

DIRECTORS' REPORT.

At the Annual Meeting held on the 21st of July last the Shareholders, by By-Law, determined that the Annual Meeting of the Company should be held on the third Wednesday of February, being a more convenient period for exhibiting the transactions and business of the Company during the year. In pursuance of this By-Law the present meeting was called.

The Directors beg leave therefore to submit for the information and consideration of the Stockholders, statements shewing the receipts and expenditure of the Company during the last six months—the funded and floating liabilities of the Company—also the Report of the Superintendent.

The Directors refer with much satisfaction to the traffic returns, as indicating that the business of the Line is steadily increasing, and that with advantageous Steamboat connexions on the Lakes, and more perfect provision at both termini for the freighting and forwarding business of the Company, the interests of the Road would be most materially advanced.

The Directors have also much pleasure in stating that there is every probability that efficient and satisfactory Steamboat connexions on Lakes Ontario, Huron, Michigan, and Superior will be made for the coming season, without involving the Company in liability or expenses.

The Directors have further to state, that the Charters of the two Steamboats on Lake Ontario have expired; and the Company is now freed from all Steamboat liabilities, with the exception of those they own on Lake Simcoe, and with regard to the latter, it appears from the accounts that between the