full height and nearly to its full width, that on the South side is in progress, and will be brought up above winter's water level before the close of the season.

As regards the future, the requisite measures will be taken during the winter to secure the placement of six dams for the completion of as many piers (including the two centre ones,) next year, which will leave only two piers to construct in the following year 1859.

The erection of the tubes in the meantime will progress rapidly, so as to leave only four to finish after the completion of the two piers in the last-mentioned year.

I am, Sir,

Yours respectfully,

ALEX. M. ROSS.

TO THE PRESIDENT AND DIRECTORS OF THE GRAND TRUNK
RAILWAY COMPANY OF CANADA.

GENTLEMEN,—In compliance with your request that I should lay before you a report of the working of the Locomotive and Carriage Departments for the past twelve months—the period during which these departments have been under my superintendence—I beg to submit the following statement:—

At the time of my appointment, the only district opened for traffic on the north side of the St. Lawrence was that between Montreal and Brockville, a distance of 125 miles. On the subsequent opening of the remaining portions of the line, making a total length of 419 miles west of Montreal, the number of Loco-

motive Engines in possession of the Company amounted to 160. It soon became apparent, however, that this number was quite insufficient to meet the traffic requirements, and arrangements were immediately made to increase it. Seven new ones, manufactured in this country, were speedily obtained, and thirty-nine more were ordered, four of which are at work, and a large portion of the remainder are far advanced towards completion.

In consequence of a sudden demand for additional freight cars during our last winter's working, I was instructed to proceed immediately with the construction of 200 box cars in the workshops of the Company at Point St. Charles, and a further supply of 200 from other builders.

It is proper that I should here remark, that but for the ample and well-appointed workshops of the Company, that measure of relief in the supply of new cars which was so urgently demanded and so promptly afforded, could not have been accomplished. Indeed, the Company's shops at Montreal have no equal either in extent or in completeness of arrangements on this side of the Atlantic.

The condition of the whole of the Locomotive and Car Stock has been very fully maintained, and much of the former has undergone considerable improvements in detail.

Much inconvenience was experienced in various ways, inseparable from the hurried opening of so great a length of railway as that above referred to, especially at so late a period of the year, and during the severities of the winter, a very great amount of labour and exposure consequently devolved on a very large portion of my staff, but which was nevertheless most cheerfully and well performed.

I am happy to say that the whole system of working and of appointments is now so far completed, that I anticipate meeting successfully all the difficulties of the winter months; and, at the same time, effect a still further saving than I have yet accomplished in the working expenses of my department.

I have the honour to be,

Gentlemen,

Your obedient humble Servant,

F. H. TREVITHICK,
Locomotive-Superintendent.

The President said, that the Shareholders had doubtless seen published and read in the newspapers of the Province, the Report of the London Directors of the Company, and also the very able and satisfactory Report of Mr. Gregory, upon the railway itself, the very full Report of the General Manager, of the Locomotive Superintendent, and also that of the Canada Directors just read, which left him but little to add.

He would only say that he would be glad to give any information in his power to any shareholder present. As he had said at the last annual meeting, so he had still to repeat—the line of railway was still incomplete. The Directors had not anticipated, nor did they then anticipate, anything like a realization of the statements made in the prospectus of the Company, until the completion of the whole line, giving them a connection with the Western traffic east, and with the Eastern traffic west, throughout the whole year. From the West they anticipated a very large amount of traffic, of a kind which had not yet come upon the line, nor could it come until the western limits of the line were completed. The traffic as yet was almost entirely a local traffic, and it must be very gratifying to the shareholders to see that it was increasing so rapidly. There was one feature in the report of the General Manager which might seem a little discouraging, and

that was the expending of a large amount of money in the erection of new bridges on the Montreal and Portland line. Nevertheless every shareholder who had had an opportunity of hearing the report, and who bore in mind the awful sacrifice of valuable life in the Desjardins Bridge catastrophe, would agree with the Directors that they could not be too careful in examining every portion of the line where wooden structures had been erected. The result of that examination was the removal of these wooden bridges, and the expenditure of the amount named. It was true that the £30,000, as suggested by the General Manager, should have been chargeable to the capital account; but the Directors thought it better to take it out of the receipts of the year. In authorising this expenditure, the Directors considered they were studying the best interests of the Company. The report referred to the opening of the line in sections; a course which had been adopted from the beginning in compliance with the wishes of the Government, who had aided the company so largely, that each section, when completed, should be opened for the convenience of the public. When the proceedings of that general meeting had been gone through, a special meeting would be held, as stated in the advertisement. At that meeting he had several resolutions to propose. In the meantime he would submit the resolutions to be passed at the ordinary meeting, if no shareholder had any remarks to offer.

The President then submitted the following resolutions:—

1. That the Report of the Directors and statement of accounts now submitted to the meeting, be received and adopted, and that the Directors be requested to take the necessary steps for carrying into effect the several matters therein referred to, in such manner as they shall deem expedient.
2. That the engagement of Thos. E. Blackwell, Esq., be confirmed, and that the Minute of the London Board of the 4th August, 1857, respecting Mr. Blackwell's appointment, and setting forth the terms of such engagement be and the same is hereby adopted and confirmed.
3. That the Company accept the Act of last Session of Parliament, entitled, an Act to dispense with the Government Directors in the Grand Trunk Railway Company of Canada, and to facilitate the completion of the Company's works from Rivière du Loup to Sarnia.
4. That the retiring Directors, viz: the Hon. John Ross, Messrs. Holmes and Crawford, of the Canada Board, and Messrs. Baring, Glyn and Hodgson, of the London Board, being eligible for re-election, be re-elected Directors.
5. That the present Auditors, Messrs. Allan, Workman, and Bonthillier, be re-elected Auditors for the ensuing year.

The President said that, since the arrangement had been made in regard to the Directors named in the fourth resolution, Mr. Holmes had desired him to state that he had declined re-election, and that he wished this statement to be made to the meeting. Having done so, he begged to propose that Major J. E. Campbell of St. Hilaire, be elected a director in the room of Mr. Benjamin Holmes, and that the resolution be so filled up—Carried.

The above resolutions were put and carried, *nem. con.*

The President then moved to the effect, that the grateful acknowledgments of the Company are due to the Government Directors retiring from the Board, for the deep interest they have always manifested in the affairs of the Company, and for the valuable assistance rendered by them from time to time in promoting the interests of the Company. Carried.

SPECIAL MEETING.

The meeting then resolved itself into a special meeting, for the consideration of the business mentioned in the advertisement, and

The President submitted the following resolutions:—

1. That the resolution of the Directors of the 6th day of July, 1857, for increasing the capital of the Company under the authority of the Grand Trunk Railway Act, 1854, be approved so far as to admit of the raising of an additional capital of £2,000,000, and that the Directors be and they are hereby authorised to raise the sum of £2,000,000, or so much thereof as may be required from time to time for the purposes of the Company, by bonds of the Company bearing interest at the rate of 7 per cent., and re-payable one-third in five years, one-third in ten years, and the residue in fifteen years, and that such bonds be issued by the Directors upon such terms and conditions, and at such premium or discount, and to such persons, as they shall, from time to time, direct and determine.

2. That the agreement now produced for the purchase and acquisition by the Grand Trunk Railway Company of the undertaking, rights and powers of the London and Grand Trunk Junction Railway Company, and for uniting and merging the last mentioned Company with and into the Grand Trunk Railway Company, be, and the same is hereby ratified and approved, and that the Directors be and they are hereby authorized to take all necessary steps for carrying such agreement and purchase into effect.

3. That the number of Directors be increased to 15, which number, until otherwise determined, shall be the number of Directors of the Company. That five Directors, to be determined by ballot among themselves, unless they otherwise agree, shall go out of office at the annual general meeting, to be held in September, 1858. That five of the remaining Directors to be determined in like manner, shall go out of office at the general meeting, to be held in September 1859 and the remainder at the general meeting to be held in September, 1860.—the places of the retiring Directors being in each instance supplied by an equal number of qualified shareholders, and at each succeeding annual general meeting, one-third of the Directors, being those who have been longest in office, shall go out of office, and their places shall be supplied accordingly. That five shall be a quorum, of whom at least two shall be English Directors present in person or by proxy, and that the annual remuneration of the Board shall be the sum of £5,500 sterling (including the remuneration to Mr. Blackwell) to be divided amongst them in such manner as they may determine. All retiring Directors to be eligible for re-election.

4. That Mr. Thos. Baring, M.P., and Mr. George Carr Glyn, M.P., of London, and Mr. Blackwell and Mr. Bidder, of Canada, being qualified, be elected elective Directors to make up the required number.

A vote of thanks to the Chairman terminated the proceedings.

REPORT OF THE LONDON DIRECTORS OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

THE London Directors of the Grand Trunk Railway Company, in transmitting the accompanying notice for a Special General Meeting to be held at Toronto,

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on the 25th proximo (in lieu of the notice for a Meeting on the 20th instant, which had been sent in error from Canada), avail themselves of the opportunity to submit to the Shareholders the following statement of the events of the last twelve months, and of the present position of the Company.

The sections of the railway that were unfinished at the date of the last report, namely, from Guelph to Stratford, 25 miles, and from Brockville to Toronto, 210 miles, were completed for traffic in October last year, thus making the total mileage of the Company 849 miles.

Previously to the opening of the above sections, the Chief Engineer of the Company reported that the original estimates for Engines, Rolling Stock, and Sidings, as revised by the Railway Committee of the Canadian Legislature in 1852, were insufficient, and that to carry on the traffic with effect, a considerable addition to this stock, and further sidings and station accommodation, would be required.

It has therefore been found necessary to take active measures for obtaining a large additional supply of Engines, as well as of Passenger and Goods Cars. Orders have accordingly been given for forty-seven Engines; of these, eight have been or are in course of being built in England, thirty two in Canada, and seven in the United States.

The number of additional Goods Waggons ordered this year has been 400, of which 100 were ordered at Hamilton, Canada West, 100 in the United States, and 200 at the Company's workshops, Montreal.

About one-half of the foregoing stock has already been delivered, and the remainder will be completed during the present summer.

A portion of the additional station accommodation has also been provided, and further accommodation will be added as the development of the business of the railway may render it necessary.

The London Directors, coinciding with the Government of Canada, deemed it of great importance that they should be in possession of a report from an Engineer of high standing, wholly unconnected with the previous operations of the Company, upon the construction of the Railway, the character of the works, and the quality of the Rolling Stock supplied under the contracts. They therefore made arrangements with Mr. Charles Hutton Gregory, C.E., for this purpose. Mr. Gregory left England last April, and the Directors learn by their latest letters from Canada, that he has nearly completed his inspection, and that his return to this country may be expected before the close of the present month. Immediately after Mr. Gregory's arrival in England the fullest information on the matters referred to him will be given to the shareholders. The Directors desire, in the meantime, to state their belief that the report will be of a very satisfactory character.

The works of the Victoria Bridge have been carried on successfully up to the close of last season. The two abutments and nine of the piers are now completed, and the iron-work for the tubes is in a state of proportionate progress.

In the statement which the London Directors submitted to the Proprietors last year, the adoption of the Relief Act, passed in 1856, was recommended, and it was left to the Directors to urge upon the Government such modifications as might be considered advisable.

Accordingly, in the last session of the Canadian Parliament, application was made to the Legislature representing that the Act of 1856 did not afford that relief to the Company which its requirements demanded: and an Act has been passed, a copy of which is transmitted herewith (Appendix A), by which, under certain conditions, the claim of the Province upon the Company in respect of the

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debt of upwards of three millions, is postponed to the payment of dividend to the Shareholders at the rate of 6 per cent per annum.

The effect of this most important concession, for which the thanks of the shareholders are justly due to the Canadian Government and Legislature, is to place the share and debenture capital in the most favorable position, as will appear from the following statement, showing the comparatively small amount of capital per mile at which the Grand Trunk Railway stands as affecting the question of future dividend.

The whole Capital on which Interest is payable at the present time, exclusive of the rent for the Atlantic and St. Lawrence Railway, is £5,144,900, made up as follows:

Preference Bonds created in 1856. Amount paid up to 30th June.	£216,190
Debenture Capital issued.....	1,888,100
Share Capital.....	3,040,700
	<hr/>
	£5,144,900

To this must be added:

Balance of Preference Bonds created, but not yet issued, and balance of calls on Preference Bonds issued.....	£1,788,810
Balance of Debentures to be issued to Messrs. Peto and Company on account of Victoria Bridge.....	61,300
Balance of Shares, ditto, ditto.....	174,950
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	2,020,060
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	£7,165,050

Thus making the whole Capital, including the cost of the Victoria Bridge and the other Works required by the Act of 1856, viz: the Extensions East of St. Thomas and West of St. Mary's, and the contributions to the Three Rivers, Ottawa and Prescott, and Cobourg and Peterboro' Railways.... £7,165,050

in lieu of £12,900,000, the amount of Capital authorised. A detailed statement, showing how this diminution has been effected, will be found at Appendix B.

The Shareholders will remember, that the creation of £500,000 of C Debentures was authorised last year. These Debentures are now only held in deposit as security for a part of the Liabilities of the Company, as set forth in Appendix C.

These Liabilities amount to £681,605, and the sum required as per statement (Appendix D), for additional Rolling Stock, Station, and other accommodation is £503,621.

The accompanying notice of Meeting specifies that the sanction of the Shareholders will be asked for an increase of capital to the extent of two millions of pounds. The resolution, however, that will be submitted to the Meeting will only seek for authority to issue an amount not exceeding one million and a half, in Debentures, £500,000 of this issue to be in substitution of the C Debentures created last year, which will be cancelled.

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The Directors recommend that these Debentures be created on the following terms, viz. : that they rank immediately after the existing Debentures of the Company, and bear Interest at the rate of 7 per cent. per annum ; and that one-third be repayable in five years, one-third in ten years, and one-third in fifteen years.

The Directors believe that no circumstances are likely to arise which will make the issue of the surplus Shares, the amount of which is £1,583,200, necessary ; and nothing will be done by them, with reference to this capital, without the sanction of the Shareholders, given at a General Meeting.

In 1855, an independent Company called " the Grand Trunk Junction Railway Company," obtained an Act for the construction of a railway from the Grand Trunk Line at St. Mary's, nine miles west of Stratford, to London, a distance of twenty-two miles.

The Directors of that Company have offered to transfer its rights to the Grand Trunk Company, at par, and as by means of this short line an important connection will be made with the Railways centering at London, it is very desirable that the sanction of the Shareholders should be given to the amalgamation of the two Companies, and to an agreement which has been made for the construction and equipment of the railway with responsible Canadian Contractors.

The cost, being at the rate of £8,000 a mile, including Rolling Stock, is included in the sum available under the Relief Act of 1856.

The accounts for the half-year ending the 31st of December, 1856, are sent herewith (Appendix E.)* The transmission of these accounts has been delayed, owing to the desire of the Directors, to be able to state, at the same time, the result of their application for relief to the Canadian Legislature. A copy of the accounts for the half-year ending the 30th ult., will be forwarded to each Shareholder immediately after their receipt in London.

It is unnecessary to say that time is required for the development of traffic in a new country such as Canada, and for the realization of that remunerative return upon capital which eventually follows. It is, however, the opinion of the Directors, having regard to the rapid progress of Canada, as well as of the regions further westward, from which the Grand Trunk must derive a large portion of its traffic, that there is no reason for doubting the future prosperity of the Railway. It is obvious that the infancy of so large a system can afford no real test of its future greatness, and it is satisfactory to be able to add that the weekly returns of the current year show a considerable increase in the Passenger traffic.

The following, among other arrangements now in progress, cannot fail to add largely to the revenue of the Railway :

A Bill was passed in the last session of the Canadian Parliament, granting a subsidy for a weekly line of Fast Screw Steamers from Liverpool to Quebec in summer, and to Portland in winter.

The Provincial Government has, it is understood, entered into an agreement with the Montreal Ocean Steam Company for this service, and the manner in which that Company has hitherto fulfilled the conditions of their existing contract for the fortnightly line, affords ample security for the future.

The Directors learn by their last advices from Canada that a traffic agreement of a very satisfactory character is nearly completed between the Montreal Ocean Steam Company and the Grand Trunk Company.

A monthly line of Screw Steamers, from Liverpool to Portland, calling at St. John's, Newfoundland, and Halifax, was established at the commencement of

* These have been replaced by the amounts for the half-year ending June 30th.

this year, and the Directors are informed that it is about to be converted into a fortnightly line.

Other Steam Ship proprietors have been in communication with the Company on the subject of running vessels in connection with the Grand Trunk Railway, and it is scarcely necessary to assure the Shareholders that all proper encouragement will be afforded to such arrangements.

At the commencement of the present year, a through traffic and Emigration Department was organised in the London Office. The number of sub-agencies in connection with it in England, Ireland and Scotland is rapidly on the increase, and a large amount of information relating to Canada and the Through Booking system has been diffused among the Emigrating classes. Many of the persons who have already travelled with through tickets, purchased previously to their leaving Great Britain, have communicated to their friends at home the excellence of the arrangements for their protection, and the comfort and speed with which they have been conveyed to their destinations. There can be but little doubt that the Through system will extend greatly when it becomes better known. Hitherto there has been an impediment to its general adoption on the continent, in consequence of there being, in several States, stringent laws against the system, but there is reason to hope that these will be relaxed, as regards the Grand Trunk Company, when the respective Governments are made aware by the reports of their Consuls and of emigrants themselves, that it is worthy of confidence.

The period for the services of the Chief Engineer having expired the London Directors propose to select a gentleman from this country to act on behalf of the English Shareholders in Canada, who, having a seat at the Board there, and representing the London Directors, will exercise a supervision over the management of the Railway, and co-operate with the Directors in Canada, for the promotion of the general welfare of the undertaking.

(Signed)

By order of the London Directors,
C. P. RONEY, Secretary.

*Offices of the Grand Trunk Railway
Company of Canada,
21, OLD BROAD STREET, LONDON, E.C.,
July 11th, 1857.*

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APPENDIX A.

AN ACT TO DISPENSE WITH GOVERNMENT DIRECTORS IN THE GRAND TRUNK RAILWAY COMPANY OF CANADA, AND TO FACILITATE THE COMPLETION OF THE COMPANY'S WORKS FROM RIVIERE DU LOUP TO SARNIA.

WHEREAS it is expedient to dispense with Government Directors in the Grand Trunk Railway Company of Canada, and to grant further facilities to the Company in order to enable them to complete their Railways and works in the manner and to the extent contemplated by the Legislature as necessary to ensure to the Province the full benefit to be expected from the undertaking: Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

I. So much of the Act of 1852, chapter 37, relating to the said Company, or of the Act of 1854 amending it, or of any other Act, as authorises the appointment of any Directors thereof by the Governor of this Province, is hereby repealed; and the present Directors of the Company appointed by the Governor shall go out of office at the first General Meeting of the Shareholders for the election of Directors; and all the powers vested in the Directors shall thereafter be vested in the elected Directors.

II. The Company shall render half-yearly (and oftener if required by the Governor) to the Inspector-General, a full statement of their affairs with a balance-sheet, the correctness of which statement and balance-sheet shall be attested under oath by the Book-keeper, Accountant or other officer of the Company having a knowledge of their accounts.

III. It shall be lawful for the Governor from time to time to empower "The Board of Audit," or any member or members thereof, to ask for the production of and to inspect the Books, Accounts and Vouchers of the Company, at the office or offices of the said Company during business hours, and to report to the Governor on the same; and the said Board of Audit shall have the same powers in relation to the said Company and their accounts as are now vested in them with respect to Institutions supported by Public Funds under an Act by virtue of the Act 18 Victoria, chapter 78, intitled: *An Act to secure the more efficient auditing of Public Accounts*

IV. On condition and provided that the said Company by means of the Preferential Bonds mentioned in the Act of 1856, chapter one hundred and eleven (for granting additional aid to the said Company), or by means of any other loans effected or to be effected for such purposes, complete their Railway from Rivière du Loup to Stratford, and thence by St. Mary's direct to Sarnia, including the Victoria Bridge and the other works, undertakings, and engagements mentioned in the said Act of 1856, and supply the said Railway with sufficient plant, rolling stock, and appliances to work the same efficiently, within the limits of time named in the said Act of 1856, or within such extension thereof as is hereinafter stated, and so long as they maintain and work the same regularly, the Province foregoes all interest on its claim against the Company, until the earnings and profits of the Company, including those of the Atlantic and St. Lawrence Railroad Company, shall be sufficient to defray the following charges:—1. All expenses of managing, working, and maintaining the works and plant of the Company.—2. The rent of the Atlantic and St. Lawrence Railway, and all interest on the Bonds of the Company, exclusive of those held by the Province.—3. A dividend of six per cent. on the paid up share capital of the Company, in each year in which the surplus earnings shall admit of the same,—And then in each year in which there shall be a surplus over the above

named charges, such surplus shall be applied to the payment of the interest on the Province Loan accruing in such year:—The bonds and share capital herein mentioned, shall be held to include and consist of all loans and paid up capital, which the Company have raised or may hereafter raise, *bona fide* under the authority of any Act of the Provincial Legislature passed or to be passed, for any purpose authorised by any such Act.

V. The said Company are hereby authorised to receive from the Receiver General of the Province, and expend upon and for the several works and purposes mentioned in the Act last cited, the proceeds of the Preferential Bonds therein mentioned, as such proceeds are paid in, provided the sum so expended upon each work bears the same proportion to the total sum allotted to it as the sums paid in bear to the whole amount authorised to be raised by the said Act, and that each of the several works mentioned in the said last cited Act shall be proceeded with simultaneously and in the same proportion.

VI. The time allowed by the Act last cited for the completion of the said several works is hereby extended for one year from the periods fixed by the said Act for the completion of the same respectively.

VII. This Act shall be deemed a Public Act, and the Act last above cited and this Act shall be construed with reference to each other, and the third section of the said Act shall apply as if re-enacted herein.

APPENDIX B.

TABULAR STATEMENT OF THE SHARE AND DEBENTURE CAPITAL OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

	Amount Authorised.	Amount Unissued.	Present Capital.
SHARE CAPITAL.			
Canadian Shares,	£ 683,400	£ 60,700	£ 622,700
Grand Trunk A Series,	1,811,500	20,300	1,791,200
Ditto B "	1,811,500	943,800	867,700
Reserved Shares for Canada,	558,400	558,400	
Original Amount as per Prospectus,	4,864,800	1,583,200	3,281,600
A Shares Forfeited, .....	....	65,950	65,950
Total Forfeited and Unissued, .....	....	1,649,150	
			3,215,650
DEBENTURE CAPITAL.			
Canadian Bonds,	233,000	....	233,000
Quebec and Richmond,	100,000	....	100,000
Grand Trunk A Series,	905,800	28,300	877,500
Ditto B "	905,800	166,900	738,900
Reserved for Canada,	279,200	279,200	
Province Bonds,	2,211,500		
Original Amount as per Prospectus,	9,500,100		
Province Bonds, further issue,	900,000		
Preferential Bonds,	2,000,000	....	2,000,000
Grand Trunk C Bonds,	500,000	500,000	To be Extinguished
Total Amount authorised,	£12,900,100	2,623,550	
Add Province Bonds Postponed, .....	....	3,111,500	
Total Amount Unissued, Extinguished, or Post- poned, .....	....	£5,735,050	
Total Amount of present Share and Debenture Capital entitled to Interest or Dividend, in priority to the claim of the Province,			£7,165,050

APPENDIX C.

LIABILITIES OF GRAND TRUNK RAILWAY COMPANY.

IN CANADA.		£	s.	d.	£	s.	d.
Loans,		161,322	7	7			
Sundry Accounts for Stores, &c.,		60,000	0	0			
For payment of Interest on Capital held in Canada, ..		41,448	0	0			
	Currency,				262,780	7	7
	Sterling,				215,983	17	5
IN ENGLAND.							
Loans,	£336,021 0 1						
Less—Credit on releases of Preference Capital,	264,708 0 0						
		71,313	0	1			
Bills payable,		211,130	3	0			
Balance on 8 Engines, Messrs. Peto & Co.,		8,000	0	0			
For payment of Interest on Capital held in England, ..		165,178	0	0			
Sundry liabilities (say)		10,000	0	0	465,621	3	1
					681,605	0	6

APPENDIX D.

ESTIMATE OF AMOUNT REQUIRED TO COMPLETE THE EXTRA SIDINGS, ROLLING STOCK, &c., AS PER STATEMENTS LAID BEFORE THE LEGISLATIVE ASSEMBLY OF CANADA, 23rd APRIL, 1857.

To extra Sidings—Montreal to Toronto, .. 10 miles							
Toronto to Stratford, .. 4 "							
Montreal Eastward .. 3 "							
	17 miles	at £3,000	0	0	£51,000	0	0
To Station at Point St. Charles		25,000	0	0			
To other Works required there		10,000	0	0	35,000	0	0
To Station at Toronto		25,000	0	0			
To other Works required there		10,000	0	0	35,000	0	0
For extra Works along the Line—Montreal to Toronto		25,000	0	0			
For extra works along the Line—Toronto to Stratford		15,000	0	0			
For extra Works along the Line—Montreal Eastward		25,000	0	0	65,000	0	0
Rolling Stock—viz : 30 Freight Engines at £2,500		75,000	0	0			
10 Passenger ditto at 2,000		20,000	0	0			
10 1st Class Passenger Carriages at	700	7,000	0	0			
30 2nd Class Passenger Carriages at	300	9,000	0	0			
600 Box Cars	145	87,000	0	0			
For Replacing Bridges on Montreal and Portland Section :—					198,000	0	0
Outlay required in the present year		29,930	0	0			
Ditto ditto from 1858 to 1860		53,830	0	0			
Ditto ditto from 1860 to 1877		61,780	0	0			
Currency		145,540	0	0			
Sterling					119,621	18	4
					£503,621	18	4

TO THE CHAIRMAN AND DIRECTORS
OF THE
GRAND TRUNK RAILWAY COMPANY OF CANADA.

GENTLEMEN,—In compliance with the instructions conveyed in your Secretary's letters of February 12th and April 23rd, 1857, I left England on April 25th; and on July 1st, having completed the necessary examination of the Works and Rolling Stock, I left America for this Country.

The Railways comprised in your system are: the Atlantic and St. Lawrence, (under lease,) from Portland to Island Pond, 140 miles; the St. Lawrence and Atlantic, from Island Pond, by Richmond, to Longueuil, opposite Montreal, 143 miles; the Quebec and Richmond, from Richmond, (72 miles short of Longueuil,) by Chaudière to Point Levi, opposite Quebec, 96 miles; the Quebec and Trois Pistoles, from Chaudière (8 miles short of Point Levi), at present open to St. Thomas, 40 miles; the Montreal and Toronto, 333 miles; the temporary Line through Toronto, about 2 miles; and the Toronto and Sarnia, at present open to Stratford, 87 miles.

The Atlantic and St. Lawrence, and St. Lawrence and Atlantic Railways, (which will be the subject of another Report, in accordance with Instructions I received from you while in America,) were opened in Sections, the connection between the Atlantic and the St. Lawrence being completed in July, 1853.

The Quebec and Richmond Line was opened in November, 1854; the Section of the Quebec and Trois Pistoles, between Chaudière and St. Thomas, in December, 1855; the Sections of the Montreal and Toronto Line, between Montreal and Brockville, (129 miles;) Toronto and Oshawa, (33 miles,) and Brockville and Oshawa, (171 miles,) in November, 1855, August, 1856, and October, 1856, respectively; and the Sections of the Toronto and Sarnia Line, from Toronto to Guelph, (49 miles,) and from Guelph to Stratford, (39 miles,) in July, 1856, and August, 1856, respectively.

It will be remembered that the lengths from St. Thomas to Trois Pistoles, eastward, (113 miles,) and from Stratford to Sarnia, westward, (79 miles,) remain to be completed, besides the important connection of the Victoria Bridge over the St. Lawrence, and a Junction Line of about 3 miles between the Victoria Bridge and the St. Lawrence and Atlantic Section; the river St. Lawrence at present breaking your Railway Communication east and west of Montreal.

The general tenor of my instructions required me to report whether the Contracts executed by Messrs. Jackson, Peto, Brassey and Betts, the English Contractors, and by Messrs. Gzowski and Co., the Canadian Contractors, have been satisfactorily carried out, whether the amounts charged as extra have been legitimately so treated, and whether the apportionment of payments in respect of Contracts only partially completed, is justified by the amount of work executed.

Before proceeding to the investigation of these questions, it may be desirable to call your attention to certain circumstances of a general nature which ought not to be lost sight of in an equitable consideration of what has been done,

The various Lines of Railway now incorporated in the Grand Trunk Railway of Canada, were originally separate Schemes; and Contracts, more or less complete, and more or less corresponding with those under which the works have been carried out, had been initiated by the separate Companies previously to the Amalgamation.

In settling the provisions of these Contracts, the lengths of Sidings and the amount of Rolling Stock were in some cases reduced by the intervention of the Canadian Legislature, some of whose Members actively cooperated in all the arrangements, and in the details of the Contracts. In other respects, limitations were made in the specific requirements of the Contracts, with the view of keeping down the cost, and in some particulars, a necessarily partial knowledge of what had to be done may have led to omissions, while the extremely limited extent of Railway operations in Canada gave no adequate precedents of the forms of construction best suited for a climate of extreme severity and vicissitudes.

These circumstances will help to explain alterations and additions which subsequent experience may have proved to be necessary, and at the same time to show the reason why the Directors have been unable to realise the assurance expressed in the Appendix to the Prospectus, that the whole Railway, fully equipped and complete in every respect, would be delivered free from any further charge whatever.

The various contracts, while aiming at a guaranteed amount, are nevertheless accompanied by specific provisions; and where these provisions have been exceeded, extra cost has of necessity arisen. In reference to these extras on the Montreal and Toronto Line, the report of Mr. A. M. Ross, the Engineer-in-chief, dated February 21st, 1855, gave full explanation, before the extra works themselves were constructed; and as it has been stated that no authority was given to him to carry them out, it is only due to him to state that I have not learned that any orders were given that the extras referred to should not be incurred, either at that time, or when the accounts for them began to come in.

Coincident with the progress of the bulk of the work, a great increase arose in the cost of labour, amounting to at least 50 per cent. above the price of labor in England. To this effect the carrying on of such an extent of Railway work at the same time, no doubt, largely contributed. It has been stated to me that out of a population of about one million and a quarter, in Upper Canada, there were at one time, in that portion of the Province, about 16,000 workmen on the lists of the Contractors, in daily employ on the actual works, in addition to quarrymen, "lumberers" and others, engaged in preparing materials.

At the same time, it must not be forgotten that the greater portion of the works under consideration has been carried out under circumstances of extraordinary financial difficulty, and that they have, notwithstanding, been conducted by the Contractors with energy, and in some cases with extraordinary rapidity. There cannot be a doubt but that to the perseverance thus exhibited must be ascribed the avoidance of the embarrassment, complication and loss which must have ensued from the abandonment of the work. The Company has thereby been enabled to fulfil its obligations to the Province and the public, to an extent and in a manner which, I venture to think, should command the fullest consideration from the country so greatly and permanently benefitted by these exertions.

With these circumstances prominently in view, you would doubtless feel that the Contractors merited at your hands such indulgence as might not be inconsistent with justice to your Shareholders.

Assuming extra payments to be fairly payable under the contracts, one way of calculating the rates to be paid would be by reference to such prices as would make up the total amount of the contract. The agreement with the English Contractors, dated July 23rd, 1855, provided that in the event of the abandonment of the unfinished portion of the Quebec and Trois Pistoles Line, any additional works required should be paid for at rates equivalent to those of the suspended works, which, I believe, would be found to be remunerative.

By the agreement with the same parties, dated August, 1855, provision was made for certain shares being written up to them, in payment of additional works, at prices to be determined by arbitration in case of difference.

I understand that all payments made to the English Contractors for extra works are in securities at a considerable depreciation in nominal value; and there can be no doubt that any arbitrator, in fixing prices for work, would take into account the real value of the medium of payment.

The Canadian Contractors being paid in cash for extra work, would not be entitled to ask a similar mode of calculation; but they would perhaps urge that the rise of prices should form an element of consideration in the payment of any work beyond the contract.

In the examination of railway works in Canada, the peculiar inclemencies of climate must not be forgotten. Previously to the setting in of the winter, the ground is usually charged with wet; during the winter there are heavy falls of snow, and occasional thaws; and when the frost finally breaks up, the ground, which had been frozen to a depth of three or four feet, is so disturbed, where the material is of a pervious nature, that the whole surface is set in motion; and even where there may be no serious slips, the rapid thaw, and even the rains of summer, produce irregularities in almost all earthwork, such as are only seen in the worst soils in England.

This movement is diminished in extent after a few seasons, but it is so considerable for the first year or two, that it has not been usual to soil and sow the slopes of Canadian Railways when the lines are made, nor did I observe sown slopes on the Railways of the Northern States; and in places where it was tried, in the first formation of the Grand Trunk Line, I observed that most of the soiling had been washed away. With a predisposition, therefore, to regard such soiling and sowing as a necessary accompaniment of good work, I subsequently came to the conclusion that, for the most part, it would at first have been labor in vain; and while I observed in those parts of the Grand Trunk Line last completed that the slopes had evidently been finished off with care, I was obliged to recognize the unreasonableness of expecting in Canadian Railways that finished and regular appearance of earthwork, ballast and drainage, for which an English Engineer would look.

Besides the inclemencies of the Canadian climate, which must have frequently opposed most discouraging obstacles to the prosecution of works of art, the greater part of the work had to be carried out in a country which is as yet defective in its means of internal communication, and in those facilities for construction which are found in this country.

I have alluded to these considerations at some length, because I feel that those at a distance should understand some of the difficulties which have been encountered, and that without a knowledge of all the circumstances of the case it would be impossible fairly to appreciate what has been accomplished.

For the information of the Board, and for future reference, I thought it desirable to request the Engineer-in-Chief to prepare Plans and Sections of the

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several Lines, enlarged Plans of the Stations, and Drawings of the Principal Works of Art, to accompany and illustrate this report.

QUEBEC AND RICHMOND SECTION.

The Quebec and Richmond Section was executed by the English Contractors, under a contract made with the then Quebec and Richmond Railway Company, dated October 20th, 1852.

Appendix A. is a brief abstract of the principal conditions of the Contract and Specification, which provided that the Contractors should complete the Line according to certain Sections, as a single line, with Stations, Plans, and Equipments, described in the Specification, which was to be taken as a part of the Contract.

I have now to state how far these conditions have been complied with in the execution of the work.

The Land has been provided on a very liberal scale; while the contract is only for a single line, the land is almost everywhere found for a double line, without extra charge. The land at stations is also very full, and varies from a total of $3\frac{1}{2}$ acres to a total of $28\frac{1}{2}$ acres, as shown in Appendix B. These are beyond the average quantities of land at stations in England, and will allow for considerable extensions, if necessary, at any future time.

The Earthworks appear to have been properly executed, but the contract width of 15 feet was found to be insufficient for the embankments, which were subsequently increased, and the additional work allowed for in the final settlement.

It was stated to me that the preliminary and approximate Section of the Line, on which the Contract was let, did not correctly represent the actual quantities of Earthwork, and that partly from this cause, and partly from the shortening of the Line through difficult country, additional Earthwork was required to the extent of 1,175,048 cubic yards, of which a large amount was rock. This, at the rates of the divisional estimate, would have been valued at rather more than £100,000. Although it is by no means clear that the clause in the Contract which required the execution of larger works than were shown in the Section ought to cover so great an excess, the Engineer-in-Chief decided that he could not allow any extra payment to the contractors on this account, but he very properly allowed it to weigh with him in not claiming any deduction for the shortening of the Line.

Abstract statements of the Gradients and Curves will be found in Appendix C, which shows that 8 per cent. of the gradients are from 40 to 50 feet per mile, and 61 per cent. either level or under 20 feet per mile; and that a total length of 3,900 feet near stations has curves of less than 1,000 feet radius, the prevailing radius of curves being 6,000 feet. These results are satisfactory.

To the Permanent way I shall allude generally, after considering the several Sections seriatim. I will here only observe that it appears to have been carried out in accordance with the specification, with the exception of a few miles in which a lighter chair has been used; the difference, however, was made up on the other Sections.

The drainage is generally satisfactory, the cross drainage being very complete and efficient.

Besides the ordinary drainage of the Railway, the Contractors executed four large outlet drains, extending beyond the fence to distances stated to me as averaging three quarters of a mile. Although, perhaps, some claim might have been justifiable for these, I find that no extra payment has been allowed.

Many of the culverts have been made with timber tops to facilitate the clearing of them, and I do not consider this variation from the Specification to be objectionable, while the saving to the Contractors, where any exists, would be inconsiderable.

Between Point Levi and Chaudière there are several under Bridges, for farm roads, of rough masonry with timber tops; they were not well constructed, and some of the abutments and piers have cracked. These were built by the first Contractors, before the English Contractors took to the work.

In the Bridges and Culverts executed by the English Contractors, a close scrutiny only enabled me to discover comparatively few places where even unimportant failures could be seen in the work, and these were almost exclusively confined to the smaller structures.

In some cases timber tops have been allowed for road bridges over the Railway, but it would appear by the contract that level crossings might have been substituted, which would have been less satisfactory.

Of the larger works of art, a list is annexed in Appendix D, a reference to which will show that many of them are large and important works. Taken as a whole, they are works to which Engineer and Contractors may alike point without fear of criticism, and many of them are far superior to constructions of a similar character in England.

Among the best works I may cite the Etchemin River bridge, with two spans, one of 155 feet and one of 40 feet; the Chaudière River bridge, with ten spans of 93 feet; the Beaucour River bridge, with three spans of 100 feet; the Du Loup River bridge, with two spans of 100 feet; the Nicolet Arthabaska River bridge, with two spans of 100 feet; Ellis Brook bridge, with one span of 100 feet; and Nicolet Danville River bridge, with two spans of 80 feet.

The wrought-iron tubes and girders used are of excellent design and manufacture, and in those which I tested, the deflection did not exceed half an inch.

While the Specification provided for ten river bridges of a total opening of 2,135 feet, seventeen river bridges have, in fact, been erected, with a total opening of 2,535 feet. For these additional works no extra price has been allowed, although I believe that the clause in the contract which allowed the Company to require more expensive works than were shown in the section, without extra charge, would not strictly apply to such works as these, distinctly enumerated in the specification, but was intended to apply to alterations in the section of the line.

The Woodsheds have not been carried out exactly as specified, but sheds have been placed where most convenient, so as to make up the contract amount. Of the water supply, the only complaints, that have reached me appeared to have arisen from the unusual dryness of last autumn.

Taken as a whole, the extent of Locomotive Engine House accommodation stipulated has been exceeded.

The very convenient Passenger and Goods Station at Quebec was, you are aware, burnt down. Although quite equal to the requirements of the traffic, it did not come up fully to the extent of accommodation specified. In some of the other stations also, although as much accommodation has been given, as the traffic would appear, by all accounts, to be likely to require, the specified

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dimensions are not fully supplied. I believe, however, that the value of the deficiency in stations would be covered by the value of the river bridges, in excess of what was specified.

The Pier works at Hindlow Cove were not constructed according to the Specification, but others substituted at Point Levi, and a deduction made in respect of the omitted work, in settling the sum at which the agreement fixed the price for the Tibbet's Cove Extension, to which reference will be made when treating of the Accounts in Appendix F.

To the general character of the Rolling Stock I propose to refer as a whole, in a later part of this report. The number of Engines and Carriages supplied on this Section, as compared with those specified, will be found carried out in Appendix E. The total numbers supplied were the same, but their description was varied, and the application of the rates used in the Engineer's divisional estimates shows a money deficiency of £1,080. On the rolling stock of the other lengths, however, similarly calculated, there is a total money excess of £854, so that in the entire rolling stock supplied by the English Contractors there would appear to be a money deficiency of £226; a deficiency inconsiderable in a quantity of an estimated value of upwards of £312,000.

I annex in Appendix F, an abstract of the total payments made for this Section, with observations on the several items of Account, the result of which, as a whole, I consider to be reasonable and equitable.

In the execution of the Quebec and Richmond Section, as well as the settlement made for it, I am of opinion that full justice has been done to the Company, and the spirit of the Contract properly fulfilled.

QUEBEC AND TROIS PISTOLES SECTION.

The Quebec and Trois Pistoles Section was executed by the English Contractors, under a Contract with the then Grand Trunk Railway Company of Canada East, dated March 23rd, 1853.

In Appendix G, I have briefly abstracted those Conditions of the Contract which bear upon my investigation. It referred to the Specification as defining the conveniences and plant to be supplied, and required that the Railway should be superior to any American or Canadian Railway, and equal in the permanence and substantiality of the work to the best English Railways, and be such a Railway as would be certified by the Board of Trade, as fit to be opened for traffic, and would be approved by the best English Engineers.

It also gave to the Contractors the selection of the Line, subject to the sanction of the Government.

The length of the entire Line is to be 153 miles. The Section made and opened is 40 miles in length. Many of the requirements of the Contract have therefore to be adapted to the shorter length.

In considering the due fulfillment of the Contract, the first question for inquiry was the judicious selection of the Line. Seeing the succession of villages along the banks of the St. Lawrence, I was inclined to think the Line ought to have followed its course more closely; on careful examination, however, I found that the difficulties of passing close to the river were so great, that I do not think a Railway Company, in laying out the Line for themselves, would have thought it reasonable to adopt that course.

The Line chosen I believe to be, all things considered, the best engineering Line, so far as it has been carried out. It leaves the Quebec and Richmond Section as soon as that Line has attained the level of the table land south of Point Levi, and then passes in a direction generally parallel to the St. Lawrence, running near the inland population, and gradually descending from the table land, and approaching the river as it comes nearer to St. Thomas.

In this Line also, I find a similar liberal provision of Land to that on the Quebec and Richmond Section. Land for a double line has been provided, and Appendix H, shows that the quantities at Stations vary from two acres to nearly seven acres.

The Earthworks have been made as specified, and, in accordance with the Contract, the road bed has been generally kept above the level of the ground where desirable and convenient,

Appendix I, gives the abstract of Gradients and Curves. 8 per cent. of the length of the Line has gradients of from 40 to 50 feet per mile; and 76 per cent. of the length is either level or under 20 feet per mile. The smallest radius of curves is 15,729 feet, and the prevailing radius is 46,057 feet.

The Permanent Way has been executed in accordance with the Specification, with one exception. The Specification names 4 yards of ballast per lineal yard, and the quantity supplied is $2\frac{1}{2}$ yards per lineal yard. It was explained to me that the quantity named in the Specification was set down in error, for a double line; an explanation readily admissible, since it would give for a single line an extraordinary depth, even if the ballast were boxed up to the rail level. As it is considered necessary generally in Canada and the Northern States to allow room for surface drainage of the ballast by leaving the tops of the sleepers bare, and trimming the ballast down to the sides, $2\frac{1}{2}$ yards of ballast would give an adequate depth of ballast as a bed to the sleepers, and I think the Company may properly accept that amount in lieu of the obviously erroneous one.

The Drainage generally is efficient, and the timber tops of the Culverts are admitted by the specification.

The character of the Bridges and Culverts correspond with those of the Quebec and Richmond Section. Details of the principal Bridges appear in Appendix D. The Etchemin River bridge, with six spans of 93 feet, and the Boyer bridge, with two spans of 80 feet, and two spans of 40 feet, are in every respect very fine works.

I find that the works on the 40 miles executed are of a heavier nature than the average of the Line. For the excess of cost in the first Division, no extra has been charged; but a diminution has been allowed in the extent and character of Station and Engine-house accommodation, which would probably about balance this excess. If the account for this Line be taken as a final settlement, I should set one against the other, as a fair adjustment; but if the Line be continued by the Contractors, a reconsideration of station accommodation, to make up the total specified, may become necessary. It is right to observe that the present accommodation appears to be fully adequate to the requirements of the traffic.

The water supply is similar to that in the Quebec and Richmond Section.

Appendix J gives a statement of the Rolling Stock, which shows in its adjustment an excess of \$14 in favour of the Company.

Appendix K contains the abstract of Accounts, with my observations; from which I think you will conclude that the settlement has been a fair one.

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Subject to the future reservation as to Stations, and due reference being had to the difficulties named in the earlier part of this Report, I consider that the requirements of the contract have been in spirit fulfilled.

MONTREAL AND TORONTO SECTION.

This Section was executed under a Contract between the Grand Trunk Railway Company and the English Contractors, dated 23rd March, 1853. Appendix L gives its leading conditions.

This contract agreed in many respects with that for the Quebec and Trois Pistoles Line. It set up the best English Railways as the standard for permanence and substantiality of work, with a like reference to the sanction of the Board of Trade, and the approval of English Engineers.

It gave to the Contractors the selection of the Line, subject to the approval of the Government, and with limitations of gradients and curves.

It also set aside certain contingencies of rise of prices, change of route, and cost of land, which, under a previous contract, might have influenced the price; and provided for the completion of the work, with all the appurtenances specified, for the sum of £3,000,000, without additions or deductions of any kind, or on any account.

The selection of a Line of 333 miles in length, is a question upon which much difference of opinion may be supposed to exist. Without following the course of the Railway in detail, I may observe that in its whole length, there are only two places, namely, Montreal and Kingston, at which I should have been disposed to alter it; and, although in reference to these, much might be said on both sides, it is right to state that the route chosen has been settled by the sanction of the Officers of the Government, after the customary deposit of the proposed plans in each Township.

The Line starts from Montreal, at Point St. Charles, where its position is somewhat limited by the situation of the Victoria Bridge, and following a course generally parallel to the shores of the St. Lawrence and Lake Ontario, it passes, in most cases, on the north or land side of the Towns, which have grown up by the Navigation, the original great Thoroughfare of the Country.

The Contract nowhere stipulated for a connection with the navigation and the cases where such a connection would be useful are, in my opinion, few. Generally speaking, the Railway, by being placed on the land side of the Towns, is in a position to intercept the productions of the Country before arriving at the Towns, which owed their position to the circumstance of the Trade from the back Country flowing to these places for shipment; and as the Railway becomes the main channel of traffic, these Towns may be expected, (as is already seen at Belleville and many other places,) to grow towards the Railway, which here, as usually in England, has not generally been carried through the centres of the Towns.

At Toronto, the provisional Terminus is near the mouth of the River Don, a trifle over a mile from the business Centre of that City. For a Line from Montreal to Toronto, I consider that situation a reasonable and proper one. Recent arrangements with the Municipality, under which you have already established a provisional connection with your Western Line, and a rough temporary Central Station in Front Street, will enable you hereafter to perfect that

communication, and to erect, when thought desirable, a permanent Central Station for Passenger Traffic running both ways.

The Land for the Railway has been almost everywhere provided for a double line. The land at Stations, as detailed in Appendices M 1, and M 2, varies from 2 acres to 30 acres, the average of all being above 7 acres per station. At two Stations, viz, Kingston and the Don Station at Toronto, I consider the land provided to be insufficient, and the Contractors at once undertook to supply more at their own cost.

The widths of Cuttings and Embankments were altered by the Engineer to 22 feet for Cuttings, and 20 feet for Embankments; and as the Embankments, which were increased, are in excess of the Cuttings, this change was an expense to the Contractors, for which, however, no claim has been made. On many parts of the Line the Earthworks have suffered much from the effects of the weather, and these will for some time require the careful attention of the Contractors for Maintenance. The place which appeared to me to require most care, was along the high ground between Port Hope and Port Britain. There the Line runs near the cliff, and the ground, although extremely hard to excavate, has been so affected by frost, thaw and rain, that it will require careful draining, and probably some special protection, by covering the part most exposed to wet with dry material and faggots.

The Gradients of the Line are shown in Appendices N 1, N 2, and N 3. 260 miles, or 80 per cent. of the total length, are either level or under 20 feet per mile; and for 67 miles, or 20 per cent. of the length, they are of the maximum of 52.8 feet per mile. For the character of the country, this is not an undue proportion.

The Permanent Way has been executed generally according to the Specification, but there are certain deficiencies which have arisen from the somewhat premature openings of portions of the Line.

The first is a want of the proper quantity of ballast, which, although specified at 4 yards per lineal yard, was intended to be executed with 2½ yards, for the reasons already given, but in some places fell short of this latter quantity.

On the western portion of the Montreal and Kingston Division, I found the deficiency being made up by the Contractors. At various parts of the Line between Kingston and Toronto I observed a deficiency, which was most marked in the section between Belleville and Oshawa, where sand ballast was frequently used, from the difficulty in obtaining, within the limited time, a better material.

This deficiency the Contractors always considered they would have to supply, but I found the Company had begun to make it good. I was informed that this arose from some misunderstanding, owing to the absence of the Engineer-in-chief.

In explanation of this and other defects, I would remind you that the lengths where they occur were opened in haste in the autumn of last year; a length of 23 miles, from Grafton to Newtonville, being, as I was informed, constructed in about five months, although it comprised the Port Hope Viaduct, and about twelve miles of heavy work—an example of energy rarely surpassed. These portions so opened were not supposed to be complete, but the setting in of the winter put an early stop to all work which they might require.

Westward of Oshawa, I believe the line to have been for the most part fully ballasted, but some of the material used, (a sand which it was believed would stand,) has been wasted by the weather, and damaged by slips.

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This cause, and the deficiency of ballast to which I have alluded, have, no doubt, contributed to the roughness of the road which was observable in the Divisions of the Line last opened.

I found between Kingston and Cobourg that many of the Sleepers were small in size. I was informed that suitable timber could not be got in the locality, in time to open the line; but that 30,000 full-sized Sleepers had been subsequently delivered for this length; which the Contractors left at the disposal of the Company; and this, I believe, would make ample compensation for this unavoidable defect.

The Rails on this, as well as the other Sections, appear to be of a very good quality, as a whole. For a short distance out of Montreal they have been much worn, by carrying over them the materials for the Victoria Bridge, for which the Contractors pay Toll to the Company. It need be no matter for surprise, that rails have been broken during the severe frosts, especially in those parts of the Line which were prematurely opened in an unfinished state.

The Rails were used by the Contractors, during the construction of the Line and such use is so commonly acknowledged on Railways, both in England and abroad, that I do not consider the Company can ground any claim upon it, if the Rails have been fairly treated.

The Cross Drainage, generally, is good; but along the portions of the Line last opened, the Side Drainage was incomplete. Upon so much of this as was due to Construction, the Contractors had begun to work when my Inspection was made. Across the moss between the Lachine Railway and the Blue Bonnets Station, I found some Timber Structures to carry the Line over small streams, or cross drains. From the bad nature of the bottom, I consider this deviation from the Specification to have been judicious.

Between Kingston and Grafton several small culverts have shown signs of failure. I attribute this to the difficulty of getting good materials to the ground, to the bad character of the soils, and to the speed with which the works were carried on to open the Line. When I saw them, the Contractors had begun the necessary repairs at their own cost.

The Works of Art upon this Line are of a very first-rate character. The details of the principal bridges are given in Appendices O 1, O 2, and O 3.

To enumerate all which are worthy of note, would occupy more space than can be given in a general notice. The St. Ann's Bridge over the Ottawa River, with 16 spans varying from 60 feet to 200 feet; the Vaudreuil River Bridge, with 17 spans, varying from 50 to 93 feet; the Rideau Canal bridge, with 3 spans of 100 feet; the Salmon River bridge, with 2 spans of 126 feet; the Trent River bridge, with 4 spans of 100 feet; the Port Hope Viaduct, with 55 spans, varying from 25 feet 6 inches, to 60 feet; with many other magnificent works of large size, many of them constructed under great difficulties of various sorts will remain lasting monuments of energy and skill. The wrought iron beams and tubes are of excellent manufacture, and those which I tested showed in no case a deflection of half an inch.

On the whole Line I found no case where any failure of importance had taken place, even upon the worst foundations, while the class of masonry generally used was superior to what most English Engineers would require. On this item the Engineer-in-Chief might have allowed very great savings to the Contractors without injustice to the Company.

With this important excess beyond the requirements of the Contract, a small allowance may fairly be made for those few instances in which its requirements, as regards works of art, have not been strictly complied with.

At the Vaudreuil Bridge, double foundations, (in anticipation of a second line of rail,) have not been put in for the Land Piers. In this case the omission is unimportant, as it appears that the rock was close to the surface. In the Rideau Canal bridge I observed the absence of the double foundation to one pier. In the Port Hope Viaduct I did not find the double foundations to any of the piers; the omission in this case is explained by the circumstance of the deviation of the line required by the Company to bring it near the shore of Lake Ontario, having entailed upon the Contractors a much heavier viaduct than would otherwise have been necessary.

The Stations and Workshops, as executed, differ widely from those specified. The workshops erected at Montreal are greatly in excess of those shown on the contract plan, having been so made with the view of centralizing there the heavy repairs of the whole system of the Grand Trunk Railway. The character of the permanent buildings is first rate, and they are well adapted for the purposes for which they are intended.

In order to meet the anticipated requirements of the traffic, additional Stations were ordered, while, in a few cases, it was considered that less accommodation at Stations might suffice. These have, therefore, been thrown into a debtor and creditor account, in the Report of the Engineer-in-chief, dated December 20th, 1856; and my observations on the settlement for them will be found in Appendix Q.

At some of the stations, principally in the lengths last opened, the metalling of the station yards is not complete. This the Contractors consider as to be done by them. Cranes are not furnished in the Goods' Sheds; the traffic Manager does not consider them necessary for the character of the goods conveyed, and some that were supplied have not even been erected.

The extent of Water and Wood accommodation supplied I consider to be in conformity with the spirit of the contract. In some places, often away from the stations, additional tanks and wells, with steam engines, have been constructed to make good deficient sources of supply, which experience had detected in the wells ordered under the Contract. These have been charged as extra. The water supply gave great trouble last winter, partly owing to unobserved defects, but principally from the frost having set in when the ordinary sources of water supply were unusually low. I found the defects of construction in course of repair by the Contractors at their own cost.

I did not find the extent of Engine Shed room fully up to what, according to my calculation, would be due to the proportion of Engines supplied under the Contract, which would usually be in running order. This deficiency arose partly from the Engineer having found it necessary to put the turn-tables inside the sheds, to keep them protected and in working order, during the inclemencies of winter; but I still think that shed room for six more engines should be provided without charge—a requirement in which the Contractors at once acquiesced.

Appendix P contains a statement of the Rolling Stock, in which, by varying the description of Waggon, an excess has been supplied, of the value of £840, according to the divisional estimates.

In Appendix Q will be found abstracts of the Accounts for extra works, with my own comments upon them. I may here remark that the comparatively small amount in which I should differ from the Engineer-in-Chief, is insignificant, when weighed with the extra expense to which the Contractors have been put elsewhere.

The works for which allowance has been made, besides the additional road stations, and the enlarged workshops at Montreal, comprise a great addition to

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the specified Sidings,—additional Engine Stables, (not contemplated by the contract,)—a capacious landing wharf at Montreal for facilitating the transport of loaded goods waggons across the St. Lawrence, pending the completion of the Victoria Bridge,—an extension of the Line at Toronto,—and other works, none of which were specified in the Contract, and which could not therefore be included in the stipulated sum of £3,000,000, agreed upon as the price to be paid, without additions or deductions, for the works and conveniences specified.

Taken as a whole, I consider that the excess of cost, which appears to be less than 10 per cent. on the total Contract Sum, has been satisfactorily accounted for.

Considering all the circumstances alluded to in this Report, and the great physical and financial difficulties which have been successfully overcome, I regard the execution of this Line as a work reflecting the highest credit on the Engineer-in-Chief, on the English Contractors, and on the able Assistants of both Engineer and Contractors.

TORONTO AND SARNIA SECTION.

The Works of this Railway, begun in 1852, were ultimately executed under a Contract between the then Toronto and Guelph Railway Company and the Canadian Contractors, dated March 24th, 1853.

The general terms of the Contract, (abstracted in Appendix R,) corresponded in most of the details with those of the preceding Sections, implying a first-class single Line, but omitting any special reference to English Railways as a pattern of substantiality. It gave to the Contractors the choice of the Line, subject to arbitration, in case of difference with the Company.

The length of Line already open to Stratford is 87 miles, out of the total 166 miles; and without following its course in detail, I may observe that the selection, thus far, seems to me to have been such as a judicious Engineer, selecting a reasonable line for a Company, would have been likely to adopt.

At a considerable expense, for which extra payment would no doubt have been admitted by an Arbitrator, and has, in fact, been allowed by the Engineer, ground has been recovered at the Queen's Wharf for the Toronto Terminus, in a situation possessing many recommendations, and a little over a mile from the business Centre of the City; but the permanent passenger terminus has yet to be made; for which, I understand, you propose to erect a Central Station on the Esplanade Junction common to this and the Montreal and Toronto lines.

It is to be regretted that the impossibility of obtaining an adequate quantity of Land near your Passenger Station at Guelph, should have removed the Goods Station so far from it.

The Land has been provided almost everywhere for a double Line; and the Land at Stations, as detailed in Appendix S, varies from 4½ acres to 11 acres.

The large Embankments have been in some cases increased beyond the Contract Dimensions, for which an allowance has been made. In many places slips have occurred in the Earthwork, since the Line was opened; but I do not ascribe this to any fault of construction.

In the large Rock Cutting, between Acton and George Town, some protection such as Dry Walling, will, I expect, become necessary, to support the upper Rock, and to secure from waste the lower beds, which are wet and shaly.

Appendix T gives the table of the Gradients and Curves. The undulations of the country have necessitated for $10\frac{1}{4}$ miles, the maximum Gradient of 52.8 feet per mile: $43\frac{1}{2}$ miles being either level or under 22 feet per mile. The smallest Radius of Curves is 2,865 feet, and the prevailing Radius is 11,460 feet.

I found the Rails and Sleepers good, and the Permanent Way generally in accordance with the specification, with the exception of some deficiencies, for which deduction was made.

The Drainage generally is of efficient character and extent, but some of the smaller Culverts of brick have shown signs of failure.

The Bridges and Viaducts are very heavy, and comprise almost all the large works of the entire Line from Toronto to Stratford. Appendix U, will show that many of them are of great size, and most have been constructed at great cost, with an excellence of workmanship far beyond the requirements of the contract. Among these the Humber Valley Viaduct, with 9 openings of 60 feet span; the Eramosa Viaduct, with 8 openings of 60 feet span; the Grand River Bridge, with 2 spans of 96 feet, and 3 of 60 feet; and the river Nith Bridge, with 4 spans of 60 feet, deserve peculiar commendation; and I have rarely seen a work of finer design or execution than the Credit Viaduct, of an extreme height of 121 feet, with 8 spans of 96 feet.

The wrought-iron girders and tubes are of very good construction, and the small deflections I noted corresponded with those on the other Sections.

One Road Bridge at Brampton, and another at the Huron Road, I should have considered sufficiently large structures to make it a question, whether foundations for a second line might not, under the Contract, have been asked for.

In some cases the Stations did not come up to the requirements of the Specification, for which a deduction has been made; but on the whole a considerable increase has been found necessary, which has been allowed for in the accounts.

Some extra Watering Places beyond the reasonable intendment of the Contract, have been erected and charged for, often at places away from Stations, and where a more copious supply could be obtained.

Appendix V gives a statement of Rolling Stock, showing that, in money value, the amount specified for the whole Line has been supplied to this Section, for which excess credit is of course taken in the Accounts.

Upon the settlement of Accounts I report at length in Appendix W. I need here only state that in the principle upon which the apportionment has been made between the payments for the finished and unfinished lengths, I entirely agree; that in the adjustment of the accounts I may, to a comparatively small amount, differ in some of the items; but that the general result may be taken as a fair settlement on account, open to a readjustment of the Station Account in the Extension of the Line.

I consider that this Line is a Work of which both Eng'neers and Contractors may justly be proud.

PERMANENT WAY.

The description of Permanent Way specified and executed on your Railway was, I understand, settled after a consideration of the forms and details found to be most successful on the Lines of the Northern States.

The action of the severe frosts and rapid thaws distorts the whole structure of the road to such an extent that the English systems of Continuous Bearing, or of cast-iron Chairs with fittings, were alike inadmissible; and it was necessary to adopt a form of great simplicity.

In Appendix X, I give a Statistical Return of some of the principal Railways in the States of Massachusetts and New York, (calculated in my office from official documents), from which you will see that the weight of Rail adopted is greater than on most of those lines.

The rail of 63 lbs. per yard, which is either of the form called the Bridge rail, or that called the single T rail, rests directly on Sleepers, 2 feet 6 inches apart, and is secured to them by spikes. The joints are supported on a wrought-iron Chair, weighing, in some cases, 8 lbs., and in some cases 12 lbs., the former being the prevailing weight.

Simplicity is no doubt thus attained; and from all the inquiries I made, I am led to the conclusion that the arrangement adopted is the one approved by most of the local Engineers: and an identical arrangement has been adopted by eminent English Engineers on the Haddiscoe and Halesworth Railway, in England, on the Altona and Kiel, on the Royal Danish Railway, and, I believe, on other Lines on the Continent.

These circumstances undoubtedly justified the adoption of such a system in the Specifications. This road is certainly superior to the road laid with light cast-iron chairs, so common in the Northern States; and where it is fully ballasted and well maintained with good material, it runs well; but from a study of those parts of your Line where it has been most severely tried, I have concluded that present experience might lead you to the adoption, in future works, of the single T rail, with fished joints, or with Adams's bracket chair of wrought iron, either of which, I believe, would make a more perfect road; but it is right to add that even the first and best known of these was not generally accepted as an improvement when your road was designed. Meanwhile, on the existing portions of your system, I believe that a sensible improvement might be effected by putting in large-sized sleepers at the joints, and arranging the spaces between the sleepers so as to be least next the joint sleepers.

The Crossings of your Permanent Way are of good construction, and the simple shifting rail adopted for Switches is, in my opinion, the best suited for the climate.

ROLLING STOCK.

From the voluminous calculations prepared for me by Mr. Trevithick, your Locomotive Superintendent, I annex six Returns relating to the Rolling Stock and the working of Engines (Appendices Y 1, Y 2, Y 3, Y 4, Y 5, and Y 6.)

The total number of Engines in stock on all your Lines, on June 1st, 1857, was 172, and their average age 29½ months.

The number of Engines supplied by the English and Canadian Contractors, under Contract, were 63 and 23 respectively; the total number supplied by the English Contractors being 69 and by the Canadian Contractors 25.

The engines supplied by the Canadian Contractors were made by approved manufacturers, and from an examination of the greater number of them I can speak favourably of their construction.

I was also satisfied with the Engines supplied by the English Contractors, most of which I examined; but exception having been taken to 42 of them, manufactured in England, it is necessary to speak of those features in them which have been considered objectionable.

In common with all the other Engines, they have wrought-iron Fire-boxes. Their Tube Plates are wrought-iron; those supplied by the Canadian Contractors and by some of the American Houses being Copper. Twenty-nine of them have Iron Tubes; the Engines built in America having either Brass or Copper Tubes. They were built without the "truck" or "bogie" in front.

I greatly prefer Fire-boxes and Tube Plates of copper, and Tubes of brass; but it is right to state that iron Fire-boxes, Tube Plates, and Tubes, are frequently used in England, and well thought of by some Engineers of great experience; so that I do not feel that my decided preference for copper and brass would justify a rejection of iron, especially as no specific requirements in regard to such details were to be found in the Contracts. The Iron Tubes gave much trouble during the winter; a circumstance which I ascribe mainly to the absence of "trucks," which, experience shows, save the Engines from the effect of the blows given by the Permanent Way, when set by frost.

These Engines were built without "trucks" under the sanction of the Engineer-in-Chief, and in reference to such sanction I may state, that while I soon recognised the value of "trucks" under the Carriages, I felt for sometime objections to the use of them under the Engines, which were only overruled by the statements of the experience acquired by your Officers.

The Engines made in England are in several respects superior to those made in America. Their workmanship, although plain, is more solid. Wrought-iron is used in many parts where the others have Cast Iron. Their Boiler Plates and Tube Plates average $\frac{7}{16}$ inch and $\frac{3}{4}$ inch in thickness, while those of the American Engines average $\frac{5}{16}$ inch and $\frac{1}{2}$ inch. I believe that when furnished with "trucks" they will be found to last longer than the American Engines; and the comparison of their Working Expenses shows no inferiority.

Of the generally good character of all the Engines, the following facts may be taken as some confirmation.

During the severities of a North American winter, when it is not an uncommon thing for the whole traffic of a Railway to be stopped, much delay and irregularity will of necessity occur. From an examination of a Return of the delays of trains on your Line, between December 23rd, 1856, and February 28th, 1857, I find the delays ascribed to Locomotive causes amount to only $1\frac{1}{4}$ per cent. of the advertised running time. During the first four months of this year your Engines performed the average daily mileage, of 47 miles; 45 miles being considered a high average daily mileage, including summer and winter, in England; 33 miles being the average daily mileage on seven Continental Railways, and 50 miles the average daily mileage on the Railways in the Northern States, tabulated in Appendix X.

To the well-known intelligence and zeal of your Locomotive Superintendent, much is no doubt due. The Returns in the Appendix show a decrease in the cost of Locomotive power; and when, added to all difficulties of climate, it is remembered that the present wages of mechanics in your Workshops average 37 per cent. more than those in England, and the cost of Engine Stores nearly 50 per cent. more, you have reason to be well pleased that the Locomotive expenses during the last half-year of 1856, were only 22.70 cents. per mile, and for the whole year 26.33 cents per mile.

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On May 17th, 1857, the total number of Carriages and Waggons of all sorts, including Snow Ploughs, was 2,346.

The Carriage and Waggon Stock, supplied by both English and Canadian Contractors, is of good quality: that built at Montreal by the English Contractors, constituting about half the quantity supplied by them, is of first-rate manufacture, and decidedly the best which I saw in America.

I refer you to Appendix Z, for my remarks on the charges for Engines used by the Contractors during construction.

CONCLUSION.

In the preceding sections of the Report I have intimated my general opinion that full justice has been done you, both by your Engineer-in-chief, and the Contractors.

Taking the accounts as a whole, I believe that if the Contractors had adopted a litigious course instead of confiding in the honourable adjudication of the Engineer-in chief, the Company would have been serious losers.

I may add, that as far as I could judge of the comparisons of cost with other Railways in Canada which I saw, or of which I obtained particulars, you have obtained your Lines at a more reasonable price, although of a much superior character. I have not the means of guiding your judgment, as to the necessary elements of comparison with the mileage cost of the American Railways enumerated in Appendix X; but in regard to some of these which I saw, passing observation of Lines far inferior, led me to a similar conclusion.

It is also noteworthy that the permanent character of the important Bridges on the Grand Trunk Railway proper, will in the course of years, be productive of great saving, from the absence of those losses by decay, or fire, or flood, which as you know to your cost, are too prevalent elsewhere, both in Canada and the United States.

While there are some points on the existing Lines at which additional Traffic and Engine accommodation, beyond what could be fairly required of the contractors, may be desirable, I would venture to suggest that none should be sanctioned the necessity for which is not demonstrated to the Board by the Traffic Manager, or the Locomotive Superintendent.

At the same time, it will not be forgotten that there still remain Connections and Extensions whose completion will contribute greatly to the development of the traffic which should naturally flow upon your Lines.

The Eastern Extension towards Trois Pistoles, of more advantage probably to Canada and the neighbouring Province than to yourselves, might justly claim from the Government peculiar consideration and indulgence.

At Quebec, I understand that a project has passed the Legislature for establishing extensive deep water Quays, for ocean steamers, in immediate connection with your Line, which may reasonably be expected to increase very materially your traffic from that City.

The completion of the Victoria Bridge, at Montreal, by uniting the severed portions of your Railway, will remedy a defect which, at the present time, undoubtedly opposes a serious obstacle to the development of through traffic.

At no distant period it is to be hoped that the Municipality of Montreal may co operate with you in some cheap Line to connect the principal Wharfs of the city with your Line at Point St. Charles, which I believe would be best affected by a Horse Line, running on the common roads, along Wellington Street to Commissioners' Street, which at the minimum of cost would bring your Line to the heart of the business population.

At Prescott, just above the head of the Canal Navigation, your existing connection with the Prescott and Ottawa Railway, would, by an arrangement with that Company for laying down an extra rail for about a mile and a-half along the Line, give you access to the existing wharves, and by this means afford direct communication with the Lake navigation, and the Ferry to Ogdensburgh, whence there are lines leading to New York and to the whole of the New England States.

At Kingston, whenever a branch can be made down to the Quays, further accessions of traffic may probably be expected.

At Toronto, the important site you have secured at the Queen's Wharf, may perhaps, at some future period, be made more valuable by access to the existing pier.

Lastly, the completion of the suspended works west of Stratford, may be reasonably expected to develop a traffic to which your undertaking has always pointed.

I cannot conclude this Report without expressing my acknowledgments to the President, the Vice-President, and Mr. Rose, your Colleague, for the time they devoted to me, and much valuable information very courteously communicated.

The assistance of your Secretary has been of particular service to me, and he has been most cordially seconded, in Canada, by the Manager, and his assistants, the Assistant-Secretary, and the Chief Accountant.

To your Engineer-in-chief, and Locomotive Engineer, and to the Contractors, both English and Canadian, I am greatly indebted for the perfect candour with which they met my inquiries, and for much personal labour in the collection of materials; and I must offer similar thanks to Mr. Shanley and Mr. Samuel Keefer, the Resident Engineers, as also to the chief Engineer's Secretary, and to his and to the Contractors Assistants.

I have the honour to be, Gentlemen,

Your most obedient servant,

CHARLES HUTTON GREGORY.

1, Delahay Street, Westminster,
August 15, 1857.

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MONTREAL AND PORTLAND SECTION.

To the Chairman and Directors of the Grand Trunk Railway Co. of Canada :

GENTLEMEN,—Your Secretary's letter of May 20th, 1857, which reached me in Canada, directed me to make an inspection of the Railway between Montreal and Portland; intimating, however, that you did not desire so minute an examination as that of the other Sections; but such an one as would enable you to form a general opinion of the present condition of the Road, the Rolling Stock, the Bridges, and Stations.

In accordance with these instructions, I delayed my departure to England; and, in my inspections of the lines in question, I had the benefit of the Company and assistance of the General Manager, the Engineer-in-Chief and his Secretary, the Resident Engineer, and the Superintendent of the Atlantic and St. Lawrence Section.

The lengths of the St. Lawrence and Atlantic, and Atlantic and St. Lawrence Sections, are 143 and 149 miles, respectively.

The openings of the several portions took place at the following times:—

Longueuil	to St. Hyacinthe in the Spring of	1847.
"	to Richmond in the Autumn of	1850.
"	to Sherbrooke in August,	1852.
"	to Island Pond in July,	1853.
Portland	to Yarmouth in July,	1848.
"	to Danville Junction in December,	1848.
"	to Mechanic's Falls in February,	1849.
"	to South Paris in January,	1850.
"	to Bethel in March,	1851.
"	to Gorham in July,	1851.
"	to Northumberland in July,	1852.
"	to Island Pond in February,	1853.

By my request, the Resident Engineers, Mr. Starke and Mr. Bennett, prepared for my accomodation and guidance on the ground, Reports on the Stations, Bridges, and Permanent Way, of which the details will no doubt be interesting to the Board.

I submit these Reports as they stand, considering that a general verification of them, and comment on their results, would meet the Board's requirements of a general Report.

Both these sections appear to me to have been well selected in an Engineering point of view, through country which at some places, particularly on the Atlantic and St. Lawrence section, offers very great local difficulties; but, like most of the American Railways, the works have not been constructed with the solidity and permanence of English Railways.

This latter circumstance has obliged you to lay out large sums of money since the lines came into your possession.

The annexed Returns prepared for me by your Chief Accountant, shew that in the Stations, Works, and Permanent Way, a sum of £203,691 17s. 11d. has been expended on the Capital Account on the St. Lawrence and Atlantic Section; and a sum of £255,848 16s. 6d. on the Atlantic and St. Lawrence Section, from the date of the Amalgamation up to December 31st, 1856: besides the proportion of Engineering, and General Expenses, fairly chargeable to these items, you cannot expect that extra expenses of a similar nature will entirely cease for some time to come.

STATIONS.

A large number of the Buildings are of a temporary character: the extent of accommodation is however, for the most part, ample. At St. Hyacinthe some addition is required to the Freight Shed, and at the Duauville Junction some addition will probably be required at a future time.

The Engine accommodation appears to be sufficient, excepting at Island Pond, where additional permanent stabling is required for eight or ten Engines; and at Portland, where it is proposed to add a space of 50 ft. x 50 ft., as a Machine Shop, and 50 ft. x 30 ft. as a Smith's Shop.

The water arrangements on the St. Lawrence and Atlantic Section gave some trouble last winter from the shortness of supply, for the reasons explained in my Report on the Montreal and Toronto Section.

Generally I consider the water arrangements to be good. At St. Hilaire, and at most places between Richmond and Portland, the supply of water is by gravitation. At Island Pond an Engine is proposed to be erected to pump the water from the Lake.

BRIDGES.

It will be observed that the reports of Mr. Starke and Mr. Bennett do not agree at all points with the Report of Messrs. Keefer and Shanley, dated April 4th, 1857. While I consider it very difficult for any one to predict the exact periods when renewals may become essential, the detailed examination which I made of all the Bridges rather led me to agree with the former gentlemen where a difference exists.

In some cases a careful repair of existing superstructure, assisted with strengthening arcs at the side or piles or strutting from below, may enable the existing timber trusses to last longer than is anticipated; but I think you will come to the conclusion, on reviewing the comparative calculations of Messrs. Keefer & Shanley's Report, that where actual renewal of superstructure may become necessary, it will be desirable, as far as practicable, to use permanent wrought iron beams, instead of the timber trusses, which, however decay may be staved off by careful selection of materials and by covering in, are mostly exposed to great risk from fire.

I found wrought iron girders already ordered for the following Bridges:—

Richelieu,	0	Spans of 150 feet, (tubes.)
Shingle Brook,	1	" " 30 "
Black River,	1	" " 60 "
Muddy Brook,	1	" " 50 "
Stratford Hollow,	1	" " 50 "
Whitman's Bridge,	1	" " 60 "
Bacon's Falls,	1	" " 60 "
Danville Junction,	1	" " 50 "
Cobb's Bridge (No. 1),	1	" " 60 "
" (No. 2),	1	" " 60 "

The girders ordered for Bacon's Falls were proposed to be used at Bethel, where a more pressing necessity had arisen.

The cost of wrought iron girders, fixed, will probably amount to about £34 or £35 per ton in Canada, and £37 or £38 per ton in America.

But the cost of works absolutely necessary to Bridges is not limited to superstructure, for failures of masonry have continually occurred by the action of floods in the abutment walls, constructed without sufficient care.

On the whole I expect that the necessary repairs to Bridges during this year will cost from £30,000 to £40,000. For the future, the Estimate given in the Report of Messrs. Keefer & Shanley may be taken to represent approximatively the expenses which you will have to meet in Bridge renewals; but the experience of this year's failures leads me to think that some extra allowance ought to be made for unforeseen casualties.

PERMANENT WAY.

The defects of original construction are pointed out in the Reports of Mr. Starke and Mr. Bennett, and they have combined to cause heavy expenses, which must be continued, to maintain the line in a safe running condition.

To remedy the deficiencies of ballast much has already been done, while the defective sleepers are in course of renewal, under the maintenance contracts, to a great extent; the faulty cast iron chairs have been replaced by wrought iron ones, either of the Glendon or the Grand Trunk pattern.

The rails are failing considerably, and in many places at a period far earlier than they ought to have given way.

While there is no doubt the line would be materially improved by laying in a great quantity of new rails, I came to the conclusion, conjointly with Mr. A. M. Ross, that the immediate necessity might be met by the supply of 1000 tons of new rails, this year, for the whole length, and a further quantity of 1000 tons next Spring.

These quantities should be delivered half to each Section; for although the rails have failed to a far greater extent on the Atlantic and St. Lawrence Section, facilities exist in the States for a partial supply by re-rolling.

Bridges:—

ROLLING STOCK.

Detailed notes on the Engines are to be found in my Report of August 15th, Appendix Y1. The Engines and Cars generally appeared to me to be of average fair construction. A great deal of work has been done in the renewal of the parts of the Engines, and I consider that their condition and working value has been improved while in your hands.

In conclusion I think it right to state that in my inspection I saw ample proofs of the anxious attention given to your interest by your Engineers; and although it is not within my instructions to offer any opinion on the Traffic Department, I feel that every department is indebted to the watchful care and activity shewn by Mr. Corsor, the Superintendent of the Atlantic and St. Lawrence Section, in whom your valuable General Manager must find a very useful coadjutor.

I have the honor to be,
Gentlemen,
Your most obedient servant,

(Signed)

CHARLES HUTTON GREGORY.

Delahay Street, Westminster,
September 10th, 1857.

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AGREEMENT WITH THE GRAND TRUNK JUNCTION RAILWAY COMPANY.

THIS INDENTURE made the First day of October, One Thousand Eight Hundred and Fifty-seven, between the GRAND TRUNK RAILWAY COMPANY OF CANADA of the first part, and THE LONDON AND GRAND TRUNK JUNCTION RAILWAY COMPANY of the second part. Whereas an Act was passed in the Session of the Provincial Parliament of Canada, held in the fourteenth and fifteenth years in the reign of her present Majesty, intituled, "An Act to make provision for the construction of a Main Trunk Line of Railway throughout the whole length of this Province." And whereas, by an act passed in the Session of the Provincial Parliament of Canada, held in the sixteenth year of her said Majesty's reign, intituled, "An Act to incorporate the Grand Trunk Railway of Canada," a Company was incorporated under the name of the Grand Trunk Railway Company of Canada, for making and completing the Railway therein mentioned, being part of the said Main Trunk Line of Railway, contemplated by the said last mentioned Act, and whereas another Act was passed in the Session of the said Provincial Parliament, held in the same year, and intituled, "An Act to empower any Railway Company whose Railway forms part of the Main Trunk Line of Railway throughout this Province to unite with any other such Company, or to purchase the property and rights of any such Company, and to repeal certain acts therein mentioned, which Act is hereinafter designated as the "Railway Companies' Union Act." And by such Act it was provided amongst other things that it should be lawful for the Directors of any such Company formed, or to be thereafter formed for the purpose of constructing any Railway which should form part of the Main Trunk Line of Railway contemplated by the said first mentioned Act, to agree with the Directors of any other such Company, that the Companies they respectively represented should be united as one Company, or that one of such Companies should purchase and acquire the property and rights, and take upon itself all the liabilities of the other, and by such agreement to fix the terms upon which such union or such purchase should take place, the rights which the shareholders of each company should possess after such union or purchase, the number of Directors of the Company, and generally to make such conditions and stipulations touching the terms upon which such union or purchase should take place as might be found necessary. And whereas another Act was passed in the same session, intituled, "An Act to extend the provisions of the Railway Companies' Union Act to Companies whose Railways intersect the Main Trunk Line, or to such places which the said Line also touches, whereby it was enacted that the said Railway Companies' Union Act and all the enactments and provisions therein contained should extend and apply to, and include any Railway Company whose Railway intersected the Main Trunk line of Railway contemplated by the Legislature in passing the said first recited Act, or touched any City, Town, or place which the said contemplated Main Trunk line of Railway also touched, and which Act is hereinafter designated as the "Railway Company's Union Extension Act." And whereas another Act was passed in the Session of the Provincial Parliament, held in the year one thousand eight hundred and fifty-four called the Grand Trunk Railway Act, 1854, and whereas by the Grand Trunk Railway Act 1854,

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the amalgamation of the several Companies and undertakings therein mentioned was confirmed, and it was enacted that the United Companies formed by the amalgamation of the said several Companies should be known and designated by the name of the Grand Trunk Railway Company of Canada, and that the several works which they undertook and constructed should be known and designated as, and should constitute the Grand Trunk Railway of Canada, and whereas the Grand Trunk Railway Company of Canada, party hereto, of the first part is the said united Company. And whereas it was also by the said last mentioned Act enacted, that if thereafter, any other Railway Company should form a Union with the said Company under the provisions of the statutes in that behalf, provided, meaning the said "Railway Company's Union Act," "and the said Railway Company's Union Extension Act," the Corporate name and existence of such other Company should be merged in that of the Grand Trunk Railway Company of Canada, which should thereafter be the name of the United Company, and the name "the Grand Trunk Railway Company" should hereafter include the Railway and Works which such other Company was authorized to construct. And whereas by another Act passed in the Session of the Provincial Parliament of Canada, held in the nineteenth year of her said Majesty's reign, intituled, "An Act to incorporate the London and Grand Trunk Junction Railway Company, certain persons were incorporated under the title of the London and Grand Trunk Junction Railway Company, and were authorized to make and complete a Railway between the City of London and the Grand Trunk Railway, and by the said Act it was among other things enacted, that it should be lawful for the said London and Grand Trunk Junction Railway Company at any time thereafter, to unite with and become merged in the Grand Trunk Railway Company of Canada, under the provisions of the several Acts relating to the said Grand Trunk Railway Company, and that to any such union and the proceedings preliminary thereto, and the effects thereof all the provisions of the Acts passed in the sixteenth year of her Majesty's reign, and chaptered respectively 39 and 76 (providing for the union of Railway Companies) should extend and apply. And whereas the capital of the Company so incorporated is five hundred thousand pounds Provincial Currency, in shares in twenty-five pounds Provincial Currency each, and under the provisions of the said Act, one hundred thousand pounds of such capital has been subscribed, and ten per cent thereof, or ten thousand pounds currency has been paid. And whereas it has been agreed by and between the Directors of the said last mentioned Company and the Directors of the Grand Trunk Railway Company of Canada, that the undertaking of the last mentioned Company shall be transferred to the said Grand Trunk Railway Company and that the said Company shall be united and amalgamated with, and become merged in the said Grand Trunk Company upon the terms hereinafter mentioned. And, whereas, by an agreement dated the twenty third day of August, One thousand eight hundred and fifty six, and made between the said London and Grand Trunk Junction Railway Company of the one part, and Casimir Stanislaus Gzowski, David Lewis Macpherson, Luther Hamilton Holton, and Alexander Tilloch Galt. Contractors of the other part, the said Contractors agreed to purchase the land for, and to make, build, construct, and complete the said London and Grand Trunk Junction Railway, and to equip and stock the same for the sum of Two hundred and fourteen thousand one hundred and thirty three pounds six shillings and eight-pence currency, on the terms and conditions in such contract mentioned, but it has been agreed as one of the terms of such purchase and amalgamation

as aforesaid, that the said contract and all the benefit and obligations thereof shall be transferred to and assumed by the said Grand Trunk Railway Company. And, whereas, the said Luther Hamilton Holton, and Alexander Tilloch Galt have, with the consent of the said Casimir Stanislaus Gzowski, and David Lewis Macpherson, been released from the said contract, and the said Casimir Stanislaus Gzowski and David Lewis Macpherson are now the contractors for the said construction of the said Line of Railway, but the said contract of 23rd August, 1856, is in no other respect altered, And, whereas, the said Contractors are willing and have agreed that the said Contract shall be so transferred. And, whereas, by an Act passed in the Session of the Provincial Parliament, held in the nineteenth and twentieth years of Her present Majesty's reign intituled, "An Act to grant additional aid to the Grand Trunk Railway Company of Canada," that Company were authorized to issue preferential Bonds to the extent of Two Millions sterling, the proceeds of which Bonds were to be appropriated to the extent of Four hundred and fifty thousand pounds to the aid or construction of the Railways from St. Mary's to London and Sarnia, and it has been agreed that out of the proceeds of such Bonds, the said Grand Trunk Railway Company shall pay to the Directors of the said London and Grand Trunk Junction Railway Company, for the use and behoof of the several subscribers to the undertaking of the said last mentioned Company, who have paid the said Deposit of Ten per cent. upon the amounts respectively subscribed by them, a sum equal to Ten thousand pounds currency, and that the sum of Ten thousand pounds currency being the aggregate amount of the deposit so paid by the said subscribers as aforesaid, or so much thereof as shall not have been bona fide expended for the purposes of the said undertaking, shall become the property of the said Grand Trunk Railway Company of Canada, to be applied towards the construction of the said Railway so to be transferred. Now, therefore, in pursuance of, and for giving effect to the said agreement these presents Witness, and the said two Railway Companies parties hereto, hereby mutually covenant and agree, each with the other, of them in manner following, viz :

First.—From and after the _____ day of _____ the undertakings of the said London and Grand Trunk Junction Railway Company, and all their property and effects, including the said sum of Ten Thousand Pounds, Provincial Currency, or so much thereof as shall be unexpended; and all the rights, powers and privileges shall be transferred to and shall vest in the Grand Trunk Railway Company of Canada, and subject to the provisions of the sixth section of the said Railway Companies' Union Act The said London and Grand Trunk Junction Railway Company shall be united and amalgamated with, and become merged in the said Grand Trunk Railway Company of Canada.

Second.—The said Grand Trunk Railway Company shall forthwith, on the completion of such union and amalgamation, pay to the Directors of the said London and Grand Trunk Junction Railway Company, for the use and behoof of the several subscribers to the undertaking of the said Company, who shall have paid the said deposit of ten per cent. the said sum of Ten Thousand Pounds, Provincial Currency; but the said Grand Trunk Railway Company, and the Directors thereof, shall not be responsible for the misapplication or non-application of the said sum by the Directors of the said London and Grand Trunk Junction Railway Company.

Third.—No change shall be made in consequence of the said amalgamation, either in the direction or in the Bye-laws or regulations of the said Grand Trunk Railway Company of Canada.

Fourth.—upon the completion of the said union and amalgamation, the said Grand Trunk Railway Company shall have the benefit of the said Contract hereinbefore recited for the construction and equipment of the said London and Grand Trunk Junction Railway, and shall and will assume all the obligations and liabilities attaching to and arising from the said Contract, and shall and will indemnify the said London and Grand Trunk Junction Railway Company, and the Directors thereof, from all liability in respect thereof. And the said London and Grand Trunk Junction Railway Company hereby assign and transfer the said Contract, and all the right, title and interest of the said London and Grand Trunk Junction Railway Company, thereto and therein, and all the benefit thereof, to the said Grand Trunk Railway Company of Canada.

In Witness,

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We the Undersigned, duly appointed Auditors of the Grand Trunk Railway Company of Canada, hereby certify that the Books of said Company have been subjected to a careful examination by competent Accountants of our selection and under our Superintendence, and we find the same to be correct up to the 31st December last, and that the Books, Cash Accounts and Vouchers connected therewith, have been kept in a business-like and very systematic manner.

MONTREAL, 24th September, 1857.

(Signed)

WILLIAM WORKMAN.
T. BOUTHILIER.
HUGH ALLAN.

GRA

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GRAND TRUNK RAILWAY COMPANY.

GENERAL STATEMENT

OF

PASSENGER AND TRAFFIC ACCOUNTS,

FOR THE YEAR ENDING 30TH JUNE, 1857,

TOGETHER WITH

CAPITAL AND REVENUE ACCOUNTS,

FOR THE

HALF-YEAR ENDING 30TH JUNE, 1857.

Statement

PORTLAND DISTRICT.

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GRAND TRUNK RAILWAY.

AUDIT OFFICE.

Statement showing the Number of Passengers and Tons of Freight, Inwards and Outwards, at each Station,

FOR THE YEAR ENDING, 30th JUNE, 1857.

STATIONS.	No. OF PASSENGERS.		TONS OF FREIGHT.	
	INWARDS.	OUTWARDS.	INWARDS.	OUTWARDS.
Portland	66109	59687½	110834	55443½
Falmouth	1730	1923	234½	13½
Cumberland	1636½	1772½	289	24½
Yarmouth	10976½	10963	4446½	1002½
North Yarmouth	2543	2904	372½	748
Pownal	1066	1322	197½	1166½
New Gloucester	2067	3615	808½	1683½
Cobb's Bridge	386	517	100½	680½
Danville Junction	33196½	38095	35457½	21775½
Hotel Road	514	655	153½	411½
Empire Road	1186½	1418½	887½	1406½
Mechanic Falls	4140½	4829	3075½	3429½
Oxford	1447½	1682½	391½	2528½
South Paris	6278	8336	5039½	3113½
North Paris	790½	772	869	1298½
Bryant's Pond	1870½	2140	960½	1563½
Locke's Mills	696½	719	265½	1048½
Bethel	3620	2529	2348½	1641
West Bethel	383	426½	195	953½
*Gilead	• 18½			
Shelburne	234	257	109½	50½
Gorham	3240	2165	1145	4315½
Berlin Falls	1063	1359	428½	10650½
*Milan	• 3½			
West Milan	320½	394	187	2369½
*Starke	• 7			
Northumberland	1790½	2280	1092½	4912½
Stratford Hollow	368	417	175½	1766½
North Stratford	1185	1353	891½	4794½
*Wenlock	• 54			
*Poster's Mills	• 22			
Island Pond	4643½	3778	3612½	7019½

PORTLAND DISTRICT.

STATIONS.	NO. OF PASSENGERS.		TONS OF FREIGHT.	
	INWARDS.	OUTWARDS.	INWARDS.	OUTWARDS.
*Norton	37½			
Boundary Line	509	586½	84½	3393½
Confrecooke	1792½	1855	1749	5279
Compton	1684½	1815	1436½	953½
Waterville	842½	923	438½	708
Leauoxville	1063	1130½	616½	1509½
*Brooke	7030½	6238	6660½	45831
Brompton Falls	1545½	2013	3936½	13814½
Windsor	596½	622	1160½	690½
Richmond	5756	6011½	3913½	1373½
Durham	824½	847½	561½	8933½
Acton	3125	3154	978½	11846½
Epton	2341½	2387½	506½	10077
Britannia Mills	1715½	1399	251	20562½
St. Hyacinthe	13791	13572	10114½	3931½
*Soixante	459			
St. Hilaire	6972½	4813½	3519½	1320½
*Boucherville Mountain	430			
*Charons	45			
Dauville	2755½	2478½	905½	5016½
Warwick	829½	913	281	920½
Arthabaska	1476½	1464	527½	2105½
Stanford	1890	1485½	567½	3716½
Somerset	1958	1975	964½	3395½
Becancour	2099	1869	984½	6012½
Methot's Mills	757½	773	116½	2226½
Black River	564½	605	109½	3381½
Craig's Road	1138	1085½	221½	572½
Chaudière	996	866½	208½	354
*Etehem	797			
Point Levi	19069½	30732	23991½	4887
*St. Jean	174½			
St. Henri	991	912½	1159½	78½
St. Charles	2082½	1794½	561½	87½
*St. Michael	212½			
*St. Vallière	195½			
St. Francis	1573	1215	413½	504
*St. Pierre	266½			
St. Thomas	3813½	2137	1113	220½

EASTERN DIVISION.

CENTRAL DIVISION.

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STATIONS.	No. OF PASSENGERS.		TONS OF FREIGHT.	
	INWARDS.	OUTWARDS.	INWARDS.	OUTWARDS.
WESTERN DIVISION.				
Toronto	69020	57998	23565½	10388½
Weston	5717	6718	455½	3881½
Malton	3931½	4204	616½	259½
Brampton	8772	9019	1526½	985
Georgetown	6555½	7026½	1620½	5518
Acton West	4309	4482	240½	3666½
Rockwood	5655	5482	151½	1793½
Guelph	14643½	14940	3244	2327½
Schantz	1085½	1061	83½	868½
Berlin	6694	6897½	716½	1399½
Petersburg	1238	1277	80	303½
Buden	1223½	1482	197½	58½
Hamburg.. .. .	3049	3225	393½	706½
Shakespeare	2310½	2407	109	98½
Stratford.. .. .	8008½	6345½	3389½	370
Conductors	27163½	27163½		
TOTAL.. .. .	663023½	663023½	375221½	375221½

FREIGHT.
Lumber & Firewood..137137½
General Goods238084

PASSENGERS.
Foreign.....105011
Local558012½

FREIGHT.
Foreign.....58521½
Local.....316699½

JAMES HARDMAN,
Auditor.

N.B.—From Stations marked thus * Tickets are only issued by Conductors on board the Cars.
Brockville to Toronto opened October 27th. Toronto to Sarnia, Nov. 17th, 1856.

LOCOMOTIVE WORKING FOR THE HALF YEAR ENDING 30th JUNE, 1857.

Total Miles run by Passenger Trains,	435123
Do. do. by Freight Trains,	395346
Do. do. by Mixed Trains,	48179
Do. do. by Wood Trains,	72520
Do. do. by Ballast, Pilot, Snow Ploughs and Shunting,.. .. .	303077
Total Miles,	1254245
Total Running Expenses,	\$266948 71
Total Repairs,.. .. .	123693 50
	\$390642 21

Equal to 31.145 cts. per mile.

AUDIT OFFICE.

GENERAL PASSENGER STATEMENT FOR THE YEAR ENDING 30th JUNE, 1857.

LOCAL.		From Station to Station,	558012½
16388½	Through to and from	Androscoggin & Kennebec Railway	63746
3881½	"	" " Buckfield Branch Railway	1160
259½	"	" " Boston	7897
985	"	" " St. John Boats.. .. .	193½
5518	"	" " Stages	5411½
3666½	"	" " Lake Magog Steamer	73
1793½	"	" " Ottawa and Prescott Railway	3564
2327½	"	" " Northern Ogdensburg Railway	1178½
868½	"	" " Cape Vincent Steamers	22
1399½	"	" " Rochester Steamers.. .. .	11½
303½	"	" " Royal Mail Steamers	1316½
58½	"	" " Great Western Railway	6869
706½	"	" " Ontario, Simcoe & Huron Railway.. .. .	46½
98½	"	" " Western Railways	9895
370	"	" " From General Agency, Buffalo, &c.	3027
FOREIGN.			105011
Total number of Passengers			663023½
Total number of Miles Travelled			35939596
Average distance Travelled by each Passenger			54½

Total Passenger Receipts.. .. .	\$894078 22
Average Receipt per Passenger	1 34½
Average Receipt per Passenger per Mile	2½

Miles Travelled by each Passenger ..	Increased 22 ² / ₁₆ per cent.
Average Receipt per Passenger	" 13 ¹ / ₁₂ "
Average Receipt per Passenger per Mile, Decreased 9 ¹ / ₁₁ "	

STATEMENT SHEWING THE DISTANCE TRAVELLED BY PASSENGERS.

TRAVELLING—	under 10 Miles	80489½
" 10 Miles & under 20 ..	134965½	
" 20 " " 30 ..	157275½	
" 30 " " 50 ..	120712	
" 50 " " 75 ..	53813½	
" 75 " " 100 ..	23489½	
" 100 " " 150 ..	33912	
" 150 " " 200 ..	24994½	
" 200 " " 250 ..	8852	
" 250 " " 300 ..	7961	
" 300 " " 350 ..	9264	
" 350 " " 400 ..	292	
" 400 " " 450 ..	667½	
" 450 " " 500 ..	293	
" 500 " " 550 ..	3712	
" 550 " " 600 ..	970	
" 600 " " 650 ..	1333	
" 650 " " 700 ..		
" 700 " " 750 ..	27	
" 750 " " 800 ..		
" 800 " " 850 ..	11	

JAMES HARDMAN
Auditor.

RIGHT.
UTWARDS.

16388½
3881½
259½
985
5518
3666½
1793½
2327½
868½
1399½
303½
58½
706½
98½
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375221½

...58521½
...316699½

MAN,
Auditor.

1857.
435123
516045
303077
1254245

Dr.

GRAND TRUNK RAILWAY Capital Account for the half

	Expenditure up to 31st December, 1856.			Expenditure for Half-year ending 30th June, 1857.			Total Expenditure to 30th June, 1857.				
	£	s.	d.	£	s.	d.	£	s.	d.		
(See Abstracts.)											
Consists of the St. Lawrence and Atlantic Railroad—Quebec and Richmond and Quebec and Trois Pistoles Railways.	Eastern Division, 279 Miles.										
	A	Engineering	90665	2	1	4534	15	3	95199	17	4
	B	Works and Permanent Way	2302437	10	10	43	1	3	2302480	12	1
	C	Stations, Buildings and Offices	206631	16	4	3103	14	7	209735	10	11
	D	Locomotive Stock	189066	8	2	141	8	1	189207	16	3
	E	Merchandize Car Stock	129713	3	8	.....			129713	3	8
	F	Passenger Car Stock	35715	18	9	23	0	11	35738	19	8
	G	Miscellaneous Stock	16696	18	2	5	16	6	16702	14	8
	H	Electric Telegraph	6175	6	7	33	13	7	6209	0	2
	I	General Expenses	206696	9	7	3196	7	10	209892	17	5
		Lands and Land Damages	10896	4	6	1626	12	8	12522	17	2
Montreal to Toronto.	Central Division, 333 Miles.										
	A	Engineering	76527	7	0	4496	3	3	81023	10	3
	B	Works and Permanent Way	3189415	14	5	142714	16	8	3332130	11	1
	C	Stations, Buildings and Offices	301141	15	6	56123	10	11	357265	6	5
	D	Locomotive Stock	167082	4	8	33656	5	2	200738	9	10
	E	Merchandize Car Stock	95400	4	11	23955	11	8	119355	16	7
	F	Passenger Car Stock	31448	13	4	488	12	4	31937	5	8
	G	Miscellaneous Stock	1769	7	0	2067	17	3	3837	4	3
	H	Electric Telegraph	5201	19	6	169	9	10	5371	9	4
	I	General Expenses	150347	11	4	4770	4	11	155117	16	3
		Belleville and Peterboro' Survey.	6691	13	4	.....			6691	13	4
Toronto to Stratford.	Western Division, 88 Miles.										
	A	Engineering	32253	16	1	789	16	5	33043	12	6
	B	Works and Permanent Way	1102631	8	7	1397	13	0	1104029	1	7
	C	Stations, Buildings and Offices	81902	17	3	2978	16	4	84881	13	7
	D	Locomotive Stock	70031	2	10	269	2	0	70300	4	10
	E	Merchandize Car Stock	69091	16	1	470	5	2	69562	1	3
	F	Passenger Car Stock	18779	8	6	.....			18779	8	6
	G	Miscellaneous Stock	321	15	0	77	10	0	399	5	0
	H	Electric Telegraph	1585	6	10	13	17	9	1599	4	7
	I	General Expenses	26608	2	10	1579	10	1	28187	12	11
		Stratford and London Survey... Amount allowed Canadian Contractors as compensation for Stoppage of Works &c.....	2502	12	11	.....			2502	12	11
Atlantic and St. Lawrence Railroad leased by the Company.	Portland Division, 149 Miles.										
	A	Engineering	1315	3	0	255	6	11	1570	9	11
	B	Works and Permanent Way	29151	2	8	1508	6	4	30659	9	0
	C	Stations, Buildings and Offices	39919	7	3	1644	16	1	41564	3	4
	D	Locomotive Stock	3752	19	6	4425	7	5	8178	6	11
	E	Merchandize Car Stock	4235	5	4	2	9	4	4237	14	8
	F	Passenger Car Stock	1740	12	0	.....			1740	12	0
	G	Miscellaneous Stock	991	17	1	.....			991	17	1
	H	Electric Telegraph	2298	6	6	9	0	0	2307	6	6
	I	General Expenses	5748	12	9	601	7	9	6350	0	6
		Lands.....	1916	13	9	.....			1916	13	9
	Lease of Atlantic and St. Lawrence Railroad	259590	19	1	31840	8	0	291431	7	1	
	Victoria Bridge	605057	13	9	9733	6	8	614791	0	5	
	team Ferry Boats	25137	15	11	1200	0	0	26337	15	11	
	London Office Expenses			8049	0	9	8049	0	9	
	Currency.....	9606286	5	2	378413	16	0	9984700	1	2	

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COMPANY OF CANADA.
year ending 30th June, 1857.

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Expenditure
to
June, 1857.

£ s. d.

5199 17 4
2480 12 1
9735 10 11
9207 16 3
9713 3 8
85738 19 8
16702 14 8
6209 0 2
09892 17 5
12522 17 2

81023 10 3
32130 11 1
57265 6 5
00738 9 10
19355 16 7
31937 5 8
3837 4 3
5371 9 4
155117 16 3
6691 13 4

33043 12 6
104029 1 7
84881 13 7
70300 4 10
69562 1 3
18779 8 6
399 5 0
1599 4 7
28187 12 11
2502 12 11

30416 13 4

1570 9 11
30659 9 0
41564 3 4
8178 6 11
4237 14 8
1740 12 0
991 17 1
2307 6 6
6350 0 6
1916 13 9

291431 7 1
614791 0 5
26337 15 11
8049 0 9

9984700 1 2

By Share Capital :

St. Lawrence Shares. Amount received on them..... 238010 16 8
Toronto and Guelph Shares. do. do. 166859 16 8
Quebec and Richmond Shares. do. do. 352175 15 9
Grand Trunk Shares. A Issue, Amount £2117316 6 8
B Issue, Amount issued
to contractors in payment of works... 894371 13 4

£ s. d.

238010 16 8

166859 16 8

352175 15 9

£2117316 6 8

894371 13 4

3011688 0 0

£ s. d.

3768734 9 1

By Debenture Capital :

Montreal City Debentures..... 125000 0 0
Island Pond Debentures..... 109500 0 0
British American Land Company's Bonds..... 25000 0 0
Montreal Seminary do 25000 0 0
Quebec and Richmond Debentures..... 121666 13 4
Grand Trunk Debentures, A Issue..... £10669377 0 0
B Issue..... 858845 0 0
C Issue..... 30416 13 4

125000 0 0

109500 0 0

25000 0 0

25000 0 0

121666 13 4

£10669377 0 0

858845 0 0

30416 13 4

1958638 13 4

2364805 6 8

By Provincial Debentures :

Issued on account of the St. Lawrence and Atlantic Railroad. 568791 13 4
do. do. Quebec and Richmond Railroad.... 304166 13 4
do. do. Grand Trunk Railroad..... 2831523 15 2

568791 13 4

304166 13 4

2831523 15 2

Balance at debit of Capital Account.....

3704482 1 19

146678 3 7

Currency....

9984700 1 2

GRAND TRUNK RAILWAY COMPANY OF CANADA,
Chief Accountant's Office,
MONTREAL, 11th September, 1857.

W. H. A. DAVIES,
Chief Accountant.

DETAILS OF EXPENDITURE REFERRED TO IN CAPITAL ACCOUNT.

A ENGINEERING.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Salaries and Office Expenses	4530 0 3	3789 10 1	645 12 11	233 19 5	9199 2 8
Surveying, &c.....	....	6 5 0	25 0 0	....	31 5 0
Travelling and Incidental Expenses	4 15 0	18 13 9	....	21 7 6	44 16 3
Maps and Plans.....	....	681 14 5	15 2 6	....	696 16 11
Inspectors .....	....	....	100 0 0	....	100 0 0
Miscellaneous .....	....	....	4 1 0	....	4 1 0
	4534 15 3	4496 3 3	789 16 5	255 6 11	10076 1 10

B WORKS AND PERMANENT WAY.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Rails, Chairs, Ties, Fittings, Sleepers, &c.....	7 9 5	12540 2 1	....	454 6 6	13001 18 0
Way not contracted for ..	....	4 1 11	54 4 4	86 4 0	144 10 3
Bridges, Tunnels, Culverts, Slopes, &c. ....	....	269 0 10	623 0 7	823 13 9	1715 15 2
Extra and additional works	35 4 10	126697 9 8	123 12 1	14 15 0	126870 1 7
Signals.....	....	187 9 10	23 10 9	15 15 0	226 15 7
Ballast and Ballasting ...	....	2904 16 9	549 5 3	....	3454 2 0
Fencing .....	....	73 9 3	25 0 0	57 1 11	155 11 2
Miscellaneous	0 7 0	38 6 4	....	56 10 2	95 3 6
	43 1 3	142714 16 8	1397 13 0	1508 6 4	145663 17 3

C STATIONS, BUILDINGS, AND OFFICES.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Temporary Stations.....	1 1 3	47 11 2	230 13 5	111 4 5	399 10 3
Engine Stations.....	....	13839 19 2	....	133 13 9	13973 12 11
Passenger ditto	1701 1 7	13344 13 6	591 13 11	283 2 3	15920 11 3
Merchandise ditto	1009 16 10	18520 19 9	1128 0 0	1 10 11	20660 7 6
Wood and Water ditto ...	56 17 2	9809 7 3	925 17 9	101 2 8	10893 4 10
Offices	10 0 3	180 3 5	102 11 3	....	292 14 11
Wharfs and Depot Grounds	324 17 6	580 16 8	....	1014 2 1	1719 16 3
	3103 14 7	56123 10 11	2978 16 4	1644 16 1	63850 17 11

Engines
Tenders
Spare G
Worksh
Tools an
Snow P
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Miscella

E

Merchan
Cattle C
Platform
Ballast
Car She
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Car She
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F

First C
Second
Baggage
Passeng
Work S
Tools a
Miscell

D

LOCOMOTIVE STOCK.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Engines	123 12 11	21149 18 8	....	4421 5 0	25694 16 7
Tenders	2 10 1	2 0 8	....	....	4 10 9
Spare Gear	2 18 6	....	....	....	2 18 6
Workshops	2 2 5	2430 8 11	158 6 6	3 10 0	2594 7 10
Tools and Implements ...	10 4 2	9993 4 7	110 15 6	0 12 5	10114 16 8
Snow Ploughs .....	....	....	....	....	....
Stationary Engines .....	....	....	....	....	....
Miscellaneous .....	....	80 12 4	....	....	80 12 4
	141 8 1	33656 5 2	269 2 0	4425 7 5	38492 2 8

E

MERCHANDISE CAR STOCK.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Merchandise Cars	22426 9 0	470 5 2	....	22896 14 2
Cattle Cars
Platform Cars
Ballast Cars
Car Sheds
Workshops	29 0 3	....	....	29 0 3
Implements and Tools	1298 17 5	....	2 9 4	1301 6 9
Car Sheets
Miscellaneous	201 5 0	....	....	201 5 0
	23955 11 8	470 5 2	2 9 4	24428 6 2

F

PASSENGER CAR STOCK.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
First Class Cars .....	....	191 13 4	....	....	191 13 4
Second Class Cars	23 0 11	107 4 8	....	....	130 5 7
Baggage Cars .....	....	105 5 0	....	....	105 5 0
Passenger Car Sheds.....	....	....	....	....	....
Work Shops .....	....	13 6 0	....	....	13 6 0
Tools and Implements....	....	56 4 3	....	....	56 4 3
Miscellaneous .....	....	14 19 1	....	....	14 19 1
	23 0 11	488 12 4	....	....	511 13 3

G

MISCELLANEOUS STOCK.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Furniture, &c., in General Offices.....	1 4 10	341 15 3	....	....	343 0 1
Furniture, &c., at Stations.	1 1 6	1726 2 0	....	....	1727 3 6
Houses, &c.....	3 10 2	....	77 10 0	....	81 0 2
	5 16 6	2067 17 3	77 10 0	....	2151 3 9

H

ELECTRIC TELEGRAPH.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Instruments .....	....	0 7 10	....	....	0 7 10
Repairing Implements....	....	67 15 10	....	....	67 15 10
Line.....	....	0 13 4	....	....	0 13 4
Office Fittings.....	5 10 0	26 8 10	....	2 15 0	34 13 10
Batteries	1 11 6	43 7 1	....	....	44 18 7
Salaries	26 7 9	20 2 10	....	6 5 0	52 15 7
Stationery.....	0 4 4	1 5 1	13 17 9	....	15 7 2
Incidentals .....	....	9 9 0	....	....	9 9 0
	33 13 7	169 9 10	13 17 9	9 0 0	226 1 2

I

GENERAL EXPENSES.

	EASTERN DIVISION.	CENTRAL DIVISION.	WESTERN DIVISION.	PORTLAND DIVISION.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Salaries and Office Expens- es	1084 18 6	1630 17 10	542 9 3	581 5 0	3839 10 7
Direction	1105 12 8	1658 8 11	552 16 4	....	3316 17 11
Rent Taxes	2 10 0	....	....	....	2 10 0
Books, Stationery, Adver- tising and Printing	968 9 0	1455 6 6	484 4 6	....	2908 0 0
Insurance	26 15 0	....	....	....	26 15 0
Interest and Commission .	....	....	....	....	....
Lighting .....	....	0 6 0	....	....	0 6 0
Auditing .....	....	....	....	....	....
Law and Notarial Charges	8 2 8	....	....	18 8 9	26 11 5
Miscellaneous .....	....	25 5 8	....	1 14 0	26 19 8
	3196 7 10	4770 4 11	1579 10 1	601 7 9	10147 10 7

DETAILS OF EXPENDITURE REFERRED TO IN THE REVENUE ACCOUNT.

K		L		M		N	
LOCOMOTIVE EXPENSES.		PASSENGER TRAFFIC EXPENSES.		MERCHANDISE TRAFFIC EXPENSES.		MAINTENANCE OF WAY AND BUILDINGS.	
	£	s.	d.		£	s.	d.
Salaries and Wages connected with the working of the Locomotives,	21003	7	10	Salaries to Superintendents, Clerks, and Office Expenses,	6070	11	11
Firewood,	37255	9	11	Wages to Conductors, Brakemen, and Porters,	13351	1	0
Oil, Tallow, and Waste,	3436	4	7	Oil, Tallow, and Waste,	2440	13	9
Materials for Repairing Engines,	7157	4	0	Materials for Repairing Cars and Sheets,	1626	6	2
Wages for Repairing Engines and Tenders,	14758	3	6	Wages for Repairing Cars and Sheets,	8498	0	1
Repairs to Workshops, Tanks, Tools and Implements, ..	1116	7	2	Repairs to Workshops, Cranes, Tools, and Implements, ..	866	4	9
Repairs not done by Company,	6386	6	0	Repairs not done by the Company,	1603	2	5
Lighting,	588	2	10	Lighting,	378	9	3
Small Stores,	1	0	2	Fuel,	2762	16	7
Water,	5594	16	1	Small Stores,	118	11	2
Watchmen,	144	8	1	Wages to Switchmen,	2596	15	6
Miscellaneous,	219	0	11	Miscellaneous,	1894	9	1
	97660	11	1		46707	1	8
Salaries to Superintendents, Booking Clerks, and Office Expenses,	5133	11	8	Inspectors', Platelayers', and Labourers' Wages and Tools,	9130	0	2
Wages to Conductors, Brakemen, and Porters,	5127	9	2	Rails, Chairs, Ties, Fittings, Sleepers, &c.,	12632	16	0
Oil, Tallow, and Waste,	862	17	6	Ballast and Ballasting,	2765	5	4
Materials for Repairing Cars,	6474	13	0	Repairs to Bridges, Tunnels, Culverts, Slopes, &c.,	13156	14	10
Wages for Repairing Cars,	4107	13	8	Repairs to Stations, Buildings, Sidings, and Approaches, ..	4848	12	2
Repairs to Workshops, Tanks, Tools and Implements, ..	311	6	9	Repairs to House Property,	336	16	4
Repairs not done by Company,	946	1	3	Proportion of Engineers' Salaries and Office Expenses, ..	832	17	2
Fuel,	1656	4	1	Maintenance contracted for,	38096	12	4
Small Stores,	42	0	10	Small Stores,	168	3	1
Lighting,	290	3	4	Lighting,	620	17	9
Wages to Switchmen,	2261	0	0	Fuel,	162	19	1
Miscellaneous,	1161	16	4	Miscellaneous, and Clearing Snow,	1524	3	10
	28376	15	7		84275	18	1

DETAILS OF EXPENDITURE REFERRED TO IN THE REVENUE ACCOUNT.

GENERAL CHARGES.

TAXES.

Fuel, 1524 3 10
 Miscellaneous, and Clearing Show, 84275 18 1
 28376 15 7

Wages to Switchmen, 2401 0 0
 Miscellaneous, 1161 16 4
 28376 15 7

DETAILS OF EXPENDITURE REFERRED TO IN THE REVENUE ACCOUNT.

GENERAL CHARGES.		TAXES.	
	£ s. d.		£ s. d.
Salaries to Officers and Clerks.....	7563 17 9	School Taxes.....	28 18 2
Advertising, Printing, and Stationery	2518 6 9	Municipal Taxes.....	253 18 9
Law Charges for General Business	630 9 1	Road Taxes.....	9 11 11
Insurance	299 17 8		
Expenses of Share and Transfer Department, Storekeepers Wages and Office Expenses	1303 3 7		
Travelling Expenses.....	442 7 1		
Rents and General Office Expenses	1236 8 9		
Premium of Exchange	111 5 1		
Discount on Bills and Loss on Bad Bills.....	22 4 0		
Miscellaneous.....	424 16 2		
	14592 15 11		292 8 10
P TELEGRAPH EXPENSES.			
Salaries	1697 12 7		
Instruments	3 3 6		
Repairs	25 16 6		
Office Fittings	21 19 9		
Batteries	92 7 11		
Incidentals	354 13 2		
Stationery	55 9 6		
	2251 2 11		

Dr.

GENERAL BALANCES 30th JUNE, 1857.

Cr.

	£	s.	d.		£	s.	d.
To Balances at debit of Capital Account,.....	146678	3	7	By Balance at credit of Revenue Account, viz.:-			
" Cash at Bankers,.....	113711	7	4	Amount at credit of the Account, 31st Decem-			
" Toronto City Debentures on hand,.....	100000	0	0	ber, 1856,.....	£131217	19	6
" Atlantic and St Lawrence Shares held by the				Amount at credit of the Account			
Company,.....	49808	6	8	for the Half-year ending 30th			
" Bills Receivable on hand,.....	1013	11	3	June, 1857,.....	4780	9	0
" Outstanding Traffic Accounts,.....	69663	4	0	" Amount of Reserve Funds,.....	135998	8	6
" Balance of Interest paid to date on Capital, (In-				" Bills Payable Outstanding,.....	54750	0	0
terest on Shares and Debentures of the Atlantic				" Bills of Exchange Account,.....	312374	18	8
and St Lawrence. R. R. Company included in				" Premium on Sales of Debentures,.....	216776	7	4
Expenditure in Account Portland Division,.....	668193	0	3	" Amounts due to sundry Individuals,.....	58977	5	4
" Balance at the close of the Atlantic and St Law-	51042	14	7	" Amounts charged but not yet paid,.....	28060	12	3
rence R. R. Company,.....	19420	19	9	" Amount received on account of Preferential Bonds	73982	4	3
" Appropriate damages by Collision at Starke,				raised under the Act of 1856,.....	113569	15	0
and Exploits,.....	5291	1	10	" Loans from Bankers, &c.,.....	629839	19	0
" Exchange Account,.....	392	7	6				
" Balance due to Partnership Wharf, Portland,.....							
" Do. do. Toronto Esplanade Account,.....							
" Amount in the hands of the Provincial Agents on	113569	15	0				
account of the Company's Preferential Bonds,.....	89729	9	6				
" Balances due on Sundry Accounts,.....							
" Stores on hand,.....	£107481	11	5				
" Fuel on hand,.....	105137	8	6				
	212618	19	11				
Currency.....	1644329	10	4	Currency....	1644329	10	4

GRAND TRUNK RAILWAY COMPANY OF CANADA,
Chief Accountant's Office,
 MONTREAL 11th September, 1857.

W. H. A. DAVIES,
Chief Accountant.

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HUGH ALLAN, Esq.

WILLIAM WORKMAN, Esq.

TANCRED BOUTHILLIER, Esq.

1857.

GRAND TRUNK RAILWAY COMPANY
Chief Accountant's Office,
MONTREAL 11th September, 1857.

Thomas Ross Macdonald Esq.

