I.—*Ability of Syndicate to raise sufficient Funds.*—Throwing off the liabilities under what may now be called the abandoned lines, the Syndicate will still have to find about $9,000,000 to acquire existing lines, construct the Louisburg Branch, and pay the Government some $2,350,000 on account of the Provincial interests and the capitalized Sinking fund. It is stated that the whole railways are to be mortgaged, with powers of foreclosure and sale to secure the payment of the Provincial guarantee of $225,000 annually. Now, it is here emphatically re-affirmed that, if this mortgage is to be a binding and effective instrument, and worth anything more than the paper it may be written on, the only funds in cash that can be raised by the Syndicate will be the proceeds of the guarantee,—an amount utterly inadequate to carry out the scheme. Various astute methods of "making a market" are known to promoters and and practised on Stock Exchanges, but no real capitalist will embark a dollar in a *second* mortgage on Nova Scotia Railways, if proper limitations and conditions as to foreclosure and sale are secured under the *first* mortgage.

II.—*The Provincial Liability.*—Under this head Mr. Holmes ingeniously attempts to elude the real issue by harping upon the *increased* liability, which he makes $73,062 per annum. He arrives at this amount, first, by deducting the present liability of $30,000 under the Western Counties and Windsor and Annapolis guarantees; second, by applying the miscalled sinking fund, which will exhaust itself in 41 years, to mere interest purposes; and third, by applying the interest on $1,350,000 in reduction of the guarantee. He triumphantly appeals to the "merest school-boy" if this calculation is not correct. And further on he says, "these "are the men from whom we are to abstract nine million dollars "in cash, for which *we are only to become liable for* $73,062." But Mr. Holmes is reminded that the $30,000 a year for which the Province is at present liable is not to be *cancelled;* it is merely to be *transferred*, and therefore the liability becomes $103,062. But, more than this, much capital has been made out of the supposed benefit the Province will derive from getting back $1,350-000. According to Mr. Holmes: "This investment will yield "us the annual sum of $67,500 continually, which will be ready "at any time, with the principal if necessary to respond the guar-"antee." "The getting this money into the Treasury will justify "us in going on with the building of the Nictaux road." "We "will now be enabled, should this measure not be defeated, to offer "to the people of the different counties increased road grants." How can Mr. Holmes both eat his cake and have it? How can he use $67,500 *continually* for interest, and at the same time use it for increased road grants? or how can he use the principal to