

9,070	Balance on general interest account.....	13,566	4	1
£827,805	Net revenue receipts	£875,175	2	5
NET REVENUE CHARGES FOR THE HALF-YEAR.				
	Rents (leased lines).....	£77,603	0	9
	Interest on debenture stocks and bonds of the Co.	472,002	12	5
	Interest on debenture stock and bonds of lines consolidated with the G.T. Co.	63,395	10	2
	Advanced to D.G.H. and M. Co. towards payment of interest on its bonds, under agreements, ½-year to June 30, 1902.....	613,001	3	4
	Leaving a surplus of	£627,747	16	0
		£47,427	6	5
		£875,175	2	5

Adding the balance of £8,208 9s. 6d. at the credit of net revenue account on Dec. 31, 1901, to the surplus for the past ½-year of £247,427 6s. 5d., the total amount available for dividend is £255,635 15s. 11d., 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 £2,609 3s. 1d. to be carried forward to next ½-year's accounts.

The net revenue surplus for the ½-year ended June 30, 1901, was £194,289 14s. 7d. The result of the past ½-year's operations shows an improvement of £53,137 11s. 10d.

GROSS RECEIPTS.

Comparison of receipts for ½-years ended June 30, 1902 and 1901:

		TRAFFIC STATISTICS.	
		1901.	1902.
		£	£
Passengers	553,117	601,469	601,469
Mails and express	101,459	106,314	106,314
Freight and live stock	1,561,256	1,597,954	1,597,954
Miscellaneous	74,963	71,404	71,404
	2,287,795	2,377,201	2,377,201
Passengers carried	3,205,441	3,535,855	3,535,855
Average fare per passenger	3s. 5½d.	3s. 5d.	3s. 5d.
Tons of freight and live stock	5,613,613	5,675,338	5,675,338
Average rate per ton	3s. 7½d.	3s. 7½d.	3s. 7½d.
Tons carried one mile	1,244,481,637	1,244,481,637	1,244,481,637
Earnings per train mile	66.35d.	66.35d.	66.35d.

The average rate per ton per mile on the entire freight business was 0.62 of a cent, compared with 0.61 of a cent in the corresponding ½-year.

The working expenses, excluding taxes, amounted in the ½-year to £1,590,013, or 66.88% of the gross receipts, as compared with £1,531,261, or 66.93%; an increase in amount of £58,752, and a decrease in the proportion to the gross receipts of 0.05%.

Comparison of revenue expenditure, including taxes, for the ½-years ended June 30, 1902 and 1901:

Description of Expenditure.	1901.	1902.	Increase.		Decrease.	
	£	£	£	£	£	£
Maintenance of way and structures	223,812	242,466	18,654	92,661	51,622	311
Maintenance of equipment	344,002	436,063	92,061	51,622	311	51,622
Conducting transportation	905,255	853,633	51,622	311	51,622	311
General expenses	58,162	57,851	311	51,622	311	51,622
Taxes	13,350	13,599	249	51,622	311	51,622
Total	£1,603,612	£1,544,611	£59,001	5,21d.	5,21d.	5,21d.
Percentage of gross receipts	67.45	67.45	40.74d.	40.74d.	40.74d.	40.74d.
Expenditure per train-mile	45.95d.	45.95d.	45.95d.	45.95d.	45.95d.	45.95d.

The G.T. gross receipts for the ½-year show an increase of £89,406, or 3.90%; the working expenses, including taxes, an increase of £59,001, or 3.81%. The train mileage, however, shows a decrease of 724,380, or 7.96%.

The total charge to capital account during the ½-year was £136,668 14s. 7d., which, however, included £95,800 for the acquisition of that amount of Michigan Air Line 5% bonds, which matured Jan. 1 last. The outlay for new works, etc., on capital account during the ½-year was as follows:

Instalment on Portland city elevator loan.....	£ 445	9	7
New works, sidings, etc.....	2,618	7	6
Double track	30,068	11	6
Improvements to rolling stock	2,735	17	1
Land purchased	4,100	8	11
	£40,868	14	7

£16,560 2s. 4d., being premium on debenture stock sold during the ½-year, has been placed to the credit of capital account, thereby reducing the charge of £136,668 14s. 7d. to £120,108 12s. 3d. Four per cent. debenture stock for £414,003 was issued during the ½-year as part provision for the repayment of £522,200 Northern Ry. 5% 1st mortgage bonds which matured on July 1 last; and £85,600 of Montreal and Champlain Jc. 5% bonds were repaid during the ½-year.

ROLLING STOCK.

No additions to the stock of locomotives and cars have been made at the expense of capital during the ½-year. During the ½-year 4 engines, which were built for the Central Vermont Co. in 1901, were taken into the stock of the Co., and 7 engines, 119 freight cars, and 2 road levellers were built in the Co.'s shops. The amount at the credit of the engine and car renewal funds at June 30 last was £313,181 11s. 9d., which is sufficient to provide for the replacement of the engines and cars out of service.

An additional 5 miles of the railway between Hamilton and Niagara Falls has been doubled, making a total of 30 miles of double track completed between those points, and it is anticipated that the remaining 11 miles will be finished during the present season, with the exception of certain bridges, the completion of which has been delayed owing to the difficulty experienced in obtaining delivery of the necessary material. The doubling of the line between Port Union and Oshawa, 15½ miles, has been completed, leaving only 29¼ miles of single track between Montreal and Toronto, the doubling of which

is in progress, and will, it is expected, be completed next season.

The gross receipts of the G.T. Western Ry. Co. for the ½-year were £464,654, against £436,796 in 1901, an increase of £27,858, and the working expenses were £398,375, against £386,518, an increase of £11,857, leaving a net profit of £66,279, against £50,278, an increase of £16,001, compared with the corresponding period of 1901. The net revenue charges for the ½-year were £73,322, against £56,499, so that there was a net revenue deficiency for the ½-year of £7,043, as compared with £6,221 for the corresponding ½-year of 1901. Deducting the net revenue deficiency for the ½-year of £7,043 from the net revenue credit of £10,591 at Dec. 31, 1901, there remains a surplus of £3,548 in respect of the year ended June 30, 1902, which will admit of the payment of 1% on the 2nd mortgage income bonds. The number of passengers carried during the ½-year was 634,893, against 641,600, a decrease of 6,707, or 1.04%, and the passenger train receipts, including mail and express receipts, were £129,107, against £115,993, an increase of £13,114, or 11.30%. The quantity of freight moved during the ½-year was 1,281,840 tons, against 1,286,586, a decrease of 4,746 tons, or 0.36%, and the receipts from this traffic were £334,957, against £320,217 in 1901, an increase of £14,740, or 4.60%.

The gross receipts of the Detroit, Grand Haven, and Milwaukee Ry. for the ½-year were £108,005, against £97,167 in 1901, an increase of £10,838; the working expenses were £85,578, against £78,071, an increase of £7,507; leaving a balance of £12,427, against £19,096, an increase of £3,331, compared with the corresponding ½-year of 1901. The net revenue charges for the ½-year were £37,174, against £37,306 in 1901, so that there was a net revenue deficiency of £14,747 against £18,210 for the corresponding period of 1901. The number of passengers carried during the ½-year was 271,988, against 280,832, a decrease of 8,844 or 3.14%; and the passenger receipts, including mails and express receipts, were £41,935, against £44,223, a decrease of £2,288, or 5.17%. The quantity of freight moved was 410,282 tons, against 439,563 in 1901, a decrease of 29,281 tons, or 6.66%; and the receipts from freight traffic were £64,369, against £50,150 in 1901, an increase of £14,219, or 28.35%.

Steady progress continues to be made in the improvement of the Co.'s property in every direction. The cost of operation has been reduced, increased dividends are available for distribution, and additions to capital have been maintained within the most reasonable limits. The directors venture to congratulate the shareholders on the results which they are thus able to lay before them.

The Chief Engineer reports that the expenditure for maintenance of the Co.'s property during the ½-year was \$90,635.07 more than during the corresponding period of 1901. The Superintendent of Motive Power reports the expenditure, mileage, etc., as follows:—

½-year ended	Total Expenditure.	Train Mileage.	Rate of Expenses per mile.		
			Train	Engine	Car
June, 1902	Dollars.		Cents	Cents	Cents
" 1901	2,921,279	8,374,196	34.88	27.78	2.07
	2,954,871	9,098,576	32.48	26.01	1.88

A decrease in expenditure of \$33,592 or 1.14%, compared with a decrease in train miles of 724,380 or 7.96%.

The average number of cars moved per train was.....	Passenger Freight Mixed Trains. Trains. Trains.		
	4.2	27.0	10.1
And for the corresponding period.....	4.1	26.3	10.1