

ed the working of the line, subjecting the Company to continued expenses for repairs, and seriously compromising the character of the line with the Public, it became imperative upon the Board to take such steps as would bring the line within their own control, this opportunity was afforded them in May last, at the meeting of the Board in Picton, when a final settlement with the Contractors was arrived at upon the basis of a reduction from their contract of an equivalent, as nearly as could be ascertained, for the defects of the work, the Board were chiefly guided by the estimate made of the defects by the Superintendent. Since that period the Officers of the Company have used every exertion to progress with the repairs, by re-setting poles and insulating afresh and removing obstructions, &c., thus placing the line in a reliable state. The rapid progress already made in thus re-modelling, and the results perceptible, are sufficiently detailed in the Superintendent's report, to hold every inducement to the Company not to relax in completing the line throughout, as the only certain means of rendering it remunerative to the Stockholders.

Working as we have done under every possible disadvantage, the line would have paid a dividend, had it not been for the enormous amount required in daily repairs.— To prove that it is only necessary to place the line in a reliable condition, take for example the Toronto Office, the actual expenses of which, per month, are as follows:—

Salaries,	£30	4	2
Rent, Taxes, Gas and Fuel,	7	9	2
Galvanic Battery,	1	10	0
Stationery,	2	10	0
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	£41	13	4

Now take the actual cash receipts during the months of February, March and April, (two of which are among the very worst in the year for business.)

February was	£74	15	5
March	77	14	3
April	86	18	6
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	£239	8	2
Deduct expenses for these 3 months,	£125	0	0
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	£114	8	2