

THE EQUITABLE LIFE.—On the 4th of the present month a "central branch" of this Society was organized in Cincinnati. The occasion which was one of much interest was duly celebrated by a sumptuous banquet at the Burnett House; among the guests were the Governor of Ohio and many of the local notables—the Governor presided. Mr. Henry B. Hyde, Vice-President of the Equitable, added much to the interest of the gathering by an address of some length relating to matters connected with the history and management of the Society. Other gentlemen also addressed the meeting. Some reference being made to the cost in many cases in connection with fire and life insurance of obtaining money on policies after it was due, Mr. Hyde said there had been but three or four instances in which the Equitable had opposed payment, and he was sorry to say one of those was in the State of Ohio. One of the policy holders residing in the northern part of the State died, and the company was about to pay the premium when some intimation was received that all was not right. A special agent was sent to the village. He made inquiry and learned that the man had died and had been buried. The grave was opened and the coffin taken out and found to be full of broom corn! Now, said he, we claim to exercise great liberality in the payment of policies. The proof must be damning to keep us from making the payment at once, and I leave it to you whether we are not justified in refusing to pay \$10,000 for a coffin full of broomcorn. (Laughter and applause.)

Railways.

GRAND TRUNK RAILWAY.

We summarize the proceedings of the half-yearly meeting as below. The remarks of Mr. Potter, the chairman, will be found very explicit, and afford much information relative to the position and working of the line.

The Chairman said:—The statement now before you presents very much identical features with the accounts of the first half of the year 1870. During both of the two half-years of 1870, a large amount of traffic, both in passengers and in goods, was carried, but at a considerable reduction of rates. That reduction averaged over every ton of freight carried for the last six months of 1870, 1s. 7d. less per ton and 5d. less per passenger than in the corresponding period. At the rates of 1869 we should have earned for the half-year ending December, 1870, £70,000, sufficient, and rather more than sufficient to pay the interest on our first preference bonds. During 1863, 1864, and 1865, the highest rates on a barrel of flour from Chicago to the Atlantic seaboard were equal to \$3.30 per barrel. They gradually declined in 1866, 1867, 1868, and 1869, until they reached a sum of \$1.10 in 1869. In 1870, however, that through rate fell to 90c. per barrel of flour. Referring to locomotive power, and repairs to engines, for the haulage of the traffic, that shows a reduction in the cost per train mile for the work done, and a satisfactory reduction. The repairs and renewals of cars show an increase of the rate per train mile. The passenger and freight car stock of the Grand Trunk had from the first been of an inferior description, and in the progress of competition amongst railway lines, great improvements have been made in the construction and designs of cars, both for freight and passengers, and it is necessary, to enable us to hold our own, not only to maintain our stock, but to improve it, and in that process of improving our stock we have spent for the last six months of 1870 a larger sum per train mile than for the corresponding period in 1869. That expenditure will continue still to be about at the rate at which it was for the last six months of 1870; that is, at an increased rate per train mile as compared with 1869,

because it will require some few years to bring up our car stock to that condition of efficiency and that improved state which is required to tempt and encourage the traffic. With regard to the traffic expenses, the amount is as nearly as possible the same per train mile as for the corresponding period of 1869. The general charges and the miscellaneous expenses are less per train mile, although the amount is a trifle larger than for the corresponding period. The rent of rolling stock shows a considerable increase, and although that increase is not entirely due to the extra stock purchased from the Montreal Car Company, and from the owners of the adjustable gauge car, it is mainly due to those two large supplies of extra stock. The tolls paid to other companies are rather smaller. Now I come to the last item, and I will put the two together, maintenance of way and renewals of way, which showed for the half-year a considerable increase, and for the whole year an increase of £341,000, against £324,000, for the corresponding period of 1869. Upon this subject I gave you, on my return from Canada, an explicit and careful calculation based upon observation, and upon a very anxious consideration of the facts of the case with the officers of the company in Canada. I told you that you could rely in all probability on an expenditure of £300,000. per annum for maintenance and renewals, with an increase of something between 5 and 10 per cent. for any extra traffic. The extra traffic converted into money for the year 1870, as compared with 1869, amounts to £150,000, and therefore, according to the calculations which I gave you in December 1869, and which I again repeated in October 1870, the figures should have been £312,000, or £315,000, instead of £341,000. The estimates and the calculations were based upon the experience of the preceding years, and upon the wear and tear of the rails, and the whole of the excess over the estimate—namely, the difference between £315,000, and £341,000.—is due entirely to a larger amount of renewals upon the line. Instead of renewing 125 miles of railway, or 130 miles, we have found it necessary to renew 157 miles.

This idea has occurred to me. It is not a practical one, but it has occurred to me in anxiously studying these accounts that there is some consolation in it, and it is that it is possible for the proprietors of the Grand Trunk of Canada to renew the whole of their line by one coup, and to substitute steel rails for iron rails at an expenditure of something like one million sterling, which, allowing for the price which we should sell our old rails at, would renew the whole line, the operation would not only pay something like 7 per cent. on that million, but we should certainly, I think, reduce our annual permanent way expenditure from £341,000 to £200,000. And we could produce, therefore, if it were possible or practicable to conduct such an operation, a large saving for the first preference bondholders. At any rate there is this consolation in the idea, if it is not a practical one, that there is some bottom to this never-ending cost of maintaining and renewing the iron rails on our railway in Canada. I may say here that in the working expenses incurred on the line in earning our gross receipts, there is a sum of something like £10,000 charged in these accounts which is due to three serious accidents on the line in November, 1870, and therefore to the extent of £10,000 our working expenses may be said to be somewhat exceptional. That expense is thrown over several departments. The accidents were of a very serious nature, not attended happily with much loss of life, but attended with considerable destruction of the permanent way and rolling stock, to the extent of about £10,000 that has been charged and paid for in the working expenses of 1870. There still remains a smaller sum to be charged against revenue which will fall mainly on the maintenance and renewal charge of the present year. The interest upon loans, instead of being £5,220 for the half-year, is only

£563. Then on the capital account there are several observations which occur to me. First of all, with regard to new works. The works enumerated in this list were ordered by the Board, after anxious inquiry, and they were all essentially reproductive works, and necessary for the development of the traffic. Considering the extent of our line, and the very little money that has been spent on works of this description for the last five or six years, I think the expenditure is rather small. With regard to new stock in the capital account, there is a list of the locomotives and carriages constructed during the year, and paid for, and now upon the line. In addition to the carriages and locomotives there enumerated, we have now got six of the Pullman cars running in our trains, and in the course of another six weeks we shall have another six, making twelve in all. You are aware of the conditions on which we rent these from the Pullman Carriage Company. We pay no rent for them, but we keep the outside work and wheels in repair, and the Pullman Company have their own servants inside, who look after the cleaning of the upholstery, &c. We pay nothing for them, but the passengers traveling upon the line are only too willing to pay the small extra fee required for riding in these cars. When you consider that the first-class fare in America is very little more than 1d. per mile, the extra fare of something like a dollar for 150 miles is most cheerfully paid by the public; in fact, these cars are always full. We shall have twelve of them on the line in the course of the next six weeks. Then there is an item here for Ottawa and Prescott, £5,000. That sum was advanced to the Ottawa and Prescott twelve years ago. At the same time there were other sums advanced to this Company, and two others amounting in the whole to £160,000 to the Ottawa and Prescott, to the Cobourg and Peterboro, to the Port Hope. These railways have been sold by the mortgagees since that time. We have now transferred this amount to the capital account. In page 31 you will find that the amount of securities on hand is largely increased, and it now stands at £546,000. The increase is entirely due to one sum of £308,000, and that has come into our hands in this way. The Atlantic and St. Lawrence, as you know, was leased to the Grand Trunk before the Grand Trunk scheme was offered to the English public. The line was in a very unfinished condition when leased to the Grand Trunk, and by the terms of the lease the Atlantic Company was required, under one of the clauses, to create and to hand over to the Grand Trunk an amount in shares equal to the permanent expenditure upon the line—that is to say, the construction expenditure. The Grand Trunk has spent very considerably more upon the line in construction—that is, in supplementing imperfections—than £308,000, and under the terms of the lease the Directors of the Atlantic and St. Lawrence have handed us that amount in their shares. We, of course, have no intention of using those shares without the express sanction and approval of you, gentlemen. They are available assets, and they may at some future day, with your assent, be made valuable. They are in our coffers, and therefore, to that extent, they enlarge and increase the credit of the Company. Now, I think I have sufficiently gone through the accounts; though, of course, I shall be glad at the end of the meeting to answer any questions upon them. I will pass to the bridge over the Niagara river at Buffalo. You were induced to advance £20,000 from Grand Trunk resources to start this bridge; and when I made the remarks from the chair which led you to authorize that advance, I was under a strong impression, and you were under the same impression in making that advance, that we should have been able within a very brief period to float the capital of the bridge. But circumstances were against us, and we were not able—indeed, we dare not attempt—to issue the bridge stock. That continued during the whole year. During that time the contractors—and fortunately we