

MR. SHANLY'S REPORT.

The following is the report of Mr. Walter Shanly, General Manager and Engineer, referred to in the report of the Directors :—

MONTREAL, 1st September, 1858.

To the President and Directors of the Grand Trunk Railway Company of Canada :—

GENTLEMEN,

I have the honor to report on the business and working of your Railway for the past year.

The number of miles open for traffic remains as at the period of the last Annual Report—in all, 849.

In one important particular the working of the road has been highly satisfactory. I allude to the safety and regularity with which the trains have been run.

The Day Express Trains between Toronto and Montreal, and between Montreal and Portland and Quebec, which were discontinued during winter, were again put on—on the former section towards the end of February, and on the latter section early in June, and we have continued to run them up to this time. By the end of November, at farthest, those trains may again be taken off, and our daily mileage reduced by nearly 1600 miles. The Night Express between here and Toronto, and the Evening Trains from here to Portland, stopping over night at Island Pond, will sufficiently accommodate the travelling public during the winter months; and we have found by experience, especially as referring to the Montreal and Toronto District, that the Night Train pays better than the Day Train.

I regret to be obliged to report, that the Traffic Returns for the half year ending 30th of June last, show a considerable falling off as compared with the corresponding period of last year, the decrease being equal to about 8½ per cent. of the gross amount of receipts for the six months ending 20th June, 1857.

Considering the almost universal depression which has prevailed for the past twelve months, in all branches of commercial business, I do not consider that the falling off in our traffic should be viewed in a gloomy aspect. There are very few lines on this continent where the difference in receipts between this year and previous years will not range higher than 8½ per cent. By far the larger proportion of the decrease, as will be seen from the comparative returns herewith, is in our local passenger business. In local *freight* and live stock, we have made an actual increase over last year.

That the passenger business should have fallen off, as it has done, was to be expected. The over speculation which for the last four or five years has pervaded all classes of business, both here and in the United States, has, of course, resulted in a re-action, producing a strong monetary pressure—as a consequence of which "Pleasure Travel" has greatly diminished. Having been living beyond their means for some years past, people must now stay at home, and retrench. The steady increase,—amounting on the half year to nearly \$40,000,—in the Freight Department of our business is very gratifying, as tending to prove that the legitimate business of the country is in a healthy condition.

In our Emigrant and Foreign Passenger business the decrease is very considerable; but this is at once accounted for by the falling off in the number of emigrants arriving at the port of Quebec this year as compared with last; as