

Already, during the current year, the traffic shows an increase upon that of 1863, and the Directors feeling that the carrying capacity of the Line is about to be tested by further advances, have recently authorized additions to the Rolling Stock to meet the demands of the Local business.

During the last year, measures have been promoted by a large section of the inhabitants of Toronto with a view to the extension of the Company's Line to the eastern portion of the City. It will be in the recollection of the Proprietors that in 1850 the Corporation of Toronto extended certain financial aid towards the construction of this Railway, conditional upon such an extension of its Line as would equally secure to the whole City any advantages accruing from its operations; and although from various causes this condition has never heretofore been enforced or fulfilled, yet as the trade of the road continues to develop itself, such an extension becomes more necessary and desirable alike to the City and this Company, in order to overcome the heavy additional cost and delays to the traffic arising from the situation of the present terminus. Acting in the interest, and under the urgent demand of the commercial community, the Corporation has by agreement conceded to the Company a free right of way in perpetuity from its present Depot throughout the water frontage of the City; and although such concession has been somewhat complicated by the manner of the agreement, the Directors recognize in it a grant of mutual value, and they trust that no difficulty will arise to prevent or postpone the traffic facilities it contemplates.

In referring once more, and they trust for the last time, to the long disputed question of the Barrie Branch, the Directors have to state that under the provisions of the act passed by consent last year, every obstacle to a friendly arrangement of it seems to have been removed. The Corporation of Barrie is now engaged in securing the right of way for the line, (a trifle more than one mile in length) which, under the original agreement and the act referred to, is to be conveyed to the Company free of all costs and charges. So soon as that shall have been done the construction of the line will be proceeded with, at an estimated cost of \$6,793.00 (£1,395 16s. 4d. Stg.); and as the works are of an extremely simple character, they