

o19 86, of which your Directors have applied \$53,328 00 in payment of the interest on the bonds apportioned to the section of the road between Toronto and Mount Forest, the balance being carried forward to next year's account.

Your Directors regret that the result of the year's operations should fall so far short of the estimate made in the original prospectus. The Board can hold out no prospect of a rapid increase of business on this section, as it is now apparent that it is only by the gradual development of the country that the traffic can be materially increased—a fact which promoters of parallel and cross lines should weigh well before committing the public to such enterprises.

Your Board cannot object to local funds being contributed and spent in such manner as the donors may deem best. They claim, however, some consideration for acquired and vested rights on the faith of which large sums received from home and foreign sources have already been laid out. The failure to acknowledge such rights would inevitably check the flow of foreign capital towards this country when its want is so much required for the development of its resources. The policy of the public funds being expended in aid of lines popularly called "competing" running into territories already fully occupied, and where the traffic, present and prospective, is so slight as to be insufficient to maintain the existing road, is at least questionable. The territory lying between the Northern Railway on the west and the Grand Trunk and Buffalo and Lake Huron Railway on the south and east, estimated at 6,800 square miles, was in 1868 wholly unoccupied. It now has five lines or branches, four about completed to the Lakes, and the fifth rapidly being pushed in that direction. To invest more capital in new railways in that district for some years to come is more than the most sanguine railway promoter should venture, and it would be almost a crime to seduce foreign capitalists to put money into such undertakings.

The Directors congratulate the stockholders on their having been enabled to open the Grey extension from Orangeville to Owen Sound for traffic on the 9th of August, the very day called for in the Bond given by the Company to the County of Grey upwards of two years ago. Since that date, one train daily each way from Toronto has been regularly run. Notwithstanding that the ballasting of that section of the line has not been yet fully completed, and that the train service has therefore been imperfect, the Directors are happy to say that the result of the working so far satisfies their expectations. They have every confidence that as soon as the line is completed, and in full working order to Owen Sound which they hope will be about the 1st of October of this year, there will be a satisfactory increase in the business of the Company.

The Directors have purchased sufficient rails to extend the road from Mount Forest to Harriston, a distance of 10 miles, and hope to have that section open for traffic this fall, in time to secure a share of the season's business. It is believed that this extension (Harriston being the point of junction with the Wellington, Grey & Bruce Railway) will secure to the Company a considerable increase of traffic without materially adding to the working expenses. The completion to Harriston will give the Company 165 miles of road.

A large portion of the Bruce extension from Harriston to Teeswater is nearly ready for the rails, and the Board trust their successors will be enabled to open it for traffic in good time next year.

The Board have to state that there are several municipalities served by the Railway who have not yet contributed towards its construction. They would, therefore, recommend their successors to press the claims of the Company on them, in order that the original intention of the promoters, viz., equal justice to all, may be carried out.

In conclusion, your Board beg to state that a large portion of the works on the Grey extension has proved more difficult than was expected. The advance in labour and material of all kinds, not actually on hand or contracted for, has taxed the energy and resources of the Company greatly, and they call the attention of their successors to the following paragraph in the report of the Directors presented at the last annual meeting, which is still, they think, pertinent to the present state of the Company's affairs:—

"The Board claimed \$3,000 per mile from the Government for the Grey extension, who, however, only awarded them \$2,000 per mile, but the rough nature of the country for railway construction, the quantity of land still unsold there, together with the large amount owing to the Government by settlers who have taken up land in the county of Grey, and who are unable to pay for the same by reason of its remoteness from markets, thereby preventing its development as fast as its general character would otherwise warrant, and which is an evident fact from its already increased price along the route of the railway, lead the Board to hope that their reasonable demand may yet be acceded to by the Government."

Statement of the Receipts and Expenditure from June, 1869, when work was commenced, to 30th June, 1873.

RECEIPTS.

Calls on stock.....	\$248,212 09
Bonuses as follows:—	
Received from Govt....	\$189,646 00
Received from Trustees of Municipal Debentures	827,679 65
Bonds sold	1,017,325 65
Bills payable	1,200,533 67
Drawbacks retained from Contractors.....	242,108 52
	18,874 91
	\$2,727,054 84

EXPENDITURE.

Expenditure to 30th June, 1872, per last audited statement ...	\$1,862,338 72
From 30th June, 1872, to 30th June, 1873.	
Interest and discounts	\$21,074 16
Advertising and printing	2,370 43
Suspense Account.....	300 00
Office expenses, including salaries.	3,828 01
Law expenses, including Solicitor's salary and disbursements..	3,382 14
Engineering	38,492 74
Office furniture	800 00
Ballasting and track-laying, Weston to Mount Forest.....	22,929 94
Right of way, Weston to Mt. Forest Stations, Weston to Mt. Forest..	830 91
Construction, Weston to Mt. Forest Directors' and Trustees' Fees....	1,919 00
Discount on bonds	56,937 45
Interest on bonds	4,347 00
Rolling stock	51,947 26
Cordwood, Grey extension	29,796 14
Grey extension, construction....	74,564 59
Bruce extension, construction ..	21,981 75
Cash in banks and on hand.....	447,109 03
	75,588 88
	6,516 69
	\$2,727,054 84

W. SUTHERLAND TAYLOR,
Secretary-Treasurer.

Audited and approved, Sept. 8th, 1873.

G. A. BARBER, }
SAM'L SPREULL, } Auditors.

The Chairman, seconded by Mr. Lewis, moved the adoption of the report. Carried.

Mr. Vickers moved, seconded by Mr. Hamilton, "That the thanks of the shareholders be given to the President, Vice-President, Directors, and officers of the Company for the efficient manner in which the works on the

Railway have been carried out during the past year, and that each Director be paid \$5 for every board meeting attended by him for the last year." Carried.

Mr. Lewis moved, seconded by Mr. Beatty, "That H. Pellatt and W. S. Lee be appointed scrutineers for taking the vote of the shareholders on the election of directors for the ensuing year, and that the poll be closed after it has been opened for five minutes without a vote being tendered or received, and that the Scrutineers be paid \$5 each for their services." Carried.

Mr. Lee moved, seconded by Mr. Baxter, "That G. A. Barber and Samuel Spreull be appointed auditors of the accounts for the ensuing year." Carried.

The voting for Directors resulted in the election of the following gentlemen:—Messrs. John Gordon, John Baxter, B. H. Dixon, Capt. Thos. Dick, John Morison, Wm. Ramsey, Thos. H. Lee, Wm. M. Clark, and Wm. B. Hamilton.

At a meeting of the Board of Directors of the Toronto, Grey and Bruce Railway Company held last evening, Mr. John Gordon was re-elected President, and Mr. Wm. Ramsey, Vice-President of the Company.

Correspondence.

NEW YORK CORRESPONDENCE.

(From a Special Correspondent.)

New York, Sept. 30, 1873.

The last few weeks of a warm and oppressive summer, have been rendered more exciting by the present combative attitude of certain of our Life Companies, and those intimately connected with life insurance in this city. Foremost in the line of battle array stands, as may be expected, the Mutual Life Insurance Company, with its war paint and feathers on, and ready to do battle against all comers. The long bitter war which has been openly waged against it by the *Insurance Times* is intensified in the present time by a powerful combination of companies as is alleged, directing the siege, and bringing all the batteries that modern strategy can devise to crush the Mutual or else drive President Winston and Vice-president McCready from their positions.

Stephen English having been, after six months in carceration in Ludlow street jail, liberated on bail is the head and front of the battle. As an auxiliary, he has recently had the aid of Shepard Homans, the well known consulting actuary, and for many years actuary of the Mutual Life Insurance Company. The fact of Homans coming so suddenly to the front in this manner, was owing to charges made against him by President Winston and the editor of the *Spectator* and published in the July number of that paper. Homans immediately published in all the morning papers a letter stating the cause of his removal from the service of the Mutual Life Insurance Company to be his refusal to audit an account in 1869, in which a fraud was intended on the representatives of the deceased policyholders. This charge was met on behalf of the Mutual Life Insurance Company, not by a denial, but by the publication of worn out old certificates of a whitewashing nature, which were worse than useless and would have been better left among the dust and cobwebs of the supply room than dragged into service in a case which required, not a general defence of management, but a prompt denial of a specific charge. As a consequence the attacking party grew bolder and by and by in its defence the Mutual Life struck a blow at the Equitable Life and at present writing they are all at loggerheads. The daily press is lugged into service and there is a general free fight all round to the disgust of the community and manifest injury of life insur-