

REPORT OF THE CANADIAN DIRECTORS.
To the Proprietors of the Northern Railway of
Canada:

TORONTO, Feb. 8th, 1871.

1. The Canadian Directors have the honour to present their report for the year ending 31st December, 1870, with the usual appendices in detailed explanation thereof.

2. The gross traffic receipts for the year have been \$733,567.52 (£150,733 1s. 0d. stg.), as against \$671,076.51 (£137,892 8s. 8d. stg.), in 1869, showing an increase of 10.73 per cent.

3. The ordinary working expenses of the year have been \$426,118.61 (£87,558 12s. 4d. stg.), as against \$338,035.91 (£69,459 8s. 11d. stg.), in 1869, being for year 1870, a rate on gross traffic receipts of 58.08 per cent. To these sums have to be added \$136,248.03 (£27,996 3s. 5d. stg.) for extensions and additions to works, buildings, and equipment.—(See Appendix K.)

4. The balance for the year carried to the net revenue account (No. 2) has amounted to \$171,200.88 (£35,178 5s. 3d. stg.), which, after appropriations to meet all accruing interest dividends, leaves a balance of \$9,135.31 (£1,877 2s. 4d. stg.) to be carried forward to the credit of 1871.

5. The expenditure on capital account during the year had amounted to \$198,560 (£40,800 stg.), appropriated to the construction of elevators at Toronto and Collingwood, and to the extension of the rolling stock equipment. The whole amount of Third Preference A Debentures issued to this date is \$198,560 (£40,800 stg.), leaving a balance of \$44,773.33 (£9,200 stg.), to complete the issue authorized by the Act of 1868.

6. The lease of the Muskoka Railway (now in rapid course of construction, as approved in London between the two Companies, now only awaits for execution the necessary ratification of the proprietors, for which purpose the annual general meeting will be made special.

7. The directors have again to congratulate the proprietors on the continuance of prosperity and success. The tributary district is strengthening and advancing in every element of social, agricultural and commercial progress. The population is growing apace; the area of settlement is always widening out, contributing to this railway an ever augmenting traffic in return for the impetus which the railway gives to every industrial and commercial effort of the communities it serves.

(Signed) FRED. CUMBERLAND,
Managing Director.

(Signed) JOHN BEVERLEY ROBINSON,
President.

The Chairman said the report was so satisfactory that he would move its adoption, without offering any remarks.

Mr. Cumberland said the Company was at peace with all its connecting lines, and were making every effort to keep closely up with the progress of the country, although they had never yet been able entirely to overtake it. He believed that the customers of the line found that their work was done thoroughly and safely; still he felt it might be better done had they a more perfect equipment. The Directors in Canada and England felt it to be their duty, as it certainly was one of their chief anxieties, to keep pace with the development of the district through which the road passed. If they were able to do that they would fulfil their earnest desire, and show that the Company was not an essentially selfish one, looking simply to its own returns, but it really felt it had a mission, a duty ever enlarging, to provide for the interests of the whole territory that was tributary to it. It was an old saying that "nothing succeeded like success," and the prosperity of the company had left the Board little to say other than to invite from the proprietors and the public a continuance of their confidence, which would strengthen them for the performance of new duties as they arose. If there was any point on which the proprietors desired further information he would be happy to furnish

it. The Board had addressed themselves vigorously to the work of providing necessary accommodation for the customers of the line, and a considerable portion of the new capital authorized in 1868 was applied to that purpose. The Toronto elevator had been completed, and also one of the best wharves and the largest and most complete warehouse in Ontario. At the other end of the line they had erected, in frame, an elevator; the wharf was completed, and they hoped to have the elevator finished for the present year's crop. He believed a traffic for these elevators would arise from the necessary diversion of lumber from our northern territory to western markets. Our territory produced a very fair proportion of lumber of a kind fitted for Albany and New York markets and also a considerable portion which found, and always would find, a better market in the west—at Cleveland and Chicago. At first sight this diversion of the lumber trade to the west might seem to be depriving the Northern of a considerable part of the carrying trade, but he was happy to know that this trade would create a return trade in grain, at paying rates. They were engaged in the extension of their main wharf at Collingwood, and that, with the addition of new tracks, would enable them to keep pace with the increasing trade. The service on Lake Superior, he was glad to say, was likely to be placed upon a better footing than heretofore. They would have during the coming season three first-class side-wheel steamers running from Collingwood to Fort William, calling, he hoped, at Duluth. These were the *Chicora* and two new first-class vessels. It would thus be seen that they were keeping up with the extension of the country westward, and nothing would be wanting on their part to second the efforts of the Government in opening up these districts. With regard to the Muskoka Railway, there were some miles of the road already graded, and the company was, in his judgment, carrying out its work with great determination, perseverance and judgment. He hoped that before the first of next October, Toronto would be in direct railway communication with the rising and prosperous village of Orillia. The arrangement that had been come to between that company and the town of Barrie would be, he hoped, mutually advantageous. The extension of the Muskoka line to the Free Grant district was of course the main object of its promoters, and he saw nothing to weaken the belief that that extension would be made at a very early day. The result would be seen in the opening up and settlement of that territory with a rapidity never paralleled in the history of Canada. He was satisfied that the American system of building railways by the assistance of the Government, and of making them look for their reward in the increased traffic which the settlement of the country would produce, was sound, and the one best adapted to new countries. And he was glad to see that this system was being adopted in Ontario, believing it would promote immigration and the prosperity and political strength of this country. (Cheers).

The report was then adopted.

On motion of Mr. Angus Morrison, Hon. Mr. Allan and Mr. Reekie were appointed auditors.

The meeting was then made special for the purpose of considering and authorizing the execution of a lease of the Toronto, Simcoe and Muskoka Junction Railway.

Mr. Cumberland read the lease, the provisions of which have already been published.

On motion of the Chairman, seconded by Mr. Ardagh, the lease was ratified and approved.

Mr. Vance, as representative of the City Council at the Board, was glad to see that the interests of the city were fully protected by the lease, especially in the matter of bringing cordwood to the city at the same rates as lumber.

The scrutineers reported the following gentlemen elected Directors for the current year:—F. W. Cumberland, J. B. Robinson, W. Elliot, Henry Wheeler, Jno. A. Chowne, Angus Morrison. The meeting then adjourned.

Insurance.

INSURANCE MATTERS IN NEW YORK.

(From our own Correspondent.)

NEW YORK, Feb. 6th 1871.

The commencement of the new insurance year finds the several life and fire companies busy with the preparation of their annual statements. The nine marine companies have all published the results of the year's operations, and they have generally done well. Our marine offices are exceptionally well managed, by underwriters who understand their business, and give it diligent and conscientious attention. The Atlantic declares 35 per cent. scrip on the profits of the year, and 6 per cent. cash on the standing certificates; earned premiums for the year ending Jan. 1, 1871, \$5,392,738. The Commercial, 33½ per cent. scrip dividend, 6 per cent. cash on outstanding scrip, earned premiums \$257,802; Great Western, premiums, \$1,468,849, and 6 per cent. gold to stockholders; Mercantile Mutual, premiums, \$1,091,511, and 3½ per cent. to stockholders; New York Mutual, premiums, \$319,422, 20 per cent. to policyholders, and 6 per cent. on scrip; Orient Mutual, \$1,018,888 premiums, 10 per cent. scrip, and 6 per cent. cash; Pacific Mutual, \$506,753 earned premiums, 20 per cent. return dividend, 50 per cent. on the certificates of 1866, and 6 per cent. on outstanding profit certificates; Sun Mutual, \$349,662 premiums, 7 per cent. on capital, and 6 per cent. on outstanding scrip; Union Mutual earned premiums, \$147,856, 6 per cent. on net premiums of year, and 50 per cent. of the issue of 1861, redeemed in cash. It will be seen from the foregoing abstract that the marine offices have generally done well.

Contrary to general expectation, the fire insurance companies, notwithstanding the carnival of fires which held high revel during the last half of 1870, are likely to come out comparatively safe. Some few dividends will be passed, and of course several companies will show reduced surpluses, but not to any extent that might be regarded as a general disaster. From unofficial returns procured at a number of our offices, it does not appear that the percentage of loss to premiums has been, on the average, excessive. The large agency companies are of course the heavier sufferers; local city companies, who always do a strictly "family" business, as usual, come off best. Indeed, several of the offices have succeeded in increasing their surplus columns to a quite appreciable extent. In a list of seventy offices whose returns I have examined, thirty-one show a decrease of surplus, but only four of them appear without any surplus. Yet the high percentage of fire losses paid by several companies, ranging from 60 to 86 per cent., tells significantly the story of the year's large fire disasters. Several of the favorite agency companies have had very variable luck. The old Aetna comes out easily, with only 55 per cent. of losses to premium receipts, while many staunch and well-managed companies are carried quite beyond the traditional 60 per cent. Thus, so good an office as the American, of Philadelphia, loses 67 per cent.; Merchants', of Hartford, 75; Narragansett, 96; Putnam, 60; Independent, of Boston, 88, and so on. It is greatly to be desired that the experience of last year will encourage the offices to adhere more generally to conservative practices, paying rates, and the avoidance of extra and special hazards, except at full rates, which, even then, are never paying rates on this class of business. The bad must, however, be taken with the good, and if those risks which are risks, and "no goke," are well paid for, an average premium rate can be secured on the year's business. If there must be "cutting," let it be done on A 1 business. No company can long afford to disregard rates on extra and special hazards.

Although several weeks have elapsed since the