

TO THE BOND AND STOCKHOLDERS OF THE  
BROCKVILLE & OTTAWA RAILWAY.

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GENTLEMEN,—Failure necessitates explanation ; but success generally suffices to explain itself. Hence, I briefly submit to you the annexed report, congratulating you upon the favorable exhibit, which it presents, and referring you to itself for the necessary details. I do not see at present, how the internal economy of the Road can be improved by any change in the mode of management ; but there shall be strict care taken, that nothing gained in this respect shall be lost.

Successful internally, we have to contend, nevertheless, with heavy external drawbacks. In one respect, our success is unavailing ; and in another respect its continuance is in imminent peril so long as,

1st, we may be compelled to pay to the municipalities, or to the government for their account, the greater bulk of our nett earnings, and

2nd, so long as a connection between Carleton Place, and Ottawa, is unbuilt, leaving us open to the bleeding to death of our road, by a direct line from Ottawa to Arnprior.

You will learn from the report of the managing director, that our surplus earnings stand to be mulcted to the extent of \$56,736. 35 by the municipalities, or by the Government for Municipal Loan Account, leaving us a balance, (all we can call our own) of \$15,717.92, much less than is absolutely necessary to pay for new rails contracted for and other renewals indispensable to the good condition of the road. Knowing as I do, how vast a benefit has been conferred by the Brockville and Ottawa Railway, upon the country through which it runs, and how largely it has tended to increase the revenues of the Province, benefits, the true measure of which may be estimated by imagining what this section would be to day, if the road were not, I feel strongly, that the Stockholders