

When the London Directors were convinced of the impossibility of obtaining in England, on any terms, the necessary funds for working the line with efficiency, economy and success, they immediately called the attention of their colleagues in Canada to the necessity of applying any surplus receipts of traffic beyond working expenses in the mode specified by the Acts of the Canadian Parliament. The Canadian Direction took, as was its duty, legal advice as to the proper application of such traffic receipts; and in conformity with legal authority in Canada, which, however, is at variance with high legal opinions in England, employed the surplus, beyond what is considered in this country as strictly "working expenses," in meeting pressing claims for past expenditure in rolling stock, fuel and stores, the settlement of which claims was deemed necessary to prevent the stoppage of the road. There has not been a sufficient surplus of income over working expenses (in which all legal authorities both in England and Canada unite to class the rents of existing leases) during this current half-year, to meet the payment of the interest due on 1st January, 1861, on the first preference bonds; and the absence of all remittances from Canada for this or for any other object, forces upon the Directors the painful necessity of leaving the interest due on 1st January in abeyance, pending the existing financial struggles of the Company.

All these facts combine to press upon all interested in the existence of the Grand Trunk road, whether in Canada or England, the urgent necessity of providing promptly the means of preserving the undertaking from the ruinous confusion which must arise from the want of money and of credit, and from the conflict of various claims and protracted litigation; and for that purpose, as the Shareholders are aware, the Canadian Board of Directors memorialised, last summer, the Government to take the present condition of the Company into its early consideration, for the purpose of devising some plan by which the interests of all concerned, whether in England or Canada, might be protected from destruction. The Directors in London deem it to be their duty on this occasion to refer to that memorial, on account of the misconception of a portion of the Canadian press of the motives which dictated that Address to the Government. It would be as absurd as false, to pretend that the Directors were not guided in that step by the wish to save the capital

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