

Reading Company showed a decrease in net receipts of 70,000 dols.; the Delaware and Lackawanna, for the quarter ending September showed a decrease in net receipts of 57,000 dols.; the Boston and Albany for the same period, with a gross increase of about 26,000 dols., showed a decrease in the net receipts of 200,000 dols.; the Delaware and Hudson Company show an increase in gross earnings of 47,000 dols., with a decrease in net earnings of 1,667 dols.; and the New York Central, for the month of September, published a decreased gross earning of 16,000 dols.; so that, although we were disappointed with our own working, we still fared better than our neighbours.

As regards our capital expenditure we have only spent £51,863 on new works during the half-year, including sidings, stations, bridges, &c., though we spent £98,981 on the 1,000 new cars, of which I have spoken to you. To December 31, 1889, we have spent £449,882 in doubling the line, and £157,658 on the Sarnia Tunnel, and we shall proceed with these works as rapidly as possible because we believe—in fact we have ascertained—that we are saving a good deal of delay to our traffic by doubling the line, and we are reducing our expenses; and both of these works will be of very great advantage to the company.

I have some important details here, of which I will give you the general result, as regards the savings effected in our pre-preference interest. On a fair comparison of the pre-preference charges of 1887 and 1889 I find there was an actual reduction in pre-preference charges of £6,952 per annum, which was equal to a saving of interest of 4 per cent. on £173,800 of debenture stock. But in those