

The works, in buildings, wharves, extension of sidings, additional telegraph line, &c., &c., will be found stated in detail; and represent, with the balances from the previous year, an expenditure of \$89,058.95, of which \$67,270.95 has been charged against 1867, and \$21,788.00 has been carried forward on suspense account to 1868—see Appendix M.

Inadequate as these additions have been properly to meet the pressure of the Traffic, the Canadian Directors have only been enabled to provide them by suspending any attempt to make further payments on account of arrears of Interest Dividends, and by negotiating a temporary loan of £5,000 sterling, in London; measures which were only possible with the generous concurrence and assistance of the London Board.

The total expenditures of the year for all services, on Revenue account, has been \$422,442.75 (£86,803 6s. 0d. stg.) the balance carried to Net Revenue account having been \$138,927.50, (£28,546 14s. 11d. stg.)

4. The current Interest Dividends on First and Second Preference Bonds have been duly provided for, and a balance brought down on 31st December, 1867, of \$28,255 69 (£5,805 19s. 3d.) to the credit of arrears of Interest Dividend Account. [See Account No. 2.]

5. In previous Reports the Canadian Directors have taken occasion to impress upon the proprietors the necessity of making more extensive and efficient provision for the grain trade of the district by the erection of new elevators at Toronto and Collingwood. Every year confirms and strengthens that necessity, and the Directors are glad to be able to report that measures are now under consideration which give promise of an early execution of the work. The extension of the Locomotive stock, too, cannot, with due regard to the increasing traffic, be longer postponed, and it is accordingly proposed to add three engines to the equipment during the year, two by purchase, and one by construction in the Company's shops.

These and other necessary additions, however, are beyond the power of the revenue account, and it is essential to their provision that such a readjustment of the Capital account be sought as may