

erroneous views, as the Company has at all times been and still is quite willing to supply all the information in its power to any parties entitled to it, which would clearly show the incorrectness of any such contention, as well as of the Chairman's further statement that the Allans were taking the Bondholders moneys to pay their losses.

The above calculation is based on the schedule of division of earnings in effect now governing the operation of the First and Second Divisions of the Railway.

The Messrs. Allan have endeavored to impress these views upon the Chairman and the Committee of Bondholders, and have endeavored to get them to allow matters to remain in *statu quo*, which position perfectly protects the rights of the Bondholders, until it can be ascertained whether or not the Dominion Government will extend the same assistance to the Manitoba and North-Western Railway as it has done to other similarly situated lines.

At the instance of the Messrs. Allan, the Dominion Government at the last Session of Parliament agreed to advance \$3,200 a mile for extension, and the Company are not without hope that that subsidy will be augmented; and assuredly it is to the interest of all concerned that the Company and the Messrs. Allan, who have so much at stake, should have latitude given to them to bring this about.

The policy of the Messrs. Allan has been to conserve the interests of the whole Railway. They are interested in the Company, and its kindred enterprises, to an extent almost equal to the amount of the first mortgage bonds. They have never received a dollar of interest upon their Railway investments. They have unremittingly given their attention during the last two years to furthering the interests of the Railway, in which the Bondholders are interested in priority to them. They have secured the passage of favorable legislation by the Parliaments of Canada and Manitoba, and the granting of a further subsidy by the Dominion Govern-