

CANADA.

“ ‘ DEAR MR. McMULLEN,

“ ‘ Montreal, Feb. 5, 1873.

“ ‘ I returned yesterday from Ottawa. Everything looks well up till the present time; but I may tell you in strict confidence that there are symptoms of coolness between Sir John A. and Cartier, arising from the coquetting of the latter with Blake and Mackenzie to form an alliance and carry the elections next summer, with a view to leave Sir John A. out in the cold. This would not be quite so well for us; but I am going to Toronto on the 7th instant to look after our interest. We are all right with the ‘Globe.’ You have not yet sent me the articles of agreement signed by the parties. Send it immediately, as I need it in my negotiations. I will require you to come down here, by and by, to arrange the construction of the Company, and consult about other matters. In the printed Bill is there not a mistake about the land and taxation? Look at it.

“ ‘ Yours truly,

“ ‘ To G. W. McMullen, Chicago.

(Signed)

“ ‘ HUGH ALLAN.

“ ‘ P.S.—I wrote you, but have not received any answer.’ ”

“ ‘ DEAR SIR,

“ ‘ Toronto, Feb. 23, 1872.

“ ‘ I find that Mr. Brydges is making a strong attempt by exciting national feeling to get up an opposition to us in our Pacific schemes. He is endeavouring to get up what he calls a purely Canadian Company, on the representation that we are going to make enormous profits out of it, the most of which will go to parties in the United States. He has written to influential men here, and in other parts of the country, urging them to subscribe stock merely as security, for they never will be called on to pay anything, and he says the Government must give a preference to a Canadian Company. I do not know to what extent he has been successful.

“ ‘ Yours truly,

“ ‘ To C. M. Smith, Chicago.’ ”

(Signed) “ ‘ HUGH ALLAN.

“ ‘ DEAR SIR,

“ ‘ Toronto, February 24, 1872.

“ ‘ Since writing to you yesterday, I have seen Mr. D. L. Macpherson, of Toronto, who is a member of the Dominion Senate, and rather an important person to gain over to our side. He has been applied to by our opponents, and uses that as a lever by which to obtain better terms from us. He insists on getting \$250,000 of stock, and threatens opposition if he does not get it. You will remember, he is one of those I proposed as Directors. I will do the best I can, but I think that McMullen, you, and myself will have to give up some of our stock to conciliate these parties.

“ ‘ Yours truly,

“ ‘ C. M. Smith, Esq., Chicago.’ ”

(Signed) “ ‘ HUGH ALLAN.

“ ‘ DEAR SIR,

“ ‘ Montreal, February 28, 1872.

“ ‘ It seems pretty certain that, in addition to money payments, the following stock will have to be distributed:—D. L. Macpherson, \$100,000; A. B. Foster, \$100,000; Donald A. Smith, \$100,000; C. J. Brydges, \$100,000; J. J. C. Abbott, \$50,000; D. McInnes, \$50,000; John Shedden, \$50,000; A. Allan, \$50,000; C. S. Gzowski, \$50,000; George Brown, \$50,000; A. S. Hincks, \$50,000; H. Nathan, \$50,000; T. McGreevy, \$50,000—total, \$850,000. To meet this I propose that we give up of our stock as follows:—C. M. Smith, \$250,000; G. W. McMullen, \$250,000; Hugh Allan, \$350,000—total, \$850,000. Please say if this is agreeable to you. I do not think we can do with less, and may have to give more. I do not think we will require more than \$100,000 in cash, but I am not sure as yet. Who am I to draw on for money when it is wanted, and what proof of payment will be required? You are aware I cannot get receipts. Our Legislature meets on the 11th of April, and I am already deep in preparation for the game. Every day brings up some new difficulty to be encountered, but I hope to meet them all successfully. Write to me immediately.

“ ‘ Yours truly,

“ ‘ C. M. Smith, Esq., Chicago.

(Signed) “ ‘ HUGH ALLAN.

“ ‘ P.S.—I think you will have to go it blind in the matter of money—cash payments. I have already paid \$8,500, and have not a voucher, and cannot get one.’ ”

“ ‘ MY DEAR MR. McMULLEN,

“ ‘ Montreal, March 4, 1872.

“ ‘ Mr. Macpherson, of Toronto, and Mr. Brydges here, have both notified me to-day that they decline to join us in the Canadian Railway scheme. Their reasons are that the Company is too largely American, and that they want to see it in the hands of