

original arrangement. It will be remembered that it was at first proposed that the 2nd mortgage bondholders should receive 75% in 4% mortgage bonds to mature in 50 years, with a partial traffic guarantee only in place of their 5% 2nd mortgage bonds. Under the new arrangement the 2nd bondholders, in addition to 75% in 4% mortgage bonds, will be given 25% in new 4% 2nd mortgage income bonds, together with an absolute guarantee by the G.T.R. of the interest on the new 4% 1st mortgage bonds, which mature in 50 years. One of the leading 2nd mortgage bondholders states the President, who was over here the other day, informed him that it was the intention to spend a good deal of money on the line, & that he felt sure that the Co. would always be able to pay the interest on the new 1st mortgage bonds. This will, of course, improve the security, & there is also a chance for the 2nd mortgage income bonds, which will, perhaps, be worth about 50. We may add that the G.T. has retained the right to redeem the new income bonds at 85% at any time during the first 10 years."

The Canadian Gazette, London, Eng., says:—"We learn authoritatively that the following are the heads of the agreement between the holders of C. & G.T.R. 2nd mortgage bonds & the G.T.R. Co.: To be issued in place of every \$100 of the existing 2nd mortgage bonds, \$75 of 4% 1st mortgage bonds, interest to be unconditionally & absolutely guaranteed by the G.T.C. for 50 years, & \$25 of 2nd mortgage 4% income 50-year bonds, interest contingent on the profits of each year, & with the option to the Co. of redeeming the bonds at any time within 10 years at 85%, & any interest that may be then due. No advances which the G.T. Co. may have at any time to make to the C. & G.T. Co. under the guarantee of the 1st mortgage bond to be placed in front of these 2nd mortgage income bonds, but such advances are to be in every way subordinate to & rank after both 1st & 2nd mortgages as a charge upon the property. Full payment by the C. & G.T. Co. of the 5% interest due on July 1 next on the existing 2nd mortgage bonds."

Glyn, Mills, Currie & Co., London, Eng., announce that they are prepared to pay, on July 2 2% interest on the trustees' certificates in respect of the C. & G.T.R. 1st mortgage bonds, deposited in favour of the reorganization scheme.

E. W. Meddaugh & H. B. Joy, receivers of the C. & G.T.R., issued the following circular June 30:—The U.S. Court of the Eastern District of Michigan, Southern Division, having under date of June 28, made an order

directing the receivers to disaffirm the leases by the C. & G.T.R. Co. of the Cincinnati, Saginaw & Mackinaw R.R., & to discontinue the operation of said road on and after July 1, notice is given that the receivers will cease to operate or assume any responsibility in connection with said railroad on & after said date.

General Manager Hays, of the G.T.R., issued the following circular July 1:—The receivers of the C. & G.T.R. Co., acting under order of the U.S. Circuit Court for the Eastern District of Michigan, Southern Division, under date of June 28, disaffirming the lease heretofore existing between the C. & G.T.R. Co. & the Cincinnati, Saginaw & Mackinaw R.R. Co., for the operation of the last-named property, having given notice that they will, on & after July 1, cease the operation of the property, the jurisdiction of the officers of the G.T.R. Co., in their respective positions, is hereby extended over the Cincinnati, Saginaw & Mackinaw R.R. property.

The Cincinnati, Saginaw & Mackinaw R.R. runs from Durand to West Bay City, Mich. It was opened in 1890. The G.T.R. owns a majority (\$825,000) of the capital stock of the Co. The road has been operated under a joint lease, to endure until Jan., 1920, by the G.T.R. Co. & the C. & G.T. Co., the rental being 30% of the gross earnings of the road, the lessees agreeing to advance such further amount up to 25% of the earnings of each from traffic interchanged with this line, as may be necessary to meet the interest of this Co.'s outstanding bonds.

The following official notice has been issued by Trustees Sir C. Rivers Wilson, Jos. Price & Lord Welby:—"We have to announce that after negotiations with holders of 2nd mortgage bonds, whose opposition threatened a protracted delay in carrying through the scheme of reorganization, an arrangement has been entered into with the G.T.R. Co. by which that Co. undertake to add to the traffic guarantee already promised an absolute & unconditional guarantee of interest to be endorsed on each of the new 4% 1st mortgage bonds for \$15,000,000 to be issued under the scheme. In addition to the 75% of 1st mortgage bonds to which the 2nd mortgage bondholders are entitled under the scheme as originally framed, they are now to receive 25% in 4% income bonds, forming a second charge on the undertaking of the new company. The concurrence of nearly all the 2nd mortgage bondholders has now been obtained, & the carrying through of the scheme practically assured. Holders of the few outstanding 2nd mortgage bonds who may wish

to avail themselves of the benefits of the scheme must deposit their bonds with the Amsterdam committee. All information with reference to the terms & conditions of deposit can be obtained from J. C. Loman, Amsterdam. No further deposits of 2nd mortgage bonds can be received by Glyn, Mills, Currie & Co. Arrangements have been made for payment by Glyn, Mills, Currie & Co., on and after July 2, of interest of 2% for the current half-year on the trustees' certificates in respect of the 1st mortgage bonds deposited in favour of the scheme, & holders of 1st mortgage bonds who have not as yet deposited their bonds with Glyn, Mills, Currie & Co. should do so before July 2nd if they wish to secure participation in the benefits to be derived from it."

Duluth, South Shore & Atlantic Ry.

The annual meeting of this subsidiary company of the C.P.R. was held June 7. The following information is extracted from the annual report:—

Main lines owned 517.44; branch lines owned 49.40; trackage rights leased 16.62; mileage operated 583.46. Equipment, locomotives 92; passenger cars 48; freight cars 2,931.

INCOME ACCOUNT.

Gross earnings from operation	\$2,407,437.39
Less operating expenses	1,468,896.17
Balance net earnings	\$938,541.22
Other income	4,937.31
Net income	\$943,478.53
Deductions from income	
Interest on bonds	\$859,700.00
Miscellaneous interest	16,067.66
Taxes	53,653.43
Balance (profit)	\$14,057.44

GROSS EARNINGS.

Merchandise freight	1899.	1898.
Iron ore freight	\$1,224,136.16	\$ 907,157.89
Passenger	345,920.08	302,432.84
Mail	686,336.76	489,351.53
Express	54,074.77	52,809.65
Miscellaneous	48,232.32	41,231.41
Total	\$2,407,437.39	\$1,821,807.59

OPERATING EXPENSES.

Maintenance of way & structures	1899.	1898.
Maintenance of equipment	\$ 392,011.60	\$ 366,628.83
Conducting transportation	189,805.54	136,458.87
General expenses	814,270.58	655,291.68
Total	\$1,468,896.17	\$1,224,045.79
Net earnings	938,541.22	597,761.80
Percentage of expenses to earnings	61.	67.2

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