

not use its influence for this line, it deals with you on as equitable terms as with the Great Western. In the event, however, of their taking an opposite course, and, acting under the influence of the Great Western road, refusing your business, the connection at Oswego with the Lake Ontario and St. Lawrence steamboats places you in an independent position in this respect. Such a contingency, however, is not likely to arise; but its possibility shows conclusively the necessity of your controlling an interest in the navigation of the lower lake.

The rapid settlement of the County of Grey, and the daily steamboat line recently established by private enterprise between Owen Sound and Collingwood Harbour, is tending rapidly to the enhancement of the business of your road, the completion of which has given an immense stimulus to the developement of that important section of country.

The great increase in the lumber business on the northern portion of your line is rapidly augmenting the freight traffic in that commodity; several very large mills are already in operation, and others are about to be erected, while smaller establishments are springing up in every direction. I have prepared a statement in the appendix, shewing the number of mills, by which it will be seen that there are contiguous to your road and Lake Simcoe, upwards of 170 saws, capable of cutting 513,000 B.M. feet of lumber daily—a sufficient evidence of the importance of that branch of business. Large shipments of lumber are now being made from Collingwood to Chicago, which affords return freight to vessels bringing produce to Collingwood, and promises to form an important item in the commerce of the Georgian Bay with Lake Michigan.

During the past winter a very large number of Norway pine masts and spars have been brought from the township