between Montreal and this road to give assurance of an unbroken chain extending from Halifax to the Mississippinearly 2,000 miles in length. Lastly the British Government, aroused to the importance of this subject, have proposed to guarantee a loan of £7,000,000 sterling, to ensure the connection between Halifax and Montreal through British territory. That the Imperial Government should offer to loan the three Colonies £7,000,000 sterling, upon any conditions or for any purpose whatever, is a fact which deserves attention; it displays either a great confidence in the route, or in our ability to undertake such a vast work. That the Canada route will receive a large share of the "through" passenger travel over this great line there can be little doubt. First, because it will be the shortest,-and secondly, because the majority of "through" travellers prefer a different route, either going or returning.

The Kingston and Toronto section of this line has an advantage over the other portions of the route, arising chiefly from physical and geographical considerations. The country west of Ontario being a broad plain, will ere long have more than one route connecting Detroit river and Lake Huron with Hamilton and Toronto. East of Kingston already rival routes are proposed to reach Montreal, and no doubt both will be built before any proposition will be se riously entertained, of constructing a rival to the "Kingston and Toronto" Road. The first road which will be laid north of this route, will be placed in the valley of the Otta-Three roads will probably radiate northward and westwf. ward from Toronto, and two from Kingston to the east, the "through" business of which will be concentrated upon your line.

A statement of the progress of our export of Agricultural products to the United States is annexed, showing the articles which already find a market there—their amount and value—which foreshadows much of the future business of our Railways. (See Appendix C.)