

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

WITH REPORTS OF  
Mr. BLACKWELL,

*The Managing Director.*

Mr. SHANLY,

*The General Manager.*

Mr. MACKENZIE,

*The Locomotive Superintendent.*

December 29th, 1860.

LONDON  
WATERLOW & SONS, PRINTERS CARPENTERS' HALL, LONDON WALL

OFFICES OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA  
21, OLD BROAD STREET,  
LONDON, *December 13th*, 1860.  
E.C.

SIR—I am instructed by the London Board of Directors to inform you that a Meeting of the Share and Bondholders of this Company will be held at the LONDON TAVERN, Bishopsgate Street, on WEDNESDAY, THE 2ND OF JANUARY NEXT, at one o'Clock precisely.

I am, Sir,

Your most obedient Servant,

JOHN M. GRANT,

*Secretary.*

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## DIRECTORS' REPORT.

The London Directors of the Grand Trunk Railway Company of Canada, in referring to the annexed report of Mr. Blackwell the Managing Director, of Mr. Shanly the General Manager, and of Mr. Mackenzie the Locomotive Superintendent, for the details of the operations of the Company in Canada, avail themselves of this opportunity to state shortly to the Bondholders and Shareholders the present financial position of the Company.

All are already aware of the inability of the Directors to raise the £1,500,000 money as authorised by the Shareholders at their meetings in London and Canada last spring, which sum was required, together with the calculated proceeds of then existing assets, to relieve the Company from pressing liabilities; to defray the expense of additional rolling stock, sidings and station accommodation necessary to work the line efficiently, and to meet during the current year the claims for interest on the bonded debt. As stated in the report of the London Directors of 27th October last, the requirements, including the unpaid arrears of interest on bonds up to the present time, and after allowance for the depreciated value of assets unsold to liquidate existing engagements, amount

In London, in round numbers to	£1,706,000
In Canada to	350,000
To which must be added, in order to place the road and rolling stock in efficient condition	500,000
Making a total of	<u>£2,556,000</u>

When the London Directors were convinced of the impossibility of obtaining in England, on any terms, the necessary funds for working the line with efficiency, economy and success, they immediately called the attention of their colleagues in Canada to the necessity of applying any surplus receipts of traffic beyond working expenses in the mode specified by the Acts of the Canadian Parliament. The Canadian Direction took, as was its duty, legal advice as to the proper application of such traffic receipts; and in conformity with legal authority in Canada, which, however, is at variance with high legal opinions in England, employed the surplus, beyond what is considered in this country as strictly "working expenses," in meeting pressing claims for past expenditure in rolling stock, fuel and stores, the settlement of which claims was deemed necessary to prevent the stoppage of the road. There has not been a sufficient surplus of income over working expenses (in which all legal authorities both in England and Canada unite to class the rents of existing leases) during this current half-year, to meet the payment of the interest due on 1st January, 1861, on the first preference bonds; and the absence of all remittances from Canada for this or for any other object, forces upon the Directors the painful necessity of leaving the interest due on 1st January in abeyance, pending the existing financial struggles of the Company.

All these facts combine to press upon all interested in the existence of the Grand Trunk road, whether in Canada or England, the urgent necessity of providing promptly the means of preserving the undertaking from the ruinous confusion which must arise from the want of money and of credit, and from the conflict of various claims and protracted litigation; and for that purpose, as the Shareholders are aware, the Canadian Board of Directors memorialised, last summer, the Government to take the present condition of the Company into its early consideration, for the purpose of devising some plan by which the interests of all concerned, whether in England or Canada, might be protected from destruction. The Directors in London deem it to be their duty on this occasion to refer to that memorial, on account of the misconception of a portion of the Canadian press of the motives which dictated that Address to the Government. It would be as absurd as false, to pretend that the Directors were not guided in that step by the wish to save the capital

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invested in England in the undertaking from total loss; but it is equally incorrect to suppose that they wished to impose any additional burden upon the people of Canada. The Directors have as little the desire, as the right, to dictate or suggest any particular measure to the Canadian Legislature; but they believe that the relief prayed for, to restore the credit of this Company, might be afforded without any increase of the taxation of the Canadian people, or any permanent addition to the debt of the Province.

The Directors would most willingly have avoided, if possible, any further appeal for legislative interference, and for that purpose would have recommended the Shareholders to submit even to onerous conditions, had there been means of raising the money required from the resources or credit of the Company; but all efforts for that object having been exhausted in vain, they venture to ask the Canadian people calmly to consider whether their interests are not so far identified with those of the Company as to desire the continued operation of the road and its further development; to meet the growing wants of the Province, or whether it is preferable, by the refusal of all further assistance to re-establish the credit of the Company, which may cost the Province, nothing, but which may add incalculably to its further wealth and prosperity, to leave this undertaking in a state of doubtful existence, and of most limited efficiency; and, by its sad failure, to check the influx of British capital into the Province for future public works, and for the further development of its future resources. It is unnecessary to pause for a moment to explain that a direction, overwhelmed by an enormous floating debt, and met at every moment by discredit and litigation, cannot, economically or efficiently, deal either with the local wants of the Province, or secure for it that transit trade with the Western States which has always proved a source of increasing gain to the mercantile, producing, and labouring population of the countries through which it passes. The Directors, therefore, concur in the opinion recently expressed in the Report of the London Committee of Bondholders, that the obviously prudent course is to await the calm decision of the Canadian people through their Legislature, after the result of the Provincial commission of inquiry, and afterwards to appoint an English commission of investigation into the management in Canada and the future prospects

of the Company. In the meantime, they venture to suggest the propriety of united action on the part of all classes of Bondholders and Shareholders, and the abstinence from legal proceedings, which they fear may injure all, to the permanent benefit of none; and for that purpose recommend the appointment of a select committee to confer with the Directors as to their choice of the commissioners to be hereafter nominated for the inquiry in Canada, and also to obtain preliminary information from the officials who are at present in England, and are able to furnish such information as to the details and mode of keeping the accounts in Canada.

By order,

JOHN M. GRANT,

*Secretary.*

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

GENTLEMEN,

You are aware that in the present condition of the Company's affairs my presence in London was deemed necessary, although you concur with me in considering my repeated absences from Canada as detrimental to the interests of the line; and a meeting having been called for the 2nd January next, it is proper that I should make some remarks on the state of the Company's affairs in Canada, and on the Reports just presented by Mr. Shanly the General Manager of the Company, and by Mr. Mackenzie the Locomotive Superintendent (both now appended).

With regard to the state of the Railway, the line is in excellent working order: the permanent way as well as all the great works being in good condition.

The result of having taken the maintenance of the road into the Company's hands, instead of letting it by contract, is satisfactory.

With respect to the traffic, my belief in the realization of previous estimates is undiminished. There are, however, peculiar difficulties to be contended with, arising from the great periodical fluctuations in the amount of traffic at different seasons, which entails the necessity of having at our disposal ample rolling stock to meet the maximum requirements of trade, without which the opportunities for establishing and maintaining a good average receipt throughout the year would be lost; and also in the disproportion which exists between the Eastward and Westward bound traffic, whereby the trains going to the West are comparatively empty. At present our supply of rolling stock, and extent of terminal accommodation and sidings, are altogether inadequate, and, as far as an *a priori* estimate can be given, will require a further expenditure of from £400,000 to £500,000.

The traffic, which had for some weeks since the last harvest risen to an average weekly return of upwards of £16,000, has been unfavourably affected by the general financial collapse in credit in the United States, and which has operated alike on the traffic, and on the value of the securities of all the American railways connecting the Atlantic with the West.

Much criticism has been directed against the agreements entered into with the Great Western Railway and the Steamboats; I have elsewhere explained the motives which prompted these arrangements, the sole object being to avoid unnecessary and ruinous competition with existing interests. A Parliamentary Committee having pronounced against these agreements, and eminent legal authorities having declared

both of them, in their existing form, to be illegal, it is obviously the duty of the Company to have the questions raised decided at the earliest moment, and, if pronounced to be *ultra vires*, to abrogate them, or to modify the Great Western agreement under its provisions; and with reference to the results of the Steamboat agreement, as it is understood to be the wish of the Steamboat Company to terminate it, no difficulty need be apprehended in bringing that arrangement to a close; although it appears, by Mr. Shanly's report, to have been attended with collateral advantages to the Grand Trunk Railway Company.

Much has been said about an alleged cultivation of western or "through" traffic, to the sacrifice of the local interests of Canada, and I refer you thereon to the statements of Mr. Shanly, which explain the position and the policy of the Company in this respect; but while concurring to the fullest extent with the facts as stated by him, I cannot permit the present opportunity to pass without observing that I consider the Grand Trunk Company requires for its permanent and independent support a considerable share of "through" business to aid the local traffic.

The "through" traffic falls short of the estimates which were prominently set forth in the original prospectus, on account of the inefficiency of our means and accommodation, and the want of that confidence in the conduct of our business which a complete equipment of our railway would inspire. At the same time, it is necessary and only fair that cities and districts, and local and personal interests benefited by the railway, should unite with the Company in providing facilities for the conduct of their own business. Recent efforts of this nature have been made by some of the municipalities and private individuals, which cannot fail shortly to prove of much real advantage to the Company and themselves.

With respect to the working expenses generally, the best energies of every one concerned have been exerted to promote economy; and in my last report I estimated that when our system of arrangements for the conduct of traffic was perfected an expenditure of £10 per mile per week would earn £18. Up to the present moment, however, the want of the proper accommodation and facilities alluded to, and our financial embarrassments, have paralysed our powers and prevented the carrying into effect the savings and arrangements I had then calculated upon. The last winter's experience also shows that the expenditure necessary for the renewal of rails had been under-estimated.

With respect to the Detroit Line, Mr. Shanly's report will explain that as the Grand Trunk Railway of Canada has hitherto carried but a very small proportion of the through traffic for which it was designed, it would not be right to judge by the past what its earnings will amount to when fully worked.

I have the honour to be,

Truly yours, &c.,

T. E. BLACKWELL,

Vice-President

# GRAND TRUNK RAILWAY COMPANY OF CANADA.

## APPROXIMATE STATEMENT of WEEKLY RECEIPTS and EXPENDITURE for OCTOBER and NOVEMBER.

Week Ending	Total Receipts from Traffic, &c.			Expenditure.			Net Revenue.		
	£	s.	d.	£	s.	d.	£	s.	d.
October 6.....	16,560	6	0	11,505	6	0	5,055	0	0
"    13.....	16,640	14	0	11,742	10	2	4,898	3	10
"    20.....	16,683	8	0	11,922	9	0	4,760	19	0
"    27.....	16,485	2	4	11,889	4	6	4,595	17	10
November 3.....	17,464	1	5	13,056	12	5	4,407	9	0
"    10.....	16,843	11	10	11,827	7	4	5,016	4	5
"    17.....	16,503	4	7	11,883	12	3	4,619	12	4
"    24.....	16,139	1	10	11,498	3	0	4,640	18	10
	£ 133,319	10	0	95,325	4	9	37,994	5	3
Average per Mile per Week for the 8 Weeks .....	17	3	7	12	5	8	4	17	11



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## MR. BLACKWELL'S REPLY TO MR. CHAPMAN'S CHARGES.

1st. For having reported to the London Directors in December 1859, as follows, in page 11:—"As regards new works, I have to report that the Eastern Extension from Saint Thomas to Rivière du Loup is completed in the style of our best existing works," &c., &c. This statement being contrary to fact, as the line was not completed from St. Paschal to Rivière du Loup, a distance of some 25 miles. The Government Engineer's Certificate was not given until the last week in June, and the line only opened for running on the 2nd July 1860, in an incomplete state of ballasting, which was even proceeding under contract (with the Contractors to whom the working is leased) in September when they stopped the work owing to the non-payment of the Grand Trunk Notes, which could not be negotiated at the banks. This statement, while it deceived the Shareholders also misled the Directors, who, in their report of the 27th March, alluded to it as follows:—

"The recent Report of the Managing Director, Mr. Blackwell, informs the Shareholders of the completion of the Company's works, and the London Directors cannot but congratulate the Proprietors on this fact, and on the final settlement of the accounts with the English and Canadian Contractors."

1st. The Extract here quoted by Mr. Chapman, forms a *portion only* of a sentence included in a general statement of engineering details over the entire line; if the whole sentence had been quoted, as in fairness it ought to have been, it would have shown that the statement complained of applied especially to the "Masonry, Bridges, Buildings, and Drainage" of that section of the line between St. Thomas and Rivière du Loup, all of which were completed in December 1859, the Contractors' final Certificate having been given on the 17th of November, and accounts closed with that firm. It was to this fact that I particularly alluded when I reported the Eastern Section as completed in the style of our best existing works. It was true that a portion of the ballasting between St. Paschal and Rivière du Loup was incomplete, the explanation of which fact is shortly this:—the Minutes of the London Board show that it was agreed in the summer of 1859, to wind up finally all unsettled accounts with the Contractors, Messrs. Peto & Co., and in the settlement it was considered advantageous for the Company to take into their own hands the unfinished ballasting, and to complete it from time to time as required.

An actual saving, as compared with what would have been paid to the Contractors, was thereby effected of \$115,000, and as it was never intended to open that portion of the line until the summer of 1860, the actual payment of the cost of this ballasting was also postponed for about nine months. The report of the London Directors of the 27th of March, objected to by Mr. Chapman, in which they referred to and congratulated the Proprietors on the final settlement of the accounts with the English and Canadian Contractors, was also correct.

2nd. For having dismissed Mr. Reith, the General Manager, without assigning any reason in his report for so doing; and for which the Grand Trunk Directors in London paid £1,500 as compensation to Mr. Reith.

2nd. In regard to this matter, I assume no individual responsibility whatever, nor did I make to the Canadian Board any proposition on the subject; but I concurred in the views taken by my Co-Directors in Canada, who were unanimous in adopting the course which preceded Mr. Reith's retirement. The following resolutions of the Canadian Board explain all that occurred at the time—

On July the 8th the president submitted a circular which had been issued by the order of the general manager to reduce the wages of the *employees* at all stations, and those employed in running the trains, ten per cent., and reported that neither he nor the vice-president had been consulted before the issuing of the order; and the correspondence on the subject, as well as certain letters between the managing director and the general manager on the nature of Mr. Reith's duties having been laid before the board, and the assistant-general manager and the locomotive superintendent having reported to the board that they had gone fully into the wages paid by the Great Western, Northern and other railways, and the comparison showing that the wages of this Company were lower than any of these lines.

It was resolved—

That this board feels the deepest anxiety to reduce the expenses of the Company to the lowest possible limit consistent with the safe and efficient working of the line, and to this end have gladly co-operated with the managing director from time to time in making such reductions as could safely be made; but the board cannot recognise the right of the general manager to issue a circular of so important a character as the foregoing without the fullest consideration and discussion before the board, involving as it does a step that might have disorganized the service of the whole line resulting in consequences of the most serious nature.

The Board therefore have to express their disapprobation of the issue of the circular in question without their concurrence, and direct the Secretary to intimate this to the General Manager, and at the same time to state that the circular is hereby rescinded.

And it was further resolved—

That the whole of the correspondence be sent to London for the information of the London Board.

And on the 22nd July, the President stated that having received a reply from Mr. Reith, the General Manager, to the Minute which was passed at the meeting held on the 8th instant, he considered it imperative to consult with his colleagues at the earliest possible period, in reference to the answer to be sent to that gentleman, and he thereupon read to the Board the letter of the General Manager, and the draft of the reply he proposed with the concurrence of the Board to send to Mr. Reith, which was approved.

And it was resolved—

That Mr. Reith be informed that in the interests of the Company the Board has authorised the President

3rd. As the stationer, D.C. Huron pro- lease the Managing Jessor and

"and Vice-President to make arrangements for the engagement of an officer in Mr. Reith's stead, and that his connection with the Company do cease from this date."

The London Directors subsequently paid Mr. Reith £4,000 as compensation for the expenses he had incurred and the abrupt termination of a 3 years' engagement.

In regard to this charge I am only responsible in conjunction with my Co-directors. The statements contained in the prospectus referred to were made in good faith after careful enquiries, and on the best information that could be obtained. The great cause I consider of these expectations not having been realised has been the want of rolling stock on the Grand Trunk Railway, without which the large freights offered at Detroit could not be taken from Sarnia eastward.

It is satisfactory to learn from Mr. Chapman himself that he considers the extension to Detroit an absolute necessity to the Grand Trunk system; so did I, and my best energies were devoted to the scheme until I saw it accomplished. It had been previously arranged that this Company was to include the extension as part of its own management, and work it at the rate of 50 per cent. of the gross receipts, and this was so stated in my report of last December. This plan however was found impracticable, and the history of the facts which led to modification of these terms was so fully explained in the remarks of Mr. Baring, at the Shareholders' meeting of the 30th March last, that I have appended them hereto; and the London Directors in their report of the same month, made the following statement:—

"The Shareholders are aware that the line of this Company terminates at Sarnia, and that the through line to Detroit, and the communication with the various railways terminating at that place is effected by means of the Chicago, Detroit and Grand Trunk Junction Railway, which is proposed to be leased to the Grand Trunk Company for 999 years at such a proportion of the receipts earned on that Railway as will secure a dividend to the Shareholders of that Company of not less than 6 per cent. with a contingent increase up to 8 per cent. on the share capital of the Company."

"The length of this Railway is 60 miles, and it has been completed and opened for the estimated cost of £450,000, of which sum one half has been provided from debentures bearing interest at 8 per cent., and the other half from share capital."

"It was always contemplated and it is of the utmost importance that this line should be worked as part of the Grand Trunk Railway."

"The Grand Trunk Act of 1858 authorised the Com-



"pany to take a lease of this undertaking, and the ensuing meeting in Canada will be made special for the purpose of confirming the arrangement, subject to the needful authority being obtained from the Michigan Legislature to enable the Chicago, Detroit and Grand Trunk Junction Company to grant the lease."

An agreement in accordance with the above was accordingly prepared and was approved and adopted at the annual general meeting held on the 23rd of May last.

From this it will be seen that Mr. Chapman was quite in error when he says "that the Shareholders were led to believe that the Port Huron and Detroit was leased merely to be worked at 50 per cent. of the gross receipts, and then with having leased it to the Grand Trunk without any explanation of details." All the explanations the Directors had in their power to give were given, as I have conclusively showed above.

As regards my being managing Director of both, lessor and lessee, it is I am sure hardly necessary to state that the sole object of placing me on the Board of the Detroit and Port Huron Extension was to protect by this arrangement, to which Mr. Chapman seems to take exception, the best interests of the Grand Trunk for whose sole benefit the line was originally projected.

4th. It is admitted on all hands that in principle an agreement with the Great Western Railway Company on fair and equal terms was and is desirable with the view of avoiding ruinous competition for traffic common to both Companies to and from Detroit.

4th. For having previously entered into an agreement with the Great Western of Canada which deprived the Grand Trunk of the independent control of traffic West of Hamilton, and for having led the Shareholders to believe that the Chicago, Detroit and Port Huron Railway was leased merely to be worked at 50 per cent. of the gross receipts, and having subsequently leased it to the Grand Trunk without any explanation of details which were set forth in a circular dated 23rd April, 1860, issued by Messrs. Turner and Lawford, and Messrs. Bischoff, Cox and Bompas, understood to be Messrs. Gzowski's agents.

1st. Interest at 8 per cent. on Bonds.

2nd. Interest at 6 per

This agreement has not interfered with the Detroit Extension Line, but I may add, as the legality of the agreement with the Great Western Railway is questioned, that no money has passed on either side. The delay in the realization of our expectations as to the Detroit Extension is owing to other causes and chiefly to the want of rolling stock on the Grand Trunk Railway proper. To prevent the ruinous competition adverted to, by a mutually beneficial arrangement, the representatives of the two Companies met, and adjusted the heads of an agreement which, being submitted to the several boards of both companies in Canada, as well as in England, and approved of, was afterwards submitted to the Shareholders at their meeting in March last, and no dissent having been offered thereto, it was concluded that the proposed arrangement was satisfactory, and accordingly the two Companies, since December



cent. on Share Capital.

3rd. Interest at 50 per cent. working expenses to be paid to the Grand Trunk Company.

4th. A further 2 per cent. on Share Capital.

5th. Residue to Grand Trunk.

The same circular also adds: "The Grand Trunk Company are bound to fix the rates and bring as much traffic over the line as will secure and guarantee the payment of the 1st and 2nd items. The road is vested in trustees for carrying out these terms."

Query.—Who are the trustees?

If this representation be true, it follows that it abrogated the Great Western agreement.

last, became subject to its conditions. The spirit of the agreement, as stated in the preamble, was to prevent the possibility of a system of competition between the two lines involving reduction of fares and rates, high speeds of trains, and consequently greatly increased working expenses; and in that spirit, and with no reservation on our parts, this Company in the most perfect good faith entered into the compact. In the construction, however, put by that Company in carrying out the details of the agreement of its 16th clause, as follows:—

"That in the construction of the agreement where the word between is used, thus, viz., 'between Detroit or Windsor or Toronto,' and 'in all like cases occurring where the said word between is so used; the same shall not be construed to include any passengers or freight coming from or going to any station, point or place lying between or short of the said places named':—Hamilton and Sarnia are considered local points. The effect of this manifestly unfair interpretation of the spirit of the agreement is, that whilst the Great Western Railway is enabled to transport grain, &c., from Sarnia to Hamilton for Oswego and Montreal, without a division with this Company of any portion of the receipts, we are obliged to pay to that Company on all traffic going from Sarnia to Toronto from one-half to two-thirds of all the freight we receive. Remonstrances were made against so unjust a violation of the intentions of the contracting parties; but being of no avail, and the legality of the agreement having been called in question by a Committee of the House of Assembly and by our own counsel, to whom we had referred the whole question, I wrote to Mr. Brydges on the 12th November as follows:—'I must take this opportunity of repeating that the agreement is declared by our counsel to be illegal, not only because we have not complied with the clause referred to, but by the terms of the agreement we have unfortunately placed ourselves in a position which we are now advised is in direct violation of the law; and in this position matters now stand as between the two Companies. With reference to Messrs. Gzowski and Co.'s arrangements as to the disposal of their Bonds I can offer no remarks, excepting that as Messrs. Gzowski and Co. received Bonds at par for £50,000, in part payment of their contract, it was competent in them to dispose of the Bonds in any

5th. For permitting the general manager, Mr. Shanly, to enter into a joint charter of the Lake Ontario steamers with the Hon. John Hamilton, the latter being appointed manager at a salary of £1,000 per annum.

6th. For having purchased an estate at Sarnia from the contractors, Messrs. Gzowski, Macpherson and Co., for £21,000, while by the evidence of Mr. Galt before the parliamentary committee of 1857 it was proved that his partners Messrs. Gzowski and Macpherson were bound under their contract to furnish the requisite extent of land for station accommodation whenever required to do so.

way they deemed proper in their own interest. The trustees mentioned in the deed of trust are Mr. Thomas Galt, Q. C., and Mr. C. S. Gzowski.

5th. With respect to the steam boat arrangement, Mr. Shanly's object in proposing it was to avoid a ruinous diminution of rates from the effects of competition with the lake and river navigation, and to that gentleman's Report, which is now in type, I must refer you, only adding that the agreement with Mr. Hamilton was and is that his salary was only payable out of the net profits of the boats; and, therefore, as there were none, he receives no salary, and shares equally with the railway the loss; whereas we have made a gain by the improved rates, as explained by Mr. Shanly in his Report of the 23rd November above referred to.

6th. In reference to this charge, I may say that before I arrived in Canada the Sarnia and Stratford works were suspended, but the extent of land for right of way and station accommodation had been fixed and settled between the contractors and the Company. The land at Sarnia was fixed at 400 feet of river frontage and some 16 or 17 acres of land. When the works were resumed and the extension to Detroit determined upon, it was necessary to provide accommodation for the ferry arrangements and for the interchange of traffic at Sarnia—the Canadian terminus of a line 1,000 miles in length, and Port Huron—the terminus of all the American lines to the West and South West. These requirements demanded an additional river frontage of 1,600 or 1,800 feet, and an increase of from 60 to 100 acres. For this the Company had no claim whatever on the contractors. Negotiations were opened with the owners of this additional land and frontage, Messrs. Gzowski and Co. The sum they asked for it was £16,438 sterling, and they offered to leave it to arbitration, although in law not obliged to do so; at the same time they gave the alternative of purchasing the whole of their property, which consisted of about 500 acres, with a water frontage of some 3,000 feet, and about 500 acres more lying between the former 500 acres and the town of Sarnia, for the sum of £24,657 sterling, payment to be secured by an easy mortgage. On carefully investigating the value, by reference to local and other testimony, of such property, and having ascertained the cost to the parties, which is shown to be £13,972 sterling, I did not consider the

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sum for the whole unreasonable, but the difficulty arising from the Company's inability legally to purchase so large an extent of property at once appeared. I therefore corresponded with Mr. Baring, and he, for the Company's benefit, authorised me to draw on Messrs. Baring Brothers and Co. for the amount of the necessary deposit, and I here transcribe his letter of authority:—

*Extract of Letter from THOMAS BARING, Esq., to THOMAS E. BLACKWELL, Esq.: London, 4th June, 1858.*

PURCHASE OF LAND AT PORT HURON AND SARNIA.

"I presume the Company, as such, cannot buy, otherwise it would be advantageous for it to do so; but at any rate a large command of space ought to be reserved for the terminus, so as to have plenty of room. It might be objectionable for a director or official to be a purchaser or speculator, but on talking over the matter with some of my co-directors it is thought advisable to make sure of the option of what is valuable, saleable and eligible at either of the above-mentioned termini by paying a deposit on the purchase, if required. Perhaps the new Junction Company to Detroit may have the power of holding land, which would add to the temptation of its shares. At any rate, relying on your discretion, you are authorised to secure what you think fit, and to draw for a moderate deposit on Baring Brothers and Company."

The sum of £10,000 sterling has been paid, and appears in the Company's accounts.

It was subsequently arranged that I should take the deed for the estate and give the usual mortgage, and that I should execute a deed declaring that I held the deed in trust for other parties for the benefit of the Company. These are the only sums the Grand Trunk Company has paid on account of these lands—the balance of the purchase money being spread over several years; and I assert that the money which has already been paid does not exceed one half of what they would have had to pay *in cash* for the quantity of land and frontage which the Company actually required and took at the time the line was opened to Sarnia. I therefore still consider the purchase to have been a good one; and in this opinion I am borne out by many others who are well qualified to express an opinion. Recent purchases have fully confirmed the view I took.

With reference to the Arthabaska Branch, the Canadian Board, with the view of rendering available the £125,000 which the Company was compelled to provide under the Relief Act, entered into negotiations with the City of Three Rivers for a further advance by that Corporation, which would enable the road to be opened, and, looking at the strenuous efforts which were being made by other conflicting interests, it was deemed advisable, in the construction of this Branch, to secure the control over its working.

I have now, I trust, replied to the charges preferred against me by Mr. Chapman, and given explanations which will be considered satisfactory by the London Board, and by all impartial and unprejudiced shareholders.

(Signed) THOMAS E. BLACKWELL.

At a Public Meeting of the Shareholders held in London on the 30th of March last, the Chairman, Mr. Thomas Baring, made the following remarks on the subject of the Detroit Extension being assumed or adopted by this Company: he said,

"Then you are aware that there is another matter which I have already alluded to, for which a resolution by you, or your votes or proxies in Canada will be necessary—and that is as to the assumption or adoption of the branch line between Sarina and Detroit. I am almost afraid that I am wearying you. (No, no.) But I want you clearly to understand the position in which we are. That is a line which was essential and still is essential for the development of the traffic of our railway. It is a line which, in an estimate, will of itself pay if disconnected and severed from the Grand Trunk Railway, and there is therefore no wish on the part of those who are interested in the Detroit branch to force a previous adoption or resolution to sanction the lease of that line. If you think that you would do better to leave that line with its independent authority and not under the control of the Grand Trunk, you will, no doubt, reject the proposition: but if you think as I believe, that that would be a narrow view of the question, and that that portion of the whole system is so essential that you should not separate it from the Grand Trunk Line, you will agree with the Directors in resolving to adopt the lease. (Hear, hear.) There was a proposition, as you are aware, sent to all the proprietors to the effect that they should take their *pro rata* proportion of shares of that Detroit branch. It perhaps came forward under adverse circumstances, and there was no adequate response to it by the Grand Trunk Shareholders, who declined taking those shares. The chasm—to use a popular word—the chasm of funds to finish it was supplied in another way, and was supplied because it was essential to the Grand Trunk that it should be finished; but in order to find the funds it was necessary to modify the scheme, and to raise, as the report tells you, one-half by bonds bearing 8 per cent. interest. That was a course to which we were driven because there was not at that time sufficient reliance in the success of the Company to enable us to fill up the whole of the share-list by subscription. There is this only which I wish to say further upon this point—that if any of the proprietors now feel differently disposed on the subject, and if they wish to have their *pro rata* shares upon the conditions which were proposed on the 25th January last, that is to say, having a preference of subscription in the proportion of one share of £20 10s. in the new Company for every £130 of Grand Trunk Stock, and will make application at the Grand Trunk Office, between this and the 14th of April, every consideration will be given to that application, both for *pro rata* shares and for bonds; and every disposition will be shown to meet the wishes of the proprietors. (Applause.) As I have before said, those who are at present interested in the branch undertaking are not desirous of abandoning their own interest, because they believe it to be a good line; but we think it desirable that the Stockholders of the Grand Trunk should feel an interest in the success of that branch as well as in the main line."

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## GRAND TRUNK RAILWAY OF CANADA.

GENERAL MANAGER'S OFFICE,

MONTREAL, 23rd. Nov., 1860.

T. E. BLACKWELL, Esq.

Managing Director.

Grand Trunk Railway.

Sir,

I have the honor to report on the traffic and working of the Line for the year ending 30th June, 1860.

The road was opened in its entire length on the 21st November, last year, and the number of miles worked since that date is comprised in the following divisions:—

Detroit to Port Huron .. .. .	59 Miles.
Sarnia to Portland .. .. .	794 "
Richmond to Quebec .. .. .	96 "
London Branch .. .. .	21 "

Total 970 "

The extent of road open at the date of last Report was ..	880 "
Increased mileage during year ending 30th June, 1860 ..	90 "
The average number of miles worked in the half-year ending 31st December, 1859, was ..	895 "
And for the whole year ending 30th June, 1860 ..	932½ "

The total Receipts for the year have been .. ..	\$ 2,909,053 69
And the total expenses .. .. .	2,413,773 55

Net earnings \$495,280 14

The receipts are made up as follows:

From Passengers .. .. .	\$ 1,077,009 39
Baggage .. .. .	8,813 47
Mails .. .. .	99,273 84
Merchandise .. .. .	1,082,620 50
Expresses .. .. .	23,755 12
Car and engine hire .. .. .	219 50
Rents, &c. .. .. .	16,309 81
Telegraph messages .. .. .	992 06
Total .. .. .	\$2,909,053 69



And the working expenses consist of:

	\$	c.	\$	c.
In Locomotive department .. ..	754,326	39		
„ Car do. .. ..	289,385	89		
			1,043,662	28
„ Maintenance of permanent way .. ..			671,986	81
„ Traffic department, viz:—				
On Passenger account .. ..	153,889	04		
„ Freight .. ..	285,747	45		
„ Telegraph .. ..	21,747	40		
„ Ferry .. ..	19,042	69		
„ Damages and cattle claims .. ..	12,612	53		
„ Carriage of passengers and mails to and from stations .. ..	2,263	06		
„ Carriage of goods, do. .. ..	17,500	63		
„ Agencies in United States .. ..	38,786	09		
„ „ Europe .. ..	5,100	07		
„ General expenses, salaries, Audit Office, rents, &c. .. ..	61,247	43		
Loss on Detroit Section in 1859 .. ..	3,211	01		
			621,237	10
General charges, Secretary's department, law expenses, &c. .. ..			51,754	24
Taxes .. ..			25,132	79
			Total	\$2,113,773 55

The half-yearly receipts and expenditure compare as follows:—

	\$	c.
RECEIPTS—		
Half-year ending 31st December, 1859 .. ..	1,387,200	18
„ „ 30th June, 1860 .. ..	1,521,853	51
Total .. ..	\$2,909,053	69
EXPENDITURE—		
Half-year ending 31st December, 1859 .. ..	1,121,518	22
„ „ 30th June, 1860 .. ..	1,292,255	33
Total .. ..	\$2,413,773	55
The Expenses of the LOCOMOTIVE and CAR DEPARTMENT—		
On first Half-year (895 miles open) were .. ..	431,696	54
And on second „ (970 „ „) .. ..	608,965	74
The Expenses of MAINTENANCE OF WAY—		
On first half-year were .. ..	356,575	73
Second „ „ .. ..	315,411	41
The Expenses of the TRAFFIC DEPARTMENT—		
On the first half-year were .. ..	284,159	87
„ Second „ „ .. ..	337,077	53
Other Expenses on the first half-year were .. ..	46,080	08
„ „ second „ „ .. ..	30,800	95

	S	c.
The average cost of working the line per mile per week for first half-year was ... ..	48	19
And on second half-year ... ..	51	24
The average cost per mile per week for the whole year	49	73

The Gross Receipts as above, for year ending 30th June, 1860, were ... ..	\$2,009,053	69
And for year ending 30th June, 1859, they were ... ..	\$2,281,320	75

Increase in 1859-60 over 1858-9 ... .. \$627,732 94

The Expenditure as above, for year ending 30th June, 1860, was ... ..	\$2,113,773	55
And for the previous year it was ... ..	\$2,079,125	29

Increase of Expenditure in 1859-60 over that in 1858-9 ... .. \$331,641 26

Per centage of increase in Receipts for 1859-60 over 1858-9 = 27½ per cent.

Per centage of increase in Expenditure for 1859-60 over 1858-9 = 16½ per cent.

The general depression which had pervaded all branches of commerce on this continent, since 1857, still continued to be felt, and, of course, still continued to exercise an injurious influence on railway traffic, until the abundant harvest of this year began to be gathered in. In common with all other carriers we are *now* profiting largely from the bountiful crop with which the country has been blessed this season. The benefits accruing to us, however, from that source of general rejoicing have no bearing whatever on the increase in our receipts for the year ending 30th June last, as the products of the field did not begin to find their way to market until September.

Statement A herewith shows comparative receipts under every denomination of our traffic for three years past, commencing 30th June 1857, and ending June 30th 1860, and proves that our business is growing in a very much more rapid ratio than our expenses are increasing.

Tables are also annexed, showing in detail the number of foreign and local passengers carried during the year, and the number of tons of foreign and local freight transported.

The local passengers number ... ..	587,637½
Against, in the previous year, ... ..	564,653

The foreign passengers ... ..	102,185
Against, in the previous year, ... ..	85,119½

And the average receipt per passenger has been ... .. Nearly \$1.57

The average of the previous year having been ... .. 1.46½

The number of tons of local freight transported during the year was ... .. 529,285½

And of foreign freight ... .. 93,685½

The management of this Railway is constantly charged by the public and the press of the country with grasping at and fostering the *foreign* freight business, to the neglect of the *local*. In other words we stand charged with neglecting or not understanding our own interests; for every person at all conversant with railway business, knows, that its local traffic is the best paying traffic a road can have. In refutation of this charge, since self-interest will not be accepted as a guarantee for our giving the people of the Province our best attention first, before going abroad to seek for business, I would point to the above figures, showing that our foreign tonnage for the year ending 30th June last did not amount to one-sixth part of our total tonnage—that is to say, for every ton of merchandise carried for foreigners we carried upwards of six and a half tons for our own people; and when the accounts for the current half-year come to be presented, it will be still more conclusively proved that the managers of the Grand Trunk Railway are not so blind to the interests of the Company as to give an undue preference to that class of business which yields the smallest profit.

I have thought it advisable to allude to the foregoing question at length, because it is one that is attracting a great deal of attention in the country, and may, perhaps, yet be brought under the notice of the Legislature; so strong is the current of popular belief that the Railway is used more to the benefit of foreigners than to that of the people of the Province. It is not easy to stay a popular prejudice, and if facts supported by figures will not do it, nothing else can.

Under the freight agreement of 9th June, 1859, between this Company and the Great Western Railway Company there is an apparent balance due to the latter, for half-year ending 30th June, of ... .. \$15,957 74

That amount has not been included under expenditure, as it seems to me that it should rather be made a charge against net profits, if, in the true construction of the agreement, any sum whatever be due. It cannot, at all events, be fairly added to working expenses.

The traffic of the Detroit and Port Huron section has not yet answered the expectations that were formed of it. You are aware from my former report on this subject of the several causes which, in my judgment, operate against the local traffic of that line. To the *through* traffic of the Grand Trunk Railway the Detroit and Port Huron section is, however, an indispensable adjunct; but, for reasons hereinafter given, we are not now taking of that class of business one-third of what is offering, and, as a consequence, that portion of our road is not worked to anything like its full carrying capacity.

In point of alignment, gradients and completeness of construction generally, it stands first among the several sections of the Grand Trunk Railway, and when supplied with a proper equipment can be worked at a lower cost per mile than any other part of the Line.

Up to 30th June last, we had neither engines nor cars of our own on the Detroit section, but were wholly dependent for the working of the Line on hired rolling stock, which, of course, added very much to our working expenses. Plant cannot be hired at rates representing

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merely the interest on its value. Even now we do not own in engines and cars suited to the 4' 8½" gauge more than one-third of a full equipment.

The total number of persons permanently employed in the traffic department, according to returns of 30th June, was— ... 1,086

Classified as follows:—

General manager's and goods manager's offices	...	...	...	7
Audit office	...	...	...	20
District superintendents	...	...	...	4
Conductors of passenger trains	...	...	...	29
Luggage-men do. do.	...	...	...	26
Ditto at stations	...	...	...	31
Conductors of freight trains	...	...	...	70
Brakemen	...	...	...	160
Switchmen	...	...	...	119
Station agents	...	...	...	140
Ditto porters	...	...	...	270
Freight clerks	...	...	...	53
Train hands at terminal stations	...	...	...	76
Employed in ferry service	...	...	...	13
Telegraph operators	...	...	...	63
Lost freight and luggage department	...	...	...	5
Total	...	...	...	1,086

The average wages paid to passenger train conductors are 50 dols. per month; to freight train conductors, from 40 dols. to 45 dols.; luggage-men on trains receive 35 dols. and brakemen 30 dols. per month; station agents are rated at from 300 dols. to 700 dols. per annum, according to the class of station; and porters are paid by the day, their wages varying from sixty cents up to one dollar. As far as possible, telegraph operators are required to act as ticket sellers also, and they are paid at rates ranging from 25 dols. to 40 dols. per month.

The very large increase in our business for the last two months has, of course, necessitated certain additions to the foregoing list of employees. These additions are nearly altogether in the hands required to work the freight trains, as it is in that branch of our traffic that the improvement has taken place, and, unfortunately, an increase in freight transportation implies additions to working expenses. Our passenger receipts, which must always decline on the approach of winter, could be doubled with scarcely any increase of expense.

I will now touch upon the traffic from the end of the last half-year to the present time.

Statement A, already referred to, brings down the comparison of receipts, from all sources, from the 30th June to the 10th November in the present year:—

	dols.	c.
For the year ending the 30th June, the average receipts per mile per week were—	59	19
For the 19 weeks commencing 1st July and ending 10th November, the average has been	70	10

You will observe a very large increase in the receipts from passengers—upwards of 35 per cent. over the average of 1859-60; and yet the “pleasure travel” tending northward the past summer has been very far below the average, as all the hotel-keepers, and others interested in that paying class of travel, can testify. The fact of the “Great Eastern” having gone to New York, instead of, as had been promised and expected, making Portland her port of arrival on this side, diverted a great deal of travel from our line. Large numbers of Americans who would have visited Montreal, Quebec and the “White Mountains,” had there been no such extraordinary attraction to New York, were lost to us altogether. And the announcement, long before H.R.H. the Prince of Wales had landed in Canada, that he was also to visit the principal places in the west and south-west of the United States, as well as the great cities on the Atlantic coast, kept numbers at home who otherwise would have made their usual annual tour to the Lakes and the St. Lawrence. But the great fact is, that our regular, legitimate passenger business is steadily on the increase along the whole length of the line, while the agreement entered into last summer, between ourselves and the Express Line of Steamers on Lake Ontario and the River, has, beyond all question, added largely to our receipts: enabling us to keep up our full rates of fare between Montreal and Toronto, and giving us the whole of the passenger business between Kingston and Toronto: the boats, under the terms of the agreement, being prevented from touching at any of the way ports between those latter points.

The Steamer accounts have not yet been fully rendered: but they will undoubtedly show a considerable deficit of receipts as compared with expenses; one half of which will have to be borne by this Company, and placed as an offset against our gain from the obvious advantages pointed out above. The result of this season's business also goes to show that in fair competition the Steamers cannot make head against the Railway.

Immigration to and through Canada, though still very far below what it was in and previous to 1857, shows a fair increase this last season over the previous year. Statement B, herewith, obtained from the chief emigrant agent of the province, exhibits the total arrival in the country, by way of Quebec, from 1857, to 1860, inclusive; and by reference to the Emigrant column in Schedule A, it will be seen that our increase of receipts from that class of travel has been very rapid indeed, being in the proportion of 86 to 36, comparing this year with last, or about 140 per cent. advance; the actual increase in the influx of immigrants to the province being scarcely more than 15 per cent. for the season just come to a close, as compared with the season of 1859. In fact, we have taken nearly the whole of the Emigrant business this year: a result to which our agreement with the Steamers has contributed in no small degree.

It has not unfrequently been charged upon us by a portion of the press of the country, that, for the sake of the present gain derivable

from carrying our agents to the States, in allegation in this pleasing thing, on the intention instance—provinces past, have part of it been the circulars for the

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from carrying the emigrant *through*, over the whole length of the line, our agents endeavour to influence him to pass onwards to the Western States, instead of encouraging him to remain in the province. The allegation has no foundation in fact; simply because it happens that, in this instance at all events, our patriotism and our interests are pleasingly in unison. The "Through" emigrant does not, as a general thing, contribute a larger sum to our immediate traffic receipts, than the intending settler in the province—going to Western Canada, for instance—does, and so far from influencing passengers to go beyond the province all the Company's efforts both here and in England, for years past, have been to induce the emigrant to remain in the province, and part of the labours of the London Office during the last five years has been the distribution of nearly a million of pamphlets, maps and circulars of information respecting Canada, as the most desirable field for the emigrant.

In order to enable the St. Lawrence route, and our Railway in connection therewith, to compete with New York and its railways we are compelled to carry westward-bound emigrants at New York rates; which, of course—ours being the longest route—gives us a much less fare per mile than the American lines obtain from the same class of travel. The same causes do not operate against our *local* emigrant business: from it we obtain *local* rates, paying us so much better than the *through* rate, that it is better for us, even in view of immediate profit, to keep the emigrant in the province than to pass him on to our neighbours. To the permanent profit represented by the bone and sinew of an actual settler, I, speaking both as a Canadian and in Grand Trunk Railway interests, am as fully alive as our American neighbours are; and they it is, not the Grand Trunk Railway agents, who endeavour to entice the emigrant away from Canada on his landing at Quebec; for they have *their* agents always on the alert—at the very portals of our door.

With reference to the "through-looking" system from Europe, I may add that nine tenths of all who come to us in that way are of the class above-referred to as "actual settlers," "*booked through*" to places in Canada.

Since the securing of the large crop of the past season—a great improvement has set in in our Freight traffic. There is now more agricultural merchandise offering than we have the means of carrying: the deficiency of means being principally in rolling stock, and, under that denomination, chiefly in the article of covered freight cars.

With a full equipment of cars and engines, and with proper appliances for handling and storing grain, in bulk, at Toronto, Kingston, Montreal, and Portland, there would now be scarcely any other limits to the business we could do than are imposed by the limited capacity of a single-line road, and by the very small amount of shipping to be counted on at Portland.

I have no desire to speak disparagingly of the commercial importance of that city, but truth compels me to say that as the terminus of a great railway it has so far signally failed in fulfilling the expectations that were formed of it. The Grand Trunk Railway has done, or is doing, for Portland, all that can reasonably be expected of it, but the enterprise of its citizens has never yet taken a direction tending to secure to their magnificent harbour a great Trans-Atlantic trade: such a trade as a great trunk railway must have, or prove a great commercial failure. Boston, not Portland, now stands to us in the relation of our Atlantic terminus, for the bulk of our merchandise traffic, and that it is so to our loss will be manifest from the fact that we can get no higher rates for carrying to the former place than to the latter; because Boston can only be reached by us in competition with shorter routes. In fact the rates we get to and from Boston are less than we should get to and from Portland, by what we have to pay to foreign companies for carrying our freights between those places.

The vessels of the Montreal Steamship Company form a weekly Trans-Atlantic line to Portland in the winter; but, saving a sugar-laden schooner now and again from the West Indies, any other ocean ship rarely ruffles the waters of that harbour; and I must confess that the one blank in the future of the Grand Trunk Railway which I see not clearly the way to fill, is in the lethargic condition of Portland.

It is but right I should here observe, however, that there seems just now to be a dawning of better days for Portland. A large block of store-houses, and an extensive wharf, are in course of construction (a *Canadian* undertaking), which, when completed, will, to the extent of their capacity, be a guarantee of so much more paying traffic for the road. As I write these lines, too, a large sailing ship—"The Queen of the Lakes," owned or chartered by a Montreal house—has arrived there, to take in a cargo of 10,000 bushels of Canadian wheat, which I am now arranging to send down.

Other Montreal houses, besides the one above referred to, propose bringing vessels engaged in Trans-Atlantic trade to Portland this winter; but, as matters now are, the number of ships of that class that can load or discharge there at one time is almost limited to the extent of wharves which we ourselves possess. Aside from it the city does not boast of more than two wharves adapted to the reception of foreign ships. We can accommodate three conveniently in the existing state of our premises. The wharves constructed for the "Great Eastern" could, at no great expense, be altered so as to receive four more; and I would strongly recommend that that alteration should be ordered to be made, and put in hand as soon as circumstances will permit. In their present form, the "Great Eastern" wharves are not exactly suited for ordinary vessels.

I have above referred to the want of sufficient equipment to enable us to do all the business that is offering. So short are we of engines and freight cars, that though the foreign train from the West has for

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the last two months been all but abandoned, to the great injury of the Detroit and Port Huron section of the line, the local business in Canada is also very far from being properly served.

The following is a statement of our Rolling Stock, brought down to the present time:—

STATEMENT OF ROLLING STOCK ON GRAND TRUNK RAILWAY,—PROPER.

*Gauge 5 feet 6 inches.*

Passenger engines	...	...	...	...	...	...	80
Freight	...	...	...	...	...	...	132
Total Engines							212
Passenger carriages, first class	...	...	...	...	...	...	92
Ditto ditto, second class	...	...	...	...	...	...	49
Ditto ditto, composite	...	...	...	...	...	...	2
Baggage and post-office cars	...	...	...	...	...	...	58
Total cars for passenger and mail service, &c.							201
Covered freight cars	...	...	...	...	...	...	1,625
Open ditto ditto	...	...	...	...	...	...	1,068
Cattle cars	...	...	...	...	...	...	51
Brake vans	...	...	...	...	...	...	34
Total cars for freight service							2,778
Ballast waggons	...	...	...	...	...	...	133
Snow ploughs	...	...	...	...	...	...	31

ON DETROIT AND PORT HURON SECTION.

*Gauge 4 feet 8½ inches.*

Engines	...	...	...	...	...	...	5
Passenger cars, first class	...	...	...	...	...	...	4
Ditto ditto, second class	...	...	...	...	...	...	2
Baggage and post-office cars	...	...	...	...	...	...	2
Covered freight cars	...	...	...	...	...	...	16

Tabular statement C, herewith, exhibits the relative proportion existing between EARNINGS, WORKING EXPENSES and EQUIPMENT on eight of the leading railways of this continent, and reference to it will show that, with one exception, we are, of all these roads, the worst provided with engines and cars; while all persons conversant with the working of railways will be ready to concede that a long line like ours, having a stretch of 853 miles between its extreme terminal points (Detroit and Portland) ought to have a larger equipment; mile for mile, than the road of one-half or one-third the length, in order to be on an equal footing to earn an equal sum per mile at equal cost. Return

or westward-bound freights are always very much less in quantity on American lines than freights eastward. And on our own road the difference between tonnage up and tonnage down is very wide indeed; and, as a consequence, the long back haulage of empty cars not only prevents us from using them as often as the shorter road can use its plant, but also adds immensely to working expenses in comparison with earnings.

To take one or two instances from the statement (C) referred to above: The plant of this Railway is in the proportion of—

One engine to every 4½ miles of road; and to every single mile of road 2½ freight cars.

The Great Western of Canada has an engine to each 3½ miles of line, and to every mile 3½ freight cars, nearly.

The Michigan Central has an engine for every 3½ miles of the length worked, and to each mile of road 2½ cars.

Comparing us with the Great Western on the above figures, and allowing nothing for the greater mileage proportion of plant which our greater length entitles us to, we ought to have—

Of engines	217
We actually have	216
Wanting	31

And for freight cars we should have	3,286
Our whole present stock being	2,778
Wanting	508

Instituting a similar comparison between us and the Michigan Central Line, we are found to be wanting in engines	61
Cars	816

For the present it might be sufficient, or, at least, it would be a very great assistance, if the *minimum* deficiency shown above were made good to us; but it is quite obvious that the *maximum* number of cars and engines arrived at by the latter of the two comparisons is absolutely wanting to enable us to earn as large an income, per mile per annum, as is earned by the road from which the comparison is deduced.

I have instanced in particular those two lines, the "Great Western of Canada" and the "Central of Michigan," in endeavouring to illustrate our present inability to do as much business as we should be doing, or to do what we are doing as well as it should be done, because, in many respects their characteristics and the nature of their traffic exhibit a certain parallelism to our own, while their earnings approach nearer to what we must have, and their working expenses to what ours must be, than do those of any other of the railways quoted.

Besides our wants in the several articles of "plant," enumerated above, we are also very much straightened for the means of working

the grain elevator point to use of as Toronto than the Albany at Montreal the last most profitable winter.

There is a Portland all those points a part of the

The company's contentment advantage principally it is at of traffic continued.

It is destined America the short board—merchandise to the present inevitable ratio the if not receipts economical and suit those be constituted.

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Our total

the grain trade to advantage. There is but one granary and grain elevator on the line (at Sarnia), and until we have its fellow at some point towards the other extremity of the road it can be made but little use of; for the unloading of our cars at the large grain markets, such as Toronto, Montreal and Portland, entails far more expense on us than the loading at the stations where it first reaches the railway. The almost total absence of proper facilities for handling grain, in bulk, at Montreal, has pressed heavily upon us and upon the merchant for the last few months; and their total absence at Portland will operate most prejudicially on our working expenses and on his, at that point, all winter.

There should be elevators, with storage attached, capable of containing 200,000 bushels of grain, at Toronto, Montreal, Kingston and Portland; more shed room for general merchandise is also required at all those points, but more particularly at the two former; and at many points along the line there is deficiency of "Siding" room, to the extent of about five miles in all.

The completion of the "St. Lawrence Dock and Wharfage Company's" wharves at Pointe Levi, and the extension, as formerly contemplated, of our own premises there, also, would prove highly advantageous to our traffic during that moiety of the year when our principal communication with the ocean is by way of the St. Lawrence. It is at Montreal, however, that means for facilitating the interchange of traffic between the shipping and the railway is, and will always continue to be, most essential.

It is as a freight-carrying road that the Grand Trunk Railway is destined to hold a first place among the great highways of the North American Continent. For passenger traffic it cannot hope to vie with the shorter arteries to the great centres of population on the Atlantic seaboard—Boston, New York, Philadelphia and Baltimore. To our merchandise traffic, then, we must mainly look for swelling our earnings to the point required to make the undertaking pay; and, unfortunately, as once already observed in this Report, with increase of freighting business inevitably comes increase of working expenses in a very much more rapid ratio than follows on increase of passenger travel. It is, therefore, almost if not fully as essential to our success to keep down expenses as to get receipts up—ends that cannot be simultaneously compassed, or real economy effectually practised, unless the road be furnished with ample and suitable mechanical appliances for handling, storing and moving those bulky commodities—flour, grain and such like—which will always constitute our principal articles of transportation.

There are two main causes which operate prejudicially on our freight traffic. The one (already herein alluded to) is the difficulty of obtaining a fair balance between freights downwards and freights upwards; the other is the necessity we are under of carrying our freights, both ways, at less than fair rates.

Our total tonnage for year ending 30th June last was 622,971 tons.



Of which the return or westward bound portion from our four principal "ports of entry"—Quebec, Montreal, Portland and Boston—amounted to ... .. 105,872 tons.

These comparative figures do not look very encouraging; but, notwithstanding, a comparison of the "back loading" we have carried in each year of the three ending 30th June last shows that we are gradually gaining ground in that source of our revenue, as in others:—

In the year ending 30th June, 1858, the "return" tonnage from the extreme points above named amounted to ...	76,860 tons.
In the year ending 30th June, 1859, to ... ..	97,875 "
And in the closing 30th June last, to ... ..	105,872 "

That we are also steadily making way in the carrying of upward bound merchandise against our old established opponents and keen competitors—the river and lake forwarders—may be gathered from an examination of statement D, herewith, exhibiting our progress in upward tonnage from Montreal during the four past seasons of navigation, including that just now drawing to a close. It will there be seen that from 7,415 tons sent west from here in 1857, the trade has gone on regularly increasing until it has, this season, reached the respectable figure of 20,979 tons.

That this result was to have been brought about without considerable sacrifice of rates it would have been in vain to expect, running as we do, for 500 miles on a stretch parallel to and for the greater part of the way within sight of the finest internal navigation in the world. We carry from here to Toronto, and to all points between here and Toronto, and beyond it, at very low rates indeed.

But it is not only as against the St. Lawrence that we have to submit to carrying merchandise into the interior at very low figures: for Boston business, for instance, to this city and all points in Canada, west of Montreal, we are in competition with shorter lines of communication, and must accept such rates as the shortest will carry for. Then, again, to encourage a trade between New York and Portland by sea, in merchandise for Montreal, Quebec, and intermediate points, we have to put our charges down pretty nearly to the *minimum* point below which Railways cannot carry and live.

I have already herein stated, I think, that apart from the business done there in winter by the ships of the "Montreal Ocean Steamship Company," the principal importation trade direct to Portland is in the article of sugar from the West Indies. That trade is growing, and Portland may yet import all, or nearly all, the sugar used in Canada. We, however, so important is it for us to foster foreign trade at Portland—have heretofore had to carry the sugar at rates that I would rather not see quoted in print.

The whole business of Portland during the two last winters shows a very favourable comparison between tonnage to and tonnage from there—the latter, including, however, that from Boston, standing to the former in the proportion of one to two, nearly—though the ocean steamers have

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rarely ever arrived in with a full cargo. With some resident importers, with more shipping, and more foreign commerce, Portland would stand to the Grand Trunk Railway in the same relation that New York does to the New York Central Road.

Last year's comparison of upward freights from the four principal eastern points above instanced, shows as under:—

From Boston and Portland	...	...	...	72,212 tons.
„ Quebec	...	...	...	4,309 „
„ Montreal	...	...	...	29,351 „
Total				105,872

On downward freights our rates are also injuriously affected by competition with the water. For the last eight or nine weeks, we have been carrying immense quantities of the products of the country, at rates that as “local rates” are more favourable to the producer, or the buyer, than those levied by any other railway of note in America. The “New York Central” and “New York and Erie” lines have, doubtless, to compete with the water craft of the Erie Canal for as many months in the year as we are troubled by the St. Lawrence; but with this difference, that *their* adversary is really a canal navigation, 300 miles in length, highly tolled, and adapted for small boats only, whilst ours is made up of 300 miles of one of the great rivers of the world, having of that distance scarce ten per cent. of canal “improvement,”—and that, too, ship-canal—and of 200 miles of lake, as free of navigation as the ocean.

Our autumn tariffs on the great bulk of our freights from Western Canada have scarcely averaged one and one-half cent. (about three-fourths of a penny sterling) per ton per mile. We should have had two cents, which, though no more than fairly remunerative, would have made a difference of, perhaps, ten thousand dollars in our weekly receipts. But what could we do? The fleet of steamers on the lake and river is almost as numerous as it ever was, and as the Railway has obtained nearly the whole business in passengers, the owners now turn their attention more than ever to competing with us in the transportation of the heavy down freights, which the numberless way-ports in close proximity to our stations enable them to do without entailing upon the farmer or the country-merchant more than nominal additional cartage.

With the two modes of transport, side by side, thus open to him, the buyer of “produce” is not slow to take advantage of his right of choice, to our manifest disadvantage; and, during the season of navigation, he, not we, may be said to “fix the rates.”

I have already mentioned that of “through” or “foreign” freight business we are doing but little at present: just enough to keep alive the connection with our far-western customers. The amount of that class of traffic now offering is very large, and at rates which, comparing the cost of carrying it with the necessarily greater cost of doing local business, are, to the full, as good as the larger proportion of our

local freight has been yielding us. Upon the opening of our line to Detroit last winter we established the nucleus of a large trade with Cincinnati in its great staple commodities of pork, lard, and "boxed meats." Of the latter alone we carried some 3,000 tons; all of which was way-billed "Through, via Portland" and the "Montreal Ocean Steam-ship Company's vessels to Liverpool." I believe that our Cincinnati trade might be increased to an extent sufficient for the freightage of three times as many ships as now visit Portland during winter. But they must be steam-ships. The trade in meat demands dispatch.

In order to place Portland on a par with rival ports for such business as that just referred to, and for which the five Atlantic trunk-lines are all competing, we are, of course, compelled to carry at very low rates. That is to say, at the same rates as the other four lines—all having a New York connection—carry for to that great commercial emporium.

The distances from some of the principal centres of western trade to New York, and, via Grand Trunk Railway, to Portland, compare as follows:—

Cincinnati to New York	...	...	879 miles.
" " Portland	...	...	1,120 "
Chicago to New York	...	...	966 "
" " Portland	...	...	1,137 "
St. Louis to New York	...	...	1,341 "
" " Portland	...	...	1,418 "
Detroit to New York	...	...	776 "
" " Portland	...	...	853 "

In these comparisons I have in every instance assumed the *longest* all-rail route for the distance to New York; while the figures opposite to Portland represent the least number of miles by which it can be reached over our line and its connections.

We offer to the merchant in any of those cities a *through* bill of lading to Liverpool at exactly the same rates as he would have to pay if he shipped his goods by way of New York; and we say to the ship-owner who makes Portland his port of departure—your share of the through freight charge shall be exactly the same as the New York vessel would receive, though your sea-voyage is a shorter one. The amount then left to compensate the Railway for its share in the carriage of the goods is just the same as the shorter lines terminating at New York would receive, were the goods shipped from that port instead of from Portland.

On the above class of merchandise from Cincinnati we receive 21 per cent. per mile, and from Chicago 16 per cent. per mile less than the New York roads get. Our ability to carry at the lower rates being in the greater proportion of unbroken line that we possess, and in the facilities for transferring the freights from the cars to the ship at Portland, with little handling and no cartage.

The inducement thus held out to merchants to ship their goods at Portland are as great as we can well offer, without at once and

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avowedly entering upon a system of ruinous competition with the other Trunk Lines—the "New York Central," the "Pennsylvania," the "New York and Erie," and the "Baltimore and Ohio" Railroads. With a view to do away with such kind of competition, a general representation of all Western and Atlantic Lines, was convened at New York in July last, and certain broad principles agreed upon for our general governance, were subsequently, at a convention of the representatives of the "Five Atlantic Trunk Lines," held at Saratoga on the 28th July, digested into a treaty of peace, which has ever since ruled our actions towards one another.

Trans-Atlantic freights, arriving direct from sea at Portland, are dealt with in the same manner as those outward bound.

In endeavouring in this Report to state things exactly as they present themselves to my mind, and to place before you from the same stand-point from which I view them, certain organic wants, from which this great railway has been and still is suffering, as well as certain inalienable obstacles, with which it will always have to contend, it is far from my desire to cast a shade upon its future. On the contrary, I have an abiding faith in its ultimate ability to make a fair return on the capital absorbed in it. The cost per mile to the share and bondholders is much below the average cost of the chief American lines east of the great lakes. And though I would not undertake to promise that for some years to come it can be worked at less than 60 per cent. of its gross earnings, I believe that its receipts may be swelled to an amount that will represent surplus sufficient to pay interest on the bonded debt, and, by-and-by, a dividend on the share capital. The working expenses of the year ending 30th June last are not to be taken as a criterion of the proportion that outlay is to bear to revenue for ever. For the first moiety of that year we had no Victoria Bridge, and we had unavoidably to do many things, arising out of shortcomings in original construction, which drew unfairly upon revenue. The latter half of the year saw us, for the first time, in the condition of an independent road, connecting directly with feeders in the Western States; but it also found us with upwards of one hundred miles of new road upon our hands wherewith to effect that connection, with insufficient and already overworked rolling stock, and with incomplete and consequently expensive ferry arrangements at Sarnia. And all past experience goes to prove that, whatever forethought may have been devoted to its construction, a railway cannot be ushered into existence in such a state of perfect organization as will allow of a thoroughly economical system of working being administered from the outset.

There is one portion of the Company's property to which I have as yet made no allusion, because it has not been included in the general working of the line for the last twelve months, nearly—the portion east of Quebec—from Chaudiere Junction to Rivière du Loup: 118 miles.

Of that part of the Grand Trunk Railway scheme I will confine

myself to observing that since December of last year it has been "farmed out" to certain parties, but at a direct money loss to the Company of 1,500 dollars per month, in the form of a subsidy to the Lessees; and that we now have offers for leasing the road without any subsidy at all being looked for; thus showing an improvement in the prospects of that section of the line to the extent of 18,000 dollars a year. I would recommend that the leasing or "farming" principle, *without subsidy*, be adopted for the working of the Rivière-du-Loup extension for a year or two to come.

I am, Sir,

Your obedient Servant,

W. SHANLY.

GRAND TRUNK RAILWAY.

AVERAGE TRAFFIC. RECEIPTS per Mile per Week for the Years ending June 30th, 1858, 1859 and 1860, and from June 30th to November 19th, 1860.





COMPARATIVE STATEMENT showing PROPORTION between EARNINGS and ROLLING STOCK on some of the principal Railways  
in the United States and Canada.

GRAND TRUNK RAILWAY	Total Length .....	970 miles.	Average number of miles worked Year ending 30th June ....	932 <sup>1</sup> / <sub>2</sub> miles.	Main Line 919; Branches 21
	Gross Earnings for Year ending 30th June 1860 .....	\$2,903,325	Earnings per mile .....	\$3,090	83 Per Cent. of Earnings.
	Working Expenses .....	2,413,773	" " Working Expenses .....	2,588	
	Total number of Engines .....	217	" " Miles of Road to 1 Engine .....	4 <sup>1</sup> / <sub>2</sub>	
	" " " Passenger Cars .....	205	" " Including Baggage and P. O. Cars .....	2 <sup>1</sup> / <sub>2</sub>	
ST. WESTERN OF CANADA	" " " Freight .....	2,818	" " Freight Cars to 1 mile of road .....	2 <sup>1</sup> / <sub>2</sub>	Main Line 229; Branches 116
	Total Length .....	315 miles.	Average Earnings per mile per year .....	\$7,903	55 Per Cent. of Earnings.
	Gross Earnings for Year ending 1st January 1860 .....	\$2,036,633	Expenses .....	3,257	
	Working Expenses .....	1,125,735	" " Miles of road to 1 Engine .....	3 <sup>1</sup> / <sub>2</sub>	
	Total number of Engines .....	188	" " Freight Cars to 1 mile of road .....	3 <sup>1</sup> / <sub>2</sub>	
MICHIGAN CENTRAL R. R.	" " " Passenger Cars .....	180	Average Earnings per mile per year .....	\$5,613	58 Per Cent. of Earnings
	" " " Freight .....	1,169	" " Miles of road to 1 Engine .....	3,265	
	Total Length .....	320 miles.	" " Freight Cars to 1 mile of road .....	3 <sup>1</sup> / <sub>2</sub>	
	Gross Earnings for Year ending .....	\$1,832,473	Average Earnings per mile per year .....	\$5,613	
	Working Expenses .....	1,077,483	Expenses .....	3,265	
MICHIGAN SOUTHERN ..	Total number of Engines .....	214	" " Miles of road to 1 Engine .....	3 <sup>1</sup> / <sub>2</sub>	
	" " " Passenger Cars .....	1,253	" " Freight Cars to 1 mile of road .....	3 <sup>1</sup> / <sub>2</sub>	
	Total Length .....	525 miles.	Average Earnings per mile per year .....	\$3,191	61 <sup>1</sup> / <sub>2</sub> Per Cent. of Earnings
	Gross Earnings for Year ending 31st December 1859 .....	\$1,834,421	Expenses .....	2,114	
	Working Expenses .....	1,125,927	" " Miles of road to 1 Engine .....	6 <sup>1</sup> / <sub>2</sub>	
WESTERN MASSACHUSETTS	Total number of Engines .....	184	" " Freight Cars to 1 mile of road .....	1 <sup>1</sup> / <sub>2</sub>	
	" " " Passenger Cars .....	193	Average Earnings per mile per year .....	\$3,191	
	" " " Freight .....	927	Expenses .....	2,114	
	Total Length .....	176 miles.	" " Miles of road to 1 Engine .....	6 <sup>1</sup> / <sub>2</sub>	
	Gross Earnings for Year ending .....	\$1,834,421	" " Freight Cars to 1 mile of road .....	1 <sup>1</sup> / <sub>2</sub>	

WESTERN MASSACHUSETTS Total Length .....

176 miles.

Main Line 156; Branches 20

Working Expenses..... 1,125,927  
 Total number of Engines 84  
 " " Passenger Cars 113  
 " " Freight 927

2,144  
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61 Per Cent. of Earnings

**WESTERN MASSACHUSETTS**  
 Total Length..... 176 miles.  
 Gross Earnings for Year ending 30th November 1859..... \$1,815,423  
 Working Expenses..... 960,147  
 Total number of Engines 72  
 " " Passenger Cars 57  
 " " Freight 1,057  
 Total Length..... 321 miles.  
 Gross Earnings for Year ending 30th September 1859..... \$4,301,000  
 Working Expenses..... 2,056,947  
 Total number of Engines 235  
 " " Passenger Cars 126  
 " " Freight 1,988

Main Line 156; Branches 20  
 53 Per Cent. of Earnings  
 Main Line 379; Branches 142  
 48 Per Cent. of Earnings

**NEW YORK CENTRAL**  
 Total Length..... 559 miles.  
 Gross Earnings for Year ending 30th September 1859..... \$6,260,848  
 Working Expenses..... 3,349,429  
 Total number of Engines 211  
 " " Passenger Cars 298  
 " " Freight 2,760  
 Total Length..... 166 miles.  
 Gross Earnings for Year ending 30th June 1860..... \$775,568  
 Working Expenses..... 617,842  
 Total number of Engines 42  
 " " Passenger Cars 35  
 " " Freight 743

Main Line 298; Branches 258  
 54 Per Cent. of Earnings  
 83 Per Cent. of Earnings

**VERMONT CENTRAL AND VERMONT & CANADA**  
 Total Length.....  
 Gross Earnings for Year ending 30th June 1860.....  
 Working Expenses.....  
 Total number of Engines  
 " " Passenger Cars  
 " " Freight

Average Earnings per mile per year  
 Expenses " " Miles of road to 1 Engine  
 Freight Cars to 1 mile of road  
 Average Earnings per mile per year  
 Expenses " " Miles of road to 1 Engine  
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 Average Earnings per mile per year  
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 Freight Cars to 1 mile of road

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 4<sup>100</sup><sub>100</sub>  
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 4<sup>100</sup><sub>100</sub>

D.

## GRAND TRUNK RAILWAY.

STATEMENT OF FREIGHT FORWARDED FROM POINTE ST. CHARLES TO  
Stations Westward, during open navigation, per dates below.

Date.	Weight in Tons.	Amount. \$ c.	Total Weight in Tons.	Total Amount. \$ c.
1857.				
May .....	930 28	5,547 44		
June .....	904 83	4,734 72		
July .....	596 32	3,292 53		
August .....	671 31	3,333 35		
September .....	963 52	5,512 38		
October .....	1,484 95	8,827 52		
November .....	1,894 73	11,306 82		
			7,445 94	42,754 76
1858.				
May .....	998 46	5,242 00		
June .....	802 99	4,237 53		
July .....	755 30	3,413 34		
August .....	752 39	3,733 99		
September .....	1,080 96	6,347 67		
October .....	1,923 55	10,527 52		
November .....	2,184 37	12,144 92		
			8,497 67	45,846 97
1859.				
May .....	2,066 12	9,410 16		
June .....	1,926 20	8,281 46		
July .....	1,436 75	6,021 85		
August .....	1,392 06	6,280 40		
September .....	2,198 76	13,322 35		
October .....	3,292 22	15,293 94		
November .....	3,443 80	15,994 62		
			16,036 51	74,604 78
1860.				
May .....	2,325 97	10,329 18		
June .....	3,697 01	14,165 95		
July .....	2,314 54	8,530 20		
August .....	1,765 48	10,018 98		
September .....	3,318 90	18,599 83		
October .....	4,203 20	20,071 68		
November 1st to 17th .....	1,900 78	9,510 13		
Estimated 18th to 30th .....				
November .....	1,453 54	9,090 57		
			20,979 42	100,516 52

THOS. E. BLACKWELL, ESQ.

Vice-President and Managing Director,

G. T. R. Montreal.

DEAR SIR,

Herewith I beg to submit a report of our labours during the past year, with statements of the Locomotive and Car working and repairing. The repairs have been somewhat heavy, owing to the unusually severe and changeable weather of last winter, which seriously damaged our Stock. It is now, however, in first-class condition.

Our Freight business has greatly increased since the middle of September, and as there is now no doubt of its continued steady increase, we shall require at least 30 additional Engines of sufficient power to take heavy trains over the steep inclines on certain portions of the road. With these we should be able to avoid having recourse to the practice of running two Engines coupled together on Freight Trains—a practice objectionable, as involving not only increased wear and tear to the rolling stock, and consequently increased cost of repairs, but also considerable injury to the permanent way. The non-arrival of the Engines from England and Portland has disappointed us: as regards those expected from England, the delay is the more serious, in consequence of the time it will take to put them together after their arrival; and, unless they are speedily delivered, the shortness of time will prevent our using the greater part of them this winter.

We have turned out from these works since last year 5 sleeping cars, 4 baggage and post-office cars, two break vans, 101 box cars, and have 4 first-class cars about half finished.

I am glad in being able again to draw your attention to the regularity with which the trains have been run during the past year, as well as to the immunity from accident, which this Company continues to enjoy, affording the best of all proof of the excellent condition of the rolling stock and road.

The very satisfactory manner in which His Royal Highness the Prince of Wales was taken along the Line without the slightest detention or a single mishap, must, I am sure, have been pleasing to the directors, and they may rely upon the continued exertion of myself and assistants to maintain the like results; and

I have the honour to be, Sir,

Your most obedient Servant,

W. S. MACKENZIE.

Pointe Sainte Charles,

Montreal,

21st November, 1860.



STATEMENT SHOWING WORKING AND REPAIRING EXPENSES OF LOCOMOTIVE DEPARTMENT IN RATES PER MILE RUN FOR TWELVE MONTHS ENDING 30TH JUNE, 1860, AS COMPARED WITH TWELVE MONTHS ENDING 30TH JUNE, 1859, AND ALSO, FOR THREE MONTHS ENDING 30TH SEPTEMBER, 1860.

Months ending 30th June, 1860, as compared with Twelve Months ending 30th June, 1859, and also, for Three Months ending 30th September, 1860.	Mile-Run in Locomotives.	Working Expenses in Locomotives.		Fuel and Oil Consumed in Locomotives.		Oil and Fuel Consumed in Locomotives.		Small Stores.		Proportion of Maintenance.		Exhaustion of Locomotives.		Total Working and Repairing Expenses.	
		1859.	1860.	1859.	1860.	1859.	1860.	1859.	1860.	1859.	1860.	1859.	1860.	1859.	1860.
<b>1859-60.</b>															
January	210,275	3,815.57	3,338.12	3.75	3,194.2	3.80	3,057.4	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
February	288,124	2,811.01	2,779.66	3.05	2,878.71	2.77	2,816.6	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
March	216,166	2,066.70	2,048.11	2.98	2,088.85	3.75	2,055.1	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
April	220,997	2,138.71	2,149.24	2.94	2,166.89	3.15	2,069.9	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
May	220,997	3,072.51	3,066.59	2.75	3,090.00	3.94	3,069.9	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
June	222,021	3,534.46	3,561.82	2.71	3,575.23	3.92	3,560.65	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
For Three Months Ending 30th September, 1860.															
July	241,037	3,800.00	3,800.00	2.91	3,800.00	3.92	3,800.00	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
August	255,000	2,550.00	2,550.00	2.91	2,550.00	3.92	2,550.00	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.
September	252,900	2,529.00	2,529.00	2.91	2,529.00	3.92	2,529.00	C. M.	1859.	1860.	1859.	1860.	C. M.	1859.	1860.

Comparison  
miles  
30th  
1860

Total miles  
Total cost

Total miles  
Total cost

Difference  
Equal to

Total miles  
Total cost

Total miles  
Total cost

Difference  
Equal to

Total miles  
Total cost

Total miles  
Total cost

Difference  
Equal to



**SUMMARY—SHOWING THE TOTAL CAR STOCK ON LINE AND THEIR CONDITION  
FROM THE 10TH NOVEMBER, 1860.**

Description.	Waiting Repairs.	Undergoing Repairs.	Total Stock Total off for Repairs.	Balance of Stock on Line on 10th Nov.	Total Stock of each.
First Class .....	7	4	11	78	89
Second Class .....	11	1	12	37	49
Composite .....	...	...	...	2	2
Baggage .....	1	1	2	20	22
Baggage & Post-Office .....	4	3	7	29	36
Box .....	86	23	109	1,324	1,633
Platform .....	50	18	68	1,011	1,079
Cattle .....	...	1	1	50	51
Brake Vans .....	1	5	6	28	34
Snow Ploughs .....	6	2	8	26	34
Ballast Waggons .....	29	...	29	104	133
	195	58	253	2,909	3,162

**ADDITIONS TO LOCOMOTIVE ENGINE STOCK DURING THE 12 MONTHS ENDING  
30TH JUNE, 1860.**

		Passenger.	Freight.	Total.
Week ending June 25, 1859	In stock..	78	125	203
" Nov. 26 "	" "	78	127	205
" Dec. 31 "	" "	78	128	206
" Jan. 7, 1860 "	" "	78	129	207
" Feb. 11 "	" "	78	130	208
" " 18 "	" "	78	131	209
" March 3 "	" "	78	132	210
" July 21 "	" "	79	133	212
Transfer made at this date of One Locomotive to Passenger Stock, making Return for Week ending July 28, 1860 .....		80	132	212

\* Returned to Depot for Repairs (Not to be returned) and 1 Locomotive for Repairs.

**CONDITION OF CAR STOCK ON LINE, 10TH NOVEMBER, 1860.**

WAITING REPAIRS.			UNDERGOING REPAIRS.			TURNED OUT REPAIRED.		
Passenger.	Freight.		Passenger.	Freight.		Passenger.	Freight.	
Class.	Class.		Class.	Class.		Class.	Class.	
First .....	Box .....	80	First .....	Box .....	29	First .....	Box .....	52
Second .....	Platform .....	172	Second .....	Platform .....	18	Second .....	Platform .....	36
Composite .....	Cattle .....	1	Composite .....	Cattle .....	1	Composite .....	Cattle .....	1
Baggage .....	Brake Vans .....	1	Baggage .....	Brake Vans .....	5	Baggage .....	Brake Vans .....	1
Baggage and Post Office .....	Ballast .....	29	Baggage and Post Office .....	Ballast .....	2	Baggage and Post Office .....	Ballast .....	1
	Snow Ploughs .....	6		Snow Ploughs .....	2		Snow Ploughs .....	1
Total .....	Total .....	172	Total .....	Total .....	49	Total .....	Total .....	86

## CAR STOCK ON LINE AT PARTICULAR PERIODS.

PASSENGER.						FREIGHT.					
Date.	First Class.	Second Class.	Composite.	Baggage.	Baggage and Post Office.	Box.	Platform.	Cattle.	Brake Vans.	Snow Ploughs.	Ballast Waggon.
1859.											
July.....	81	49	2	22	30	1,195	1,068	51	32	31	133
1860.											
January ..	84	49	2	22	30	1,307	1,062	51	32	31	133
June ....	84	49	2	22	30	1,500	1,059	51	34	31	133
Nov.....	89	49	2	22	36	1,633	1,079	51	34	31	133

COST OF WAGES AND MATERIAL FOR REPAIRING CARS FOR 6 MONTHS  
ENDING

Both Jan'y, 1857.	31st Dec., 1857.	31st June, 1858.	31st Dec., 1858.	31st June, 1859.	31st Dec., 1859.	31st June, 1860.
\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
131,064 80	125,133 22	147,375 30	126,571 21	134,009 72	138,574 13	147,465 00

## COMPARATIVE STATEMENT OF MILEAGE FOR THE YEARS:—

	September 1859.	September 1860.
Passenger .....	97,163	97,801
Freight .....	75,953	90,165
Mixed .....	7,983	39,971
Piloting .....	6,531	14,538
Light Running .....	2,571	5,475
Shunting.....	25,192	23,267
Wood .....	8,326	9,199
Engineering .....	59,175	29,875
Total .....	282,300	305,301