

The total revenue of last year from all sources amounted to \$313,291 83 ; and the total expenditure on all services to \$249,695 : 54, showing a surplus of \$63,596 29 on the year's transactions.

The pressure of the floating liabilities of the Company has been such as to preclude the possibility of devoting any portion of the surplus to the payment of interest on roads or other dividend account ; and it has necessarily been carried to the reduction of the unfunded debt.

Thus the floating liabilities have been reduced during the past year upwards of \$63,000, or nearly the sum requisite to purposes of interest or funded capital, and a very large amount (\$25,600 81) has been necessarily expended in interest and other charges incident to the floating debt, in payment of damages of previous years, and in the construction of steam elevators at Toronto and Collingwood, and other services of constructional character absolutely essential to the business of the line. Had, then, the works of the Company been fully complete and revenue been free of expenditure properly chargeable to capital, and of the floating debt arising out of the operations of previous years, the actual surplus of \$63,000 would have been augmented to \$89,197, being a sum equal to the payment of interest on the whole funded debt of the Company exclusive of the Government lien.

Again it will be seen that to the immediate embarrassment of the floating debt and incomplete works, is to be added their contingent results in the depreciation of the road, and therein the augmented cost of maintenance and running, all in their turn pressing upon revenue, and thereby confining it to local sources by financial inability and impaired credit.

So long as these embarrassments continue, so long will it be impossible further to contract the expenditure—the cost of new works, and the reduction of floating indebtedness be inflicted upon revenue, every effort at further economy and increased efficiency be neutralized by financial inability, the revenue be