

No. 42.

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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, 1875;

WITH

STATEMENTS OF ACCOUNTS,

&c., &c., &c.

To be submitted to a Meeting of Shareholders to be held in
London, on 30th April, 1875.

List of Representatives Assets

LONDON:

WATERLOW AND SONS, PRINTERS, GREAT WINCHESTER STREET, LONDON

1875.

GREAT WESTERN RAILWAY OF CANADA.—NOTICE IS
HEREBY GIVEN, that the HALF-YEARLY GENERAL
MEETING of Shareholders is appointed to be held on FRIDAY,
the 30th day of April, 1875, at the London Tavern, Bishopsgate Street,
London, England, at Twelve o'clock at Noon, precisely, for the purpose of
submitting a Report and General Statement of Accounts for the Half-
year ending on the 31st January last, and for the transaction of other
business. And Notice is hereby given, That the said Meeting will be
made a Special General Meeting, for the purpose of submitting such
further resolutions and of taking such further action as may be necessary
(if any) relative to the Wellington, Grey and Bruce Railway Company,
to the London, Huron, and Bruce Railway Company, and relative to aid
to the Detroit and Milwaukee Railroad Company by traffic contract, loan,
or otherwise.

And Notice is further given, That the Books kept at the Office in
Canada, for the Registration of Shares and Preference Stock, will be
closed on and from the 16th April 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, E.C., 26th February, 1875.

Great Western Railway of Canada.

LIST OF THE DIRECTORS.

President.

The Right Honble. HUGH C. E. CHILDERS, M.P.,
17, Princes Gardens, London.

Vice President.

SEYMOUR CLARKE, Esq., Watthamstow, near London.

JAMES BALD, Esq., 25, Hope Street, Glasgow.
THOMAS BARKWORTH, Esq., 16, Austin Friars, London.
FREDERICK BROUGHTON, Esq., Brecon.
GEORGE COCKBURN, Esq., Lingdale, Birkenhead.
LIEUT.-COL. FRAS. D. GREY, Clement House, Clement's Lane
JOHN WILLIAM MACLURE, Esq., Whalley Range, Manchester.

Auditors.

JOHN YOUNG, Esq., 16, Tokenhouse Yard, London.
THOMAS ADAMS, Esq., 6, Sidney Terrace, Lewisham.

London Offices.

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

Mr. BRACKSTONE BAKER, *Secretary.*
Mr. WALTER LINDLEY, *Accountant.*

GREAT WESTERN
STATEMENT of ACCOUNTS FOR THE
No. 1.—STATEMENT OF CAPITAL AUTHORISED

Under what Acts.	CAPITAL AUTHORISED.				
	Shares.		Loans.		Total.
	\$	£ s.	£	£ s.	
The Great Western Railroad Act, 8 Vic., cap. 86, March 29, 1845	6,000,000	1,232,876 14	..	1,232,876 14	
The Hamilton and Toronto Railway Act, 16 Vic., cap. 44, November 10th, 1852	1,800,000	369,863 1	..	369,863 1	
The Great Western Railway Amendment Act, 16 Vic., cap. 99, April 22nd, 1853 ..	2,000,000	410,958 18	..	410,958 18	
The Sarnia Railway Act, 16 Vic., cap. 101, April 22nd, 1853	2,000,000	410,958 18	..	410,958 18	
The Great Western Railway Amendment Act, 18 & 19 Vic., cap. 176, May 19th, 1855	6,000,000	1,232,876 14	..	1,232,876 14	
The Great Western Railway Amendment Act, 22 Vic., cap. 116, August 16th, 1858	8,000,000	1,643,835 12	3,674,412	5,318,254 12	
The Canada Air Line Act (Glencoe Loop), 33 Vic., cap. 33, December 24th, 1869 ..	3,000,000	616,438 7	..	616,438 7	
The Great Western Railway Act, 1874, (Allanburgh Branch), 37 Vic. cap. 66, May 26th, 1874	165,000	33,904 2	33,904	67,808 2	
The Great Western Railway Act, 36 Vic., cap. 83, sec. 6, May 23rd, 1873, in excess of previous Statutory powers .....	.....	.....	608,309	608,309 0	
Total 31st January, 1875	\$28,965,000	£5,951,712 6	£4,316,632	£10,268,344 0	
Deduct difference on the nominal amount of shares at \$100 each exchanged at 109½, and their nominal sterling value of £20. 10s. each .....	.....	13,857 6			
Amount as per Account No. 2		£5,937,855 0	2		

RAILWAY OF CANADA.

HALF-YEAR ENDING 31st JANUARY, 1875.

AND CREATED BY THE COMPANY.

CAPITAL CREATED OR SANCTIONED.			BALANCE.		
Stock and Shares.	Loans.	Total.	Stock and Shares.	Loans.	Total.
£ s.	£	£ s.	£	£	£
1,232,876 14	....	1,232,876 14			
369,863 1	....	369,863 1			
410,958 18	....	410,958 18			
410,958 18	....	410,958 18			
1,232,876 14	....	1,232,876 14			
1,643,835 12	3,674,410	5,318,254 12			
616,438 7	....	616,438 7			
33,904 2	....	33,904 2	..	33,904	33,904
....	....	....	..	608,309	608,309
£5,951,712 6	£3,674,410	£9,626,131 6		£642,213	£642,213
13,857 6					
£5,937,855 0					

GREAT WESTERN RAILWAY OF CANADA.

No. 2.

Statement of Stock and Share Capital created, showing the proportion received.

	Amount created or sanctioned.		Amount received.		Nominal amount of future instalments.	Calls in arrear.	Amount reserved and unissued.
	No. of Shares.	\$	£	s. d.				£	No. of Shares.
Ordinary Shares	227,018	22,701,800	4,672,349	0 3,957,142 15 6	659,236 14 6	£	15,969 10
5 per cent. Preference Stock—							
1869 Issue		£1,018,200					
1874 "		216,436					
		1,234,636					
Less converted into Ordinary Shares	39,527	3,952,700	810,303 10	840,363 10 0			
Amount of present issue of 5 per cent. Preference Stock				443,983 10 0		£	112 10
Reserve to meet the option of conversion of £444,096 5 per cent. Preference Stock at the rate of five £20. 10s. Shares for £100 Stock..	22,265	2,220,600	*455,292 10				11,166 10
	289,650	\$28,965,000	£5,937,855	0 452,251,429 15 6	£659,236 14 6	£112 10	£27,075 0

* Shares reserved to meet the option until Jan. 1880 of converting £444,096 5 per cent. Preference Stock into 22,205

Ordinary Shares of £20. 10s. each	£155,202 10
Less 5 per cent. Preference Stock outstanding	444,096 0
Reserve	<u>£11,166 10</u>

GREAT WESTERN RAILWAY OF CANADA.

No. 3

Capital raised by Loans and Debenture Stock.

	Raised by Loans.				Total Loans. £	Raised by issue of Debenture Stock.			Total raised by Loans and by Debenture Stock. £
	At 5 per cent.		At 6 per cent.			At 5 per cent. amount received in arrear.	Calls	Total.	
	£	..	£	..					
Existing at 31st July, 1874	1,000	..	547,000	1,127,000	1,400	1,998,275	1,125	1,999,400	3,675,800
Do. at 31st January 1875	1,000	..	547,000	1,127,000	900	1,998,665	735	1,999,400	3,675,300
Amount paid off .. ..	..	..	..	..	500	..	..	..	500
Amount received .. ..	..	..	..	..	..	..	390	..	..

GREAT WESTERN RAILWAY OF CANADA.

No. 4.

Receipts and Expenditure on Capital Account.

	Amount expended to 31st July, 1874.			Amount expended during Half-year.			Total to January 31st, 1875.			By RECEIPTS:			Amount received to 31st July, 1874.			Amount received during Half-year.			Total to January 31st, 1875.					
	£	s.	d.	£	s.	d.	£	s.	d.	Shares	Preference Stock	Terminable Bonds	Debenture Stock	Less Bonds paid off.	£	s.	d.	£	s.	d.	£	s.	d.	
To EXPENDITURE.																								
On Lines open for Traffic	6,908,488	4	10	109,313	17	11	7,017,802	2	9	Shares	4,459,329	16	5	348,116	9	14,807,446	5	6						
Ferry Steamers ..	101,252	0	3	103	9	0	101,355	9	3	Preference Stock	288,883	10	0	155,100	0	443,983	10	0						
Gloucester and Buffalo Line ..	978,741	4	2	Cr. 4,420	8	7	974,310	15	7	Terminable Bonds	1,676,400	0	0			1,675,900	0	0						
Discount on Shares and Stock				104,986	18	4				Debenture Stock	1,998,275	0	0	390	0	1,998,665	0	0						
Detroit and Milwaukee Railroad Company ..	250,000	0	0				250,000	0	0	Less Bonds paid off.				Dr. 500	0									
Investments in Bonds of other Companies ..	14,433	6	5	90	0	0	14,523	6	5															
	8,252,914	15	8	283,871	6	1	8,536,786	1	9															
To Balance carried to General Balance Sheet, No. 13 ..							389,208	13	9															
							8,925,994	15	6															
							8,422,888	6	5															
							503,106	9	1															
							1,825,994	15	6															

GREAT WESTERN RAILWAY OF CANADA.

DETAILS OF CAPITAL EXPENDITURE FOR HALF-YEAR ENDED
31ST JANUARY, 1875.

	£	s.	d.
Doubling the Track between Glencoe and Windsor—Balance ..	7,029	9	7
Proportion of cost of Steel Rails laid down to replace Iron Rails ..	12,933	0	0
New Sidings at various places	4,943	3	7
Ditto for new Car Shops at London	3,135	11	2
Raising Embankment and increased Water-way at Jeannette's Creek ..	1,977	4	9
Building new Car Shops at London	11,573	17	6
Other Buildings and Wharves	1,858	16	7
New Double Track Bridge at Thamesville—On account	435	5	2
Allanburgh Branch—Balance	424	10	6
Rolling Stock—220 Freight Cars for Erie and North Shore Through Line, ordered in 1873	34,486	2	7
Ferry Steamers—Fourth Car Ferry Boat	103	9	0
Land purchases	78	4	8
Tools and Machinery for new Car Shops at London and additions to those at Hamilton	2,932	15	11
	<hr/>		
	81,911	11	0
GLENCOE LOOP LINE.—Cr. Value of Materials taken into stock by Engineer's Department	4,667	2	5
Less additional Land purchases	236	13	10
	<hr/>		
	Cr. 4,430	8	7
	<hr/>		
	£77,481	2	5

AMOUNTS EXPENDED IN PREVIOUS HALF-YEARS
NOW TRANSFERRED FROM BALANCE-SHEET.

DESJARDIN'S CANAL FIXED BRIDGE. Settlement with Town of Dundas, and the Hamilton and Milton Road Company, under Agreement of 6th Feb., 1874	13,417	16	2
WOOD-SAWING MACHINES, purchased in 1872	2,266	4	2
DETROIT RIVER TUNNEL.—For this Company's pro- portion of Expenditure in 1872 and 1873	11,821	15	7
	<hr/>		
	27,505	15	11
	<hr/>		
	£104,986	18	4

Investments in Bonds of other Companies	90	0	0
DISCOUNT ON SHARES AND STOCK.			
Discount on first instalment on 49,130 New Shares	128,990	5	5
Balance of Discount on 4,263 New Shares paid in full, and converted into Original Shares	33,571	8	4
Discount on 2nd, 3rd, and Final Instalments on £216,436 Preference Stock	16,232	14	0
	<hr/>		
	178,794	7	9
	<hr/>		
	£283,871	6	1

GREAT WESTERN RAILWAY OF CANADA.

No. 6.

RETURN OF WORKING STOCK.

LOCOMOTIVES. CARRIAGE STOCK. MERCHANDISE AND LIVE STOCK CARS.

	1st & 2nd Class.	Post Office and Baggage.	Baggage van Halls.	Conductors.	Total Carriage Stock.	Freight and Express.	Blue Line.	Milwaukee Line.	Michigan Line.	Long 33 feet Cars.	Erie and North Shore.	Cattle Cars.	Platform & Timber Trucks.	Coal Platform Cars.	Auxiliary Cars.	Oil Tank Cars.	Total Goods Cars.	Ballast and Construction Cars.	Total Carriage and Car Stock.
Stock in hand																			
31st July, 1874	159	36	7	73	275	774	800	180	400	600	..	535	855	100	12	75	4331	225	4831
31st Jan. 1875	159	36	7	73	275	774	800	180	400	600	220	535	855	100	12	75	4451	225	5051
Increase	220	220	..	220

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No. 7.

ESTIMATE OF FURTHER EXPENDITURE ON CAPITAL ACCOUNT.

No RETURN.

Vide Report, page 37.

No. 8.

CAPITAL—POWERS AND OTHER ASSETS AVAILABLE TO MEET
FURTHER EXPENDITURE

	£	s.	d.	£	s.	d.
Loan Capital authorised but not yet created or sanctioned as per Account No. 1				642,213	0	0
Share Capital created but not received as per Account No. 2.						
Nominal Amount of remaining Instalments on 44,876 New Shares issued at the price of £10 per £20. 10s.						
Share	659,236	14	6			
Less Proportion of Discount thereon	353,399	13	0			
				305,837	1	6
Amount unissued	15,969	16	0			
Preference Stock Calls in arrear	112	10	0			
				321,919	1	6
Loan Capital created, but not yet Issued	19	0	0			
Debenture Stock Calls in arrear	735	0	0			
				754	0	0
				964,886	1	6
DEDUCT—						
6 per Cent Bonds due 15th November, 1873, not yet presented for payment				900	0	0
				963,986	1	6
Credit Balance on Capital as per Account No. 4.. .. .				389,208	13	9
				£1,353,194	15	3

GREAT WESTERN

No. 9.

REVENUE ACCOUNT for the

Half-year ended 31st January, 1874.	EXPENDITURE.	Half-year ended 31st January, 1875.	Per cent. Increase 1875/74	Equal to per Train Mile.
£ s. d.		£ s. d.		d.
101,854 0 6	To Maintenance and Renewal of Way, per Abstract A ..	90,380 6 3	17-66	15-04
116,111 2 9	„ Locomotive Power, per Abstract B ..	91,903 11 8	17-97	15-30
48,857 12 4	„ Repairs and Renewal of Passenger and Goods Cars, per Abstract C ..	42,553 9 3	8-31	7-08
57,873 5 3	„ Coaching Transit Expenses, per Abstract D ..	49,650 7 8	9-70	8-25
84,940 7 1	„ Merchandise Transit Expenses, per Abstract E ..	68,780 19 8	13-44	11-45
4,927 10 0	„ Rents and Tolls, per Abstract F ..	8,308 6 6	1-62	1-39
15,916 13 6	„ General Charges, per Abstract G ..	20,091 16 10	3-92	3-34
430,480 11 5		371,668 17 10	72-62	61-85
1,945 8 5	„ Taxes ..	2,789 19 7	0-54	0-46
9,100 0 0	„ Change of Gauge Proportion charged this half-year ..	9,100 0 0	1-78	1-52
3,000 0 0	„ Amount set aside for Renewal of Ferry Steamers ..	3,500 0 0	0-69	0-58
	„ Amount not received under the Traffic Agreement with the Michigan Central Railroad Company, dated 1st January, 1870 ..	1,165 16 10	0-23	0-20
	„ Amount voted Committee of Investigation, and Balance of Expenses ..	1,652 9 6	0-32	0-28
444,525 19 10		389,877 3 9	76-18	64-89
27,215 17 6	„ Discount and charges on the conversion of American Currency ..	26,340 6 5	5-15	4-39
471,741 17 4		416,217 10 2	81-33	69-28
154,174 12 6	„ Balance carried to Account No. 10 ..	95,521 1 0		51-40
£025,916 9 10		£511,738 11 2		

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£625,9

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RAILWAY OF CANADA.

Half-year ended 31st January, 1875.

Half-year ended 31st January, 1874.	RECEIPTS.	Half-year ended 31st January, 1875.
£ s. d.		£ s. d.
	By amount for the Carriage of 605,627 Passengers	193,883 7 11
	" " " 8,078 Emigrants 613,705	3,590 1 3
202,548 11 1		197,473 0 2
5,079 5 5	" " " Mails	5,131 17 5
9,380 5 1	" " " Express Freight ..	10,897 8 3
359,260 10 2	" " " Freight	261,618 9 1
48,677 17 10	" " " Live Stock	35,399 6 7
<hr/> 624,946 9 7		<hr/> 510,520 10 6
970 0 3	" Rents and Miscellaneous Earnings	1,218 0 8
<hr/> <hr/> 4625,916 9 10		<hr/> <hr/> 4511,738 11 2

NOTE.—The Traffic Receipts above stated are exclusive of those of the Galt and Guelph, Wellington Grey and Bruce, and London and Port Stanley Railways.

GREAT WESTERN

No. 10.

NET REVENUE ACCOUNT for the

Half-year ended 31st January, 1874.		Half-year ended 31st January, 1875.
£ s. d.		£ s. d.
.. ..	To Balance deficit from last Half-year (exclusive of Dividend on Preference Stock)	20,057 13 0
.. ..	„ Balance of General Interest Account	5,495 1 11
.. ..	„ Loss on Working Leased Lines (Abstract H.)	5,394 3 11
97,870 12 5	„ Interest on Bonds and Debenture Stock	98,862 10 0
65,793 5 6	„ Balance Profit .. ..	.. ..
<u>168,663 17 11</u>		<u>£129,809 8 10</u>
	To Balance brought down	34,288 7 10
	To Half-year's Dividend on Preference Stock to 31st July, 1874 6,269 13 0	
	„ 31st Jan., 1875 9,749 13 6	16,019 6 6
		<u>£50,307 14 4</u>

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RAILWAY OF CANADA.

Half-year ended 31st January, 1875.

Half-year ended 31st January, 1874.		Half-year ended 31st January, 1875.
£ s. d.		£ s. d.
5,024 8 3	By Balance from last Half-year's Account ..	.. ..
154,174 12 6	„ Balance from Revenue Account No. 9 ..	95,521 1 0
2,970 7 10	„ Balance of General Interest Account ..	.. ..
1,494 9 4	„ Balance of Profit on working Leased Lines ..	.. ..
.. ..	By Balance (loss) carried down	34,288 7 10
<u>163,663 17 11</u>		<u>£129,809 8 10</u>

\$166,870.17

77,960.70

\$244,830.87

197,352.46
30,512.23
166,870.17

34,288.710
157,153.40
27,430.88
228,858.99
166,870.17

GREAT WESTERN RAILWAY OF CANADA.

*Abstracts referred to in the Revenue Statement for the Half-year ended
31st January, 1875.*

ABSTRACT A.

No. 12. MAINTENANCE AND RENEWAL OF WAY.

	Half-year ended 31st Jan., 1875.		Half-year ended 31st Jan., 1874.	
	£	s. d.	£	s. d.
Repairs and renewals of Bridges and Culverts	11,690	8 5	12,699	6 7
" Station sidings & fences	7,892	19 9	8,665	2 11
" Buildings	6,515	10 6	6,890	7 3
" Signals	571	15 7	1,279	6 9
" Approaches	643	14 1	1,077	14 10
" Roadway	61,857	19 9	67,497	8 8
Engineering superintendence, &c.	1,207	18 2	1,398	19 1
Amount expended in repairing damage to track west of Chatham caused by floods ...			2,345	14 5
 Miles Maintained—Double ... 79½ Single ... 431				
510½				
	£	90,380 6 3	£	101,854 0 6

ABSTRACT B.

LOCOMOTIVE POWER.

	Half-year ended 31st Jan., 1875.		Half-year ended 31st Jan., 1874.	
	£	s. d.	£	s. d.
Transit Expenses:—				
Wages of Enginemen and Firemen	20,403	3 4	23,544	19 4
Wages of Cleaners	2,980	15 0	3,575	4 8
Fuel	40,235	19 6	52,219	3 6
Oil	1,232	5 3	1,969	16 8
Tallow	786	12 9	1,131	19 2
Small Stores	488	8 2	925	9 0
Pumping Engines	1,634	18 5	1,708	4 6
Salaries of Foremen and Clerks	77	19 7	75	17 5
Salary of Locomotive Engineer	128	8 10	137	12 4
	67,968	19 10	85,288	6 7
Repairs and Renewals of Engines:—				
Material and Fuel	£4,645	17 10	6,763	10 7
Do. Renewal Account	9,155	15 10	12,922	7 11
Wages	9,036	5 2	9,794	19 0
	22,837	18 10	29,479	16 7
Sundries:—				
Lighting Shops	112	11 3	62	1 9
Maintenance of Turntables	213	18 9	176	4 6
Maintenance of Tanks and Pumps	770	12 0	1,103	12 5
	1,097	2 0	1,941	8 0
	£	91,903 11 8	£	116,111 2 9
Cost per Train mile run... ..	1s. 3-30d.		1s. 4-32d.	
Cost per Traffic Engine mile run ...	0s. 11-21d.		0s. 10-97d.	

STATEMENT OF MILEAGE RUN BY ENGINES.

	Miles run during Half-year 1875.	Miles run during Half-year 1874.
By Passenger Engines	625,951	583,258
„ Freight Engines	816,032	1,124,409
Total Train miles earning Revenue ...	1,441,983	1,707,667
By Piloting and Shunting Engines ...	525,179	831,689
Total Traffic Engine miles run ...	1,967,162	2,539,356

ABSTRACT C.
REPAIRS AND RENEWAL OF CARS.

	Half-year ended 31st Jan., 1875.			Half-year ended 31st Jan., 1874.					
	£	s.	d.	£	s.	d.			
Passenger Cars—									
Materials } Including cost of cleaning Cars. }	7,560	9	6	7,335	2	5			
Wages }	6,919	16	11	6,043	14	10			
Salaries of Superintendent, Foremen & Clerks	103	19	4	98	19	4			
Renewal Account ... ..	...	...	...	391	12	6
Merchandise Cars—									
Materials £15,709	2	0	14,584	5	9	13,869	9	1	
Wages 10,822	13	6	14,052	13	6	17,854	1	6	
Salaries of Superintendent, Foremen and Clerks	207	19	0	197	19	0			
Renewal Account 1,229	9	0	2,883	9	3	27,969	3	6	
	<u>£42,553</u>			<u>£48,857</u>					
Cost per Train Mile run...	7·08d.			6·86d.					
Cost „ Car Mile run ...	0·44d.			0·43d.					

STATEMENT OF MILEAGE OF CARS.

	Miles run during Half-year 1875.	Miles run during Half-year 1874.
First Class Cars	2,537,208	2,631,182
Second Class Cars	1,076,907	985,080
Post Office, Express and Baggage Cars ...	1,117,677	883,605
Freight, Platform, and Conductors' Cars ...	18,148,885	22,703,430
Total Car Mileage earning Revenue	22,880,677	27,203,297

ABSTRACT D.
COACHING TRANSIT EXPENSES.

	Half-year ended 31st Jan., 1875.			Half-year ended 31st Jan., 1874.		
	£	s.	d.	£	s.	d.
Salaries of Superintendent, Station Masters and Clerks	6,796	4	7	6,807	3	2
Wages of Conductors, Baggage-men and Brakesmen	6,167	3	3	6,795	16	2
Wages of Porters	9,132	17	9	7,523	8	1
„ Switchmen	2,727	4	11	2,172	5	7
„ Watchmen at Level Road Crossings	1,282	18	4	1,166	13	9
Clothing	383	15	10	357	17	4
Compensation for Damages	3,181	14	2	10,484	0	2
„ Cattle killed	147	4	8	165	4	1
Lamps and Signals	290	19	7	750	17	0
Lights for Stations and Passenger Cars ...	1,522	11	7	1,851	0	7
Fuel for Stations and Passenger Cars ...	1,942	6	8	2,027	5	2
Stationery, Advertising and Printing ...	1,926	4	11	1,829	1	11
Office Furniture and Expenses	165	2	0	171	10	2
Small Stores	1,912	18	6	2,962	5	8
Travelling and incidental Expenses	1,084	15	4	1,200	8	6
Proportion Expenses of Advertising and Agencies in the United States	7,594	3	11	7,282	12	3
Proportion of expenses of Ferry across the Detroit River	696	3	9	2,014	6	1
Proportion of expenses of Telegraph ...	2,695	17	11	2,311	9	7
	£49,650	7	8	£57,873	5	3
Percentage on Coaching Traffic Receipts ...		23-25			26-68	

ABSTRACT E.
MERCHANDISE TRANSIT EXPENSES.

	Half-year ended 31st Jan., 1875.			Half-year ended 31st Jan., 1874.		
	£	s.	d.	£	s.	d.
Salaries of Superintendent, Freight Agent and Clerks	7,410	10	2	8,374	18	1
Wages of Conductors and Brakesmen ...	9,549	6	6	11,692	14	10
„ Porters	13,905	0	0	14,946	3	4
„ Switchmen	3,831	2	9	5,127	8	5
„ Watchmen at Level Road Crossings	1,823	5	2	2,640	16	1
Compensation for Damages	2,189	0	0	4,026	7	7
„ Cattle killed	239	2	0	107	2	1
Lights, Lamps, Fuel and Signals	2,146	11	7	2,620	2	9
Stationery, Advertising and Printing ...	2,969	18	0	3,285	14	10
Office Furniture and Expenses	87	1	0	108	5	7
Small Stores	2,821	7	0	3,805	18	11
Travelling and incidental Expenses... ..	406	12	2	523	12	8
Proportion of Expenses of Telegraph ...	3,739	10	0	4,535	12	8
Do. do. Ferry Boats	2,692	15	11	2,255	3	2
Expenses of Advertising, and Agencies in the United States	1,642	19	10	2,040	3	1
“Blue Line” Sundries	6,137	13	7	8,358	0	8
Foreign Terminal Charges	7,189	4	0	9,892	2	4
	£68,780	19	8	£84,940	7	1
Total Tonnage carried	653,252 Tons.			790,400½ Tons.		
Percentage on Merchandise Traffic Receipts	23.15			20.82		

ABSTRACT F.
RENTS AND TOLLS.

	Half-year ended 31st Jan., 1875.	Half-year ended 31st Jan., 1874.
Suspension Bridge Rent... ..	5,405 8 1	4,623 5 9
International Bridge, Tolls, &c.	2,902 18 5	304 4 3
	<u>£8,308 6 6</u>	<u>4,927 10 0</u>
Percentage on Total Receipts	1.62	0.78

ABSTRACT G.
GENERAL CHARGES.

	Half-year ended 31st Jan., 1875.	Half-year ended 31st Jan., 1874.
Head offices in London and Hamilton	6,634 7 3	5,767 13 0
Stationery, advertising, and printing	1,248 14 4	1,325 4 10
Postages and stamps	679 3 0	538 10 3
Fuel and lights	141 9 11	142 11 0
Travelling and incidental expenses	2,548 4 6	1,681 12 6
Furniture, &c.	167 5 1	229 15 2
Law charges	797 18 10	764 15 5
Directors and Auditors	2,166 11 6	1,787 10 0
Telegraphing	494 2 0	273 11 2
Railway Inspection	177 14 10	177 14 10
Clerks Security	131 18 7	123 14 5
Insurance	5,283 9 6	3,448 8 5
	<u>20,470 19 4</u>	<u>16,261 1 0</u>
Less transfer fees	379 2 6	344 7 6
	<u>£20,091 16 10</u>	<u>£15,916 13 6</u>
Per centage on Total Receipts	3.92	2.54

ABSTRACT H.

RESULT OF WORKING LEASED LINES.

Half-year ended 31st January, 1875.

	£	s.	d.
Wellington Grey and Bruce Railway, Loss, per Sub-Account No. 2	4,263	11	7
London and Port Stanley Railway, Loss, per Sub-Account No. 3 ..	235	2	0
<hr/>			
DEDUCT—			
Galt and Guelph Railway, Profit, per Sub-Account No. 1	4,498	13	7
	737	8	0
<hr/>			
ADD—			
Rent of Welland Railway and proportion renewals, per Sub-Account No. 4	3,761	5	7
	1,632	18	4
<hr/>			
Balance carried to Account No. 10	£5,394	3	11
<hr/>			

GALT AND GUELPH RAILWAY

SUB-ACCOUNT No. 1

Dr.

Half-year ended

EXPENDITURE.	Half-year ended 31st Jan., 1875.		
	£	s.	d.
To Maintenance and Renewal of Way	2,887	3	0
Locomotive Power	1,175	5	9
Use of Cars	575	18	7
Coaching and Merchandise Expenses	1,087	2	8
General Charges	246	11	6
Taxes and Law Charges	41	9	6
	6,013	11	0
To Balance (Profit)	737	8	0
	<u>£6,750</u>	<u>19</u>	<u>0</u>
MILEAGE.			
	1875.		
Passenger and Freight... ..	20,499		
Piloting and Shunting... ..	4,920		
	<u>25,419</u>		

WELLINGTON GREY AND BRUCE

SUB-ACCOUNT No. 2

DR.	EXPENDITURE.			<i>Half-year ended</i>		
To Maintenance of Way	£	s.	d.
Locomotive Service	10,008	10	8
Car Service	5,982	16	8
Traffic Wages and Expenses	1,531	10	2
Stores	3,467	7	8
Taxes and Compensations	1,315	14	1
				359	16	11
				£22,665 16 2		

LONDON AND PORT STANLEY

SUB-ACCOUNT No. 3

DR.	EXPENDITURE.			<i>Half-year ended</i>		
To Maintenance of Way	£	s.	d.
Locomotive Service	1,577	13	10
Car Service	1,408	14	3
Traffic Wages	467	5	10
Stores	1,452	7	6
Taxes and Compensations	235	14	2
Proportion, cost of Renewals	212	8	0
Rent	513	14	0
				2,054	15	10
				£7,922 13 5		

$$\begin{array}{r}
 7922 \text{ } 13 \text{ } 5 \\
 2054 \text{ } 15 \text{ } 10 \\
 \hline
 5867 \text{ } 17 \text{ } 7
 \end{array}$$

RAILWAY WORKING ACCOUNT.

TO ABSTRACT H.

31st January, 1875.

RECEIPTS.					Cr.
					£ s. d.
By Passenger Traffic	...	...	...	...	12,572 0 4
Freight do.	...	...	...	...	13,716 17 8
					26,288 18 0
Less, thirty per cent. written off to credit of Wellington Grey and Bruce Railway Company	...	...	...	...	7,886 13 5
By Balance (Loss)	...	...	...	...	18,402 4 7
					4,263 11 7
					£22,665 16 2
MILEAGE.					
					MILES.
Passenger and Freight Engines	...	...	...	...	101,177
Piloting and Shunting	...	...	...	...	28,849
					130,026

RAILWAY WORKING ACCOUNT.

TO ABSTRACT H.

31st January, 1875.

RECEIPTS.					Cr.
					£ s. d.
By Passenger Traffic	...	...	...	...	4,236 18 7
Freight do.	...	...	...	...	3,450 12 10
By Balance (Loss)	...	...	...	...	7,687 11 5
					235 2 0
					£7,922 13 5
MILEAGE.					
					MILES.
Passenger and Freight Engines	...	...	...	...	24,349
Piloting and Shunting	...	...	...	...	6,579
					30,928

WELLAND RAILWAY LEASE ACCOUNT.

SUB-ACCOUNT No. 4 TO ABSTRACT H.

Half-year ended 31st January, 1875.

	£	s.	d.
Rent for Half-year at £1,800 per annum	900	0	0
Proportion of cost of renewals	732	18	4
	£1,632	18	4

CERTIFICATE RESPECTING THE PERMANENT WAY, &c.

HAMILTON, ONTARIO, CANADA,
28th February, 1875.

I hereby certify that the whole of the Company's Permanent Way, Stations, Buildings, and other Works, have during the past half-year been maintained in good working condition and repair.

JOHN KENNEDY,
Chief Engineer

CERTIFICATE RESPECTING THE ROLLING STOCK, &c.

HAMILTON, ONTARIO, CANADA,
27th February, 1875

I hereby certify that the whole of the Locomotives, Machinery, Tools, and Ferry Steamers, with their Engines and Boilers, have during the past half-year been maintained in good working order and repair. The maintenance of the Car Stock has been somewhat interfered with during the past half-year by the removal of the Car Shops and Machinery from Hamilton to London, now, however, completed and in full working order.

W. A. ROBINSON,
Mechanical Superintendent.

REPORT OF THE AUDITORS.

TO THE SHAREHOLDERS

GREAT WESTERN RAILWAY OF CANADA.

The Accounts of the Company are submitted for the first time as near as circumstances will admit in the forms prescribed by Act of Parliament for the regulation of Railways in this country.

We have carefully considered, and approve, the mode proposed by the Directors for making provision for the estimated or probable loss which may arise on the adjustment and realization of certain items referred to in their Report, paragraph 15.

There being no longer an Auditor in Canada, we have suggested the necessity for having the half-yearly returns of Stock of Rails, Fuel, Stores, and other Securities of the Company in Canada certified by the General Manager, or some person quite independent of those in charge of the respective departments, and the President assures us that satisfactory arrangements to this end will be made.

We think it very important that a fund should be created by a half-yearly charge to Revenue for the renewal of the Permanent Way, nearly the whole of which has so recently been laid with steel rails. The Directors, whilst recognising the necessity for this, do not consider that they have yet obtained sufficient data to enable them to determine the basis on which such a fund should be created, but we have urged on them that this should be done at as early a period as is practicable.

JOHN YOUNG,
THOMAS ADAMS, } *Auditors.*

April 15th, 1875.

GREAT WESTERN

No. 13.

Dr.

GENERAL BALANCE SHEET

	£	s.	d.
To Capital Account Balance at credit thereof, as per Account No. 4	389,208	13	9
„ Unpaid Dividends and Interest	3,310	6	9
„ Interest payable (due 1st February) and provided for ..	49,568	9	2
„ Interest on Bonds accrued to 31st January, 1875, per contra ..	20,360	8	4
„ Dividends on 5 per Cent. Preference Stock to 31st January, 1875	16,019	6	6
„ Debts due to other Companies	11,141	9	5
„ Ferry Steamers' Renewal Fund	17,193	15	9
„ Rolling Stock Renewal Fund	71,093	1	4
„ Wellington Grey and Bruce Bond Acquisition Account—			
Balance of Bonds to be acquired under Agreements }	10,265	2	4
„ Discount Suspense Account, reserve to meet loss on conversion of amount of American currency in hand 31st January, 1875	3,491	7	9
„ Insurance Fund	1,104	9	0
„ Sundry outstanding Accounts due by the Company ..	68,635	18	6

Audited and approved. See Report (page 27.)

JOHN YOUNG,

THOMAS ADAMS,

} Auditors.

15th April, 1875.

£661,292 8 7

RAILWAY OF CANADA.

TO 31st JANUARY, 1875.

Cr.

	£	s.	d.
By Revenue Account Balance at debit thereof as per Account No. 10	50,307	14	4
„ Balance in Bankers' hands	48,511	1	4
„ Amount to be invested in Bonds of the Wellington Grey and Bruce Railway not yet charged as capital expenditure ..	9,238	12	0
„ Mechanical Stores in hand, 31st January, 1875:—			
General Stores	£36,674	15	3
Fuel Stores	110,824	8	2
Old Material	6,828	12	8
	154,327	16	1
„ Engineering Stores in hand, 31st January, 1875:—			
General Stores	£33,134	8	8
Rolling Mill Stock	1,861	0	0
Rail Stock			
Iron Rails..	54,507	7	2
Steel do. ..	24,982	19	8
	79,490	6	10
	114,485	15	6
„ Amounts due by other Companies	3,729	5	9
„ Amounts due to the Company on Traffic Account.. .. .	56,906	8	1
„ Alteration of Gauge Suspense Account	58,235	10	4
„ Leased Lines Suspense Account	45,739	12	10
„ Sundry Assets and Debit Balances	42,736	15	0
„ Sundry Amounts as they stand on the books, <i>Vide</i> Report, page 39	56,713	9	0
„ Bond Interest accrued to 31st January, 1875, not charged to Revenue. <i>Vide</i> Report, page 40	20,360	8	4
	£661,292	8	7

No. 14.—MILEAGE STATEMENT.

HALF-YEAR ENDED 31ST JULY, 1874.				HALF-YEAR ENDED 31ST JANUARY, 1875.			
Miles authorised.	Miles constructed.	Miles constructing or to be constructed.	Miles worked by Engines.	Miles authorised.	Miles constructed.	Miles constructing or to be constructed.	Miles worked by Engines.
495-80	495-80	Nil.	495-80	495-80	495-80	..	495-80
155-50	155-50	66-59	155-50	291-09	222-09	69	222-09
651-30	651-30	66-59	651-30	786-89	717-89	69	717-89
			Lines owned by the Company				
			Lines Leased or Rented				

No. 15.—STATEMENT OF TRAIN MILEAGE.

Half-year ended 31st January, 1874		Half-year ended 31st January, 1875.
583,258	.. .. . Passenger Trains ..	625,951
1,124,409	.. .. . Goods Trains ..	816,032
1,707,667		1,441,983
		524,779
		1967,162

Pilchery & Co.

1967/82

REPORT OF THE DIRECTORS

OF THE

Great Western Railway Company

OF CANADA.

1. The Directors at the last half-yearly meeting, having only accepted the administration of the Company's affairs a few weeks previously, solicited and obtained from the Proprietors large powers to deal, at their discretion, with several important questions which had been for some time pending. They also sought and received authority to strengthen the financial position of the Company.

They notified at the same time that it was the President's intention to visit Canada immediately, with a view to speedy action in matters of urgent importance.

2. It is now the duty of the Directors to inform the Proprietors what proceedings have been taken, under the resolutions adopted in October, and in fulfilment of the pledges then given.

3. The President left for America directly after the General Meeting. A letter from him, printed with the present Report, gives a full account of his proceedings in Canada and the United States, and of his impressions as to the business and prospects of the Company. It appears to the Board desirable that his enquiries should be renewed, and he has consented to visit America again during the approaching summer.

4. The additional capital required was satisfactorily raised. 49,139 new Ordinary Shares, part of 49,918 sanctioned by the Proprietors, were issued at the price stated, £10 per Share of £20. 10s., payment to be made by four equal instalments on

21st October, 1874

1st February, 1875

3rd May „

3rd August „

5. As authorized by the Shareholders, the Board have made arrangements with the Board of the Wellington Grey and Bruce Railway, confirmed by an Act of the Ontario Legislature, under which the Sidings Bonds have been duly issued amounting to £41,600. The agreement provides for the entire completion of the Works of the Railway and for the discharge of all claims upon the Company, including those of the Great Western, by means of the Government subsidy and the issue of a second mortgage for £109,500, convertible at the option of the Great Western, into £74,500 Bonds, ranking *pari passu* with those already issued. The sum of \$75,000 arising from these resources is to be appropriated to the purchase of \$125,600, fully paid up Ordinary Stock of the Wellington Grey and Bruce Company, which will be handed to the Great Western Company and will secure their control of the line; and the balance, after satisfying all demands, will also be the property of the Great Western. The Shareholders will be asked to approve of the agreement for converting the new mortgage into ordinary Bonds, and to authorize the Board, should they consider it desirable, to

subscribe for the whole or any part of the additional Bonds.

6. The agreement with the London Huron and Bruce Railway Company referred to in the Resolution of the Special Meeting in October last, has been entered into. The line of 69 miles, extending from near London, on the main line, in a northerly direction to Wingham, a station on the Wellington Grey and Bruce Railway, will be constructed by the Great Western Company, who will receive the municipal bonuses and the Government subsidy granted in aid of its construction ; the balance of the cost being defrayed by the issue of 6 per cent. Bonds of the London Huron and Bruce Company, to the extent of about \$10,000 per mile, or a total of \$710,000, on which the interest guaranteed by the Great Western Company will amount to about \$42,600 per annum. The Shareholders will be invited to authorise the Board to subscribe on behalf of the Company, if they should think fit, for the whole or any part of the Bonds so guaranteed.

7. The amended agreement to lease the London and Port Stanley Railway has been sealed, as authorised by the Shareholders.

8. The establishment and the maintenance of a friendly understanding with neighbouring lines of railway was one of the objects indicated in the last half-year's report as essential to the future prosperity of this Company. Among the most influential of these is the Grand Trunk ; and the Directors were concerned to observe the antagonism which had for some time existed between these sister lines, both

built mainly with British capital. The Directors are glad to be able to announce that the relations of this Company with the Grand Trunk Company are now on a more satisfactory footing than has been the case for many years. After a long and difficult negotiation, commenced by the President at Montreal in November last, an agreement has been arrived at, under which all rates and fares have been settled on equal terms over the whole field of competition. It is very desirable, in the view of the Board, that the present good understanding between the Companies should be placed on a footing of permanence.

9. By far the most important of the questions, pending at the date of the last report, related to the connection of this Company with the Detroit and Milwaukee Railroad. The resolution adopted by the Shareholders authorised the Board "to make, concur in, or approve, such re-arrangement and re-construction, of the stocks and securities of the Detroit and Milwaukee Railroad Company, and to afford to that Company such financial aid, and to enter into such agreements for the leasing, or working of the line, or lines, of that Company, as they may deem necessary or expedient in the interests of the Great Western Railway Company of Canada." In any such reconstruction the following objects had to be accomplished:—

1st. To retain the traffic at present exchanged with the Great Western.

2nd. To discharge the floating debt, and to provide means for putting the line into good working order.

3rd. To satisfy the claims of the various classes of mortgage Bondholders.

4th. So to adjust the charge for interest as to give time for the gradual development of the Company's revenue.

10. The President refers in his printed letter to a scheme which he had discussed in America, and which, in his opinion, "if adopted by all parties concerned, it would be advisable for the Great Western to carry through." Up to a recent date, it was hoped that this could have been accomplished. The leading features of the scheme, which had been well considered, and comprised reasonable concessions on all sides, were as follows:—

The Great Western were to work the Detroit and Milwaukee line at 70 per cent. of the gross earnings, leaving 30 per cent. applicable to interest on that Company's securities and dividend on the share capital. The sectional mortgages for about \$700,000 were to be undisturbed. But all the other mortgages were to be surrendered and cancelled; and in lieu of them a new mortgage for \$6,000,000 United States currency was to be constituted as from the 1st February last, repayable in 40 years, and bearing 5 per cent. interest for the first year, and 6 per cent. afterwards. The holders of the first, second and funded coupon mortgage bonds were to receive 90 per cent., of the nominal value of their bonds, in this new mortgage, surrendering the three overdue coupons; the third mortgage bondholders were to receive 50 per cent., and the Street Douglass bondholders 10 per cent. in the same mortgage. The balance, about \$1,700,000, was to be taken at par by the Great Western, and applied to meet the floating liabilities, to purchase additional rolling stock, and to put the line in order, completing the laying down of steel rails throughout. The mortgage was not to be subject to foreclosure for two years, and, then and thereafter, only after a whole year's failure to pay interest.

The Street Douglass bonds were also to receive 40 per cent. of their face value in a new second mortgage bearing 5 per cent. non-cumulative interest; and exceptionally the Merchants' Bank (who had a claim for an annual payment of \$100,000 before any interest could be paid on the preference shares held by the Great Western) were to receive in addition 25 per cent. in those preference shares.

This proposal was made subject to the ratification of the Great Western Shareholders at the present Meeting.

11. The scheme having been matured, Mr. Trowbridge, the President of the Detroit and Milwaukee Railroad, issued a circular to the American first and second mortgage bondholders embodying the outline of the reconstruction, and it was accepted to a considerable extent in the United States. Negotiations were also opened with a committee, formed in London in November 1873 to protect and represent the interests of the English bondholders, and they also acquiesced in the proposed plan. But a Committee, representing the bondholders at Hamilton in Canada, issued a report contending (among other things) that the first and second mortgage bonds and the funded coupon bonds should be paid in full before anything could be claimed on subsequent securities, and recommending that the offer should not be accepted, or any offer "which does not in some way secure the guarantee of the Great Western Railway for the payment of the Detroit and Milwaukee bonds to be issued." Opposition was also encountered from the Merchants' Bank of Canada, who are large holders of the Street Douglass bonds, as well as of the ordinary mortgage bonds, and whose co-operation was therefore essential. The suggested arrangement was submitted to the repre-

representatives of the bank in Montreal in February last, but without, in the first instance, eliciting an acceptance or rejection; and it was finally rejected by them on the 2nd April, upon two grounds, the first because they required further modifications, and the second because the offer was made subject to ratification by the Great Western Shareholders.

On the following day the Directors of the Great Western decided that this put an end to the proposal, and the consequent notices were communicated to the Detroit and Milwaukee Board, and to the Bondholders' Committee in London.

12. The re-opening of the negotiations was a few days afterwards declined by the Great Western Board, but as fresh proposals may be made during or after foreclosure, the Shareholders will be asked to adopt a resolution authorising the Directors to conclude an arrangement for granting financial aid to the reconstructed Company on such security as they may deem sufficient, and for working the line at a per centage of the gross earnings.

13. In fulfilment of the promise given at the last half-yearly meeting, the accounts are now presented to the proprietors in the form prescribed by the Imperial "*Regulation of Railways Act, 1868.*" The Directors have, however, been unable to complete the arrangements necessary for eliminating, from the accounts of this half-year, the item "*Loss by Exchange*"; and they also regret that they cannot now state with exactness the amount of the future capital expenditure in the form prescribed (No. 7).

They hope that the accounts presented in October next will be satisfactory in both these respects.

14. The President refers in his letter (page 58), to the over-valuation of some of the assets of the Company, which he had investigated, and with respect to which he expected to receive a further report from Canada. That report has since been received, and after a careful scrutiny of the Revenue assets and credit balances of the Company, and after referring to the former reports, both of the Auditors and of the late Committee of Investigation, the Directors have arrived at a definite conclusion as to dealing with them.

15. It appears to them that the following items, some of which have been on the books for a considerable period, shew a deficiency which ought to be ultimately provided from Revenue.

Value in Balance Sheet,
31st Jan., 1875.

BLOCK SUITS SUSPENSE ACCOUNT :—

For proportion of compensation paid by this
Company for detention of freight in 1866 ... ✓ £3,148 1 1

ERIE AND NIAGARA RAILWAY COMPANY :—

This amount was expended on the Erie and
Niagara Railway during the period it was
leased by the Great Western. This lease
terminated in April, 1872 ✓ 5,592 13 10

ERIE AND ONTARIO COMPANY :—

Hire of Cars and Locomotives in 1862. This
amount is stated to be a bad debt ✓ 104 9 11

DETROIT AND MILWAUKEE RAILROAD :—

Cash advance in May, 1873 ... \$100,000 20,547 18 11
General Account for Iron, &c., sold 39,858.98 8,190 4 0

\$139,858.98

£37,583 7 9

Brought forward ... £37,583 7 9

DETROIT AND MILWAUKEE RAILROAD :—

Interest on Preference Shares to 31st December, 1869. This amount was carried to credit of Revenue Account 31st January, 1870, and is represented by \$69,000 Detroit and Milwaukee, September, 1866, Bonds, at the price of 66 at 4s. per Dollar 8,962 3 5

DETROIT AND MILWAUKEE RAILROAD :—

Balance of Interest on Loan to 31st July, 1859, placed to credit of Revenue, but not received. This amount originally stood at £22,360 1 4 of which was written off—

31st Jan., 1862, £7,453 7 1

31st Jan., 1869, 5,311 2 3

31st July, 1869, 2,650 12 9

 15,415 2 1

 6,944 19 3

BUFFALO AND CLIFTON CAR HOISTS :—

These hoists were erected in 1871, for the purpose of changing the gauge of the trucks used for traffic interchanged with the Erie Railroad Company. A much larger claim having been made by the latter Company for working the hoists since the above date, they have been transferred to the Erie Company in settlement of the claim.

The expenditure therefore becomes a revenue charge ✓ 3,222 18 7

As per Balance Sheet, No. 13 56,713 9 0

IRON RAIL STOCK REVENUE :—

Consisting of 9,407½ tons, are valued in the balance sheet at \$28¼ per ton... .. 54,507 7 2

FUEL STORES standing in the Balance Sheet at ... 110,824 8 2

(Mr. Brydges reports this to be too high a value, and a deficiency is expected, as also in the quantity of Fuel on hand, compared with the stock accounts.)

 £222,045 4 4

Brought forward ...	£222,045	4	4
TRAFFIC BALANCES and other amounts due to the Company, payable in American currency, say:— (There will be a loss on conversion of these into gold)	40,000	0	0
Interest on Bonds accrued to 31st January, 1875, not charged to Revenue	20,360	8	4
	<hr/>		
	£282,405	12	8
	<hr/>		

The loss in realizing these assets and in putting the last item for interest on a proper footing, is roughly estimated at £78,000, and it is therefore proposed to raise a fund by setting aside from Revenue the sum of £6,500 in each half-year, commencing on 31st July, 1875, until these accounts are adjusted. If the above estimate is found to be correct, the adjustment will be completed in six years.

16. The Directors have had under their consideration the propriety of establishing a permanent way renewal fund; but while they hope to make provision in this manner for the heavy charge which, some years hence, must be incurred for renewing the steel rails now in the line or being laid down, they are not yet in a position to determine what the basis of the fund should be. They expect, however, to be able to do so during the present year.

17. The following is the usual Summary of the Accounts.
The net Receipts on Capital Account during the half-year to 31st January, 1875, amounted to £324,312. 1s. 4d., as follows:—

SHARE ACCOUNT.

Nominal amount of First Instalment on 49,139 New Shares issued at the price of £10 per Share of £20. 10s. each	£251,838	6	0
---	----------	---	---

Brought forward	£251,838	6	0
Remaining Instalments on 4,263 New Shares paid in full and converted into original Shares ...	65,544	3	3
Received on account of Second Instalment on New Shares	30,733	19	10
		<hr/>	
Deduct discount on First Instalment on 49,139 New Shares ... £128,990	5	5	
Balance of discount on 4,263 New Shares paid in full and con- verted into Original Shares ...	33,571	8	4
		<hr/>	
	162,561	13	9
		<hr/>	
	185,554	15	4
PREFERENCE STOCK.			
Nominal amount of Second, Third, and Final Instalments in April, 1874, issue of £216,436 Preference Stock... ..	£155,100	0	0
Deduct discount thereon	16,232	14	0
		<hr/>	
	138,867	6	0
		<hr/>	
	324,422	1	4
DEBENTURE STOCK.			
On account of Instalments on 5 per cent. Debenture Stock		390	0
		<hr/>	
	324,812	1	4
Less BOND ACCOUNT.			
6 per cent. Bonds due 15th November, 1873, paid off		500	0
		<hr/>	
	£324,312	1	4
		<hr/>	

18. The charges to Capital Account during the Half-year amounted to £283,871. 6s. 1d. as per Statement No. 4.

On reference to Statement No. 5, giving the details of this Capital Expenditure during the Half-year, it will be seen that, of the total amount, £178,794. 7s. 9d. represents the discount on the recent issue of Shares and Preference Stock; and that £27,505. 15s. 11d. consists of former payments or liabilities now transferred from Suspense Accounts; £13,411. 16s. 2d. of this latter amount, being for a settlement finally concluded in 1873 in a matter which had been many years in litigation, relative to the navigation

and bridging of the Desjardins Canal and compensation to the town of Dundas.

Among the other items is £34,486. 2s. 7d. for freight cars purchased in 1873 and used, until paid for, at a mileage rate; and £14,709. 8s. 8d. is for expenditure in connection with the construction of new car shops at London, commenced in 1873. Of the balance, £23,285. 11s. 2d., a very small amount is due to expenditure ordered during the last Half-year, which the Directors have restricted within the narrowest limits.

The principal item of Capital Expenditure, incurred since the present Directors took office, is the renewal of the wooden bridge at Thamesville, now being constructed of iron with a double track of rails, the total cost of which is estimated at about £11,000.

The total Expenditure to 31st Jan., 1875, amounted to £8,536,786. 1s. 9d., leaving a balance to credit of Capital Account of £389,208. 13s. 9d.

19. The Receipts and Expenditure on Revenue Account for the Half-year have been as follows:—

Gross Receipts in mixed Currency exchanged at 109½	£511,738	11	2
Deduct Discount and Charges incurred on the conversion of American Currency	26,340	6	5
	485,398	4	9
Working Expenses, including Renewals, Rents, Taxes, and all Revenue Charges	389,877	3	9
	95,521	1	0
Interest on Bonds and Debenture Stock	£98,862	10	0
Balance of General Interest Account	5,495	1	11
Loss on Working Leased Lines	5,394	3	11
	109,751	15	10
Balance (Loss) on Half-year's working	14,230	14	10
Add Deficit for Half-year ending 31st July, 1874	20,057	13	0
Deficit on 31st January, 1875	£34,288	7	10

The Dividend on the 5 per cent. Preference Stock for the Half-year to 31st July, 1874, amounted to £6,269. 13s. 0d., and for the Half-year to 31st January, 1875, to £9,749. 13s. 6d., together £16,019. 6s. 6d. (which being cumulative will be a charge on the Revenue of future half-years) making a total deficit on 31st January, 1875, of £50,307. 14s. 4d.

20. The aggregate Traffic Receipts on the Main Line and Branches (exclusive of those of the Galt and Guelfh, the Wellington Grey and Bruce and the London and Port Stanley Railways) amounted to £511,738. 11s. 2d. as compared with £625,916. 9s. 10d., or a decrease of £114,177. 18s. 8d.

For the purpose of comparison these figures are given in mixed currency at the usual exchange of 109½, but in future it is proposed to render all the accounts on a gold basis.

The comparison of the various descriptions of the traffic with those in the corresponding half of 1874, is as follows:—

Decrease in Passenger Earnings	...	...	...	£5,075	1	11
Ditto Freight and Live Stock	...	...	...	110,920	12	4
				<hr/>		
				£115,995	14	3
Increase in Mails, Express Freight	1,569	15	2			
Ditto Rents	...	...	...	248	0	5
				<hr/>		
				1,817	15	7
				<hr/>		
Total Decrease	...	...	...	£114,177	18	8

The principal reduction has been in the freight traffic, the quantity of this description of business, both from local Stations and the Western States for Europe, having seriously diminished as compared with previous years. This has

arisen to a very large extent from the reduced prices which the products of the American continent have realised in European markets since the last harvest. The excellent harvest in Europe reduced the quantity of breadstuffs required from America, and the consequence was a serious diminution of the quantity shipped across the Atlantic.

The panic, which took place during the autumn of 1873 in the United States, had also a most depressing effect upon business of every kind, the result to the traffic of all railways being very disastrous.

The Petroleum Oil traffic has also fallen off. The following statement shows the number of barrels carried by this Company during the six last half-years, viz. :—

	Barrels.
31st July, 1872	185,190
31st January, 1873	234,277
31st July, 1873	187,291
31st January, 1874	142,320
31st July, 1874	73,760
31st January, 1875	108,511

21. The earnings per train mile (after deducting the loss on converting into gold the amount received in American currency) and the Working Expenses per train mile, compare during the last six half-years as follows:—

Half-year ended	Gross Earnings, less loss on American Currency, per Train Mile.		Working Expenses.	
31st July, 1872 ...	7s.	3 $\frac{1}{4}$ d.	...	4s. 9 $\frac{1}{2}$ d.
31st Jan., 1873 ...	7s.	4 $\frac{3}{4}$ d.	...	5s. 1 $\frac{1}{4}$ d.
31st July, 1873 ...	7s.	1d.	...	5s. 2 $\frac{3}{4}$ d.
31st Jan., 1874 ...	7s.	0 $\frac{1}{4}$ d.	...	5s. 2 $\frac{1}{4}$ d.
31st July, 1874 ...	6s.	4 $\frac{1}{4}$ d.	...	5s. 4 $\frac{1}{2}$ d.
31st Jan., 1875 ...	6s.	8 $\frac{3}{4}$ d.	...	5s. 4 $\frac{3}{4}$ d.

22. The following Table exhibits the Receipts and Expenses for the same periods :—

Half-year ended	RECEIPTS.					EXPENSES.				
	Passengers, Mails and Sundries.		Freight and Live Stock.		Rents.	Total.	Including Renewals, Loss by Exchange & all Charges.		Per cent. of gross receipts	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.		
31 July, 1872	183,951	7 0	356,013	14 8	769	8 6	550,734	10 0	375,239 12 4	68.12
31 Jan., 1873	223,503	10 1	371,672	16 11	763	4 10	595,839	11 10	421,795 2 2	70.79
31 July, 1873	197,993	13 2	420,901	18 8	863	9 9	619,839	1 7	467,745 12 11	75.45
31 Jan., 1874	217,008	1 7	407,938	8 0	970	0 3	625,916	9 10	471,741 17 4	75.37
31 July, 1874	189,907	7 9	361,955	2 8	1,395	1 10	553,257	12 3	473,529 14 9	85.69
31 Jan., 1875	213,502	14 10	297,017	15 8	1,218	0 8	511,738	11 2	416,217 10 2	81.33

23. The discount, &c., on the conversion of American currency has amounted to £26,340. 6s. 5d., as compared with £27,215. 17s. 6d. in the corresponding half-year of 1874. The conversions were made at an average rate of 110 $\frac{3}{4}$.

24. The Ferry Steamers Renewal Fund has been credited with the sum of £3,500, making £6,000 for the year, as recommended by the Mechanical Superintendent. The balance at the credit of this Fund on 31st January, 1875, amounted to £17,193. 15s. 9d.

25. The usual sum of £9,100 has been charged to Revenue on change of gauge account, making a total of £72,800 charged to 31st January, 1875, and leaving yet to be charged to Revenue, of the original estimate, £18,184.

The Rolling Stock Renewal Funds have been credited on the same basis as hitherto, and now stand as follows :—

Locomotive Renewal Fund	... £66,037	9	10
Car ditto	... 5,055	11	6
	<u>£71,093</u>	1	4

26. The working of the leased Lines has resulted in a loss for the half-year of £5,394. 3s. 11d. which has been

charged to Net Revenue Account No. 10. The unusually inclement weather has contributed to the increased cost of working the Wellington Grey and Bruce Railway; but irrespectively of this, the working expenses will be for some time high, as provision must be made for the renewal of rails until the whole line is laid with steel.

A sum equal to twenty per cent. of the additional earnings from traffic interchanged for the Half-year with the Wellington Grey and Bruce Railway has to be invested in the Bonds of that Company. This will amount to £2,749.

27. An amended Act has passed the Dominion Legislature in the session just concluded, under the provisions of which the number of directors may, with the sanction of the proprietors, be reduced within certain limits, and their qualification is increased to 100 shares. The Act contains other less important provisions.

28. The President's annexed letter describes the changes which have taken place in the staff of the Company in Canada. Mr. Frederick Broughton, now General Manager of the Mid-Wales and Neath and Brecon Railways, has been appointed General Manager of the Great Western of Canada for four years from Midsummer next, and Mr. Charles Percy, of the Railway Clearing House, has been appointed Treasurer for three years from this day. Mr. Broughton accepted a seat at the Board on his return from America, but will resign it before leaving this country.

On behalf of the Board of Directors,

HUGH C. E. CHILDERS,

LONDON, 15th April, 1875.

President.

LETTER FROM THE RIGHT HONBLE. HUGH C. E. CHILMERS,
M.P., PRESIDENT OF THE GREAT WESTERN RAILWAY OF
CANADA, TO MR. SEYMOUR CLARKE, VICE-PRESIDENT.

17, PRINCES GARDENS,
12th February, 1875.

DEAR MR. SEYMOUR CLARKE,

You will remember that we stated in the last half-year's report that I "intended to leave for Canada in a few days after the General Meeting, with the view of personally studying the operations of the Company and its relations with its neighbours, and that my enquiries, with the assistance of the information obtained by the recent Committee of Investigation, would, it was hoped, enable the Board to deal with many questions, especially those relating to local organization and management, the speedy solution of which was most desirable."

I think it may be convenient if I now embody in one letter the outline of the communications which I addressed to you, from Canada and the United States, between the 10th November and 30th December last, giving the results of my observations as to the condition and prospects of the Great Western Railway of Canada.

I devoted, as you are aware, nearly the whole of that time to a minute enquiry into the state of the line itself, the manner in which its business was conducted, and its relations with its neighbours. In prosecuting these enquiries, I personally inspected the whole of the main line and most of its branches, and I visited the principal towns with which it is connected, or from which it derives its business, both in Canada and in the States, going as far as Montreal to the north-east, Milwaukee to the north-west, and

Cincinnati and St. Louis to the south-west. I spent also nearly a week in New York, and several days at Chicago, the most important terminus, in the west, of the system to which the Great Western belongs.

I propose to describe in a few words the present position of the Company, in respect of the competition to which it has been and always must be exposed.

The Great Western Railway forms a link in one of several systems of communication between the Atlantic ports and the Western and North Western States. Those ports may be stated to be Montreal and Quebec on the River St. Lawrence, Portland, Boston, New York, Philadelphia and Baltimore. The Western States, in the business of which the Company is interested, extend from Minnesota as far south as Missouri. As between these districts East and West, it may be said that at present the Great Western competes with no less than six lines, lying nearly parallel to it along its whole course. These six are—

- The Grand Trunk Railway.
- „ Canada Southern Railway.
- „ Lake Shore and Michigan Southern Railway.
- „ Atlantic and Great Western Railway.
- „ Pennsylvania Railway.
- „ Baltimore and Ohio Railway.

Each of these six Railways shares with the Great Western and its connections, the transport of grain and other produce from the West to the Atlantic States and ports, of manufactures from the Atlantic seaboard to the west, and of passengers both ways. Nor is this competition confined to “through” business. A glance at the map will show that in the province of Ontario, where for many years the

Great Western was formerly exposed to a much more limited competition, the Company has now rivals at every point. Our own lines extend from Toronto, Suspension Bridge, and Buffalo on the eastern side, to Sarnia and Detroit on the western. But from Toronto and Buffalo to Sarnia and Detroit we are in competition with the Grand Trunk; and from Suspension Bridge and Buffalo to Detroit with the Canada Southern. At Sarnia the Grand Trunk's ferry over the St. Clair River is shorter than ours; and at Amherstburg the ferry of the Canada Southern, though not so conveniently situated as ours for the Detroit traffic, is at a narrower point of the river. We are also exposed to the competition of one or other of these companies at almost every town in Western Canada from which we derive traffic.

This competition for both "through" and "local" business has become much more formidable during the last year. The extension of the Baltimore and Ohio line to Chicago was only completed during my visit to America. The New York Central Company, with which we interchange so much traffic, has only recently obtained complete control over the amalgamated Lake Shore and Michigan Southern lines, and we must be prepared at any time to hear that they are still more closely united. The Canada Southern was only opened for traffic in November, 1873. The gauge of the Grand Trunk was also assimilated to that of the New York Central and Michigan Central lines only last year. Thus three or four additional elements of Railway competition have, to our disadvantage, come into operation within a few months past.

Besides the Railway competition, we have to take into

account an immense development during the last year in the facilities for water transportation afforded by the powerful and roomy steamers lately placed on the Lakes and Canals.

The Company has received these blows at a time when it could least afford to bear them. To say nothing of the very large capital expenditure which had been incurred in 1873, that year witnessed a more unexpected, and at the same time a more deep-seated, commercial panic than had almost ever been known in the history of the United States. Its effect on the business of the railways was most disastrous; nor had there been any recovery before I left America. On the contrary, the depression was intensified by the results of the unprecedentedly good harvest of last year in Europe. A large proportion of our earnings is derived from the transport of grain from the Western States to the seaboard. I estimate that, this winter and spring, the aggregate receipts, from the grain business, of all the transportation lines will not have been much more, if at all, than one-fourth of the normal amount; and when I left America there appeared no prospect whatever of a revival of this trade, until the results of the harvest of 1875 could be estimated.

Thus the Company is simultaneously subjected to three unfavourable influences: First, the necessity of paying interest on a greatly increased bonded and preference capital; secondly, the prostration of commercial business, and especially the grain trade; and, thirdly, vastly augmented competition.

To these may be added a disadvantage connected with what at first appeared likely to benefit all concerned. Formerly at the eastern ports, and notably at New York

the Company issued its own tickets and freight notes, which were recognised by the American lines working with us. But the offices established for this purpose were treated as "outside agencies," and it was one of the principles of the Saratoga convention, held during last summer, (under which the principal American lines agreed to establish uniform rates, and to discontinue granting commissions) that all outside agencies should cease. The Saratoga convention itself has broken down, but I expect that this prohibition will be maintained. However fairly we may be treated by the great American Railway Companies, I fear that the loss of our former privileges in this respect (a loss which I only heard of when I arrived at New York) will, in the long run, seriously affect us.

Passing now from these general considerations, I will describe shortly the state of our relations with each of our neighbours, as I found them.

With the New York Central Railway we have been for many years on terms of good friendship, and though the inevitable result of their close connection with the Lake Shore Company must be to our prejudice, I have every reason to believe that we have always been loyally dealt with by Mr. Vanderbilt and his officials. A recent change, however, in the arrangements at Buffalo, especially for the cattle traffic, had been strongly objected to by the New York Central, and appeared likely to interfere with our friendly relations. This difficulty I was able to remove before I left.

With the Erie Railway Company also, our relations have for a long time been friendly. But I found that the arrangements for the interchange of traffic at Buffalo were capable of great improvements in connection with the Inter-

national bridge, from which considerable development of trade with that city might be expected. You are aware of the unfortunate result of former negotiations about this bridge. When this Company finally consented to take a part interest in it, it was at the very last unable to enforce the agreement it had so long hesitated to make, and we have, since the opening of the bridge, used it only to a very limited extent, and on payment of a high toll. Before leaving New York, I settled the heads of agreements with the Erie Company and the International Bridge Company, under which that toll is reduced by one-half; and our traffic with the Erie Company will now be interchanged under more advantageous conditions.

Our relations with the Grand Trunk Railway Company were much more difficult and complicated. From whatever cause, I found that they had been able to secure during 1874, a far greater share than formerly of the traffic, both "local" and "through," for which they compete with us; in some instances four-fifths, or even nine-tenths, of that traffic having been diverted to their line. In the competition for certain "through" traffic, east and west, they have for some time past set up a claim to be entitled to quote rates and fares lower than the rival lines, of which we form a section, and they have thus been enabled, since their change of gauge, greatly to increase their business at our expense. Almost my first act after I arrived in Canada was to meet Mr. Potter, the President of the Grand Trunk Company, and endeavour to lay the foundation of a better understanding between our two Companies, putting an end to the wholly unnecessary competition which I found existing at so many points. In December, we also met the principal officers of the Grand Trunk, in

order to carry the negotiations a point further. No one can regret more than myself the misunderstanding, which, to my great surprise, so soon followed the renewal of the negotiations. I hope, however, that it will be of a temporary character; and I shall leave no stone unturned to bring about an arrangement between our Companies, upon a basis of absolute equality in rates and fares at all competitive points, in the hope that this may lead to still more advantageous agreements.

With the Michigan Central Railway Company, I found our relations on the whole satisfactory. There remained, however, a great many questions unsettled between the Companies, and I especially regretted to learn that an agreement for mutual advantage, under which it had been intended that each Company should use its best endeavour to direct "through" traffic over the line of the other, with special provisions for the division of receipts, though coming into operation as recently as 1st July, 1871, had been allowed to fall into abeyance. No formal notice of discontinuance had been given on either side; but the returns necessary for carrying out the agreement had ceased to be rendered. I had several interviews with the President of the Michigan Central, and a very satisfactory one at New York, with the Board of Directors of that Company, from which I anticipate favourable results.

I also met the Board of the Canada Southern Railway, and had frequent discussions with their Canadian Director and officials, with whom I visited almost the whole of their line.

The short line of the Hamilton and Lake Erie Company is the only other one, within our territory, entirely independent of us. Its connection with the Grand Trunk

and Canada Southern exposes our Hamilton traffic to a certain competition. I passed over their line, and had interviews with the Directors.

Passing now from the Companies which are independent of us or are our rivals, I will refer to those in immediate connection with us, and in whose affairs we have a direct interest.

These are :—

The Detroit and Milwaukee, in the State of Michigan ; the Wellington Grey and Bruce, the London Huron and Bruce, and the London and Port Stanley, all in the province of Ontario ; and the two Companies, one Canadian and the other American, owning the Suspension Bridge.

With the first four Companies we have had negotiations and arrangements, of a complicated character, for some time past, and at the last half-yearly meeting special resolutions were passed authorizing further arrangements, the carrying out of which was, as you know, entrusted to me by the Board.

To the affairs of the Detroit and Milwaukee Company I gave great and anxious attention. I carefully inspected the line in company with our own and its officials. I investigated minutely its present financial condition, its prospects, and the extent to which the Great Western may be considered interested in it. From the very first, the connection between the Great Western and this Company has been attended by difficulties of no common character ; and there can be no question that the solution of these difficulties has been rendered more formidable by the great division of opinion in our own Company, and by the serious delays which have in consequence arisen. During the last year and a half, the affairs of the Company

have been at an absolute dead lock, and it has been at any moment liable to proceedings which threatened the interest of the Great Western in its traffic. After carefully weighing the extent of that interest, and with the assistance of the best advice and opinions I could obtain, as to the prospects of the Company and the best method of action, I decided to recommend a solution which, if adopted by all parties concerned, it would be advisable for the Great Western to carry through. In one respect, however, I was unable to complete this scheme before leaving America; as, in the absence of the President of the Merchants' Bank of Canada, it was not in my power to arrive at the views of the principal holders of what are known as the "Street Douglass" bonds. But the directors of the Detroit and Milwaukee Railroad Company have expressed themselves favourable to the general outline of the plan for reconstruction, which I fully expect will be sufficiently advanced for formal offer to the bondholders in March, and, if accepted by them, for ratification by our shareholders at the general meeting in April.

I found our relations with the Wellington Grey and Bruce Company in a very unsatisfactory state. As to the former transactions with that Company, I need say little, except to renew, after what I have seen on the spot, my objections to the character of the financial arrangement between the two Companies. I had, however, to meet the requirements of the case as I found them, and after lengthened negotiations, in which I was ably assisted by Mr. Barker, our Solicitor in Canada, I succeeded in obtaining terms from the Board and the principal Shareholders of the Wellington Grey and Bruce Company, which enabled the entire line to be opened, and its management for the

future to be controlled by us. The Bill promoted by that Company in antagonism to our interests, which I found had been introduced in the Ontario Legislature, was withdrawn, and an Act has been passed giving validity to the terms upon which I agreed to the settlement of the capital.

I met the Board of the London Huron and Bruce Company, at London (Canada), and, after some negotiations, I finally concluded with them an arrangement under which their line will be constructed, virtually, as a branch of the Great Western Railway. I have every reason to believe that this line will be profitable to the Great Western.

You will remember that the Shareholders in October authorised the formal completion of the lease of the London and Port Stanley Railway. This matter gave me great anxiety, inasmuch as the lease contained provisions which I regretted to see inserted; but, after taking counsel's opinion as to the exact effect of those conditions, and having well considered the consequences of refusing to execute the lease, I arrived at the conclusion that it would be the safer plan to act upon the authority given by the Shareholders; and the necessary instructions have been given to complete the lease.

I found that the state of our relations with the Suspension Bridge Companies was far from satisfactory. The railway floor of the bridge had been, since 1853, held by us under a perpetual lease, for 45,000 dollars a year. That lease, however, contained a proviso, as to the exclusive use of the bridge, which the Canada Southern Railway Company had succeeded in defeating in the Canadian Courts, and the language of the judgments appeared to invalidate the lease itself. I found, to my surprise, a tendency on the part of the owners of the

bridge to take advantage of this decision ; and, although the view of the Court was that the Companies had leased to us more than they had power to give, we seemed to be threatened with a claim for a greatly increased rent for diminished privileges. I had an interview with them, followed by negotiations of some length, in which I insisted on the injustice of this claim ; and it was finally withdrawn. A fresh agreement between the Great Western and the Suspension Bridge Companies (to which we have admitted the Canada Southern) will be embodied in a Bill proposed to the Dominion Parliament. We have agreed to contribute an additional 5,000 dollars a year towards the increased expenditure on the bridge, but the tolls receivable from other Companies will go to the credit of the Great Western.

I received while in Canada a deputation from the Queenston and Lewiston Bridge Company, who set up a claim for a joint guarantee, by the Great Western and the Oswego and Lake Shore Companies, of interest on the cost of their works, based upon communications in 1873. I distinctly disclaimed any committal on the part of the Great Western ; but I expect to receive a further communication on the subject. I should say that I found an Act recently obtained in the name of the officials of the Great Western for a branch line to the proposed bridge. I need hardly refer to other demands or claims for pecuniary assistance in favour of railroad projects, to which I refused to listen. I was sorry to find that more than one agreement (involving payments by us) was supposed to exist, but which had become more or less in abeyance.

I have now given you a general account of the external relations of the Company, so far as they came under

my view; and I pass to questions of internal organisation and management.

I was glad to find, in going over the whole system, that the permanent way was generally of good character and in good condition, especially on the main line. I was, however, unable to visit the Wellington Grey and Bruce, to which I fear that this remark will not apply. I am also able to say that the rolling stock is in excellent order, and more than ample for our requirements, even with a greatly increased traffic.

But in other respects I cannot give so satisfactory an account. In the first place, and above all, the staff, in almost all its branches, appeared to me greatly in excess of our wants. The number of superior officers might probably be reduced by one-half, and in every department large numbers might be discharged, without in the least diminishing the efficiency of the service. The responsibility for a number of the appointments seemed to me unsatisfactory, and I noticed a general want of official control and discipline, which could not be but prejudicial to the Company.

The arrangements as to the purchase of Stores were eminently unsatisfactory. Enormous stocks, for instance, of wood and coal appeared to have been laid in without any clear view as to the requirements of the Company; and a general tone of extravagance prevailed throughout this department. In other matters of finance there were serious omissions and defects. For instance, I found agency accounts of great magnitude, which had not been audited for years. Some of the assets of the Company were considerably over valued; and the deficiency must be, in certain cases, met out of the future revenue of the Company. I

expect to receive on this last subject a very complete and exhaustive report from Canada.

I was also far from satisfied with the state of the machinery by which our traffic is acquired. Whole districts were entirely neglected. At others there was a want of energy and power markedly contrasting with the vigour of our neighbours and rivals. Where we were jointly concerned with others, these deficiencies were the subject of serious conferences and discussions; and I was able to effect or sanction several very [important improvements which are now being carried out. But within our own system I took at once decided measures, in which I was glad to have the concurrence of the Board.

It was soon evident to me, that it would be impossible to leave the management of the Company on the same footing as I found it. The Canada Board had been virtually abolished after the report of the late Committee of Investigation. Mr. McMaster alone remained, stipulating that he should be allowed to retire soon after my arrival in Canada. I was satisfied that Mr. Price, who had been recently promoted from the post of Treasurer and Secretary, to that of General Manager, had not the necessary qualifications (nor indeed physical strength) for the efficient discharge of the duties of the latter office, unaided and uncontrolled by a local Board; although he appeared to me to have performed the duties of his former office with ability and success. His engagement with the Company would expire during the approaching summer.

In other respects, too, it appeared to me that the organisation was defective, and that changes in the *personnel* were desirable. After careful consideration, I arrived at

the conclusion, to which I gave effect as soon as the concurrence of the Board was made known to me, that the Canada Board should be definitively abolished, and the affairs of the Company placed under the control of an experienced General Manager, directly responsible to the London Board. Until a gentleman so qualified could be appointed and take up the office, I requested Mr. Brydges, who had been formerly connected, first with this Company, and afterwards with the Grand Trunk Railway, and who was, at the time, advising the Dominion Government in certain railway matters, to act temporarily as Special Commissioner for the Great Western Board. Having obtained the consent of the Government, Mr. Brydges, to my great satisfaction, consented to act in this capacity for six months, and I was fortunately enabled to have the benefit of his assistance, before I left America, in discussing the various modifications in the staff and management.

Among the more important changes then made was the transfer of Mr. Muir, the second officer of the Company at Hamilton, to the General Superintendency of the Detroit and Milwaukee Company, Mr. Watson, who had held the latter office, becoming General Superintendent of the Great Western Line. Mr. Metcalf, the Treasurer of the Great Western, had resigned earlier in the year, and I determined not to fill up the vacancy so created, with the view of selecting in England a gentleman possessing an extensive knowledge of railway accounts generally. Before leaving America, I proposed to Mr. Frederick Broughton (who had gone out with me to assist me in these investigations) that, on Mr. Brydges ceasing to hold his temporary office, he should become General Manager, and since my return Mr. Broughton has notified to me his willingness and

ability to accept the office. He goes to Canada after nearly 20 years' experience as General Manager of railways in this country, and I feel satisfied that the affairs of the Company could not be in safer hands.

Among the general orders promulgated by me for the government of the staff were the following :—

“ It is ordered that no permanent officer of the Company shall directly or indirectly follow any other business, or be allowed to have a share or interest in any establishment, in Canada or the neighbouring States, connected in any manner with the supply of goods or material to railway companies, or with transportation.

“ No officer of the Company is permitted to communicate information as to the business of the Company, whether by letter, telegraph, or word of mouth (except where such communication is made in the discharge of his appointed duties), without the permission of the General Manager.”

I also arranged while in Canada for the consolidation of the numerous, and often conflicting statutes, under which the business of the Company is carried on. The necessary Bills will go before the Dominion Parliament in due course.

I will conclude this letter by summing up in a few words my impressions as to the prospects of the Company, and the outline of the policy which I propose to follow.

It should be our first duty to maintain and strengthen the efficiency of the Company, so that it may be able, when trade revives, to carry, not only an increased local traffic, but also its full share of the traffic to and from the West. For this purpose, the line and rolling stock should be maintained in perfect condition, and the relations

between the Company and the American Companies, in combination with which it forms the best of the competing "through" lines, should be of the most cordial, and even intimate character; and no reasonable expense should be spared to ensure the efficiency of the connections at the Niagara and Detroit Rivers with the New York Central and the Erie Companies on the one hand, and the Michigan Central and the Detroit and Milwaukee Companies on the other.

In the second place, every endeavour should be made to discountenance the reckless competition to which, this Company, in common with others, has been at various times exposed. I hope we shall arrive at an agreement with the Grand Trunk and other Companies under which, as between us, this desirable end may be permanently secured; and Mr. Brydges, under my instructions, is taking energetic measures to carry out this policy.

Thirdly, for some time to come the railway will require rest; and capital expenditure should be limited to works absolutely necessary to complete and improve existing lines

Lastly, the spirit of economy, which has not had sufficient consideration in times past, but of which the foundations have now been laid, must be insisted upon and enforced.

If these principles are followed, I make no doubt that, in spite of the recent large increase in capital expenditure, prosperity will return to the Great Western Railway of Canada; but it will require, on the part of the Shareholders, as I said in October last, "time, patience and confidence."

Yours faithfully,

HUGH C. E. CHILDERS.

REPORT OF THE ENGINEER.

GREAT WESTERN RAILWAY,
ENGINEERING DEPARTMENT,
HAMILTON,

2nd March, 1875.

TO THE PRESIDENT AND DIRECTORS.

GENTLEMEN,—I have the honour to submit to you the following Report upon the operations of my department during the Half-year ended the 31st January, 1875:—

CHARGES TO REVENUE.

The total expenditure of this department during the half-year chargeable to revenue upon 590.07 miles of lines, amounts to	£	s.	d.
	90,380	6	3
As compared with the corresponding half of 1874 upon 495.8 miles, which amounted to	101,854	1	6

CHARGES TO CAPITAL.

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

	£	s.	d.
<i>1st.—Roadway and Sidings.—</i>			
Wages of men, and materials used laying down new, and completing sidings at Suspension Bridge, St. George, Newbury, Bothwell, McGillivrays, Thamesville, Lewisville, Vosburg, Prairie Siding, Jeannotte's Creek, St. Clair, Belle River, Walkerville and Windsor, amounting in the aggregate to 2 miles.. ..	3,275	14	9
207½ tons rails used in same	1,667	8	10
			4,943 3 7
Proportion of cost of 2,500 tons steel rails laid in track of Toronto and Galt Branches, at £3 sterling per ton	7,500	0	0
Proportion of cost of 1,850 tons steel rails and 76 tons fastenings at £3 sterling per ton chargeable to capital on account of renewals for the half-year ended 31st July, 1874. Balance of this account	5,433	0	0
			12,933 0 0 ✓
Wages of men and materials used laying down Sidings for new car shops, at London	1,345	17	0
188½ tons rails used in same = 1.83 miles	1,789	14	2
			3,135 11 2 ✓
Cost of raising embankment, and making increased water way under track near Jeannotte's Creek	1,977	4	9 ✓
Right of way	78	4	8 ✓
			£23,067 4 2
Carried forward			

	£	s.	d.	£	s.	d.
Brought forward ..				23,067	4	2
2nd.—Bridges and Culverts.—						
Payments to Hamilton and Milton Road Company for grading for a new road and erection of a temporary bridge across Desjardins Canal in 1870, including legal expenses ..	3,657	10	8			
Settlement with town of Dundas ..	7,191	15	7			
Payment to Hamilton and Milton Road Company on account of the erection of a new iron bridge across Desjardins canal, and other works connected ..	2,568	9	11			
				13,417	16	2
Cost of work done for new bridge to be erected across the river Thames at Thamesville ..				435	5	2
3rd.—Buildings and Wharves.—						
Cost of excavation done for increased wharf accommodation in front of Indian lands at Sarnia	901	7	10			
Amount expended on new car shops, traverse table, &c., at London ..	11,573	17	6			
Cost of completing a dwelling house for station master at Chatham ..	65	19	2			
Cost of hydrants for water supply for London Passenger Station ..	124	8	11			
Cost of pipes and laying down same for water supply to Toronto engine house ..	318	10	7			
Cost of materials and workmanship used making an addition of twelve new stalls to Windsor engine house ..	528	13	0			
Cost of erecting a turn-table at Glencoe ..	84	15	2			
Cost of materials and workmanship for a new refreshment room, now in course of erection, on the ground of the M. C. R. R., Detroit ..	451	10	8			
				14,049	2	10
Less original cost of No. 9 building removed from Hamilton to Suspension Bridge, and fitted up at Revenue expense to replace car shop burned down in September, 1874 ..	616	8	9			
				13,432	14	1
4th.—Second Track.—						
Cost of rails and fastenings ..	6,530	13	7			
Cost of ballasting track ..	337	9	4			
Right of way ..	161	6	8			
				7,029	9	7
Allanburgh Branch.—						
Cost of dwelling-house for Station Master ..	179	2	5			
Right of way ..	245	8	1			
				424	10	6
				Total ..	£57,806	19 8
Glencoe Loop Line—						
Total expenditure to 31st July, 1874 ..				978,741	4	2
Right of way Half-year ending 31st January, 1875 ..				236	13	10
				978,977	18	0
Less value of surplus stores material taken from Loop Line ..				4,667	2	5
Total cost of Loop Line to date ..				£974,310	15	7

DOUBLE TRACK.

The work upon such portions of the second track of the main line as remained unfinished from the previous half-year, was carried steadily forward at such rate as to secure its completion during summer weather. Between Belle River and Chatham the new line was opened for the service of freight trains on 1st October, and on 26th October, 1874, the express trains were also placed upon it, thus completing the double track from Glencoe to Windsor, with exception of the one point at Thamesville Bridge where the lines are folded together, till the completion of the new iron bridge.

SIDINGS.

The charges for the construction of sidings are nearly altogether for the completion of those upon the double track between Glencoe and Windsor, and for the new sidings and tramways, being laid in the yards of the new car shops at London. The total length of track in sidings (exclusive of tramways) laid during the half-year is 3.42 miles.

STEEL RAILS.

The substitution of steel rails in place of iron has been carried out on the Toronto Branch, which is now wholly relaid, and upon the Galt Branch which is relaid to the extent of 6.12 miles. The charges to capital include the proportion chargeable for the balance of the whole importation of 1874, so that nothing now remains to be charged out to this account.

NEW CAR SHOPS AT LONDON.

The new shops were practically completed early in the autumn, and were opened for use on 9th November last. Since then the heating apparatus, water supply, and similar accessories have been added, so that with exception of some tramways and minor works the buildings and yard may be considered complete, as far as intended for the present. The total cost on the books to date, is £48,481. 18s. 2d., but a few outstanding accounts and liabilities yet remain.

OTHER WORKS.

Amongst other works of construction of importance during the half-year, are the levelling down of a portion of the new yard on the Indian lands at Sarnia, and the earth filling of 530 feet of wharf in front of the same; the completion of a substantial brick engine house of 12 stalls at Windsor, and the commencement of a new double track iron bridge at Thamesville.

The following are the Lines and Sidings now worked by the Company;—

STATEMENT OF LENGTHS OF LINES AND SIDINGS.

LINES OWNED BY GREAT WESTERN RAILWAY COMPANY.

LINES.	LENGTH IN MILES OF		Per centage of total lengths of Sidings to length of Lines.
	Single Track.	Sidings.	
Main Line—			
Suspension Bridge to Glencoe Single track 149.94			
Glencoe to Windsor Double track 79.44			
	308.82	111.75	36.18
Toronto Branch.. .. .	37.00	5.25	14.19
Galt do.	12.00	1.14	9.50
Brantford do.	8.00	0.64	8.00
Sarnia do.	50.65	6.30	12.39
Petrolia do.	4.75	3.25	68.42
Loop Line	145.60	28.76	19.76
Allanburg Branch	8.32	1.41	16.95
Totals	575.24	158.50	27.55

79.44

495.80

11.83

510.63

LINES LEASED BY THE GREAT WESTERN RAILWAY COMPANY.

LINES.	LENGTH IN MILES OF		Per centage of total lengths of Sidings to length of Lines.
	Single Track.	Sidings.	
Galt and Guolph Railway	15.25	1.84	12.06
Wellington Grey and Bruce Railway, Main Line	101.75	7.99	7.85
Do. Kincardine Branch	66.60	4.25	6.38
Welland Railway	14.83	1.29	8.70
London and Port Stanley Railway .. <i>24973</i>	23.66 <i>62.59</i>	2.39	10.10
Totals	222.09 <i>390.98</i>	17.76	7.99

Statement of lengths of Tracks laid with steel and iron, not including Sidings:—

LINES OWNED BY GREAT WESTERN RAILWAY COMPANY.

LINES.	Length in Miles of		Totals.
	Steel Track	Iron Track.	
Main Line— Suspension Bridge to Glencoe—Single Track	149.94		
Glencoe to Windsor—Double Track	79.44		
	308.82		308.82
Toronto Branch	37.00		37.00
Galt do.	6.12	5.88	12.00
Brantford do.		8.00	8.00
Sarnia do.		50.85	50.85
Petrolia do.		4.75	4.75
Loop Line	145.50		145.50
Allenburg Branch	8.32		8.32
Totals	505.76	69.48	575.24

794495.88
11.7
510.6

LINES LEASED BY THE GREAT WESTERN RAILWAY COMPANY.

LINES.	Length in Miles of		
	Steel track.	Iron track.	Total track.
Galt and Guelph Railway		15-25	15-25
Wellington Grey and Bruce Rail- way Main Line		101-75	101-75
Ditto Kincardine Branch		66-60	66-60
Welland Railway	8-05	6-78	14-83
London and Port Stanley Railway ..		23-66	23-66
Totals	8-05	214-04	222-09

SUMMARY.

LINES.	Length in Miles of			Length of Sidings in Miles.
	Steel track.	Iron track.	Total track	
Lines owned by Great Western Rail- way Company	505-76	69-48	575-24	158-50
Lines leased by the Great Western Railway Company	8-05	214-04	222-09	17-76
Totals	513-81	283-52	797-33	176-26
Sidings			176-26	
Total tracks of all kinds. ..			973-59	

LONDON AND PORT STANLEY RAILWAY LEASE ACCOUNT.

Cost of improving Track and Bridge £411 5s. 10d.

MAINTENANCE AND RENEWALS OF PERMANENT WAY.

AVERAGE MILES OPEN, 563½.

	£	s.	d.
Repairs and Renewals of Bridges and Culverts	11,690	8	5
" " Sidings	4,486	14	4
" " Fences	3,406	5	5
" " Buildings and Wharves	6,515	10	6
" " Signals	571	15	7
" " Approaches	643	14	1
Platelayers' Wages, and extra work for Maintenance and Renewals of Permanent Way	34,134	6	6
Cost of 2,500 tons steel rails, and 115 tons fastenings laid in track of Toronto and Galt Branches	21,164	7	8
Cost of 200 tons partially worn iron rails used in track of Sarnia Branch	698	12	7
Cost of fish-plates, bolts and nuts, spikes, chairs and small stores	1,400	7	8
Cost of 48,745 sleepers laid in track	3,004	16	7
Cost of engine service	1,455	8	9
Cost of engineering superintendence, clerks' salaries, &c.	1,207	18	2
Total	<u>£90,380</u>	<u>6</u>	<u>3</u>

The Main Line, Loop Line, and Branches included in the Main Line accounts are now laid with steel rails to an aggregate extent of 513 ⁸/₁₀ miles, and the whole is in excellent condition. Some of the older portions of the steel upon heavy gradients and a few other parts subject to severe usage, have however already required renewal, and must be expected to gradually increase in proportion to the age of the rails and the tonnage carried.

A very considerable amount of ballasting has been done on the Loop Line to make up for the subsidence and washing down of embankments, &c., incident to a new line, and a good deal has also been done upon the Western end of the Main Line, and the Sarnia and Petrolia Branches to make up for the gradual wasting of years, and the whole cost is charged to Maintenance Account, under the items of labor and engine service.

The expenditure upon Bridges, Buildings, and Wharves has been rather lighter during the past half-year than in the two preceding,

but the repairs and renewals, particularly under the first item, have been amply sufficient to meet the requirements.

The repairs to Fences, though large, as is usual in the latter half of each summer on account of their destruction by fires, is materially lower than in the last corresponding period.

The strictest economy has been observed throughout the half-year, and reductions have been made wherever possible, so as to keep pace with the reduction in traffic.

After deducting the cost of rails and fastenings from the gross cost of maintenance for the last half of 1873, and of 1874 respectively, the balance representing ordinary wages, stores, &c., will be £63,866 2s. 6d. in the former, and £68,509 1s. 7d. in the latter case. The length of line maintained in the former case was an *average* of 484 $\frac{1}{4}$ miles, and in the latter 563 $\frac{3}{4}$ miles, and the cost per mile will therefore be £131 17s. 10d. for the latter half of 1873, and £110 12s. 9d. for the latter half of 1874 just closed.

It may be noted that the accounts above dealt with embrace the maintenance of all the lines owned by the Company, and also the Welland Railway. The average length of lines worked under these accounts for the half-year are as above stated, but the lengths open at the close were:—

Main tracks ...	...	...	...	...	...	Miles.
Sidings ...	...	...	...	...	...	590·07
						159·79
						<u>749·86</u>

On the 31st January, 1874, the lengths were:—

Main tracks ...	...	...	...	...	...	495·80
Sidings ...	...	...	...	...	...	154·30
				Miles	...	<u>650·40</u>

Subjoined is a table showing the comparative cost of maintenance of the Main Line and Branches included in Main Line Accounts for several years past:—

Half-year ending	Cost of Maintenance and Renewals.			Train mileage (earning revenue).	Cost per train mile (earning revenue).		Freight tonnage.	Cost per ton.	
	£	s.	d.		d.	\$		d.	\$
31st January, 1867	39,682	7	3	688,117	13'3	0'28	233,388	40'6	0'83½
31st July, 1867	42,773	8	9	824,484	12'5	0'25½	286,787	34'5	0'70
31st January, 1868	43,589	11	8	828,478	12'6	0'25½	284,985	36'7	0'74½
31st July, 1868	61,028	8	4	947,279	14'1	0'28½	1286,733	41'9	0'85
31st January, 1869	46,535	17	4	937,825	12'5	0'25½	338,911	34'4	0'69½
31st July, 1869	68,602	13	11	962,496	14'5	0'29½	375,676	36'9	0'75
31st January, 1870	76,784	8	6	980,843	13'8	0'38½	399,790	46'1	0'93½
31st July, 1870	88,539	6	7	1,059,429	20'0	0'40½	460,948	48'1	0'93½
31st January, 1871	90,925	1	2	1,136,111	19'2	0'38½	465,058	46'8	0'95
31st July, 1871	94,740	19	9	1,178,071	17'6	0'35½	527,831	38'9	0'79½
31st January, 1872	105,691	5	6	1,307,716	19'3	0'39½	610,307	41'5	0'84½
31st July, 1872	99,911	9	4	1,418,318	15'4	0'31½	652,971	33'4	0'67½
31st January, 1873	93,180	0	6	1,520,806	14'7	0'29½	684,418	32'5	0'66
31st July, 1873	95,283	6	9	1,641,333	14'0	0'28½	807,790	28'3	0'57½
31st January, 1874	101,854	0	6	1,707,987	14'3	0'28½	790,400½	30'7	0'63
31st July, 1874	107,680	1	1	1,643,530	15'72	0'31½	791,874½	32'6	0'66
31st January, 1875	90,380	6	3	1,441,983	15'04	0'30½	653,352	33'16	0'67½

The stock of surplus iron rails and fastenings is 9,407½

tons, valued at	£54,507	7	2
Steel rails and fastenings, &c., 1,472½ tons	24,982	19	8
	£79,490	6	10

GALT AND GUELPH RAILWAY.—15½ MILES.

Cost of maintenance, renewals, and watching for the half-year	£2,887	3	0
The cost of the corresponding half-year in 1874, was ..	£1,511	9	0

As in the preceding half-year, the expenses on the Galt and Guelph Branch have been swollen during the past half-year by the renewals of rails shown in the monthly accounts, and which are larger than previously.

WELLINGTON GREY AND BRUCE RAILWAY.—168½ MILES.

Cost of maintenance, renewals, and watching, for the half-year	£10,008 10 8
The cost of the corresponding half-year in 1874, was, for 111 miles.. .. .	£8,126 8 1

The portion of the Kincardine Branch (or southern extension of the Wellington Grey and Bruce Railway) between Listowell and Kincardine, 57½ miles in length, was opened for traffic on the 21st December last. The increased expenses of maintenance are due partly to the increased length of line put into use, and partly to the renewals of rails which have been necessary on some of the older portions of the main branch.

LONDON AND PORT STANLEY RAILWAY.—23½ MILES.

Cost of maintenance and renewals for the half-year ..	£1,577 13 10
The cost of the corresponding half-year in 1874, was ..	£1,225 5 9

The increase in the cost of maintenance of this branch is due to the increase of what may be considered as ordinary renewals, as distinguished from the special renewals and improvements which were chargeable to the special renewal fund.

I have the honour to be,
Gentlemen,

Your obedient servant,

JOHN KENNEDY,
Chief Engineer.

**REPORT OF THE LOCOMOTIVE AND CARRIAGE
SUPERINTENDENT.**

GREAT WESTERN RAILWAY,
MECHANICAL SUPERINTENDENT'S OFFICE,
HAMILTON, ONTARIO,
February 28th, 1875.

TO THE PRESIDENT AND DIRECTORS.

GENTLEMEN,—I have the honour to submit to you the following report upon the operations of my Department for the half-year ending January 31st, 1875.

CHARGES TO CAPITAL.

During the past half-year the following additional equipment was purchased at cost of Capital Account:—

220 Erie and North Shore Line Freight Cars	..	£34,486	2	7
Balance of account for new Tools delivered for equip- ment of new Car Shops at London, and additions to Locomotive Shops at Hamilton	... ..	2,932	15	11
Total	.. .. .	£37,418	18	6

The above charge, for New Tools, supplied, closes the Capital Account for this equipment.

CHARGES TO REVENUE.

LOCOMOTIVE DEPARTMENT.

The expenditure during the half-year chargeable to Revenue amounts to	£91,903 11 8
As compared with corresponding half-year of 1874	116,111 2 9

CAR DEPARTMENT.

The expenditure during the half-year chargeable to Revenue amounts to	42,553 9 3
As compared with corresponding half-year of 1874	£48,857 12 4

REMARKS.

Renewals of Engines.—For the same reasons mentioned in last report, no special renewals have been effected during the past half-year, the sum of £302. 6s. 6d. however has been expended towards the completion of the five freight engines already reported.

In addition to the cost of repairs and renewals effected, the unexpended sum of £9,155. 15s. 10d. has been charged during the half-year and added to the Locomotive Reserve Fund, which fund, with accrued interest, now amounts to £66,037. 9s. 10d.

Repairs of Engines.—36 engines have received heavy repairs, and 18 engines light repairs during the half-year.

Stock of Engines.—The number of engines remains the same as last reported.

The following Table shows particulars of the engine stock as at present:—

Description of Engine.	Broad Gauge not in use.		Narrow Gauge Engines in Service.		Under Renewal and Conversion to Narrow Gauge.		TOTAL	
	July, 1874.	Jan. 1875.	July, 1874.	Jan., 1875.	July, 1874.	Jan., 1875.	July, 1874.	Jan., 1875.
Passenger ...	1	1	54	54	...	...	55	55
Freight .....	...	...	136	136	5	5	141	141
Shunting ...	...	...	21	21	...	...	21	21
TOTAL.....	1	1	211	211	5	5	217	217

Pumping Engines and Tanks.—All necessary repairs and painting have been duly attended to, and the whole of this branch of the Department is in fair working order. Considerable work has been done towards putting the pumping machinery and tanks in working order on the new Kincardine Extension of the Wellington, Grey and Bruce Railway, the cost of which was duly charged to the construction account of that line.

Turntables.—These are in good working order, except that at Port Stanley, which is receiving heavy repairs.

Comparative Expenditure of the Locomotive Department.—The general expenses of this Department compare favourably in proportion to the service performed, with corresponding periods.

The following Table shows the working and expenditure of the Locomotive Department for the past seven corresponding half-years, exclusive of charges and mileage for the Galt and Guelph, Wellington Grey and Bruce, with Kincardine Extension, and the London and Port Stanley Railways:—

	Half-Years ending Jan. 31st.						
	1869.	1870.	1871.	1872.	1873.	1874.	1875.
Engine Mileage.	1,317,863	1,398,501	1,590,733	1,898,005	2,379,329	2,539,356	1,967,162
Net Train Mileage	937,825	980,843	1,136,111	1,307,716	1,520,866	1,707,667	1,441,983
Expenditure exclusive of Fuel	£34,578	£34,636	£36,265	£43,052	£60,896	£63,892	£51,992
Cost per Engine Mile.....	6·30d.	5·93d.	5·47d.	5·44d.	6·14d.	6·04d.	6·34d.
Expenditure for Fuel Wood	£21,618	£21,350	£25,966	£28,488	£40,696	£31,496	£32,077
Coal ..	..	..	..	..	..	£20,497	£7,834
Quantity of Fuel consumed Wood	29,931	31,972	36,105	38,512	52,814	40,874	40,681
Coal ..	..	..	..	..	..	16,625	6,354½
Cost of Fuel per Engine Mile..	3·94d.	3·67d.	3·91d.	5·59d.	4·10d.	4·93d.	4·87d.
Reserve Fund charge for future renewals of Engines (included in above .....	..	..	..	£3,401	£11,422	£12,922	£9,156
Total Expenditure	£56,196	£55,987	£66,231	£71,540	£101,592	£116,111	£91,903
Cost per Engine Mile.....	10·23d.	9·61d.	9·39d.	9·04d.	10·24d.	10·97d.	11·21d.
Cost per Train Mile.....	14·38d.	13·70d.	13·15d.	13·12d.	16·03d.	16·31d.	15·30d.
Percentage on Earnings including Reserve Fund charges.	13·30	13·20	14·00	13·46	17·07	18·55	18·00
Ditto exclusive of charge for Reserve Fund	13·30	13·20	14·00	12·94	15·15	16·51	16·21

CAR DEPARTMENT.

Renewals of Cars.—The sum of £1,961. 6s. 9d. has been expended on renewals of the Car Stock, during the half-year, the following Cars having been entirely reconstructed:—2 First Class, 2 Baggage, 28 Box and 33 Flats or Platform Cars. This part of the operations of the Car Department, has been considerably retarded in consequence of the removal of the Car Works and the machinery from Hamilton to London, which stopped the work for about six weeks, also by the heavy repairs and alterations of four sleeping Cars, for which new six-wheel trucks were made and supplied in order to meet the requirements of connecting lines. The amount, however, placed to the credit of the Car Reserve Fund covers all necessary renewals, which are now being proceeded with.

In addition to the cost for repairs and renewals effected, the unexpended sum of £1,229. 9s. 0d. has been charged during the half-year, and credited to the Car "Reserve Fund," making, with accrued interest, the total sum of £5,055. 11s. 6d., now in this fund.

Repairs of Cars.—All repairs necessary for the proper maintenance of the Car Stock have been attended to.

Stock of Cars.—The stock of Cars has been increased since the last report, by the addition of 220 Erie and North Shore Line Box Freight Cars.

The following shows the number of each class of Cars as at present

Description of Cars.	Number.	
	July, 1874.	Jan., 1875.
First Class	98	98
Second Class	61	61
Post Office and Baggage	36	36
Baggage Van Flats... ..	7	7
Conductors	73	73
Box (Freight and Express) and Grated Door	774	774
Cattle	535	535
Flat or Platform and 4-wheeled Timber trucks	855	855
Coal Platform Cars... ..	100	100
Oil Tank Cars	75	75
Auxiliary Cars	12	12
Blue Line Box	800	800
Milwaukee Line Box	80	80
" " Combination Box	100	100
Michigan Line Box	350	350
" " Saginaw Valley Box	50	50
Long 33-foot Box (called "Star" Cars)	600	600
Erie and North Shore Box		220
Engineers' Department—Gravel and Construction Cars, including Snow ploughs and Auxiliary Cars	225	225
Total	4,831	5,051

COMPARATIVE EXPENDITURE OF THE CAR DEPARTMENT.

The following Table shows the working and expenditure of the Car Department for the past seven corresponding half-years, exclusive of charges and mileage for the Galt and Guelph, Wellington Grey and Bruce, with Kincardine Extension and the London and Port Stanley Railways:—