

Let not the reader lose sight of the fact that this lease was countenanced, and to all intents and purposes signed by several of the very Directors who knew that Mr. Reed had refused to advance one cent towards the enterprise while a lease existed with the contractors, and who themselves were parties to a rescission of the lease, and substituting therefore a contract prepared by Mr. Reed, and knowing that he had positively stated that bonds could not be sold on any railway in the face of a lease existing; I say in the face of these facts, the above lease was entered into with Mr. Sénécal.

But what shall I say of the Lease? What will be the result in all future attempts to raise capital in England, for railway purposes, when we find that the first claimants' (bondholders) interests are sacrificed and ignored? Can we see a clause in this document, by which provision is made for the payment of the interest on the bonds? Can we see any provision made for the payment of the principal £200,000? None; no reference is made to these items, they are mere trifles to those who are parties to the lease! And the earnings of the road, which had been mortgaged to the bondholders for the payment of interest and sinking fund, are given to the lessee without any stipulation, for *twelve years*.

The payment of £14,000 per annum *interest*, not to speak of a sinking fund to meet the debentures at maturity, are simple trifles which the Company or Lessee never thought of! Will a court of law sustain a proceeding of this kind? I hope not, for the sake of the country!

Let us look at another important clause of this document: "The lessee will construct the line beyond St. George (35 miles), provided only that \$10,000 per mile is guaranteed to him by Government and Municipal aid!" This was exactly what Mr. Reed had required. If the Government, Municipalities, or people had guaranteed him \$10,000 per mile on