GRAND TRUNK RAILWAY OF CANADA

THE Directors of the Grand Trunk Railway Company have just issued their half yearly report From it we condense the following information The report states that the gross receipts on the whole undertaking including the Buffalo and Champlain lines, have been for the half-year ending the 3 st of December last £704 379 The ordinary working expenses amounted to £447 306, or 63 60 per cent. of the receipts, leaving an available net balance of £147 413. From this amount is deducted the loss on American currency say £59 385 leaving a cash balance of £108,028 From this has to be deducted £19 253 for postal and military revenue due to the holders of the Postal and Military Bonds, £14,897 for interest on certain loans and debentures £32 785. Atlantic and St Lawrence rent in full £11 250 Detroit rent in full, £6,778 for Montreal and Champlain Railway, £12,285 for Buffalo and Lake Huron Railway, and £10,719 for Equipment Bond interest, leaving no balance. Comparing the results of the half year's working with the corresponding period of 1866, there is a falling off in the gross receipts of £14 991 (in the through or foreign passenger receipts) and there is an increase in the expenditure of £83 698 The causes which have led to this decrease of traffic, instead of the large increase that was expected, are explained by the Executive in Canada in the following manner. "Some of them," they report "are, no doubt, attributable to the establishment of the Time' Lines, including that over the third rail of the Great Western, and the consequent diversion of business to lines which were able to transport freight between Chicago and the seaboard without breaking bulk The decrease has also arisen somewhat from the lessened amount of American business passing between the east and west, and during the last half of 1867, from the interruption of business caused by the failure of the Commercial Bank This bank was the main support of a very large class of traders in produce in Western Canada, and the moment the bank suspended payment, their means of carrying on business was absolutely brought to an end and as at the same time all the other banks, as a measure of precaution greatly curtailed their operations the result was an almost complete stagnation of business during two months of the busiest part of the year ' During the past year the effects of the abrogation of the Reciprocity Treaty were felt as regards the amount of products interchanged between the United States and Canada although the trade with the Lower Provinces is gradually increasing, yet this traffic is much less important than that which formerly entered the United States under the treaty One unexpected result has been an actual loss on the working of the Buffalo and Lake Huron section during the half year

The ordinary expenses during the half year amounted to £447,306, being 63½ per cent. of the receipts In the corresponding period of 1866, they were £413,6 8, or 57½ per cent of the receipts, showing an increase over 1866 of £33,698 The fuel consumed during the half year cost £19,667 more than in the half-year ended December, 1866, and the extra wages paid, for increased renewals, amount to about £10 000 In consequence of the high rate of wages in the United States at the beginning of the year 1867 it was found necessary, in order to retain the men, to increase the rate of pay and this enhanced rate continuing till the close of the year, the present accounts show a further increase in the item of wages, generally of about £6 000 The wages have indeed been higher during the past half-year than at any period since the line has been in operation. The charge for tolls paid other companies and use of stations, was £2 597 against £1 486 in the corresponding period of the previous year This arose in consequence of a heavy demand made by the New York Central Railway in respect of the station accommodation at Buffalo. Adding to this amount the extra expenses incurred in working the ferry across the Niagara River, the expenditure on the Buffalo section for the past half year was £1 179 in excess of its mileage proportion of gross receipts. The average receipt from passengers per head was 6s. 10d. against 7s. 2d. in the corresponding period of 1866, and the average receipts per ton of merchandise was for the last half year 15s 10d as compared with 15s. 11d in 1866. The loss by discount on American currency shows an important decrease, being £39,384, against £71,828.

The total direct loss sustained in this way from 1862 to December, 1867, amounted to the enormous sum of £351,821. To this unforseen and uncontrollable loss, augmented as it had been by the increased cost of materials and higher wages, the directors again point as one cause of the present unsatisfactory position of the company's revenue accounts. In 1861 the gross traffic of the line was £920,579, while in 1866, on the same mileage, it was £1,356,... an increase of 47½ per cent During the same period the ordinary working expenses were gradually reduced from 79 per cent of the receipts to 60 per cent., and this too for a period when wages and materials had increased in price. A change in the opposite direction is, fortunately, now occurring. Important reductions are being made in the rate of wages, and the prices of materials are falling. The wages paid to labourers on the sections of the line in the United States have already been reduced from $1 60 per diem, the rate of last year to $1 25, and the wages of mechanics have been reduced by 10 per cent. throughout the line Fuel is being charged also at an important reduction upon the standard prices of 1867

The breakage of rails during the past severe winter has, in consequence of the general improvement in the permanent way, been much less than in former years. The amount charged to capital is £892,128, of which £866,340 is the capitalized interest for the whole year on the preference bonds and stocks, and the remaining £25,788 was expended in the improvement of the permanent way. The bill referred to in the last report authorizing the raising of further capital, not exceeding £500,000 by the issue of second Equipment Bonds, (but which do not in any way interfere with the priorities and rights of the Equipment Bonds) and also enabling certain alterations in the existing agreements with the Buffalo and Lake Huron and Montreal and Champlain Railway Companies, was passed during the last session of the Canadian Parliament but the power sought to alter and extend the period of agreement with the Buffalo and Lake Huron Company, with the consent of both parties, was not obtained in the terms intended The directors propose to communicate with the Government of Canada in reference to raising funds necessary to equip the line, to build the bridge at Buffalo and to complete other works essential to the proper development of the undertaking and the trade of the country

The capital account shows that £17 713 703 has been expended to the 31st of December last

The traffic receipts for the week ending the 28th of March, amounted to £32 040 and for the corresponding week last year to £25 862, showing an increase of £6,17°

QUESTIONS RELATIVE TO THE COTTON TRADE.

(From the U. S. Dry Goods Reporter.)

A NEW England manufacturer sends us the following very pertinent questions —

PROVIDENCE, April 25, 1868.

To the Editor of the U. S. Economist

All parties here are now peering into the future to see, if possible, what is in store for them There are few prophets, but any would-be seers In fact, all trade necessitates a certain amount of outlook: and a look-ahead is nowhere so important as in manufacturing. Now how much cotton was planted, and how large a crop will be reaped? At what price can I stock my mill, and what will the fabric bring in the markets All these questions cover a space of eight to twelve months and are not to be evaded. Take, for instance, the coming fall The first question that meets a mill owner is what price can I get for my cloth next September? And this leads to a consideration of all the questions above stated

Now, to answer this question I want to set you figuring for me Can you help me and help other by telling us what a 64+64 print cloth, 7 yards to the pound, ought to sell at in September to yield us a living profit, out of the cotton bought at its then market price, getting at that price by the above named "seer or prophetic" process? The parties are not few here who say that cotton will be down to 20 cents shortly, if not lower, while others say that it will be 40 cents in September if not 50 cents Your estimates are usually so correct, and your advice to manufacturers has so often proved valuable, that I hope you may find time to give an answer to this question which will save us a great deal of money and disappointment

SPINNER.

There is a possibility of mistaking the purport of "Spinner's" inquiries and if the data for forming an opinion were equally obvious, we should have little hesitancy in volunteering a definite prophecy Unfortunately, however the facts necessary to an intelligent judgment are s yet only partially ascertainable, and the utmost that can be attempted is a balance of probabilities based upon incomplete knowledge We take the questions in the order propounded

1. "How much cotton was planted and how large a crop will be reaped?" We presume there can be no question that the disastrous results of the last crop induced a very severe contraction of planting operations Not a few planters became so involved as to incapacitate them for planting this year; others, while able, yet preferred to cultivate other crops, whilst the factors lost heavily, and have not the means for affording the usual facilities to planters Under these circumstances, the early planting can hardly be estimated at over 1,800,000 bales that being the figure generally allowed by the best authorities The large advance in Liverpool early in the year however induced a certain amount of additional planting in in March, but to us it has appeared that the extent of this late crop has been over estimated both abroad and among domestic manufacturers The main reason, which caused the limitation of the early planting, viz the poverty of planters and factors, would equally tend to limit operations. The March planting would have to be done chiefly by the planters of means, of whom there are comparatively few: and the more so as the risks attending March planting always make it difficult for planters to procure advances from the factors Under all the circumstances then we should deem it unsafe to estimate the growing crop at over 2,100,000 to 2 200 000 bales assuming that the season and usual casualties should not vary from the average.

2 "At what price can I stock my mill?" The question of price depends upon that of supply and demand The balance of the last crop now remaining in the hands of planters is entirely nominal, although a certain amount is still held by speculators, this being the chief reliance for receipts at the ports from now to September 1st. The present stocks at the ports and at Liverpool are unusually low the following bring the quantities at the latest dates compared with last year —

	1868	1867
Total stock at Liverpool bales	356 550	712 340
Stocks at American ports	260 700	446 100
Total stock	617 250	1,158,440

Notwithstanding therefore that the American crop is much larger say 600 000 bales than the previous year, there is less cotton in stock by 541 190 bales The India crop is not supposed to be a large one, and it has been kept back by the Abyssinian expedition diverting vessels at the India ports from cotton freights. A large amount, however, still remains to come forward from the East, and it is quite likely that high prices may cause a certain amount to be exported which would otherwise have been kept for home (India) consumption. Ultimately, therefore, the Liverpool market is likely to receive considerable relief from the India supply But during the interval between the comparative exhaustion of the American supply, and enlarged receipts from the East, it is not impossible that the price at Liverpool may still further advance In order to appreciate properly the late advance in the price at Liverpool, it is necessary to understand the causes which have led to it. The fall in the staple to 7¾ per pound appeared to Manchester to lay the basis for a largely extended business, and consequently about the close of last year immense orders were given for goods, which manufacturers, after a period of severe dullness, eagerly accepted

These contracts were sufficient to give full employment to all the machinery of Lancashire for several weeks ahead, and upon cotton assuming a firmer tone, there was a general rush among the spinners to cover their contracts by purchases of cotton: and it is this special pressure which has forced up cotton with such rapidity, and to such high prices A special supply of goods has thus been produced which will be marketed at low prices as compared with the cost of raw material, and when this supply has been exhausted, merchants will be indisposed to pay the necessary advance demanded by manufacturers, and hence will result in a temporary dead-lock, which will severely test the price of cotton Whether, however, this would produce a permanent material decline in the price appears open to grave question. We shall evidently commence the next cotton year with stocks largely below the average: while the supply from all sources, for the year commencing September 1 1868, is likely to be about the same as in 1867 7 Probably the condition of general trade in Europe may be more favorable to the demand for goods than in 1866-7, but otherwise we should imagine that 1866-7 and 1868-9 will prove to be only parallel years During the former year cotton ranged from 40 cents down to 25 cents, the average price being about 31 cents, and from analogy it would seem reasonable to anticipate a similar range of quotations during the prospective year Those who prophecy 20 cents will, we think, find themselves greatly mistaken, and predictions of 50 cents, we should think quite as likely to fail of fulfilment As "Spinner" presses us very definitely as to prices we should state 30 to 37 cents, with possibly temporary fluctuations above the higher figure and below the lower If "Spinner" thinks our estimate reasonable, he may make his own calculation as to the value of printing cloths at a given date We make no pretensions to clairvoyancy

PROSPECTS OF THE NEW YORK MONEY MARKET.

(From the N Y Financial Chronicle.)

ABOUT eleven millions were added last week to the bank deposits of this city The intelligence of Wall Street has for some days past been tasked to explain this gratifying but almost unprecedented increase of its loanable funds How did the phenomenon arise Is it to be followed by a decline? Or will the present week show a new augmentation? To some men these questions have no imperative significance, and are more curious than useful but to our merchants, bankers, manufacturers and business men shrinking under the smart of the late panic, there are few topics more easily discussed, and none more powerful in controlling future engagements, or in regulating those already existing

An eloquent French writer has compared the industrial effects of changes in the money market to the rise of an inundation in a fertile Swiss valley. As the water rises it drowns first the rich lowlands with their teeming fruitfulness, next the higher levels and last of all the more inaccessible sterile parts of the landscape, but wherever the flood pours its destructive currents it carries desolation and dismay sweeping off with resistless violence the accumulated wealth of a generation. The eager interest with which the Swiss peasant watches the water guage for a rise or fall which means ruin to him or safety is compared by this writer to the feverish earnestness of the financial public to note the ups and downs of the rate of interest, with the resulting monetary trouble or monetary ease which will incite to new enterprises or pronounce the doom of old ones

The question whether money will work more easily, as we have often showed, turns usually on three points, first, the capital available in the loan market secondly, the confidence to lend that floating capital and, thirdly, the quietude of the financial machinery generally, and of the currency in particular

That an abundant and growing supply of floating capital is now available for loaning purposes is shown by the increase we just now mentioned of nearly eleven millions in the bank deposits last week and by the continued daily increase since It is true that a large amount of capital is lending in Wall Street which is not borrowed from the banks, but this principle may be safely relied on, that, when then banks have plenty to lend, every other lender is similarly well provided

Let us turn next to the currency. Is there any trouble to be apprehended there? And our first thought fixes on the Treasury April is gone with the demands for currency for the country and May is come with its return flow of money Currency is coming from all points to this centre If any trouble comes from sudden scarcity of currency there is no opening for such trouble except through the Treasury and by the locking up of greenbacks

What we want to know, then, is whether Mr. McCulloch will resort to the plan of increasing his balance and depleting the channels of the circulation suddenly. In answer, we unhesitatingly say that