

That the agreement with Mr. Reed was fortunate and opportune, may be judged from the fact that since that time the promoters of railways in the United States have offered bonds in London on roads already *in operation* at fifty per cent discount without being able to borrow any money; and that such influential men as Sir Hugh Allan, Hon. Thos. McGreevy, the President of the Credit Valley Road of Toronto, the Contractors of the Quebec Central, and others, have spent months and months in London endeavoring to float their bonds, and have in all cases completely failed to do so: and yet these roads had share capital and municipal grants varying from \$4,000 to \$10,000 per mile, besides large Government subsidies, while the Levis and Kennebec, as I have shewn, had only \$1160 per mile from these sources. Some of the Ontario roads, such as the Toronto and Nipissing, which did succeed in negotiating their bonds, had to limit their issue to \$8,000 per mile, while the Levis and Kennebec obtained £3,300 sterling per mile.

On my return to Quebec I went on to New York, and our large creditors there were perfectly satisfied with the negotiation I made in England, as they had had very satisfactory reports of Mr. Reed's position. Through Mr. Reed's generosity in making us a preliminary advance of £1,500, matters were perfectly smooth with us in Quebec, and work progressed during the winter of 1873 and 1874. In the spring of 1874, our first shipment of 1,400 tons rails, and in the fall 600 tons more, arrived from Mr. Reed, and advances enabling us to proceed with our work, and by the fall of 1874 we had completed 30 miles of road. Our liabilities in the United States amounting to \$70,000 were also paid off by Mr. Reed.

In the fall of 1874, I made satisfactory arrangements with the Rhode Island Locomotive Works and Wason Manufacturing Company, for two additional locomotives and five