

by the judgment creditors in part payment of their claims.

It was a leading part of the scheme of July, 1861, that in consideration of a dividend of 10s. in the £ in cash or province bonds, and the remainder in ordinary bonds (called Fourth Preference stock in the Arrangements Act) the Judgment Creditors should deliver back to the Company the bonds and other securities, amounting at par to say £641,600, at present held by the creditors as collateral security; and it was particularly pointed out that the re-delivery of these collateral securities would provide a satisfactory margin, out of which, if necessary, and by a special vote of the Company, any future expenditure might be met.

The refusal of the Province to capitalize the postal subsidy renders it impossible for the Company to offer a 10s. dividend in cash or province securities,—and to this extent the result of the legislation is to be deeply deplored.

The Undersigned have conferred with the judgment creditors on this vital part of the arrangement, and they are bound to admit the liberal spirit in which those gentlemen have met the applications made to them.

The Undersigned have not attempted to disguise the fact that the mode of payment alone available for the judgment debts is markedly inferior in character to the mode of payment contemplated in