

1859, amounted to \$240,044.86 of which \$201,441.80 was local, and \$38,603.06 on through traffic, showing a total deficiency in comparison with revenue of 1858 of \$21,657.06.

That deficiency is more than accounted for in the returns of passenger traffic, on which service alone there has been a decrease of \$30,276.84, of which \$26,038.58 has been local. This is so far satisfactory as showing that the falling off has been due to purely temporary causes, and in a service which being entirely non-competitive will doubtless be fully restored when those causes shall have been removed; indeed, during the last five months of the year there has been a marked and growing improvement in revenue, which by the most recent returns is rapidly increasing (as in comparison with the previous year) on both passenger and freight services. With reference to the through trade, the character of the route for despatch and punctuality has been fully maintained, and its efficient management is best evinced by the fact that the damages of every class on the whole season's operations have amounted to but \$134.30.

The transactions of the line of Upper Lake Steamers in connection with the Company have been satisfactory, and have sufficed to prove that such a line is self-sustaining. The Directors have accordingly declined to entertain any proposition for future Upper Lake connections, involving directly or indirectly any guarantee or subsidy to be granted by the Company.

The returns of this service show a profit to the Company of \$10,684.18, a result which, if not so ample as could be desired, and as the merits of the route should secure, is still an improvement upon previous years, and, as being for a term during which the Western trade was depressed beyond precedent, sufficiently illustrates the growing value and favor of the route.

It is worthy of remark, as establishing the value of the through trade of this Company to the commerce and carrying trade of the Province at large, that of a total tonnage of 24,897 tons going East, 12,778 tons have been transferred to the Grand Trunk Railway, whilst no less than 22,692 tons have been consigned to that and other Canadian interests.

It is a matter of regret to the Directors that the trade of Lake Superior and of Green Bay, which legitimately pertains to this line of Railway, has not yet been made tributary to its revenues by the