

specific purposes, such new capital to rank for interest and security next after the existing second preference bonds. The preliminary conditions imposed by that Act having been complied with, it is now in legal operation, and the Directors have accordingly made all necessary preparations for executing such works as are primarily essential. It is contemplated to construct during the current year a new grain elevator at Toronto, having a storage capacity of 275,000 bushels, and an elevating and shipping power of 20,000 bushels per hour. The elevator wharf will be constructed in 15 feet water, will be 490 feet long, by a width of 70 feet, solid, and will be capable of storing three million feet lumber for shipment, and of accommodating seven vessels alongside for lumber and four for grain, to load simultaneously. The cost of these works, complete with approaches and tracks, is estimated at \$140,000. The Directors trust to be able in the following year (1870) to erect works of a like class, but of smaller capacity, at Collingwood. With these works, together with the future appropriation of the present elevator wharves at Toronto and Collingwood to the storage and shipment of ordinary freight, the Company will be in a position to command and work an extended traffic with great economy and despatch, assuming of course that the locomotive and rolling stock equipment shall continue to receive gradual extensions, such as have been added from time to time during the past few years.

7. During the past year the Directors have actively promoted the construction of the Rama Canal and Portage, a work of much necessity and importance, as establishing cheap and efficient connections between the territory of the Black River and Lakes Saint John, Couchiching and Simcoe, and bringing those districts into direct relation to this railway and the city of Toronto; and they are now happy to report that, by the enterprise of a separate corporation, the works are already far advanced toward completion, and will be ready for public use early in the spring.

8. Authority was granted during the last session of the Legislature of Ontario for the construction of a canal uniting Lakes Muskoka and Rousseau, and for the establishment of a tramway to unite the traffic of those lakes with Lake Simcoe and (by this line) with the city of Toronto. To the success of these enterprises the Directors will contribute whatever influence and assistance they can command.

9. The lumbering interests of the North Shore of the Georgian Bay are in course of very rapid and extensive development, several large establishments having been started there during the past year, whose aggregate production is estimated at from thirty to thirty-five millions of feet per annum. Much of this production will necessarily seek Western markets, but it may, nevertheless be expected to contribute a considerable increase to the future traffic of the line, wilst, if this development be fairly watched, it may be made to yield a new element to the trade of this city.

10. The wise liberality of the Legislature in relation to the free grants of agricultural lands, and to mining interests, gives reasonable hope that immigration and settlement will be greatly promoted, and a new impetus given to mining enterprise. These influences cannot fail to result beneficially to this railway, especially under such a liberal policy in its management as shall assist in every effort towards the development of the Upper Lake Districts. It is with regret, therefore, that the directors observe that the steam vessel service of the Georgian Bay and of Lake Superior continues in an unstable and unorganized condition, very prejudicial to the growth of trade and to the commercial interests of Toronto. Fully prepared to contribute to the improvement and permanency of this important service, by close traffic connections of liberal character, the directors necessarily await some such combined action with the postal service as shall secure an organized system of steam communications of the extent and character which

the growing importance of the North West Territory and public interest would seem to suggest.

(Signed)

FRED. CUMBERLAND,  
Managing Director.

JOHN BEVERLY ROBINSON,  
President.

On motion of the President, seconded by Mr. G. H. Wyatt, the report was adopted.

Ald. Bell moved that W. Gamble and J. Brown be re-appointed Auditors.—Carried.

Ald. Baxter, seconded by D. Crawford, moved that F. C. Capreol and E. M. Carruthers be appointed scrutineers for the ballot for election of directors.—Carried.

Some discussion then arose in reference to a reduction of the passenger rates and the rates for freight.

Mr. Cumberland said, that if he knew it to be advantageous he would instantly reduce the fares. But the danger was that they might make a mistake in that direction. He quite concurred in the general principle referred to, that, where possible, a reduction of fares should be made—although such reductions were not always attended with a beneficial effect, as in the case of the Post Office, the reductions in which had not resulted in the way expected by the public. If they could increase the travel in such a ratio as to compensate for the decrease of fare, then it would be the policy of the Company at once to lessen their rates. The matter had been a frequent subject of discussion at the Board, and one of almost continuous thought with himself. For himself, he was inclined to think it would be well to make an experiment of that character. If they had a large urban population, they could deal with the subject with courage. But, their rural population could not be drawn out, except once or twice a-year. Those interested in commercial pursuits alone would take advantage of it. As for the periods in which the other class were likely to be drawn, they could be provided for by public excursions. It had occurred to him that possibly they might, during the summer months, try the experiment of reducing the cost of return tickets. His idea was that this should be done without touching the existing tariff, or, in other words, that return tickets should be available for a return and a-half. This experiment, he thought, ought first to be tried with reference to Toronto. Return tickets to and from Toronto might, perhaps, be reduced in order to see how the main traffic of the line, that is, to and from Toronto, would be affected. Then, if desirable, the principle might be extended to other stations. At present, the freight tariff was as low as that on any other line, and indeed, as low as it could be; and for the ordinary course of freight business, it was at present so low that it would not be wise to make any further reduction. His own idea and that of the Directors generally, was to reduce the fares as low as possible and as rapidly as possible; and if trade increased in future, as might be expected, it was quite possible such reductions might with safety be made.

The meeting then adjourned until 1 o'clock, in order to allow of a ballot for the Directors.

#### SPECIAL MEETING.

Immediately after the above meeting, a special general meeting of the Company was held for the purpose of authorizing an issue of Third Preference Bonds under the provisions of the Northern Railway Act of 1868.

Mr. Cumberland said that this meeting had been made special in order to comply with the terms of the Northern Railway Act of 1868, passed last session. The object of that Act, as briefly stated in the annual report, was to enable the Company to proceed with such works of extension as were particularly necessary to serve the traffic of the district. During past years they had been making considerable additions to all the equipments, but found they could not do so with the rapidity with which

trade demanded. They, therefore, found themselves in this position, that they had either to neglect the interest of the district of Toronto and the counties of York and Simcoe, or else they had to seek means to enable them to make essential additions. Among primary objects, they had long felt the necessity of a good elevator at Toronto. The present one was old, inconvenient and costly, and the time was not far distant when it would cease to be safe. Therefore, they desired to put up a good structure, of greatly increased capacity, so that hereafter the whole produce of the country might find a point at which ample storage should be given during the winter at a cheap rate. With the present building they could not secure cheapness; for the elevator was so inconvenient as to give rise to an unnecessary large amount of handling and labour. For this reason the Company could not come down to the ordinary average charges of such services. But the building about to be constructed would be one of the finest on the continent for its class, and in it they would be able to handle the grain at a minimum cost. But the Company did not look altogether to their own benefit. They were not avaricious—and hence the difference in cost between the present rates and those when the new building was up they would give to the trade. All that the Company desired was to make a legitimate profit; and that he believed they had already amply demonstrated. By the proposed arrangement the value of the cross would be increased, and also the profits of the shipper. He would announce that a preliminary conditional contract had been entered into for the construction of the Elevator for \$150,000. The plans were at present in the engineer's room and could be examined by the meeting. The work was in the hands of their old friend, Mr. Reekie, who had undertaken the contract. This would, undoubtedly, be of great advantage to the Company, for anything Mr. Reekie undertook would be well done. The credit of the Company financially would be aided rather than injured by any operation of the kind with which he was connected. Already the Company had commenced the purchase of material; within 10 days a crib would be commenced, and in two or three months another, and a creditable wharf would be seen arising out of the harbour—attesting not only the increase of the Company's trade, but also the general prosperity of the city.

Mr. D. Crawford, seconded by Mr. Most, then moved that the Directors be authorised to issue, under the provisions of the Northern Railway Act of 1868, third preference bonds, class A, to the extent of £50,000 sterling, for the purpose contemplated by the said Act.—Carried.

The Scrutineers reported the election of the following Directors for the ensuing year:—Hon. J. B. Robinson, F. W. Cumberland, Lewis Moffatt, D. Crawford; and John A. Chowne, H. Wheeler, and H. M. Jackson, of England.

A vote of thanks was then passed to the Directors, on motion of Mr. G. H. Wyatt, for their very full and satisfactory report.

Mr. F. C. Capreol seconded the resolution.

Mr. Cumberland explained that Mr. Reekie having undertaken the construction of the elevator, had resigned his seat at the Board. His colleagues regretted very much parting with him, and hoped that as soon as he was free to rejoin them they would again have the pleasure of welcoming him to the Board. The meeting then adjourned.

—At the annual general meeting of the Canadian Engine and Machinery Company of Kingston, held in Montreal, the following named gentlemen were elected as Directors for the ensuing year, viz:—Henry Yates, Esq., of Brantford; Messrs. George Stephen, R. J. Reekie and E. T. Taylor, of Montreal; and Robert Cassels, Esq., of Quebec. At a meeting of the new Board, held immediately after, Henry Yates, Esq., was unanimously re-elected President.