

December last, and too late for the Fall business, already ranks next to Perth, our best Station, in amount of Returns.

The interest of the Municipalities in the extension is thus practically demonstrated. Nor can Elizabethtown form an exception. She is interested, not only in the extension, but also in the utmost possible improvement of the earning powers of this Railway; not only for herself, *but for the others*, because at the same time that Lanark and Renfrew, and Brockville are paid in full, she will be paid in full; *but not sooner.*

It may be true that Elizabethtown does not derive the same direct benefit from the Railway as do Brockville, and Lanark and Renfrew, seeing only a corner of the Township is entered by the line; but this is no reason why, by ill-advised and hasty action, she should be induced to still further injure, rather than benefit, her position.

This position is that of First Mortgagee to the extent of £50,000 in a Joint First Mortgage of £350,000 upon this Railway.

The value of this mortgage does not lie in the paper upon which it is engrossed; neither does its basis of security rest upon the "Court of Chancery;" but its value and security exist in the *actual property* and *prosperity* of this Railway.

As property and prosperity increase, so do the value and security of the Mortgage; and as the former diminish, so are the latter deteriorated, and no Court of Law can alter these inevitable consequences.

Accordingly, I hope to remove some of the fallacies and errors which have been circulated so industriously in Elizabethtown of late; and further to prove that if, as has been already demonstrated, her best interests and earliest relief from the *Railway Tax* lie in the earliest extension and highest improvement of the Railway itself; and if the present management be doing all which is possible, by means of new capital and zealous labor, to secure these results, then is Elizabethtown bound by the most evident self-interest to sustain this management by hearty encouragement, instead of endangering the