

Toronto, Grey & Bruce Railway.

PROPOSAL FOR CHANGING THE GAUGE OF THE RAILWAY, RECONSTRUCTING IT UPON A GAUGE OF FOUR FEET EIGHT AND ONE-HALF INCHES, AND RE-ARRANGING THE DEBT OF THE COMPANY.

Three combined circumstances render it necessary and desirable at the present time that a radical change shall be made in reference to the physical and financial affairs of this Railway. These may be stated as follows:

First. THE FINANCIAL CONDITION.—The interest upon the Bonded Debt of the Company has not been paid since the 1st of January, 1878. The Bonds sold under the authority for the present issue will arrive at maturity on the 1st of January, 1881.

Second. THE PHYSICAL CONDITION.—The Railway has been open for traffic for a period, varying according to its locality, of from nine to six years, and as a consequence, the timber structures are now rapidly approaching decay; a large proportion of the original light 40 lb. iron rails are unfit for further traffic; and that portion of the Rolling Stock which is unsuitable for use upon a Railway of 4 feet 8½ inch gauge has been allowed to deteriorate.

Third. COMPETITIVE RAILWAYS in the District served by the Railway.—The two lines of *The Wellington, Grey and Bruce Railway* (branches of the Great Western of Canada) compete strongly with this Company for traffic in the district west of Orangeville.

The London, Huron and Bruce Railway (also a branch of the Great Western of Canada) aids the former in their competition, in the Counties of Huron and Bruce.

The Hamilton and North-Western Railway, now amalgamated with the Northern Railway of Canada, competes with this Company in the neighbourhood of the Townships of Albion and Caledon, at Bolton, Mono Road and Charleston Stations of this Company; and again to the north of Orangeville it is also in competition with the Shelburne, Dundalk and Flesherton Stations of the Toronto, Grey and Bruce Railway.

The Northern Railway of Canada competes with this Company in the northern portion of the County of Grey, and also very strongly in the traffic of the Upper Lakes, and traffic for Manitoba and the great North-West.