

000 of 1st, 2nd, 3rd and 4th Preference capital may be greatly lessened. We have not yet seen the new Bill, and therefore cannot say what the operation would be, but we guess it would be to cut down the aggregate of the Preference capital. If this be done we may see the capital of the Grand Trunk very much less than £17,200,000.

Let us, however, regard it as £17,200,00. Then we have the following:—

Capital of the Grand Trunk.....	£17,200,000
Annual gross revenue.....	1,350,000

The Grand Trunk traffic has increased greatly in past years, and it may be expected to advance quite as rapidly in future.

Viewed in the light of the per centage of gross revenue to capital outlay the Grand Trunk is a much better property than the Brighton. It is better than the South Eastern.

The Grand Trunk have about 8 per cent. annual gross revenue of their capital. Commercially considered the capital is really not as much as £17,200,000, since a large part of it is entitled but to low rates of interest. But taking it as high as £17,200,000, we find the gross revenue per annum is 8 per cent. The railways of the United Kingdom have no better traffic than the Grand Trunk, we mean no better in relation to capital cost. The latest Board of Trade return we have is for the year 1865. The total capital then paid up on shares, debentures, &c., for the railways of the United Kingdom was £455,478,143. If the working expenses of the Grand Trunk were 50 per cent. the profits of the Company would at this moment average 4 per cent. per annum of its entire capital, which is about the average of our home railways.

But the Grand Trunk working expenses are not as low as 50 per cent.

Here we touch the great secret of the Grand Trunk's blank sheet of accounts—the working expenses.

What are the working expenses in the last half-year—the June, or inferior half of 1867? Why they amount to the whole gross traffic receipts, less some comparatively small and necessary outgoings. The half-year's gross receipts are £609,121. The working expenses, including renewals and some loss by fires (charges we place to revenue), come to £495,039, leaving a balance of property of only £114,082, whereas if the Grand Trunk were worked at the same rate of cost as the English lines, or the Great Western of Canada, the profits would have exceeded £300,000 instead of being only £114,082. With £300,000 instead of something over £100,000 profits in a half-year the Grand Trunk would be in a condition to pay all its four Preferences in full, and something to the ordinary shareholders.

We do not expect the Grand Trunk will be worked quite as low as 50 per cent., although the Great Western of Canada was last half-year worked below 50 per cent., namely at 48-69 per cent. The 48-69 per cent. of the Great Western of Canada included the heavy renewals of that line, all rates and taxes, &c. The Grand Trunk has not so thick a traffic as the Great Western of Canada, and its percentage of working expenditure will doubtless always be higher than the Great Western of Canada's, but it should not be much higher. All railway experience has proved that working expenditure is according to the work done, and that a line with £50 a mile a week traffic on it will be worked at about the same percentage of cost as one with £25 or £30 a mile a week traffic.

The whole working expenditure of the Grand Trunk appears to us to be on a high scale, but we have only time now to dwell on one item, the most awful, however, of the frightful lot. We refer to the maintenance and renewal charge. It amounts in the half-year to £121,009, the whole gross receipts being £609,121. Thus the maintenance and renewal is close upon 20 per cent. of the receipts! Now the Great Western of Canada's maintenance and renewal charge is only 11-70 per cent. of their receipts in the past half-year. The difference between 11½ and 20 per cent. is enormous. Time was, however, when the Great Western of Canada's maintenance and renewal reached and exceeded 20 per cent. of their receipts. For the first half of 1862, the Great Western of Canada's maintenance and renewals came to

£49,903, and their receipts were £246,228. £49,903 is above 20 per cent. of £246,228. Disregarding fractions, the Great Western of Canada's maintenance and renewals were then just about what the Grand Trunk's are now. The Great Western of Canada were at that time in course of making the splendid line they have, at the cost of revenue. This being so, how can we complain that the Grand Trunk's are so high? We are not writing with a view to complain, but to explain. Our object is to show that the Grand Trunk is really not the poor property its present sheet of accounts shows it to be. Whether it is quite just to the higher class preferences to have their interest stopped in order that the renewals may be rapidly done at the expense of revenue we do not here inquire, but we may venture to assert that what the 1st and 2nd Preferences lose the 4th Preference or the ordinary shareholders will hereafter gain. Our only object now is to convey to others the strong impression which is on our mind, that the Grand Trunk is not the desperately poor property it looks to be.

In conclusion, we may observe that a great deal of nonsense has been uttered about the Grand Trunk Railway being in the frigid zone. A map of the isothermal lines will show that the line which strikes Quebec falls beneath St. Petersburg, and passes through the southern parts of Norway and Sweden. Other parts of the world colder than Quebec have railways, and we hear nothing about great damage done to the rails by Jack Frost in the quarters, so Quebec is undoubtedly very cold, but while the isothermal line from Quebec westward takes a northerly direction, and runs over the head of Lake Superior, the Grand Trunk railway inclines southward. A large section of the Grand Trunk runs to Portland in the south, and other American sections are in much milder climates than the Great Western of Canada, and on the whole we believe the Grand Trunk is quite as well off as the Great Western of Canada, as regards temperature. The cold has nothing to do with the Grand Trunk costing so much more than the Great Western of Canada in working. The cold is a disadvantage in working, but we say not more to the Grand Trunk than to the Great Western of Canada, whose working expenditure is under 50 per cent.—*Herepath's R. Journal.*

Law Report.

PURCHASE AND SALE OF STOCKS.—The supreme Court of New York has recently rendered two decisions of importance to dealers in stocks. The first was in the case of *Oaks vs. Drake*, in which the opinion was delivered by Judge Ingraham. The other was in the case of *Markham vs. Jaudon*, the opinion being delivered by Judge Leonard. The opinions together hold that where a banker or broker invests his own means in the purchase and carrying of stocks for his employer, the relation created is not that of pledger and pledgee, so as to require the broker to give notice of time and place of sale if he wishes to sell the stocks upon the customer failing to respond, but he may sell after demand of the money and a reasonable opportunity to the customer to pay it, and without notifying the customer of the time or place of sale. On the latter of these two cases, it is held that the customer does not become the owner of the stocks until he has paid for them, and until then the parties are simply in the relation of special contractors with each other—a relation more resembling that of vendor and vendee than that of pledger and pledgee. If the decisions as rendered stand as the law, and the broker really becomes the owner of stocks, he may have bought for a customer on a margin, with right to sell without notice on the exhaustion of the margin, the outsiders' stock in trade is very materially narrowed.

AMALGAMATION.—The question of the authority thus to amalgamate a corporation has never yet been directly raised, notwithstanding the antiquity of the custom. In the recent case of a shareholder against the empire Assurance Company (16 L. T., Rep. N. S., 346), the court construed the authority strictly, as against the corporation. The *London Times* refers to a case in which this question is about

to assume still greater importance. The Solicitor's Assurance has been transferred to the Eagle Office, without even asking the consent of the policyholders, who are deprived of the security of a large subscribed capital and an accumulated fund, besides the loss of benefits secured to them by the special scheme of the society with which they had insured, and handed over to a company of which they know nothing. Was the transfer valid? The word used in the deed of settlement is "unite." The Solicitors' office has been sunk in the Eagle office: it is, as Vice-Chancellor Wood says, "annihilated." Is this a "union" within any possible construction of that term? The opinion of Mr. Baggalay, Q. C., is clearly and decisively that it is "not," and that the transaction is altogether invalid as against non-consenting shareholders and all policyholders. The question as to the claims of the policyholders upon the profits made by the sale, which are given to them by their policies and the constitution of the society; as to the appropriation of the purchase-money by the directors, and the other disputable doings in this queer affair, will, the *Times* adds, be the subjects of a separate suit. The English courts must, doubtless, in the end, hold that there cannot be a transfer of the business of an insurance office, valid as against share or policyholders, unless strictly within the terms of a power contained in the deed of settlement or articles of association; and much less is there such a power to transfer the policyholders to another office without their consent.—*Wall Street Underwriter.*

Official Notices.

—Notice is given that John Macdonald, Esquire; John Valentine Detlor, Merchant; Richard Howatt Kirkpatrick, Tanner; Andrew Waddell, Esquire; Stephen Yates, Farmer; Alexander McLaggan Ross, Banker, and John Bell Gordon, Barrister-at-law, all of the town of Goderich, intend to apply for a charter under the corporate name of "The Maitland Salt Well Company." The object for which the incorporation is sought is to bore, open and use salt and other mineral springs, in the township of Colborne, in the county of Huron. The nominal capital of the company is four thousand dollars. The number of shares is eighty, and the amount of each share to be fifty dollars. The amount of stock subscribed is four thousand dollars.

—A dividend of four per cent. on the paid up capital of La Banque Jacques Cartier has been declared for the current half-year, and will be payable at the Bank on and after the second day of December next. The transfer books will be closed from the sixteenth to the thirtieth November next, both days inclusive.

—Notice is given that application will be made by Edw. A. Prentice, Broker; Francis Ellershausen, Metallurgist; Edw. K. Greene, Merchant; Gerhard Lomor, Merchant; John C. Griffin, Notary Public; Wm. Sache, Banker, and Geo. McIver, Merchant, all of the city and district of Montreal, for a charter of incorporation under the corporate name of "The Ellershausen Company." The objects for which incorporation is sought are the purchase of the Ellershausen Patent, a new invention of a double furnace for smelting metals, the manufacturing under said patent of steel and iron, and the disposing of said patent to parties wishing to use said patent, and the washing, dressing, smelting, and manufacturing all kinds of metals, ores and mineral substances. The place where the operations of the company are to be carried on and its head office are to be in the city of Montreal, with agencies elsewhere. The capital is \$375,000. The number of shares is 150, and the amount of each share is \$2,500. The whole amount of stock is subscribed. The amount paid in, or to be paid in before the charter is granted, is \$100,000.

THE CUNARD CONTRACT.—The termination of the Cunard contract with the British Government will be taken advantage of, in all probability, by our government to make fresh representations respecting the impolicy of subsidizing a line to a foreign country to the serious detriment of Canadian trade.