

HAMILTON & PORT DOVER RAILWAY.



REPORT

OF THE

PRESIDENT AND DIRECTORS

TO THE

SHAREHOLDERS.

HAMILTON, MAY, 1856.

HAMILTON & PORT DOVER RAILWAY.

DIRECTORS' REPORT

TO THE SHAREHOLDERS AND THE CITIZENS OF HAMILTON AND
THE PUBLIC, GENERALLY, INTERESTED IN THE LINE.

Shortly after the election of the present Board of Directors, on the 11th day of June last, they issued an address to the citizens of Hamilton, and other Municipalities interested in the construction of the Hamilton and Port Dover Railway, in which they set out the prominent features of the Line, and the advantages which its construction promised to this City and the Country through which it will pass. The appeal then made for public aid to a work which, in the opinion of the Directors, promised such important advantages to this City in particular, as well as the people on the line, was immediately responded to by a unanimous vote of the then City Council of £50,000, to be invested in the Company's Stock, which vote was, with but one dissenting voice, confirmed by the rate-payers at the public meeting called for that purpose.

The Village of Caledonia, following the example of our City, subscribed £10,000, under the Municipal Loan Fund Act, which however, being exhausted, that Municipality ~~is~~ obliged to change; and a new by-law is at present before (the rate-payers) for that purpose. *has just received the sanction of*

The Township Council of Walpole, also voted for subscribing £15,000 to the Capital Stock of the Company, which, however, was not confirmed by the rate-payers, owing to the divisions which existed among them on account of the uncertainty of the route, which the line might take through their township. Since the location of the line, the Directors have assurances that a majority of rate-payers will redeem the character of their Municipality, by a liberal grant towards a work in which they have a deeper in-

terest, if possible, than any on the line. In addition to the Municipal subscriptions alluded to, there has been £33,800 of private Stock subscribed, which amount the Directors still hope to increase considerably. To this may be added £60,800 agreed to be taken by the contractors, Messrs. Moore, Pierson & Co.

The progress which the Directors made at the commencement in obtaining subscriptions to the Stock of the Company was such as, in their judgment, warranted them in employing the services of a competent Engineer, to make surveys and report upon the best route for the location of the line. They accordingly engaged John L. Hodge, Esq., a gentleman who has had much experience in locating and constructing Railways, both in Britain and this Country, where he has been several years engaged in his profession as Civil Engineer. Mr. H. was at first ordered to survey two routes—one by Caledonia and the other by Cayuga; and subsequently a third via Waterford and Simcoe. The great length of the latter line over the others, however, precluded the Directors from entertaining it as a feasible route.

The leading facts contained in Mr. Hodge's report will be found embodied in the present statement of the Directors.

The cost of these several surveys, together with £1,300 paid to R. G. Benedict, Esq., for a survey made by him under a former Board of Directors, amounts to £2,702 19s 2d. The Directors have in addition to this sum, expended (chiefly in purchasing right of way, and land for the purposes of the Railway,) £2,862 1s which also includes printing, Parliamentary, and Office expenses and salaries, and makes a total expenditure of £5,565 0s 2d.

The late period at which Mr. Hodge was able to complete the several surveys referred to, and the fact that the Company's charter would expire in ~~the month of~~ April, unless £50,000 were expended by that time, prevented the Directors from taking any further active measures for endeavoring to put the Stock list on such a footing, as to warrant the commencement of the work, until an Act of the Legislature should be obtained to extend the time for such outlay. This Act, the Directors are happy to say, received the Royal assent on Friday, the 16th instant, and they are now enabled to re-commence operations. But before doing so, they have deemed it proper to submit a full statement of their proceedings up to this time, as well as to lay before the Shareholders and the

public interested, a recapitulation of the arguments in favor of the line.

In the month of January, the Directors having received complete plans and specifications from their Engineer, and feeling that unless they had some substantial reasons to offer to the Legislature in favor of the extension of their Charter, as well as to be prepared for an early commencement of the work, unanimously resolved upon letting the construction of the whole Line to some thoroughly practical and responsible firm of Contractors. They accordingly advertised for tenders, and ten different parties made offers for doing the work. After mature consideration, and thoroughly weighing the character, responsibility and practical experience of those who tendered, as well as the prices specified, the Board decided, with only one dissenting voice to award the contract to Messrs. Moore, Pierson & Co., already so favourably known in this city; the tender of these gentlemen being the lowest but two, of those that were admissable. The following extract from the contract entered into will show the nature and extent of the work to be performed by the contractors. "And it is hereby declared, that the work intended to be comprised in the contract shall consist of all the necessary excavations, piling, embankments, masonry, bridging, trestle work, culverts, ditching, draining, coffer dams, bailing, road crossings, cattle guards, fences, superstructure, grading and ballasting, clearing and grubbing, with all necessary sidings as herein after provided, passing places and switches, and all other matters for completing a first class Railway, with the exception of the Machine shops, water tanks, Station Houses, turn tables, wood sheds, engine houses, and all other buildings, iron rails and rolling stock, which are not intended to be comprised herein."

The work to be performed by Messrs. Moore Pierson & Co., as above stipulated will cost £304,050, and the excepted items are estimated to cost about £135,700 making the total cost about £439,750 for completing the whole line 40½ miles ready for traffic. When we take into account the heavy work of nearly one fourth of the line, namely in reaching the summit of the mountain and crossing the Grand River, including a high and expensive bridge to admit of Steamers and other craft passing under, so as to avoid a draw bridge, the Directors consider the terms of the

contract most favourable for the interests of the Company, and the more especially so, as the contractors have agreed to take £60,800 of stock in payment, which their means will enable them to hold, without selling it at rates which might injure its value in the market.

The cost of the whole work, upon the basis of the contract with Messrs. Moore, Pierson & Co., (which has been very carefully drawn, so as to avoid, as far as possible, all charges for extras) will not exceed the estimates of either Mr. Benedict, or Mr. Hodge, and will compare favourably with the cost of other lines in this country and the United States.

As to the quality of work and material the contract stipulates as follows, that the contractors "shall construct and complete, in a good substantial and workmanlike manner (and at least in as good and substantial a manner in all respects as the Great Western Railway,) the Hamilton and Port Dover Railway, &c., &c.

The Directors beg to state that they have already made considerable progress in securing the right of way, and have found a number of the proprietors of land on the line disposed to deal fairly and honorably in disposing of what the company requires. Many of them having a just appreciation of the importance of the undertaking, to their local interests, and believing that it will prove remunerative, have agreed to accept stock in payment. This enlightened feeling which has characterized the landed proprietors in the United States so generally, it is to be hoped will be participated in by others on this line.

WAYS AND MEANS.

Setting the cost of the Railway and rolling Stock complete at £439,750, it will be necessary to make allowance for discount on bonds and interest during construction. These items cannot be estimated at less than £45,250. It will, therefore, be necessary to make provision for £485,000. With the present subscriptions, and what may be reasonably relied upon being obtained from the Southern Municipalities interested, the Directors hope to raise the Stock list to £200,000, without further recourse to this City. Before, however, they would feel themselves warranted in commencing the work, they conceive that the Stock subscription should reach about one-half of

the cost, so as to form a safe basis for the issue of bonds, upon which to raise the remainder. Upon such a basis the Directors have received through their President, and also through correspondents in London and Paris, assurances of being able to negotiate the Company's bonds upon favorable terms, to the extent of £250,000 to £300,000, so as to obtain a portion of the proceeds to expend along with the Share Capital. The only quarter, at present, to which the Directors can look for further aid than that referred to, is the Municipality of Hamilton. As the Stock at present held by the City in the Great Western Railway, is likely to prove a source of large profit, no one will question the ability of the City to subscribe an additional £50,000 or £75,000 in the Stock of this Company. With such further aid, the Directors can now see their way clearly to a vigorous prosecution of this most important work for the interests of this City, and of the South-Western Country.

SOURCES OF BUSINESS.

As a general thing, short lines of Railway do not prove remunerative to the Shareholders. It will, however, require but little argument to convince, even the most incredulous, that the Hamilton and Port Dover Line is an exception to this rule.—Where short Lines connect important centres of commerce, or form links in long Lines of intercommunication, they are just as certain to command a paying business as the longest Railway in existence. It would be quite as reasonable to assert that *all* long Lines are profitable investments, as to argue that all short ones are unproductive. After all, the only safe way of estimating the value of a Railway, or any other line of transit, is by the connections it is intended to make, due regard being always had to the course of trade.

Let us now apply these general principles to the Hamilton and Dover Line, and inquire what are the objects which will be attained by its construction? These may be set down under four heads.

1st. To facilitate and increase the local traffic.

2nd. To secure a portion of the freight and passenger business of the Buffalo and Lake Huron Railway, and of the Grand River.

3rd. To form a connection with the proposed Great-Southern Railway.

4th. To form a great Line of communication between Lake Erie and Ontario.

As these are four distinct sources of business, it will be proper, briefly, to consider each one in turn.

LOCAL TRAFFIC.

As yet, we are obliged to draw our estimates of traffic chiefly from the Railways in the United States, where the circumstances of trade and travel very nearly correspond with those of this country, and where a larger experience has furnished more reliable data than can yet be found in Canada. It has been ascertained in New England, where several thousand miles of Railway have been opened long enough to develop the traffic of all kinds, that each inhabitant contributes annually, on an average, \$3 to the gross receipts for local traffic of all kinds. Applying this rule to the Hamilton and Port Dover Railway, the Directors, in their Report issued in June last, estimated the population that would be tributary to it, when it should be one year in operation at 110,000, which would contribute \$330,000 a year. Although this result might not be realized the first, or second years, that the line shall be in operation, there is no reason to doubt that it would be in four or five years, which is a period necessary to develop the local business of any Railway. Let us apply the results thus far ascertained from the operations of the Great Western for the two years it has been open for traffic, up to the 31st January last, and which does not include the Toronto Branch, subsequently amalgamated.

GROSS LOCAL OR WAY TRAFFIC OF THE GREAT WESTERN RAILWAY.

Years ending,	Passenger,	Freight,	Total,
31st January, 1855..	£126,890	£ 55,315	£182,205
31st " 1856..	159,960	102,341	262,301
Increase.....	£33,070	47,026	80,096

In order to show that there was no special cause for this large increase in the local receipts of that Company, except the natural development of the business of the line, the Directors, in their last Report, say, "It is satisfactory to observe that the increased traffic of the last half-year has been confined to no one

source, but that each department of the Company's business has contributed to the gross increase."

It may now be confidently assumed that this increase will continue and be maintained for several years. For the three months of the current year, which have elapsed, it has been considerably exceeded. The following table will shew what the local receipts may be expected to reach, during the next three years, at the same rate per annum, and assuming the same number of miles to be in operation :

Years ending.	Gross Receipts Local.	Receipts per mile.	Would give to the H. & P't. Dover Railway, (40 miles.)
31st Jan., 1855.	£182,205	£ 756	1st year, £30,000.
31st " 1856.	262,300	1,083	2nd " 43,320.
31st " 1857.	340,396	1,312	3rd " 56,480.
31st " 1858.	419,450	1,740	4th " 69,600.
31st " 1859.	498,540	2,068	5th " 82,728.

It may be questioned by persons unacquainted with the history of Railway Traffic in other Countries, whether this increase in the local traffic receipts of the Great Western will be maintained for so long a period as three years more. If it would not occupy too much space, the Directors might bring an overwhelming mass of evidence from the results of railways in other Countries, to show that what they have predicated upon the operations of the Great Western, is only what has occurred in a hundred other cases. It will not, therefore, be in the least surprising to see the receipts of the Great Western, from local traffic alone, reach £500,000 for the year, which will end on the 31st January, 1859, or about double the amount estimated for the entire gross receipts for local and through traffic before the line was commenced.

The following table shewing the gross receipts of the New York & Erie Railway for five years from its opening, is given as an example of yearly increase :

1851	....	\$2,359,870	70.
1852	....	3,537,766	53.
1853	....	4,318,962	36.
1854	....	5,359,958	63.
1855	....	5,488,893	37.

Again, it may be argued that the Country traversed by the Great Western, is a richer and better settled country than that which will be tributary to the Hamilton and Port Dover Line.—

Such an argument, however, could only be adduced by persons unacquainted with the facts. There is probably no part of Canada so fertile, or so well peopled, with an enterprising, intelligent and hardy population, as the Counties of Norfolk and Haldimand. There are, besides, a number of rising Towns and Villages on, or near, the line—such as Caledonia, Port Dover and Simcoe, besides numerous smaller ones. In fact, this fine country, so little known to the citizens of Hamilton, only requires to have proper facilities for reaching our markets, to become the garden of Canada. It must be recollected that a very large extent of country on the Great Western Railway was a perfect wilderness when that line was opened, and that probably thirty or forty miles of it is of such a swampy character as to preclude the prospect of its being settled during the present generation. On the other hand, there is scarcely a hundred acres, for many miles on both sides of the Dover line, that is not either already under cultivation, or susceptible of it.

THE BUFFALO AND LAKE HURON RAILWAY AND THE GRAND RIVER.

The second source of business for the Hamilton and Port Dover Railway will be that to be drawn from the above line. It will obviously be the interest of that Company to make their connection with Lake Ontario, by the Hamilton and Port Dover Railway from Caledonia, inasmuch as it will enable them to use between 26 and 30 miles more of their own road for all freight north west of Paris, bound for Lake Ontario, instead of shunting it on to the Great Western at Paris. Indeed by the time the Dover line is completed the traffic of the Great Western will be so large as to render it the less desirable for that Company to even compete for any part of the freight passing to market over the Buffalo and Lake Huron Railway. It will also open up a more direct communication by way of Caledonia between this City and the enterprising town of Brantford, as well as all the intermediate Country between that town and Fort Erie and Hamilton. By this route we shall also have opened up a more direct trade with Buffalo as well as with Lake Erie via Dunville. It may be interesting to state the fact, that, during the time that the Buffalo and Brantford Line was in operation, freight was frequently brought

by it, from Buffalo to Caledonia, and thence by teams to its destination in this City. A considerable portion of the heavy iron castings, used in the construction of the Anglo American Hotel were brought to this City, by the above route. That these two Railways, will be important feeders to each other no person acquainted with the trade of this country can doubt; and that a very large amount of business will flow from that source upon the Hamilton and Port Dover Line, advantageous alike to this City and to the Company, cannot be doubted.

The Grand River will also contribute more or less to this line. The large lumbering and milling interest for many miles above and below Caledonia are not unworthy the consideration of the business men of this City. Timber and lumber have, of late years, greatly risen in our market, owing in part to the distance it has to be teamed. There can be no doubt that a very large business will be done by the Railway in sawed lumber, drawn from the Grand River. The following extract from the Directors' report last June will more fully elucidate the subject.

“The Lumber Trade of the Grand River, which will centre at Caledonia, has become of such importance and magnitude, that it merits special notice. The demand for lumber at Chicago, has already had the effect of drawing the supplies from the Grand River, so that the manufacturer has the choice of two great markets open to him. By means of the Hamilton and Port Dover line, the great staple product of this section of Canada, may be delivered with equal facility at Hamilton, where what is not required for local consumption, may be shipped to Eastern markets by way of Oswego; or *via* Port Dover, to supply the western demand.”

THE GREAT SOUTHERN RAILWAY.

Perhaps one of the most important features in the Hamilton and Dover line, consists in the connection that it will form between the Great Southern Railway, which will undoubtedly be built without any great delay, and Lake Ontario at Hamilton. The Directors do not know that they can state the value of this connection more forcibly than they have already done in the report just referred to, which they therefore quote.

“The next thing to be noted, is the fact that the population of the Southern tier of Counties, bordering on Lake Erie, now

amounts to nearly 200,000.* This tract of country, which is unprovided with railway communication, is over 200 miles long, and of an average breadth of 20 miles. In the fertility of its soil, the mildness of its climate, and the industry and energy of its inhabitants, it is equal, if not superior, to any other given tract of equal extent in the Province.

Hitherto, but a small share of the products of this fine section of country, have found their way to our market, for want of means of transit. A small amount of merchandize may have been supplied by our merchants; but, limited as our commercial intercourse has been with the shores of Lake Erie, it will be seriously affected by the Buffalo and Lake Huron Railway, which will cut us off from much of the business south of the Grand River.

The Directors have the strongest reason to believe, that in less than three years, what is called the Southern Railway, will be completed. This line, as everybody knows, will extend from the Niagara to the Detroit River, and will pass through the very heart of the tract of country referred to. It is almost too obvious to need remark, that when this Southern line shall be completed, the entire commerce of the Southern Counties, with all their numerous towns and villages, and a population of 200,000 souls, will be lost to this City beyond retrieve, unless we put forth great efforts and construct the line from here to Dover, near which a connection will be had with it at a favourable point. With such a connection, it can be demonstrated almost to a mathematical certainty, that nearly, if not quite, all of the heavy freight traffic of this line must flow to this City.

In order to establish this position and make the matter clearly understood, it is necessary to state the well-ascertained fact that the bulk of the freight traffic through the State of New York, is retained by the Canal, notwithstanding the active competition of the two great lines of railway, and the great loss of time by the former as compared with the latter. Now, as New York has become our chief market, the same rule applies to our commercial intercourse with that City. The bulk of our freight, consequently passes through the Erie Canal, either by way of Buffalo or Oswego. If by the former ten days are required to go to, or from tide water at Albany; whilst by the latter route only five days are consumed. The distance from Hamilton, or Niagara to Oswego, by steamboat, is now accomplished in a single night, so that these places are, in point of time, fully four days nearer to our chief market than Buffalo. With such an advantage, it will not be surprising, hereafter, to see freight transported from Fort Erie and

* W. Scott, Esq., Civil Engineer, in his Report upon the Southern Railway, estimates the present population, that would be, more or less, benefited by it, at 180,000. By 1860 it will, no doubt, amount to 225,000 to 250,000.

Port Colborne, to Hamilton or Niagara, by rail, in order to gain time, by taking Lake Ontario. This fact being established, the question, as to the relative claims of Hamilton and Niagara, for becoming the entrepot for Southern Canadian trade, presents itself.

In reference to this point, the facilities of transport being equal to both places, the superior advantages of Hamilton in size, wealth, and population, and as the established centre of Western Commerce are such, that there would be nothing to fear from the competition of her would-be rival. But, with the Southern Railway built, nearly the entire freight of the Southern Country and of Lake Erie and the Western States, flowing over it, must, of necessity, centre at Niagara, or the Suspension Bridge, and *none of it can reach Hamilton, unless the Port Dover Line be constructed.*

With both these Railways completed, let us see how the matter will stand. The distance from the point of intersection to Niagara, *via* the Suspension Bridge, will be about 84 miles, or the same as by way of this City, whilst, from the same point to Hamilton, it is only about 34 miles. The distance in favor of Hamilton will then be 50 miles, and the charges on freight are the same on the Lake, whether to or from Hamilton, Toronto, or Niagara, and the difference in time by Steamers only two and a half hours.

The actual cost of carrying freight on the Railways of New York, to say nothing of the profit, has been found to be about 80 cents a mile for an ordinary train of 175 to 200 tons. It would therefore cost \$40 more, to move an ordinary freight train between the point of intersection and Niagara, than between the same point and Hamilton. These facts, it is conceived, settle the question as to the superiority of this City, as the entrepôt for South-Western Canada, as well as for such foreign commerce as may be carried on through this part of the Province.

If these arguments are sound, and it is thought they do not admit of denial, it will follow that the great bulk of the produce freight of the Southern Line, during the season of navigation, will, as in the case of the Great Western, find its way to Eastern markets through this City and by Lake Ontario, and the returning trains will carry back a proportionate quantity of merchandize.—The Directors are unable to state the proportion of the Great Western freight traffic received from, and delivered to vessels navigating Lake Ontario; but it is generally understood to be, during navigation, far greater than that which is carried on by way of the Suspension Bridge.

In addition to the freight business that may be confidently

relied upon being drawn from and delivered to the Southern Line, there will be a very considerable passenger traffic. The population of the Southern tier of Counties will find Hamilton and Toronto their favorite markets and places of resort for the transaction of business, and for recreation and pleasure; and as all business, whether freight or passenger, drawn from or given to the Southern Line of Railway, will pass over nearly the whole length of the Hamilton and Port Dover Line, it must prove a source of large profit to the latter Company, as well as to the former.

LAKE ERIE.

The following extract from the Report before quoted, will sufficiently explain the nature and extent of the business that may be expected to be done between the two lakes by means of the Hamilton and Port Dover Railway :

“ In addition to these extensive sources of business, the trade between the two lakes, that will flow over our line, will doubtless be very great. This trade has so increased that the Welland Canal is quite inadequate to its wants. Formerly a vessel could pass through this Canal in from 20 to 30 hours. It now requires a whole week, and this route has become nearly as tedious as that by the Erie Canal, *via* Buffalo. It has been shewn that a cargo of wheat or flour, leaving Cleveland in the evening by steamer, and arriving at Port Dover in the morning, may be again set afloat on Lake Ontario, by means of our Railway, the following evening, and be delivered at Oswego the next morning. This may seem incredible; but with the improved means of transhipment, by Steam and Water power, it is perfectly practicable. We may, therefore, confidently count upon a large trade from all parts of the thickly settled shores of Lake Erie, and for the establishment of one or more daily lines of first class Steamers, in connection with the Hamilton and Port Dover Railway, between Port Dover and Cleveland, which is the mouth of the great Ohio Canal, as well as to other points on the Lake. In addition to the advantages possessed by Dover, as a point of connection between the two Lakes already stated, it is nearly 100 miles higher up the Lake than Buffalo, and is open several weeks earlier than the latter in Spring, and also avoids much of the perilous navigation of that stormy Lake. It is, besides, opposite the great coal fields of Pennsylvania and Ohio, whence cheap and inexhaustible supplies of Coal will be afforded to the Province. As a freight line, the Directors of the Hamilton and Port Dover Railway Company believe that its importance cannot be over estimated—and it is this

class of business that contributes most largely to the growth and wealth of towns and cities. The carriage of passengers through a country adds but little to the general wealth, although it is valuable as a means of profit to Railways.

“There is no reason, however, to doubt that this line will have a large passenger as well as freight traffic. It is a universal law of commerce, that the movement of passengers is always more or less influenced by the general course of trade. If Hamilton becomes the entrepôt for Southern Canada and the Shores of Lake Erie, those who conduct the business of the various localities will necessarily be frequently drawn here, and our business men will have constant occasion to visit the sources of business. Thus, in addition to local, we may count upon a large through passenger traffic.”

As it has been doubted whether any considerable amount of freight can be profitably transhipped and passed over by Railway from one Lake to the other, a few facts may be adduced, which will place the subject within the comprehension of every person who will take the trouble to examine it. The most important articles of transit are grains of various kinds. These, it has been ascertained, can be raised by steam or water elevators from the holds of vessels, and discharged in bulk into grain cars at a cost of *less than one-fifth of a cent per bushel*. This is what the Directors are assured by persons engaged in the business, is the actual result of the Steam Elevators used at Chicago and other places. An Engine capable of raising from the holds of vessels 100,000 bushels per day, it is estimated, can be worked at a cost of \$25 per day, this would leave \$75 to apply on labor to feed the Elevators in use and for incidental expenses. The actual charge made by the Steam Elevator Companies at Chicago, for raising grain, is half a cent per bushel, which includes five days' storage and the Companies' profits, which are said to be large. This profit would, in the case of the Hamilton and Port Dover Railway, constitute a part of that Company's profit. Let us see what it would actually cost to unload at Port Dover, and reship at Hamilton, a cargo of say 10,000 bushels of wheat or corn.

Elevating into Warehouse, at 1-5th of a cent per bushel.....	£ 5 0 0
Loading and discharging Cars by Schutes, at same cost.....	5 0 0
Total cost of transhipment.....	£10 0 0

If the same cargo were taken through the Welland Canal, the figures would stand thus, computing the wheat at 37 bushels per ton.

Canal Tolls on 270 tons Wheat, at 2s 3d per ton, £	33	15	0
5 days Interest on cargo valued at £2,500,	2	5	0
Cost of towage, (average,) say	10	0	0
6 days expenses of Vessel, (always calculated and added to charge on freight,) at £9 per day,	54	0	0
	<hr/>		
	£100	0	0
Deduct expense of transhipment to and from Railway,	10	0	0
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Leaving in favor of latter,	£90	0	0

Equal to 3 3-5 cents a bushel, which would, of itself, constitute a sum sufficient to pay the cost of transit deterioration of rolling Stock, and leave a handsome profit to the Company, and which might probably be reduced after a large business has been established.

It will be seen by these statistics, which every one acquainted with the forwarding business on the Lakes, can verify as a pretty close approximation to the truth, that so far as the transport of grain is concerned, the Hamilton & Port Dover Railway will be able to compete with the Welland Canal, even if the tolls were entirely abolished. There is no doubt but that flour, coal, and many other kinds of freight, may also be profitably carried over the Railway, if only proper appliances are adopted to save labour in removing it from the holds of vessels to the trains of cars, and vice versa, especially during the seasons when the canal is most overtaken. The following tables will give some idea of the magnitude of the grain trade carried on through the Welland and Erie Canals, which the Railway may profitably compete for at prices as low, or lower, than the cost and charges above enumerated for barely passing the Canal.

Statement of the quantity of the following articles passed through the Welland Canal during the years 1854 & 1855—

		1854.	1855.
Wheat,	Tons,	76,961	166,520
Corn,	"	113,453	115,148
Flour,	"	40,022	27,828
Oats,	"	10,371	5,775
Total, -----		240,697	315,271
Total traffic . . .		767,210	849,333

Statement of the quantity, in bushels of Wheat and Flour shipped at Buffalo and Oswego by Canal, from 1835 to 1855, inclusive, the Flour being reckoned at five bushels to the barrel.

Year.	Buffalo.	Oswego.	Total.
1835-----	672,427	669,067	1,341,393
1836-----	999,980	585,559	1,585,538
1837-----	1,084,475	340,035	1,424,510
1838-----	2,321,217	440,200	2,761,417
1839-----	2,405,849	658,160	3,064,000
1840-----	4,081,255	665,389	4,746,604
1841-----	4,450,565	735,249	5,185,814
1842-----	4,500,265	643,157	5,143,422
1843-----	6,104,064	1,154,909	7,258,973
1844-----	6,042,004	1,895,494	7,937,498
1845-----	4,946,451	2,016,487	6,980,928
1846-----	10,069,734	2,790,036	12,859,770
1847-----	15,533,117	3,766,001	19,099,118
1848-----	10,182,790	3,874,430	14,057,270
1849-----	9,115,040	5,104,997	14,057,270
1850-----	8,226,847	5,575,742	13,802,589
1851-----	9,199,762	6,116,868	15,317,533
1852-----	9,554,851	7,315,424	16,870,275
1853-----	8,250,638	8,783,293	17,033,931
1854-----	4,252,307	1,861,265	7,113,572
1855-----	7,633,531	4,691,662	12,325,193

It is only a few years since the enlargement of the Welland Canal was completed. At that time it was supposed that its capacity for business was such as to meet the increasing wants of the Western trade, for half a century. This capacity it has already been ascertained, is unequal to the demand for transit, and both the Welland and Erie Canals, with the two great lines of Railway through the State of New York, are taxed very nearly to their utmost. In view of these facts, it is evident that, as the transit

business between the East and the West is every year increasing in an accelerated ratio, there must be new channels opened to meet the future requirements of this vast commerce. It would be difficult to project a better avenue for sharing this most profitable business than the one which will be afforded by the Hamilton & Port Dover Railway, and which will at the same time possess so many other sources of business in addition to that of opening a new and easy transit between the two Lakes. If this Railway proves as successful in competing for the trade of Lake Erie as its friends believe it will, and the facts seem to verify, it will be the means of raising both Hamilton and Dover to rank amongst the most important shipping ports on the Lakes; and a double track will be required in less than three years after it is opened, to do the business that will present itself.

ESTIMATED PROFIT.

It is no doubt a difficult matter to estimate the probable profit that may be expected to result from a railway, drawing business from so many sources as those enumerated. The history of railways nowhere presents a parallel case of a short line having so splendid a field for local business, and at the same time, forming so many promising railway and water connections. Neither in the old, or in the new world, do two other such lakes as Erie and Ontario, teeming with so vast a commerce, seeking transit from one to the other, exist.

With regard to the local business, it has been shown, that after the line has been open long enough to develop this source of traffic, say 5 years, at least £80,000 a year may be counted upon from it. The Great Western working expenses are estimated at 50 per cent of the gross receipts. As the heavy freight trains on the Hamilton and Port Dover Railway will be moved upon a down grade and the light ones up, there is no reason to believe that the working expenses of this line will be greater for the first two or three years. ~~This~~ then ~~would~~ give £40,000 a year of profit, equal to eight per cent upon £500,000.

If it be assumed that the business that will be drawn from all the other sources enumerated only equal the local traffic, instead of, as will probably be the case, greatly exceeding it, and taking the ratio of increase predicated upon the two years' operations of

the Great Western, the earnings for the first five years would be as follows, taking the working expenses at 55 per cent of the gross receipts.

	Earnings per Mile,	Gross Earnings.	Working Expenses.	Leaving with profit.	Percentage on Cost £500,000.
1st Year,	£1,512	£60,480	55 per cent.	£30,000	6
2nd "	2,166	86,640	"	38,988	7 $\frac{3}{4}$
3rd "	2,824	112,960	"	50,834	10
4th "	3,480	139,200	"	62,640	12 $\frac{1}{2}$
5th "	4,136	265,440	"	74,448	15

The expenses attending the operating of railways must necessarily vary according to the description of business, and the more or less favorable gradients of the line. In the case of the Hamilton and Port Dover Railway, the great bulk of the freight will be moved over the down grade towards Lake Ontario. On the New York and Erie line 77 per cent of the freight goes East, against 23 going West. It may therefore be assumed that the Hamilton and Port Dover line will be an economical one to operate, and that the working expenses and wear and tear of machinery and permanent way together, will at no time exceed 55 per cent of the gross receipts. The arguments which have been adduced, and which the Directors trust have been presented in a perfectly intelligible form, must afford convincing evidence that it will prove not only profitable as an investment, but of incalculable value to the interests of this City and all the localities interested.

The Directors closed their report last year with an allusion to the effects produced upon the value of Real Estate in this City, by the opening of the Great Western Railway. It will no doubt be highly gratifying to the friends of our Railway interests to learn that, the increase in the assessed value of property for the last year has been fairly maintained, although the recent assessment has been made during a period of unusual monetary pressure.

TABLE.

Shewing the assessed annual value of property in the City of Hamilton, before the commencement and since the opening of the Great Western Railway, and shewing also the relative increase.

1849. (Before Great Western Railway was commenced,)	£ 60,725
1850. do do	61,574
Increase in one year.....	850
1854. (Year of the opening,)	157,000
1855. (After Great Western was opened one year,)	190,000
Increase in one year.....	37,000
1856. (Assessment just taken,)	220,000
Increase over 1855.....	£ 30,000

It will be seen by the above that the ratio of increase in the assessed annual value of the City from 1849 to 1850 was about one per cent, whilst from 1854 to 1855 it was 22, from 1855 to 1856 the increase has been 16, and from 1849 to 1856 no less than 360 per cent. As the annual value is computed at the rate of 6 per cent in the gross assessed value, it will be seen that, the increase of last year in the *annual* value of real estate in Hamilton, (being £30,000,) represents an increase on the actual value, of £500,000, a sum estimated to be sufficient to build and equip the whole of the Hamilton and Port Dover Railway. The £220,000 (assessment for this year,) represents about £3,666,000 as the gross assessed value for the whole City, which is, probably, more than a million of pounds below its actual intrinsic value. It will, ~~therefore~~, be seen that the City possesses ample ability to aid this enterprise to the extent necessary to insure its completion. The Directors, therefore, appeal to the public spirit and enterprise of all parties interested, and especially to the citizens of Hamilton, who will be most of all benefited, to aid them in carrying forward the work. They must reflect upon what the effect of delay will be. Let the Southern Railway be built and the Buffalo and Lake Huron Line finished, and set a-going, and the trade of the finest part of Canada will set in, in another direction, from which it will be no easy matter hereafter to divert it into our market. We shall, then, be cut off, and become isolated from the most promising elements of future greatness.—The Directors conceive that it is no longer a matter of choice, but one of urgent necessity, to complete this work without further delay. Hamilton will then take the lead of all other Cities in point of Commerce in Upper Canada, and the consequent rise in the value of property may confidently be estimated at four or five times the cost of the Line.

ALLAN N. MACNAB, President.

HUGH C. BAKER, Vice-President.

G. W. BURTON,	} Directors.
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M. W. BROWN,	
J. T. GILKISON,	
JAMES LITTLE,	
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JOHN BROWN,	

