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Toronto, September 6, 1870.

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THE

**Monetary and Commercial Times.**

WITH WHICH HAS BEEN INCORPORATED

**THE MONTREAL TRADE REVIEW.**

TORONTO, CAN., FRIDAY, SEPT. 16, 1870.

TORONTO, GREY AND BRUCE RAILWAY.

The dissensions among the Directors of this Company culminated in two very stormy meetings on Monday and Wednesday of this week. The discussion had at these meetings laid bare the transactions of the Directors from first to last, and probed all their operations to the bottom. At the outset, then, this fact ought to be stated, that all the hostility which was evoked did not succeed in fastening upon any member of the Board even an attempt at jobbery or corruption. On both sides there was manifested throughout an earnest desire to get on with the railway as speedily as possible.

Several of the Directors have made sacrifices and assumed responsibilities which could not be expected of men conducting public undertakings. Mr. Gordon used his friends in England as far as possible, and became personally responsible for a considerable sum of money; Mr. A. R. McMaster assumed a liability of £27,000 stg. for iron; and Mr. Laidlaw has sacrificed much needed time to the Company's interests; Mr. Shedden also placed the duties of his position above private considerations in crossing the Atlantic as one of the delegation.

The issues which divided the Board were begotten, in the first place, partly through misunderstanding, and were made up of personal hostility, of a not censurable rivalry

between certain firms or banking institutions, and of divergent views as to the best means of promoting the enterprise, the welfare of which all declare to be their common object. The real apple of discord was, Who shall become purchasers of the Company's bonds?

There were two proposals for the loan of money laid before, and considered by the Board—the one from Messrs. Gooderham & Worts—and the other from Messrs. Blaikie & Alexander, or the Bank of Commerce, through certain gentlemen who gave their notes to the Bank in order to bring the transaction within the purview of legitimate banking. Other propositions were made, but these, for good and sufficient reasons, perhaps, were not taken seriously into consideration by the Board. Whatever may now be the relative merit of the two proposals above specified, it is clear that the first, that of Messrs. Gooderham & Worts, gave the bonds a value in the market; and if the second was better, it was only on the same principle that the second bid at an auction is necessarily better for the seller than the first. We are of the opinion that, disregarding one or two contingencies, the value of which it would be difficult to fix, the proposal of Messrs. Blaikie & Co., as modified at the last moment, was the better of the two; but as this is now a dead issue, rendered so by the action of the shareholders on Monday, and the subsequent cancellation of the loan, there is not the slightest use in devoting space to its discussion. The terms in both cases were onerous, and considering the easy state of the money market, it is a reflection on the character of any seven per cent. securities to sell them at so heavy a discount as 15 to 20 per cent. These narrow gauge railways are an experiment in this country, and it is but natural that investors should be shy of them; still, with the competition now developed there is every reason to believe that better can be done. It may be just and right, and otherwise expedient, to carry out the arrangement with Messrs. Gooderham & Worts, made by the unanimous concurrence of all the members of the Board, at a time when the loan was looked upon as a special favor—and we do not see how the Company can honorably void it—but so soon as that transaction for \$125,000 is closed, there is only one course open to the Board that would be fair to the shareholders and all concerned. That is to go into the open market, advertise their wants, and so secure the full benefits of open, legitimate competition. Then no one can have cause of complaint, if the best offer is accepted, no matter what rate of interest is paid.

Credit is due to Hon. Geo. Brown and Mr.

John Macdonald for their efforts to calm the troubled waters at the meeting on Wednesday, although their action was capable of being construed as in the interest of one of the parties into which the Board was divided. We do not believe that such was the intention, and are confident that their earnest advocacy of compromise and a restoration of harmony, had much to do with securing the excellent Board which has been elected. Although we believe that every member of the old Board had the interest of the undertaking at heart, and would have done their best if elected, still, a better list than the subjoined could scarcely be obtained under any circumstances. Mr. Gordon gave the names of the new Directors, and the number of votes obtained by each—Hon. Jno. McMurrich, 2,141; Jno. Gordon, 1,487; Geo. Laidlaw, 1,435; Jno. Shedden, 1,418; Geo. Gooderham, 1,402; R. McMaster, 1,317; H. S. Howland, 1,257; Jno. Morison, 1,169; Hon. D. L. McPherson, 1,134.

We may now congratulate the shareholders on so early a termination of what at one time seemed a formidable quarrel. The causes of difference were such as will easily be forgotten, and we hope that both victor and vanquished will quickly forget the past, and work together for the good of the enterprise. It has not suffered at all as yet, unless slightly from delay; its prospects are as good as ever.

**COMMERCIAL AND FINANCIAL SUMMARY.**

What effect the surrender of Napoleon and the revolution in France will have upon the financial world is a hard problem to solve. We cannot but think that a far graver crisis has arrived than seems to be at present realized. The whole aspect, direction and possibilities of the war, have been as utterly changed as though the guiding spirits of the contest had retired and made way for others with different motives, objects, powers and ideas. The whole of Europe is ruled by a few families, whose interests, as rulers, are so interlaced, that the withdrawal of one dynasty acts like the extraction of a thread from a web, weakening the entire fabric. We fear, therefore, that the new government of France will so rouse the suspicion and well-grounded dread of the other powers, England excepted, that Prussia, having destroyed one dynasty, will be driven into making war against the Republic—as such—in order to bring France back into the circle of monarchical powers. Should this not occur, yet peace is not likely to reign long. A Republic is prone to aggressive or offensive action against its neighbors; and a government in which a Louis Blanc, the