

city of Toronto and of the Company, the construction of the same was undertaken by the Directors for a bonus from the city of Toronto of \$100,000. The bonus, when submitted to the vote of the ratepayers, was carried by a large majority ; and immediately thereafter contracts were let and work on the line commenced, which has since been prosecuted with vigor. The new line will be completed by the 1st December next, and when opened for traffic cannot fail to greatly facilitate the business of the Company.

The Dominion Parliament having during the last session voted the expenditure of a sum of money towards the improvement of the harbor of Owen Sound, the works in contemplation there this season, when carried out, will give the Company greater facilities for dealing with the trade of the Upper Lakes and the North-West.

The Directors would call the attention of their successors to a paragraph in their report of last year, directing attention to the fact that there are several municipalities served by the railway which have not yet contributed towards its construction. They would again recommend their successors to press the claims of the Company upon such municipalities.

The rolling stock of the Company has been considerably augmented during the past year, and orders are now being executed for a still further addition to the number of locomotives and cars, so that with the opening of the Bruce Extension the Company will be in a position to carry the great increase of traffic which must follow. Four new first-class passenger coaches of the best description are being built for the Company, and are now nearly completed, and will be by the end of September placed upon the line.

The Board recommend their successors to press upon the Government of Ontario their claims to aid, under the Railway Aid Act, for that portion of the railway from Weston to Orangeville, which hitherto has not been granted to them, but to which they still consider the Company is justly entitled.

It will be necessary during the ensuing session of Parliament for the Company to apply for an amendment to their charter for the purpose of re-arranging their bonded debt ; and the Board recommend their successors to give this matter their most careful consideration.

All of which is respectfully submitted.

JOHN GORDON,
President.