

They consider that this danger far outweighs any possible advantage that could result from a union with Sir Hugh Allan and his associates. They are convinced that the public would shrink from committing themselves and their means to the undertaking, and they therefore respectfully recommend that the Board of Directors of this Company inform the Government that they cannot be parties to any amalgamation with the Canada Pacific Company, but are prepared forthwith to enter into arrangements on behalf of the Interoceanic Company for the construction and working of the Canadian Pacific Railway." After a discussion by the Board of the Interoceanic Company, the hon. gentleman (Mr. Smith), one of the directors, being present, the following resolution was adopted unanimously:—"That the report of the Executive Committee just read be approved and adopted, and that the President be requested to transmit a copy of the same to the Government, as setting forth the reasons of this Board for deciding against amalgamation with the Canada Pacific Railway Company." The memorandum was forwarded to the Government, and the Canada Pacific Company addressed a reply to the Government, to which the Executive of the Interoceanic Company rejoined. That rejoinder was not submitted to the whole Board, because it was only reaffirming the first memorandum, and it was not thought worth while to call the Directors together, especially as many of them resided at a distance, but to fortify himself and make sure that the Directors concurred in the rejoinder, he submitted it to as many of the Directors as were in Toronto, among them the honorable gentleman from Toronto (Mr. Smith), and they all heartily concurred in it. "The undersigned beg to say that they do not yield to any company or individual in the earnest desire to promote the earliest possible construction of the Pacific Railway compatible with its being a strictly Canadian and British enterprise, and the Canada Pacific Company cannot more sincerely than the undersigned desire to aid the Government in carrying out this great national undertaking. It would, however, be doing the Government poor service to agree to an amalgamation unless the Interoceanic Company believed that the amalgamated company would contribute a distinctively Canadian company of sufficient strength to carry the undertaking to a successful issue. The undersigned are of opinion that an amalgamation with the Canada Pacific Company would not lead to this result. They deem it their duty to state

to the Government that in their opinion the admitted negotiation of Sir Hugh Allan with gentlemen in the United States, resulting in an arrangement or understanding which it considered opposed to Canadian interests, and which the undersigned, from information in their possession and referred to above, have reason to believe is still substantially existing will continue to cause the Canadian people to view with suspicion and prevent their subscribing stock in any company in which Sir H. Allan and his associates appear controlling parties. The undersigned are of opinion that this feeling, instead of being confined to a limited circle, as the Committee of the Canada Pacific Company allege, will be found to influence the people of the whole Dominion." How, in face of that memorandum, to which the hon. gentleman was a party, he could expect him to come to Ottawa and endeavor to amalgamate with the Canada Pacific Company after the Interoceanic Company had declared against the amalgamation was more than he could understand. The House, knowing his past relations with the Government, could easily understand with what reluctance—he might even say pain—he felt it to be his duty to decline the urgent request of the Government to amalgamate with the other Company; but holding the views he did, he felt it his duty to the public to take the course he had taken. His reasons and the reasons of his colleagues for refusing amalgamation were, that they believed such amalgamation would not command the confidence of the people of this country. Had they been blind enough or selfish enough to have entered into such an arrangement, it could only have ended in certain failure. It had been said that had they amalgamated the Company would have been of a more representative character, but he felt sure that he could never have induced the people of Canada to take deep interest in the undertaking if they had associated with the gentlemen they had been pressed to associate with, and he would ask hon. gentlemen if the sequel had not proved the truth of that opinion. Had the Canadian people taken any interest in the undertaking? Everything went to show that they took no interest—that they had no confidence in it. It was with great difficulty that the Government could get a company together, and when they did get what they chose to designate a company, what was it really? A mere skeleton of a company, a sham of a company. To show that it was generally regarded as a sham, he need only refer to one fact. The first thing the company