

According to the financial scheme herein submitted, the issue of bonds would be in the order which follows:—

| | | | |
|------------------|----------------|--------------|------------|
| Issue in 1873... | \$1,000,000... | say sterling | £ 200,000. |
| ditto 1874 | 2,000,000 | " | 400,000. |
| ditto 1875 | 2,500,000 | " | 500,000. |
| ditto 1876 | 2,750,000 | " | 550,000. |
| ditto 1877 | 3,000,000 | " | 600,000. |
| ditto 1878 | 3,000,000 | " | 600,000. |
| ditto 1879 | 3,000,000 | " | 600,000. |
| ditto 1880 | 3,000,000 | " | 600,000. |
| ditto 1881 | 2,750,000 | " | 550,000. |
| ditto 1882 | 2,500,000 | " | 500,000. |
| ditto 1883 | 2,500,000 | " | 500,000. |
| ditto 1884 | 2,500,000 | " | 500,000. |
| ditto 1885 | 2,500,000 | " | 500,000. |
| ditto 1886 | 2,500,000 | " | 500,000. |
| ditto 1887 | 2,500,000 | " | 500,000. |
| ditto 1888 | 2,000,000 | " | 400,000. |

Total \$40,000,000

£8,000,000.

The aggregate issue will represent a loan of say £8,000,000 sterling, and it is suggested that in addition to the security of the Railway itself, and all its traffic revenues, eight millions of acres of the best average agricultural land (or one acre for each pound sterling borrowed) be reserved or appropriated for the purpose of paying off the bonds. This it is considered would be ample security. It is confidently believed that the land so reserved would long before the bonds matured, be worth many times the proposed loan, and by limiting the lien on the Company's land to this aggregate area, 42,000,000 acres would be left free to be disposed of for construction for interest, for renewals, and for the other purposes indicated herein.

The suggestions submitted in this memorandum will be found to point to three objects which appear to the undersigned, matters of paramount importance, namely:—

First—To keep down to the lowest minimum, the bonded debt and the other pecuniary burdens which the Company will have to carry.

Second.—So to regulate the work of constructing the road, that the fund employed for that purpose should not be wasted or misapplied, but should produce the maximum result.

Third—To promote incidentally the settlement of the country, through which the line passes and in this way hasten the time when the road will become self-sustaining.