

of the railway have been so augmented as to secure its dividend ability, and establish its credit on a sound basis.

These successes imply great advantages to the trade and country served by the line, and they should secure, as indeed they have already largely conciliated, the confidence and support of the commercial community interested in its operation.

The Directors, however, regret to find that the long pending dispute (now ranging over a period of about nine years) in relation to the construction of a branch line into the town of Barrie, is still the subject of agitation.

The Directors cannot here enter into a discussion of the original merits of this dispute; but they think it their duty to state that, at the instance of certain local bondholders, the case has been carried into Chancery, and an injunction has issued declaring any expenditure on the branch line to be illegal, and in express contravention of the rights of the bondholders as established by the Act of 1859, and upon the security of which act the bonds were negotiated and issued. By that injunction the Directors are restrained from paying or otherwise disbursing any of the moneys of the Company in the service referred to, and the Directors await the final issue of the suit before complicating the matter by further discussion.

They observe with regret, however, that the parties promoting this claim have given notice of an application to Parliament to disturb and alter the provisions of the Act of 1859, not only so far as their own demands are affected and limited thereby, but in relation to questions connected with the general organization and operations of the Company.

The Relief Act, however, has so entirely fulfilled its purpose, and the advancement of the Company (under its provisions) to sound credit and extended operations has been so successful, that the Directors anticipate that no countenance will be given to efforts which seem to be suggested by motives coercive of a doubtful claim rather than by regard for the public interests represented in this railway.

The Directors have had under anxious consideration the subject of the re-organization of the through line for the season of 1863.

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