

The Defendant had advanced largely from his own means; and, by reason of his failure to negotiate the securities of the Company, he had nearly or quite exhausted both his means and credit, in his efforts to carry on the work under the original contract; and he would therefore soon be compelled, either to abandon the work entirely, and thus lose the money which he had invested in it; or to close an arrangement with the parties referred to in his letter of 22nd July, by which arrangement these parties would, as stated in this letter, *assume the position then held by the Defendant for the construction of the North Shore Railway*, and re-pay to the Defendant the amount of his previous advances in connection with the Contract. While, on the other hand, if a favorable contract could be negotiated with the Provincial Government, the Defendant would not only secure the prompt re-payment of *all past expenditures*; but he would also secure the prospect of *large future profits* in connection with his contract; together with all the advantages growing out of the substitution, as the second parties thereto, of a *responsible Government*, in lieu of an *irresponsible Railway Company*.

These *prospective advantages* had already induced the Defendant to defer the closing of the proposed arrangement with the parties referred to in his letter to the Plaintiff of 22nd July 1875; and the same considerations now induced him to make it for the interest of the Plaintiff, not only to aid the Defendant, in holding "*these parties in abeyance*," until the result of his negotiations with the Government could be determined; but also to aid and assist the Defendant in bringing these negotiations to a speedy and satisfactory conclusion. Or, to use the words