

of Nottawasaga, where that description of timber is found, in great abundance, and of superior quality, and, together with squared timber for building purposes, is likely to afford an increasing source of revenue, while its manufacture is promoting the settlement of the wild lands contiguous to the line.

As was anticipated, the efforts of the Company to promote the trade of Lake Simcoe, by the establishment of an efficient steamboat service, have been attended with the most satisfactory results, and the erection of extensive wharves by private enterprise at the principal points touched at by your steamers, is abundant evidence of the growing importance of the trade with that section of country, while the pleasure travel from Toronto to the lake has shown it to be a most desirable place of resort for the citizens who are seeking relaxation from business. The completion of the new steamer which will be placed on the route within a few days will add fresh attraction to the trip, and her increased speed will enable me to make a more convenient arrangement of the hours. The steamer *Morning* will then find profitable employment in carrying freight and towing rafts.

I have the satisfaction of being able to add that this enterprise has been self-sustaining, and the division of rate allowed to the boat has been sufficient to maintain her, the very large amount of traffic brought to the road is consequently not subjected to any deduction on account of the maintenance of that service.

The selection of the Hen and Chickens, now Collingwood Harbour, as the terminus of your road on the Georgian Bay, and which occasioned so much controversy at the time, has not resulted in any of the misfortunes so freely predicted by the opponents of the selection; and I am now able to state, on the strength of past experience, and on