

By this means dividends to an aggregate amount of £1,120,826 were distributed for the four years 1883-4-5-6, and the average rates of dividend on the several participating Stocks during the four years indicated were,—“Guaranteed,” £3 per cent.; First Preference, £2 0s. 7½d. per cent.; Second Preference, £1 5s. per cent.; Third Preference, 8s. 1½d. per cent. “Guaranteed” Stock was dividendless for one year; First Preference, two years; Second and Third Preference, three years, out of the four. These four years seem to afford a fair basis for an average calculation, one of them (1883) having been very good; one good, (1886); one bad, (1884); and one very bad, (1885).

It is not here intended to pronounce any opinion on the policy of the Board of Directors in declaring and paying these dividends; but the fact should be stated that during the four years in which £1,120,000 was thus distributed, as compared with £870,700 earned by the operations of the period, the reserve funds, which at the end of 1882 stood at £205,508,* were entirely absorbed, and that the raising of money by continuous issues of Debenture Stock resulted in an addition of £56,500 to the direct annual interest charges of the Company, whilst the burden of similar charges in connection with the subsidiary lines also increased to the extent of £35,800 per annum. A consideration of these facts is calculated to give point to the remark made above as to the connection between the

* In the Report for December, 1883, there appeared the following statement:—
 “In addition to the Insurance Fund of £2,054 15s. 11d., the Great Western Reserve Funds amounted, at the date of Union, to £137,066 11s. 11d., and the same amount stands to the credit of those funds in the general balance-sheet of 31st December, 1883.” The accounts at August, 1882, the date of Union, showed the following particulars of the Renewal Funds:—Ferry Steamer, £36,023 12s. 8d.; Locomotive, £104,889 6s. 3d.; Car, £23,417 6s. 5d.; Rail and Bridge, £9,549 6s. 8d.; Insurance, £2,054 15s. 11d.; Total, £175,934 7s. 11d.