

ger was 6s. against 6s. 5d., and per ton of freight 15s. 5d. against 14s. 6d. The following table shows a steady growth of traffic both in passengers and goods; but it will be observed that while the average rate for goods is higher than during the previous year, it is still below the rates of the two former years; and the passenger fares showed an improvement of one penny per passenger only upon the lowest average since 1862. The rates and fares are, as the Directors have frequently explained, beyond the control of the executive; and when, as in the present case, a smaller proportion than usual of local traffic is carried, not only does the gross revenue of the half-year suffer, but the percentage of working expenses is at the same time increased. The high proportion of working expenses to gross receipts for the half-year is thus partially accounted for.

Half-year.	Passengers.		Freight.	
	Nos.	Average per p. ssen. er.	Tons.	Average per ton.
1871, June...	764,376	6	0.666,092	15 5
1870, June...	700,334	6	5.612,959	14 6
Dec...	937,879	5	11.611,809	14 0
1869, June...	655,850	6	9.520,881	16 0
Dec...	892,097	6	3.557,157	15 7
1868, June...	619,298	6	8.505,987	16 1
Dec...	804,815	6	9.523,685	16 3
1867, June...	623,227	6	8.429,647	15 1
Dec...	794,213	6	10.527,227	15 4
1866, June...	638,708	7	0.497,292	15 4
Dec...	792,487	7	2.523,685	15 5
1865, June...	590,571	6	3.477,837	16 11
Dec...	784,346	7	2.523,830	15 5
1864, June...	523,284	6	0.430,934	16 3
Dec...	722,446	6	6.443,930	16 1
1863, June...	395,056	6	0.339,484	17 3
Dec...	529,783	6	5.372,984	15 1

The expenses for the half-year amounted, including renewals, to £596,417, or 76.87 per cent., as against £559,702 or 79.43 per cent. of the gross receipts for the corresponding six months of 1870. Excluding the renewals, the ordinary working expenses were 68.26 against 69.96 per cent. The increased expenditure in the half year, amounting to £36,715, or about 51 per cent. of the increase in the gross receipts, was mainly occasioned by the extra train mileage run for the additional amount of traffic carried. The total train miles run were 3,153,981 against 2,749,045, showing an increase of 404,936 miles, and the increase in the car mileage was 6,352,914 miles. The cost per train mile was reduced in the locomotive department from 30.78 cents, at which it stood in June, 1870, to 29.06 cents for the half-year. The number of miles of permanent way re-laid during the half-year was 58½. These renewals were effected with re-rolled iron rails, the English manufacturers having failed to forward the steel rails to Canada in time to admit of their being placed in the line before the 30th of June. The Directors are happy to state, however, that there will be in the track before the close of the present year nearly 120 miles of steel rails, and it may be mentioned that, should the price for old rails continue as high as it has during the current half-year, viz., \$32, or £6 11s. 6d. a ton, it will not cost more to lay down steel rails than the Company is now paying for iron rails re-rolled at Toronto. Seventy miles of ballasting have been completed during the half-year, at a cost of £6,250. The receipts in American currency during the half-year amounted to £370,500, of which sum £81,885 was converted into sterling. The price of the premium on gold fluctuated during the half-year between 110½ and 113, and the loss on conversion was £7,129 against £7,157. The following table shows the gross and net earnings from January, 1862 to June, 1871 inclusive, in mixed currency and gold, the expenditure in renewals, and the direct loss sustained by the Company from the depreciation of American currency:—

Date.	Miles open.	Gross earnings.	Ordinary working expenses.	Renewals.	Revenue balance.	Yearly total.	Loss on American currency.	Half-yearly sterling profit after deducting loss on Amer. cur.	Yearly total profit sterling.
1862, June ..	No. 1,090	£ 382,992	£ 319,556	£ .....	£ 63,436	£ .....	£ 887	£ 62,549	£ .....
December	"	439,361	262,308	70,256	106,797	170,233	13,672	93,125	155,674
1863, June ..	1,174	456,222	289,970	32,962	133,289	315,063	6,589	126,700	288,414
Dec....	"	510,580	291,796	37,037	181,747	349,487	20,033	161,714	271,074
1864, June ..	"	528,301	315,031	31,489	181,791	316,074	*....	181,791	221,377
Dec ..	1,335	618,238	369,002	†81,540	167,696	441,091	78,413	89,283	364,999
1865, June ..	1,377	614,876	423,739	†51,535	139,602	316,074	35,849	103,755	218,231
Dec ..	"	714,780	448,619	†89,660	176,472	441,091	58,848	117,624	266,511
1866, June ..	"	637,425	403,420	26,285	207,760	374,500	14,264	193,456	316,761
Dec ..	"	719,371	413,608	72,392	233,371	269,741	61,828	171,543	254,300
1867, June ..	"	609,121	440,068	54,973	114,081	374,500	21,554	92,527	316,761
Dec ..	"	704,379	453,470	85,819	165,089	269,741	39,384	125,704	254,300
1868, June ..	"	646,797	430,587	¶ 67,403	180,190	374,500	18,882	129,925	254,300
Dec ..	"	756,163	449,487	126,772	179,904	269,741	43,318	136,586	254,300
1869, June ..	"	674,621	455,958	77,039	141,623	269,741	24,840	116,783	254,300
Dec ..	"	791,193	484,571	**73,745	232,887	269,741	32,899	199,978	254,300
1870, June ..	"	704,567	492,921	66,780	144,856	269,741	7,157	137,708	254,300
Dec ..	"	793,740	632,762	136,100	124,876	269,741	8,284	116,592	254,300
1871, June ..	"	775,882	529,636	66,780	179,465	269,741	7,129	172,336	254,300
				1,248,597			£494,831		

\*In this half-year (June 1864) there was no loss by discount on American currency, as the "greenbacks" were employed in the purchase of Portland bonds maturing in 1866 and sold in England.

†Add to these sums the further amount of £79,657 carried in the first instance to suspense account, and subsequently paid out of revenue, making the total amount charged against revenue for renewals between 1862 and June 1870, £1,125,373.

¶Including £31,383 carried to suspense account in the previous accounts.

\*\*Including the losses by the fires at Toronto and Sarnia.

\*\*In the half-year £36,343 was spent on renewals, in addition to the above, and was carried to capital.

The items charged to capital during the half-year are fully explained in the accounts. The total addition is £1,284,245, of which £1,230,000 represents the share capital of the Buffalo and Lake Huron Company converted into equal parts of Grand Trunk Fourth Preference and Ordinary Stocks, and £11,685 the capitalised interest certificates issued by that Company for interest for a portion of the year 1870 upon their Fourth Preference Stock. The other items, for ballasting, new works, new rolling stock, &c., amount (less a credit of £28,441 on account of the Buffalo Company) to £12,560. The works of the International Bridge over the Niagara River, between Fort Erie and Buffalo, have been vigorously carried on. The abutment on the Canadian side, and three first piers from that side, are finished; the two first spans of the ironwork are in their places, and the third span is nearly complete. The abutment on the Buffalo side is also finished, and the abutment on Squaw Island and the piers in the Erie Canal are so far advanced that the ironwork will be placed upon them during the winter, the ice being employed as a platform for that purpose. The superstructure from the abutment on Squaw Island to the junction with the New York Central Railway will be completed early next year. But there has been some difficulty in regard to the four piers intermediate between Squaw Island and No. 3 pier on the Canadian side, in consequence of the thickness of gravel over the rock in that part of the river. It will be necessary to take the foundations of those piers down to the rock itself; and until they have been successfully founded and constructed it is impos-

sible to fix any precise date for the opening of the whole work for traffic. The contract provides, however, for the completion of the bridge for the purposes of the railway on or before the first day of January, 1872. The Intercolonial Railway will, it is now expected, be completed during the year 1873. The only work on that line which gives cause for any doubt as to the date of completion is the crossing of the Miramichi River; and this, again, in consequence of the difficulty of foundations for the piers of the two large bridges which have there to be constructed. The line from Riviere du Loup to Metis, on the St. Lawrence, will be completed early next year, as will also the section between St. John (N.B.) and Halifax (N.S.) The intermediate portion through the Metapedia Valley will be opened later, owing to the difficulty of obtaining sufficient labor in that district. But the progress of the works generally is described as being "everywhere most satisfactory." In connection with this subject it may be added that the railway from Bangor, Maine, to the New Brunswick boundary is now complete. This connection between Portland via Bangor, with St. John, New Brunswick, and the Lower Provinces generally, will, it is believed, be found to be of considerable value to the Grand Trunk Company. The results of the half-year's working may thus be summed up:—There was a considerable increase of through traffic, but a falling off, in consequence of the deficient harvest of the previous year, of local traffic; and the rates which were obtained for the through traffic, lower than those of 1870, and considerably lower than those of 1869, left a very small