

between the Company and myself. I shall therefore conclude by stating that I took advantage of the very first opportunity after my arrival to assure all parties interested in the undertaking that the Government, having granted the Charter, were desirous of giving the Company every reasonable opportunity to carry out their contract; that I should at all times be ready to discuss the several clauses of the Act, and if in the opinion of the Company the requirements of the Order in Council in any manner exceeded the Agreement, and I did not feel at liberty to accept their view, I should be prepared to submit the points of difference to the Government and await their instructions.

As I before stated, I arrived in England on the 26th of September, quite ready, at a moment's notice, to proceed with the business and endorse the bonds. I waited from week to week, and latterly from day to day, hoping the Company would be in a position to claim the guarantee of the Government. I was satisfied that up to the time I left London (Dec. 20), they had not succeeded in raising a dollar of the required capital, and, as will be seen by the correspondence, they acknowledged their inability to fulfil the requirements of the Act and Agreement by asking the Government either to extend the guarantee or endorse the Company's bonds for the five and a half millions before a deposit of any kind was made as security for the performance of the contract.

I am, your obedient servant,

(Sgd.) W. B. VAIL.