

THE GRAND TRUNK RAILWAY.

REPORT FOR THE HALF-YEAR ENDING JUNE 30TH, 1863.

Gross receipts including the Buffalo and Champlain lines have been for June half 1868, £646,797, and for June half, 1869, £674,621.

Deduct the ordinary working expenses (being at the rate of 67.59 per cent., against 65.03 of the corresponding half of last year) £455,938, and for June half, 1868, £426,477.

The renewals, &c., of the permanent way and works in the half-year debited to revenue, £77,039, and for June half, 1868, £36,020, from suspense £31,383.

Amount paid on account for loss by fire at Sarnia and Toronto, 1869, Nil, 1868, £4,110. Total for 1868, 497,990, Total for 1869, 532,997.

Leaving an available net balance earned in the half-year of 1868, 148,807, and for June half, 1869, 141,634.

Deduct loss on American currency for half June, 1868, 18,882, and June half 1869, 24,841. Total, for 1868, 129,925. Total, for 1869, 116,783.

2. From this sum of 116,783 has to be deducted the amount of Postal and Military Revenue due for the half-year to the Postal Bondholders of 17,206; leaving the balance of 99,577.

Applicable to the following payment, viz. —

Interest, &c., paid on lands	£1,930
Do on Mortgage to Bank of U. O.	4,423
Do on Loans, Bank rs' Balance, Promissory Notes, European Exchange, &c.	5,411
Do on B. A. L. Land Company's Debentures	616
Do on M. Seminary Debentures	616
Do on Island Pond Debentures	3,700
Half-yearly instalment on Portland Sinking Fund	4,577
	£18,276
Atlantic and St. Lawrence Lease (in full)	32,210
Detroit Line Lease (in full)	11,250
Montreal and Champlain Railway Company	8,305
	51,766
Equipment Bond Interest	10,779
Leaving a Balance (subject to the claims of the Buffalo Company) of	18,754
	£99,576

3 Comparing the results of the half-year's working with the corresponding period of 1868, there is an increase in the gross revenue of £27,824.

The aggregate expenses for half-year, apart from renewals, amounted to £455,959 as against £426,477 for the corresponding six months of 1868. No less a sum than 40,000 dollars was spent in "extra labour" alone in clearing the line from the vast accumulation of snow which had fallen during the storms, and the extra cost to which the locomotive and car departments were subjected, justifies the statement that from these various causes an additional sum of £20,000 was spent beyond the expenditure of ordinary winters. The snow storms are estimated to have cost the Company not only an additional expenditure of £20,000 but an estimated loss of traffic of £4,000 of which latter sum 40 per cent., or £16,000 would have been profit, thus making together an aggregate loss of net profit of £36,000, which would otherwise have been added to the results.

4. The cost of fuel was less by 1,800, although there has been an increase of 132,868 train miles run.

5. The average receipts from passengers was 6s. 9d. per head, against 6s. 8d. and 16s. 6d. per ton of freight, against the same amount in the corresponding period of last year.

6. The charges for renewals amounted to £77,039, against a charge in the corresponding six months £67,403. Included in the above charge was £14,519, for the extra weight of rails as compared with the weight of old rails replaced. The weight of the rails laid was 75 lbs. to the yard; and the number of miles actually relaid 622.

7. The loss on American currency was £24,841 against £18,882, in the corresponding period of 1868, the proportion of receipts in that currency having been greater than in 1868, and

the rate having fluctuated during the half year between 130 and 140.

8. The following Table shows the gross and net earnings from 1861 to last June in mixed currency and gold, and also the expenditure in renewals, and the direct loss sustained by the Company by the depreciation of the American currency.

1861.

June, 1,090 miles open; gross earnings, £347,110; ordinary working expenses, £300,324.

December, 1,090 miles open; gross earnings, £419,469, ordinary working expenses, £373,761, yearly revenue balance, 142,492, yearly profit, 142,402.

1862.

June, 1,090 miles open; gross earnings, 382,992; ordinary working expenses, 319,656, loss on American currency, 887, half-yearly Sterling profit after deducting loss on American currency, 62,549.

December, 1,090 miles open, gross earnings, 439,361, ordinary working expenses, 262,308; renewals, 70,256; yearly revenue balance, 170,233, loss on American currency, 13,672, half-yearly Sterling profit after deducting loss on American currency, 33,126, yearly profit, 155,674.

1863.

June, 1,174 miles open, gross earnings, £456,222, ordinary working expenses, £289,970, renewals, £32,962, loss on American currency, £6,589, half-yearly Sterling profit after deducting loss on American currency, £126,700.

December, 1,174 miles open, gross earnings, £510,580, ordinary working expenses, £291,796, renewals, £37,037, yearly revenue balance, £315,036, loss on American currency, £20,033, half-yearly Sterling profit after deducting loss on American currency, £161,714, yearly profit £288,414.

1864.

June, 1,174 miles open, gross earnings, £528,301, ordinary working expenses, £315,031, renewals, £31,489, loss on American currency, £, half-yearly Sterling profit after deducting loss on American currency, £131,791.

December, 1,335 miles open; gross earnings £379,092, renewals, £81,540; yearly revenue balance, 349,487, loss on American currency, 78,413, half-yearly sterling profit after deducting loss on American currency, 89,283; yearly profit, 271,074.

1865.

June, 1,377 miles open; gross earnings, 614,876; ordinary working expenses, 423,739; renewals, £ 51,535, loss on American currency, 35,849; half-yearly Sterling profit after deducting loss on American currency, 103,753.

December, 1,377 miles open; gross earnings 714,789, ordinary working expenses, 448,619, renewals, £89,689, yearly revenue balance, 316,074, loss on American currency, 58,848, half yearly Sterling profit after deducting loss on American currency, 117,624, yearly profit, 221,377.

1866.

June, 1,377 miles open; gross earnings, £637,425; ordinary working expenses, £405,420, renewals, £26,285; loss on American currency, £14,264; half-yearly Sterling profit after deducting loss on American currency, £193,456.

December, 1,377 miles open; gross earnings, £719,371, ordinary working expenses, £413,608; renewals, £72,592, yearly revenue balance, 441,091 half yearly loss on American currency, 61,828; half yearly Sterling profit after deducting loss on American currency 171,542; yearly profit, £264,990.

1867.

June 1,377 miles open; gross earnings, £609,121; ordinary working expenses, £440,067; renewals 54,973; loss on American currency, 31,654; half-yearly Sterling profit after deducting loss on American currency, 92,527.

December, 1,377 miles open; gross earnings, 704,379, ordinary working expenses 453,470; renewals 85,819, yearly revenue balance, 279,170; loss on American currency, 39,341; half yearly Sterling profit after deducting loss on American currency, 125,704; yearly total profit, 218,231.

1868.

June 1,377 miles open, gross earnings, 646,

607, Ordinary working expenses, *430,587, renewals, £17,403, loss on American currency, 18,882, half yearly Sterling profit after deducting loss on American currency, 129,925.

December, 1,377 miles open, gross earnings, £756,16, ordinary working expenses, 449,487, renewals, 126,772, yearly revenue balance, 360,064, loss on American currency, 43,318, half yearly Sterling profit after deducting loss on American currency, 136,586; yearly total, 266,511.

1869.

June, 1,177 miles open, gross earnings, £674,621, ordinary working expenses, £455,958; renewals, £77,039, loss on American currency, £2,481, half yearly Sterling profit after deducting loss on American currency, £116,783.

Total renewals for seven years, £95,191, Total loss on American currency, £438,362.

9. The experience of the railways on the American continent has proved that iron rails as now manufactured, do not stand the strain of a heavy traffic, and they are of course more severely tried in the northern climate. All the trunk lines are now renewing the heaviest worked portions of their roads in Bessemer steel rails, they having found that the best iron rails obtainable do not last more than an average of five years, and in most cases considerably less.

The Directors have decided in future to relay those parts of the Main Line where the traffic is heaviest and the climate most severe with Bessemer steel, and they will next year send to Canada 5,000 tons of these rails. The other renewals will be continued, for the present, with iron re-rolled in Canada and the United States.

10. The entries in the Capital Statement it will be observed simply bring into the account the discount on Postal Bonds sold, and charges which have hitherto been standing in suspense, and against which the balance of the net revenue account for the 21st December last, viz., £27,877, has been credited. Capital is in debt to revenue and no working capital exists to carry the whole of the stock of stores, fuel, &c. amounting as per the balance-sheet to upwards of £200,000. The completion of the ballasting of the line which is urgently needed, would tend materially to lengthen the life of the rails. The rolling stock is not worked to its full capacity, and large quantities of traffic are every year refused from the inability of the Company to carry it. Until the capital already authorized be provided for these purposes, the Company cannot be placed in the successful position which existing circumstances fully open it.

The weekly returns of gross receipts have consequently shown a less increase in proportion to the quantities carried:—Indeed it may be safely stated, that in consequence of the low rates of the current year, an average increase of above £2,000 per week has been lost to the Company.

12. The Directors referred to the maturing debt of the Atlantic and St. Lawrence Company and they are glad to be able to state that the arrangements of all the questions relating to that matter are progressing in a satisfactory manner, and that the overdue Second Mortgage Bonds mentioned in the last report have been provided for.

13. The Directors are happy to report that an agreement has now been concluded between the Buffalo and Grand Trunk Boards, subject of course to the approval of the Proprietors of both Companies. Special meetings will be held for the purpose of obtaining such confirmation. The terms of the agreement thus recently settled will be circulated in ample time for full consideration by the Bond and Stockholders before the Special Meeting is held, and of which due notice will be given. It has been arranged that the agreement shall be approved by the Shareholders of the Buffalo Company before the Grand Trunk Proprietors are asked to ratify it.

14. The Directors are further happy to announce that they see every prospect of being able to pay the interest for the current half-year on the First Preference Bonds.

15. Mr Richard Potter, the President of the Company, returned from Canada on the 4th inst. and at the adjourned meeting on the 17th instant, will give the Proprietors further information upon the condition and prospects of the undertaking.

* In this half year (June, 1864) there was no loss by discount on American currency as the "Greenbacks" were employed in the purchase