

Meetings.

TORONTO, GREY, AND BRUCE RAILWAY.

The annual meeting of the shareholders of this company was held at their offices, in this city, on Wednesday, the 13th inst. A large number of shareholders were present. The following is the annual report of the directors for the year ending 30th June, 1876:—

REPORT.

The usual statements of the capital and revenue accounts to 30th June, 1876, audited and verified, are herewith submitted to the shareholders.

The directors have pleasure in drawing attention to the fact that the traffic carried during the year ending 30th June, 1876, as compared with the last corresponding year, shows an increase, viz.: from passengers, \$18,784.05; from freight and live stock, \$19,113.98; from mails and sundries \$2,899.98; gross increase \$40,708.01. The gross traffic earnings for the year amounted to \$372,336.49, while the total revenue expenditure for the same period was \$233,428.04, or 62.9 per cent. of the earnings, leaving a surplus to be carried to net revenue account of \$138,908.45.

In January, 1874, legislation was obtained authorising the Company to issue \$2,250,000 of bonds, the proceeds to be applied towards the consolidation of the bonded and floating debts and the general purposes of the Company. The intention of the Board was to place new bonds to the above amount bearing 6 per cent. interest on the market, and with the proceeds to extinguish the existing 7 and 8 per cent. bonds as they matured, and pay off the floating debts. Owing, however, to the unfavourable condition, at the time, of the money market, the Directors were unable to take advantage of the powers granted to them by the Legislature as above set forth. In November, 1875, bonds to the amount of \$260,000 matured in Canada, but in consequence of the failure in carrying out the above arrangements, the Directors were compelled to let payment go by default. The holders of the overdue bonds held a meeting in Toronto, and a resolution was passed agreeing to take no action in regard to the non-payment of the bonds until the English Bondholders had been heard from. The President and Solicitor of the Company thereupon proceeded to England, and a meeting of the English Bondholders was called and held on 16th February, 1876, at the City Terminus Hotel, Cannon street, London. At that meeting, which was largely attended, the President fully explained the position of the Company, and the steps which the Board thought it advisable to take in the interests of all concerned. A resolution was adopted at that meeting agreeing:—First, That the Act of Parliament of 1874 be acted upon so far as to create bonds to the amount of \$2,000,000 only. Second, That the bonds held by the present bondholders be exchanged for those of the new issue, bearing 6 per cent. interest, thus consolidating the various issues into one loan, and absorbing \$1,600,000. Third, That the existing bondholders make such exchange, taking the new bonds at a discount, and receive a new bond of £100 stg., and a share of \$100 in the share capital of the Company (in payment of the discount) in exchange for each old bond of £100 or \$500 surrendered. Fourth, That the balance of the new bonds, amounting to \$400,000, be applied to the payment of liens on rolling stock, repayment of special advances, and in liquidation of unsecured liabilities, the balance remaining unpaid of the unsecured floating liabilities to be settled by the issue of ordinary shares of the Company. Fifth, That the total share capital of the Company be limited

to \$1,000,000, unless increased by a vote of the shareholders.

Having returned to Canada, the President reported to the Canadian bondholders the views of the English holders as above set forth, and most of the large bondholders here having assented to the arrangement, and a large majority of the shareholders having given their concurrence in writing, the Board at once issued new bonds, payable five years from January, 1876, bearing six per cent. interest, to the amount of \$2,000,000, and in accordance with the Act of Parliament proceeded first to exchange existing 7 and 8 per cent. bonds for those of the new issue. This was done simultaneously in England and Canada, shares in the capital stock being issued, together with the new bonds, in accordance with the terms of the resolution. Having exchanged and obtained possession of 96 per cent. of the old bonds, the Directors then proceeded to extinguish the secured and unsecured liabilities of the Company with the remainder of the bonds and stock available. This they have now accomplished to a considerable extent, and the matter is progressing with as much dispatch as is practicable, so that in the course of a few weeks the Board hopes to have the remaining amounts outstanding liquidated and the floating debt extinguished. The directors regret that it was impossible to pay creditors the full amount of their claims in cash. No effort was spared to obtain for them the very best terms possible. While fully aware that the settlements made are not what was originally contemplated, or as much as it was hoped would be obtained, the Board rejoices that the very best that was possible has been done. The directors also congratulate the Bondholders and Shareholders on the result of the negotiations, the arrangement entered into being, in their opinion, the very best that was possible under the circumstances for all interests. The President before leaving England made application to the London Stock Exchange to have the new 6 per cent. bonds entered on the official list, and the Board is pleased to be able to report that the Committee granted the request. The line being now entirely completed, and two years having elapsed since the opening of the final sections, the directors take pleasure in drawing attention to the rapid development of the resources of the country which has followed the construction of the railway. From the tabular statement appended, it will be seen that a marked increase has taken place since the road was built in the territory tributary to it, in population, in acreage under cultivation, in the number of manufactories, and other industries.

The directors beg to state that that portion of the line between Weston and Orangeville is still without a subsidy from the Ontario Government. That section having been the most difficult to build and the most costly, the Board trusts that the Government at an early day will see the justice of recognising the Company's claim to aid on the section named. The Board also remind the shareholders that several municipalities have not yet contributed anything to the construction of the road, and recommend their successors to press the claims of the Company, both on the Government and on the municipalities referred to. At the meeting of bondholders held in London in February last, it was suggested by the President that it might be desirable to establish in London a Committee of Three who would also be members of the Board of Directors, but no action has been since taken in regard to this matter. Arrangements, however, have been made by which reports, statistics, and general information connected with the Company can be obtained in England by addressing Mr. Thomas, at the office of Messrs. Renton Brothers, 16 Throgmorton street London. The directors desire to call attention to the care which has been exercised in conducting the

traffic of the railway during the past year, resulting in an almost entire freedom from accident. It is a matter of great congratulation that happily no life has been lost upon the railway, and that no passenger has been injured. The accidents resulting in permanent injury having been confined to two employees of the Company.

All of which is respectfully submitted.

JOHN GORDON,
President.

The report was adopted.

DOMINION BUILDING SOCIETY.

A meeting of the shareholders of this Society was held in Montreal on Monday last to consider its financial condition. A gentleman who had been authorised to look into its affairs presented a report which gave the probable amount of the Society's loss at about \$116,000, and described the causes as follows:—

"The monetary crisis, the diminution of the value of landed property, and the want of employment for the working class, slightly affected the Society's losses; but the direct causes of them are to be attributed to loan grants on insufficient security, to deposits, and the monopolizing of the funds of the Society, to speculation on appropriations, to the ill-management of the late secretary-treasurer in his double capacity of advocate and secretary, and finally the neglect of duties devolving on the Board of Directors." It is charged that the deeds of properties loaned upon were not properly examined, and the report goes on to say:—

"In 1874 and 1875, your late Secretary-Treasurer borrowed money from the Board of Directors to the amount of \$33,000 on securities that were utterly inadequate and unacceptable. He neither signed the bond deed for those loans, nor furnished the title of his properties, certificates of search or valuation. Yet he daily took the funds of the society to an amount considerably exceeding what was allowed him. Finally in September last he consented to give a deed of transfer, bond and security. I must here state that your late secretary having never paid interest on any of the moneys borrowed, his own account amounts at the present time to more than \$55,000 in capital interest and cost. Again, the sums borrowed by him conjointly with others, from the society amount to a further sum of \$50,000 and upward in capital and arrears."

The figures submitted show that the only amount whose prompt payment may cause embarrassment to the society is \$23,869.92, while the amount now payable to the society is \$61,490.24, and the amount to become due from the first of August to the first of February next is \$43,115.06, making in all a total of \$104,605.30. The report, which was adopted, closed with some recommendations as to conversion of appropriation shares into permanent stock, &c.

Mr. Quinn, the Secretary-Treasurer, after contrasting his present position and reputation with that of a year before, went on to say that while to-day they believed themselves to have been deceived, to have been robbed, it was he who had been robbed, he having given large guarantees. He had for the Society a bookkeeper in whom he had every confidence, but when closely examining his books he found that an admirable system to suit his own designs had been adopted by that officer. Before entering his daily receipts he had put them on separate papers. These he had put in the safe and before the end of the month had entered them up. It had seemed as if he had been guilty of malfeasance, but Providence had ruled that a member of the staff of the office should have kept his own memoranda of all the transactions. The