

The Great Western Railway of Canada runs through the West of Upper Canada from Niagara Falls to Windsor, on the river which connects the upper with the lower lakes of the province. On the other side of that river lies the American State of Michigan, and the important and rapidly increasing city of Detroit. An American Company some years back proposed to carry a Railway across the State of Michigan from Detroit to Lake Michigan on the same principle that the Great Western was carried across the Province of Upper Canada. This Railway, now called the Detroit and Milwaukee, was made in sections. Ultimately it reached, as the Map shows, from the city of Detroit to the important port styled Grand Haven on Lake Michigan, from which it communicated by steam vessels with the port of Milwaukee, in the state of Wisconsin, on the other side of the Lake, a port of the greatest commercial importance as a railway centre, and as the shipping port of the greater portion of the produce of the States of Wisconsin, Minnesota, and Iowa.

A survey of the Map must convince every one that this Detroit and Milwaukee Railway was of the greatest importance as a feeder to the Great Western, of which it is, in fact, an extension of 185 miles. It was calculated to secure for our Line the traffic from the west side of Lake Michigan. But more than this, it presented itself to the Great Western as the means of averting a competition most likely to be injurious to our system. It will be observed, that whilst the Great Western runs on the north parallel of Lake Erie, there is upon the south side of the Lake a series of American Lines called the Lake Shore System, which communicate with Lake Michigan by another American Railway called the Michigan Southern, and that farther south still other Lines exist, connecting Chicago with the Atlantic. Without the Detroit and Milwaukee Railway the produce of the district around Lake Michigan would pass to Chicago, and from Chicago eastward to the ports of shipment, by the American Lines, or by water to Buffalo. By means of the Detroit and Milwaukee Railway, the Great Western can intercept a great part of this traffic, and pass it over its own Line. If, therefore, it is an object with the Great Western Company to secure the trade of the districts bordering on the great Lakes, and of the corn-producing States of Michigan, Minnesota, Wisconsin, and Iowa, the possession of a Line from Detroit to Lake Michigan and Milwaukee is of the first importance.

It was in consequence of such considerations and Reports as these that the Directors of your Company thought it right to give every encouragement and assistance to the Detroit and Milwaukee. Early in 1856, a traffic arrangement was entered into between the two Companies, and the English Board of the Great Western agreed to afford the Detroit and Milwaukee Company their assistance in obtaining capital to complete their Line. The object was not immediately successful, because the Great Western themselves were issuing new Shares which appeared to capitalists to offer superior advantages, and which they therefore took in preference to subscribing to the capital of the Detroit and Milwaukee. At a later period however of the same year, the Great Western had obtained its capital, and it was then determined to endeavour to float the Detroit and Milwaukee. The first attempt was in February, the second was in July, 1856. In the intermediate period, negotiations had been entered into by the Detroit and Milwaukee Board with Mr. Wythes, the great contractor, to take up and complete certain portions of the Line. The Railway was 185 miles long; of these it was proposed to Mr. Wythes to complete 75 for a sum of £500,000, to be paid half in shares, and half in cash, when Mr. Walker, the Chairman of the Detroit and Milwaukee, again applied to the Board of the Great Western to assist his Line in floating their Bonds. Upon the assurance that the contract with Mr. Wythes had been entered into, the Board consented to issue a circular amongst their Shareholders, and to recommend them to take up the bonds as a matter of importance and benefit to the Great Western itself. The Board however took such precautions as suggested themselves for the protection of the parties interested. A part of their resolution to send out the circular ran as follows:—

"Before the above-mentioned Circulars are issued, the Secretary to be satisfied that the contract with Mr. Wythes to complete the Detroit and Milwaukee Railway is executed by both parties, and that Mr. H. N. Walker has legal power on behalf of the Detroit and Milwaukee Directors."

The Secretary did satisfy himself upon these matters, and there are now in the offices in London properly certified copies of the authority under which Mr. Walker was acting, as well as of the contract entered into on the part of the Detroit and Milwaukee Company with Mr. Wythes, and of a Resolution of that Board, under the corporate Seal of the Company, confirming the contract.