

cause, and all other claims against such companies in the said Province.

Process against companies, how served.—After certified copy of the charter and power of attorney are filed, any process in any suit or proceeding against such company, for any liability incurred in this Province, may be served upon such manager, agent or sub-agent, in the same manner as process may be served upon the proper officer of any company incorporated in this Province, and all proceedings may be had thereupon to judgment and execution in the same manner and with the same force and effect as in proceedings in any civil suit in this Province.

How execution levied.—On any judgment recovered against any such insurance company, execution may be levied upon such deposit or investment made by such insurance company as aforesaid, and if the amount of such judgment be not paid within thirty days after such deposit or investment is seized on execution, or the amount of such deposit or investment shall be reduced by the sale of any portion thereof on execution, such insurance company shall cease to transact any business of insurance, and the license therefor shall be withdrawn and returned to the Minister of Finance until such judgment be paid, or such deposit or investment restored to the amount of \$50,000; and such affidavit and certificate shall be required for the renewal of such license as are required for obtaining an original license.

Penalties.—Any person who shall deliver any policy of insurance, or collect any premium of insurance, or transact any business of insurance on behalf of any such insurance company as aforesaid, without such license as aforesaid, or if such license has been withdrawn, without the renewal thereof, or without filing the copy of the charter, act of incorporation, or articles of association of the company, or a power of attorney, as in this act mentioned, shall be liable to a penalty of \$1,000 for each violation of this act, which penalty shall be sued for and recovered in the name of any informer suing as well for our lady the Queen as himself; and one-half of such penalty shall be paid to the Crown, and the other to the informer; and in case of the non-payment of such penalty in one month after such judgment, the person so offending shall be liable to imprisonment in any goal or prison for the space of three months.

FIRE RECORD.—Nov. 23rd. The building known as Hearn's Market Drug Store, York Street Ottawa. Stock insured in the *Etna* of Dublin for \$2,000; and the *Etna* of Hartford for \$1,000, much beyond the damage sustained. The building insured in the *Royal* for \$1,000.

Railway News.

RAILWAY RETURNS.—The total cost of the Railways in Canada (Ontario and Quebec) up to 1866 had been \$144,611,853. The total amount paid during the year for dividends, leases, &c., amounted to \$4,102,751, or not quite three per cent. upon the total capital. Six lines paid interest upon a part, or whole, of their capital, namely, the Great Western, the Grand Trunk, the Welland, the Northern, the Brockville & Ottawa, and the Carillon & Grenville; and six lines are returned as yielding no dividends, namely, the London and Port Stanley, the Port Hope and Lindsay, the Cobourg and Peterboro', the Ottawa and Prescott, the Stanstead and Shefford, and the St. Lawrence and Industrie. The total number of passengers carried by these lines is given as 2,564,485, and the tons of freight as 2,087,878. The total working expenditure is set down as \$6,274,511. The receipts from passengers, \$4,322,048; from freight, \$6,209,940; from mails and sundries, \$455,080; and from rents and other sources, \$122,514; which shows a total of receipts of \$11,108,883. The total receipts in 1865 were \$10,910,678. The total number of persons employed upon the lines is given as 8,882, of which number 5,457 are employed upon the Grand Trunk. The number of persons killed by accident on the lines during the year is given as 77, and the number injured 108.

GREAT WESTERN RAILWAY.—Week ended 1st Nov.—Passengers, \$35,511.53; Freight,

\$44,126.30; Mails and Sundries, \$3,674.28—Total, \$83,312.11. Last year, \$79,066.67.

NORTHERN RAILWAY.—Week ended 2nd Nov.—Passengers, \$4,032.26; Freight, \$7,626.84; Mails, \$2,671.82—Total, \$14,330.92. Last year, \$16,424.45.

RAILROAD EARNINGS.—Detroit and Milwaukee for week ended 2nd Nov., \$42,457; same week 1866, \$39,854.

NEW BRUNSWICK AND CANADA RAILWAY.—From a statement of the liquidators, it appears, that a sale of the line has been advertised to take place in Fredericton, New Brunswick, on the 7th December next, on behalf of the St. Stephen's Banking Company, who are creditors for about £7,200. As official liquidators appointed in England cannot by law control the proceedings in colonial courts, they think it doubtful whether these proceedings can be stopped. The debenture debt is said to be about £250,000. The line is likely, according to recent reports, to be sold for a nominal consideration.—*London Economist*.

THE GRAND TRUNK BILL.—The bill introduced by Mr. Shanly on behalf of the Grand Trunk, authorizes the company to issue bonds to be entitled "Equipment Mortgage Bonds No. 2," to an amount not exceeding £500,000 at a rate not beyond 6 per cent. and having not less than 50 years to run. These bonds are to be a first charge after working expenses are paid, except that the equipment mortgage bonds issued under the arrangement acts of 1862 shall retain their priority and that the postal and military bonds shall retain their special securities upon the moneys earned by those special services. The company is authorized to borrow money to pay or redeem the equipment mortgage bonds No. 2, but the principal secured by them must never exceed £500,000. The company is empowered, if it is thought desirable, to issue "Equipment Mortgage Stock No. 2," in place of the equipment mortgage bonds No. 2—provided such issue of stock is sanctioned by three-fourths of the votes of persons entitled to vote in that behalf at a meeting of the company specially called for that purpose. This may be done at first or the bonds may be converted into stock subsequently. The stock may be issued from time to time, and will be subject to the same priorities as the bonds. There is no requirement that the issue of the bonds shall be sanctioned at a meeting of the company. If it is decided to raise the money upon the equipment mortgage bonds No. 2, and not to issue stock, there will be no occasion for consulting present stockholders and bondholders. Even in case it is proposed to issue the "Equipment Mortgage Stock No. 2," the persons entitled to vote—that is to say, the various classes of stockholders, shareholders, and bondholders—are, it would seem, to be consulted in a body, and not by classes, as has been done on former occasions.

This bill also proposes to empower the Grand Trunk and Buffalo and Lake Huron Companies, to vary the agreement of July, 1864, in respect of certain clauses—an agreement which was confirmed by the Amalgamation Act of last year. The new agreement must be confirmed by meetings of the two companies. Another clause permits the Montreal and Champlain Railway Company, with the consent of a meeting of its shareholders, to extend the time during which it is authorized to sell its railway to the Grand Trunk. The act passed in 1865 relative to the Montreal and Champlain Railway, authorized the sale within five years. The Grand Trunk Bill now before the House of Commons permits the shareholders of the Montreal and Champlain Company to extend the time to ten years. The Bill gives permission to the Grand Trunk Company to fix a time for the periodical closing of its books and accounts, and as the moneys due by it upon bonds, leases, and obligations fall due at varying periods, leave is given to arrange that they shall all fall due at one—rateable proportions for broken periods being added or deducted, as may be necessary.

ORANGEVILLE TRAMWAY COMPANY.—A call of ten per cent. on the subscribed stock of the above company has been made by the Board of Directors on the 29, 30 Vic., cap. 106, and will

become payable at Orangeville, on Thursday, the 2nd day of January next.

GRAND TRUNK RAILWAY COMPANY.—*Is it as bad as it looks?* There is one test of the value of a railway which we have always found to be true, however much for a time the real state of affairs may be concealed or disguised by other circumstances. We allude to the test of the per centage of gross revenue receipts to capital expended. If this be high the property is intrinsically good; if low, bad. Now, according to this test, is the Grand Trunk a wretchedly poor concern? It is not. We proceed to support this assertion by the following, the value and soundness of which we leave to the judgment of the reader.

The gross revenue of the Grand Trunk last year was £1,356,795. There has been this year so far a slight falling off in the traffic, but there may be none by the end of the year. We will take the gross annual revenue at £1,350,000.

What is the capital expended, or put forth? This requires a little consideration. Up to the end of June last it appears to be by the Company's accounts £17,321,573, but this includes £3,111,500 of provincial debentures, which must be deducted, the provincial debentures ranking as a charge against the Company after the ordinary share capital. This leaves about £14,200,000. The £14,200,000, however, does not include the capital of the leased lines,* and certain little mortgages and other things which do not appear to be in the capital account. All these leases, worked lines, and little interest, &c., charges, came last half-year to £81,600, say £164,000 a year. We take this to represent a capital of three millions, which has to be added to the £14,200,000, making the capital for the 1,377 miles £17,200,000.

This is the true capital of the 1,377 miles. People who wish to misrepresent generally forget the capital of the leased lines in stating the capital of a Company. But it is grossly unfair to include the leased lines in the length of line owned by a Company, and to exclude the capital of the leased lines in the capital cost of the whole undertaking. Practically or commercially what difference is there between a line leased for £50,000 a year rent and a similar line purchased at £1,000,000 raised at 5 per cent. interest? None whatever, and as the capital raised for the purchase must be included in the capital of the parent Company, so the capital of the leased line should be included, or if it is excluded the mileage of the leased line should be excluded from the length of line belonging to the parent Company.

We arrive, then, at £17,200,000 as the capital of the 1,377 miles belonging to the Grand Trunk Railway.

But here again we must stop, for a little further consideration upon this point. What is the difference commercially between £1,000,000 and £2,000,000, of capital if the million is raised perpetually at 6 per cent. interest, and the £2,000,000 at 3 per cent.? There is not a particle of difference. Now the greater part of the £17,200,000 consists of 1st, 2nd, 3rd and 4th Preferences. The 1st is entitled to 5 per cent. per annum till the end of 1872, and 6 per cent. afterwards. The 2nd Preference to the same. The 3rd Preference to 4 per cent. to the end of 1872, 5 per cent. afterwards. The 4th Preference, whose capital is as much as £5,109,405, to only 3 per cent. to the end of 1872, but 5 per cent. afterwards. It would be very difficult under these circumstances to say what the commercial value is of the capital of these four preferences, whose nominal value is about £9,500,000, part of the £17,200,000. But we shall get at it if the four are rolled up into one Preference Debenture Stock, as mentioned in the present report of the Directors—we say "if," for in the present deplorable state of the Company we are not quite certain whether the 1st and 2nd Preferences, particularly the 1st, will very readily fall into the new financial scheme, by which the 3rd and 4th Preferences, though perhaps of diminished amount, will be raised to their level. If, however, the 1st and 2nd Preferences prove to be tractable, and the new Arrangements Act be carried, the £9,500,

*It includes, however, £1,200,000 Postal and Military Bonds, and all the bond and stock accumulations arising from paying paper dividends.