

at a special general meeting whenever the works on the Muskoka road were so nearly approaching completion as to justify the execution of the lease. In the mean time, there would be an agreement signed providing for the Northern Company taking possession of the road as soon as it was in working order. The report suggested the necessity of augmenting their road equipment to meet the requirements of the increased length of line, and he hoped by this time next year that the Company would have so augmented its mechanical equipment as to be able to work the new line without disadvantage to the old. If the prospects of the Muskoka road were not strong, he could not have consented to the terms which had been agreed to, for they were really giving to the Muskoka Company, on an average over the whole period of the lease, the ordinary profits of the working of the line, less only the ordinary working expenses. After ten years of the lease had expired, the Northern Company would be called upon to give 45 per cent. of the gross earnings of the road over to the Muskoka Company, only reserving 55 per cent. to pay not simply the working expenses, but the interest of the cost of the locomotive and rolling stock equipment. But 55 per cent. was a low average for working expenses, and in fact it would seem that the Northern Company were stocking the road for nothing, taking an average of the whole 25 years. On the other hand, however, he thought that the traffic of the Muskoka line would possibly develop itself with greater rapidity than that of the Northern line above Allandale, and he therefore looked for compensation for the capital to be invested in the rolling stock and locomotive equipment out of the new revenue to be brought to the main line. (Hear, hear.) Were this otherwise, he should not feel justified in assenting to any such arrangement as had been concluded with the Muskoka Company. He believed the Muskoka stock in the course of three or four years would not be a bad stock. (Hear, hear.) Some objection had been taken to the length of the road, and to the duration of the lease, the Northern proprietors viewing with some regret any possible termination of the road at Washago. The value of the Muskoka road depended entirely on its being carried through until it tapped the waters of Lakes Muskoka, Joseph, and Rosseau, and the Northern Company could not have afforded to lease the road simply from Washago, because the traffic up to that place would be far less hopeful than if the line were carried further. It was on the faith of the Provincial Government, or some one else laying the basis for the capital of the remaining fourteen miles, and on the early construction of the road to Lake Muskoka, that the Northern Company had approved of the lease. From his own observation, he believed that no better investment of money could be made for the benefit of the Province at large than with a view to bring the great territory watered by these three lakes into direct communication with the railway system of the front and Lake Ontario. It would make all the difference of settling the country in five years, or waiting twenty-five years. It did not require any very skilful advocate to show that if that development could be gained with such rapidity, a coast line of about 150 miles on the three lakes be obtained, and the whole district be brought within six hours of Lake Ontario, by the Provincial investment of say half the cost of the 14 miles of line—not \$100,000—neither the country, the people, nor the Government would hesitate, he thought, for one moment to supply the funds. It was very gratifying to the Directors of the Northern Company, and to himself personally, to find that the support which they had promised to the Muskoka Company at the outset had been found to be such as to justify public recognition at the hands of their fellow citizens. (Hear, hear.) The Northern Road felt that it had duties as well as rights, and those duties were recognized not only in Toronto, but in London; and he hoped the policy of the

present Board and of their successors would be to use their power to extend the commercial interests of the country, and especially of the city of Toronto. It was peculiarly a Toronto railway, and he felt sure that Mr. Frank Smith would admit that he found in the London Board that liberal spirit which recognized the duties of the Company; and was ready to fulfil them to the very utmost of their power.

A vote of thanks having been passed to the chairman, the meeting terminated.

TORONTO, SIMCOE AND MUSKOKA JUNCTION RAILWAY.

A meeting of the Provisional Directors of the Toronto, Simcoe and Muskoka Junction Railway Company in Toronto, on the 23rd Sept. The following gentlemen were present:—Mr. Frank Smith, President; Mr. F. W. Cumberland, M.P.P.; His Worship the Mayor; Messrs. W. D. Ardagh, Reeve of Barrie; C. W. Moberley, James D. Edgar, Hon. John McMurich, John Turner, Geo. Percival Ridout, W. H. Howland, J. D. Merrick, Noah Barnhart, Ald. Metcalf, Wm. Elliot, President of the Board of Trade, &c., &c.

The President took the chair, and stated the objects of the meeting, which were to receive a report from the Executive Committee of all transactions and arrangements to date, to authorize the opening of stock-books, and other business. As President of the company, he had gone to England, to meet the London Board of the Northern Railway. That Board treated him with kindness and courtesy, and showed a great deal of liberality and good feeling to the Muskoka Company. This and other matters would be found in the report.

Mr. W. F. Munro, Secretary, then read the following reports:—

T. S. & M. Railway,
Toronto, 22nd September, 1870.

To the Provisional Directors:—

The Executive Committee beg leave to submit the following report of their transactions to present date:—

1. Your Committee, immediately after their appointment, instituted a preliminary survey of the whole line between Barrie and Bracebridge, which was satisfactorily performed by Mr. Legge, of Montreal, who presented maps, profiles, and estimates of the road, which were provisionally approved.

2. The location of Mr. Legge's lines contemplated a junction with the Northern Railway at Barrie, a diversion of the direct line so as to best serve the interests of the village of Orillia, a similar diversion in the interest of the village of Atherley, and thence a direct line via Washago and Gravenhurst to Bracebridge, which were adopted with a reservation contingent upon municipal aid forth coming from the respective municipalities.

3. Your Committee subsequently appealed to the respective municipalities for such assistance as seemed to be consistent with their respective interests in the undertaking, and necessary as a basis for the capital account; and whilst they are happy to report that the city of Toronto, and the town of Barrie took definite action of a satisfactory nature, and that the townships of Mara and Rama are favourably disposed towards the enterprise, they have to express their regret that the township of Oro, and the village and township of Orillia, have not recognized the advantages, which the company was at one time ready to secure to them.

4. A detailed survey of absolute location has been completed; conditional contracts for the right of way, have been executed, on very favourable terms, for nine-tenths of the line to Washago; and in a few days the quantities of all the necessary works will be reported, and the committee placed in a position to make an accurate estimate

of the cost of the line, preparatory to its submission to contract.

5. Before this shall be finally done, however, it will be essential that certain matters still pending between the company and some of the municipalities should be adjusted, as it is clear that, in particular localities, failing due municipal assistance, the final location for construction must be guided by economical considerations.

6. Your committee entered into early negotiations with the Toronto board of the Northern Railway, with a view to such arrangements between the two companies, in mutual interest, as should provide for the stocking and working of the new line, upon such terms as would best promote the construction of the works, and protect the commercial interests to be served by it.

7. A draft lease was discussed, and ultimately agreed to, at Toronto, under which the Northern should stock and work the line for twenty-one years, guaranteeing the interest upon the debentures to be issued for its construction, and ensuring upon the Muskoka line an advantageous tariff in common with the Northern, with a special provision for the cheap transport of cordwood.

8. It was essential that this lease should be approved by the London Board of the Northern Railway, and your committee are happy to report, that due to the services of your President, that sanction has been obtained, upon terms even more advantageous than then originally proposed, and under which the guarantee of debentures has been extended; whilst the division of the gross receipts of the line between the two companies has been considerably improved towards this company, conditional upon the standard of the works being the same as that of the Northern Railway.

9. Your committee appends to this report the report of the President, detailing the arrangements with the Northern, concluded by him in London; and whilst they congratulate you upon the very satisfactory terms which he has succeeded in closing, they feel it due to the Directors of the Northern Railway to bear testimony to the liberality with which they have dealt with this company.

10. In accordance with an understanding to that effect, the terms thus concluded between the two companies have been submitted for the consideration and judgment of the Mayor of Toronto and the President of the Board of Trade, and your committee are gratified to find that those authorities have expressed their cordial approval of the arrangements thus concluded, as being satisfactory and protective to the public interests.

11. Having regard to the position now attained, your committee recommend that the company be permanently organized without further delay, and they accordingly request your authority to open the stock books, to make calls, and to take all other necessary and preliminary steps under the charter to that end and with a view to the immediate construction of the works.

12. If these suggestions be approved, the powers of your committee should be enlarged by resolution, in which case, relying upon the support of the commercial and municipal interests involved, your committee confidently anticipate its ability to commence the works during the ensuing month.

All which is respectfully submitted.

By order of the Committee,

FRANK SMITH, President.

Toronto, Simcoe and Muskoka
Junction Railway,
Toronto, 20th September, 1870.

GENTLEMEN—I have the pleasure to submit a short report of my recent negotiations with the Directors in London of the Northern Railway of Canada, having for their object the completion of such arrangements between the companies as should best promote the immediate construction of our line, and its subsequent stocking and working by the Northern Company on a basis protective of the commercial interests of this city,