

EXTRACTS

FROM LETTER OF C. J. BRYDGES, APPENDED TO REPORT.

DETROIT AND MILWAUKEE LOANS.

I will now proceed to refer to the Loans to the Detroit and Milwaukee Railway Company.

Not long after I arrived in Canada, my attention was called by those largely interested in this Company, to the benefit which might accrue to our own Line from the traffic of the Northern part of the State of Michigan. Amongst others, Mr. Samuel Laing, M.P., who was then a large shareholder, wrote me, amongst other matters, to this effect, on the 10th Feb., 1854, in which letter he stated that he did so after "several important discussions with our 'leading Shareholders' in England, and because he thought it 'very desirable to put me confidentially into full possession of the views generally entertained.'"

When the Grand Trunk Company was first formed, it had the control of a line occupying very nearly the same ground as that now covered by the present Detroit and Milwaukee Railway. My instructions were to watch that district, and to see how far it could be made available to our traffic, and consequently to the exclusion of the Grand Trunk.

The importance of this matter became greatly enhanced when additional lines were commenced to run from Chicago to the Sea Board, passing south of Canada through Pennsylvania. It was clear that such lines must, when opened, divert some of the traffic we then enjoyed, and it became, therefore, a matter of vital policy to seek alliances which would strengthen our hold on the traffic of the Western States of America.

It was also always considered of urgent importance that this Company should not remain entirely dependent upon any one connecting line, but possess an alternative route. The New York Central Company and the Michigan Central Companies when they subscribed towards the construction of this Railway in 1852, naturally sought to bind us exclusively to themselves, and to make our line a mere appendage to their interests, to be used solely as they might deem most advantageous to themselves.

Sound policy dictated that this Company should not be confined by any such trammels, but, on the contrary, whilst continuing to cultivate most friendly relations with its existing allies, that it should seek to extend the sources of its traffic.

It was with such views that as early as 1853, the Detroit and Milwaukee Railway was looked to as an ally that ought not to be allowed to fall into the hands of a rival.

Since that time it has been gradually more and more identified with Great Western interests, and many Shareholders of this Company recognizing its value, took an interest in its completion, and by their assistance, considerable sums were raised upon its Bonds in 1856. The amount then subscribed was not sufficient to finish and equip the Line, and in the summer of 1857 the approach of the terrible commercial panic of that year reduced all the incomplete, and many of the opened railways of America, to a state of bankruptcy.

In August of 1857 I was directed by the London Board to proceed to England, to confer with them upon several important matters relating to the affairs of the Company.

For the reasons which I have already stated, I was of opinion that the Detroit and Milwaukee Line was of great importance to this Company, and would prove of vast benefit to its traffic. I am strongly confirmed