

ence to the railway, is the position and value of its acquired and leased lines. On this subject you have some statistics in the report, and I would only desire to add a few words to the information so given you. The main line of the railway, as you are aware, terminates at Callander, but for the purpose of connecting it with the seaboard, with inland navigation, and with the railway systems of Ontario and Quebec, an extension of it to Montreal and Brockville has been acquired, and the consolidated line known as the Ontario and Quebec Railway, passing through Ontario and connecting with American lines and with Lake Huron, has been leased in perpetuity.

These acquisitions by purchase and lease have been frequently referred to as involving the expenditure of money more properly applicable to the construction of the main line. But as respects the original expenditure upon these lines, it is sufficient to say that it has already been repeatedly shown that the cost of the acquisition of the extension to Brockville and Montreal, with many other similar expenditures, was more than provided for by the Company itself from funds derived from its own stock; and that the Ontario and Quebec system was acquired and constructed by individuals, independent of assistance from any portion of the funds of this Company.

What I desire now to point out to you, is, that returns of the actual traffic on the acquired and leased lines east and south of Callander show, at this moment, a net revenue exceeding by 25 per cent. the fixed charges upon them, and exceeding by above 10 per cent. the interest upon the entire cost of those extensions and leased lines, including such fixed charges. This gratifying result, as it seems to me, should put an end to the statement so freely made in various quarters, that the acquisition of