

fore, add materially to your nett revenue, during the ensuing year, yet it is imperative that the necessary measures be taken at some period, before a result can be realized from them. I cannot, therefore, sufficiently urge upon you the necessity of at once initiating such action, either by chartering steamers, or otherwise arranging with owners, as to secure the formation of a sufficient line from your northern terminus to Lake Michigan, as may be most advisable for securing the benefits of that through trade which is within your grasp."

After much consideration the Directors did not hesitate to adopt the means set forth in the Superintendent's Report, hereto annexed, to test the capabilities of your line and route, and they feel warranted in saying that the result of your steamboat operations to the present time have exceeded their anticipations; and they confidently rely that no loss will accrue from that service, while a large traffic will have been made for your line.

The Directors have much satisfaction in stating that the Harbour at Collingwood has been found, from actual experience, safe and commodious for vessels of the largest tonnage—its improvement is still progressing by the removing of all obstructions in the channel, so as to secure a safe approach at all times. The Provincial Government are erecting first-class Light-houses on the Georgian Bay and other parts of Lake Huron; in the meantime temporary lights have been established on the most important points for the Company's business.

The Directors cannot refrain from expressing their regret that the opposition referred to by the Chief Superintendent exists. They rely, however, upon the better judgment of the managers of the lines alluded to, that proceedings so injurious to all parties shall cease. The Directors had determined to avoid such difficulties; and in the event of