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2856 General Hood also states in his letter to you that the proposition looking to arbitration is made by him in the belief that any decision reached by such a fair tribunal as three members of the Supreme Bench, "would be accepted by the trustees of the several mortgages of the Railway Company, which are liens upon the property in question, and secure the necessary release of such liens".

2857 The idea intended to be conveyed by this language is far from being clear to my mind; but if it was any part of its purpose to create the impression that the action which the City proposes to take with reference to the bed of the York Road Turnpike and the franchises of the Railway Company in it might be reasonably thought to involve possible loss to the holders of the bonds secured by the mortgages mentioned by General Hood, of which bondholders I, myself, happen to be one, and in this way to arouse some degree of public sentiment against the plan of the City, I can only say, that I can see no occasion for such an impression.

2858 The $11,000 per annum, which it is claimed by the Railway Company would be imposed by the action of the Commissioners for Opening Streets in the shape of Park Tax upon the franchises of the Railway Company in the bed of the York Road Turnpike, would be but a slight return, it seems to me, for the Railway Company to make to the City for the extent to which the security of the bondholders of the Railway Company would be enhanced by the expenditure of the millions of dollars which the City is about to expend in the Annex, under the provisions of the Annex Improvement Act and the Park Loan Act.

2859 If the franchises of the Railway Company are condemned, nothing will be taken from the bondholders in the form of franchises that will not at once be restored to them by the City in the form of either money or franchises, just as the Railway Company pleases. Under the terms of the mortgages, the money, if not re-invested in franchises in the bed of the York Road Turnpike, would, of course, be invested in other forms of property, which would be subject to the lien of the mortgages.

In proceeding to make a public highway of the York Road Turnpike, the City is not going out of its way to look up an addition to the Park Tax. The natural extension of the City, the insufferable condition into which the Railway Company has allowed the Turnpike to fall, the