

attracted attention to facilities temporarily withdrawn, and created an anxious desire on the part of those interested in the carrying trade for their early restoration. Negotiations have accordingly been renewed with the proprietors of upper-lake-steam-craft for the organization, during the ensuing season, of efficient through-connections, and the Directors confidently anticipate that arrangements will be immediately perfected advantageous to every interest engaged. The establishment, on terms of mutual safety; but of distinct management and liability, of such a line of vessels as shall secure reliable and constant connections with Chicago, Green Bay, and Lake Superior, cannot fail to augment the revenues of the road, and to secure to the boats a fully remunerative business.

In this connection, the Directors have the satisfaction of reporting that the lighthouses ordered for the Canadian portion of the upper-lake-route have already been erected by the department of Public Works, and there is every reason to anticipate, that immediately on the opening of navigation, these provisions, so important to the trade of the road, will be put in operation.

The Directors regret to state that the Company's steamboats on Lake Simcoe have been worked during the past year at a loss, and although the amount involved is not of serious moment, it is sufficient to illustrate the risks and difficulties attending such operations. Thus strengthened in their conviction that it is impolitic to engage in any transactions outside the strict line of railway operations, the directors propose to charter or sell the steamer *Morning*, and they do not doubt, that under the direct influence of private enterprise the lake trade will become highly remunerative, whilst its contributions to the business of the road will be augmented rather than diminished.

The Directors have to report the loss of the Company's steamer *Morrison*, which was totally destroyed by fire during the night of the 5th of August. Some delay has occurred in the settlement of the Insurances upon her, but measures have been

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