

an increase of 25 per cent upon their present stock. It is presumed that the financial difficulties of the Company have prevented the fulfilment of the contract.

We do not by any means feel certain that all the additions which have lately been made to the rolling stock are judicious. The order for 6 pony engines for station service, appears to have been given against the opinion of the Locomotive Superintendent, such engines being useless, except for station business, upon which partially worn out engines might have been used. We are very sure that if snow ploughs, of a better construction, had been used last winter, the track might have been kept open at a much less expense, and with much fewer delays.

But supposing all these improvements to be introduced—granting that the trade had every accommodation which it could reasonably expect; that the traffic arrangements were such as to insure punctuality; and that the freight were carried at remunerative rates—still there would be one measure more necessary, before the Grand Trunk could take its place as a solvent undertaking. It is absolutely essential that the nominal capital should be reduced. The liability of the Company for interests and rents, exclusive of share capital, at the date, June 30, 1860, is given in the Appendix, (p. 50,) and was within a trifle of \$3,000,000, and if additional capital were raised more fully to equip the road, the liability would exceed this sum; but the balance of revenue account, according even to the Company's own way of shewing it, was not more than \$1,472,000. We have thus an *annual* charge upon revenue of double the amount of the *aggregate net earnings during the eight years* the road has been open. It is impossible that any increase of traffic, or any improvement of management, can make head against such a load of debt. It is melancholy to think of the disappointed expectations, of the heavy losses of those who have made repeated advances to sustain the road, and of the individual distress which must be the result; but it is impossible, to be blind to the fact, that nothing but the sacrifice of a large part of the capital invested can justify a hope of saving any of the remainder. In the present position of the Company, no external aid can avail any thing. Even if it were possible to obtain means to effect a temporary relief, it would only the more speedily, and the more certainly, bring on the final crisis.

The complicated position of the Company with various classes of creditors must render any such arrangements very difficult, and the ordinary Courts of Law may be insufficient to deal with a concern of such magnitude, and whose property is spread over six different jurisdictions. One interest concerned, the interest of the public, can hardly be left with safety in the hands of legal tribunals alone, and the interference of the Legislature may be necessary to facilitate the reconstruction of the Company. But the success of any attempt to give the Company a fresh start must depend mainly upon the cooperation of the various classes of creditors themselves. Hasty legislation is to be deprecated, but the necessity for haste is most pressing, and it would be very unsafe to leave the Company with its present organization and its present embarrassments to struggle through the difficulties of another winter.