

for the completion, at no distant date, of this important extension to the lower section of the railway.

Since the last meeting of the Shareholders, the branch line to London has been opened, and Messrs. Gzowski & Co. have so far progressed with the Sarnia extension as to secure its completion, as before stated, in time for the fall business of 1859.

During the past year, an independent Company, entitled the Chicago, Detroit and Canada Grand Trunk Junction Railroad has been formed to run a line from Detroit to a point in Michigan, directly opposite to Sarnia, and the Directors intend to recommend the adoption of the line as a part of their system; working the same at a rental of *fifty* per cent of the gross receipts.

Within the last few months the Directors have found it necessary, to meet current demands, to convert £500,000 of the consolidated stock of the Company into *seven* per cent. debentures, upon Stockholders subscribing for a like amount of the new capital.

The engagement with Mr. Bidder having expired, Mr. Walter Shanly, the Chief Engineer, undertook the additional duties of Traffic Manager, which he will continue to perform until the arrival of Mr. Reith, with whom an agreement has been entered into, to act as General Traffic Manager for the Company for *three* years.

It is with great regret that the Directors have learned that Mr. Shanly has expressed his determination to retire from the position of Engineer to the Company; and the Directors cannot omit this opportunity of recording their sense of the valuable services performed by Mr. Shanly, and their thanks for his able and arduous exertions in filling the two positions of Chief Engineer and General Manager.

The Hon. Peter McGill and Messrs. Ridout and Beaty, of the Canada Board, and Messrs. Chapman and Blake of the London Board, retire by rotation; they are eligible for re-election, and they offer themselves for re-election accordingly.

Mr. Wm. Workman, one of the auditors, retires by rotation, and being eligible for re-election, offers himself for re-election accordingly.

The half yearly accounts to 30th of June, both of revenue and capital, are herewith respectfully submitted.

(Signed,)

JOHN ROSS,

*President.*

. M. GRANT,

*Secretary in Canada.*

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The President stated that the Directors did not deem it necessary to make a long report on this occasion, as a lengthy document which had just been alluded to in the report of the Directors had been presented to the English shareholders by Mr. Blackwell when recently in England. There were, however, the reports of Mr. Shanly, the General Manager, and of Mr. Ross, in reference to the Victoria Bridge, and the general statement of accounts which would be laid before them.