

ment, which affords hope of more success in that quarter in the future. They have succeeded in preserving all the Company's valuable traffic contracts with the connecting Railway at Portage la Prairie, upon which the life of the road in great part depends; and have in all this of necessity served the Bondholders interest before they served their own. The Railway accounts have been open to the Trustees Solicitors; all information asked for has been furnished; none has ever been refused, as stated by the Chairman; the Receiver's accounts have been passed monthly, after notification to the Trustees Solicitors, and not a dollar of the Receiver's expenditure has ever been disallowed as improper.

The Bondholders position is absolutely secured; they are under the protection of the Court; and it is manifestly to the benefit of all that the Railway should be managed with as little expense as possible. The appointment of a second Receiver only adds to the expense without giving any further protection to the Bondholders.

The question in dispute, as to the application of the gross receipts to the expenses of the whole Railway, which is the only point in contention, can be readily settled by the Court, and it will probably be necessary to have this done before any re-organization scheme can be laid before the Bondholders.

The scheme proposed by Mr. Coates to the Messrs. Allan could not be entertained, as it involved the Messrs. Allan giving up their first lien upon the portion of the line built by themselves, and charging all the assets they hold in connection with the Railway with an issue of bonds of which they were to receive an insignificant proportion, and the interest of which could not be earned before the period for which foreclosure was optional with the Bond-holders.

If it was the desire of the Chairman and Trustees to destroy the property, they could not have taken a more certain way to effect it than by the course they have pursued.