

I have already referred to the Victoria Bridge and the important bearing it has upon the whole of this undertaking as a commercial success. Its absolute necessity is becoming day by day more palpable, and it is to be hoped that the recent arrangement entered into with Messrs. Peto and Co. for its completion by the end of next year will be found to be susceptible of accomplishment, not only on account of its direct importance to the traffic of the line, but also as regards the large sum annually added to the capital by reason of the interest payable by the company until its completion. And on this subject I cannot too strongly congratulate the directors on the vigorous exertions now being made for the execution of the contract for completing this all-important link, by which the whole railway system of the province will be completed at least eighteen months earlier than intended.

Thus, then, it may be hoped, that at the close of the year 1859, the Grand Trunk system bids fair to be a continuous railway from Detroit to Portland and Rivière du Loup, upwards of 100 miles below Quebec, the total cost of which as before said, will be as nearly as can now be estimated, capitalising the rent of the Portland section, about £10,700,000, or about £10,000 per mile, including the Victoria Bridge. The total mileage will be increased by the Detroit Extension to 1,114 miles.

It has already been shown that, from a want of continuity in the line, and the absence of the necessary facilities for conducting a large traffic, no estimate can be fairly formed from past receipts of the future business of the railway, but as £20 per mile per week will, after deduction of working expenses, provide for the lease of the Portland Road, and the interest on the bonded debt, any surplus will be applicable to a dividend on the share capital of the company.

Our best energies are now directed to reduction in expenditure, and to show that progress is being made in the right direction, I may mention, that a diminution at the rate of £80,000 per annum has been made in the last half-year—the actual working expenses amounting to £11 4s. 6d. per mile per week for half-year ending 31st December, 1857, whilst for half-year ending 30th June, 1858—by far the more expensive half-year of the two—the expenses were reduced to £9 18s. per mile, as appear by the half-yearly accounts just published. On this point I beg to refer you to the report of Mr Trevithick, the Locomotive Superintendent, who has most usefully devoted his energies to economy in his department; and I would further refer you to an extract from the general report of Mr Shanly, chief engineer and general manager, in reference to the future prospects of the line.

The daily improving resources of the eastern Townships of Canada and of the eastern States of the Union afford prospects of a large interchange of business being done over the Grand Trunk Railway between the western cities and the Atlantic ports, by which we shall secure a back loading for our cars bearing to the Atlantic ports the produce of the West. The development too which has yet to take place in the working of the minerals, slates, and marbles with which Canada abounds cannot fail to be productive of a large increase to our local business whenever it is commenced. The great drawback hitherto experienced in our through traffic has been the fact that the cars had to be returned empty from the seaboard to our western terminus; but the business likely to be done in the slate and other produce will give us articles for back freight, and thus enable us the more easily to compete with the water craft—so long as such competition exists—for the western traffic.

In speaking, however, of the western traffic being brought *via* by the Grand Trunk, it must not be forgotten that in the long established ports of New York