for maintenance and renewals on the G.T.R. east of the Detroit and St. Clair rivers, on the Detroit and Michigan Air Line, and the Cincinnati, Saginaw and Mackinaw Divisions in Michigan were $169,041.30 above those for the year 1902. The items of expenditure showing an increase over those of the preceding year are repairs of roadway, superintendence, ballast and ballasting, clearing snow, renewal of rails, repairs and renewals of bridges, culverts and telegraph lines and stationery, printing and sundries. The doubling of the track between Montreal and Toronto has been finished, as well as the short section between St. Catharines and the Welland canal; there is therefore now a continuous double track between Montreal and the Niagara frontier. A second track has also been completed between Sarnia and Kingscourt, 20.65 miles; and for 20.67 miles between St. Lambert and St. John's, on what was formerly known as the Montreal and Champlain Ry. between Montreal and Rouse's Point. This was brought into service on Dec. 20. The Brantford and Lynden connection has also been finished, and was brought into service on Oct. 20. Its length is 4.09 miles. The repairs of roadway, ballast and ballasting, clearing snow, renewals of rails and ties, including their proportion of the cost of superintendence, amounted to $2,243,207.82 in 1903 for 3,562 miles of track, being at the rate of $629.76 per mile; in 1902 the number of miles maintained was 3,558, at a cost of $2,077,982.67, or at the rate of $584.03 per mile. The replacement of old iron bridges, by steel structures, between Montreal and Sarnia, and between Komoka and Windsor, is still in progress. New stations have been built at Island Pond, Lake, Gore, Actonvale, Walker's Cut, Black River, Breault's Mills, St. Remi, Beaconsfield, Mallorytown, Lansdowne, Whitby Junction, Maple, Caledon East, Milton, Alliston, Hamburg, Ridgeway, Dunnville, Pt. Abino and Lorraine—21 stations in all. The materials used for renewals and repairs of main tracks and sidings were: New steel rails in main tracks, 31,711 tons; re-rolled steel rails in main tracks, 39 tons; partially worn steel rails laid in branch lines and sidings, 19,233 tons; new ties in tracks, 1,242,505; ballast, 693,097 cubic yards.

The Superintendent of Motive Power reports expenditure, mileage, etc., as follows:

Half-year ended.	Total Expenditure.	Train Mileage.	Rate of Expenses per Mile.		
			Train	Engine	Car.
	Dollars.		Cents	Cents	Cents
Dec., 1903..	3,840,737	9,685,271	39.66	30.81	2.37
" 1902..	3,238,129	9,358,916	34.60	27.21	2.01

An increase in expenditure of $602,608.00 or 18.61%, compared with an increase in train miles of 326,355 or 3.49%.

	Passenger Trains	Freight Trains	Mixed Trains.
The average number of cars moved per train was......	4.6	26.2	8.6
And for the corresponding period	4.5	27.2	9.5

During the half-year 24 engines were scrapped or sold. Seven mogul compound freight engines and 19 switching engines were turned out new at the Company's Works, Point St. Charles, and three switching engines were turned out new at the Company's works, Fort Gratiot. The actual stock at Dec. 31, 1903, was 806 engines, against the official figure of 803, being a surplus of 3 engines.

An increase in expenditure of $196,734, or 26.57%, with an increase in car miles of 600,378, or 3.72%. The car statistics show that 356 box, and 22 refrigerator cars, were built new, and 16 brake vans rebuilt at Company's shops at cost of revenue. In addition 500 double hopper steel coal, 500 double hopper wooden coal, 500 box and 300 stock cars were purchased, and charged to capital.

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

Cost per Mile.	Repairs and renewals of Locomotives.				All repairing charges, including shop machinery, tools, and marine equipment, etc.			
	1903.		1902.		1903.		1902.	
	Cents.	d. stg.	Cents.	d. stg.	Cents.	d. stg.	Cents.	d. stg.
Train	6.12	3.02	6.32	3.12	8.56	4.22	8.23	4.06
Engine	4.75	2.34	4.97	2.45	6.65	3.28	6.47	3.19
Car	0.37	0.18	0.37	0.18	0.51	0.24	0.48	0.24

The Superintendent of Car Department reports the expenditure, mileage, etc., as follows:—

Half-year ended	Total Cost of repairs and renewals.	Total Miles run by Cars.			Cost per Mile.			
		Passenger.	Freight.	Total.	Car.		Train.	
	Dollars.				Cents	d. stg.	Cents	d. stg.
Dec., 1903.	937,097	18,076,642	142,982,900	161,959,542	0.578	0.285	9.68	4.77
" 1902.	740,363	17,894,799	143,464,365	161,359,164	0.459	0.226	7.91	3.90

The revenue account for the half-year is as follows:

RECEIPTS.

	£ s. d.	£ s. d.	£ s. d.
On account of:—			
Passengers		941,075 10 9	
Less—			
International bridge tolls	1,878 2 7		
St. Clair tunnel tolls	3,947 7 11	5,825 10 6	935,250 0 3
Mails and express..................			158,555 18 9
Freight and live stock.............		2,056,266 9 4	
Less—			
Cartage, etc.	55,942 6 10		
International bridge tolls	11,474 2 2		
St. Clair tunnel tolls..............	16,894 14 6	84,311 3 6	1,971,955 5 10
Miscellaneous receipts, rents, tolls, etc.			72,706 17 6
			£3,138,468 2 4

EXPENDITURE, DEC. 31ST, 1903.

	On account of:—		£ s. d.
19.86%	Maintenance of way and structures..............	17.77%	557,688 4 0
11.04%	Maintenance of equipment	11.56%	362,904 11 6
35.77%	Conducting transportation	37.77%	1,185,331 11 1
2.24%	General expenses..........	2.21%	69,289 10 0
68.91%	Total working expenses ..	69.31%	2,175,213 16 10
1.32%	Taxes	1.24%	38,870 11 9
70.23%		70.55%	2,214,084 8 7
	Balance to net revenue account.		924,383 13 9
			£3,138,468 2 4

The President, Sir C. Rivers Wilson, in moving the adoption of the report, said it showed revenue and profits in excess of those of any previous half-year. The large falling away of the revenue during the last two months was solely attributable to the extraordinary severity of the weather, but there was no reason to suppose that when the unusual stress of weather ceased traffic would not be returned in the same proportion as before. There would be some leeway to make up, but the year was yet young, there still being ten months before them. The gross receipts for the half year were £3,138,468, an increase of 11.61%, compared with the corresponding half-year of 1902. Passenger traffic showed an increase of 10.72%, the total number carried being 5,139,073 at an average fare of 3s. 7¾d. Notwithstanding the large increase in passengers carried the passenger train mileage only increased 4.75%, the receipts per passenger train mile increasing from 4s. 5¾d. in 1902 to 4s. 9d. in 1903. It was expected that considerable benefit would accrue to this branch of the Company's business during 1904 by reason of the holding of the St. Louis Exhibition. Receipts from mails and express traffic increased £16,820, while freight and live stock totalled £1,971,955, an increase of 12.33%. The number of tons carried was 6,738,702, an increase of 590,172, and there was also an increase of 1¾d. in the average rate received per ton. The rate was 5s. 10¼d., which was the highest rate received in any half-year for the past five years, being 0.68 of a cent per ton per mile, against 0.64 of a cent in the same half-year of 1902. The average load per car was 9.84 tons, which was the highest load the Company had ever carried. This was due in a great measure to the larger capacity of the cars now being constructed, which were replacing old cars of lighter capacity, and to the great care exercised in the matter of loading the cars. It could not be expected that large increases in gross receipts could be earned without proportionate increase in expenditure. This general increase in the expenditure has, however, been accentuated by an advance in the price of materials generally, and to a still greater extent by the increased wages of all classes of employes, which it had been necessary to grant owing to the great demand for labor of every description. The total working expenses were £2,214,084, an increase of 70.23%, the proportion to gross receipts being 70.55%, compared with 70.23% in 1902. The expenditure on maintenance of way and structures showed a decrease of £814, but even under this head there had been an increase in wages of £24,000, which was, however, counterbalanced by reductions in other items of expenditure. Maintenance of equipment showed an increase of £52,485, partly due to the increased mileage run, but largely accounted for by the increased wages paid, and a larger expenditure on repairs to equipment. During the year 49 locomotives, 20 passenger cars, and 1,341 freight cars had been turned out at the Company's shops. The cost of conducting transportation was responsible for three-fourths of the total increase in expenses during the half-year, or £179,616. Of this £92,712 represented increased cost of coal, £15,800 being increased mileage run to accommodate increased traffic, and with the exception of a slight increase in the cost of labor in handling, the balance of £76,912 is due to higher prices. The anticipations of the directors that there would be a considerable saving on fuel account in 1904, will, to a considerable extent, not be realized, as during Jan. and Feb. the locomotive power had to be doubled and even triplicated on the trains the Company was able to run. Employes' wages, under this head, showed an increase of £49,762, about 11%. The result of the operation of the railway for the past half-year was a