

Showing the total amount expended under my certificates up to the end of the year, of which \$60,000 was advanced by the Government during the progress of the work, and expended by me under the general supervision and to the entire satisfaction of the Department of Public Works. The balance, \$8,647.81, has been drawn from the current earnings of the Company, and this amount, together with a further sum of \$10,060.27, obtained from the same source and accounted for by the Superintendent, have, along with, and in extension of the expenditure of the temporary advance from Government, resulted in greatly improving the character of the road, and enabled it to be maintained for traffic up to this time without casualties.

In pursuance of the resolutions of the Board, and directions previously received, I met Messrs. Shanly and Hodges, in Montreal, to give effect to the reference made to them in the conditional agreement entered into in London, for the restoration of all the works contemplated, and I have every confidence that arrangements will be perfected so as to allow the commencement of active operations on the first opening of the approaching season.

In concluding this Report, it is exceedingly gratifying to be able to state, that not only have the new structures been built and the repairs effected during the past year on the line of Railway, without any detention whatever to passenger trains, or interruptions of any moment to traffic; but in addition, there have been no accidents attributable to failure or insufficiency of works, nor have any occurred to any of the men employed upon them.

I have the honour to be

SIR,

Your obedient servant,

SANDFORD FLEMING,

Engineer.