

from Chicago it would depreciate in value from becoming heated.

The roadway has been maintained in a fair condition of repair ; but consequent on the want of a sufficient quantity of new iron, it has been necessary to transfer rail from sidings to main track, and organize a system of rail-repair which has been in operation throughout the year. By these measures, together with a small proportion of new iron, the road has been preserved in safe running order, and although its depreciation has tended to increase the cost of working, I have every hope that the service may be efficiently fulfilled until the Company is enabled to provide further supplies of new iron, which I need scarcely add will be imperatively necessary at an early date.

A large number of ties will be required the coming season, as in several portions of the line south of Bradford, nearly the whole will require renewal, particularly on that portion where sand was used as ballast.

To meet these wants, I have contracted for 25,000 ties to be delivered this winter.

The loss of the steamer *J. C. Morrison*, by fire, occurred on the morning of the 5th of August last, whilst laying up for the night at Barrie. This loss was a total one of boat and all its furniture and fixtures, as the fire occurred at one o'clock a.m. ; and no help being at hand save the crew to arrest the conflagration.

The origin of the fire has not been satisfactorily explained. The steamer *Morning* was immediately put in condition for the business upon Lake Simcoe, and continued upon it until laid up in the Fall.

The balance sheet for the boats shows a loss, although great care was taken to man them with efficient and experienced officers.

This, however, may in part be attributed to the want of inducement offered to pleasure parties to visit the Lake after the

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