

none. One glance at the general statement under review, with \$3,157,234.46 of debit, against only \$2,632,042.44 of credit, showing a debit to profit and loss of \$525,192.02, should at once impress the truth of this upon even the most skeptical. What is there in the past history of this road more than in that of over seventy-five per cent. of Canadian and U. S. railways, to justify such hopes? Far from possessing superior elements of soundness, the financial basis of its construction could hardly have been worse, yet other and better roads, far and near without number, have been thoroughly and successfully re-organized during the past five years, every one of which has but added more and more to our already disproportionate burden. As this railway stood prior to the Act of 1863—twenty-five miles short of its river terminus—half stocked—destitute of machine shops,—and therefore working at the maximum of expense, the question when it would become a “dead loss” to every *bona fide* interest concerned—rested solely upon the *time*, when Rails, Engines, &c., should wear out, and *heavy renewals* become imperative. The writer does not believe that such renewals could have been adequately met from the limited income which it had power to earn, and to suppose that any interest to Municipalities or Bondholders could *ever* have been paid, is simply preposterous. Far, therefore, from involving considerations of profit, the unwelcome problem which we were placed here to solve, was how to avoid a “*Total loss.*” The only means were by extension, to develop and increase earnings; and by such (necessarily) sweeping financial re-organization as would reduce interest payments within the earning power, and thus restore the road to solvency. The former has been accomplished as far as present means will permit, and its good effects are already shown in the preceding statements. The latter, and equally important element of future prosperity has yet to be secured. Seeing that the railway has been opened to the Ottawa river less than six months, it would be premature, under ordinary circumstances, to make the earnings of 1864 and 1865 the basis of formal estimates for a programme of financial re-organization. On the other hand, it must be considered possible that the imposition of prohibitory duties by