

Towards the construction and completion of a railway bridge and approaches over the Nicolet river at Nicolet, in lieu of a grant under chapter 8 of 63-64 Victoria, item 39 of section 2, \$15,000.

Towards the construction of the steel superstructure of a railway bridge on the St. Francois river, in the county of Yamaska, in lieu of a grant under chapter 8 of 63-64 Victoria, item 38 of section 2, but subject to the same conditions as expressed therein, payable to the Canadian Bridge Co., of Walkerville, as their claim may appear for work already done on said bridge, \$50,000.

To the Canadian Bridge Company of Walkerville. To strengthen and complete the foundation and approaches to the bridge over the St. Francois river subsidized to the South Shore Railway Company by section 3, chapter 7, Victoria 62-63, a sum of \$35,000, which amount shall remain the first charge on the road, and to be recouped to the treasury out of subsidies earned or to be earned, \$35,000.

To the Chateaugay and Northern Ry. Co. In addition to the subsidy for the Bout de L'Isle Bridge granted by chapter 8, section 33, Victoria 63-64, \$50,000.

The usual conditions attaching to the granting of subsidies are referred to in the resolutions, and provision is made for the payment of the subsidies by instalments as the work on the several lines progresses, or on their completion. The works are to be commenced in two years, and completed in four years. The following resolution is applicable to all the subsidies voted:—"That the Governor-in-Council may make it a condition of the grant of the subsidies herein provided, or any heretofore authorized by any preceding act of Parliament as to which a contract has not yet been entered into with the company for the construction of the railway, that the company shall lay its road with new steel rails, made in Canada, if the same are procurable in Canada of suitable quality, upon terms as favorable as other rails can be obtained, of which the Minister of Railways and Canals shall be the judge.

G.T.R. SEMI-ANNUAL REPORT.

The following report for the ½-year ended June 30, was submitted at the meeting in London, Eng., Oct. 9:

The following summary shows a comparison of the ½-year's revenue account with that of the corresponding ½-year, ended June 30, 1902:

	June 30, 1902.	June 30, 1903.
£2,377,201	Gross receipts.....	£2,778,080 8 10
1,603,612	Deduct—	
	Working expenses, being at the rate of 71.81%, as compared with 67.45% in 1902..	1,995,031 14 8
773,589	Net traffic receipts.....	783,048 14 2
	Add—	
12,931	Amount received from the International Bridge Co..	12,930 12 9
192	Interest on Toledo, Saginaw, and Muskegon bonds.	2,571 3 5
6,507	Interest on bonds of Central Vermont Ry.....	6,506 14 3
68,390	Interest on securities of controlled lines and on St. Clair tunnel bonds acquired by the issue of Grand Trunk 4% debenture stock	60,311 1 6
13,566	Balance of general interest account.....	12,546 8 2
£875,175	Net revenue receipts.....	£ 877,914 14 3

NET REVENUE CHARGES FOR THE HALF-YEAR.

	June 30, 1902.	June 30, 1903.
£ 77,603	Rents (leased lines).....	£ 77,603 0 9
472,003	Interest on debenture stock and bonds of the Co.....	481,017 0 4
63,395	Interest on debenture stock and bonds of lines consolidated with the G.T.Co.	50,402 1 9
613,001		609,022 2 10

14,747 Amount advanced to the Detroit, Grand Haven and Milwaukee Co. towards the payment of interest on its bonds, under agreements, ½-year to June 30, 1903.....

627,748		623,386 19 0
247,427	Leaving a surplus of.....	254,527 15 3
£875,175		£877,914 14 3

Adding the balance of £4,040 16s. od. at the credit of net revenue account on Dec. 31, 1902, to the above surplus for the past ½-year of £254,527 15s. 3d., the total amount available for dividend is £258,568 11s. 3d., from which the Directors recommend the payment of the following dividends, viz.:

½-year's dividend on the 4% guaranteed stock.....	£104,395 17 6
½-year's dividend on the 1st Preference stock.....	85,420 15 0
½-year's dividend on the 2nd Preference stock.....	63,210 0 4
	£253,026 12 10

leaving a balance of £5,541 18s. 5d. to be carried forward to next ½-year's accounts.

GROSS RECEIPTS.

Comparison of receipts for ½-years ending June 30, 1903 and 1902:

Description of Receipts.	1902.	1903.
Passengers.....	£ 601,469	£ 681,107
Mails and express.....	106,314	119,101
Freight and live stock.....	1,597,954	1,994,689
Miscellaneous.....	71,464	73,883
	£2,377,201	£2,778,080

Description of Receipts.	1902.	1903.
Passengers carried.....	3,325,835	3,960,404
Average fare per passenger.....	3d.	3s. 5d.
Tons of freight and live stock.....	5,675,338	6,745,354
Average rate per ton.....	5s. 7d.	5s. 7d.
Tons carried one mile.....	1,254,975,835	1,426,228,689
Earnings per train mile.....	68.13d.	68.87d.

The average rate per ton per mile on the entire freight business was 0.65 of a cent, compared with 0.62 of a cent in the corresponding ½-year.

The working expenses, excluding taxes, amounted in the ½-year to £1,978,850, or 71.23% of the gross receipts, as compared with £1,590,013, or 66.88%; an increase in amount of £388,837, and an increase in the proportion to the gross receipts of 4.35%.

The outlay on capital account for the ½-year amounted to £123,481 12s. 9d., the principal items of expenditure being £65,581 8s. 10d., for double tracking the line between Hamilton and Niagara Falls, and Whitby and Port Hope, and £52,017 1s. 10d., for additional land at Montreal, Toronto, Stratford, &c., for the improvement of terminal and traffic facilities.

There has been credited to this account a sum of £19,084 1s. 6d., in respect of premium received during the ½-year on the sale of 4% debenture stock, reducing the total charges to capital account for the past ½-year to £104,397 11s. 3d.

Comparison of the revenue expenditure, including taxes, for the ½-years ended June 30, 1903 and 1902:

Description of Expenditure.	1902.	1903.
Maintenance of way, and structures.....	£ 242,466	£ 278,014
Maintenance of equipment.....	436,063	447,593
Conducting transportation.....	853,633	1,181,234
General expenses.....	57,851	69,099
Taxes.....	13,599	16,182
Total.....	£1,603,612	£1,995,032
Percentage of gross receipts.....	67.45	71.81
Expenditure per train-mile.....	45.05d.	49.46d.

Description of Mileage.	1902.	1903.
Passenger.....	3,315,697	3,570,809
Freight.....	255,112	5,678,746
Mixed trains.....	1,156,072	4,522,674
	535,825	430,876
Total.....	8,374,196	9,680,431

The large increase in the cost of conducting transportation is to a considerable extent attributable to the increased cost of fuel for locomotives resulting from the prolonged coal strike in the U.S. The increase in the ½-year under this head amounted to £199,129, of which about £145,000 was caused by increased price and the remainder by the increased amount of work performed.

From the foregoing statements it will be observed that the Grand Trunk gross receipts for the ½-year show an increase of £400,879, or 16.86%; the working expenses, including taxes, an increase of £391,420, or 24.41%; and the train mileage an increase of 1,306,235, or 15.60%.

ROLLING STOCK.

No additions to the stock at the expense of capital have been made during the ½-year. Twenty freight engines, 20 passenger cars (10 first-class and 10 baggage), 179 box cars, 729 platform cars, and 51 brake vans have been built in the Co.'s shops during the ½-year on revenue account, and at June 30 there remained an amount of £92,089 16s. 3d. at the credit of engine and car renewal funds, applicable to future renewals.

The gross receipts of the G.T. Western Ry. Co. for the ½-year amounted to £554,020, against £464,654 in 1902, an increase of £89,366, and the working expenses were £475,586, against £398,375, an increase of £77,211, leaving a net profit amounting to £78,434, against £66,279, an increase of £12,155 compared with the corresponding period of 1902. The net revenue charges for the ½-year were £75,439, against £73,322, so that there was a net revenue surplus for the ½-year of £2,995, as compared with a deficiency of £7,043 for the corresponding ½-year of 1902. The above surplus of £2,995, added to the surplus of £618 for the ½-year ended December 31, 1902, and the balance of £465 carried forward on June 30, 1902, makes a net revenue balance of £4,078 on June 30 last, which will admit of the payment of 1% on the 2nd mortgage income bonds. The number of passengers carried during the ½-year was 737,637, against 634,893, an increase of 102,744, or 16.18%, and the passenger train receipts, including mails and express receipts, were £137,407, against £129,107, an increase of £8,300, or 6.43%. The quantity of freight moved during the ½-year was 1,544,207 tons, against 1,281,840 tons, an increase of 262,367 tons, or 20.47%, and the receipts from this traffic were £416,137, against £334,957 in 1902, an increase of £81,180, or 24.24%. Satisfactory progress is being made with doubling the track of this portion of the system, and it is anticipated that the whole of the