

5.2%. The average number of cars moved per train was for the respective $\frac{1}{2}$ -years:

	1898.	1897.
Passenger trains.	4.6	4.07
Freight ..	24.8	25.4
Mixed ..	10.5	11.3

In addition to repairs to 483 engines, including the rebuilding of 31, two were built in the Co.'s Montreal works, & 13 were scrapped & sold, leaving the actual stock at Dec. 31, 1898, 798, a surplus of 3 over the official figures. At the end of 1898, 111 engines or 13.91% of the actual stock were out of service undergoing or waiting repairs, against 129 & 15.98% at the end of 1897.

The comparative cost of repairs per train, engine and car mile was:

	Repairs and renewals of locomotives.		All repairing charges, including shops, water-works, &c.	
	1898.	1897.	1898.	1897.
Train ..	Cents. 4.81	Cents. 4.87	Cents. 6.19	Cents. 6.10
Engine ..	3.87	4.05	4.98	5.07
Car ..	0.30	0.29	0.38	0.36

The expenditure on capital account was 19 engines fitted with driver & tender brake & Westinghouse air brake attachment; 9 fitted with driver brake & Westinghouse air brake attachments; 7 fitted with driver & tender brake; 22 fitted with driver brake; 51 fitted with train air signalling apparatus; 45 fitted with appliance for car warming; 14 fitted with Master Car Builders' coupler.

The ferry steamer International has been sold. The Huron is still out of commission. The Great Western is in good condition. The hull of the Lansdowne is in good condition. The boilers have received the necessary attention to keep them in service as long as possible.

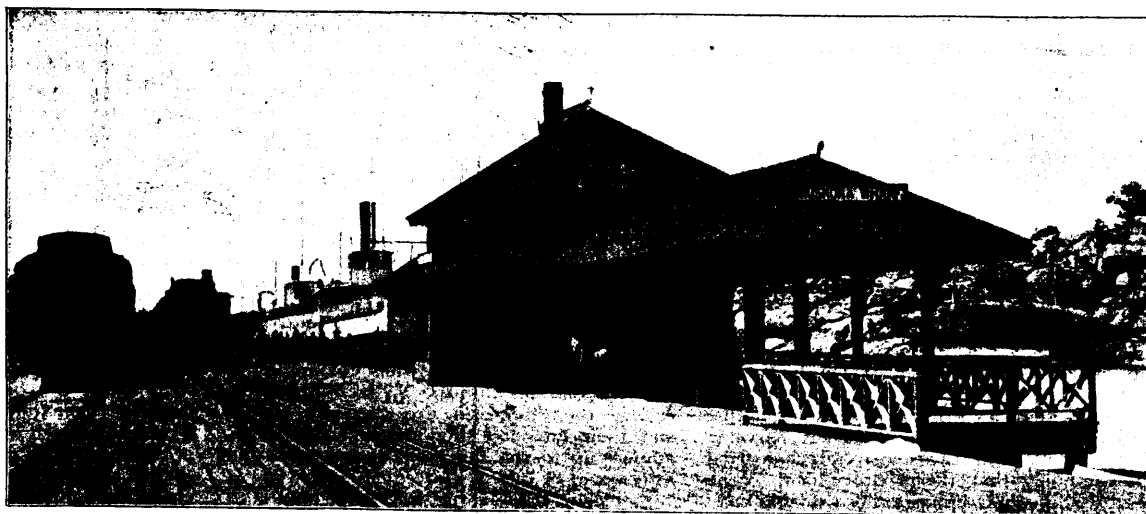
CAR DEPARTMENT.—The Superintendent of the Car Department gives these figures:

	Half year ended Dec., 1898.	Dec., 1897.
Cost repairs & renewals ..	\$590,601	\$506,956
Miles run, passenger ..	16,742,267	16,561,501
Freight ..	137,833,326	122,126,421
Total ..	154,575,593	138,687,922
Cost per mile ..	.382c.	.366c.
train ..	6.53c.	5.91c.

A decrease in expenditure of \$83,645, or 14.2%, with a decrease in car miles of 15,887,671, or 10.3%. At cost of capital 750 35-ft. 60,000-lb. box cars, & 250 35-ft. stock cars were purchased, & 250 refrigerator cars were built at the Montreal shops; 994 freight cars were equipped with automatic couplers & Westinghouse air brakes; 48 passenger cars were fitted with air signals; 58 passenger cars were also fitted with steam-heating apparatus. At cost of revenue 3 day coaches, 4 baggage cars, & 126 coal & flat cars were built at the Montreal shops.

CAPITAL EXPENDITURE FOR $\frac{1}{2}$ -YEAR ENDED DEC. 31, 1898.

	£	s.	d.	£	s.	d.
Instalment on Portland City Elevator Loan ..				445	9	7
New Works ..						
Sundry Sidings & Works ..	36,751	0	5			
New Stations & Buildings ..	9,434	18				
Double Track ..				46,186	7	5
New Rolling Stock—						
750 Box Freight Cars ..	66,601		7			
250 Refrigerator ..	34,158	3				
250 Double Deck Cattle Cars ..	22,294	10	5			



THE GRAND TRUNK RAILWAY'S MUSKOKA LAKES TERMINAL.

Improvements to Rolling Stock: Equipment of Engines & Freight Cars with Air Brakes & Automatic Couplers: Air Whistles for Passenger Cars, &c.	26,039	13	10
Lands & Land Damages—			
For Lands at Deering, Montreal, &c.		3,557	10 2
		£205,133	16 4
Deduct—			
Premium on Debenture Stock sold ..	3,807	3	10
Amount received from township of Verulam, Balance of Bonus ..	249	7	
		4,056	10 10
		£201,077	5 6

REVENUE ACCOUNT $\frac{1}{2}$ -YEAR ENDED Dec. 31, 1898.

Dec. 31, 1897.	Expenditure.	Dec. 31, 1898.
£		£ s. d.
324,550 Maintenance of way & structures ..		397,110 8 8
234,775 Maintenance of equipment ..		213,143 8 9
786,334 Conducting transportation ..		731,246 11 5
59,192 General expenses ..		55,042 6 9
1,395,851 62.11 % Total working expenses ..	65,24 1.396,542 15 7	
38,952 1.73 % Taxes ..	1.47 31,456 18 5	
1,434,804 63.84 % ..	65,71 1,427,999 14	
812,347 Balance to Net Revenue Account ..		712,580 3 10
£2,247,151 ..		£2,140,579 17 10

The directors, on entering the meeting, accompanied by General Manager Hays, were given a rousing reception. A large number of shareholders were present at the meeting, which was very orderly.

The President, Sir C. Rivers-Wilson, said that most satisfactory progress had been made & the Co.'s affairs were in a very prosperous condition. Referring to the surplus, he said that, unfortunately, they had to apply a portion of it towards paying debts incurred before the present directors were placed in office. Owing to the generous support given, the directors had used their discretion in expending money on the maintenance of the road. This liberality was absolutely necessary to keep the road at a high standard. The disputes with the C.P.R. had, happily, been all settled, & it was hoped that the future relations of the two roads would be of the most amicable kind. The President declared that the G.T.R. was absolutely not blamable for the rate war. Speaking of the falling off in freightage, he said that it was largely due

to the fact that prosperous farmers, with the prospect of better prices, were holding their grain. He said a good deal of this year's earnings must be spent on the line to compete with the C.P.R. The idea of the Board is to have heavier trains and lower gradients.

The G.T.R. will control the Central Vermont Road when the agreement is settled. Sir Charles proposed that the Co. take advantage of the offer of Montreal of a site for the head offices. Tenders, he stated, would shortly be called for. General Manager Hays was highly spoken of by the President, & his sentiments were vigorously applauded by the shareholders.

This retiring directors and auditors were unanimously re-elected. The report and the resolution eulogizing Mr. Hays were unanimously adopted.

Mr. Hays, on rising to return thanks, received an ovation, & said that not he alone, but his excellent staff, deserved credit. He spoke of the necessity of maintaining the value of the Co.'s property, & said the road was assured of a continuance of profitable work. During the past two years more had been done for the property in the way of maintenance & renewals than had been the case in any like period in the history of the Co. The work had been of a substantial nature, & the completion of this year would see the line in condition to bear any traffic available.

McGill University Lecture.—In the course of the annual university lecture recently delivered in Montreal, Prof. R. B. Owens, chief of the Electrical Department, said: "By the introduction of electric traction, not only has the sanitary conditions of our cities been improved, but healthy country homes have been substituted for the overcrowded tenement. Electric traction is not dangerous at higher speeds than is possible with horses, & the small cost of electric operation permits of low fares being charged. The effect of rapid transit on urban architecture is also plainly seen. The question is often asked, Will electricity eventually supersede the locomotive on the present steam railways? I may reply that careful estimates show no economy of electricity over steam for handling heavy freight traffic where the number of trains operated per day is small, but for passenger service, where trains must be operated at frequent intervals on small headway, the advantage is with electricity, & it is probable that because of the smaller cost, as well as increased speed, such cities as New York, Baltimore & Washington will be connected by through lines in the near future."