

The Directors recommend that these Debentures be created on the following terms, viz : that they rank immediately after the existing Debentures of the Company, and bear interest at the rate of 7 per cent. per annum, and that one-third be repayable in five years, one-third in ten, and one-third in fifteen years.

In 1856 an independent Company, called the Grand Trunk Junction Railway Company, obtained an Act for the construction of a Railway from the Grand Trunk Line at St. Mary's, nine miles west of Stratford, to London, a distance of 22 miles : and the Directors of that Company have offered to transfer its rights to the Grand Trunk Company at par, and as by means of this short line an important connection will be made with the Railways centering at London, it is very desirable that the sanction of the Shareholders should be given to the amalgamation of the two companies, and to an agreement which has been made for the construction and equipment of the Railway with responsible Canadian contractors—the cost being at the rate of £8,000 per mile, including rolling stock, and which is included in the sum available under the relief Act of 1856.

The Act of last Session, a copy of which has been already forwarded to each stockholder, having dispensed with the Government Directors, a reorganization of the Board becomes necessary : and it is recommended that the number of the Directors be fifteen, ten of whom shall be resident in Canada and five in England. That the order and manner of rotation in the Board shall be decided by ballot, and that five members actually present in Canada with two London Directors present in person or by proxy, and three members actually present in London, shall be quorums for the Boards.

At present there are but eight elective Directors in Canada, and it is a recommendation to the meeting of the Shareholders, in order to make up the required number, that Mr. Bidder, the General Manager, and Mr. Blackwell, recently recommended by the London Board, as a Director, be elected Directors.

The engagement with the Engineer-in-chief has expired, and the Directors in order to maintain the confidence of the English proprietors, have thought it expedient to secure to the Company the services of a gentleman on the Direction who would be willing to devote his whole time to the Company, and while possessing the confidence of the English shareholders, would be enabled to exercise a general supervision over the management of the Railway, especially in the Engineering and Financial departments, and would co-operate with the Directors resident in Canada, in the promotion of the general welfare of the undertaking ; and this arrangement is submitted for the approval of the shareholders at the present meeting.

The retiring Directors are the Hon. John Ross and Messrs. Holmes and Crawford, of the Canada Board, and Messrs. Thomas Baring, M.P., George Carr Glyn, M.P., and K. D. Hodgson, M.P., of the London Board, all of whom are eligible for re-election, and offer themselves for re-election accordingly.

JOHN ROSS, *President.*

JOHN M. GRANT, *Assistant-Sec.*

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#### GENERAL MANAGER'S REPORT.

Mr. GRANT then read the following Report, from Mr Bidder :—

GENTLEMEN :—Herewith I beg to submit for your information a report of the operations of the Railway during the past twelve months.