

Lumber and Timber, has materially affected the earnings of this as well as of all other Railways. This depression is materially increased on our Line, from the destruction by Fire of three saw mills and one shingle mill, all of which were tributary to the Road, and will no doubt be rebuilt on a revival of the Lumber business. The abundant harvest, which has just been secured, cannot fail to increase the freights throughout the entire line, and a Steamer being now under construction to run between Cobocok and Fenelon Falls, and another Boat is to be put on between Elliott's Falls and Minden so soon as the Government construct a Lock at Mocre's Falls, to connect the navigation, which will then only leave about 7 miles of additional Railway to bring Minden and the surrounding country in direct communication with Toronto, all of which must have a beneficial influence on the future prosperity of the Road.

The Chief Engineer having accepted the position of General Manager of the Toronto, Grey & Bruce Railway Company, tendered his resignation, which your Directors accepted; and they cannot part with Mr. Wragge without expressing their regret at the severance of a connection which has existed since the formation of the Company, and have great pleasure in testifying to the able and efficient manner in which the duties connected with the office of Chief Engineer has been conducted under his direction.

In conclusion the Directors have much pleasure in stating that the Officers and Employees of the Road have given them entire satisfaction by their constant attention to their respective duties.

Respectfully submitted.

W. GOODERHAM, JR.,

*President and Managing Director.*

The Chairman then moved the adoption of the Report, and Mr. James E. Ellis seconded the same.

The Chairman, in moving the adoption of the Report, regretted that the year's business had not been more satisfactory, but, taking into account the depressed state of the trade of the country during the year, he thought that the results of the year's opera-