

Letter No. 16.

MONTREAL, 7th August, 1872.

G. W. CASS, Esq.,
New York :

DEAR SIR,—I wrote you on 1st July, giving you a detailed account up till that date, of the events and my movements in connection with the Canadian Pacific Railway. I have not had any acknowledgment of the receipt by you of that letter, but I presume it reached you in due course. The questions I asked you, however, remain unanswered, and I now proceed to inform you of the progress of the negotiations since the date of my letter. The policy I adopted has been quite successful, the strong French influence I succeeded in obtaining has proved sufficient to control the elections, and as soon as the Government realized this fact, which they were unwilling to admit and slow to see, they opened negotiations with me.

It is unnecessary to detail the various phases through which it passed, but the result is that we yesterday signed an agreement, by which, on certain monetary conditions, they agree to form a Company, of which I am to be President, to suit my views; to give me and my friends a majority of the stock, and to give the Company so formed the contract to build the road on the terms of the Act of Parliament, which are \$30,000,000 in cash, and 50,000,000 acres of land, with all other advantages and privileges which can be given to us under the Act; and they agree to do everything in their power to encourage and assist the company during the whole period of construction. The final contract is to be executed within six weeks from this date, probably sooner.

Our opponents are to get the minority of the stock, and they regard us with great jealousy and dislike, in consequence of their defeat, and on that account the Government is obliged to stipulate that no foreigner is to appear as a shareholder, so as to avoid the former cry of selling ourselves to the Northern Pacific, and succumbing to foreign influence. The shares taken by you and our other American friends, will therefore have to stand in my name for some time.

We shall get six million dollars of the stock out of the whole capital of ten million dollars.

I again ask you if the parties are willing to take the reduced amount of stock in the same proportions, as the amount signed for previously.

As is my duty, I offer it to you, but there are plenty desirous to get it. Ten per cent. on the amounts will have to be paid up and deposited in the hands of the Government as security, but will be returned, I think, as soon as the work is fully begun. The expenses incurred in bringing the matter to this point have been very great. I have already paid away about \$250,000, and will have to pay at least \$50,000 before the end of this month. I don't know that even that will finish it, but I hope so.

Of course this will all have to come from the subscribers to the six million dollars stock, if you elect to go on with the subscription, I will visit New York about the end of this month, to settle the details with you. Please apply as early as convenient.

I am, yours faithfully,

(Signed,)

HUGH ALLAN.

Letter No. 17.

MONTREAL, 16th September, 1872.

DEAR MR. McMULLEN,—I wanted at this time to have a meeting in New York, to see what our friends there were disposed to do, but to day I have a letter from General Cass, stating that he is leaving New York for Chicago, there to join Mr. Ogden, and the two are going to Puget Sound. They say no meeting can be held till 15th November, which will not do at all.