366; but for the same reasons as applied to the G.T.R. and other railways, there has been a considerable increase of expenses, amounting to £77,211. The balance of net revenue available for interest on the bonds is increased by £12,155, and after paying the interest charges there is a surplus for the half-year of £2,995, which, added to the surplus for the half-year ended Dec. 31 last, and the balance carried forward on June 30, 1902, makes 1% available on the income bonds of the company for the year. As to the Detroit, Grand Haven and Milwaukee, there is nothing to be said; the circumstances are almost entirely on all fours with those of last year. A system of ferry boats for carrying the cars across Lake Michigan has been established between Grand Haven and Milwaukee. This will have the great advantage of enabling traffic to go to and fro between Grand Haven and Milwaukee without breaking bulk, and we expect that there will be a considerable accretion of business on that account.

During the summer I visited Canada, being accompanied by Sir Wm. Young and Mr. Smithers. We brought back a most favorable impression of all that we saw. The whole of our system is alive with activity, progress and improvement. At Montreal it was really a great satisfaction to transact business at our new offices. We were extremely pleased with the new purchase of land in the proximity of Montreal for the extension of our yards. We have acquired a site of 187 acres only a few miles from Point St. Charles, extremely well situated on both sides of the line; it has all been acquired and paid for, and Mr. Hays proposes almost immediately to set to work to utilize it. We visited Toronto, and there also there has been a considerable extension of our yards. We have acquired some extremely valuable plots of land in close juxtaposition to our present terminals, in the very centre of the city, and this accommodation also will very much improve our facilities for moving traffic. We proceeded to Detroit to inspect the new acquisition of the G.T. Western—the Detroit, Toledo and Shore line, which has been acquired half by the G.T. Western, and half by what is called the Clover Leaf line. We have since learned that on Sept. 1 the new line was inaugurated, and Mr. Hays writes very encouragingly as to the possibilities of traffic which will result from the acquisition of this road. Passing on via Chicago, we visited the G.T. Western, and were exceedingly pleased to see how much the work had progressed. In the course of this autumn the whole of the double tracking of the 335 miles between Chicago and Sarnia will be accomplished, with the exception of a small portion in the neighborhood of the town of Valparaiso.

We made up our minds it would be desirable, in view of future events, to visit Winnipeg. We went there in order to satisfy ourselves by conversation with leading personages at Winnipeg, and also by making our observations with regard to the place itself and its approaches and the intervening country. We wished to acquaint ourselves with all these things with a view to an ultimate intimate connection which very likely the G.T.R. may have when the new line, which is contemplated to be constructed very shortly into that region, is finished. All that we saw was of a distinctly encouraging nature. It had been my expectation that it might have devolved upon me to-day to have given you some details of the progress of the proposed measure for the construction of this new road which I have just referred to. But it would be inopportune, it would be premature for me to speak, excepting in very general terms today, because the legislation connected with this scheme is still incomplete. The idea which the Grand Trunk had when it undertook the promotion of what is called "The G.T. Pacific Ry." was to acquire a connecting interest with some separate corporation which would construct the road through the prairie districts. The primary idea was that starting from North Bay such a line might be constructed running to Winnipeg, or further west, and it was with that intention that we promoted a bill for the incorporation of this company. The bill was introduced into the Dominion Parliament, and it was soon found that it would raise a great question in the public mind, and on the part of the government, as to whether advantage should not be taken of this scheme to obtain still larger advantages in the interests of Canada. At the wish of the Dominion government, and of popular opinion, there has been grafted upon the original idea a much larger scheme contemplating the construction of a road straight across from New Brunswick in the east to the Pacific Coast in the west. The charter, as conferred, gives very large powers for the construction of a road; but it became necessary, in order to give effect to the views of the government, that also another bill should be introduced under the auspices of and by the government itself, for carrying out their portion of the undertaking. And their portion of the undertaking would be this, that the government would themselves be the owners of the whole of the line from New Brunswick to Winnipeg, and that that line should be leased to and worked by the G.T. Pacific, and that the G.T. Pacific should be restricted in its ownership to the road west of Winnipeg. It would be inopportune for me to allude to any future connection which the G.T.R. may have with this scheme, only bearing in mind, of course, that nothing will be done without the assent of the shareholders.

Sir Rivers concluded by moving the adoption of the report, etc., and that the following dividends be paid: 4% guaranteed stock, 2%; 1st preference stock, 2½%; 2nd preference stock, 2½%, which was carried.

British Columbia Electric Ry. Co.

The report for the year ended June 30, presented at the annual meeting in London, Eng., Oct. 30, showed that the business of the Co. has largely increased in all departments, and the profits made during the year show a corresponding increase. The gross receipts increased over the preceding year $95,717, and the net earnings, after charging renewals, increased $39,172. The following charges have been made against the revenue account of the year:

	£	s.	d.	£	s.	d.
Provision for renewals maintenance				£10,446	3	8
Bonus to employes				1,494	16	11
Written off preliminary and issuing expenses				1,000	0	0
Added to capital amortization fund				1,594	18	6
Net profit for year, after making above deductions				£37,864	16	0
Add balance brought forward from last year				533	11	7
				£38,398	7	7
Deduct debenture interest to June 30, 1903	£11,119	10	2			
Dividend on preferred ordinary stock for 9 months to Mar. 31, 1903	7,500	0	0			
Interim dividend on deferred ordinary stock for 6 months to Dec. 31, 1902	4,000	0	0			
				22,619	10	2
Leaving available for distribution and reserves				£15,778	17	5
From this the directors have decided—						
To provide for dividend on cumulative perpetual preference shares to June 30	£1,241	16	11			
To provide for dividend on preferred ordinary stock for 3 months to June 30	2,500	0	0			
To recommend payment of dividend on deferred ordinary stock at rate of 3% making 5% for the year, which, including income tax, will absorb	6,938	1	0			
To transfer to contingency fund	1,000	0	0			
To transfer to reserve fund	3,000	0	0			
				14,679	17	11
To carry forward to next account				£1,098	19	6

Deductions have been made from the earnings in B.C. to provide for renewals maintenance, instead of, as in previous accounts, making provision for this in a total amount at the end of the year. The number of lights in use at June 30, 1903, was 93,099, an increase of 18,739 over the number in use at June 30, 1902.

The Manager in B.C. reports that the rolling stock has been substantially added to and maintained in excellent condition; that there has been a marked increase in the power business during the year, and that the outlook generally is bright. During the year 6,000 5% cumulative perpetual preference shares of £10 each have been issued by the company, and a further 1,500 were issued in Aug. last, making a total of £75,000. The construction of the Vancouver power installation by the Vancouver Power Co., (Ltd.), which commenced in July, 1902, has proceeded satisfactorily. Considerable progress has been made with tunnelling; the site for the dam has been prepared; the foundations of the power house have been laid; the building of the power house commenced; and the installation of the pole line for transmitting current to Vancouver and New Westminster is well in hand. The General Manager reports that he expects the Power Co. will be in a position to deliver 2,000 electrical h.p. by the beginning of Dec. next. On the advice of the engineers, the scheme, as originally designed, has been enlarged so as to provide for the supply of an initial 9,000 h.p., with power of expansion to 30,000 h.p., instead of an initial 6,000 h.p., with expansion to 15,000 h.p.; the size of the tunnel has been increased by 25%, and machinery and transmission plant of greater electrical capacity are being provided. This enlargement of the original scheme will involve an additional expenditure of about £60,000, but the directors are satisfied that the importance of being fully prepared to meet the rapid increase in the demands for electrical power in Vancouver and New Westminster justifies the increased expenditure. Funds for carrying on the works of the Vancouver Power Co. have been raised by the sale of £175,000 4½% Vancouver power debentures, part of a total authorized issue of £220,000, and the board proposes at an early date to offer the remaining £45,000 to the stockholders and debenture holders to provide further funds as required. The directors have for some time past been carrying on negotiations for the purchase of the undertaking of the Vancouver Gas Co., which, if brought to a successful issue, should materially add to the value of the Co.'s lighting business. The directors record their high appreciation of the very valuable services of the General Manager, J. Buntzen, and of the staff in B.C. After the first year's trial of the profit-sharing scheme referred to in last year's report, the directors record with satisfaction that most cordial relations continue to exist between the employes and the manager, who attributes the satisfactory results attained during the past year largely to the hearty co-operation and loyal assistance of all the employes. The directors have had brought to their notice instances of valuable assistance rendered quite voluntarily by employes, who have shown an intelligent appreciation of their own pecuniary interest in the Co.'s success. The share of profits distributed to the employes for the year amounts to $7,250. During the year E. L. Evan-Thomas has been elected by the directors to fill a vacancy on the Board. R. K. Sperling and E. L. Evan-Thomas, the directors retiring by rotation, being eligible, offer themselves for re-election.

Following are comparisons: Railway earnings, Vancouver, $158,083 against $129,130; New Westminster, $119,318 against $102,199; Victoria, $113,842 against $109,056. Electric light, Vancouver, $189,237; Victoria, $92,402. Total earnings, $672,882 against $577,165; total expenses, $448,535 against $391,990; net