

to see. In coming from Chicago I had the pleasure to meet our General Traffic Manager, Mr. Reeve. He was one of the old officers, & he has at his fingers' ends all the mileage rates over the whole of our system, & instead of telegraphing to the different places he told me that for the last 5 weeks before I arrived in Canada he had hardly spent a day at his own house, because the pressure was so great at different places, & he chose to go himself instead of sending telegraphic messages as to the rates, & we are greatly indebted to him for the increased traffic we have had over the G. T. system. Another point struck me, & that was the changes made in connection with the maintenance of the line. On the former visit, the engineer, as on all lines in England, had not only charge of the construction work, but of the maintenance. Here a change had been made, & the General Superintendent, Mr. McGuigan, has the maintenance, in addition to the traffic work. So far, it seems to have answered very well. Mr. McGuigan is a very active man, & is doing all he can to advance the interests of the Co. In going through the various workshops I was very much struck by their being "live" shops. Anyone who knows anything of engineering shops will know what I mean. All the men seemed to be at work. There was no hanging about, nothing deadening, the men were all alive, & every person seemed doing his work, and doing it thoroughly. I could give more details, but I am sure you do not want to stay longer to-day.

The meeting concluded with a hearty vote of thanks to the board & the staff, in acknowledging which Sir Rivers Wilson said: I am extremely indebted to you all on my own behalf, & on behalf of my colleagues, for the very kind terms in which you have expressed our appreciation of our efforts. A large portion of the credit for the present condition of the undertaking is due to our General Manager for his efforts & the great ability with which he has seconded & carried out the policy of the board.

SEMI-ANNUAL REPORT.

The following summary shows a comparison of the ½-year's revenue account with that of the corresponding ½-year, ended June 30, 1898:—

	June 30, 1898.	June 30, 1899.
£1,871,734 Gross receipts.....	£1,983,217	9 10
Deduct—		
1,243,883 Working Expenses, being at the rate of 65.46 % as compared with 66.46 % in 1898..	1,298,244	7 5
627,851 Net traffic receipts.....	684,973	2 5
Add—		
12,930 Received from International Bridge Co.....	12,930	12 9
5,254 Interest on Toledo, Saginaw, & Muskegon bonds.....	5,957	17 1
3,087 Interest on bonds of Central Vermont Ry.....	3,087	10 8
64,840 Interest on securities of controlled lines & on St. Clair Tunnel bonds acquired by the issue of G. T. 4 % debenture stock.....	64,781	3 6
16,710 Balance of general interest account.....	16,448	19 11
£730,672 Net revenue receipts.....	£788,179	6 4

Following are the net revenue charges for the ½-year:—

Rents (leased lines).....	£73,174	8 3
Interest on debenture stocks & bonds of the Co.....	441,578	18 8
Interest on debenture stock & bonds of lines consolidated with G. T. Co.....	70,477	15 7
Interest on Michigan air line bonds.....	7,750	
	592,981	2 6

Amount advanced to Chicago & G. T. Co. under traffic agreements towards payment of interest on its bonds, ½-year to June 30, for which interest coupons are held..... 36,425 | 12 10 |

Amount advanced to Detroit, Grand Haven, & Milwaukee Co. towards payment of interest on its bonds,

under agreements, ½-year to June 30.....	22,368	2 2
	58,793	15 ..
Leaving a surplus of.....	£136,404	8 10
	£788,179	6 4

There was a balance at the credit of net revenue account on Dec. 31, 1898, of £4,212 os. 8d., which added to the above surplus for the past ½-year makes £140,616 9s. 6d. available for dividend.

The directors recommend the payment of the ½-year's dividend on the 4% guaranteed stock, amounting to £104,395 17s. 6d., & a dividend of 1% on the 1st preference stock, amounting to £34,168 6s. od., leaving a balance of £2,052 6s. od. to be carried forward to the next ½-year's accounts.

The net revenue surplus for the ½-year ended June 30, 1898, amounted to £106,651 18s. 7d. The result of the past ½-year's operations shows, therefore, an improvement of £29,752 10s. 3d.

This table exhibits a comparison of the receipts for the ½-years ended June 30, 1899 and 1898:—

Description of receipts.	1899.	1898.	Increase.
	£	£	£
Passengers.....	493,247	442,259	50,988
Mails and express.....	92,479	90,665	1,814
Freight and live stock.....	1,329,568	1,285,819	43,749
Miscellaneous.....	67,923	52,991	14,932
	1,983,217	1,871,734	111,483

TRAFFIC STATISTICS.

	1898.	1899.	Decrease.	Increase.
Passengers carried.....	3,009,641	2,870,982	1,38,659	—
Average fare per passenger.....	2s. 11d.	3s. 5½d.	—	6d.
Tons of freight and live stock.....	4,437,449	4,878,256	440,807	—
Average rate per ton.....	5s. 9½d.	5s. 5½d.	—	4d.
Tons carried one mile.....	94,643,095	1,106,187,159	160,544,064	—
Earnings per train-mile.....	51.32d.	53.60d.	2.28d.	—

Although there was a decrease of 138,659 in the number of passengers carried, mainly owing to additional travel induced by the abnormally low local fares in operation during the greater part of the corresponding ½-year, the total receipts from passenger traffic show an improvement of £50,988, & the average fare received increased from 2s. 11¼d. to 3s. 5¼d.

The quantity of freight carried increased by 440,807 tons, & 160,544,064 more tons were carried 1 mile, of which much the larger proportion was represented by through business. This preponderance of the increase in the through-freight ton mileage, together with lower rates for that description of traffic, had an adverse influence on the average receipt per ton per mile on the entire freight traffic, which decreased from 0.66 of a cent in the corresponding ½-year of 1898 to 0.58 in the past ½-year.

The working expenses, including taxes, amounted in the ½-year to £1,298,244, or 65.46 % of the gross receipts, as compared with

£1,243,883, or 66.46 %; an increase in amount of £54,361, but a decrease in the proportion to the gross receipts of 1%.

This table exhibits a comparison of the revenue expenditure, excluding taxes, for the ½-years ended June 30, 1899 & 1898:—

Description of expenditure.	June 30, 1899.	June 30, 1898.	Increase.	Decrease.
	£	£	£	£
Maintenance of way, & structures.....	195,205	186,986	8,219	—
Maintenance of equipment.....	244,467	224,187	20,280	—
Conducting transportation.....	792,264	769,678	22,586	—
General expenses.....	53,848	50,717	3,131	—
Total.....	£1,285,784	£1,231,568	£54,216	—
Percentage of gross receipts.....	64.83	65.80	—	0.97
Expenditure per train mile.....	34.75d.	33.76d.	0.99d.	—

The train mileage of the ½-year compares with that of the ½-year ended June 30, 1898, as follows:—

Description.	June, 1899.	June, 1898.	Increase.	Decrease.
Passenger.....	3,133,197	3,069,188	64,009	—
Freight.....	5,206,913	5,127,515	79,398	—
Mixed trains.....	540,166	557,120	—	16,954
Total.....	8,880,276	8,753,823	126,453	—

From the foregoing statements it will be observed that the G. T. gross receipts for the ½-year show an increase of £111,483, or 5.96%; the working expenses, including taxes, an increase of £54,361, or 4.37%, the train mileage an increase of 126,453, or 1.44%.

The number of engines & cars owned by the Co. is shown in the return of working stock. No additions to the stock have been made at the expense of capital during the ½-year. Twelve engines were constructed during the ½-year in the Co.'s shops at the cost of revenue. Eight passenger, 374 coal & flat cars, & 50 cinder cars were built in the Co.'s shops or purchased in part replacement of cars broken up. At June 30, 1899, there were 5 locomotives in excess of the official stock; & to replace the cars out of service, there was at the end of the ½-year £117,173 os. 4d. at the credit of car renewal fund. There also remained a reserve £33,259 14s. 5d. at the credit of engine renewal fund available for future renewals.

The outlay on capital account for the ½-year amounted to £49,733 13s. 10d.; the principal item of expenditure being £33,330 18s. 6d. for the further equipment of engines & freight cars with air-brakes & automatic couplers, in compliance with the Safety Appliance Act. There has been credited to this account £11,785 6s. od., consisting chiefly of the premium received on the issue of £200,000 4% debenture stock, thus reducing the total charges to capital account for the past ½-year to £37,948 7s. 10d.

RENEWAL OF BRIDGES.

£15,402 being the proportion of the expenditure chargeable to revenue for the reconstruction of the Victoria Jubilee Bridge & of the cost of renewing the bridges between Montreal & Portland & on the southern division on the basis mentioned in the report for the ½-year ended June 30, 1898, has been included in the maintenance of way charges of the past ½-year. There has been expended to June 30, 1899, on account of these renewals, £139,438 2s. 3d., of which £71,883 9s. 10d. has been, up to that date, included in the maintenance charges, leaving £67,554 12s. 5d. at the debit of bridge renewal suspense account on June 30, 1899.

The gross receipts of the Chicago & G. T. Ry. Co. for the ½-year to June 30, 1899, amounted to £394,585, against £376,387 in 1898, an in-