

in securities, as provided by the Act. The Act also gave authority to the Company to raise, as a preference charge, the sum of £500,000, to increase the accommodation of the line in the shape of stations, sidings, warehouses, &c., and to provide additional rolling stock.

For the year ending 30th June, 1861, the net profit earned was only £103,469, which was only enough to pay a portion of the money due to the leased lines.

The bonds for £500,000 authorized by the Act of 1862, have nearly all been issued, and the proceeds used in supplying increased facilities all along the line, and in making the following additions to the rolling stock, viz:—

In Engines, an increase of	18 per cent.
In Passenger Cars, do	34 do
In Freight Cars, do	22 do

With the aid of this outlay the gross traffic has been very largely increased indeed.

For the year ending 30th June, 1861, it was	£ 714,956
Whilst for the year ending June, 1867, it was.....	1,328,491

An increase of..... £ 613,535

Equal to about 85 per cent.

In the net profit earned there has also been a very large gain indeed.

For the year 1861, adding the profit earned by the Buffalo and Lake Huron and Champlain Lines, the profits amounted to £138,207.

Whilst for the year ending June, 1867, the same system of lines worked together earned a profit of £264,069.

Shewing an increase of £125,862, or upwards of 90 per cent.

In arriving at these results of net profit, it is right that I should state the fact, that out of the earnings of the line and from that source alone, there has been expended, in addition to all the usual expenses of working a railway from 1861 to 1867 inclusive (a period of seven years) upon the maintenance and repairs and improvements of the roadway, no less a sum than £1,569,078 stg. That expenditure has, amongst other things, enabled the Company, in these seven years, to relay 718 miles of their Railway with new iron, and to put in 2,465,000 new sleepers, the latter having amounted to an entire renewal of the road, as regards that item.

In addition again to that large outlay, and what has really been the main cause of the Company's embarrassments, the line has had to bear a frightful loss caused by the American war. No one could have foreseen, when the Arrangements Act, was agreed to that the American war would have assumed such vast proportions and produced such gigantic losses. The amount which the Company has lost by the depreciation of the American currency, in which alone their through traffic could be paid for, has amounted, up to 30th June last, to no less than £311,000. And in addition the Company has had to pay, in the shape of increased price for all labor and materials on the United States part of their line, and the consequent increase in the prices in Canada also, a further sum of £440,000. This amount represents the increased expenses thrown upon the cost of working the Railway, and is arrived at after deducting the increased rates, which, in some instances, the Company has been able to charge in part to meet the effects of the depreciated currency. The total loss sustained by the Company since the breaking out of the American war has been, therefore, no less than £750,000 stg., the whole of which has come out of the net profits of the line.

I noticed in reading the debate which took place on the second reading of this Bill, that a statement was made that not only was no interest paid upon any portion of the money expended in constructing the Railway, but that the expenses actually exceeded the receipts.

So far from that being the case it is the fact that during the seven years which ended upon the 30th June, 1867, the Company has paid in cash, out of its net earnings, for dividends and interests upon the various classes of the Company's securities, no less a sum than £1,568,993 sterling.

As I mentioned some little time ago, in the year before that in which the Arrangements Act was passed, the amount of the net profit was only £103,469, which only covered the interest upon a capital of £872,000, whilst for the last year, ending the 30th June,