

the U.S. may prevent any increase of income in the current year, because Canada could not *at once* supply the loss of the best and most natural market, for the greatest and most productive portion of her territory, by the immediate substitution of other channels of Trade and Commerce. Moreover, estimates are as unnecessary as premature, for the reason that the re-organization to be effectual, must reach the "*root of the evil*," namely: the accumulating interest, under the overwhelming burden of which the road cannot stand. It is, therefore, most respectfully and earnestly suggested that a plan substantially as follows be adopted without delay :

14. 1st—As parties in interest are locally so far separated, let Bondholders, &c., in England meet, or otherwise communicate, and empower an Agent here to act in their behalf.

2nd.—Let interested parties on this side do the same.

3rd—Let these Agents promptly meet, and if necessary, appoint a third, and with competent professional assistance to ensure all legal provisions, let these at once prepare a plan of financial re-organization, sufficient for the case.

4th.—Let this plan be submitted to parties in interest on both sides, for approval.

5th.—If approved, let the earliest application be made to the Provincial Parliament to have the same legalized.

15. As to what should be the *nature* of the plan, having ever in view the utter disproportion of present or prospective earnings, to meet the prior Municipal and Preference claims, besides the interest on 2nd Class Bonds with their huge accumulated and accumulating arrears, it is impossible to honestly recommend anything short of a *liberal extinguishment*, and entire conversion into *stock* of the remainder. This plan was proposed by the writer in 1863, but could not then, as already explained, be effected. Since then, a closer connection with the railway has only confirmed his belief that no other mode will prove radically effectual. No sane man should hesitate in the choice between £100 nominal, or £10 of real value ; neither should he hesitate to change the name of Bond for Stock, if thereby he can disembarass his *security*, and legally command *all* surplus remaining after due payment of the existing priorities.