

adopted which it is confidently believed will result in an early adjustment of the claims.

The Directors have opened negotiations with the Grand Trunk Railway Company, with a view to the establishment of traffic relations between the Companies, to mutual advantage.

The Directors have continued to facilitate by every means at their disposal, the track services of the Grand Trunk Company at Toronto, and they have the satisfaction of reporting, that under an arrangement recently effected, the permanent position of the respective trackings has been definitively adjusted.

By reference to the accompanying statements presenting in the fullest detail the revenue and expenditure of the Company in each department of its operation during the past year, the proprietors will discover that although the financial position of the Company continues unsatisfactory, a surplus has been secured on the year's transactions and a reduction been effected to a like amount in the floating liabilities.

The general depression of trade throughout the continent, has resulted in a serious diminution in revenue to all lines of travel and transportation, whether by land or water; and the proprietors will thus have been prepared to hear that, due to the same causes, the receipts of this road have also been unfavourably affected.

As has been already stated, the contributions to revenue from through-trade have been almost entirely suspended by the discontinuance of the line of upper-lake-boats, and the revenue now reported may therefore be accepted as due alone to local traffic.

Notwithstanding, however, these uncontrollable and unforeseen difficulties (common as they have been to every railroad and commercial interest on the continent) the result has been so far satisfactory, as to shew a profit on the working of the year, and a consequent reduction in the floating indebtedness of the Company.