passengers, $18,784 05; from freight and live stock, $19,113 98; from mails and sundries, $2,899 98; gross increase, $40,798 01. The gross traffic earnings for the year amounted to $372,336 49, while the total revenue expenditure for the same period was $233,428 04, or 62.9 per cent. of the earnings, leaving a surplus to be carried to net revenue account of $138,908 45.

In January, 1874, legislation was obtained authorising the Company to issue $2,250,000 of bonds, the proceeds to be applied towards the consolidation of the bonded and floating debts and the general purposes of the Company. The intention of the Board was to place new bonds to the above amount bearing 6 per cent. interest on the market, and with the proceeds to extinguish the existing 7 and 8 per cent. bonds as they matured, and pay off the floating debts. Owing, however, to the unfavorable condition, at the time, of the money market, the Directors were unable to take advantage of the powers granted to them by the Legislature as above set forth. In November, 1875, bonds to the amount of $260,000 matured in Canada, but in consequence of the failure in carrying out the above arrangements, the Directors were compelled to let payment go by default. The holders of the overdue bonds held a meeting in Toronto, and a resolution was passed agreeing to take no action in regard to the non-payment of the bonds until the English bondholders had been heard from. The President and Solicitor of the Company thereupon proceeded to England, and a meeting of the English Bondholders was called and held on 16th February, 1876, at the City Terminus Hotel, Cannon Street, London. At that meeting, which was largely attended, the President fully explained the position of the Company, and the steps which the Board thought it advisable to take in the interest of all concerned. A resolution was adopted at that meeting agreeing:

First, That the Act of Parliament of 1874 be acted upon so far as to create bonds to the amount of $2,000,000 only. Second, That the bonds held by the present Bondholders be exchanged for those of the new issue, bearing six per cent. interest, thus consolidating the various issues into one loan, and absorbing $1,600,000. Third, That the existing Bondholders make such exchange, taking the new bonds at a discount, and receive a new bond of £100 stg., and a share of $100 in the share capital of the Company (in pay-