

The Passenger Engines are well adapted to our Passenger Traffic. Many of the Freight Engines are light, but under ordinary circumstances they average a load of 14 to 16 loaded Cars "through," and the heavier Engines are capable of hauling 16 to 18 loaded Cars.

The grades and curves between Toronto and Belleville, and between Sherbrooke and Island Pond, are very severe, and tell greatly on our Locomotives; but from my recent investigations, I consider that the inconvenience felt on both of these districts may be lessened or mitigated.

We have had 10 to 12 of our heavy Engines ballasting and used in construction all this summer; some of them will require extensive repairs before they can be depended upon for the regular work, but no time will be lost in getting them into good order.

It affords me much satisfaction to refer you to the regularity with which our Trains have been worked, and our freedom from all accidents, affords the best proof that the stock must be in excellent condition.

The Locomotive and Car Staff under me is second to none, and the principle of awarding every six months premiums to drivers and firemen, and also the presentation by the Directors of silver medals yearly to the best men for economy, regular running, care and freedom from accident, is causing a very desirable amount of emulation, and is being attended with the best results. I state this after the fullest consideration of the subject.

I remain, dear Sir, yours truly,

W. S. MACKENZIE.