

revenue. Considering the financial position of Europe and America, it is surprising that the Detroit and Milwaukee Company should need a loan, or that they should ask the Great Western of Canada for such assistance.

These and other representations tallying so much with the opinions of your Board, derived from official sources, your Directors, at the meeting of Great Western Shareholders, held in London on the 8th of October, 1857, proposed:—

"That the Directors should be authorized to advance to the Detroit and Milwaukee Railway Company such an amount, not exceeding £150,000, as may be necessary to secure the completion of the railway across Michigan, in connexion with the Great Western of Canada, such advance being made as a temporary loan on sufficient security, the expenditure of the same being subject to the control of the Great Western Railway."

This resolution was unanimously adopted by one of the largest meetings of Great Western of Canada Shareholders that was ever assembled, and it should be mentioned that, previous to the meeting, a circular had been issued to each Shareholder saying, that as financial measures of great importance were proposed to be brought before them as stated in the Report, each proprietor was requested, if unable to attend, to give his individual opinion.

II. *The Security obtained.* It is imputed to your Directors that in recommending their Shareholders to make this loan they did not take sufficient precautions to ascertain the position of the Detroit and Milwaukee Company, or to secure the proper application of the money.

It is further stated by the Committee, that—

"Three days before the Meeting of Shareholders Mr. Brydges received a letter from Mr. Trowbridge, the Secretary of the Detroit and Milwaukee Company; and which letter he says he laid before the Great Western Directors, containing a report upon the state of the Company's affairs at that time wholly at variance with all previous statements furnished to the Great Western Directors, and with the representations of the Chairman at the Meeting of Shareholders."

"£25,000, H's O'f.

"£10,000.

"W. C. STEPHENS, Secretary.

"Ent'd. THOMAS MUIR, Accountant.

(Endorsed thus):

"JAMES HENRY MINGATE,

A Paymaster, G. W. R.

"THO. REYNOLDS,

Director.

"GREAT WESTERN RAILWAY COMPANY.

"HAMILTON, 19 March, 1859/

(101.)

Filed by
Indemnity

"No. 80.

"The Commercial Bank of Canada.

"Pay to Detroit & Milwaukee R'y Co., or order, Fifty thousand dollars.

THO. REYNOLDS,

C. J. BRYDGES,

Directors.

"\$50,000.

"W. C. STEPHENS, Secretary, W. H. PARK,

"Manager.

"Ent'd. THOMAS MUIR, Accountant.

THO. REYNOLDS.

(Endorsed thus):

"W. H. PARK,

"Man'r."