

Debenture Stock; also for £17,000 rentals and interest on purchase money of lands sold by the Chicago Company, which may possibly be paid over to the Grand Trunk Company. These two sums would yield a further  $1\frac{3}{8}$  to  $1\frac{1}{2}$  per cent. on Second Preference. Beyond this there may be, in the future, an improvement in the business of the Detroit line, and as this Company has no Preference Stocks, and as all profit beyond the amount of interest charges—about £67,500—is therefore available for dividend on the Ordinary Stock, it may be hoped that in the future some £10,000 to £15,000 a-year will come in from this source.

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*Renewal Accounts.*—This is the heading under which a considerable sum has appeared in each of the half-yearly balance-sheets, beginning with that for 31st December,

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arrangement they would give up an annual interest of £5 and receive only £4 11s. 2d.; the alternative being that at the maturity, at 1st January, 1912, of the Security they now hold, they will be paid off at par, and thus receive £100 cash at that date, instead of £114 in Grand Trunk Debenture Stock now, the present value of which, at 91, is £103 15s. It has also to be noted that the Securities proposed to be exchanged rank in priority to £7,027,475 of Five per Cent. Debenture Stock, as well as to the Four per Cent. Debenture Stock into which by the conversion they would merge; it being, however, provided "that the Securities acquired or purchased by or in exchange for the Debenture Stock authorised by the Acts of 1884 and 1887, shall be held as subsisting, and continuing as a security *pro tanto* for the benefit of the holders of the Debenture Stock." The surrender by the present holders of the Securities referred to in exchange for new Debenture Stock, will thus be the means of improving the status of the Securities held by those who hold aloof from the conversion. Anyhow, it still remains to be seen to what extent the offer of conversion will be responded to, the time up to which exchanges can be effected on the terms proposed by the Directors being the 14th December, 1887. When the proposed conversion of prior Securities into Four per Cent. Debenture Stock is completed, the saving of £60,000 per annum to be effected thereby will, it is said, practically cover the capital expenditure involved in doubling the main line from Montreal to Toronto—a distance of 333 miles, of which it is expected that 45 miles will be completed during the coming winter. In the meantime, it would appear that the only saving that can be taken into account, as reducing pre-preference charges, is £14,000 per annum arising out of the conversion of Great Western Equipment Bonds.