

from which the directors recommend the payment of the following dividends, viz.:

Half-year's dividend on the 4% guaranteed stock	£135,597 19 1
Half-year's dividend on the first preference stock	85,420 15 0
Half-year's dividend on the second preference stock	63,210 0 4
	<u>£284,228 14 5</u>

leaving a balance of £7,423 8s. 3d. to be carried forward to next half-year's accounts.

The following table exhibits a comparison of the receipts for the half-years ending June 30, 1905 and 1904:

Description of Receipts.	1905.		1904.		Increase.		Decrease.	
	£	s.	£	s.	£	s.	£	s.
Passengers	741,480		661,240		80,240		1,417	
Mails and express	127,922		129,339					
Freight and live stock	1,781,685		1,666,101		117,584			
Miscellaneous	77,926		74,546		3,380			
Total	£2,729,008		£2,539,316		£189,692			

TRAFFIC STATISTICS.

Description of Receipts.	1905.		1904.		Increase.		Decrease.	
	£	s.	£	s.	£	s.	£	s.
Passengers carried	4,303,765		3,957,814		345,951			
Average fare per passenger	41.35d.		41.92d.				0.57d.	
Tons of freight and live stock	6,563,332		5,927,094		635,338			
Average rate per ton	65.15d.		67.36d.				2.23d.	
Tons carried one mile	1,255,101.395		1,120,081.776		126,019.619			
Earnings per train mile	69.73d.		66.64d.				0.09d.	

The average rate per ton per mile on the entire freight business was 0.69c., compared with 0.72c. in the corresponding half-year.

The working expenses, excluding taxes, amounted in the half-year to £1,901,753 or 69.69% of the gross receipts, as compared with £1,879,121, or 73.42%; an increase in amount of £22,632, but a decrease in the proportion to the gross receipts of 3.73%.

The following table exhibits a comparison of the revenue expenditure, including taxes, for the half-years ended the June 30, 1905 and 1904:

Description of Expenditure.	1905.		1904.		Increase.		Decrease.	
	£	s.	£	s.	£	s.	£	s.
Maintenance of way, and structures	268,664		246,575		22,089			
Maintenance of equipment	425,718		339,871		88,847			
Conducting transportation	1,131,487		1,225,754				94,267	
General expenses	75,884		63,921		11,963			
Taxes	21,684		16,448		5,236			
Total	£1,923,437		£1,895,469		£27,868			
Percentage of gross receipts	70.48		74.06				3.58	
Expenditure per train-mile	49.15d.		51.58d.				2.43d.	

The train mileage of the half-year compares with that for the half-year ending June 30, 1904, as follows:

Description of Mileage.	1905.		1904.		Increase.		Decrease.	
	£	s.	£	s.	£	s.	£	s.
Passenger	3,984,703		3,774,288		210,415			
Freight	5,103,671		4,733,697		369,974			
Mixed trains	303,930		312,244				8,314	
Total	9,392,304		8,820,199		572,105			

From the foregoing statements it will be

observed that the gross receipts for the half-year show an increase of £169,692, or 6.63%; the working expenses, including taxes, an increase of £27,868, or 1.47%; and the train mileage an increase of 572,105, or 6.49%.

The total charges to the capital account amounted for the half-year to £104,843 15s. 10d. Of this amount the sum of £9,229 13s. 2d. was for discount and commission on £300,000 4% guaranteed stock issued during the half-year.

The actual expenditure on capital account was as follows:—

New works	£ 14,708 13 7
Double track	49,078 3 7
Land purchased	31,827 5 6
	<u>£ 95,614 2 8</u>

No additions to the stock at the expense of capital have been made during the half-year. Five passenger and ten mogul compound freight engines and 1,000 box cars, chargeable to revenue, have been purchased, and 28 brake vans, two coal cars, and one ice scraper have been built in the company's shops during the half-year.

In continuation of the policy of doubling the line between Hamilton and Sarnia, it has been decided to proceed with the work between Komoka and Hyde Park Junction (5.83 miles), and considerable progress has been made, as also between Kingscourt Junction and Komoka (27.43 miles), and it is anticipated that the work on these sections will be completed and the double line available for traffic before next winter.

The gross receipts of the Grand Trunk Western Ry. for the half-year amounted to £512,995, against £506,147 in 1904, an increase of £6,848, and the working expenses were £429,438, against £432,874, a decrease of £3,436, leaving a net profit amounting to £83,557, against £73,273, an increase of £10,284, compared with the corresponding period of 1904. The net revenue charges for the half-year were £76,121 against £72,745, so that there was a net revenue surplus for the half-year of £7,436 as compared with a surplus of £528 for the corresponding half-year of 1904. Deducting the net revenue deficiency of £4,637 for the half-year ended Dec. 31, 1904, from the above surplus of £7,436 and adding thereto the balance of £634 carried forward on June 30, 1904, the net revenue balance June 30 last, amounts to £3,433, which will admit of the payment of 1% on the second mortgage income bonds. The number of passengers carried during the half-year was 763,066, against 764,030, a decrease of 964, or 0.13%; and the passenger train receipts, including mails and express receipts, were £133,197, against £133,746, a decrease of £549, or 0.41%. The quantity of freight moved during the half-year was 1,563,857 tons, against 1,375,720 tons, an increase of 188,137 tons, or 13.67%, and the receipts from this traffic were £379,172, against £371,786 in 1904, an increase of £7,386, or 1.99%.

The gross receipts of the Detroit, Grand Haven and Milwaukee Ry. for the half-year were £134,771 against £117,746 in 1904, an increase of £17,025; the working expenses were £107,980, against £100,078, an increase of £7,902; thus leaving a balance of £26,791, against £17,668, an increase of £9,123, compared with the corresponding half-year of 1904. The net revenue charges for the half-year were £37,206, against £37,051 in 1904, so that there was a net revenue deficiency of £10,415, as compared with £19,383 for the corresponding period of 1904. The number of passengers carried during the half-year was 265,035, against 278,409, a decrease of 13,374, or 4.80%; and the passenger receipts, including mails and express receipts, were £42,431, against

£40,238, an increase of £2,193, or 5.45%. The quantity of freight moved was 616,540 tons, against 503,702 tons in 1904, an increase of 112,838 tons, or 22.40%; and the receipts from freight traffic were £88,204, against £73,783 in 1904, an increase of £14,421, or 19.55%.

The work in connection with the surveys for the location of the Grand Trunk Pacific Ry. has been energetically pressed forward, and a considerable proportion of the line between Winnipeg and the Rocky Mountains, and also of the Lake Superior branch, has been definitely located. A contract on favorable terms has been let for the construction of 275 miles from Portage la Prairie, about 55 miles west of Winnipeg, to Touchwood Hills, and a contract will immediately be made for the construction of the Lake Superior branch.

The Chief Engineer reports that the expenditure for maintenance of the company's property during the half-year ended June 30 last was \$107,500.00 more than the corresponding period of last year. The company's permanent way and works have been maintained in good condition.

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

Half-year ended.	Total Expenditure.	Train Mileage.	Rate of Expenses per Mile.		
			Train	Engine	Car.
June, 1905	\$3,841,987	9,392,304	40.91	31.82	2.65
" 1904	3,873,353	8,820,199	43.91	32.94	2.86

A decrease in expenditure of \$31,366.00 or 0.81% compared with an increase in train miles of 572,105, or 6.49%.

The average number of cars moved per train was	Passenger Trains			Freight Trains	Mixed Trains
	Trains	Engines	Cars		
And for the corresponding period	4.2	24.7	7.8		
	4.1	24.9	7.7		

During the half-year eight engines have been scrapped or sold. Five ten-wheel passenger engines and ten mogul compound freight engines have been purchased.

The actual stock at June 30, 1905, was 822 engines. Against the official figure of 803. Being a surplus of 19.

The revenue account was as follows:—

RECEIPTS.	1905.		1904.		Increase.		Decrease.	
	£	s.	£	s.	£	s.	£	s.
Passengers	741,480	6 5 6	661,240		80,240		1,417	
Mails and express	127,922		129,339					
Freight and live stock	1,781,685		1,666,101		117,584			
Miscellaneous receipts, rents, tolls, etc.	77,926		74,546		3,380			
Total	£2,729,008		£2,539,316		£189,692			