

bearing which this has on the subject I have to ask that you will read this letter as well as the others.

It is unnecessary for me to write any lengthened Report as a perusal of the letters in the order in which they are printed herein gives a full account of what has passed with the Canadian Government.

Briefly stated, what we asked the Government to do was to reinstate the Company in possession of its subsidy and we would complete the Railway. At my interview with the Sub-Committee last October they led me to understand that the Government were not inclined to do so. Our second proposal was, therefore, that if they decided not to reinstate us, the Government should then pay us \$2,000,000 as compensation for the loss of our contract and subsidy, but if they objected to this sum we were agreeable to leave the amount to be paid to us to be settled by arbitration. I venture to say that no more reasonable proposals could be made, but you will find on reading the Report of the Sub-Committee that they say they cannot recommend Parliament to reinstate us or to pay \$2,000,000, or to submit the question of the sum to be paid to us to arbitration.

You are already aware of the fact that our claim has been made a party question in Canada—a point with which I deal on page 39. Meantime I may remind you that the last Administration recognised by Order in Council our moral right to reinstatement, and if they had been returned at the General Election they would have undoubtedly promoted the necessary legislation to replace the Company in possession of its charter and subsidy. The rejection of our proposals is therefore only that of the present Administration, and I counsel you in the strongest way not to consider that there is any finality in this refusal. I urge you to maintain the position you occupy of insisting upon the Company's moral claim to be recognised by the Government and satisfied either by direct negotiation or by arbitration, even if you have to wait for this recognition until another Administration comes into power.

On this point I desire you to read carefully the speech of Sir Charles Tupper, then Premier, and now leader of the Conservative Opposition in the House at Ottawa on the second reading of the Company's Bill, 9th March, 1896, which is reprinted in the Appendix.

The three letters to Sir Wilfrid Laurier, Premier, and to the Hon. W. S. Fielding, Convener of the Sub-Committee, containing our proposals, alone fill nearly the half of this pamphlet and the rest is occupied by my reply to the Reports. I make no apology for the length, as in order to deal with the statements of the Sub-Committee for rejecting our proposals many points had to be referred to. A summary, beginning on page 42, gives a *résumé* of some of the important facts, but I recommend every investor to read the entire correspondence in order to understand the positions occupied by the Canadian Government and the Company towards each other. In reprinting the correspondence it is unavoidable that some repetition should occur by the same point being referred to more than once.

A. D. PROVAND.