

pany as quite satisfactory. That its usefulness to the community had been appreciated and availed of, would be realized in the fact that during its three years' existence it had become security for nearly 2,000 employees, to the extent of nearly four millions and a half of dollars. That it had had occasion to refuse the granting of bonds in the cases of 129 applicants—thus manifesting its usefulness as a means of discrimination (according to the best information to be obtained by it) between eligible and undesirable candidates for positions of trust in the country—and that it had reimbursed employers over \$30,000 for losses sustained through their employees. Whilst in regard to its pecuniary results to its proprietors, after it had paid all its expenses and losses, and provided for outstanding responsibilities, it now stood in possession of an accumulated business yielding an income of over \$31,000 per annum and a clear surplus in hand of 50 per cent. on the capital embarked, having paid 8 per cent. per annum to its stockholders from the commencement of its business. It had during the *interim* earned the confidence of the Dominion and the several local governments and the leading commercial institutions of the country, and the evidence was daily growing of the preference given to its bonds of security over those of private bondsmen. During the past year branches were established in St. John, New Brunswick, and Halifax, Nova Scotia, under the supervision and auspices of an influential local board at each point. The statement of receipts and expenditure, profit and loss, and assets and liabilities, were then submitted for the inspection of the shareholders.

The President, in moving the adoption of the report, remarked upon the satisfactory progress made in the past year, and the position of the Company at the present time, also the evident usefulness of the Company, as shown by the fact that it had been instrumental in supplying so many employees with security, which it would have been difficult, if not impossible, for them to have got from friends, and of enabling employers to feel secure, both in the appointment of their employees, and the certainty of any default being reimbursed them. The Directors had thought it the more prudent course not to increase the dividend, but rather to increase the stability and responsibility of the Company by adding all it could to the reserve. He thought that for a Company only three years old, with a necessarily limited sphere for its operations, the results were such as the shareholders might be congratulated upon. There had, of course, been some untoward results in the way of losses, but were it not so the necessity for such an institution would cease. He stated that the balance of \$16,000 deposit with Government to make up the total of \$50,000 required by the Insurance Act, would be made almost immediately, without necessitating any farther call on the stockholders; and having read aloud the separate items of the balance sheet and invited inquiries thereon, he begged to move the adoption of the report, which, being seconded by Mr. Thomas Tiffin, was unanimously adopted. The usual vote of thanks to the Chairman and Directors closed the proceedings.

At a subsequent meeting of Directors, Sir A. T. Galt was re-elected President, and John Rankin, Esq., Vice-President. The Executive for the ensuing year is as follows: President, Sir Alexander T. Galt, K.C.M.G., Montreal; Vice-President, John Rankin, Esq., Montreal; Thomas Cramp, Esq., Montreal; D. Lorn Macdougall, Montreal; Edward Mackay, Esq., Montreal; John Molson, Esq., Montreal; R. J. Reekie, Esq., Montreal; James Rose, Esq., Montreal; James G. Ross, Esq., Quebec; John L. Blaikie, Esq., Toronto; Wm. Gooderham, Esq., Toronto; A. R. McMaster, Esq., Toronto; Donald McInnes, Esq., Hamilton. Edward Rawlings, Manager.

GREAT WESTERN RAILWAY.

The following is a summarized Report.

During the last half year the Directors have steadily pursued the policy to maintain the line and rolling stock in a condition fit to receive increased traffic on the revival of trade; to discountenance unnecessary competition, by cultivating friendly relations with the neighbouring Companies; to curtail capital expenditure, limiting it to the completion of the branches to which it was found that the Company had been committed, and to necessary improvements of the existing system; and to reduce working expenses to the utmost degree consistent with safety and the maintenance of the property.

Earnings.—The earnings of the half-year amounted to £411,187, i.e., about £105,000 less than those of the corresponding period of 1875. This great falling off is mainly due to the very low rates on through traffic, both freight and passenger. While the number of through passengers was less by only 8 per cent., the receipts from this class of business show a reduction of 20 per cent. The weight of through freight and live stock diminished by only 7½ per cent., but the receipts by nearly 25 per cent. The rates and fares obtained in the half-year ended July, 1874, if in force during the half-year now under notice, would have increased the total gross receipts by £84,000. Those obtained in the half-year ended July, 1873, would have increased them by a further amount of £34,000; so that, without any addition to the volume of the traffic on the one hand, or to the working expenses on the other, £135,000, instead of £17,000, would have been carried to net revenue account.

Working Expenses.—The reduction in working expenses has been continuously and satisfactorily pursued, and is still in progress. These expenses amounted in the last half-year to £393,793, or about £42,000 less than in the corresponding period of 1874. The cost per train mile has been reduced from 5s. 3½d. to 4s. 9½d., a lower rate than has been reached for years. This economy has been affected at a time when the volume of traffic has but slightly diminished, the passenger mileage (that is, the number of passengers carried one mile) having only decreased about 4 per cent., and the freight mileage (that is, the number of tons carried one mile) having decreased less than 6 per cent. The diminution in expenditure is due partly to great vigilance in the ordinary working of the train service, but mainly to large reductions in the redundant staff of the various departments, the salaries and wages of the half-year being less than those of the corresponding period in 1874 by about 18 per cent.

Maintenance of Line and Rolling Stock.—The main line and the rolling stock are in an efficient condition. Steady progress is being made in the substitution of steel for iron rails where necessary in the branches and the subsidiary lines. The rolling stock is ample for a very large increase of traffic.

Relations with other Companies.—The Company's amicable relations with the connecting American lines have been maintained, and they are especially satisfactory in respect of the New York Central, the Erie, and the Michigan Central railroads, negotiations were carried on during the spring with the Board of the Grand Trunk Railway Company, and that in the month of July an arrangement was made, subject to confirmation at the present half-yearly meetings, under which the general managers of the two Companies were to meet and gradually adjust percentage for the apportionment of traffic between places served by both lines, transmitting from time to time the schedules for the approval of the respective boards.

Expenditure of Capital on Subsidiary Lines.—

The Wellington Grey and Bruce is now practically a branch of the Great Western. It will be necessary to relay gradually the whole of this line with steel rails; and it is probable that the outlay may somewhat exceed the amount of the bonds appropriated to this purpose. The construction of the London, Huron, and Bruce Railway is being proceeded with, and the line will probably be opened at an earlier date than was anticipated. At the last half-yearly meeting power was given to the Directors to subscribe for the London, Huron, and Bruce Bonds guaranteed to a maximum amount of £190,000 under the resolution of the Shareholders in October, 1874. The Great Western, are also holders of the Wellington, Grey, and Bruce *pari-passu* Bonds, amounting to £74,000, and of bonds in the same Company acquired by semi-annual drawings under the former traffic agreements.

Renewal Funds.—The auditors have for many years urged upon the Directors the propriety of establishing a permanent way renewal fund. The Directors have now arrived at the conclusion that a fund, to be provided by setting aside semi-annually from revenue a sum equivalent, upon the present train mileage, to about £30,000, will meet the charge properly falling on revenue during the next 20 years, both for renewing the bridges in iron and stone and for the cost of steel rails. It appears to the Directors that the Locomotive Renewal Fund has accumulated more rapidly than the prospective demands upon it justify. The Car Renewal Fund appears to be satisfactory.

Half-year's Accounts.—Both the capital and revenue accounts are for the first time stated in sterling, only reduced to a gold basis. They cannot, therefore, be in all respects compared with those of former half-years; and this is especially the case with reference to the gross revenue receipts. The cash receipts on capital account during the half year to 31st July, 1875, amounted to £224,658 13s. 11d., as follows:—

SHAKE ACCOUNT—	
Nominal amount of second and third instalments on 44,876 new shares, issued at the price of £10 per each £20 10s. share.....	£459,981
Less received on account of second instalment, as per last half-year's report.....	30,734
	£429,247
Final instalments on 6,987 new shares paid in full and converted into original shares.....	38,808
Received on account of final instalment on balance 37,889 new shares.....	15,179
	£480,234
Deduct calls in arrear.....	£1,823
Proportion of discount on instalments received.....	253,940
	£224,471
PREFERENCE STOCK—	
Balance of calls received.....	113
DEBENTURE STOCK—	
On account of remaining instalments.....	475
	£225,059
LESS BOND ACCOUNT—	
6 per cent. bonds due 15 Nov., 1873, paid off.....	400
	£224,659

The total charges to capital account, during the half-year, amounted to £346,761 7s. 8d., but this includes the sum of £253,940 10s. 3d., representing the proportion of discount on the instalments of the new issue of shares maturing during the half-year, and £48,521 invested in the bonds and stock of the Wellington, Grey, and Bruce Railway, under the various agree-