

MUNICIPALITIES.

18. On the 11th instant, the Agreement made between this Company and Lanark and Renfrew in 1863, was formally executed. It is claimed that the delay was not occasioned by the Company, who were as ready at first as at last to sustain the Agreement in its true spirit. This Agreement is in effect that, in consideration of the railway being extended, the interest at 7 per cent. on the extension capital shall have a lien on earnings, prior to that of the Municipalities, until 31st December, 1866, and that the interest which shall have been paid to Government by the Counties, under the five per cent. Act., up to 31st December, 1866, shall be repaid to them by the Company during fifteen years.

19. Elizabethtown has again threatened legal proceedings, if settlement of her account be refused. The question is not one of refusal but ability. Meantime it is demonstrated by what has been done in the past two years that, in the natural course of events, one year more will see the municipalities free from the "Railway Tax" forever. If Elizabethtown prefers to delay this desirable event by obstructing our efforts with "legal proceedings," a full share of the trouble and pecuniary loss resulting therefrom will inevitably accrue to herself. The other municipalities and creditors will certainly not permit the brightest prospects they have seen for many years, to be overcast and destroyed by the least creditor of all.

 EXTENSION OF CHARTER.

20. At the last session of Parliament the Company secured the passage of an Act extending its charter for five years longer from 1st May, 1866. By a singular perversity this Act was opposed by the learned Member for Brockville and Elizabethtown, who thus ran