

The following table shows the percentage of Operating Expenses to Revenue, and the percentage of increase of Revenue for this, and the previous six years.

Years.	Total Receipts.	Operating Expenses.	Per centage of Operating Expenses to Receipts.	Per centage of increase of Revenue.
1860	53,801.10	34,427.25	64	
1861	54,558.04	36,271.48	66	1.406
1862	57,772.84	38,340.71	66	5.892
1863	59,339.09	44,995.45	75	2.711
1864	68,437.12	44,850.09	65.5	15.33
1865	86,575.06	56,659.74	65.44	26.50
1866	113,208.88	62,964.25	57.46	30.64
1867	138,884.47	70,152.59	50.07	22.68

This annual increase of Revenue in the face of the unsatisfactory condition of trade between Canada and the United States is certainly very encouraging, and holds out a hope of a still greater increase in the event of the trade relations being re-established, as there appears to be some hope they will be ere long, as they existed prior to the spring of 1866; and Lumber, our heaviest item of traffic, admitted duty free to the market to which, even with present restrictions, it is now all sent.

It will be observed that I have this year adopted a somewhat different system, in this Statement, from former practice, inasmuch as I have carried forward the *total* balances of Stores and Wood on hand at the beginning and end of the year, and shewn them in the next succeeding statement as *assets*.