

DIRECTORS' REPORT.

THE London Directors of the Grand Trunk Railway Company of Canada, in referring to the annexed report of Mr. Blackwell the Managing Director, of Mr. Shanly the General Manager, and of Mr. Mackenzie the Locomotive Superintendent, for the details of the operations of the Company in Canada, avail themselves of this opportunity to state shortly to the Bondholders and Shareholders the present financial position of the Company.

All are already aware of the inability of the Directors to raise the £1,500,000 money as authorised by the Shareholders at their meetings in London and Canada last spring, which sum was required, together with the calculated proceeds of then existing assets, to relieve the Company from pressing liabilities; to defray the expense of additional rolling stock, sidings and station accommodation necessary to work the line efficiently, and to meet during the current year the claims for interest on the bonded debt. As stated in the report of the London Directors of 27th October last, the requirements, including the unpaid arrears of interest on bonds up to the present time, and after allowance for the depreciated value of assets unsold to liquidate existing engagements, amount

In London, in round numbers to ...	£1,706,000
In Canada to " " "	350,000
To which must be added, in order to place the road and rolling stock in efficient condition ...	500,000
Making a total of ...	<u>£2,556,000</u>