

upon the Railway, and that no Passenger has been injured. The accidents resulting in permanent injury having been confined to two employee's of the Company.

All of which is respectfully submitted.

JOHN GORDON,

President.

The President, in moving the adoption of the Report, addressed the Shareholders as follows :—

As is customary on occasions like the present, I beg, before formally moving the adoption of the Report, to offer a few brief remarks on the general position of the Company. First, in regard to the accounts. The statement of receipts and expenditure during the past year presents, I think, on the whole gratifying results. An increase is shown in the passenger traffic during the year amounting to nearly 20 per cent. This, I think, is very satisfactory, and evinces more than anything else the prospective value of your property. It is proof that the land along the Line is being cleared and settled and that the population is increasing. The working expenses during the year, as stated in the accounts, amounted to 62.9 per cent. of the gross earnings, leaving a surplus on the year's working after paying interest of \$21,504.75. This rate nearly corresponds with that which at the meeting of Bondholders, held in London, I stated would probably be the cost of working the Line, though my estimate then was based upon an increased traffic, whereas an increase of traffic would of course reduce the percentage of working expenses.

The past year has been one fraught with great anxiety to those charged with the control of the Line. Not only had the Board, on assuming office, to contend with a large floating debt, fast becoming unmanageable, but almost immediately after their election mortgage bonds, to a considerable amount, matured, the liquidation of which was impossible, owing to the inability of the Company to take advantage of the borrowing powers conferred upon them by Parliament. The Board, however, at once set themselves to overcome these difficulties. In December I was appointed to proceed to England, accompanied by the Solicitor of the Company, to confer with the Bondholders there in regard to the rearrangement and consolidation of the debts. I am glad to say I was