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21, OLD BROAD STREET,  
LONDON, 24th December, 1862.

GENTLEMEN,—I have the honor to acknowledge the receipt of your memorandum of the 20th instant, which I have duly communicated to my colleagues in the proposed enterprise, and for which they are obliged.

May we further enquire if you would be prepared to recommend to the Canadian Government and Parliament, that the proposed guarantee should take the form of an issue of Provincial bonds, at four per cent., to be emitted as the work proceeds.

This form of security is considered more acceptable than shares bearing a premium guarantee, and its adoption might greatly assist in the procurement of the needful capital at the low rate proposed.

I have the honor to be, gentlemen,  
Your most obedient servant,

(Signed,)

E. W. WATKIN.

The Honorable Louis V. Sicotte and W. P. Howland.