

net profit of the undertaking. Coming to that point, let us see, while we are promoting the interests of everyone by increasing the net profits, if this scheme will do injustice to anyone by the mode in which it is constructed. Beginning at the beginning, the postal and military bondholders, as you are aware, have for their security the postal and military revenue, no more and no less. I have always told you from the beginning that I thought it was a very dangerous, a very unwise, a very—I was going to say unhealthy; but you will see the idea in my mind—unwise position for this concern to be placed in—that a portion of its revenue should be assigned to particular parties. It seems to me that it was setting up an interest to some extent hostile to the undertaking; that it was taking out of the hands of the remainder of our constituency the management, and, practically, the control, of part of their business, and that, inasmuch as it was in all probability an increasing amount, it was desirable, if we could, some day, to get rid of that particular form of mortgage upon the undertaking. In the scheme which we are now bringing forward we have endeavoured to reconcile the interests of every class of bondholders with the fair interests of the postal and military bondholders. We have told you that the postal and military bondholders will, in this year, 1866-7, get 4 per cent., but it is only fair to say that they got this 4 per cent., partly in consequence of the large increase of military service caused by those unfortunate Fenian outrages; and I think if there is anything which will strengthen my position that it is desirable to close this form of mortgage, it is, that that which is a misfortune to the rest is a benefit to the holders of these bonds. I believe on the average from the beginning that they have got something like 3 per cent., excluding the first few months. By this scheme you will perceive that the postal and military bondholders would get £3. 12s. per cent. But their income, if we are right, is a constantly increasing income, and in my opinion must largely increase when the Intercolonial Railway is made, and the Grand Trunk becomes part of a Great Eastern and Western route. Being an increasing amount, the question is this—Is this 12s. per cent.—more than may be taken as the average, or 8s. less than this year—too much to pay for getting rid of this kind of mortgage, and throwing the postal and military revenue into the general security of the other bondholders? This is a question which I should like gentlemen present to discuss