

CANADA.

"On the eighth day of August last, Sir Hugh Allan delivered a public speech, of which a report appeared in the newspapers published on the following morning. Sir Hugh, then as now, President of the Canada Pacific Company, in that speech, referring to the contract for that enterprise, declared that he had received pledges from Sir George Cartier which were entirely satisfactory to him. His own words were:—'I have every reason to be satisfied with what Sir George has done.' Unless it can be shown that the Provisional Directors of the Canada Pacific Company disapproved of and annulled the agreement or arrangement which Sir Hugh Allan, their President, declared he had concluded to his own entire satisfaction, the undersigned submit that the Canada Pacific Company must be held to be parties to that agreement.

"The undersigned consider that it would have been proper in the Canada Pacific Company to have communicated that agreement to the Interoceanic Company when proposing amalgamation.

"The Interoceanic Company have at all times studiously avoided everything calculated to arouse sectional feeling, and have always held that all traffic intended for the Maritime Provinces and for shipment to Europe via the St. Lawrence, should go by Montreal; but they have likewise held that the interests of the Railway Company and of the Dominion require that the location of the Pacific Railway shall be as near the settled and tax-paying districts of Ontario as the reasonable directness of the line to tide-water may permit. While the Interoceanic Company have avoided all sectionalism, it will be noticed by those who may read Sir Hugh Allan's speech, already referred to, that he unfortunately excites it, and to justify his doing so, advances the extraordinary doctrine, that those for the transport of whose products and merchandise railways are constructed 'have a less direct interest' in their location and economical construction and running than those who have merely the handling of the property at a port of transshipment.

"The Committee of the Canada Pacific Company admit that negotiations were carried on between Sir Hugh Allan and certain American capitalists for the formation of a Company to construct and run the Canadian Pacific Railway, but they say 'that this negotiation was not initiated by Sir Hugh, but was commenced and supported by influential persons in Canada, as being the only combination that offered itself at the time for the construction and running of the road, and they are satisfied that that negotiation never possessed the character attributed to it by the Interoceanic Company, and that they know Sir Hugh Allan would never have consented to embark with foreign capitalists in a Canadian enterprise in which he takes so great an interest without the most perfect securities and guarantees for its control and conduct in the interest of Canada.'

"If, as may be implied from the above, Sir Hugh Allan provided 'securities and guarantees' for the control of the railway by Canadians, the undersigned submit that the production of the agreement would be the satisfactory mode of enabling the Government and country to judge of their sufficiency.

"They must add, however, that in the opinion of the Interoceanic Company, nothing short of the ownership of the undertaking by Canadians would afford real security or guarantee for its control and conduct in the interests of Canada.

"The undersigned are not aware who the influential gentlemen are to whom the Committee refer. They never heard any influential gentleman named as having negotiated with American capitalists except Sir Hugh Allan himself. The Committee of the Canada Pacific Company declare that their Company 'never participated in the negotiations referred to, and never considered or entertained any proposition, suggestion, or intention of asking aid from American capitalists, or of combining with them for the prosecution of the railway or for any other purpose. The only negotiations they have carried on are those already alluded to with British capitalists, and they have never even communicated on the subject of the railway with any outside Canada or Great Britain.'

"The undersigned confess that this statement surprises them, and they have reason to believe the American capitalists with whom Sir Hugh Allan has been negotiating would be equally surprised if they had communication of it, but the undersigned assume that the Executive Committee only mean it to be understood that the Canadian Pacific Company did not authorize, by formal resolution of the Directors, any negotiations with capitalists in the United States. While accepting the denial made on behalf of the Canada Pacific Company, the undersigned assume, as they have already stated, that it is not intended to apply to the acts of their President, for the undersigned learn from one of the promoters of the Interoceanic Company, who has had the opportunity of com-