

larger stock of wood on hand, being 4946 cords in 1865, against 1377 cords in 1864, per Abstract E. "Oil and Waste" show a slight decrease in spite of additional service now required. "Stationery and Printing" are less than half the amount of 1864. "Damages" have been raised \$290.98 extra, by loss of a case of cloth of this value. No trace of this has yet been discovered. Owing to the unprecedented drought last summer, the woods caught fire, large tracts of land were thus overrun, and on this road at least four miles of fencing were entirely consumed, thus increasing our injuries to cattle and cost of renewals. Car hire is reduced nearly one half by our own increased strength in this branch.

9. The details of Expenditure, other than for "Operating Expenses," are given in Abstract C. The road having been in operation since 1857, a large and increasing expenditure for renewals has to be met by the present and prospective managements, from which the past escaped. These items for renewals, and also for Parliamentary and Auditing expenses, involved by the disorganized condition of the Company's affairs, cannot be correctly regarded as "operating expenses," and the usual practice is followed in excluding them therefrom.

10. The details of expenditure on interest Account, are given in Abstract D. The first item, \$679.12, was paid to Elizabethtown out of surplus earnings and as equal to one-fifteenth part of the amount already paid by this Township to Government under the 5 cents in the dollar Act, in the same manner as \$2,616.50 were paid to Lanark and Renfrew in Dec. 1864, from same surplus, and in similar proportion. As it was imperative that a certain amount of surplus should be retained to meet outstanding contracts, and contingencies, the exact sum of one-fifteenth was taken, because it most nearly approached the utmost amount of surplus the Company could spare, and because, by the agreement made with the Counties in 1863, the interest so paid by them to Government was to be thus repaid by the Company. The three last items, being for interest on Extension Bonds issued, have been paid in strict accordance with the aforesaid Agreement, by which the parties