

If the Chairman, who is well acquainted with all the facts, had desired to make a fair statement of the position, he would have informed the Bondholders that the whole proceeds of the £540,000 bonds were spent in the construction of the Bondholders 180 miles, with perhaps the exception of the usually large commissions paid to the financial houses in London; that the road has never been able to pay its bond interest, that the returns regularly made to the Trustees and to the Government have always shewn this, that the Messrs. Allan provided nearly all the rolling stock for the Company, and up to the date the Receiver was appointed were never paid the agreed rental therefor, and that they, out of their own pocket, have paid seven interest coupons, amounting without interest to £99,350 and that they are for this and for various other sums paid on behalf of the Railway, interested to an extent almost as large as the whole of the Bondholders.

Under these circumstances it would seem that they were the proper people to apply for a Receiver, as they did; and their action in doing so was absolutely necessary to preserve the Railway from the attacks of its other creditors, who would doubtless have commenced actions against the Company on default of payment of bond interest.

By the appointment of a Receiver, the whole assets and revenues of the Company were put in the custody of the Court, and no money has been or can be expended without the Court's sanction. The application for a Receiver was made as much for the protection of the Bondholders and other creditors as for the Company, and it would be impossible, even if the Directors so desired, to injure or destroy the Bondholders position as first lien holders on the 180 miles.

At various times during the Company's history, there have been associated with them on the Directorate wealthy and influential men, who were not connected with them in any other way, and it has only been owing to the persistent