

SIXTH REPORT
OF THE
BROCKVILLE AND OTTAWA
RAILWAY COMPANY.

FOR THE YEAR ENDING 30TH JUNE, 1869.

Montreal :
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1869.

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G.

Brockville and Ottawa Railway Company.

Head Office—Brockville, Ontario.

OFFICERS:

JOHN G. RICHARDSON, PRESIDENT.

H. ABBOTT, VICE-PRESIDENT AND MANAGING DIRECTOR.

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.

JOHN G. RICHARDSON, Esq., NEWPORT.

H. ABBOTT, Esq., BROCKVILLE.

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Abstract

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BROCKVILLE, 11th August, 1869.

To the President and Directors of the

BROCKVILLE AND OTTAWA RAILWAY.

GENTLEMEN,—Herewith I have the honor to hand you the following statements showing the result of the operations of the road for the past year, viz. :

Statement No. 1.—General Characteristics.

“ “ 2.—General Statement of Revenue and Expenditure.

“ “ 3.—General Balances.

“ “ 4.—Engine and Car Statistics.

Abstract A.—Details of Sources of Revenue.

“ B.—Details of Operating Expenses.

“ C.—Details of Renewals and other Expenses.

“ D.—Fuel Account.

“ E.—Stores Account.

“ F.—Interest Account.

“ G.—Municipal Lien.

STATEMENT No. 1.

GENERAL CHARACTERISTICS.

The principal difference between this statement and the previous one is the increase in the number of Platform Cars. We had 70 old ones on hand in 1865, 11 of which have since been broken up owing to their having become unsafe to run. The remainder are rapidly wearing out, and in order to keep up our present number, to say nothing of any increase in our Stock that may be required, it will be necessary to continue making new Cars during the next two or three years, to replace the old ones as they break down.

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STATEMENT No. 2.

GENERAL STATEMENT OF REVENUE AND EXPENDITURE.

Year ending 30th June, 1898.

1898.		1899.
\$ cts.		\$ cts.
159,634.54	The Gross Receipts from all sources have been	184,946.40
80,128.01	The ordinary operating expenses, \$83,642.14	
20,754.73	The renewals of permanent works, building new Cars &c., &c. 25,625.89	
Nil	Increase in amount of stores and wood on hand..... 2,759.04	
100,882.74		112,027.07
58,751.80	Available cash balance on the year's operations	72,919.39
	Add balance of Cash on hand, 1st July 1898,	24,479.02
	Making a total balance of.....	97,398.41
	Applicable to the following payments, viz :	
	Interest account,..... \$24,944.14	
	Municipal lien,..... 56,736.35	
	Towards 300 Tons Iron, now on the way out,..... 15,717.92	
		97,398.41

The increase in this year's income of \$25,304.84, or 15 8-10 per cent over the previous one, is so far satisfactory, that, taken in connection with the probable new sources of traffic hereafter referred to, it gives some grounds for hope, that the rate of increase of the past may continue in as great a ratio in the future. Moreover, considering the extreme inclemency of the past Winter, and the consequent loss of traffic during a period of at least 6 weeks, it approaches as nearly to the average increase of the past 4 years (22 8-10 per cent), as could reasonably be expected.

STATEMENT No. 3.

GENERAL BALANCES.

The main features of this statement remain the same as last year, with the exception of profit and loss which has been reversed by the difference between the amount of the old Bonds and Stock, and the present reduced Stock.

Owing to there being a considerable portion of Bonds not yet registered, a number of which are probably destroyed, we cannot be certain that the reduced amount is exactly correct; but there is no doubt, this statement exhibits the worst aspect, as regards those, whose interest in the Company appears duly recorded in its books.

STATEMENT No. 4.

ENGINE AND CAR STATISTICS.

The principal items in this statement which shew an apparently large increase over the previous year, are:

1st—Wood used for locomotives.

2nd—Wages for repairs of do.

3rd—Materials for do. do.

1st. The increase in the amount of wood used is owing to various causes, of which I will enumerate only the principal ones, as follows:—

The supply of old dry wood, which this year was principally soft wood, became exhausted somewhat before the new supply was seasoned enough to be used to advantage, besides which a great portion of the old wood consisted of the remnants of piles which had been cut so long as to have deteriorated very considerably. The severity of the past winter also contributed to increase the consumption.

The decrease in the mileage per cord is mainly attributable to the causes above specified.

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2nd. The increase of wages for repairs was caused by the extreme inclemency of the past winter acting upon, and disabling the engines, and necessitating an unusual amount of work in repairing them.

3rd. The increase in the materials was *principally* owing to the same cause, and *partially* to the issue of Bessemer steel tyres to engines Nos. 5 and 6 in the first half of the year.

To give some idea of the disastrous results of the past winter, as regards our engines, I may remark that in February, when the storm commenced we had six out of seven engines in good working order. About six weeks afterwards when it ended, we had only two that could run at all, and they were in very bad condition.

There is a decrease in wages for repairs of cars, and an increase in material. The latter is caused by the issue of a large number of new wheels to replace those worn out. All other items exhibit an increase, about proportionate to the increase in business.

ABSTRACT A.

DETAILS OF SOURCES OF REVENUE.

All the items of traffic in this statement except one, (that of Iron Ore), shew a very decided and satisfactory increase over last year, —some of them, general merchandize for instance, affording unmistakable evidence of the general prosperity and progress of the section of country contributing to the revenue of this railway.

I regret to say, that up to this time, the promise held out last year of large shipments of Iron Ore, has not been fulfilled; nor do I see any immediate prospect of works being carried on to an extent that the apparent value of the mines would justify.

The present satisfactory appearance of the crops in this section leads me to think that there will be a very considerable falling off next year in the receipts from grain and flour, which may, and probably will be made up, however, by an increase from other sources.

ABSTRACT B.

DETAILS OF OPERATING EXPENSES.

The operating expenses of the past year, are only 4 3-10 per cent while the income is 15 8-10 over that of 1868, affording evidence that a proper regard is paid to the economical working of the road. This is also apparent in the fact, that the operating expenses proper, are 45 3-10 per cent of the income, against 50 2-10 the previous year.

If we include the extra expense caused by the snow storm, they will amount to 46 8-10 per cent, still considerably under the percentage of last year.

ABSTRACT C.

DETAILS OF RENEWALS AND OTHER EXPENSES.

A wooden bridge at Carleton Place, has been replaced by an iron lattice grider, costing \$4,745.25, about \$1,100.00, more than a wooden one. The advantage gained is a permanent structure in place of a perishable one, and the risk is avoided of interruption of the traffic of the road, by its being burnt down.

It has been found necessary to renew two turntables during the past year, the one at Perth, costing nearly twice as much as that at Brockville, owing to the foundation of the former, also, having given way, and requiring renewal.

The demand for grain cars during the winter, necessitated the building of 9 new ones, and the rapid depreciation of some of the old platforms, made it necessary to replace them, in order to keep up this branch of our rolling stock, which barely suffices to fulfil the requirements of the traffic. Fifteen new platforms are now in course of construction.

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◀The two items under the heads of ballasting and snow storm, represent the cost to this Company of keeping the road in running order, during the extraordinarily severe season we have just passed through. The latter amount is what was paid for extra labor,—keeping the track clear of snow, and the former, is the amount paid for repairing the damage caused by the unusual floods, and for raising the track, so as to prevent the traffic being interrupted, in the same way in the future.

The item for re-organization, is made up of the salary of the president of the Company, during the period the road was in the hands of the trustee, and the legal and other expenses connected with its return, to the possession of this Company.

ABSTRACT D.

FUEL ACCOUNT.

I have previously specified the main causes of the increase in the consumption of wood this year. I will now, only refer to the difficulty experienced, in obtaining a sufficient supply to last us over, till next season's cutting becomes fit for use. After some trouble, I succeeded in making contracts for about 8000 cords, which amount was reduced by the severity of the winter, preventing its delivery, to 6,022 cords. The difficulty of contracting for a larger supply, arose through the inhabitants sending all their spare labor and teams to the lumber shanties, to avoid the cost of their keep during a winter of great scarcity. I do not anticipate any difficulty this season, in obtaining all that may be wanted.

ABSTRACT E.

STORE ACCOUNT.

It will be observed, that the balance of stores on hand, is somewhat in excess of last year, which is owing to purchases for new platform Cars, now building.

ABSTRACT F.

The two amounts in this statement under the head of semi-annual instalments, represent the amounts we now have to repay the municipalities annually, on account of interest paid,—previous to 1st January 1867,—by them to the government, on their loan to the Railway Company. These payments will be increased as the balance of the back interest,—of which, a considerable sum remains due,—is paid up by the municipalities. There is still a balance due by the Company to Lanark, and Renfrew, of the \$20,000. Clergy reserves money, amounting to \$5,235.33.

ABSTRACT G.

MUNICIPAL LIEN.

It is to be hoped that, in the interest of the stockholders, a strong effort may be made during the present year, by all interested, to obtain from the government, a more equitable adjustment of this loan. As it now stands, it absorbs so large a portion of the profits of the railway, as to leave no margin for distribution among those who have, as yet, received no benefit whatever from their investment.

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GENERAL REMARKS.

There is every reason to congratulate those interested on the satisfactory result of the past year's operations, both as to the increase in the receipts over the previous year, and the moderate cost of working the road. Another season will decide whether the grain trade of last Autumn was only an exceptional increase, as in my opinion it was, or a *permanent* annual source of traffic. In the latter case, it will be necessary to make some addition to our warehouses here for its accomodation.

I regret exceedingly to be obliged to record the violent death of two of the employees of the Company. One a brakeman, was killed, while inadvertently standing on the top of a car in motion, by coming in contact with an overhead bridge, and the other an engine driver met with an equally sudden and violent death, while attempting to couple some cars at Sand Point. No other accident of any consequence has occurred.

There is every prospect, that our present sources of traffic will be worked to their fullest extent during the next season, and we look for an increase over this year from some of them. I am of opinion, however, that the increase of our aggregate receipts over this year will not be as great as the average of the past four years.

It was found necessary to obtain a supply of new iron, in order to save from entire destruction, a very large portion of the old rails which, if mended in time will yet last a number of years. Three hundred tons have accordingly been ordered, and are now on the way out.

 PROPOSED NEW WORKS.

I would recommend that the following new works, should be carried out during the coming year :

1st. The renewal in iron of some of the short spans of the Rideau Bridge.

2nd. The renewal of the turntable at Smith's Falls, which is at present in an unsafe state.

3rd. The ballasting of some places in the track, that heave badly with the frost in the winter.

4th. The renewal of some portions of the old wharves at Brockville, and the extension of the face of the freight shed wharf; both ways till it strikes the wharf on each side. In view of increased traffic, this will be very much needed.

The outlay required for all of these, will not amount to more than \$20,000.00 in the aggregate.

PROSPECTS OF INCREASED TRAFFIC.

There is a new saw mill being put up at Carleton Place, which it is contemplated, will cut at least half as much as Messrs. Gillis' and McLaren's, probably 50,000 a day; and there is also some prospect of the Mississippi river being made navigable, a distance upwards of about 18 miles, which project, if carried out, will no doubt contribute to increase the traffic of this railway.

Machinery is being put into the new factory at Almonte, and I am informed, that it is in future to be worked to its full capacity.

The Portage du Fort Mills are in full operation, and the proprietors contemplate building an additional steam saw mill near Sand Point, capable of cutting 20,000, to 30,000 feet a day.

All which is respectfully submitted.

I have the honor to be,

Sir,

Your obedient servant,

H. ABBOTT,

Vice-President and Managing Director.

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STATEMENT No. 1.
CHARACTERISTICS OF RAILWAYS.

Year ending 30th June, 1869.

The total length of Line and Sidings 90 $\frac{1}{2}$ miles

STATION ACCOMMODATION.

Engine Sheds.....	4	15 stalls.
Passenger and Freight Sheds.....	11	
Wood Sheds.....	9	
Tanks.....	9	
Turntables.....	4	
Car Scales.....	1	

ROLLING STOCK.

Engines.....	7
Passenger Cars.....	5
Baggage do.....	2
Box and Cattle Cars.....	26
Platform Cars.....	112

AVERAGE NUMBER OF EMPLOYES.

Head Office.....	4
Stations.....	27
Conductors and Brakemen.....	9
Engine Firemen, &c.....	18
Mechanics.....	33
Maintenance of Way.....	49
	140

The average width of cuttings at subgrade is..... 22 feet.

" " " of embankment..... 18 "

" " amount of Ballast per mile..... 2,500 cubic yards.

Number of Ties per mile..... 2,200

Weight of Iron..... 75 lbs., 60 lbs., and 58 lbs.

MACHINE SHOP.

1 Stationary Engine and Boiler of 10 horse power nominally.

IRON WORKING MACHINERY.

1 Engine Lathe.	1 Screw Bolt Cutter.
1 Axle.	1 Iron Planer.
1 Car wheel Borer.	1 Upright Drill.
1 Wheel Press.	1 Wheel Lathe.
1 Blower.	1 Boiler Plate Cutter.
	1 Boiler Plate Roller.

WOOD WORKING MACHINERY.

1 Daniel's Planer.	1 Cross Cut Saw.
1 Planer and Matcher.	1 Ripping Saw.
1 Tenoning Machine.	1 Cordwood Saw.
1 Mortising do.	1 Small Lathe.
	1 Scroll Saw.

Shafting, Belting, &c., complete.

STATEMENT No. 2.

GENERAL STATEMENT OF REVENUE & EXPENDITURE.

For Year Ending 30th June, 1869.

Dr.

To Cash on hand 1st July, 1868.....	\$24,479.02
" Receipts as per Abstract A.....	184,946.46
" Wood on hand per Abstract D.....	6,392.23
" Stores " " E.....	7,943.93
	<hr/>
	\$223,761.64

Cr.

By Operating Expenses as per Abstract B.....	\$83,642.14
" Renewals, &c. " " C.....	25,625.89
" Payments on account of interest " F.....	24,944.14
" Wood on hand " D.....	7,946.15
" Stores " " E.....	9,149.05
" Cash "	72,454.27
	<hr/>
	\$223,761.64

STATEMENT No. 3.

GENERAL BALANCES.

Cr.

Year ending 30th June, 1869.

Dr.

	\$	cts		\$	cts
To Cash.....	72,454	27	By Lanark and Renfrew	800,000	00
" Construction account.....	2,647,004	36	" Elizabethtown	150,709	50
" Balances at Stations.....	5,979	28	" Brockville	414,431	96
" Post Office Department.....	772	20	" Preference Bonds.....	292,001	00
" Rents.....	507	36	" Stock Bonds.....	406,958	46
" Wood (on hand).....	7,946	15	" " (Old).....	17,745	43
" Stores.....	9,149	05	" Interest on Bonds (Reduced).....	103,856	30
" Open accounts.....	1,556	16	" Open account (Original amounts reduced without interest).....	25,060	74
			" Profit and Loss, difference between Reduced Stock and Original Bonds and Stock, Contractors account, &c.....	532,545	44
				2,745,368	83

STATEMENT No. 4.
LOCOMOTIVE AND CAR STATISTICS.

Year ending 30th June, 1869.

1868.		1869.
134,763	Total Engine mileage.....	149,677
913,088	Total Car mileage.....	1,096,655
\$15,698.91	Cost of running and Repairing Locomotives.....	\$21,407.84
4,505.48	Cost of Running and Repairing Cars.....	4,077.84
11.65	Average Cost of Locomotive power per mile, including repairs.....	14.3
49-100 ct	Average Cost per mile run, of Cars.....	37-100 ct.
50.10	Number of miles run to 1 cord wood.....	41.70
<i>Locomotives.</i>		
\$4,644.50	Wood used, 3,627½ cords.....	\$6,384.55
217.63	Oil (Lubricating).....	303.34
12.71	Oil (Coal).....	51.91
86.70	Waste and Rags.....	164.12
41.77	Packing.....	71.49
102.20	Tallow.....	168.41
3,668.08	Wages for Repairs.....	4,739.71
1,149.56	Materials for repairs.....	2,798.39
5,775.59	Wages of Drivers and Firemen.....	6,761.92
\$15,698.74		\$21,407.84
<i>Cars.</i>		
372.81	Oil (Lubricating).....	\$535.78
40.68	Oil (Coal).....	47.10
3.88	Rags and Waste.....	29.30
3,291.93	Wages for Repairs.....	2,014.63
796.18	Materials for Repairs.....	1,451.03
		4,077.84
\$20,204.22		\$25,485.68

1869.
\$
43,557
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53,471
1,243.
4,884.
4,471.
2,646.
41,498.
108,215.
4,183.
1,374.
2,302.
159,634.5
65,61
\$1.6

ABSTRACT A.

DETAILS OF SOURCES OF REVENUE.

Year ending 30th June, 1869.

1868.		1869.
	PASSENGERS—North.....	29,891
	“ South.....	25,944
\$ cts.		\$ ct.
43,557.93		44,904.07
27.86	Average distance travelled by each,...	26.47
80.40	“ receipts for each.....	80.1%
	FREIGHT, viz —	
53,471.41	Lumber.....	\$58,048.70
1,243.93	Cattle.....	2,027.63
4,984.61	Grain and Flour.....	16,178.42
4,471.16	Butter and Pork.....	5,573.88
2,646.00	Iron Ore.....	658.00
41,498.67	General Merchandise.....	51,047.00
108,215.78	Total.....	133,533.63
4,183.90	Mails and Express.....	4,208.25
1,374.58	Wood Sold.....	396.50
2,302.35	Wharfage, Storage and Interest, Discount on Silver,	
	Rents, &c.....	1,904.01
159,634.54		184,946.46
	No. of Tons North.....	32,795
	“ “ South.....	52,254
65,619		85,049
\$1.65	Average receipts per ton.....	\$1.50

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1869.

149,677
996,655
1,407.84
1,077.84

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303.34
51.91
164.12
71.49
168.41
739.71
798.39
761.92
407.84

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ABSTRACT B.

DETAILS OF OPERATING EXPENSES.

Year ending 30th June, 1869.

1868.		1869.
\$ cts.		\$ cts.
9,039.42	General Superintendence.....	7,560.55
5,260.40	Agents and Clerks.....	5,252.09
4,354.80	Station Men.....	5,064.12
5,775.59	Engine and Firemen.....	6,761.92
3,364.20	Conductors and Brakesmen.....	3,933.68
18,146.23	Repairs of Roadways.....	18,460.18
577.48	“ Depot Buildings.....	1,488.04
3,572.65	“ Locomotives.....	4,739.71
3,291.93	“ Cars.....	2,014.23
1,091.06	“ Tools of Machinery.....	855.11
10,695.36	Materials for general repairs.....	6,340.52
7,657.90	Fuel.....	10,655.75
636.77	Oil and Waste.....	1,211.87
	Tallow.....	82.26
	Packing.....	21.05
477.62	Office and Station Expenses.....	292.26
1,425.34	Printing, Advertising and Stationery.....	2,845.52
910.18	Taxes.....	1,091.06
554.11	Damages and overcharges.....	98.36
989.75	Insurance.....	950.25
474.00	Car hire.....	1,102.00
1,977.97	Incidental Expenses.....	2,726.61
209.87	Legal Expenses.....	95.00
		83,642.14

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Ties

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ABSTRACT C.

DETAILS OF RENEWALS AND OTHER EXPENSES.

For year ending 30th June, 1869.

Carleton Place Bridge.....	\$4,745.26
Smith's Falls "	219.00
Reorganisation.....	2,366.16
Turntable, Brockville.....	606.03
" Perth.....	1,264.64
New Platform Cars.....	2,627.44
" Box "	5,753.45
New Machinery for Shops.....	70.80
Pakenham Shed and Bridge.....	607.01
Office Furniture (Clocks).....	48.50
Car Scales.....	486.71
Ballasting.....	1,036.12
New overhead Bridge at Pakenham.....	76.80
Ties.....	2,633.86
Snow Storm.....	3,084.11
	<u>\$25,625.89</u>

1869.

\$ cts.

7,560.55

5,252.09

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ABSTRACT D.

FUEL ACCOUNT.

Year ending 30th June, 1869.

Dr.

To Wood on hand 1st July 1868, 5,299½ Cords	=	\$6,392.23
To Sawing, Hawling, &c.....		2,680.08
To Wood purchased..... 6,022½ "	=	9,529.59
		<u>11,322</u>
		<u>18,601.90</u>

Cr.

By Wood used including Waste..... 6,089	\$10,655.75
" Balance on hand..... 5,233.....	7,946.15
	<u>11,322.....</u>
	<u>\$18,601.90</u>

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ABSTRACT E.
STORES ACCOUNT.

Year ending 38th June, 1869.

Dr.

To Balance on hand 1st July.....	\$7,600.23
To purchased during year.....	9,055.91
	<u>\$16,656.14</u>

Cr.

By Stores issued.....	\$7,507.09
By balance on hand 30th June, 1869.....	9,149.05
	<u>\$16,656.14</u>

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ABSTRACT F.

PAYMENTS ON ACCOUNT OF INTEREST.

For Year ending 30th June, 1869.

Interest on Preferential Bonds.....	\$20,440.02
Municipalities, viz., 2 Semiannual Instalments, Lanark and Renfrew.....	1,629.66
2 Semi-annual Instalment, Elizabethtown.....	379.08
Balance in full of proportion of \$20,000 due Elizabethtown as per "Act of Reorganization" 1863.....	1,106.05
Lanark and Renfrew, on account of balance of their propor- tion of above mentioned, \$20,000.....	1,389.33
	<u>\$24,944.14</u>

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ABSTRACT G.

MUNICIPAL LTEN.

Year ending 30th June, 1869.

Lanark.....	\$25,014.74
Renfrew.....	10,083.28
Brockville.....	6,263.75
Elizabethtown.....	8,329.15
	<u>\$49,690.92</u>

ON ACCOUNT OF \$20,000.

Lanark and Renfrew.....	\$5,235.33	
Brockville.....	<u>1,810.10</u>	<u>7,045.43</u>
		<u>\$6,736.35</u>

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TO THE BOND AND STOCKHOLDERS OF THE
BROCKVILLE & OTTAWA RAILWAY.

GENTLEMEN,—Failure necessitates explanation ; but success generally suffices to explain itself. Hence, I briefly submit to you the annexed report, congratulating you upon the favorable exhibit, which it presents, and referring you to itself for the necessary details. I do not see at present, how the internal economy of the Road can be improved by any change in the mode of management ; but there shall be strict care taken, that nothing gained in this respect shall be lost.

Successful internally, we have to contend, nevertheless, with heavy external drawbacks. In one respect, our success is unavailing ; and in another respect its continuance is in imminent peril so long as,

1st, we may be compelled to pay to the municipalities, or to the government for their account, the greater bulk of our nett earnings, and

2nd, so long as a connection between Carleton Place, and Ottawa, is unbuilt, leaving us open to the bleeding to death of our road, by a direct line from Ottawa to Arnprior.

You will learn from the report of the managing director, that our surplus earnings stand to be mulcted to the extent of \$56,736. 35 by the municipalities, or by the Government for Municipal Loan Account, leaving us a balance, (all we can call our own) of \$15,717.92, much less than is absolutely necessary to pay for new rails contracted for and other renewals indispensable to the good condition of the road. Knowing as I do, how vast a benefit has been conferred by the Brockville and Ottawa Railway, upon the country through which it runs, and how largely it has tended to increase the revenues of the Province, benefits, the true measure of which may be estimated by imagining what this section would be to day, if the road were not, I feel strongly, that the Stockholders

of this Company, are most unfairly treated, in thus having their sole chances of return on their investment extinguished by the illiberality of a Government, already, many times repaid for all its outlay. Therefore, without going into details to prove what I state, or to demonstrate what measure of benefit the Brockville and Ottawa Railway, has conferred, and is still unceasingly conferring upon these Counties, I consider it my duty to bring under your notice the matter of the Municipalities claims on this Company, and to invite your most serious consideration thereof, with a view to the adoption of such measures, as may be deemed most likely to secure relief with the least possible delay; and I would suggest that such measures be taken, if possible, in concert with these counties, and with other counties similarly indebted to the Government, and that no pains be spared to form a combination, so powerful, as to ensure favorable governmental action in the premises.

Still more pressing if possible, because the period is limited, during which we have the power to deal with it in the way most favorable to ourselves, is the subject of a connection between our Road and Ottawa. We all know that Ottawa City may be called the "Head quarters" of the Upper Ottawa Lumber Trade, which means that the great Ottawa Lumber men and forwarders command the mode of transit of the bulk of supplies for that region. The immense value of this traffic to our road has become apparent since we reached Sand Point. During the past year the traffic returns of the two stations alone of Arnprior and Sand Point represent one third of the entire traffic returns of the whole road comprising ten stations. The value of our gain is evident by the continued outcry of the Ottawa people over their loss. This traffic is as necessary to the vitality of our road as is breath to the body. To lose it would be to perish. How then shall it be preserved? Early in my connection with the Brockville and Ottawa Railway I perceived that the very life of the enterprise depended on whether or not it could secure an adequate proportion of the Ottawa traffic; but I soon saw that neither Arnprior nor Sand Point could be made the depots of that traffic, because

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2nd, because Ottawa having become the Capital of the Dominion it necessarily commands other advantages, in addition to the foregoing, which put competition out of the question, hence Ottawa City is and must naturally continue the Head quarters of the great lumber traffic of the Upper Ottawa.

Can any one believe, then, that Ottawa will continue much longer supine? Directly, or indirectly she must and will recover the trade of which she has lost so much in the past 4 years. Believing this to be inevitable, I have been employed, during the same period, in concerting and carrying out such measures as will not only secure to Ottawa what she must and will have, sooner or later, in this connection but do so in such a manner as will actually prove of great benefit to the Brockville and Ottawa Railway.

The available means to attain this end lay in the charter of the "Canada Central Railway" and in obtaining such modifying legislation thereupon as would render it suitable to our purpose. I was finally successful in securing these most important preliminaries; but the various negotiations were difficult and tedious, and much valuable time was unavoidably expended in their consummation:

Yet finally I secured for my friends in England, and solely in behalf of the Brockville and Ottawa Railway not only the control of this valuable charter, but also such a modification of it from the Legislature as empowers us to connect Ottawa City with our road at Carleton Place thus giving us the opportunity (the only one we shall ever possess) to effectually bar the construction of a direct road from Ottawa to Arnprior.

The connection at Carleton Place cannot but largely benefit our road, whereas a connection at Arnprior must prove only disastrous. If we do not secure the former within the period stipulated in the charter of the Canada Central the people of Ottawa will certainly secure the latter soon thereafter. That time expires 18th September, 1870 and having been already extended several times, there is no hope whatever of its renewal.

Under these circumstances it is my duty to bring the foregoing to your notice, and to urge prompt, serious consideration and action. Private parties have taken much trouble and responsibility, and

have incurred large actual cash outlay in securing these preliminary advantages with a view to the permanent protection and enhancement of the Brockville and Ottawa Railway, and this company is under heavy obligation to those parties in consequence: but it is not only becoming, it is imperative that this obligation be acknowledged otherwise than by words alone. The time in which we can secure ourselves is brief; little more than a year in which to make all arrangements to complete this connection. Those of us who shall meet here a twelvemonth hence will have lived to realize a great success, or a failure so heavy that the Brockville and Ottawa Railway will never cease to deplore its consequences. I therefore suggest that the president, in conjunction with the board of directors, be empowered to carry out such measures as shall seem to them judicious to afford such aid as may be in the power of this company to promote and secure a connection between Carleton Place and Ottawa.

In conclusion it gives me pleasure to thus acknowledge the cordial and efficient services of the managing director. The policy inaugurated in 1864 he has ably carried out as you see to-day by the best of all proof, the results: measured by those results the services of your managing director deserve your generous recognition. To the other officers and employes of the company, in their respective degrees, I am likewise indebted for such a zealous performance of their various duties as causes me to derive sincere gratification from my connection with them, and to congratulate the company on the high character and efficiency of their service.

Respectfully submitted,

JOHN G. RICHARDSON,
President.