

No matter what the decision of the Courts may be, we say advisedly, it is against the interest of the First Division that the Railway should be severed; the only hope for anybody interested of getting any return on the investment, being the building up and extension of the line.

If the security holders on all divisions of the line work in harmony, we are by no means hopeless of the future. The prospects of business along the line of the Railway are improving. The farmers have come to the conclusion that wheat is not the only staple of the country, and are now engaged largely in cattle raising and mixed farming, which will result in increased and more certain earnings to the Railway.

We believe that the true policy to be observed in the interest of the property is to operate it as it is now being operated with rigid regard to economy, awaiting the result of the approaching grain business, which promises a surplus, and to urge upon the Government the granting of an additional subsidy to extend the line into the fertile belt beyond the present terminus of Yorkton, to be followed by an amalgamation or re-organization of the Company's bonded indebtedness, which will give to all security holders a fair proportion of a new issue.

I have been delayed in replying to Mr. Coates statements, hoping to receive from him a list of the Bondholders, in order that I might address them individually, but have just received a letter from his partner, Mr. Hanson, stating that the Committee of Bondholders refuse to furnish the list but offer to distribute my circular letter provided the expense be paid, unless there are any serious objections, and copies of this letter have accordingly been forwarded to the Chairman of the Committee for distribution.

ANDREW ALLAN,

*President.*

MONTREAL, 9th Oct., 1894.