

earnings of \$500, per day, as submitted in my former report, will be found quite within the actual result.

As to cost of operating, I have no additional information since the date of my report above referred to. It was assumed in that report that $61\frac{1}{2}$ per cent of gross earnings would pay expenses of operating, for the reason that the annual report upon the Ogdensburgh and Lake Champlain Railway, as published in the report of the State Engineer of New York, showed such a result. And as this was considerably above the average operating expenses of the Railways of New York during a series of previous years, I thought it quite safe to adopt it in my estimate.

With the great preponderance of straight lines and level grades upon this road, as compared with the Railways of New York; and the comparative cheapness of fuel and labor along the line, I can see no good reason why the operating expenses, under good management, should exceed 50 per cent of the gross earnings.

I must therefore, close this branch of the subject, with the expression of my firm conviction, in view of the present renewed investigation of the carrying trade and resources of the country, tributary to the North Shore Railway, that the estimate of yearly net earnings submitted in my report of April 20th 1872, may be relied upon as affording a truthful indication of the results that may be reasonably expected, upon the final completion, and successful operation of the line.

If this conviction shall prove to be well founded, the conclusion must necessarily follow, that the Railway Company will be abundantly able, *from the net earnings of its road alone*, to pay the interest upon its bonded debt, and redeem the principal at maturity; and, therefore that the