

upon the first point, it may be remarked, that your Directors would have hesitated to advise the Shareholders to acquire the Line, even after considering the important matter involved in the second question, had they not been satisfied that the Erie and Ontario Railway would yield a profitable return upon the capital embarked in it. The Town of Niagara, situated on the shore of Lake Ontario, at the mouth of the Niagara River, is distant from Toronto, which contains a population of 50,000 inhabitants, about 36 miles. The traffic between Toronto, Buffalo, and the States, at all times large, is, during the summer, very great indeed; the Falls of Niagara forming, during the hot weather, an immense attraction. Niagara is so placed, that it is the nearest point for steamers from Toronto to land at, and the large existing traffic, yielding to the steamers now on the line, a profit of many thousands a year, would be greatly increased, when by means of the Erie and Ontario Railway, passengers are afforded the facility of reaching the Falls in half an hour after leaving the boat, or in two hours and a half from Toronto. The Falls of Niagara, the great Watering place of this Continent, is yearly resorted to by crowds, from all parts of Canada and the Union—a large number of these visitors stay at the Falls on their way to or from a tour amongst the magnificent scenery of the St. Lawrence; in either case, Niagara being the nearest point the steamers on Lake Ontario touch at, would secure for the Erie and Ontario Line, a large proportion of the travel to or from the Falls; and these two items of traffic alone, would be quite sufficient to yield a handsome return upon the cost of construction.

It is also worthy of remark, that the possession by this Company, of the route between Toronto and the Falls, via Niagara, will prevent the possibility of any detrimental competition with the Hamilton and Toronto Railway.

Upon the second point, this line, in the opinion of your Directors, assumes very great importance. The Charter of the Erie and Ontario Line is claimed by that Company, to give power for the construction of a line to any point on Lake Erie, but at any rate to allow of the making of a line from Chippawa, from which point access is obtained to the Suspension Bridge at Niagara Falls, to Dunville, and thence to the lake. If this were carried out, a line of railway would then be complete from the Suspension Bridge to Simcoe, the Chippawa and Dunville line, joining at the latter place the line of the Woodstock and Lake Erie Road from Dunville to Simcoe; and a reference to the map will show that such a line would form about one-third of a Southern parallel line, referred to in the early part of this Report. Notices are already gazetted for applications for lines from Simcoe to St. Thomas, and so on to Malden; and it appears, under these