

Pacific reasonably accessible, and their construction will doubtless result in great activity in the development of that part of the country, and in a large addition to the traffic of your railway.

Your approval of a lease of the Montreal and Western Railway will be asked. This line is being made from St. Jerome, in the Province of Quebec, in a westerly direction through a district rich in minerals and timber, and containing much good agricultural land. This new line promises to bring a valuable traffic to your railway, and, as it can be worked very conveniently by your Company, your Directors have agreed to a lease of it and to pay as rental 40 per cent of its gross earnings. They have also secured an option, for a term of years, to purchase it on most favorable terms.

It is important to your Company that the construction of the Southwestern railway, extending from your St. Lawrence bridge near Montreal to a junction with the Rome Watertown and Ogdensburg Railway, at or near Dundee, as described in the last annual report, be proceeded with; and you will be asked to authorize the Directors to take the necessary steps to secure this object through a lease of the proposed line, or otherwise.

You have already by resolution passed at the Annual Meeting held on the 11th May, 1887, sanctioned the sale of the Aylmer Branch, extending from Hull to Aylmer—9 miles—and an Act was passed permitting such sale to be made, free from the encumbrance created by the Company's mortgage deed dated 25th July, 1885. That resolution provided that the proceeds of the sale should