

FIFTH REPORT

OF THE

BROCKVILLE AND OTTAWA

RAILWAY COMPANY,

FOR THE HALF YEAR ENDING 30TH JUNE, 1868.

Montreal :

PRINTED BY JOHN LOVELL, ST. NICHOLAS STREET.

1868.

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Brockville and Ottawa Railway Company.

Head Office—Brockville, Ontario.

OFFICERS:

JOHN G. RICHARDSON, PRESIDENT.

H. ABBOTT, VICE-PRESIDENT.

W. R. WORSLEY, SECRETARY AND TREASURER.

G. LOWE, ACCOUNTANT.

DIRECTORS:

A. McARTHUR, Esq., CARLETON PLACE.

J. W. B. RIVERS, Esq., BROCKVILLE.

B. ROSAMOND, Esq., ALMONTE.

A. B. DANA, Esq., BROCKVILLE.

R. P. COOKE, Esq., BROCKVILLE.

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BROCKVILLE, ONT., 15th July, 1868.

To the President and Directors of the

BROCKVILLE AND OTTAWA RAILWAY COMPANY.

GENTLEMEN,—Herewith I have the honor to submit statements showing the result of the management of your Road, during the six months ending 30th June, as follows, viz :

Statement No. 1.—General Statement of Revenue and Expenditure.

“ No. 2.—Assets and Liabilities.

“ No. 3.—Locomotive and Car Statistics.

Abstract A.—Details of Sources of Revenue.

“ B.—Operating Expenses.

“ C.—Renewals and other Expenses.

“ D.—Fuel Account.

“ E.—Store Account.

“ F.—Interest Account.

STATEMENT No. 1.

GENERAL STATEMENT OF REVENUE AND EXPENDITURE.

The receipts from 1st January to 30th June inclusive, amount to..	\$73,348 71
Same period last year.....	52,568 63
Increase in six months of 1868.....	\$20,780 08

equal to $39\frac{1}{8}$ per cent, an increase which must be considered as very satisfactory.

The working expenses proper amount to \$38,950.05, or $53\frac{1}{8}$ per cent of the income. The *whole* expenses of operating the Road, including *all actual renewals* amounts to \$46,087.55 or $62\frac{1}{8}$ per cent of receipts.—A result which has not previously been accomplished on this Road, and which compares favorably with the cost of operating any other Railway in the Dominion.

STATEMENT No. 2.

ASSETS AND LIABILITIES.

In this statement I have caused the reduction of Bonds and Stock to be made in accordance with the Reorganization Act of last session. The difference between the new Stock and the original Stock and Bonds appears under the head of "Profit and Loss."

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STATEMENT No. 3.

LOCOMOTIVE AND CAR STATISTICS.

Making allowance for the fact that trains were heavier and repairs naturally greater—owing mainly to depreciation of Stock, &c.—this Statement compares favorably with last years for the same period. It will be borne in mind also—that the cost of *all renewals of wheels, &c.*, to Cars or Engines, was last year charged as “*Renewals*,” while this year they are included in “*Operating Expenses*” thereby causing the item of “*Wages and Materials*” to Cars and Engines to appear larger in this than in last year’s statement. This also accounts for the increase in the cost of Locomotive power per mile run.

ABSTRACT A.

DETAILS OF SOURCES OF REVENUE.

There is one item in this statement, viz; *Iron Ore* which appears for the first time in the report of the operations of this Road, and which is destined in my opinion to form a very important addition to its sources of Revenue.

Cattle, Butter and Pork are the only items which show any decrease under last year, and this is owing to the decrease in the exportations of the first two articles.

The large increase in the General Merchandise and Passengers is very encouraging, indicating as it does a permanent and marked improvement in the general prosperity of the Country.

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ABSTRACT B.

OPERATING EXPENSES.

The percentage of Expenditure to Receipts is this year $53\frac{1}{2}$ per cent against $54\frac{1}{2}$ last year,—difference $1\frac{1}{2}$ per cent in favor of this year's operations. I trust this will be considered satisfactory, more especially when there is so small an amount charged against Renewals.

I venture to hope that in the next six months the result will be quite as favorable.

ABSTRACT C.

RENEWALS AND OTHER EXPENSES.

I am glad to be able to call attention to the small amount expended under this head on *actual Renewals*. The percentage of Expenditure on this account will be even less during next six months, unless some accident occurs.

ABSTRACTS D AND E.

FUEL AND STORE ACCOUNTS.

It will be seen by these Statements that there is quite a large Stock of Wood and Stores on hand. Sufficient of the former to last us at least twelve months.

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ABSTRACT F.

INTEREST ACCOUNT.

The item of \$41,351.09 represents back interest paid the Preference Bondholders—and that of \$1,284.45 is made up of the different instalments paid the Municipalities under the agreement entered into with them before the issue of the Preference Bonds.

GENERAL REMARKS.

I am glad to have to inform you, that we have had no accident of a serious character, during the period embraced in this Report.

The prospects of a good business during the next six months are of a very cheering and satisfactory character. The crops look well,—there is a fair demand for Lumber and all the Mills are consequently running to their full capacity,—mining operations continue and every source of our Revenue shows some evidence that the next six months receipts will certainly not be *less* than the past, while the experience of former years leads us to hope that they will be very much greater.

PROPOSED NEW WORKS.

The bridge at Carleton Place will require renewal during the next six months—and I would recommend that it should be replaced by an Iron girder Bridge instead of a wooden one. The cost will be somewhere about one-half more but the Bridge will be a permanent structure, instead of one requiring constant repairs annually and renewal every ten or twelve years.

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The Turntable at Perth has broken down and men are now at work rebuilding it. Unless some unforeseen accident occurs, these will be almost the only expenditures on account of Renewals during the next six months.

In conclusion I beg to call the attention of the Board to the fact which it affords me extreme pleasure to advert to, viz : that in my opinion, the unremitting zeal and attention to the interests of the Company, exhibited by the employées of the Road, has been of such a character as to justify me in recommending that some expression on the part of the Board, of their appreciation of the services of their employées, be put into the form of a resolution and distributed among them.

All which is respectfully submitted.

Your obedient Servant,

H. ABBOTT,
Managing Director.

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STATEMENT No. 1.

GENERAL STATEMENT OF REVENUE AND EXPENDITURE.

From 1st January to 1st July 1868.

<i>Dr.</i>	
To Cash on hand as per Trustee's report.....	\$39,763 20
" " " " Company's report.....	147 95
" " receipts as per Abstract A.....	73,348 70
" Wood on hand 1st January, 1868.....	8,478 53
" Stores.....	9,410 72
	<hr/>
	\$131,149 10
<i>Cr.</i>	
By Operating Expenses as per Abstract B.....	\$38,950 05
" Renewals, &c. " " C.....	10,748 33
" Payments on account interest " F.....	42,635 54
" Wood on hand " D.....	6,392 23
" Stores " " E.....	7,943 93
" Cash "	24,479 02
	<hr/>
	\$131,149 10
	<hr/> <hr/>

STATEMENT No. 3.

LOCOMOTIVE AND CAR STATISTICS.

From 1st January to 1st July, 1868.

1867.		1868.
54,022	Total Engine mileage.....	56,416
320,635	Total Car mileage.....	440,851
\$6,680 90	Cost of Running and Repairing Locomotives.....	\$8,091 81
1,295 84	Cost of Running and Repairing Cars.....	2,309 91
12 36	Average cost of Locomotive power per mile, including repairs.....	14 34
00 40	Average cost per mile ran, Cars.....	00 52
44,4 ¹⁰ / ₁₀	Number of miles run to 1 cord wood.....	45,4 ¹⁰ / ₁₀
<i>Locomotives.</i>		
\$2,124 50	Wood used, 1241 cords at \$1.75.....	\$2,171 75
83 45	Oil (Lubricating).....	90 20
8 31	Oil (Coal).....	5 15
41 45	Waste and Rags.....	47 00
17 15	Packing.....	16 08
46 58	Tallow.....	62 50
1,604 43	Wages for repairs.....	2,181 93
145 98	Materials for repairs.....	790 17
2,609 14	Wages of drivers and firemen.....	2,727 03
\$6,680 99		\$8,091 81
<i>Cars.</i>		
187 90	Oil (Lubricating).....	\$137 42
4 93	Oil (Coal).....	33 91
789 71	Wages for repairs.....	1,714 58
296 50	Materials for repairs.....	421 44
7 80	Rags and Waste.....	2 56
		2,309 91
\$1,286 84		\$10,401 72
\$7,967 83		

2,704,124 39

2,704,124 39

ABSTRACT A.

DETAILS OF SOURCES OF REVENUE.

From 1st January to 1st July, 1868.

1867.		1868.
	PASSENGERS—North.....	12,416
\$ cts	“ South.....	11,458
17,778.70		23,874
26.16	Average distance travelled by each, 27 $\frac{3}{4}$ ¢	
79.23	“ receipts from each..... 80 $\frac{3}{16}$ ¢	
	FREIGHT, viz—	
14,215.00	Lumber.....	\$22,988 41
631.28	Cattle.....	380 27
2,510.85	Grain and Flour.....	3,123 32
2,264.95	Butter and Pork.....	1,925 60
	Iron ore.....	2,646 00
11,591.59	General Merchandise.....	18,578 22
		49,641.82
1,684.68	Mails and Express.....	2,106.67
505.40	Wood Sold.....	794.58
1,416.18	Wharfage, Storage, Interest, Discount on Silver, Rents and Sundries.....	1,581.11
52,598.63		73,348.70
4,665½	No. of Tons North.....	5,948½
15,750½	“ “ South.....	26,521
20,416		32,469½
\$1.53	Average receipts per ton of Freight. \$1 52½	

1867

2,424

2,432

1,970.

2,609.

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8,425.

165.

1,669.

798.

453.

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232.1

173.3

957.7

16.5

172.9

782.3

194.0

446.1

25.0

28,974.6

ABSTRACT C.

DETAILS OF RENEWALS AND OTHER EXPENSES.

From 1st January to 1st July, 1868.

Bridge at Smith's Falls	\$1,768 57
" Covering at Arnprior.....	198 92
Ties	5,170 01
Reorganization	3,610 83
	<hr/>
	<u>\$10,748 33</u>

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ABSTRACT D.

FUEL ACCOUNT.

From 1st January to 1st July, 1868.

Dr.

To Wood on hand, 1st January, 1868, 6,930 Cords	=	\$8,478 53
“ “ purchased, including hauling,		
sawing, &c.....	79½ “ =	2,152 20
	<u> </u>	<u> </u>
	7,721½	\$10,630 73
	<u> </u>	<u> </u>

Cr.

By Wood used.....	2,018½	
“ add 20 0½ for waste, &c.....	403½	
	<u> </u>	<u> </u>
	2422 @ \$1 75	\$4,238 50
“ Balance on hand.....	5,299½	6,392 23
	<u> </u>	<u> </u>
	7,721½	\$10,630 73
	<u> </u>	<u> </u>

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ABSTRACT E.

STORES ACCOUNT.

From 1st January to 1st July, 1868.

<i>Dr.</i>	
To Stores on hand 1st January, 1868.....	\$9,410 72
To purchased to 1st July, 1868.....	4,194 11
	\$13,604 83
<i>Cr.</i>	
By Stores issued.....	\$5,660 90
By balance on hand.....	7,943 93
	\$13,604 83

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ABSTRACT F.

PAYMENTS ON ACCOUNT OF INTEREST.

30th June, 1868.

Interest of Preferential Extension Bonds.....	\$41,351 09
Paid Lanark and Renfrew.....	\$905 37
Paid Elizabethtown.....	379 08
	<hr/>
	1,284 45
	<hr/>
	\$42,635 54

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SUPPLEMENTARY REPORT

To the Bond and Stockholders of the

BROCKVILLE AND OTTAWA RAILWAY.

GENTLEMEN,—At the Annual General Meeting of the Bond and Shareholders of the Brockville and Ottawa Railway Company, held in Brockville, 5th February, 1868, the following Resolution was passed unanimously :—

Moved by R. F. STEELE, Esq.; seconded by J. G. RICHARDSON, Esq. :—

That the proposed reduction of the Capital of the Company, and financial reorganization thereof by conversion of existing ordinary Bonds and Shares into New Stock, on the basis set forth in the following form of assent, which has already been signed by numbers of the individual Bond and Shareholders, be and the same is hereby approved, and the Directors are hereby authorized and requested to take such measures as may be deemed most advisable for carrying the same into effect, by the requisite legislation, and to petition Parliament under the common seal of the Company.

Carried.

The following is a copy of the form of assent referred to in the foregoing resolution :—

“ We, the undersigned Stock and Bondholders of the Brockville and Ottawa Railway Company, do hereby assent to such legislation as may be requisite to effect a reduction of the Capital and the reorganization of the said Company on the following basis, viz. :—

“ Istly. The present Stock and all the Bonds of the Company except the Preferential Extension Bonds, to be converted into New Stock by the holders thereof, at the following reduced rates, viz. :—

“ (a) Bonds other than Preferential Extension Bonds at 25 cents in the dollar, with the exception of those now held by persons who are also at this date Preferential Bondholders, these latter to have the privilege of converting the ordinary bonds held by them at this date into New

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"Stock at 50 cents in the dollar, but this privilege not to extend to Bonds acquired by them subsequently to this date.

"(b) The old paid-up Stock to be converted into New Stock at ten cents in the dollar.

"(c) The Capital of the Company to be reduced to the amount of New Stock required for such conversion, and in return for the privilege conceded to the Preferential Bondholders.

"2ndly. The management of the road to be restored by the Preferential Bondholders and their Trustee to the Company, and

"3rdly. The alleged rights of the Preferential Bondholders to foreclose and sell the road to be waived and forever extinguished without prejudice to their holding the first charge on the road and on its revenues, next after the Municipalities, with all other legal remedies for the recovery of their interest and principal."

"Dated the seventh day of September, A. D. 1867."

And further, at the Directors' Meeting, held in the Campbell House, in the Town of Brockville, of the 5th day of February, 1868, the following Resolution was moved and carried.

Moved by R. P. COOKE, Esq., and seconded by C. FLETCHER, Esq.:

That the President be and he is hereby authorized to cause the preparation of a petition to Parliament, in accordance with the Resolution in that behalf passed at the Annual Meeting this day, and such petition the President is hereby authorized to sign as such President, and to affix the common seal of the Company thereto.

Accordingly, the President proceeded to Toronto, and in compliance with the foregoing resolution succeeded in obtaining the passage of the annexed Bill, No. 103, intitled—

"An Act for the conversion of the ordinary Bonds and old Stock of the Brockville and Ottawa Railway Company, into reduced New Stock and for other purposes."

The Statement of Assets and Liabilities accompanying this report exhibits the amount of Bonds and Stock which, so far, have been converted. The conversion is in daily progress.

Respectfully submitted.

JOHN G. RICHARDSON,
President.

No. 103.]

BILL.

[1868.

An Act for the conversion of the ordinary Bonds and Old Stock of the Brockville and Ottawa Railway Company into reduced New Stock, and for other purposes.

WHEREAS, under and by virtue of a certain Act of the Parliament of the former Province of Canada, passed in the twenty-seventh year of the reign of Her Majesty, Queen Victoria, entitled "An Act for the reorganization of the Brockville and Ottawa Railway Company, and to authorize the issue of Preferential Bonds for certain purposes," Sixty thousand pounds sterling, Preferential Extension Bonds were issued by the said Company, and to secure the repayment of the same with interest, a certain mortgage was executed by the said company to a certain trustee for the further security of the holders of the said Preferential Extension Bonds.

And whereas owing to alleged default in the payment of interest on said Bonds, the trustee, under said mortgage, has taken possession of the Railway of said company and assumed the management thereof, and has further claimed and was about to enforce the rights to foreclose and sell the said Road in consequence of such default.

And whereas under the said Act all the outstanding liabilities of the said company therein mentioned, have been converted, or are convertible, into ordinary bonds of the said company, ranking next after said Preferential Extension Bonds.

And whereas the preferential bondholders are also, to a large extent, holders of ordinary bonds.

And whereas the interest on ordinary Bonds is accumulating and a financial reorganization of the affairs of the company is sought.

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And whereas it has been mutually agreed by and between the said preferential bondholders and a large majority in value of the ordinary bondholders, and by three-fourths in value of the shareholders, that such reorganization shall be carried into effect upon the terms set forth in the following memorandum :

" 1st. The present stock and all the bonds of the company, except the Preferential Extension Bonds, to be converted into new stock by the holders thereof, at the following reduced rates, viz :

" (a) Bonds, other than Preferential Extension Bonds, at twenty-five cents in the Dollar, with the exception of those now held by persons who are also at this date preferential bondholders, these latter to have the privilege of converting the ordinary bonds held by them at this date, into new stock, at fifty cents in the Dollar, but this privilege not to extend to bonds purchased by them, subsequently to the passing of the Act of one thousand eight hundred and sixty-three, before mentioned.

" (b) The old paid up stock to be converted into new stock at ten cents in the Dollar.

" (c) The capital of the company to be reduced to the amount of new stock required for such conversion, and in return for the privilege conceded to the Preferential Bondholders.

" 2nd. The management of the road to be restored by the Preferential Bondholders and their Trustee, to the company, and the alleged rights of the Preferential Bondholders to foreclose and sell the road, to be waived, and for ever extinguished, without prejudice to their holding the first charge on the road and on its revenues, next after the municipalities with all other legal remedies for the recovery of their interest and principal."

And whereas an Act of the Legislature is required to carry the said recited agreement into full effect.

Therefore Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario enacts as follows :

1. The Capital Stock of the said Company is hereby reduced and fixed at the sum of five hundred thousand dollars, or such other sum, more or less, as shall be sufficient to cover the outstand-

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ing ordinary Bonds, and claims against the said Company convertible into such, and the presently existing paid up Stock of the Company converted at the rates aforesaid, and the Capital Stock of the said Company shall not be increased beyond the amount so required for the conversion aforesaid.

2. Such ordinary Bonds, with their overdue Coupons, of the said Company as are held by the preferential Bondholders, shall be converted into new paid up stock, in the hereinbefore mentioned capital of the said Company, at the rate of fifty cents in the dollar, on the amount of such ordinary Bonds and Coupons; but no ordinary Bonds which may have been purchased by the preferential Bondholders since the passing of the last recited Act of one thousand eight hundred and sixty-three, shall be entitled to conversion at a higher rate than twenty-five cents in the dollar.

3. The remaining outstanding ordinary Bonds with their overdue Coupons of the said Company, not held as in the last preceding clause mentioned, shall be converted by the holders thereof into new paid up stock in the capital aforesaid, at the rate of twenty-five cents in the dollar on the amount of said Bonds and Coupons.

4. The old paid up Stock of the said Company shall be converted by the holders thereof, into new paid up Stock in the Capital aforesaid, at the rate of ten cents in the Dollar on the amount of such old paid up Stock.

5. The new paid up Stock hereinbefore provided for shall be issued in Shares of Twenty Dollars each, any number of which may be included in a Certificate, and shall, and may be transferable in such manner, and at such time and place as may be fixed by the Directors of the Company by By-law or regulation in that behalf, and in the conversion hereinbefore provided of ordinary Bonds, holders of claims against the said Company, which by the terms of the said recited Act are convertible into such Bonds, shall be deemed and taken to be actual holders of such Bonds, and in converting into new Stock, Bonds, overdue Coupons or old Stock convertible under this Act, Scrip may be issued for any sum which falls short of being a full Share, and Scrip so issued may be transferable, and convertible into Shares in such manner as may be directed by any such By-law, and until the conversion thereof, the holders of such Scrip shall be entitled to the same proportionate rights and privileges as if new Stock of equal amount were held by them.

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6. The conversion of Bonds and overdue Coupons and Stock herebefore provided for shall take effect immediately after the passing of this Act, and the management and possession of the said Railway undertaking shall, within four weeks thereafter, be given up and restored by the Trustee of the Preferential Bondholders aforesaid to the said Company, its Directors, servants and agents.

7. From and after the passing of this Act the present ordinary Bondholders, Couponholders and Shareholders of the said company shall have no claim upon the said company at Law or in Equity in respect of said Bonds, Coupons or Shares, or any proceedings had thereon except for conversion of the same into such new stock and at the respective rates as hereinbefore provided, and the company shall on request of such ordinary Bondholders, Couponholders and Shareholders, or any of them, and upon surrender of the Bonds and Shares, certificates, or other evidence of such holding or claim thereto, issue to all and every such holders or holder, certificates of proprietorship of fully paid up shares in the new stock proportionate to the amount of Bonds, Coupons or Shares so respectively surrendered at the respective rates of conversion aforesaid such new shares being free from all calls in respect thereof.

8. From and after the passing of this Act the preferential Bondholders, Couponholders, or their Trustee under the said recited mortgage shall not have or claim any right at law or in equity to foreclose, sell, lease, or otherwise dispose of the said railway of the company or its franchises anything in the said Act hereinbefore recited, or the said mortgage to the contrary notwithstanding; nor shall it be lawful for the said company at any time hereafter to grant any such right to the said Preferential Bondholders or any person or persons on their behalf.

9. Such extinguishment of the claim of the said Preferential Bondholders to foreclose, sell, lease or otherwise dispose of the said Railway shall not in any wise prejudice or injuriously affect the other rights or remedies of the said Preferential Bondholders and their said Trustee under the said mortgage; and as incumbrancers upon the said undertaking to enforce payment of said Preferential Bonds or any of them, both as to principal and interest by all lawful or equitable means consistent with the Act hereinbefore first recited, and the said mortgage otherwise than by foreclosure, sale, lease or other similar disposition of the said Railway and its franchises, and amongst other rights and remedies, the said Preferential Bondholders and their Trustee may apply for and obtain from the Court

of Chancery a Manager and Receiver of the said Railway undertaking.

10. That hereafter the annual meeting for the Election of Directors shall be held on the second Wednesday of August in every year, and so much of the ninth clause of the Act of one thousand eight hundred and sixty-three, before mentioned, as is inconsistent with this clause, is hereby repealed.

11. Nothing in this Act contained shall be deemed to alter, vary or in anywise affect the claims of the Corporations of the Counties of Lanark and Renfrew, of the Town of Brockville and of the Township of Elizabethtown upon the said Railway, nor any claim, right or title of the Crown in the premises.

12. This Act may be cited as "The Brockville and Ottawa Amendment Act, 1868."