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Great Western Railway of Canada.

REPORT

OF

THE DIRECTORS

OF THE

Great Western Railway of Canada,

FOR THE

HALF-YEAR ENDING 31st JANUARY, 1868;

WITH

STATEMENTS OF ACCOUNTS,

&c., &c., &c.;

*To be submitted to a Meeting of Shareholders to be held in
London on Wednesday, 8th April, 1868.*

LONDON:

WATERLOW AND SONS, PRINTERS, CARPENTERS' HALL, LONDON WALL.

1868.

GREAT WESTERN RAILWAY OF CANADA.—NOTICE
IS HEREBY GIVEN, that the HALF-YEARLY MEETING of
Shareholders is appointed to be held on WEDNESDAY, April 8th, 1868,
at the London Tavern, Bishopsgate Street, London, England, at Twelve
o'clock Noon precisely, for the purpose of submitting a Report and General
Statement of Accounts for the half-year ending 31st of January last; and
for the transaction of other business.

And Notice is further given, that the Books kept at this office for the
Registration of Shares will be Closed on and from 25th March to the
day of meeting, both days inclusive, and transfers cannot be received between
those dates.—By order,

BRACKSTONE BAKER, Secretary.

126, Gresham House, Old Broad Street, London, 5th February, 1868.

Great Western Railway of Canada.

LIST OF THE DIRECTORS.

1867-1868.

President.

Mr. ALDERMAN DAKIN, Creechchurch Lane, London.

THOMAS FAULCONER, Esq., 12, Copthall Court, London.

JOHN FILDES, Esq., M.P., Manchester.

FRANCIS SOMERVILLE HEAD, Esq., 24, Manchester Square, London.

ALEXANDER HOYES, Esq., Bitterne Grove, Southampton.

CHARLES HUNT, Esq., London, Ontario, Canada.

DONALD MACINNES, Esq., Hamilton, Ontario, Canada.

HONBLE. WILLIAM McMASTER, M.L.C., Toronto, Ontario, Canada.

PAUL MARGETSON, Esq., Clapham Common.

GEORGE SMITH, Esq., 57, Conduit Street, London.

THOMAS CLARK STREET, Esq., M.P.P., Niagara, Ontario, Canada.

Auditors.

JOHN YOUNG, Esq., 16, Tokenhouse Yard, London.

SIDNEY SMITH, Esq., 31, Bush Lane, London.

General Manager.

THOMAS SWINYARD, Esq., Hamilton, Ontario, Canada.

Treasurer.

JOSEPH PRICE, Esq., Hamilton, Ontario, Canada.

London Offices.

126, Gresham House, Old Broad Street, E.C.

Mr. BRACKSTONE BAKER, *Secretary.*

Mr. WALTER LINDLEY, *Registrar.*

Bankers in London.—LONDON JOINT STOCK BANK.

„ *in Canada.*—THE CANADIAN BANK OF COMMERCE.

RAILWAY COMPANY OF CANADA.

No. 1.

the Company on Capital Account to 31st January, 1868.

EXPENDITURE.

	Total Expenditure to 31st Jan., 1868, Sterling. £ s. d.
By Total Amount expended on Capital Account to 31st July, 1867, as per last Report	5,090,531 17 11
Expended during the six months ended 31st January, 1868.	
By Great Western Main Line, Hamilton and Toronto Line, and Galt Branch, &c.	
Land, Works, Bridges, Permanent Way, and all incidental charges	£1,902 4 2
Proportion of Cost of reconstructing Timber Bridges in Stone and Iron.	2,014 17 2
Stations, Warehouses and Wharves	995 8 8
Mechanical Buildings	398 13 6
Turntables, Tanks, Pumps, &c.	227 13 9
New Car Ferry Boat	90 13 4
Third Rail	3,939 19 1
Rolling Stock—Freight Cars for Blue Line	18,316 4 10
Rolling Mill at Hamilton	267 2 6
Petrolia Branch	88 0 5
	<u>£23,240 17 5</u>
Less Amount credited to Third Rail Account, being the proportion payable by the Western Railroad Company, under agreement	£1,964 2 2
Amount at Credit of Steam Ferry Boat "Transit" account, being on account of proceeds of Hull, Machinery, &c.	103 1 3
	<u>1,967 3 5</u>
	31,273 14 0
	<u>5,111,805 11 11</u>
By Detroit and Milwaukee Railroad Company	250,000 0 0
(The securities now held for this sum amount to \$2,095,000.)	
	<u>£5,361,805 11 11</u>

THE GREAT WESTERN

ACCOUNT

Revenue Account of the Great Western Railway

Half-year ended 31st Jan., 1867.	RECEIPTS.	Half-year ended 31st Jan., 1868.
£ s. d.		£ s. d.
153,230 3 11	To Amount for the carriage of 371,705½ Passengers	168,345 16 10
15,765 12 5	Ditto ditto Mails and Sundries	20,190 18 3
161,254 8 7	Ditto ditto Freight and Live Stock	218,476 4 4
330,240 4 11		400,012 19 5
1,273 2 4	Ditto Rents	799 15 6
£391,513 7 3		£400,612 14 11

NOTE.—The Traffic Receipts above stated are exclusive of those of the Galt and Guelph Railway, and Erie and Niagara Railway.

ACCOUNT

Net Revenue Account to

Dr. Half-year ended 31st Jan., 1867.		Half-year ended 31st Jan., 1868.
£ s. d.		£ s. d.
2,648 12 0	To Balance of Net Revenue brought forward from half-year ended 31st July, 1867	1,681 7 11
164,880 19 3	To Balance from Revenue (No. 2) Account for the half-year to date... ..	207,146 0 8
540 10 2	To Galt and Guelph Railway, profit on half-year's Working, per Abstract G	419 6 3
1,378 19 3	To Balance of Interest Account	858 19 11
£169,449 0 8		£210,105 14 9
	To Balance brought down	85,936 11 10
		£295,936 11 10

RAILWAY COMPANY OF CANADA.

No. 2.

Company of Canada for the Half-year ended 31st January, 1868.

Half-year ended 31st Jan., 1867.	Per Cent on Gross Receipts.	EXPENDITURE.	Half-year ended 31st Jan., 1868.	Per Cent on Gross Receipts.
£ s. d.			£ s. d.	
39,632 7 3	11.97	By Maintenance and Renewal of Way .. per Abstract A	43,569 11 8	10.98
37,863 14 10	11.46	Locomotive Power do. B	48,791 4 8	12.17
16,314 13 6	4.92	Repairs and Renewals of Passenger & Goods Cars .. C	22,312 4 0	5.54
23,004 13 6	8.45	Coaching Transit Expenses do. D	27,304 40 4	6.91
29,436 16 6	8.89	Merchandise Transit Expenses do. E	35,602 5 11	8.98
7,612 13 1	2.80	General Charges do. F	7,822 9 5	1.99
159,095 8 7	47.99	Total ORDINARY WORKING EXPENSES	198,461 6 11	49.27
		ITEMS NOT BELONGING TO ORDINARY WORKING EXPENSES.		
1,406 10 1	0.42	By Taxes	2,149 7 4	0.54
177 14 10	0.05	Railway Inspection Fund	173 14 10	0.04
1,389 13 9	0.40	Insurance	1,299 0 4	0.31
4,623 5 9	1.40	Suspension Bridge Rent, for half-year	4,633 5 9	1.15
166,033 8 0	52.26	Total Revenue Expenditure	193,066 14 3	48.31
164,890 19 3		Balance carried to Net Revenue No. 3 Acc unt	207,146 0 8	
£381,513 7 3			£400,312 14 11	

No. 3.

31st January, 1868.

Half-year ended 31st Jan., 1867.	£ s. d.	By half-year's interest on the Balance of the Government Loan to 1st January, 1868.	Half-year ended 31st Jan., 1868.	£ s. d.
17,498 5 0		By Interest on Bonds	17,498 5 0	
34,691 0 0		By Discount and Charges on the conversion of American Currency, and Exchange on Remittances to England	34,691 0 0	
48,328 11 5		By Detroit Fire Claims—Proportion charged against this half-year By Erie and Niagara Railway Company—Loss on Working account	66,611 16 1	
4,109 11 9		By Judgment and costs in Suspension Bridge Co.'s suit	4,109 11 9	
649 6 0		By Balance carried down	1,368 9 6	
1,696 9 4			85,936 11 10	
62,691 17 2				
£169,440 0 8			£210,108 14 6	
		By Proposed Dividend at the rate of 4 1/2 per cent. per annum, free of income-tax	89,711 5 2	
		By Amount set aside for Renewal of Ferry Steamers	3,000 0 0	
		By Surplus carried to next half-year	2,725 6 8	
			£85,936 11 10	

GREAT WESTERN RAILWAY

ACCOUNT

Dr.

General Balance Sheet

	£	s.	d.
Balance from Capital Account No. 1	101,297	11	4
Amount Outstanding and due to the Company on Traffic Account	13,015	12	0
Mechanical Stores on hand 31st January, 1898:—			
General Stores	£82,288	17	5
Fuel Stores	26,500	8	6
Old Material	2,054	1	5
Stores purchased in England, and not received into Stock, at date	289	6	10
Engineering Stores on hand at 31st January, 1898:—			
General Stores	£13,096	0	10
Rail Stock Account	16,433	9	1
Rolling Mill Stock	12,215	11	10
Municipal Bonds	41,745	1	9
Balances in Bankers' hands, Loans, &c.	9,945	4	1
Balance of Interest due to 31st July, 1898, on Loan to Detroit and Milwaukee Railroad Company, not received	81,802	19	4
Port Huron and Milwaukee Railway Company	14,906	14	3
Sundry Assets and Debit Balances	8,219	3	7
Detroit fire claims, unliquidated balance	15,963	6	10
	8,085	13	9
	£350,007	1	1

AUDITORS' REPORT.

TO THE SHAREHOLDERS OF THE GREAT WESTERN RAILWAY OF CANADA.

We beg to report that we have examined the Vouchers and Accounts of the Company for the Half-year ending 31st January last, and find the above statements in accordance with the Books.

The principal item of the Expenditure on Capital Account during the past Half-year is £13,316. 4s. 10d. paid for New Freight Cars, and the cost of adapting Broad Gauge Cars for the use of the "Blue Line," the particulars of which are shown in the Report of the Mechanical Superintendent, page 31. We observe in this Report, that credit is given only for the value of the old materials of the 1st Class Broad Gauge Cars. We consider that the original cost ought to have been deducted, as in the case of the Grain Cars, but the difference is only trifling, and we are unable to arrive at the correct amount without reference to the Officers of the Company in Canada. Judging from the explanations given in the Engineer's Report, we are of opinion that the other items of expenditure are fair and proper charges against Capital.

The further sum referred to in our last Report as expected to be received on account of the cost of the 3rd rail is credited in Capital Account this half-year, amounting to £1,864. 2s. 2d., as well as the proceeds of the hull and machinery of the Steam Ferry Boat "Transit," £103. 1s. 3d.

The balance remaining at the debit of the Steamer "Transit" in the Capital Account is £11,298. 3s. 5d., which sum in our opinion ought to be debited to Revenue, and deducted from the Capital Expenditure (less any further sum which may be received on sale of boiler and engine), whereas the Directors propose only to write off the sum of £3,000, £1,000 of which is to be considered as specially applicable to the "Transit," the remaining £2,000 for the renewal of the existing Ferry Steamers, namely, the New Iron Car Ferry Boat "Great Western," and the Steamer "Union."

COMPANY OF CANADA.

No. 4.

to 31st January, 1868.

£.

	£	s.	d.
Balance from Net Revenue Account No. 3			
Ferry Steamers Renewal Fund	85,936	11	10
Balances due by the Company, and sundry Accounts not paid on 31st January, 1868	2,000	0	0
	262,070	9	3
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£360,607 1 1			

Audited and approved, subject to appended Report,

JOHN YOUNG, }
 SIDNEY SMITH, } AUDITORS.

28th March, 1868.

We may remark that in our opinion the sum of £2,000, being at the rate of about 6 per cent. only on the cost, is not sufficient.

The cost of Maintenance of Way during the past half-year exceeds the amount for the corresponding half-year by about £3,900, arising almost entirely from the increase in the item "Plate-layer's Wages and Renewal of Way," but, as explained by the Engineer, the per centage of expenses on the gross receipts is lower, being only equal to about 11 per cent. as against 12 per cent. for the corresponding half-year. In reference to this item, it will be observed that the Engineer calls attention to the addition of the 3rd rail, which he states is equal to about 127 miles of single line, the cost of which, including sidings, we find amounts to £154,815. 10s.

The 3rd rail being entirely new, its renewal to any great extent will probably not become necessary for nearly 10 or 12 years, the estimated life of the rails. It is manifest, however, that during this period the wear and tear will be going on, and in our opinion the revenue should be charged half-yearly with its proper proportion of same, which, as regards the 3rd rail alone, would amount, according to an estimate of the Company's Engineer, to about £8,000 per annum.

The remark with reference to the progressive and continuous wear and tear is applicable to the entire system; and now that the whole of the extraordinary expenditure of £332,000 which in 1861 was found necessary to be made on the Permanent Way and works in the course of the following five years has been completed out of Revenue, and the whole line placed in thorough good working order, we are of opinion that with a view to prevent a recurrence at some future period of the same difficulty which then arose in consequence of no provision having previously been made for Renewals, the company's Engineer should be requested to go fully and carefully into the question of what would be a fair charge per annum for the maintenance and renewal of the whole Permanent Way, Bridges, Stations, and other works, and that the sum so ascertained should be charged to Revenue half-yearly, whether expended or not, and placed to the credit of a "Permanent Way Renewal Fund," to

which the actual half-yearly expenditure should be debited. This, in our opinion, is the only mode by which renewals can be properly provided for with a view to the equalization of Dividends.

The Rolling Stock is reported to be in excellent condition and fully maintained in value by the construction of Engines of greater power, at the cost of Revenue, in replacement of old ones of inferior capacity; but as regards the Renewal of Rolling Stock, we consider that the same principle should be adopted as we recommend for the renewal of Permanent Way, &c., namely, the creation of a "Renewal Fund" by a fixed half-yearly charge.

The sums paid during the past half-year on account of accidents, including those at Woodstock and Komoka, amount to £3,942. This, amount we understand, covers all existing claims with the exception of one, in respect of which the Company has paid into Court the sum of £800. This payment is included in the above amount.

The further sum of £4,109. 11s. 9d. has been charged to Revenue this year on account of loss by fire at Detroit, leaving a balance of £3,085. 13s. 9d. yet to be written off.

The loss by the conversion of American Funds during the past half-year has amounted to £66,611. 16s. 9d., being £18,368. 5s. 4d. in excess of the loss in the corresponding half-year. The amount of American Funds in hand, and the difference between the outstanding traffic receivable and payable in American currency at 31st January last, is less by the sum of 39,988³⁴/₁₀₀ dollars than at 31st July, 1867.

With reference to the system of Audit now provided for by the Act 30 & 31 Vic., c. 126, requiring that—

"No dividend shall be declared by a Company until the Auditors have certified that the half-yearly accounts proposed to be issued contain a full and true statement of the financial condition of the Company, and that the dividend proposed to be declared on the shares is *bona fide* due thereon, after charging the Revenue of the half-year with all expenses which ought to be paid thereon in the judgment of the Auditors,"

we are informed that the Solicitors of the Company advise the Directors that the accounts of the Company do not come within the operation of that Act. We are, therefore, precluded from making any alteration in the accounts in cases where our views may differ with those of the Directors, which will be seen in the case with reference to the amount standing in Capital Account at the debit of the steamer "Transit," £11,368. 5s. 5d., and the provision for the renewal of the Ferry Steamers.

JOHN YOUNG,
SIDNEY SMITH, } Auditors.

28th March, 1868.

GREAT WESTERN RAILWAY OF CANADA.

Abstracts referred to in the Revenue Statement for the Half-year ended 31st January, 1868.

ABSTRACT A.

Half-year ended 31st Jan., 1867.	MAINTENANCE AND RENEWAL OF WAY.		Half-year ended 31st Jan., 1868.
£ s. d.			£ s. d.
6,191 7 10	Repairs and Renewal of Bridges and Culverts	...	5,469 7 10
2,575 12 1	Station Sidings and Fences	...	2,374 10 7
2,407 7 11	Buildings	...	4,180 9 4
384 11 2	Signals	...	494 10 4
469 1 9	Approaches	...	284 6 7
26,919 14 9	Platelayers' Wages, and Renewal of Way	...	30,094 2 5
734 11 9	Engineering Superintendence, &c.	...	879 4 7
<u>£30,682 7 3</u>			<u>£43,580 11 8</u>

ABSTRACT B.

Half-year ended 31st Jan., 1867.	LOCOMOTIVE POWER.		Half-year ended 31st Jan., 1868.
£ s. d.			£ s. d.
	Transit Expenses:—		
7,512 3 0	Wages of Enginemen and Firemen	...	9,810 15 11
1,159 4 8	Wages of Cleaners	...	1,540 14 8
9,675 8 10	Fuel	...	16,248 17 10
1,192 0 0	Oil	...	1,802 14 4
174 6 1	Tallow	...	269 1 8
402 14 11	Small Stores, including Signal Lamps, Waste, &c.	...	374 12 1
768 6 0	Pumping Engines	...	884 2 0
51 14 2	Salaries of Foremen and Clerks	...	64 7 2
101 11 9	Salary of Locomotive Engineer	...	107 12 1
<u>21,078 9 5</u>			<u>30,083 4 9</u>
	Repairs and Renewal of Engines:—		
7,126 19 8	Material and Fuel	...	£6,966 17 8
5,962 17 3	Wages	...	10,510 18 2
<u>87,168 6 4</u>			<u>17,507 15 10</u>
	Sundries:—		
58 19 5	Lighting Shops, &c.	...	84 13 3
231 9 9	Maintenance of Turntables	...	140 16 1
534 19 4	Maintenance of Tanks and Pumps	...	964 14 9
<u>£27,983 14 10</u>			<u>1,190 4 1</u>
			<u>£43,781 4 8</u>

1s. 1 ²⁴ d.	Cost per Train mile run	...	1s. 2 ¹³ d.
0s. 9 ⁴⁷ d.	Cost per Traffic Engine mile run	...	0s. 10 ¹⁷ d.

STATEMENT OF MILEAGE RUN BY ENGINES.

Miles run, 1st August, 1866, to 31st January 1867.			Miles run, 1st August, 1867, to 31st January, 1868.
344,539	By Passenger Engines	...	323,104
343,551	By Freight Engines	...	455,382
<u>688,117</u>	Total Train miles earning Revenue	...	<u>823,476</u>
274,359	By Piloting and Shunting Engines	...	323,267
<u>962,476</u>	Total Traffic Engine miles run	...	<u>1,146,743</u>

GREAT WESTERN RAILWAY OF CANADA.

ABSTRACT C.

Half-year ended 31st Jan., 1867.		REPAIRS AND RENEWAL OF CARS.		Half-year ended 31st Jan., 1868.	
£	s. d.			£	s. d.
Passenger Cars:—					
2,907	13 0	Materials	} Including the cost of cleaning Cars	...	3,182 4 3
2,981	8 11	Wages		...	5,183 1 11
58	12 7	Salaries of Superintendent, Foremen, and Clerks		...	66 16 7
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5,247	9 6				8,432 2 9
Merchandise Cars, &c. :—					
7,681	5 7	Materials	...	9,708 5 4	
3,268	12 11	Wages	...	3,938 2 3	
117	5 6	Salaries of Superintendent, Foremen, and Clerks	...	133 13 8	
<hr/>					
£26,314 13 5					£22,212 4 0
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		5·69d.	Cost per Train Mile run	6·43d.	
		0·49d.	Cost per Car Mile run	0·51d.	

STATEMENT OF MILEAGE OF CARS.

Miles run, 1st August, 1866, to 31st January, 1867.		Miles run, 1st August, 1867, to 31st January, 1868.	
1,269,458	Of 1st Class Cars	...	1,439,296
376,818	2nd Class Cars	...	456,695
800,716	Post Office Express, Baggage, and Conductors' Cars	...	1,036,715
5,426,152	Freight and Platform Cars	...	7,303,787
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7,872,144	Total Car Mileage earning Revenue	...	10,436,483

ABSTRACT D.

Half-year ended 31st Jan., 1867.		COACHING TRANSIT EXPENSES.		Half-year ended 31st Jan., 1868.	
£	s. d.			£	s. d.
4,366	16 7	Salaries of Superintendents, Station Masters, and Clerks	...	4,232	10 2
3,548	3 2	Wages of Conductors, Baggage-men, and Breaksmen	...	3,949	11 4
1,530	14 4	" Porters	...	1,661	13 3
661	17 2	" Policemen	...	626	5 4
947	16 9	" Switchmen	...	981	15 11
708	16 9	" Watchmen at Level Road Crossings	...	692	11 2
...		Clothing	...	293	5 11
821	10 2	Compensation for Damages	...	2,450	19 11
173	6 8	" Cattle killed on Track by Trains	...	266	4 2
64	4 10	Lamps and Signals	...	100	4 10
926	2 3	Lights (including Oil) for Stations and Passenger Cars	...	673	11 3
814	5 11	Fuel for Stations and Passenger Cars	...	1,303	13 3
1,267	0 9	Stationary, Advertising, and Printing	...	1,296	14 11
23	12 2	Office Furniture and Expenses	...	64	12 9
1,044	14 5	Small Stores, including Waste, Links and Pins, Baggage Trucks, &c.	...	914	11 9
131	7 9	Travelling and incidental expenses	...	125	7 6
4,240	16 7	Expenses of Advertising and Agency in United States	...	3,691	15 11
6,067	11 11	Proportion of Expenses of Ferry across the Detroit River	...	3,691	7 10
668	0 4	Proportion of Expenses of Telegraph	...	697	13 2
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£28,004 18 6				£27,304 10 4	
<hr/>					
Equal to 18·57 per Cent. on Coaching Traffic Receipts.			Equal to 14·64 per Cent. on Coaching Traffic Receipts.		

GREAT WESTERN RAILWAY OF CANADA.

ABSTRACT E.

Half-year ended
31st Jan., 1887.Half-year ended
31st Jan., 1868.

MERCHANDISE TRANSIT EXPENSES.

£	s.	d.		£	s.	d.
4,666	0	11	Salaries of Superintendents, Freight Agents, and Clerks	5,121	17	5
3,418	4	5	Wages of Conductors and Breaksmen	4,308	8	6
7,832	12	5	" Porters	9,095	11	10
917	0	5	" Switchmen	950	19	8
671	4	9	" Watchmen at Level Road Crossings	682	2	8
2,124	13	10	Compensation for Damages	1,392	2	11
24	15	2	" Cattle killed on Track by Trains	45	10	9
892	3	1	Lights, Lamps, Fuel, and Signals	977	16	7
605	5	11	Stationery, Advertising, and Printing	513	6	10
178	10	5	Office Furniture and Expenses	60	7	1
			Small Stores, including Links and Pins, Warehouse Trucks, Running-boards, and Gangways	676	1	7
670	17	6	Rents	810	5	6
568	11	3	Travelling and Incidental Expenses	211	4	3
420	11	5	Proportion of expenses of Telegraph	683	8	9
571	12	9	Do. of expenses of Ferry across the Detroit River	4,689	5	4
5,704	4	0	Repairs and Maintenance of Stationary Engines in Elevators at Hamilton and Sarnia, and at Hamilton Wharf Flour Warehouse	11	15	5
225	8	3	Blue Line Sundries	3,933	6	8
			Expenses of Advertising and Agency in United States	1,438	14	2
<u>£29,486</u>	<u>16</u>	<u>6</u>		<u>£35,602</u>	<u>5</u>	<u>11</u>
			Equal to 18-23 per cent. on Merchandise Traffic Receipts.			
233,387½	Tons.		Total Tonnage carried	284,984½	Tons.	

ABSTRACT F.

Half-year ended
31st Jan., 1887.Half-year ended
31st Jan., 1868.

GENERAL CHARGES.

£	s.	d.		£	s.	d.
3,866	9	1	Head Offices in London and Hamilton	3,666	14	9
361	9	11	Stationery, Advertising, and Printing	435	7	2
337	8	0	Postages and Stamps	395	13	7
130	2	1	Fuel and Lights	19	5	8
896	14	10	Travelling and Incidental Expenses	1,616	5	7
91	1	2	Furniture, &c.	217	4	11
817	10	6	Law Charges	558	17	9
1,213	10	0	Directors' Remuneration, &c.	1,222	10	0
<u>£7,704</u>	<u>0</u>	<u>7</u>		<u>£8,131</u>	<u>19</u>	<u>5</u>
151	7	6	Less Transfer Fees	170	10	
<u>£7,612</u>	<u>13</u>	<u>1</u>		<u>£7,961</u>	<u>9</u>	<u>5</u>
			Equal to 2-30 per cent. on Total Revenue.			
			Equal to 1-99 per cent. on Total Revenue.			

THE GALT AND

ACCOUNT

The Great Western Railway Company of Canada in Account

RECEIPTS FROM TRAFFIC ON THE GALT AND GUELPH RAILWAY.

Half-year ended 31st Jan., 1867. £ s. d.	To amount received during the Half-year for the carriage of—	Half-year ended 31st Jan., 1868. £ s. d.
1,093 15 5	Passengers... ..	1,250 6 10
180 4 0	Mails and Sundries	195 3 7
1,657 6 9	Freight and Live Stock... ..	1,608 4 6
<u>£2,931 6 2</u>		<u>£3,183 14 11</u>

GUELPH RAILWAY.

G.
with the Galt and Guelph Railway Company (Working Account).

EXPENDITURE FOR WORKING THE GALT AND GUELPH RAILWAY.

Half-year ended 31st Jan., 1867.		Half-year ended 31st Jan., 1868.
£ s. d.		£ s. d.
654 1 10	By Maintenance and Renewal of Way during the Half-year—	727 7 0
522 6 0	" Locomotive Power	741 14 2
166 17 10	" Use of Passenger, Freight, and other Cars	157 9 0
687 16 1	" Coaching and Merchandise Transit Expenses	827 0 3
262 19 6	" General Charges	246 11 6
96 14 9	" Taxes	64 6 9
2,390 16 0	" Balance carried to Net Revenue Account	2,764 8 6
510 10 2		410 6 3
£2,931 6 2		£3,183 14 11
31st Jan., 1867.		31st Jan., 1868.
10,599	NOTE.—The Mileage run by Engines during the Half-year, in working the Traffic on the Galt and Guelph Railway, has been as follows:—	14,889
4,681	With Passenger and Freight Trains	3,091
15,280	Piloting and Shunting	17,980

STANDARD FORM NO. 64

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REPORT OF THE DIRECTORS
OF THE
Great Western Railway Company
OF CANADA.

1. The receipts on Capital Account during the half-year amounted to £4,421. 8s. 3d., and the total receipts to the 31st January, 1868, to £5,260,508. 0s. 7d.

The aggregate expenditure to the same period amounted to £5,363,772. 15s. 4d. From this amount has been deducted, £1,864. 2s. 2d., being the remainder of the amount due from the American Lines as contribution to the Narrow Gauge system, and also £103. 1s. 3d., being proceeds of sale of portion of old materials of the steamer "*Transit*," making the actual charge to Capital Account on January 31, 1868, £5,361,805. 11s. 11d., and leaving a balance to the debit of Capital Account of £101,297. 11s. 4d.

2. The outlay on Capital Account during the half-year has been £23,240. 17s. 5d. This expenditure includes completion of works

on Car Ferry Boat "Great Western;" additional signals and sidings for narrow gauge or Blue Line accommodation; additions to rolling-stock for the same; further expenditure for re-building in stone the bridge over Twenty Mile Creek at Jordan; cost of raising chimneys for the improvement of furnace blasts of Rolling Mill; sundry additions to stations and platforms; completion of buildings and platforms at Petrolia Station, and the erection of tanks at London and Suspension Bridge to improve the supply of water for the Locomotive service.

3. The receipts and expenditure on Revenue Account were as follows:—

Gross receipts	£400,812 14 11
Working expenses, including renewals	193,666 14 3
	<u>£207,146 0 8</u>

From which there has to be deducted—

Interest on Bonds, &c. ..	£50,910 18 10
Loss on conversion of American funds ..	66,611 16 9
Amount charged on account of Detroit Fire Claims	4,109 11 9
Erie and Niagara Railway, deficiency in working	1,258 9 5
	<u>122,890 16 9</u>
Profit on half-year's operations	84,955 3 11
Add surplus from last half-year	1,681 7 11
	<u>£86,636 11 10</u>
Available for Dividend	<u><u>£86,636 11 10</u></u>

From this amount the Directors recommend a dividend at the rate of $4\frac{1}{2}$ per cent. per annum, free of income-tax, which will absorb £80,211. 5s. 5d., and leave a surplus of £5,725. 6s. 5d. The

Directors propose to set apart a further sum of £3,000 as a Reserve for the Renewal of the Ferry steamers out of the above surplus, leaving a balance of £2,725. 6s. 5d., to be carried to the credit of the current half-year. This Renewal Fund will then stand at £5,000.

4. The loss on the conversion of American funds for the half-year amounts to £66,611. 16s. 9d., as compared with £48,228. 11s. 5d. for the corresponding half-year of 1867. The average rate of conversions made during the half-year was $140\frac{5}{8}$, the average price of gold for the same period having been $140\frac{1}{2}$. The price of gold was much higher during the first quarter, within which period the largest proportion of the gold purchases was made.

5. The following table exhibits the receipts and expenses for the last six corresponding half-years:—

Half-year ending	RECEIPTS.				EXPENSES.	
	Passengers, Mails and Sundries.	Freight and Live Stock.	Rents.	Total.	Including Renewals.	Per Cent. of Gross Receipts.
31 Jan., 1863	£ s. d. 122,626 18 8	£ s. d. 186,098 16 7	£ s. d. 579 2 3	£ s. d. 309,304 16 6	£ s. d. 172,568 3 0	55.79
31 Jan., 1864	129,684 7 3	171,328 19 10	621 1 9	301,634 8 10	171,336 4 9	56.80
31 Jan., 1865	154,125 8 9	157,873 19 7	730 2 6	312,729 10 10	168,676 18 7	53.91
31 Jan., 1866	205,131 1 9	181,171 5 7	886 18 9	387,039 6 1	170,003 7 10	43.93
31 Jan., 1867	169,985 16 4	161,254 8 7	1,273 2 4	331,513 7 8	168,632 8 0	50.26
31 Jan., 1868	186,536 15 1	213,476 4 4	799 15 6	400,812 14 11	193,686 14 3	48.31

6. The total Traffic Receipts show an increase of £69,772. 14s. 6d. over the corresponding period of 1867. Of this increase £18,814. 3s. is for Through Passenger Traffic ; £45,402. 12s. 10d. is for Through

Freight and Live Stock Traffic ; and £6,819. 2s. 10d. is for Local Freight and Live Stock.² The increase in mails and sundries, which includes Express Freight, is £4,435. 5s. 6d., of which £442. 10s. 1d. is Local, and £3,992. 15s. 5d. is Through Traffic. There is a decrease of £5,698. 9s. 8d. in the Local Passenger Traffic.

The working expenses, including renewals, are at the rate of 48·31 per cent. of the receipts, against 50·26 for the corresponding half-year.

7. The cost of maintenance and renewals is £43,589. 11s. 8d. against £39,682. 7s. 3d. for the corresponding period, being an increase of £3,907. 4s. 5d.

As explained in the Engineer's Report hereto annexed, the establishment of the narrow-gauge route over the entire main line of 229 miles, from Suspension Bridge to Windsor, involves the maintenance and renewal of three rails instead of two rails, as in the corresponding half-year. There are also 25 miles of narrow-gauge sidings in addition to those previously existing, with necessary switches and signals—equal in point of fact to *an addition of 127 miles of single track.*

8. Last year's harvest turned out much less than was expected. Both in Canada and the United States the actual result, though partially favourable, was, on the whole disappointing.

9. To meet the increased requirements of the narrow-gauge traffic

50 Blue Line Freight cars have been placed on the line since the issue of last half-year's Report, and 4 first-class Passenger cars (making 6 in all) have been converted from broad to narrow gauge.

It will be seen in the Mechanical Superintendent's Report that 3 new Freight engines have been constructed out of Revenue, and set to work during the half year, to replace the same number of an inferior class of Passenger engines, and two others are in a forward state.

10. The Finance Minister of the Government of Canada has lately brought to the notice of the Directors the position of the provincial aid afforded by the late Province of Canada to this Company. In 1861, a petition, approved by the Shareholders, was presented to the Legislature of the Province of Canada praying for the relief to be granted to the Great Western that had been conceded to the other Canadian Companies; and the Directors feel they are justified in expecting that the Government will give the whole subject their favourable consideration, and with this conviction they are now in communication with the Finance Minister.

11. At the last half-yearly meeting, on October 9th, 1867, the traffic agreement with the Grand Trunk Company, dated June 12th, 1867, was approved by resolution of the proprietors. It is now proposed to modify the agreement to this extent, that by six months' notice, mutually operative, either party may absolutely determine and put an end to the same. A resolution with this intention will be submitted to the General Meeting, on April 8th next.

12. The gross earnings of the Detroit and Milwaukee for the year ending December 31st, 1867, were	£361,912	12	7
And the working expenses amounted to	203,942	5	7
	<hr/>		
Leaving a net revenue	£157,970	7	0
	<hr/> <hr/>		

Which is applicable to interest on bonds, capital expenditure, Detroit fire claims, and other items.

Signed on behalf of the Board of Directors,

THOMAS DAKIN,

President

London, March 28th, 1868.

REPORT OF THE ENGINEER.

ENGINEERING DEPARTMENT,
GREAT WESTERN RAILWAY, HAMILTON,

25th February, 1868.

THOS. SWINYARD, Esq.,
General Manager.

DEAR SIR,—I beg to submit the following Report to you upon the working of my department during the half-year ended 31st January last:—

CHARGES TO REVENUE.

	£	s.	d.
The total expenditure of this department during the half-year chargeable to Revenue amounts to	43,589	11	8
As compared with the corresponding half-year of 1867, which amounted to	39,682	7	3

CHARGES TO CAPITAL.

During the past half-year the undermentioned New Works were executed, forming a charge to Capital Account.

	£	s.	d.
1st.— <i>Superstructure</i> .—Labour extending and laying down new sidings at Hamilton, Toronto, Paris, Guelph, London and Windsor, extending in the aggregate to one mile and 200 yards	211	6	2
114 tons of rail laid down in same	1,171	4	8
2nd.— <i>Bridging</i> .—Proportion chargeable to capital of the cost of re-building in stone the new bridge in course of construction across the Twenty-mile creek at Jordan	2,014	17	2
Building a stone culvert near Copstown, required for a new level crossing and for a new drain in connection therewith... ..	310	13	4
3rd.— <i>Buildings</i> .—Raising chimneys of six furnaces at rolling mill, and building an oil store for the use of the mill	267	2	6
Building an ash-pit for the use of Locomotives at Suspension Bridge, with stone coping, drain, &c.	93	5	7
Building an addition to the engine shed at London	305	7	11
Building additional tanks at Suspension Bridge	124	13	11
Ditto ditto London	102	14	9
Converting part of the passenger station buildings at Hamilton into offices for the "Blue Line" and Traffic Superintendents, and making other additions arising out of the same, proportion chargeable to capital account	719	42	3
Extending sheds and platforms at way stations	90	11	0
Building a new station house at Stoney Point	185	5	5
Carried forward ...	25,596	19	8

	£	s.	d.
Brought forward...	5,596	19	8
4th.— <i>Third Rail for Narrow Gauge Track.</i> —Cost of signals and crossing points, and wages of men laying down five miles of additional sidings	1,165	19	7
267 tons of rails for five miles of new sidings laid down during the half-year	2,773	19	6
5th.— <i>Car Ferry Boat.</i> —Final payment of plumbing work done under contract, and other work in connection with the same	90	13	4
6th.— <i>Petrolia Branch.</i> —Completing an oil shed and platform at Petrolia	88	0	5
Total	<u>£9,715</u>	<u>12</u>	<u>6</u>

I beg to make a few explanatory remarks on some of the above described items.

Item 2.—The masonry of this new bridge at Jordan will be completed early this summer, and the superstructure and approaches will be finished and ready for traffic before the end of the present year. The proportion charged to Capital Account has been strictly confined to the excess of cost of the stone abutments, arches and piers, above the original timber structure.

The stone culvert under the line of railway near Copetown, is an entirely new work, and was built for the purpose of avoiding a heavy annual expense in maintaining an open drain of great length at a low level.

Item 3.—The raising of the Rolling Mill chimneys was done, with a view to increase the efficiency and economy of working of the mill, the furnaces being now worked by a natural draft instead of by a fan-blast. The Oil Store was built as a precautionary measure to reduce the risk of fire. The additional tanks and other works in connection with the locomotive sheds at the Suspension Bridge and London, were urgently needed to increase the efficiency and accommodation of the engine service.

The expenditure upon new offices at the Hamilton Station was demanded by the changes in management occasioned by the introduction of the Narrow Gauge into our system.

Item 4.—During the past half-year an extension of Narrow Gauge sidings with a considerable addition to the signals and crossings, was found necessary in order to meet all the wants of the Traffic Department. This increase in the length of Narrow Gauge sidings brings up their aggregate length to twenty-five miles.

No further extension of these sidings is at present contemplated.

MAINTENANCE AND RENEWALS OF PERMANENT WAY.

	£	s.	d.
Repairs and Renewals of Bridges and Culverts	5,465	7	10
" " Sidings	1,182	0	0
" " Fences	1,092	10	7
" " Buildings and Wharves	4,160	9	4
" " Signals	434	10	4
" " Approaches	281	6	7
Platelayers' Wages and Extra Work for Maintenance and renewals of Permanent Way	14,523	7	8
Cost of re-rolled rails and other material as follows, viz. :-			
*1,800 tons of rails re-rolled at the Company's Rolling Mill, less amount received for guarantee of imported rails ...	9,432	9	4
105,236 lbs. fish plates, bolts and nuts, and chairs for switches, and small stores	3,364	6	0
45,000 sleepers laid in track	2,773	19	5
Engineering superintendence	879	4	7
	£43,589	11	8

Although the expenditure on maintenance and renewals during the past half-year is larger in amount than for the corresponding period ended 31st January, 1867, it is nevertheless relatively lower, being only 11 per cent. of the gross receipts, as compared with 12 per cent. for the corresponding six months.

Compared with other railways on this continent, the above per centage of gross receipts is a *low* rate of expenditure for maintenance and renewals. The same charge on the Grand Trunk Railway for the year 1866 was 18 per cent. of the gross receipts according to Captain Tyler's Report, and on the Northern Railway of Canada for the year 1867, the rate was 17 $\frac{3}{4}$ per cent., as stated in the Company's published report.

But unless wages and the cost of timber and sleepers are reduced, I cannot promise that the present low rate of expenditure can be maintained, inasmuch as the addition of the third rail over 229 miles of our track (from Suspension Bridge to Windsor), and twenty-five miles of Narrow Gauge sidings, equal in the aggregate to an addition of 127 miles of single track,

* This sum is in mixed currency, being increased by a sum of £938. 3s. 4d., arising from the purchase of coal, firebrick, and clay, &c., in the United States, and charged in American currency in the Account.

as far as the quantity of iron is concerned, together with the accompanying signals, switches, and crossings, must proportionately increase the cost of the ordinary repairs and renewals of the line.

I am hoping to accomplish a good deal by improving the quality of the rails re-rolled at the Company's rolling mill, but it will require all the benefits accruing from this improved quality of rails to meet the increased wear and tear of our Narrow Gauge traffic, and it must be borne in mind that durable rails can only be manufactured at an increased cost, which will be felt unfavourably at the time, although future expenses should be proportionably relieved.

The Stock and Valuation of Surplus Rails is as follows:—

2,218½ tons rails	...	...	...	...	...	...	...	£15,714	5	6
50 ,, fish-plates	...	...	...	...	...	...	...	719	3	7
								£16,433	9	1

GALT AND GUELPH RAILWAY, 15½ MILES LONG.

Cost of maintenance and renewals for the half-year	...	...	...	...	...	...	...	£727	7	0
Watching crossings	...	...	...	...	...	...	...	44	7	4
								Total	£771	14	4

ERIE AND NIAGARA RAILWAY, 31½ MILES LONG.

Cost of maintenance for the half-year	£261	12	5
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(Signed) GEORGE LOWE REID,

Engineer.

REPORT OF THE LOCOMOTIVE AND CAR SUPERINTENDENT.

GREAT WESTERN RAILWAY,
MECHANICAL DEPARTMENT,

HAMILTON, ONTARIO, *February 27th, 1868.*

THOS. SWINYARD, Esq.,
General Manager.

DEAR SIR,—I beg to submit the following report to you of the working of the Mechanical Department for the six months ending January 31st, 1868.

LOCOMOTIVE DEPARTMENT.

The entire expenditure during the half-year amounts to £48,781 4 8
As compared with the corresponding half-year of 1867 37,983 14 10

Renewals.—The amount expended for Renewal of Engines during the half-year, and included in the above, charged to Revenue Account, is as follows:—

On account of 6 new Engines to replace old "Lowell" class	£5,337 5 7
On account of 12 new Engines to replace "Norris" and "Amoskeag" class 	2,149 3 1
On account of new material manufactured for other Engines	1,255 19 2
Total 	£8,742 7 10

In view of the increased demand for Locomotive power during the present winter, extraordinary exertions have been made with the renewals of Engines.

During the half-year 3 more new powerful Freight Locomotives and Tenders of the same design as that reported last half-year, as substituting Engine "Norfolk," have been constructed and sent to work, replacing a similar number of the old "Lowell" Passenger Engines, called respectively the "Essex," "Kent," and "Elgin." These now complete 4 of the 6 new Engines required to replace the whole of the old "Lowell" class, the two remaining new Engines being in a forward state.

In addition to the above-mentioned renewals considerable progress has been made with 6 of the boilers for the new Passenger Engines, to replace those requiring first attention of the "Norris" and "Amoskeag" classes, which are found to be of unsuitable capacity and design for our increased traffic, and which it is intended to replace by 12 new Standard Passenger Engines similar in all essential points to the new Freight Engines now being completed, thus rendering their parts interchangeable excepting the wheels, which will be 5 feet 6 inches instead of 5 feet diameter.

Repairs.—32 Engines have received heavy repairs during the period, and 15 have received light repairs. Owing to the severity of the weather, and the consequent extreme hardness of the road in the months of December and January, the breakages to wheels, tyres, axles, &c., were exceedingly heavy.

The following new material was supplied:—1 new Tender Truck, 2 new Tender Frames, 1 new pair of Engine Frames, 60 cast-steel and 28 iron tyres, 4 copper tube sheets, 1 pair of cylinders, 3 pairs of new outside connecting rods, 1 crank axle, 1 straight Engine axle, and 37 new axle-boxes.

Stock of Engines.—Our Stock of Engines now comprises the following, being the same in number as in former reports, but 4 of those formerly entered as Passenger, have been replaced by 4 new Freight Engines.

48 Passenger Engines.
 37 Freight Engines.
 8 Shunting Engines.
 1 Locomotive Fire Engine.

Total ... 94 Engines.

Pumping Engines, Tanks, &c.—All necessary repairs and renewals were promptly attended to as required.

We have had to contend with considerable difficulty during the half-year owing to the scarcity of water caused by the dryness of the season, which at one time threatened to prove very serious. An additional wood tank-house and tank were erected at Ingersoll, also a new tank was supplied to the old tank-house at the same station. Two new wood tanks were also erected in the London Locomotive Shed to ensure a greater supply of water. A considerable quantity of new piping was laid down at the different watering stations to ensure a more plentiful supply of water, and 8 of the tank houses were supplied with new iron water cranes, or discharge pipes.

Turntables.—These are in a very efficient condition, repairs have been attended to as required.

The following table shows the charges of the Locomotive Department for the past half-year compared with six previous corresponding half-years, not including the expenditure on account of Galt and Guelph and Erie and Niagara Railway.

The expenses of the department will be found slightly in excess of the per-centage of increase in the earnings and mileage which is attributable to the extra cost of fuel.

HEADINGS.	HALF-YEARS ENDING 31ST JANUARY.						
	1862.	1863.	1864.	1865.	1866.	1867.	1868
Total Locomotive Expenses	£40,325	£43,719	£39,307	£37,858	£39,238	£37,864	£42,731
Per Centage on Earnings.....	13'17	13'81	13'00	12'10	10'13	11'48	12'19
Number of cords of Fuel.....	16,570	17,813	15,989	14,628	16,362	16,961	25,157
Total Cost of Fuel	£10,314	£10,992	£9,391	£8,418	£9,189	£9,777	£16,124
Cost of Fuel per Engine Mile	2'55d.	2'64d.	2'37d.	2'37d.	2'33d.	2'39d.	2'36d.
Ditto Train ditto.....	3'49d.	3'54d.	3'28d.	3'18d.	3'09d.	3'44d.	4'67d.

CAR DEPARTMENT.

Charges against Revenue.—The entire expenditure during the half-year chargeable to Revenue amounts to ... £22,212 4 0

As compared with £16,314. 13s. 5d. for the corresponding half-year.

Of the above amount £3,824. 18s. 8d. is on account of repairs and maintenance of Blue Line cars, and £4,600. 14s. 4d. is the expenditure for renewals of all classes of cars during the half-year.

Chargeable to Capital.—The following new work was executed during the half-year, and charged to Capital Account :—

Balance of account for 20 new Blue Line cars built and completed in our own shops	£3,428	5	1
Charged for 30 new Blue Line cars supplied by the Michigan Car Company, at £284. 18s. 8d. each...	8,457	18	11
Balance of account for altering six 1st class cars to narrow-gauge, by supplying six-wheel trucks with Blue Line standard axles, in place of old four-wheel trucks, allowing £69. 5s. 7d. each car for value of old trucks. Also for altering six Baggage cars to narrow-gauge, by supplying new standard Blue Line trucks; £28. 15s. 4d. per car being deducted for value of old trucks	400	3	7
Balance for altering drawing gear of narrow-gauge Stock cars, to admit of coupling with cars of connecting roads	131	10	1
Charge for conversion of six four-wheel Grain cars into six Baggage flat cars, after allowing £493. 3s. 0d., for original cost of the Grain cars; and 16 new Hand Baggage vans completed for Express trains	808	7	2
Total	£13,316	4	10

During the half-year, in addition to the 50 new Blue cars, 1 Conductor's car, and 4 new Cattle cars have been built, to replace others. The total number of cars is as follows:—

Description of Cars.	Broad Gauge.	Narrow Gauge.	Total.
First Class Cars	74	9	83
Second Class Cars	40	...	40
Post Office and Baggage Cars	20	...	20
Conductors' Cars	33	...	33
Blue Line Cars ... ..	...	130	130
Box (Freight and Express) Cars	696	18	714
Cattle and Grated door Cars...	60	100	160
Flat and Timber Cars	266	...	266
Gravel and Construction	120	...	120
Totals	1,309	257	1,566

The two remaining Palace Sleeping Cars for Pullman's Line, mentioned in last half-year's report, were completed in the month of October.

STEAMERS.

"Great Western" and "Union."—These boats have been kept in good working order.

BUILDINGS AND TOOLS.

These are in usual good condition, repairs having been attended to as required.

I am, dear Sir,

Yours faithfully,

(Signed) W. A. ROBINSON,
Mechanical Superintendent.