

The annual payments on the above advance were originally (6) six per cent for Interest, and (2) two per cent for Sinking Fund. Together £28,000 currency per annum, but by the operation of the Act entitled "An Act respecting the Consolidated Municipal Loan Fund," Con. Stat. Can. Cap. LXXXIII., whereby the yearly payment is reduced to 5 per cent on 6 per cent of the assessed value of property throughout the borrowing Counties, the annual interest is now fewer dollars than before it was pounds. The interest of Lanark and Renfrew for 1861, which is only now being collected, amounts to \$13,378. Distributing this equally over the population of the two Counties, the tax is under twenty-five cents per head.

Notwithstanding, however, all the collateral advantages accruing to the Municipalities :

First. The expenditure *among themselves* of all the Funds advanced by the Government on their credit.

Second. Their never being called upon to pay the principal.

Third. The advantages to those Counties penetrated by the Railway in Postal facilities ; ease, economy, and rapidity of travel ; accessibility to markets, and the consequent inevitable increase of population, and appreciation of property.

Despite these considerations, which should have amply repaid at least those Counties through which the Railway passes for the comparatively nominal assistance rendered by them, the Municipalities occupy in addition, the unparalleled position of First Mortgagees, the hardship of which, as respects the other creditors, will be at once admitted by any one acquainted with the general nature and equity of Railway priorities.

Yet, be it understood that no attempt has been made by the Bondholders to assail this position or evade its obligations. They request only a reasonable time within which to fulfil them.

Having thus explained the position of the Municipalities jointly towards the Railway Company, they have next to be treated separately.