

- 1st. To facilitate and increase the local traffic.
- 2nd. To secure a portion of the freight and passenger business of the Buffalo and Lake Huron Railway, and of the Grand River.
- 3rd. To form a connection with the proposed Great-Southern Railway.
- 4th. To form a great Line of communication between Lake Erie and Ontario.

As these are four distinct sources of business, it will be proper, briefly, to consider each one in turn.

LOCAL TRAFFIC.

As yet, we are obliged to draw our estimates of traffic chiefly from the Railways in the United States, where the circumstances of trade and travel very nearly correspond with those of this country, and where a larger experience has furnished more reliable data than can yet be found in Canada. It has been ascertained in New England, where several thousand miles of Railway have been opened long enough to develop the traffic of all kinds, that each inhabitant contributes annually, on an average, \$3 to the gross receipts for local traffic of all kinds. Applying this rule to the Hamilton and Port Dover Railway, the Directors, in their Report issued in June last, estimated the population that would be tributary to it, when it should be one year in operation at 110,000, which would contribute \$330,000 a year. Although this result might not be realized the first, or second years, that the line should be in operation, there is no reason to doubt that it would be in four or five years, which is a period necessary to develop the local business of any Railway. Let us apply the results thus far ascertained from the operations of the Great Western for the two years it has been opened for traffic, up to the 31st January last, and which does not include the Toronto Branch subsequently amalgamated.

GROSS LOCAL OR WAY TRAFFIC OF THE GREAT WESTERN RAILWAY.

Years ending,	Passenger,	Freight	Total,
31st January, 1855	£126,890	£ 55,315	£182,205
31st " 1856	159,960	102,341	262,301
Increase	£33,070	47,026	80,096

In order to show that there was no special cause for this large increase in the local receipts of that Company, except the natural development of the business of the line, the Directors, in their last report, say, "It is satisfactory to observe that the increased traffic of the last half year has been confined to no one source, but that each department of the Company's business has contributed to the gross increase."