may be known. Until about the close of the season of navigation of 1901 there was elevator accommodation at Point Edward, but unfortunately at that time the elevator at that point was burned, as was also one at Port Huron. The earnings of the steamers of the N.N. Co. in consequence were much less in 1902 than they would have been had we had proper elevator accommodation. A knowledge of this impressed my brother and myself with the absolute necessity in the interest of the Company of having an elevator erected at Point Edward at the earliest possible date, and having succeeded in doing so we feel that we have conferred a great benefit on the Company, as future earnings must be greatly increased by this indispensably necessary important facility. This elevator should increase the annual earnings of the Company with only the present steamers employed on the Sarnia-Lake Superior division at least $30,000, and as the number and capacity of steamers of that division increase, as they must in view of the development of the Western country, the earnings on account of the elevator will also increase proportionately. Consider what this means to the Company, and what an important factor it is in determining the rate of dividend. It was not want of confidence in the earnings and business prospects of the N.N. Co. that caused my brother and myself to reduce our holding of stock in the Company. We, therefore, do not consider that we have left any-one in the lurch by doing so. Had it been possible for us to have had the elevator erected without investing money in it ourselves, we would have much preferred holding our stock in the N.N. Co. to disposing of it and investing in the elevator. The part we have taken and the investment we have made in procuring the elevator at Point Edward should, I think, be sufficient to satisfy everyone concerned as to the deep interest we have taken in the welfare of the Company.

"The statement that T. Long had in the transfers he had made up to Nov. 25, 1902, left no stock at his credit on the Company's books, and that he remained in this position without vacating his seat on the board until Dec. 10, 1902, when 50 shares were transferred to him by J. J. Long, is misleading, as it does not give all the facts, for at that time he owned considerable stock in the Company, which stood in the name of J. J. Long instead of his own name, and there was no meeting of the board from Nov. 25 to Dec. 10, 1902.

"The allegations that there has been incompetency; that the staff has been unnecessarily increased; that too much money has been spent in advertising, etc., and that supplies have been carelessly purchased, are, as far as I know, incorrect, but the report of Clarkson & Cross will doubtless deal fully with these very important matters, so I will only refer to the question of supplies. It is true that certain supplies have been bought from companies or firms in which certain of the directors are interested, but it is not true that there has not been a proper check on prices charged, the fact being that the prices charged for everything purchased for the Company are closely scrutinized, and that the companies or firms in which certain of the directors are interested, have always furnished supplies at the lowest prices obtainable for their respective classes.

"It is alleged that the steamer Huronic was built by a company in which certain of the directors are largely interested, and that other steamers have been repaired by the same company without there being any proper check on the prices charged. The steamer Huronic was built by the Collingwood Shipbuilding Co., in which certain of the directors are largely interested, but a tender for the building of the Huronic was made by that company and accepted by the directors of the Navigation Co. after having consulted F. E. Kirby, one of the most able and best known