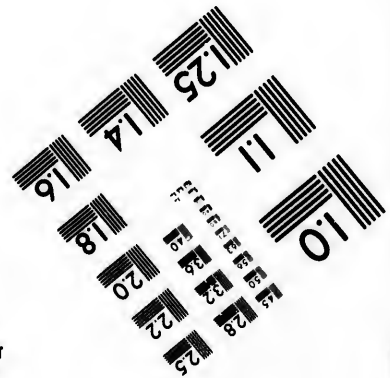
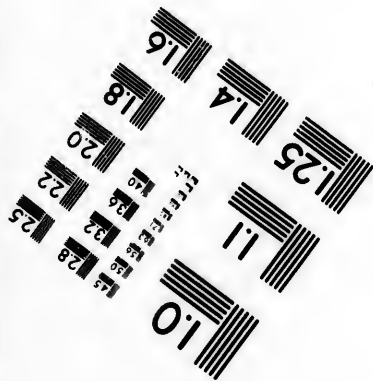
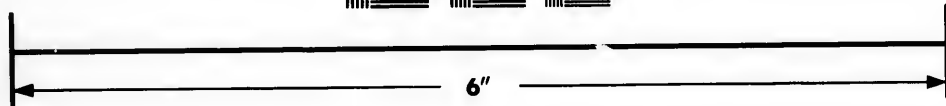
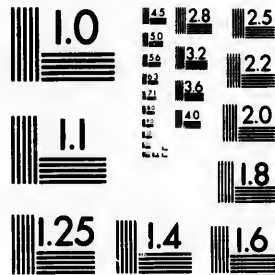


**IMAGE EVALUATION
TEST TARGET (MT-3)**



**Photographic
Sciences
Corporation**

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

15
18
20
22
25
28

**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

01
15

© 1984

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured covers/
Couverture de couleur
- Covers damaged/
Couverture endommagée
- Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- Cover title missing/
Le titre de couverture manque
- Coloured maps/
Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- Bound with other material/
Relié avec d'autres documents
- Tight binding may cause shadows or distortion
along interior margin/
La reliure serrée peut causer de l'ombre ou de la
distortion le long de la marge intérieure
- Blank leaves added during restoration may
appear within the text. Whenever possible, these
have been omitted from filming/
Il se peut que certaines pages blanches ajoutées
lors d'une restauration apparaissent dans le texte,
mais, lorsque cela était possible, ces pages n'ont
pas été filmées.
- Additional comments:/
Commentaires supplémentaires:

- Coloured pages/
Pages de couleur
- Pages damaged/
Pages endommagées
- Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- Pages detached/
Pages détachées
- Showthrough/
Transparence
- Quality of print varies/
Qualité inégale de l'impression
- Includes supplementary material/
Comprend du matériel supplémentaire
- Only edition available/
Seule édition disponible
- Pages wholly or partially obscured by errata
slips, tissues, etc., have been refilmed to
ensure the best possible image/
Les pages totalement ou partiellement
obscurcies par un feuillet d'errata, une pelure,
etc., ont été filmées à nouveau de façon à
obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
					✓						

The copy filmed here has been reproduced thanks to the generosity of:

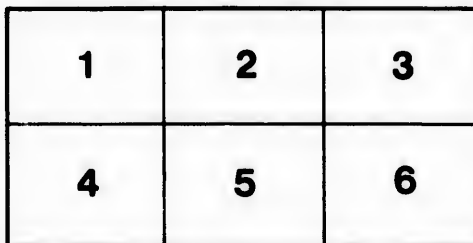
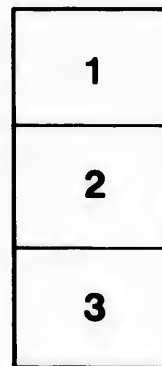
University of British Columbia Library

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

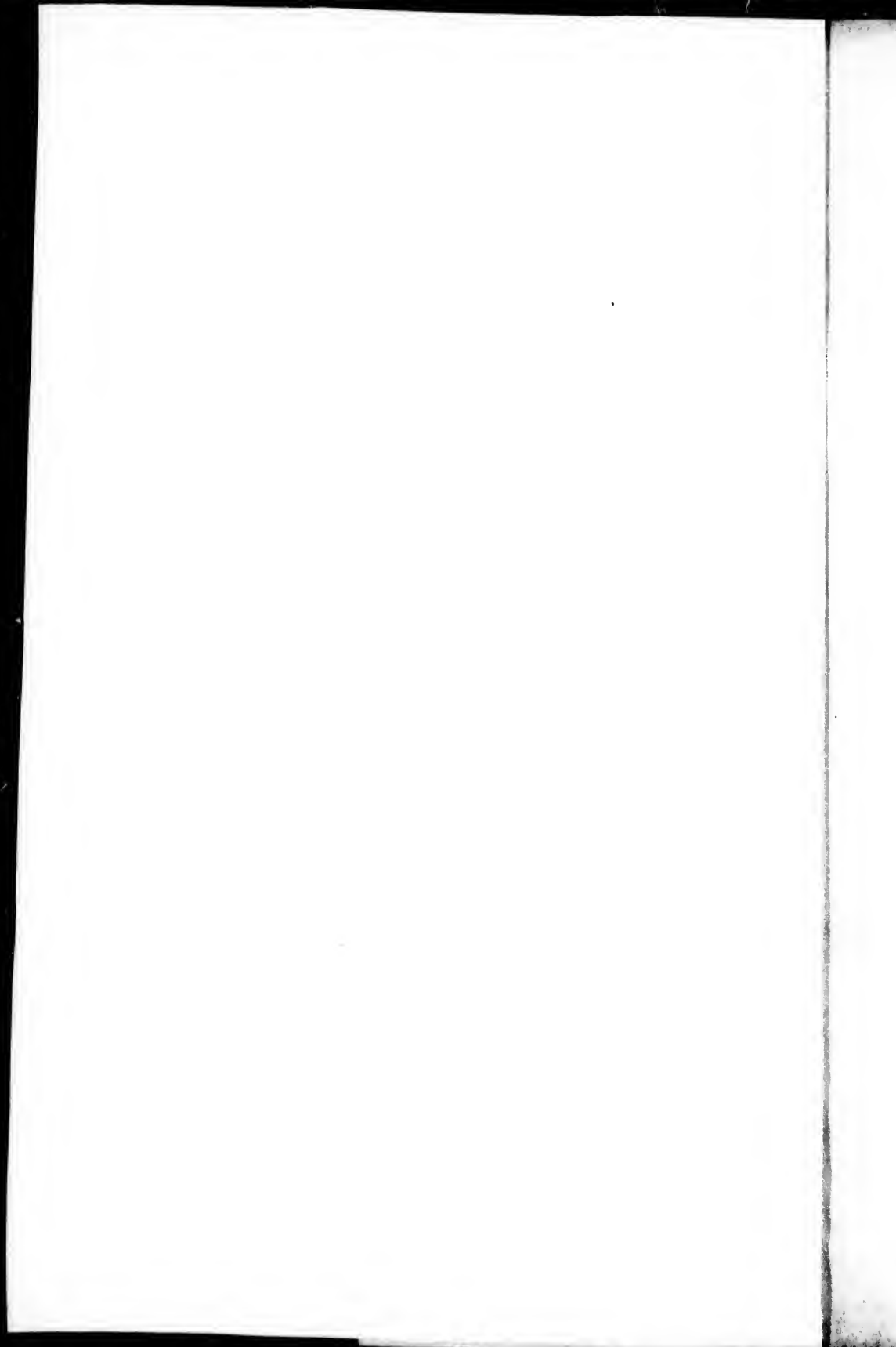
University of British Columbia Library

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.



Grand Trunk Railway of Canada.

VERBATIM

REPORT OF THE PROCEEDINGS

AT THE

ORDINARY GENERAL MEETING

AND THE

SPECIAL MEETING,

HELD AT THE LONDON TAVERN, BISHOPSGATE STREET,

IN THE CITY OF LONDON,

On THURSDAY, OCTOBER 29th, 1863,

IN PURSUANCE OF THE FOLLOWING ADVERTISEMENT:—

THE GRAND TRUNK RAILWAY COMPANY
OF CANADA.—Notice is hereby given, that the **ORDINARY GENERAL MEETING** of the Grand Trunk Railway Company of Canada will be held at the London Tavern, Bishopsgate Street, London, E.C., on Thursday, the 29th of October next, at 1 p.m. precisely, for the purpose of receiving a Report from the Directors, and for the transaction of the other business of the Company.

And the said Meeting will be made Special, in order to consider, and, if thought fit, to approve an agreement or agreements, with the Montreal and Champlain Railway Company in Canada.

And notice is further given, that the Transfer Books of the Company will be closed on and after the 15th of October to the day of meeting, both days inclusive, and transfers cannot be received between those dates. By order,

EDWARD W. WATKIN, President.

JOHN M. GRANT, Secretary.

Grand Trunk Railway Offices, 21, Old Broad Street, London, E.C.
September, 25, 1863.

LONDON:

WATERLOW AND SONS, LONDON WALL

1863.

C

F
c
n

t
l
e
l
t
t
e
t
e
v
l
t
n
a
u
a
n
c
l

GRAND TRUNK RAILWAY COMPANY OF CANADA.

E. W. WATKIN, Esq., having taken the Chair at One o'clock, called upon the Secretary to read the notice convening the meeting.

Mr. J. M. GRANT, the Secretary, read it accordingly.

The CHAIRMAN: Gentlemen, in moving the first resolution to be offered to you to-day, which is, "that the Report of the Directors and the Statement of Accounts for the half-year ended 30th June, 1863, be received and adopted," I shall be expected to offer some explanations and further information in reference to the present position of the affairs of the Company. During my recent visit to Canada I was, I confess, somewhat impressed with the truth of the observation which has now and then been made to me by some of my colleagues, that I did not always take a sufficiently hopeful view of the prospects of the undertaking; because, I am bound to say, that, with the exception of matters affecting the relations between the Company and the Canadian Government,—to which it will be my unpleasant duty to-day hereafter to allude,—the commercial and business parts of the undertaking seem to me to show signs of very commendable and very hopeful progress. (Cheers.) I found that the management of your line gave more satisfaction to the business men of Canada, and that whereas formerly you were unpopular, partly because you were poor and partly because you did

not satisfactorily manage your affairs, that feeling had given place to a better ; and that there was a greater disposition on the part of the people of Canada to support your undertaking than it had ever been my fortune to witness on any of the previous and frequent visits which I had made in your interests to that country. (Applause.) I found, also, with regard to the discipline and organization of your line there, a marked improvement. I found that your working stock was being repaired and renewed on better principles, and that it was being used with more economy. I found also that that which is the weak point on all Canadian and American railways—the “permanent way” as we call it here, or the “track” as they call it there—was being very considerably amended on sound engineering principles. (Hear, hear.) Seeing all these matters for encouragement, I asked myself what was the great feature of those errors of calculation committed in the inception of this undertaking ; and I confess—although it may not be profitable to dwell too much on the past—that it seemed to me that the whole thing, or almost the whole thing, rested on the question of the assumed rate of working expenses given in the prospectus. (Hear, hear.) Both in England and in Canada—because we have committed errors here as well as there—the old idea used to be that a railway, *ex necessitate*, could be worked for 40 per cent of its receipts ; and the shareholders did not bear in mind, that in arriving at such a calculation the amount and value of those receipts was a material element for consideration. As regards the Grand Trunk, you know that we have been working at as high a percentage as 85, although I am happy to inform you that the ordinary working expenses are now brought down to 63·83 per cent. But if we had been able to work the line as was originally supposed at 40 per cent., I find from calculations based on the present receipts of the Company, that we should be at this moment able to pay the interest on the whole of the bonds, as now claimable, having previously discharged the rents on the leased lines,

which come first, and positively to pay 4 per cent. on the ordinary stock of the undertaking. (Hear, hear.) There we have the matter in a nutshell. It is, after all, a question of expenses, and to the amount of those expenses our best attention must on all occasions be directed. I must not mislead you into the supposition that railways in Canada ever can be worked so cheaply as in this country. No railways in a new country can: there are questions of original construction, of climate, and of settlement and cost of labour affecting the outgoings which render it impossible to work railways as cheaply or as regularly there as here. At the same time the circumstances of new and old countries gradually approximate, and we have shown that a great deal can be done in the direction of economy. I think, therefore, that it must be satisfactory to you to have your attention directed to the second paragraph in the Report, in which you will find that we have had an increased gross revenue of £51,347 in the half-year just passed, and that we have earned that additional £51,347 in the face of a reduction of £9,390 in the expenses. Therefore, practically speaking, the net profit of your undertaking this half-year has been increased by upwards of £60,000, which is an increase of almost 100 per cent. as compared with the corresponding half-year of 1862. (Cheers.) Now, I do not mean to say that all our anxieties and troubles are over, or that there is not much yet to be done; but I think that these facts give us grounds for hope, and that by a steady perseverance in that quiet policy of industrious management which we have endeavoured to initiate, we may reasonably expect even better accounts in the future. (Cheers.) But I feel that a great deal of the success which has attended the exertions of the last two years, is due almost entirely to the cordial support which you, gentlemen, on that side of the table have given to us on this side, in carrying out the very arduous task which you have committed to us; for it would have been utterly impossible for any body of men to have done what we have done—namely, to rescue this railway from a position

of ruin, (for we were taunted with owning a "wreck,") and to establish it on a sound foundation as a property,—had our efforts not been approved and aided on your side of the table. (Cheers) Therefore, when I find an attempt made, however insignificant, to revive the smouldering embers of those disgraceful personal attacks which used to degrade these meetings—when I see that unfortunate element existing to however minute a degree, I confess that, should it meet with the smallest sympathy here, I should look with more alarm at that than at any other circumstance, commercial or political, which affects the future prospects of this Company. (Cheers.) To recur for a moment to the Report :—You will find that the increase on the gross traffic has been, as I stated before, £51,347 in the half-year. I told you, too, that we had earned that amount of additional money in the face of a reduction of £9,390 in the expenses. But I must not forget to remind you that that result has been arrived at, notwithstanding that we have charged the whole of the renewals and improvements of "truck," ordinary and extraordinary, to revenue. (Hear, hear.) We have expended in this half-year £9,261 in renewals more than in the corresponding half-year of 1862, large as the expenditure then was. The Report tells you that the question of renewals as regards the future is still under consideration, having reference to what was agreed on at the special meeting held here a few months ago. When we meet again, I trust that the arrangements, financial and other, which the Directors will then have made, will meet with your approval. But one thing has interested us much. You will remember that it was proposed to carry out the operation of extra renewals by the hypothecation of certain securities, which by the liberality and honourable feeling of the gentleman on my right (Mr. T. Baring) and of Mr. Glyn were placed at the disposal of the Company a short time since. We have seen that this is a progressive undertaking, and we did not like to undertake that operation too soon, because we found that,

as public confidence increased and the net profits of the undertaking augmented, the value of our securities augmented also;—(hear, hear)—and, of course, an operation of this kind can be much better achieved when the bonds and shares are at their proper value than when they are unduly depressed. It is gratifying for us to know that since those times of despondency, of two or three years back, there has been a rise in the value of the various securities connected with your great system of lines, which is nearer two millions sterling than a million and three-quarters. I don't say that the value of securities in the market is always a test of the real value of a concern; but I think that that rise has been justified by recent results of working, and that it has been a sort of thermometer, indicating the increased confidence felt in the undertaking by the public at large. (Cheers.) In 1859 the net profits of the Company were only £20,000; in 1862 they were £63,000; and it must be gratifying to you to observe that in the half-year ending 30th June, 1863, they were £124,173. (Cheers.) We have been carrying a very large amount of traffic, and I have a statement here upon that subject, which, if I am not wearying you (No, no), I will read. It is as follows:—

STATISTICS OF TRAFFIC CARRIED IN JUNE HALF-YEARS
OF 1862 AND 1863:—

	1862.	1863.
Local passengers No.	300,314	331,895
Foreign „	34,597	49,036
Emigrants „	3,893	7,327
	<u>338,804</u>	<u>388,258</u>
Or an increase of 14 per cent.		
Local freight tons	190,939	208,583
Timber and lumber „	44,271	45,366
Foreign freight and live stock .. „	43,226	54,696
	<u>278,436</u>	<u>308,645</u>

Or an increase of 11 per cent.

Thus you will observe that in every item of our traffic the quantity which has been conveyed has been steadily increasing. It may be asked whether that increase has taken place at the expense of any existing institution. I think myself that in Canada, as in almost all countries, there is, as means of communication gradually develop, plenty of traffic—meaning by “traffic” that which is worth while to convey as a question of profit—plenty of traffic for everybody, if they will only apply common-sense principles to the fixing of rates, and dealing with the total sum to be got. There is only so much money to be got out of the work given to us by the public ; its distribution depends upon the wisdom and sagacity of the various competitive interests concerned. The Government canal interests and the great rivers of Canada are our great competitors ; and we should ask, have they suffered by our existence ? Now, some of the results of this “competition” are so remarkable, that, with your forbearance, I should be glad to place them before you. We have been carrying, as you know, a very large traffic, something like 700,000 to 800,000 tons of freight in a year ; but in the face of that, there has been a most astonishing increase in the traffic carried by the Canadian canals, which can carry during the season of navigation, with the exception of the local traffic, every thing that we can convey. Now I will read this statement :—In 1856 the amount carried on the Welland canal was 240,969 tons, and on the St. Lawrence canals 95,896, being a total of 336,865 tons ; whilst in 1862 there were conveyed through the Welland canal 721,149 tons, or an increase of 300 per cent., and through the St. Lawrence canals 421,265 tons, or an increase of 450 per cent., the total increase being 805,549 tons. Well, now I think that shows that there is room enough for us all to live, and that whilst the traffic on our railway is still increasing, that on the navigation is enormously augmenting ; and I wish to assure our competitors connected with Canadian railways, that they will always find us ready to meet them as friends, and on the

principle of fairly considering their position ; and that we shall not attempt, merely to gratify any idle temporary feeling or personal pique to reduce that total sum of net profit which must ultimately be divided amongst us. (Applause). I told you that we had earned a large increase of profit concurrently with a reduction of expenses. There is another view of the question which it is only fair to lay before you : we have earned that net increase with positively a reduction in our capital account. We have added to capital, for the various items which are charged in the accounts, the sum of about £6,000 ; but against that we have credited capital with £37,000, which was the accumulated amount of net earnings above outgoings on revenue account of the half-years previous to the Arrangements Act of 1862. So that we may say that we have earned a larger traffic, with less expense, and practically, in the face of a reduction in the capital account. (Hear, hear). But we have been for the last two or three years earning a large increase of revenue with the same amount of plant which we had to begin with. The traffic still shows the same progressive increase, although the Canadian harvest is not so abundant as we had been led to suppose. But we cannot always go on carrying increased and increasing traffic with the same number of engines and the same rolling stock ; and our attention will therefore be directed to providing capital for some reasonable increase of plant to enable us to carry a considerable augmentation of freight and passengers. (Hear, hear). There is one matter which has been frequently the subject of discussion at our meetings, viz., the losses on our leased lines. No doubt the terms originally given for the leases of those lines were very high ; there is no doubt, further, that the lessors of those lines—the Atlantic and St. Lawrence, and the Detroit and Port Huron, have met us very fairly by reducing the rents upon those undertakings. I have just had an account prepared of the working expenses and receipts upon those two railways, and I am happy to say, although the half-year

under discussion is the least profitable half of the two, (the December half always giving more net profit than the June half,) that the loss on the Atlantic and St. Lawrence line has been reduced to £6,493, and on the Detroit and Port Huron to £3,599, in both cases after paying the full amount of the reduced rent which was due under the revised agreements with those Companies. Indeed, I am sanguine enough to hope that in the current half-year, when the receipts are larger—as regards the Detroit line, although I hardly hope it as regards the Atlantic line—there will no longer be a loss on the lease of that undertaking. (Hear, hear.) One item affecting those lines, and one reason of the increased amount of your net traffic, has been the establishment of that line of screw propellers between Chicago and Green Bay and Sarnia, which I mentioned on a former occasion as likely to be secured. I am happy to say that the amount of traffic which we have received from those propellers from Chicago and Green Bay to Sarnia has been no less than \$125,000 in the half-year, which is to a great extent new traffic to us. (Hear, hear). We had never before gone into the thing in the same way; but our Manager, Mr. Brydges,—who, I am happy to say, is present to day (cheers)—made a very excellent arrangement with the influential and enterprising proprietors of the propellers at Detroit. We have had during the whole season a tri-weekly line of propellers to Sarnia, and I hope that in the following year we shall have a line regularly running each way every day. I need not point out what a useful accession this is likely to prove to our western district, which before was not a very profitable part of the undertaking, as regards through traffic, cementing as it will our connection between that portion of our lines terminating at the Atlantic and those great western states on which so much of our future prosperity must depend. (Hear, hear.) Whilst I was in Canada we had the pleasure of inviting the Chambers of Commerce of Detroit, Chicago and Milwaukie, and of the larger towns in Michigan and Wisconsin, to take a trip over

our line. Owing to much that has been said both here and in Canada, arising from that general disposition to kick every body who is down (laughter), the Grand Trunk was looked upon in the Western States as an undertaking over which it was not very safe to transmit the produce of the land. However, those gentlemen—all able and influential men of business, connected with large undertakings—went over the Grand Trunk Railway, and they were delighted with all they saw. They had been expecting to find what is called there in derision a “one horse railway,” and they found instead, as they were good enough to state, one of the grandest works existing on the Continent; and when, accompanied by Mr. Hickson, they got into the middle of the Victoria Bridge,—that great iron gallery of two miles across one of the largest rivers in the world—those men, hard-headed, calculating men of business as they were, could not refrain from uttering a spontaneous shout, so delighted and astonished were they at that engineering work of Stephenson’s, through which they were then passing. (Cheers.) I consider, I repeat, that we must look to the agricultural produce of the Western States of America for a great deal of our future through traffic; and I am happy to tell you, that though railway extension in Canada is for the present very properly stationary, the people of the Western States, notwithstanding the difficulty arising from this sad and most unfortunate civil war, are straining every nerve to extend the railway system throughout Minnesota to the north and west. (Hear, hear.) No doubt in a very few years the railway system of Minnesota will be extended to the boundary of British North America, in that vast North-Western district stretching from Lake Superior to British Columbia, with its gold, of which we have hitherto been kept in such ignorance, but which so abounds in elements of wealth, and must become, and at once, a most important subject of discussion in this country. I am sure that we cannot look with indifference on the recent transactions in which influential persons are engaged, in connection with that great

and fertile and rich district of the Hudson's Bay territory, which has recently passed into hands which I trust will open up, traverse and develop it, and thereby consolidate the possessions and power of Her Majesty on the American continent. They must bring to themselves, and those connected with them, the profits which their enterprise deserves, and those profits will be measured only by the energy they display. (Cheers.) Referring to the paragraph which appeared in our last report respecting the working of the traffic between the Montreal Ocean Steam Ship Company and this Company, I am glad to learn from the managing director that arrangements have now been made by which a more speedy and satisfactory settlement of the complicated accounts between the two Companies will in future be made; and I trust that these measures will ensure that unity of action and cordial working between the two executives so essential to the interests of both. (Hear, hear.) I may perhaps be pardoned if I here allude, to save you the infliction of a second speech, to the proposed arrangements with the Montreal and Lake Champlain Railway Company and with the Buffalo and Lake Huron Railway Company. As to the first, you must be aware of the intimate connection of the Grand Trunk at Montreal with the Champlain district. In fact, we only gain access to our station at Bonaventure Street, at Montreal, through that Company; and if we were to extend our line down the shore of the St. Lawrence to the proper point for traffic for shipping, it can best be through the instrumentality and property of that Company. The report tells you that the municipality of Montreal is disposed to assist in making that extension, and I feel that municipalities and public bodies should be invited and encouraged to give us all the assistance which they feel disposed to give. Beyond that, we have increased our railway connection with the towns and cities of the Eastern States of America—including, of course, New York—and, with our 1,090 miles of railway, it is rather troublesome to have 81 miles of line of an independent Company intervening, with interests rather exceptional and local, while our's are through and involve

our whole system, and the concurrence of whose management we must consult at every turn. Therefore we have come to the conclusion that with the view of securing a better access to Montreal, and dealing more directly with our customers the American Railways in the Eastern States, we ought to make a fair and permanent arrangement with that Company. I should never think of asking you—in the present state of your affairs, at all events—to give to any railway company any thing in the shape of a fixed guarantee. We think, however, that a legitimate partnership on equitable terms must be beneficial to both parties, as that railway is the funnel, as it were, through which a large portion of traffic passes on to your system. Looking the question fairly in the face, we propose to give to the Champlain Company such a comparative proportion of the net profits of the two railways worked as one, as it has earned on the average in the past three years. They thought that we rather over-estimated our share of the profits: however, we thought otherwise, and in the end we have agreed to give them one-fifteenth of the total net earnings of the united concern, working the two Railways as an amalgamated system. (Here here.) Of course we can only do that with the sanction of an Act of Parliament. But as it suggested itself to me that our net profits might increase as a matter of ratio more rapidly than theirs, I guarded myself against any improvident payments arising from that, by taking power to purchase their undertaking, should it appear to be necessary to do so. I therefore recommend this arrangement to you, believing that by it you will get a considerable addition of “through” revenue, strengthen and consolidate your position at Montreal, and be enabled to deal directly with several thousands of miles of railway east and south of Montreal. (Hear, hear.) With regard to the Buffalo Company I cannot say much to-day, because we are still in discussion as to the proposed arrangement with Mr. McEwen and Mr. Charles Holland, whom I am happy to see present as visitors. Any

thing that we do, however, must be subject to your sanction, and if we make a conditional bargain it will be laid before you at your next ordinary meeting, which I hope will be held early in April of the ensuing year. But there is one question connected with that to which I must invite your special attention. You are not aware, perhaps, that, taking Detroit as one point, and Buffalo and Suspension Bridge as each another, there is a change of gauge between all the the railways centering at Detroit, and all those centering at Buffalo and Suspension Bridge. The Grand Trunk and the Great Western of Canada have a 5 ft. 6 in. gauge, whilst what is called the "shore line," between Detroit and the south shore of Lake Erie to Buffalo, has by some extraordinary freak of the engineers, or some wonderful stroke of policy, a 4 ft. 10 in. gauge. The American gauge of railroads west of Detroit is 4 ft. 8½ in. The consequence is that all the traffic exchanged between the West and the East by those three several routes has to be transhipped. And when it is remembered that the trade between those districts is in extent almost like that existing between two nations, you will see that every package having to be loaded, and every bag of flour and grain having to be transhipped, a delay, and confusion, and loss of property, which is really very serious, must occur. We propose to remedy that by a process so simple and cheap, compared with the result, as to be almost ridiculous. We propose to lay inside the 5 ft. 6 in. gauge, from Sarnia to Fort Erie for Buffalo, another rail, so as to make our railway and the Buffalo Railway 4 ft. 8½ in. as well as 5ft. 6 in. gauge (Hear, hear.) The effect will be that the vehicles belonging to those thousands of miles of railway, north and west of Detroit, stretching right away to the Mississippi, can go direct to the market for the produce they contain, which will be accompanied with a great economy of time and labour, and a practical multiplication of working stock, the value of which it is almost impossible to describe in figures. So far as we are concerned we get

that traffic principally in winter : we do not, of course, want to lay out money in purchasing stock for a trade which is at its best during only four or five months of the year ; but we shall be only too glad to enable every railway that is in connection with us at Detroit to run freely over our line without break of bulk. (Hear, hear.) That is one of the most important changes which can possibly be made. In regard to that question our friends of the Buffalo and Lake Huron are entirely in accord with us, and if we can make an arrangement with them I hope that this portion of it will be carried out at an early day. (Hear, hear.)

Now I must approach a subject which is far less pleasant, although I should be sorry to say "far less hopeful," because "when things come to the worst they are almost sure to mend." I allude to our relations with the Canadian Government. (Hear, hear.) Now, remembering who you are and what Canada is now, I think that I shall not be wrong if I say that you are entitled, considering all you have done and all you have sacrificed for Canada, to just treatment at the hands of those who are placed over the destinies and government of that country. But the facts are that the Government have again chosen to fix as the remuneration for our postal services a most unjust and most arbitrary rate. First, in 1853 they agreed to give us \$110 per mile of railway per annum for one service a day over a then detached portion of the Atlantic and St. Lawrence Railway, and previous to the completion of the whole undertaking and the opening of the Victoria Bridge. Assuming for a moment that \$110 was enough—though I say it was not, and you were then living in hopes of that eleven and a-half per cent. which influential gentlemen connected with the Canadian Government said you should earn—assuming that that was fair then, circumstances have greatly altered since. First, your railway system has been finally completed by the opening of the Victoria Bridge, and the Canadian Government have an Atlantic line of mail steamers ;

then, the number of Post Offices in Canada has been increased from 1,000 in 1853, to 2,000 in 1863; the number of letters, which in 1853 was 4,000,000, has increased to 10,000,000: and the postal revenue has increased from 258,000 dollars in 1853, to 785,000 dollars in 1862. But they have chosen to fix 60 dollars a mile for one service, and if we run a second they will give us 40 dollars more. (Oh, oh!) Under these circumstances—every hope held out being betrayed, and every promise made to us broken—our colleagues in Canada presented to his Excellency the Governor-General in Council what is called a “petition of right.”* You are doubtless aware that in this country no subject, without consent, can sue the Queen; but to no subject who fairly considers that he has a claim against the Crown is the prayer of a petition of right ever refused. (Cheers.) It is considered, very properly, that the Crown is the stronger party—that it is like a giant contending with a pigmy—and therefore it is considered that in a great and free country every protection which the law can afford should be extended to the individual as against the Crown. Hence in England the petition of right, as our able solicitor, Mr. Swift, confirms me in saying, is never refused. But in Canada we have not been so successful. Our colleagues there instructed the ablest counsel whom we could select to prepare the petition in the form which he believed to be correct. Nevertheless that petition was refused on a point of form. They then presented another* in a form which we thought would obviate the technical objections to the former petition. I am sorry to say that Mr. Brydges has received a telegram in which the Governor-General, the representative of Her Majesty in Canada, acting of course under the advice of his ministers, declines to grant the prayer of our petition; and therefore justice is denied us. (Cries of “Shame.”) The telegram is as follows:—

* The Petitions will be found appended at the end of this Report.

“ QUEBEC, 13th October.

“ SIR,—I have the honor to inform you that His Excellency the Governor General has had before him the Petition of Right of the Grand Trunk Railway Company of Canada under date the 1st instant, signed by the Hon. J. H. Cameron. His Excellency directs me to state that he is advised that the opinion of the Hon. Attorney General for Upper Canada is adverse to the granting of the fiat prayed for in that petition: under these circumstances His Excellency must decline to accede to the prayer of the petition.

“ I have the honor to be,

“ Sir,

“ Your most obedient Servant,

“ (Signed) E. MEREDITH,

“ Asst. Sec.

“ C. J. Brydges, Esq.”

That is unfortunately the position of this transaction. If that were all, we might hope that time and patience would speedily remove our difficulties; but there have been indications constantly occurring which show that by a certain set of politicians in Canada the Grand Trunk Railway is looked upon as an institution, not which they “delight to honour,” but which they “delight to injure.” In our distress two or three years ago, we borrowed the sum of £35,000 of the Finance Minister on the security of the Postal Revenue and £42,500 of Second Preference Bonds, which we deposited. We have paid off that debt; and here is the report of Mr. Langton, the Provincial Auditor, to the Finance Minister of Canada, in which he says, “I think therefore that the claim of the Grand Trunk Railway to have these bonds released is a just one.” If in this country the Chancellor of the Exchequer were advised by an official at the head of the department that securities belonging to a private individual ought to be returned, and when the debt

for which they were lodged had long since been paid off, I think that he would not be able to hold up his head in parliament or the country, if he thought proper, for some reason which we cannot discover and which we hardly dare to speculate upon, to withhold those securities. (Cheers.) Yet that is what the Canadian Government does; and when they are told too that that property is required to enable us to carry out arrangements for working the increase of traffic for the benefit of the province. (Shame, shame). The same sort of opposition, from the same quarter, was experienced when we carried through the short Act of Parliament which I hold in my hand, and which was brought in to correct an error of dates which had crept in to the Arrangements Act of 1862 by the carelessness of the Government officials. We found that we were met in every stage by factious opposition from the Government, which we could only interpret to mean, that in the opinion of a certain political interest it was considered desirable that we should remain in a state of embarrassment. Fortunately, good sense, good feeling, and honour and honesty, were too strong for our antagonists, and this small measure affecting our internal details was passed by the Canadian Parliament, and has since received the Royal assent. If there were any wisdom in these proceedings one might feel less on them. If Canada were so poor that she could not pay for her postal service—that postal service bringing her in a constant revenue—then possibly we might make some allowance for the poverty of the country; but the fact stares us in the face that there is no part of the American continent where so large a per centage of progress has been made either in trade or population, as in the province of Canada, since your railway was begun in 1851. The population has increased fifty-five per cent. since 1851; and in the last five years, so great is the elasticity of the trade of the country, that the imports and exports which in 1858 were only \$52,000,000, jumped up in 1862 to \$79,500,000, showing an increase of no less than fifty per

cent. (Hear, hear.) Then, the people of Canada cannot complain very much of the enormous amount of the public debt or of taxation. Our debt in this country is £25 sterling per head, and we are paying annually an amount of taxation of close upon 17s. per head to pay the interest upon that debt. In Canada the whole debt does not exceed £4. 5s., or £4. 10s. per head of the population, and the total interest is \$1 27c. per head per annum, or about 5s. only; and the total sum which each individual has to pay in taxation does not exceed 16s. per head per annum, while we pay at home £2. 15s. So there is no excuse as regards justice, policy, or the poverty of the country. And what is the result of this conduct? Commercially, and as a question of solid property, there can be no better security than that which Canada affords to those who choose to lend her money. How is it, then, that the Canadian Government 6 per cent. securities have declined of late, while the securities of such colonies as the Mauritius, Natal, Cape of Good Hope, and the like, have all been increasing in value? There is not one of those small colonies whose 6 per cent. stock does not sell at from 3 to 10 per cent. more than the Canadian stock; though their material security cannot be compared to that of Canada. Surely that ought to be a lesson, which to sensible men fit to govern a country ought to speak volumes; and were they such men it ought to convince them that there is something necessary to establish public credit besides ability to pay, and that is, faith in the honest desire to pay and to fulfil honorably and inviolably all past obligations. (Cheers.) We have the pleasure to-day to have the presence of Mr. Brydges, our Managing Director. My colleagues and myself asked him to come over that we might discuss with him various questions which, in a large undertaking like this, must arise. I think that the result of our last year's working entitles me to say to Mr. Brydges, and those officers who are engaged with him in the reorganised concern, that we have every reason to be satisfied with what they have done,

and that they have our confidence, and will retain it so long as we see that they are determined honestly and ably to carry out your wishes and protect your interests on the other side of the Atlantic (cheers), and I think I may assure them that they will have a generous interpretation put upon their proceedings, and that they will not be held responsible for anything which may occur beyond the region of their control. (Cheers.)

In conclusion, I must allude with regret to the appearance of a pamphlet written by Mr. Conybeare, headed, "Mr. Baring and the Grand Trunk Railway." I allude to it with more than regret because I am aware that I am giving importance to a document which ought never to have been written, and possibly raising up from its insignificance that document, and enabling it, in point of fact, to obtain a circulation which its own merits would never have procured for it. The transactions alluded to in this pamphlet are those with which, as you are aware, I, personally, had nothing whatever to do. But it is the duty of anybody sitting in this chair, when he sees stated in print against the character of a colleague that which he knows to be the worst form of untruth, to lay before you the actual facts of the case. I shall not go into the wondrous and sharp corners so ably turned in this pamphlet—evidently written to avoid an action for libel; but I will read one statement contained in it. I will then give you the answer; and, after that, dismiss the subject. The statement made by Mr. Conybeare, in a foot-note at page 5, is this:—

“ On one occasion, in reply to a question touching a loan
 “ account of £500,000 opened in the Company’s books under
 “ the title of Financial Agents of Canada, but repudiated by
 “ the Canadian Minister of Finance, Mr. Galt, Mr. Baring
 “ said, that as the financial agent to the Government of
 “ Canada he refused to answer my question. I am in fair-
 “ ness bound to state that I believe that the answer to that
 “ question, if given, would have been to Mr. Baring’s credit,

“ if not to that of Mr. Galt. On another occasion, Mr. Baring, with an inaccuracy which I have observed in several of his statements, refused to answer my questions on the pretext that I had instituted legal proceedings against Mr. Glyn and himself. Against Mr. Glyn I never instituted any legal proceedings.

“ As my legal proceedings against Mr. Baring furnished him with a pretext for not giving the bondholders information which was asked for, I determined to give up my own pecuniary claims against Mr. Baring, and remove that obstacle to full explanations, by offering to Mr. Baring the choice of my action against him for misrepresentation being, if he wished it, proceeded in no further. Mr. Baring has availed himself of the option so offered by me, and has made an application to the Court to stay further proceedings in that action.”

Anybody reading that would say that Mr. Baring, with his high position in the city of London, had gone begging to Mr. Conybeare to withdraw the action which had most unjustly been brought. The truth is that Mr. Baring challenged him to proceed with that action, and was most anxious to see it brought into court. But what happened? the venue was laid by Mr. Conybeare in some small town in South Wales, under the plea, forsooth, that you gentlemen, the citizens of London, would never find a verdict against Mr. Baring. Altogether, what are the facts? Hear this letter from the solicitor of Mr. Baring, which I will read to you, and then I shall dismiss the matter, except that I reserve to myself a further course. I have here, in this box, certain documents which I shall read if necessary, and which I shall certainly read unless Mr. Conybeare does that which I tell him in the face of this meeting, he is bound to do as a gentleman—namely, apologize publicly in this room for that which is an outrage upon Mr. Baring, and an outrage upon you. (Loud cheers, in which Mr. Conybeare was heard ejaculating “ Certainly not; nothing of the kind.”) Now this letter is addressed to myself, and is as follows:—

19th October, 1863.

DEAR SIR,

In accordance with your request, through Mr. Grant, I beg to mention to you (with reference to the statement in Mr. Conybeare's pamphlet, foot note page 5,) that Mr. Conybeare having intimated to us his willingness to abandon his absurd action against Mr. Baring if wished, but that he would pay no costs of ours, we replied that Mr. Baring was quite prepared to meet his charges in the usual way if he thought fit to proceed with his action; and that if, on the other hand, he agreed with us in thinking that it *could* end only in further expense and annoyance, we should be very glad to hear it, and in that event no claims of ours for costs should stand in his way. In ordinary course, therefore, we took out the usual summons to stay proceedings in the action (which is the way in which actions are terminated by mutual consent), and this is all the foundation Mr. Conybeare has for the false suggestions contained in the foot note alluded to.

I ought, perhaps, to add, that the action was commenced in January, 1862, and that notwithstanding all our endeavours to persuade, and then to force, Mr. Conybeare on to the trial of it, he kept it on foot till August last, when he, and not we, made the offer to let it drop. It had become such a nuisance to us personally from the course of delay, &c., adopted by Mr. Conybeare that we should have been prepared to make any reasonable sacrifice, personally, to have an end made of it in any way, and as he *would not* prosecute it to a trial, we have no hesitation in saying that we advised Mr. Baring to consent to its being dropped, as proposed by Mr. Conybeare.

Yours very truly,

(Signed) J. SWIFT.

E. W. Watkin, Esq.

With this letter I dismiss this subject. Now two words in conclusion with regard to our position. I look on your undertaking, and always have looked on it, as a grand through system of communication between the portions of territory possessed by the Crown in North America, and I say that all those extensions to the east and west which we have looked upon at various times with so much anxiety are, from political and all other reasons, drawing nearer to completion than at any former period. I think it is our duty not only to watch these proceedings with interest, but so far as we can, without outlay of capital, to endeavour to assist them in their progress. (Hear, hear). I think that our management in Canada is now placed on so safe a basis that whatever is to be got out of the traffic of the country we shall get. (Cheers). I think that the improvements made within so short a period as the last two years go to assure us more and more in the final success of our undertaking. (Loud cheers). I will repeat the motion that I made at the commencement of my speech, viz., "That the Report of the Directors, and the statement of accounts for the half-year ending the 30th of June, 1863, be received and adopted."

Mr. T. BARING, M.P.—I beg to second the motion.

Mr. W. HARTRIDGE—I should like to have a word or two of explanation with regard to the agreement proposed with the Champlain Company. Nothing has been said with regard to the management of that Company. I regret very much that so soon after the embarrassments which beset us in former days you should have thought it desirable to take into our system another branch, which must to a certain extent increase the obligations of this Company. I think that the rent or any payment coming before the preference bonds is objectionable. Perhaps you will inform me the names of the present Directors of the Champlain Company, and whether any compensation is to be given to any party for contracting for that agreement. I am afraid of any dis-

aster arising from mistaken notions on the subject of the benefits likely to arise from this association. I concur in everything, except in that particular, with what has fallen from the president of the Company, and with that single exception of that lease I consider that our position justifies the steps recommended by the late Committee. (Hear hear). I see that Mr. Brydges is the Managing Director of this Company, and that he is also Director in Canada. I have always acknowledged the abilities of that gentleman, but I think it is rather an error of judgment to place him in the position of both Director and Managing Director. I concur entirely in the proposition that Mr. Conybeare should not disfigure the reports of the meetings of this Company by the personalities which he has introduced into his pamphlet, and I hope that he will now honourably retract what he has said, and that he will not in future embarrass matters by difficulties and personalities, which cannot produce any good. I have not gone into the merits of his pamphlet in the way in which he wishes me, because I have not seen any ground for the statements he has made on former occasions. I hope, therefore, that the proprietors will not support Mr. Conybeare in such statements, and that he will for his own credit, and in presence of an honourable feeling in the matter, make such a statement as shall relieve us for the future from the disagreeables which he has hitherto imported into our proceedings. (Loud cheers).

Mr. CONYBEARE—I think the Company may now congratulate itself on having the right man in the right place at the head of this undertaking. He is the right man not only for the management of our affairs in Canada, but he leads a body of shareholders in this Company in any direction he pleases, for certainly he has unravelled for us the state of affairs by his great tact and clear and lucid statement. On some of his statements however, I shall have some remarks to make, because I disapprove of them. No one can doubt that Mr. Watkin is perfectly correct when he speaks of this Company having been reduced to a

stranded wreck, and of its resuscitation and reorganization by the agents employed to carry through that reorganization of which he is the head and chief. To a certain extent that reorganization has been successful, and I trust that it will be more so. I should like, however, to have some information upon one or two points on which he has touched to-day. One of the points on which I wish information is with regard to the Champlain amalgamation, and I should like to know what are our profits and what are the net profits of that Company. Mr. Watkin, in proposing an amalgamation with a Company of that sort, is inaugurating a part of the new policy. Our late policy was the wretched ruinous one of leases. That which he now proposes is more in accordance with that now in fashion in England, as in the case of the West Midland and others, that are now making a sort of "hotch potch" of returns, and sharing the profits. But until we can ascertain what the net profits are, and agree upon them, both in our own case and in the case of the Company with which we are about to make this sort of marriage, we shall be in constant difficulties. In the Report we are told that the net profits of the half-year were £124,173, out of some £400,000 the total traffic. It seems to me that we ought to be more careful in statements of this sort before the public. I don't want to throw any difficulties in the way of the officers of the reorganized Company. On the contrary, I shall do all that I can to aid them. But I cannot allow statements to go forth which will not appear to be consistent with the actual facts of the case or the provisions of the Act of Parliament. Our Act of Parliament defines what are working expenses and also what our net profits are. There is an old English maxim, "that the proof of the pudding is in the eating;" but if we made a net profit of £124,000, I can only ask what has become of it. Of course the ordinary shareholders get nothing, and never will, at least till the Greek Kalends. We paid our first preference Bondholders £50,000; but with the exception of that, I don't see that

any portion of the £124,000 net profits has been expended in the way that it ought to have been. One mode of applying it has been the renewals.

The CHAIRMAN—No; the renewals were provided for before the £124,000 was arrived at.

MR. CONYBEARE—I am obliged for the explanation. We must probably expend a very heavy sum annually for renewals; as there is no doubt that this wreck of a company has got its rails into a very bad state. Amongst other things Mr. Watkin proposed at the first meeting held was, that the rails be renewed by Bessemer's or some other new process. We know how short the life of a rail is, and therefore this, I expect, will be a serious item in the future. Another point is the £7,000 deducted by loss in the exchanges. I understand that any reduction of that sort ought to be made before you strike the net profit, especially as you recoup yourselves some of the loss arising from American currency, by paying your creditors in that currency. I ask that in your accounts all these things shall be fairly stated, in order that we may know in future what is the exact position of the Bondholders of every class, and of the shareholders' prospects. As to the propellers, I think that they are likely to prove a very important benefit, as developing a large amount of additional traffic. With respect to laying a third line of rails, I presume that Mr. Watkin means some thing to be done similar to what has been done by the Great Western Railway between London and Reading. Is that so?

The CHAIRMAN—Yes.

MR. CONYBEARE—Then I believe that no single step has ever been taken by the Grand Trunk Railway that will more tend to its improvement than that laying of a mixed gauge of rails on the same lines. As to the Champlain question, I think that is more for your consideration than ours. But you must bear in mind, that having abandoned the old leasing policy, we are about to enter upon a new system which may be fraught with almost equal danger. It is very difficult for

us on this side of the table, however, to arrive at what the true policy is, and as we have in our president's chair a gentleman in whom we have confidence to carry through an amalgamation of this description—(Hear, hear)—I believe that we should only do harm by attempting to go into the question ourselves. I should desire personally to assist, and not to injure the reorganized board. I shall not therefore offer any opposition to this object. I think that the Chairman in talking of bags of grain gave rather a poorer notion of the amount of traffic than he would have done if he had spoken of cars of grain in bulk, which would more properly have expressed the enormous traffic of the country. With regard to the postal subsidy, I want some information, because I think that it has been introduced with remarks that are rather calculated to create unfavourable feelings towards us in Canada. I wish to know whether we, as a Company, have any further interest in the postal subsidy. I understood when we were entering upon it, that we should hand the money over to certain creditors, and that whatever we got should be for those creditors and not for ourselves. In fact that we were merely a go-between. I should like to know whether that is so or not. I for one am most desirous to give a generous construction to every observation and remark that comes from the opposite side of the table, and am quite willing, therefore, to put a generous construction upon Mr. Watkin's remarks touching myself, and which I must characterize as a very unfair and personal attack upon myself, calculated to convey a most unfair and untrue impression of what has taken place. The facts are very simple I do confess. I did commence an action, and I did not proceed with it because I was assured that it would throw some difficulty in the way of your interests in Canada if I brought it forward. (Cries of Oh! oh! and laughter). I state facts. (Cries of Oh! oh!) I did not press it forward then, but I subsequently did when you obtained your Act. I found some delay in getting answers to questions which I had a right to put in law, and

whilst considering whether those answers were sufficient, I found that judgment had been snapped without my knowing it behind my back. So anxious was I to press it forward that I rescinded that judgment and would not allow it to remain law. My letters may be published in the "Times" if they like. I wrote requesting further information, and stating that I should change the venue; but as they had signed judgment, this showed that they were most anxious to get rid of the action, and I now say that it would damage your property if persevered in. I did not wish cantankerously to stand out, (cries of Oh! oh! and laughter,) and I said therefore, that if Mr. Baring wished, I would consent to take no further steps in the action, but if they wished it to go on I was perfectly willing and desirous to do so, and demanded further information. I was surprised to find that they, instead of letting the matter sleep as I was then expecting, actually applied to stay further proceedings. I refused to endorse the writ with my consent. I said, you may use this letter as my consent if you like, but I shall lay before the shareholders the reasons which induced me to bring an action and to stop it. I rescinded the judgment obtained behind my back, and was prepared to carry the thing on, and am prepared to carry it on now. I have given Mr. Baring every opportunity of answering all my questions, and I hope that I shall obtain such an answer from him as will place him where he stood in my estimation before this occurred—"A 1." among the merchant princes of London. But he must do it by his own answers, and not by cavilling at the proceedings I have taken in an English court of justice.

Mr. MERCER—After the handsome and generous manner in which Mr. Baring has come forward and surrendered those securities which he held, I must say that I feel almost degraded in being associated with one who could turn round upon such a gentleman as Mr. Conybeare has done. However, let the matter pass as too insignificant for notice. At the last meeting it was determined that £220,000 should be

expended in renewals and repairs, to be spread over five years and to be paid out of revenue. I should like to know whether that has been commenced, and whether more will be required for that purpose. Taking the whole of the Report and the accounts into consideration, I think we have every reason to be satisfied with our prospects for the future; and if you will only allow the Directors to go on as they are doing, I believe that they will do everything that we can wish. (Cheers.) I have known the President for many years, and I am satisfied that if you support him you will be doing the best possible thing for the prosperity of the Company. (Loud cheers.)

Mr. COULSON—I can endorse all that has been said by the last speaker, and I am happy so tell you that a friend just returned from Canada spoke to me the other day in these words: "The Grand Trunk are carrying everything before them." I am exceedingly pleased with the Report that has been presented, and I think that this long lane has at length taken a turn, and that now we are going in the right direction.

Rev. Mr. CREAK—I should be glad to know whether the interpretation that I put on the arrangement with regard to the renewals is correct. I understood you at the last meeting that three hundred and eight miles, or more, had to be relaid, and the total expense would be about £220,000, which was to be extended over a period of five years. During the last half-year I believe that £30,000 was expended for the purpose of renewals, and if that rate is to be continued the £220,000 would very soon be expended. I should like to know how this is, because upon it depends whether the second preference Bondholders will get their interest at the end of the year or not, and that is a question of considerable importance. (Hear, hear.)

Mr. HERON—I hope that the meeting will not add to the importance of that insignificant pamphlet which has been alluded to by taking any further notice of it. I entirely

agree with what has fallen from previous speakers. It is quite certain that if Mr. Conybeare had wanted to go on with the action he could have done so, and that nobody could have compelled him to withdraw it. If Mr. Conybeare's solicitor withdrew the action without his knowledge I can only say that he showed more judgment than Mr. Conybeare has done. (Hear, hear.)

MR. BARING, M.P.—(Loud cheers)—I am quite sure after the conduct of Mr. Conybeare that this meeting cannot expect me to have any other communication with him than through a court of law. (Cheers.) Any question which any other gentleman may address to me I shall be perfectly ready to answer; but after the conduct of Mr. Conybeare, after the insinuation that it was at my desire that the action was withdrawn, after the tenour and contents of that pamphlet, I must say that I shall not answer anything from him, or make any communication to him, except through the channel of a legal tribunal. I join with the last gentleman who addressed you, and I trust that this matter may drop. To me it is a matter of perfect indifference what Mr. Conybeare may think of me. With you I trust I stand as one who, whatever his ability, has acted for this Company to the best of his judgment. (Loud and protracted applause.)

MR. HARTRIDGE—How do the greenbacks affect our position? Nothing has been said about them.

THE CHAIRMAN—We allude fully to the currency question in paragraph 4, page 5, of the Report. We there state that “the sum of £6,589 for ‘loss on American currency’—an item of loss, which will, it is feared, be even heavier in the current half-year with its larger traffic—has also to be deducted from the net profit of the half-year.”

MR. MERCER—You stated at the last meeting that you hoped the Second Preference Bonds would in the current half-year come in with the first. Do you still think so?

THE CHAIRMAN—The way we deal with the loss on the exchange is just as we should deal with any gain on the

exchange, and sometimes there is a gain. We make up the accounts to show the receipts on one side and the working expenses on the other, and the net balance. Then, before we divide that net balance, we deduct any loss on the currency in which we receive that balance. In answer to Mr. Mercer, although I do not like to prophecy, I may say that the accounts which we have received from Canada up to last week are of a very encouraging character, and that we hoped at one time that we should even be able to do more than pay the Second Preference Bonds. It is impossible, however, to calculate the loss on the American currency. When I was there on the 2nd July the price of gold was 48 or 50; in a fortnight after it was 23, and now it is up again to 56. The traffic has been very satisfactory. The expenses are, to a considerable extent, in hand, and we have no reason, so far as I know to-day, to fear any bad result except from that exceptional circumstance, which may defeat our calculations. As to the improvement of the road, we have determined to raise an amount by the hypothecation of the securities which have been given up to us. The reasons why we did not put that into operation before were twofold: First, we felt that we should be in a better position to do it when the value of our securities improved; and next we have been making inquiries and experiments with steel or steel-headed rails; and if we should decide to use them, the outlay in the first instance will be greater than otherwise, although, of course, they will last very much longer; and hence our total outlay cannot for the moment be estimated. In the meantime, every farthing which has been laid out in repairs has gone against current expenses. Mr. Hartridge asked whether any compensation had been given for the arrangement with the Champlain Company. I am surprised that he should have asked such a question, because he knows that that is a transaction which no gentleman would have anything to do with. I took the responsibility of that negotiation upon myself, and, of course, not one farthing passed between

one person or another in reference to that transaction. (Cheers.) As to the names of the Champlain Directors, they are :—Messrs. Ferrier, Hopkins, Dow, Molson, Phillips, Thompson, King and Brydges. At my personal request and to facilitate the arrangements between the two Companies, Mr. Brydges was placed on the Board for the protection of Grand Trunk interests. (Hear, hear.) I should agree with Mr. Hartridge (as I generally do) that at this early stage of the reorganization of the Company, it would be undesirable to undertake new responsibilities of any kind, if I did not feel almost compelled by the exigencies of the traffic to make this arrangement with this line before possibly other combinations be made which we could not break through without a great outlay. At the very beginning in 1851 a better arrangement might have been made than has now been made with the Champlain Company; and the Grand Trunk main station, instead of being two miles from the centre of the city of Montreal, might have been brought almost into its very midst, if the property of this line had been utilised. Since then the property has increased in value, and the Grand Trunk has suffered from not doing this very thing at an earlier period. (Hear, hear.) As regards Mr. Conybeare, I do not think that it is my duty as President of this Company to hear a gentleman, who has done so much for it as Mr. Baring, maligned as he has been, without asking the maligner when we have him here face to face, to save himself from the reply which I shall otherwise be compelled to give, by withdrawing a groundless and unjust accusation. If Mr. Conybeare will make that apology, which I tell him on my honour I believe is due from him as a gentleman, and as a matter of truth, let the whole thing be forgotten; but if Mr. Conybeare, after all that has taken place here, after my assurance, after Mr. Swift's assurance, after Mr. Baring's assurance, after having had in affidavit every scrap of information he has asked for—if, after all that, and considering Mr. Baring's high position, he persists

in the statements contained in that pamphlet, he must expect no forbearance from me. I have got documents here which I should be sorry to read, and a statement to make which I should be sorry to make: but I must do my duty; and I must have that apology which is due from Mr. Conybeare to Mr. Baring, or I must reply. (Cheers, and cries of "read, read.")

Mr. CONYBEARE—I shall not retract one statement unless I obtain from Mr. Baring the information for which I have asked. I have stated nothing but facts, and I don't care if my letters are published entire. I was positively informed by my legal adviser that the answers given to my interrogatories were insufficient.

Mr. SWIFT.—The facts of the case are these; in January, 1862, Mr. Conybeare brought an action that was so delayed by various technical proceedings that we endeavoured to force him on. At last, but not until early in the July of this year, which was a year and a half after the action was brought, we signed judgment in order to force him to go on. Having so done, he came to us, when we said that if he would go on, we would withdraw the judgment the following day. He made some excuses—his witnesses were absent, or he was not well, or something of that sort; but eventually he changed the venue, and put off the thing from assize to assize. At last we got him to this position, that he must either go on or stop the action. We told him that if he would go on we should be extremely glad, but if not he must withdraw it, and we should say nothing about costs. He then pledged himself that he would go on in November.

Mr. CONYBEARE—I gave no such pledge. I said I could not go on until November.

Mr. SWIFT—Well, take it so. He then wrote me a letter of four pages, in August, offering to withdraw the action. (Cheers.) He told me in that letter something about the kindness of Mr. Baring to a friend of his, but he never said a single syllable about the interests of the Company. I

wrote in reply that Mr. Baring did not care twopence about his going on with the action, and that he might go on if he pleased. The next thing was his application to change the venue; the effect of which was to put off the trial from November to March. I received several letters from him, and the effect is that after we have tried for eighteen months to compel him to go on, and having signed judgment in order to make him go on, and offering to withdraw the judgment if he would go on, I got sick of the concern, and advised Mr. Baring to let the matter drop. As to letting him off without paying costs I knew very well that I was not giving up anything by that. (Cheers and a laugh.)

The CHAIRMAN—I ask Mr. Conybeare to make the *amende honorable*, and I give him one more chance to apologize.

MR. CONYBEARE—I shall do nothing of the kind. Instead of the letter being written with a view of avoiding libel my lawyer told me that it was libellous in every page. Mr. Baring says that his answer is through a court of law. Let the libels be complained of there, and I will justify every statement.

MR. CAZENOVE—I think that we are quite in a position to settle this question now. Here are the parties face to face. The venue is fixed, and this is the jury, and we agree that the point at issue is the veracity of Messrs. Wagstaff against that of Mr. Conybeare, and I think there can be no doubt whatever who is to be credited. (Cheers).

The CHAIRMAN—Now I have a duty to perform, and it is a very painful one, but I must do it. I have given Mr. Conybeare every opportunity to retract, and he has failed to avail himself of it. Two years ago Mr. Conybeare very much indulged in this habit of uttering libels by cartloads, I may say, against gentlemen of high honour, which were totally without foundation. These were uttered against gentlemen upon whose character and perfect truthfulness there was not and never was the shadow of a shade of ground for casting any imputation. Now I went to Mr.

Conybeare and explained to him that it mattered very little what effect his speeches had in England, because we know each other here, and know what value is to be attached to statements proceeding from different persons, but I pointed out that these constant objurgations had a tendency to lower the position of the undertaking in the eyes of the public of Canada; and I told him that we might possibly trace to the bad purport of his language the feeling almost of contempt which I found to exist in Canada in 1861. (Cheers). I showed him the important bearing of all this, and I urged him to refrain from persisting in such conduct, and I thought I had succeeded in showing him that it was not only his duty but that it was to his interest to pursue a different course. Nevertheless, he comes here to-day and persists in that which everybody but himself believes to be untrue as regards Mr. Baring. (Cheers). Does anybody believe that Mr. Baring obtained that "judgment" for his own personal interest, when they know he has not availed himself of it, and when he has given up to you—as probably no other man in this country would have done—hundreds of thousands of pounds worth of securities? Does anyone believe that Mr. Baring wilfully deceived you in reference to the issue of the second preference bonds? (No, no). Mr. Conybeare knows perfectly well, and no man has had more information than he has, that Mr. Baring had nothing at all to do with the circular, and that the calculations of that circular were based upon information received from Canada, and upon which the then Board here implicitly relied. He knows that the omission in those calculations of the Detroit lease rent was because it was believed the line would pay its own way. (Cheers). These are the plain facts of the case, and yet Mr. Conybeare, knowing all this, persists in this statement as to Mr. Baring. (Cheers.). What does he say now? "take me into a court and try an action of libel." Do you think that a man like Mr. Baring is to come down from his position in the City of London to meet Mr. Conybeare at Brecon, or some other small

place, on a charge of libel. (Hear, hear.) It is not a question, though, really of the character of Mr. Baring, but whether we shall at this and all these meetings put down this disgraceful system of personal attack (immense cheering,) which has not merely injured you in Canada, but has lowered the tone of this great enterprise, and is indeed the most fatal bolt that anyone could launch against it. (Great cheering).

Mr. Conybeare says, take me into court on an action of libel: what would one gain by that? Here is a letter dated the 5th of March, 1862, and here is another dated the 20th June, 1862, written by him to the solicitor of the St. Andrew's and Quebec Railway. What does he say in the last of these? I will read the whole of it, if Mr. Conybeare wishes. [Mr. Conybeare, in an excited state: No, no; they are private letters I say.]

The Chairman—I don't wonder that "the galled jade winces." (Cheers and cries of letters.) I shall exercise my discretion, and I am going to read one of those letters dated the 20th June, 1862. This is from a gentleman who challenges a merchant who can pay 20s. in the pound, to go into a court of law with him.

MR. CONYBEARE—I protest—(Loud cries of hear, hear, and order.)

The CHAIRMAN—Here is the letter. I will not trouble you with the whole of it, but will read an extract.

"This may be a bad hearing for you, as you are aware that
 "all my other property is perfectly protected from any
 "sequestration which you may attempt by being strictly
 "settled, and held by trustees for the benefit of other persons
 "than myself. I am not even the tenant of the house in
 "which I live. It is in the tenancy of those trustees, and all
 "the furniture belongs to them, not to me."

Mr. CONYBEARE there pleads *in forma pauperis*. Yet, here he is registered in the Grand Trunk Company's books, for £2,000, second preference bonds, which form the object of all his indignation: and what is his position? He got them

at 78½; he did not give a hundred pounds for each £100 of them, and if he were to sell them to-day he would get more money than he gave, and all that he has lost is a portion of 2½ years' interest, and yet we have from him all these boilings over of indignation, and libels against one of the best men in the City of London, for this paltry consideration. (Cheers.) But there is something worse than that, something which may account for it; hear this letter of his of the 9th of December, 1862. "I think," says Mr. Conybeare, "Baring's solicitors ill advised in not recommending him to "compromise the matter," and "meanwhile it will be nuts to "the public in Canada," &c. (Loud cries of shame, and laughter at the letter.) These letters are at the disposal of Mr. Conybeare, and at the disposal of any gentleman who likes to read them. Suppose we went into a court of law. I ask any lawyer here whether any English Judge upon the Bench would not consider that it was very much like an attempt to extort money. (Cheers.) He says, "I think Mr. Baring's solicitor ill advised in not recommending him to *compromise*." Mr. Baring did not compromise, and was ready to meet any charge which that person could bring against him. (Loud cheers.) I apologise to Mr. Baring for having again caused the matter to be revived, and to you, gentlemen, for having taken up your time. I have now, by this exposure, performed a simple act of duty, and I am determined, if I am to occupy this chair, to put down this practice of personal slander to which for a long time past we have permitted ourselves to be subject, (loud cheers,) and I now ask those that are in favour of the motion to hold up their hands.

The motion was then put to a show of hands and was carried unanimously.

Mr. CONYBEARE arose to address the Meeting and was immediately received with loud expressions of dissatisfaction, in the course of which the Chairman rose and said, I rule that the discussion is closed.

The Rev. Mr. CREAK—We have been told by our Chair-

man that our Solicitor in Canada has applied to the Government for a Petition of Right, and that it has been refused. Although the legal remedy seems thus to have been abandoned, there is one course still open to us to pursue. We can bring the Canadian Government to the bar of public opinion. Governments must always stand or fall, whether in Canada or other parts of the world, by public opinion, and I think I shall have the sympathy of the meeting with me if I move the following resolution :—

“ That the conduct of the present Government of Canada
 “ in reference to the Postal remuneration due to the Company,
 “ and the detention of securities lodged for the payment of
 “ debts, long since discharged has, in the opinion of this
 “ meeting, been marked by injustice and bad faith, and if
 “ persevered in will inflict a severe blow on the reputation
 “ and honour of the province of Canada.”

Now I am extremely sorry to arraign one of the principal Colonies of the Crown in this way in the City of London. I don't know what impressions, gentlemen, you may have derived from the newspapers, and other documents that have come over from Canada in regard to this Grand Trunk Railway : but I have derived this impression, that there is over there a very reckless feeling with regard to the whole of the capital invested in Canadian railways. (Cheers.) The feeling seems to be that they are uncommonly fortunate in having induced British capitalists to invest £20,000,000 in their country ; but as to helping to give any fair remuneration to that capital that does not concern them in the least, and they don't mean to trouble themselves about it. (Hear, hear.) It may seem to be rather strange language, but I think it is warranted by the facts. When we were in the depth of our difficulties there were numerous articles published in a newspaper, the property of a gentleman, who, I think, for three days held the office of premier of Canada, and he really deliberated and argued seriously whether the country would not be benefitted by shutting

up this line altogether. These articles can be produced, and they confirm my view that the Canadian Government cares not one jot whether those who have invested money in the country get any return or not. (Cheers.) But we must tell them that this mode of dealing with British capitalists cannot for a moment be suffered, and we must show to them that it will entirely shut them out from the money market of this country. (Cheers.) The colonies, must look to the mother country for the money to carry out their enterprizes. I trust that this resolution will be sent over to Canada, so that the Canadian public and the Canadian Government may understand that if they want to come over here as borrowers—and from the state of their public revenues there is no doubt that they soon will—they can only do it on much more onerous terms than they have ever done before (Cheers.) I am sorry to see a colony of England sunk into this position, but if this want of good faith, so frequently manifested of late, is to be persisted in, the consequence is inevitable. Taking all these circumstances into consideration, and crowned by the detention of those Bonds, which are so much wanted for the interests of this Company, we have a right to say that there is not that high standard of integrity and honour in the present Canadian Government which warrants us in putting faith in them, or in any of their financial operations. (Loud cheers.)

Mr. HARTRIDGE—I second that resolution.

The CHAIRMAN—Before I put the resolution, let me caution you to draw a very broad distinction between the intellectual and educated, and even the humbler classes of the country, and a majority of the dozen men who for a time under widely democratic institutions may creep into the seats of power. I believe that there is as much good, earnest, truthful, and sincere feeling in Canada as in any other part of Her Majesty's dominions, and the only value I see in such a resolution as this is that it is a sort of appeal from you, from the Government, to the people of the province. (Cheers.) I think that

an important community like yourselves is perfectly justified in making an appeal to the people of Canada. It is for you to consider whether it is desirable to do so or not. But certainly it must be taken with this caveat, that it is not meant, in any sense of the word, as an imputation on the general honour of the Canadian people, but simply as an expression of your opinions as bondholders and shareholders of the Grand Trunk Railway of the conduct of the existing Government of that country. (Loud cheers.)

Mr. HARTRIDGE—I second this proposition, because I am aware how much mischief has occurred to us by the Government of Canada not doing its duty, and because I think that if we do not support the Directors by some such resolution, after what has fallen from the President, it would appear as if we did not concur with them. I believe the Government are seriously injuring the nation as well as themselves by omitting to deal fairly with public questions of this kind, and I think we ought to express fearlessly our sense of such conduct.

Rev. Mr. CREAK—The language of the resolution is most precise, and can only be interpreted to allude to the conduct of the present Government.

The CHAIRMAN—I think that the unanimous feeling of the shareholders would be to express deprecation of the course that has been pursued towards us by the Canadian Government, for not only do they fix the amount to be paid to us for postal subsidy, against evidence and behind our backs, but they retain the money, which they say themselves we ought to receive, in order to pay for some imaginary debt which they claim against this Company. I learn, however, that the Finance Minister of Canada may possibly be in England shortly on financial business, and perhaps on consideration it might appear rather ungracious to meet him under circumstances of that sort with such a resolution as this. We do not wish to do anything ungenerous, and on the eve of his visit here, when possibly he might be the bearer of some measure of conciliation, perhaps it would not be desirable

to pass a resolution of that description. The feeling of the meeting has been elicited, and the object answered by the discussion which has taken place. Perhaps therefore the proposer of the motion under the circumstances will agree to withdraw his motion.

Rev. Mr. CREAK then withdrew his motion.

The CHAIRMAN—I have now to move,

“That the shares mentioned in the list now produced be, and the same are hereby declared forfeited for non-payment of the calls due thereon respectively.”

You will remember that in the prospectus there was some talk of £500,000 being contributed in Canada. The contribution from Canada fell very short, and it becomes necessary to forfeit a number of the shares taken there but never fully paid up.

The resolution was seconded by Mr. Baring, and carried unanimously.

THE SPECIAL MEETING.

The CHAIRMAN—I now declare the meeting special, and beg leave to move—

“That the terms of arrangement with the Montreal and Champlain Railway Company, as expressed in the copy agreement now submitted, be approved and adopted, but subject to such provisions being inserted in the agreement as the Board may consider necessary.”

Mr. HODGSON, M.P., seconded the motion.

The CHAIRMAN—In dealing with the motion we will most certainly consider what Mr. Hartridge said, and shall act according to the best of our judgment when all the facts of the case are before us.

The motion was put and carried unanimously.

The Chairman announced that this concluded the business.

On the motion of Mr. Coulson, seconded by Mr. Heron, a vote of thanks was unanimously conveyed to the Chairman and Board of Directors.

The meeting then separated.

APPENDIX A.

PETITION OF RIGHT.

In Chancery.

THE GRAND TRUNK RAILWAY COM-
 PANY OF CANADA - - - *Plaintiff,*

AND

HER MAJESTY'S ATTORNEY-GENERAL
 FOR UPPER CANADA - - *Defendant.*

“ City of Toronto to wit,

“ To the Honourable PHILIP MICHAEL VAN KOUHNET,
 Chancellor of Upper Canada.

“ The Humble Petition of the GRAND TRUNK RAILWAY
 COMPANY OF CANADA, Your Petitioners humbly sheweth,—

“ That you Petitioners were duly incorporated by an Act
 of the Legislature of the Province of Canada, passed in the
 sixteenth year of the reign of Her Majesty Queen Victoria,
 chapter thirty-seven, and entitled, ‘ An Act to incorporate
 the Grand Trunk Railway Company of Canada,’ and under
 the provisions of that Act, and of various other Acts of the
 Legislature of Canada amending the same, your Petitioners
 have constructed and are working a Main Grand line of
 railway through the said province.

“ That under and by virtue of another Act of the Legis-
 lature of the Province of Canada, passed in the Session held
 in the thirteenth and fourteenth years of the reign of Her
 Majesty, chapter seventeen,

“The Governor of Canada in Council is authorised and empowered to make orders and regulations for making, authorising, sanctioning or giving effect to any arrangements for the remuneration or indemnity for the transmission of the mails and other matters connected with posts and postal business.

“That in accordance with the provisions contained in the said last-mentioned Act, an agreement was made by your Petitioners and Her Majesty’s Government for the said Province of Canada, through the Post Office Department, one of the departments of the said Government, for the carriage of the mails and the performance of Postal Service by your Petitioners for the said Government, over the said line of railway, on or about the seventeenth day of August, in the year of our Lord one thousand eight hundred and fifty-three, and that such remuneration was then settled and agreed upon between your Petitioners and the said Government, at the rate of one hundred and ten dollars per mile per annum, but no fixed or determined time or period was then, or at any time since, arranged between your Petitioners and the said Government, for which the said Postal Service was to be continued at the said rate of remuneration.

“That the said Government continued to pay your Petitioners for the said Postal Service from the time of the commencement thereof, as aforesaid, until the month of October, in the year of our Lord one thousand eight hundred and fifty-eight, at the said rate of remuneration of one hundred and ten dollars per mile per annum, and from the said last-mentioned date claim that your Petitioners should perform the said Postal Service for the remuneration of seventy dollars per mile per annum instead of the agreed rate of one hundred and ten dollars per mile which had been formerly paid, although no notice has been given to your Petitioners, by the said Government, to put an end to the said first-mentioned agreement, and although your Petitioners have never, either directly or indirectly, given their consent to any alteration in the said terms of remuneration until the month of August, A.D. 1861, nor ever consented to reduce the rate to seventy dollars per mile per annum; but on the contrary thereof, have always insisted, and still do insist, that they are entitled to claim and receive from the said Government the said rate of one hundred and ten dollars per

mile per annum up to the said month of August, 1861, together with an additional and increased payment for the carriage of the Canadian mails for the said Government over a part of the line of railway of your Petitioners, from Island Pond to Portland, in the State of Maine, one of the United States of America, for which no payment or remuneration has been received by your Petitioners from the said Government.

“ That in the said month of August, 1861, your Petitioners, considering that the arrangement under which the sum of \$110 per mile per annum was agreed to be paid by the said Government, should no longer exist, as the said line of railway was then complete, and the said last-mentioned rate was an inadequate remuneration for your Petitioners for the services performed in the conveyance of the said mails and the said Postal Services, by memorial to the said Governor in Council set forth their claims for such increased remuneration for the services performed by them in the carriage of the mails as they were fairly worth, and invited the consideration of the said Government to the subject.

“ That your Petitioners have, from time to time, by various letters and communications addressed to the said Government, through the official heads of the departments of the said Government, the Postmaster-General, and the Secretary of the Province, called the attention of the said Government to the large balance due to your Petitioners from the said Government, and claimed the payment thereof, and also claimed that the said rate of remuneration for the Postal Service aforesaid, should be reconsidered by his Excellency the Governor-General of Canada in Council, in accordance with the provisions of the aforesaid Act of the Legislature of Canada, with a view to a clear and distinct understanding and agreement being arrived at between your Petitioners and the said Government, to all of which letters and communications your Petitioners refer when produced.

“ That the said Government and your Petitioners not being able to come to any agreement on the said rate of remuneration from the said month of October in the year of our Lord one thousand eight hundred and fifty-eight, it was agreed between your Petitioners and the said Government that the settlement of the amount of the said remuneration should be decided by arbitration, and accordingly arbitrators

for that purpose were mutually named and chosen by your Petitioners and the said Government ; the Honourable George Moffatt being the arbitrator named by the said Government, and J. W. Brooks, Esquire, being the arbitrator named by your Petitioners, and the Honourable William Henry Draper, then Chief Justice of the Court of Common Pleas in Upper Canada, being the third arbitrator, chosen and agreed upon, between your Petitioners and the said Government.

“ That after the appointment of the said arbitrators, with the knowledge and consent of the said Government and your Petitioners, they entered upon the business of the said reference, and examined various documentary and other evidence in reference thereto, and while they were so engaged in the said reference, the said Government, without any notice to, or consent of, your Petitioners, by order in Council of the fourth day of July, in the year of our Lord one thousand eight hundred and sixty-two, revoked the said reference and refused to proceed further therein.

“ That no remuneration has been paid to your Petitioners for some years past, not even the rates agreed upon in the month of August, one thousand eight hundred and fifty-three, for the said Postal Service ; but, on the contrary thereof, the said Government decline and refuse to make such payments to your Petitioners, or to consider the claim of your Petitioners, for a just and fair remuneration for past Postal Services, and on the fourteenth day of August, one thousand eight hundred and sixty-three, without any notice to, or consent of your Petitioners, the said Government, by an Order of the Governor-General in Council, did order and declare as follows :—

“ That the said Grand Trunk Company, (your Petitioners,) be allowed from this date at the rate of sixty dollars per mile of railway per annum for the following service, namely : one daily mail service each way between Toronto and Quebec by the Company's ordinary express passenger trains running continuously and without any break of connection at any intermediate point ; one daily mail service each way between Toronto and Sarnia, and St. Mary's and London, by the Company's ordinary express trains ; one daily mail service each way between Quebec and Riviere du Loup by the Company's ordinary passenger trains ; and one daily mail service exchange between Richmond and the Boundary Line

by the Company's ordinary passenger trains: such trains respectively being supplied as hitherto with travelling post offices, properly warmed and lighted, and comprising as nearly as may be one-third of a car, and exchanging mails at the way stations at which the said trains ordinarily stop.

“ ‘ That in case the Company runs a second passenger train, express, accommodation, or mixed, in any part of the said line of railway between Sarnia and Quebec, between London and St. Mary's, or between Richmond and the Boundary Line, there be allowed to the said Company forty dollars per mile of railway, per annum, for each mile of railway covered by such second daily train, for the like use of the same.

“ ‘ That the above allowances include free passages for such officers of the Post Office department as the Postmaster-General may from time to time require to accompany the mails, or to travel on the railway on the business of the Post Office.

“ That long before this order in Council was made, your Petitioners by letter addressed to the Honourable the Secretary of the Province, and dated the twenty-ninth day of November, in the year of our Lord one thousand eight hundred and sixty-two, had demanded that they should be heard and allowed to produce evidence, both in reference to their past and future remuneration for the Postal Service of the said Government, over their line of railway; but, that the said Government never gave any answer to the said demand, and made and passed the said Order in Council last aforesaid without any notice to your Petitioners, and affixed an arbitrary, unjust, and insufficient rate of remuneration for the said Postal Service, and made no order nor allowance for the past services, as justly claimed by your Petitioners as aforesaid, according to the said agreement of one hundred and ten dollars per mile per annum.

“ Your Petitioners state that by an Act passed in the 25th year of her Majesty's reign, chapter 56, all moneys to be received by your Petitioners from the Province for Postal Services are directed to be appropriated solely to the present debts of your Petitioners, owing either in Canada or in England, to others than the Bondholders or holders of notarial mortgages of your Petitioners, registered in Lower Canada; and the arrangements, permitted by the said last-mentioned Act, have been carried out by your Petitioners and the

various classes of Bondholders and creditors mentioned in the said Act, on the faith that the said Postal moneys would be so appropriated.

“Your Petitioners charge and claim that, under the Statutes of the Province of Canada relating to the Postal Service on Railways, the Governor in Council, in making any decision upon remuneration to be allowed to any railway company, act as a judicial body, and cannot and ought not to make any *ex parte* order or judgment without giving to any railway company interested in such decision an opportunity of adducing evidence and being heard on the subject of such remuneration.

That the said Order in Council lastly and firstly mentioned was so made *ex parte*, and without notice to your Petitioners, or any opportunity being afforded them of appearing and giving evidence before the said Governor, and ought, therefore, to be annulled and set aside.

Your Petitioners further charge that the said Government, sometimes claim that they withhold the payment of the moneys due to your Petitioners for the said Postal Services, for moneys due by your Petitioners for advances made to your Petitioners by the said Government, and that the said Government have a right to withhold the same, until the said advances are paid: whereas your Petitioners claim that by the provisions of the said last-mentioned Act, which are binding on the said Government, the said Postal moneys are expressly appropriated for the purpose in the said Act mentioned, and cannot be withheld from your Petitioners for these purposes without a breach of faith and violation of trust on the part of the said Government.

“Your Petitioners therefore pray that the said Orders in Council passed in the month of September, 1858, and of the fourteenth day of August, one thousand eight hundred and sixty-three, may by the decree of this Honourable Court be annulled and set aside for the reasons herein stated; and that an account may be taken of the amount due to your Petitioners for the said Postal Service, on the footing of the Agreement made between your Petitioners and the said Government, of one hundred and ten dollars per mile per annum up to August, 1861; and that the Master may be directed to inquire and report a fair and just remuneration from that period to the filing of this Petition; and that the said Government may be ordered and decreed to pay to your Peti-

tioners whatever sum may be found due to them on taking the account ; and that all proper directions may be given for that purpose.

“ And your Petitioners pray for such further and other relief in the premises as your Honourable Court may decree and direct.

“ (Signed) J. HILLYARD CAMERON.”

APPENDIX B.

AMENDED PETITION.

“ TO THE QUEEN’S MOST EXCELLENT MAJESTY, most humbly beseeching.

“ The Grand Trunk Railway Company of Canada humbly shew to your Majesty—

“ That your Petitioners were duly incorporated by an Act of the Legislature of the Province of Canada, passed in the sixteenth year of the reign of Her Majesty Queen Victoria, chaptered thirty-seven, and entitled an ‘Act to incorporate the Grand Trunk Railway of Canada,’ and under the provisions of that Act, and of various other Acts of the Legislature of Canada amending the same, your Petitioners have constructed and are working a Main Grand Trunk Line of Railway through the said Province.

“ That under and by virtue of another Act of the Legislature of the Province of Canada, passed in the Session held in the thirteenth and fourteenth years of the reign of your Majesty, chaptered seventeen, the Governor of Canada in Council is authorised and empowered to make orders and regulations for making, authorising, sanctioning, or giving effect to any arrangements for the remuneration or indemnity for the transmission of the mails, and other matters connected with Posts and postal business.

“ That in accordance with the provisions contained in the said last-mentioned Act, an agreement was made by your Petitioners and your Majesty’s Government for the said Province of Canada, through the Post Office Department, one of the Departments of the said Government, for the carriage of the mails, and the performance of Postal Services

by your Petitioners for your Majesty's said Government over the said line of railway on or about the seventeenth day of August, in the year of our Lord one thousand eight hundred and fifty-three, and that such remuneration was then settled and agreed upon between your Petitioners and your Majesty's said Government at the rate of one hundred and ten dollars per mile per annum, but no fixed or determined time or period was then, or at any time since, arranged between your Petitioners and your Majesty's said Government for which the said Postal Service was to be continued at the said rate of remuneration.

"That your Majesty's said Government continued to pay your Petitioners for the said Postal Services from the time of the commencement thereof, as aforesaid, until the month of October, in the year of our Lord one thousand eight hundred and fifty-eight, at the same rate of remuneration of one hundred and ten dollars per mile per annum, and from the said last-mentioned date claim that your Petitioners should perform the said Postal Service for the remuneration of seventy dollars per mile per annum instead of the agreed rate of one hundred and ten dollars per mile which had been formerly paid, although no notice has been given to your Petitioners by your Majesty's said Government to put an end to the said first-mentioned agreement, and although your Petitioners have never, either directly or indirectly, given their consent to any alteration in the said terms of remuneration until the month of August, A.D. 1861, nor ever consented to reduce the rate to seventy dollars per mile per annum; but, on the contrary thereof, have always insisted, and still do insist, that they are entitled to claim and receive from your Majesty's said Government the said rate of one hundred and ten dollars per mile per annum up to the said month of August A.D. 1861, together with an additional and increased payment for the carriage of the Canadian Mails for your Majesty's said Government over a part of the line of railway of your Petitioners from Island Pond to Portland, in the state of Maine, one of the United States of America, for which no payment or remuneration has been received by your Petitioners from your Majesty's said Government.

"That, in the said month of August, A.D. 1861, your Petitioners, considering that the arrangement under which the sum of \$110 per mile per annum was agreed to be paid by your Majesty's said Government should no longer exist, as

aid line of railway was then complete, and the said last-mentioned rate was inadequate remuneration for your Petitioners for the services performed in the conveyance of the said mails, and the said Postal Services, by memorial to your Majesty's said Governor in Council, set forth their claims for such increased remuneration for the services performed by them in the carriage of the mails as they were fairly worth, and invited the consideration of your Majesty's said Government to the subject.

“That your Petitioners have from time to time, by various letters and communications addressed to your Majesty's said Government, through the official heads of the departments of the said Government, the Postmaster-General, and the Secretary of the Province, called the attention of your Majesty's said Government to the large balances due to your Petitioners from your Majesty's said Government, and claimed the payment thereof, and also claimed that the said rate of remuneration for the Postal Service aforesaid should be reconsidered by his Excellency the Governor-General of Canada in Council, in accordance with the provisions of the aforesaid Act of the Legislature of Canada, with the view to a clear and distinct understanding and agreement being arrived at between your Petitioners and your Majesty's said Government of Canada, to all of which letters and communications your Petitioners humbly beg leave to refer.

“That your Majesty's said Government and your Petitioners not being able to come to any agreement on the said rate of remuneration from the month of October, in the year of our Lord one thousand eight hundred and fifty-eight, it was agreed between your Petitioners and your Majesty's said Government that the settlement of the amount of the said remuneration should be decided by arbitration, and accordingly arbitrators for that purpose were mutually named and chosen by your Petitioners and your Majesty's said Government. The Honourable George Moffatt being the arbitrator named by your Majesty's said Government, and J. W. Brooks, Esq., being the arbitrator named by your Petitioners; and the Honourable William Henry Draper, the Chief Justice of the Court of Common Pleas in Upper Canada, being the third arbitrator chosen and agreed upon between your Petitioners and your Majesty's said Government.

“That after the appointment of the said arbitrators with the knowledge and consent of your Majesty's said Govern-

ment and your Petitioners, they entered upon the business of the said reference, and examined various documentary and other evidence in reference thereto, and while they were so engaged in the said reference, your Majesty's said Government, without any notice to or consent of your Petitioners by order in Council of the Fourth day of July, in the year of our Lord one thousand eight hundred and sixty-two, revoked the said reference, and refused to proceed further therein.

“That no remuneration has been paid to your Petitioners for some years past, not even the rates agreed upon in the month of August, one thousand eight hundred and fifty-three, for the said Postal Services ; but on the contrary thereof, your Majesty's said Government decline and refuse to make such payment to your Petitioners, or to consider the claim of your Petitioners for a just and fair remuneration for past Postal Services ; and on the fourteenth day of August, one thousand eight hundred and sixty-three, without any notice to or consent of your Petitioners your Majesty's said Government, by an order of the Governor-General in Council, did order and declare as follows :—

“That the said Grand Trunk Company, (your Petitioners,) be allowed from this date, at the rate of sixty dollars per mile of railway per annum, for the following service, namely, one daily mail service each way between Toronto and Quebec, by the Company's ordinary express passenger trains, running continuously, and without any break of connection at any intermediate point.

“One daily mail service each way, between Toronto and Sarnia, and St. Mary's and London, by the Company's ordinary express trains. One daily mail service each way between Quebec and Riviere du Loup, by the Company's ordinary passenger trains, and one daily service each way between Richmond and the boundary line, by the Company's ordinary passenger trains, such trains respectively being supplied as hitherto with travelling post offices properly warmed and lighted, and comprising as nearly as may be one third of a car, and exchanging mails at the way stations at which the said trains ordinarily stop. That in case the Company runs a second passenger train, express, accommodation, or mixed, on any part of the said line of railway between Sarnia and Quebec, between London and St. Mary's, or between Richmond and the Boundary Line, there be allowed to the said

Company forty dollars per mile of railway per annum for each mile of railway covered by such second daily train for the like use of the same.

“That the above allowances include the free passages of such officers of the Post Office Department as the Postmaster-General may, from time to time, require to accompany the mails, or to travel on the railway on the business of the Post Office.”

“That long before this Order in Council was made, your Petitioners by letter addressed to the Honourable the Secretary of the Province, and dated the twenty-ninth day of November, in the year of our Lord one thousand eight hundred and sixty-two, had demanded that they should be heard, and allowed to produce evidence both in reference to their past and future remuneration for the Postal Service of your Majesty’s said Government over their line of railway; but that your Majesty’s Government never gave any answer to the said demand, and made and passed the said Order in Council last aforesaid without any notice to your Petitioners, and affixed an arbitrary, unjust, and insufficient rate of remuneration for the said Postal Service, and made no order nor allowance for the past services so justly claimed by your Petitioners as aforesaid according to the said agreement of one hundred and ten dollars per mile per annum.

“Your Petitioners state that by an Act passed in the 25th year of your Majesty’s reign, chaptered 56, allowances to be received by your Petitioners from the Province for Postal services are directed to be appropriated solely to the present debts of your Petitioners owing either in Canada or in England to others than the Bondholders or holders of notarial mortgages of your Petitioners registered in Lower Canada, and the arrangements permitted by the said last-mentioned Act have been carried out by your Petitioners, and the various classes of Bondholders and creditors mentioned in the said Act, on the faith that the said Postal Services would be so appropriated.

“Your Petitioners humbly represent to your Majesty that, under the statutes of the Province of Canada, relating to the Postal Service on railways, the Governor in Council in making any decision upon the remuneration to be allowed to any Railway Company, act as a judicial body, and cannot and ought not to make any *ex parte* order or judgment without giving to any Railway Company interested in such deci-

sion an opportunity of adducing evidence, and being heard on the subject of such remuneration.

“That the said orders in Council lastly and firstly mentioned were so made *ex parte*, and without notice to your Petitioners, or any opportunity being afforded them of appearing or giving evidence before the said Governor in Council, and ought therefore to be annulled and set aside.

“Your Petitioners further humbly represent to your Majesty that your Majesty’s said Government sometimes claim that they withhold the payment of the moneys due by your Petitioners for advances made to your Petitioners by your Majesty’s said Government, and that your Majesty’s said Government have a right to withhold the same until the said advances are paid, whereas your Petitioners hereby represent that by the provisions of the said last-mentioned Act, which are binding on your Majesty and your Majesty’s said Government, the said Postal moneys are expressly appropriated for the purposes in the said Act mentioned, and cannot be withheld from your Petitioners for these purposes without a breach of faith and violation of trust on the part of your Majesty’s said Government.

“Your Petitioners are informed and believe that they are entitled to relief in the premises by petition of right to your Majesty, and all of which matters by your Petitioners above alleged your Petitioners are ready to verify in such way or manner as may be convenient. Your Petitioners must therefore most humbly pray that your Majesty will be graciously pleased to order that right be done in this matter, and to endorse your Royal declaration thereon to that effect, and to refer the Petition with such your Royal order and declaration thereon to your Majesty’s Court of Chancery for Upper Canada, and that this Petition may be duly received and enrolled, and that your Majesty’s Attorney-General for Canada West, being attended with a copy thereof, may be required to answer the same, and that your Petitioners may henceforth prosecute their complaint herein in such Court, and take such other proceedings herein as may be necessary against the said Attorney-General as representing the rights and interests of your Majesty, and that for that purpose your Petitioners may have leave to make such Attorney-General a party hereto, and to pray to obtain such relief in the matters aforesaid, as under the circumstances hereinbefore stated shall be just.

“And your Petitioners, as in duty bound, will ever pray.”

g
r
l
e
y
l
s
-
d
s
t

e
ur
ve
or
e-
ly
n-
e-
on
a-
n-
da
ed
ce-
nd
ary
hts
our
il a
cers
ited

y."

