Detroit and Milwaukee Railroad Company.

The Company being unable to meet the interest upon the whole of its funded debt, and also to pay the balance remaining due of the liabilities recognized as obligatory in the Funded Coupon Mortgage of the 15th November 1860, the undersigned have been appointed a Committee by the Board, to confer with the Bondholders with respect to the funding of additional coupons. They think the following brief history and accompanying statements will secure the acquiescence of all in the plan submitted.

Anterior to 1860, when the former coupons were funded, there existed upon the property of the Company eight mortgages, amounting, in the aggregate, to about $5,500,000. At the periods of their respective dates, the Road was in different stages of completion; some were executed before, and some after the amalgamation of the lines forming the Detroit and Milwaukee Railway; part of them covered the then existing property, while others attempted to extend their liens over future acquisitions. When the last loans were made, in 1857 and 1858, for which the mortgages now represented by Preference shares, were given, little more than two-thirds of the line was completed, viz.: from Detroit to Lowell, 124 miles out of 189. Such was the very low value of its bonds, and so large a sum was necessary to complete the line and enable it to earn anything beyond its expenses, that it was impossible to procure, upon the credit of the Company, the requisite equipment to run it. The only mode in which this could be effected was to procure third parties to purchase it, who, retaining the title, suffered the Company temporarily to use it.