

to your business associates in an arrangement mainly of their own suggestion (I mean the Government who first requested you to write to Chicago). However much they may be beset with political problems, I do not believe they could get, in any other way, so difficult a one on their hands as they could by taking such a course. Mr. Ogden and party are now back from Puget Sound, and I shall take an early opportunity of meeting them.

I should like any possible positive information, and in case the affair goes so that our Association either directly or through you, cannot handle it, it would be well to know it. But as the Government could not expect you to go into it and leave the others out entirely, I should think you could have it arranged as we have several times talked, i.e. the stock held by you subject to private arrangement with the others. And whatever street rumour may say of public opinion, I should judge that this would do all that is needed.

Please let me hear from you.

Sir Hugh Allan, Montreal.

Truly yours,
(Signed) G. W. McMULLEN.

Letter No. 20.

Sir HUGH ALLAN to Mr. McMULLEN, dated Montreal, November 11, 1872, printed at page 250.

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Copy of 1st Contract between Sir Hugh Allan and his American Associates.

New York, Dec. 23, 1871.

The undersigned hereby agree to associate themselves together for the following purposes, to wit ;

First.—To form the Canadian Pacific Railway Company under a Charter substantially as agreed upon, and subject to such modifications or changes as shall be hereafter mutually assented to, which Charter is to be procured by Messrs. Sir Hugh Allan, Charles M. Smith and Geo. W. McMullen from the Parliament of Canada at its approaching Session.

Second.—Under and by authority of said Charter the undersigned propose to construct the said Railway.

For these purposes, we, the undersigned, each for himself and not for the others agree to subscribe in all the sum of ten millions of dollars to the capital stock of the said Canada Pacific Railroad Company as follows :—

The various names subscribed to this contract at the end of it except Allan, C. M. Smith and McMullen, and such others as they may associate with them shall subscribe five millions five hundred thousand dollars (\$5,500,000) and Sir Hugh Allan, Chas. M. Smith and George W. McMullen, and such others as they may associate with them, shall subscribe four millions five hundred thousand dollars (\$4,500,000) and it is further agreed that the above-named parties who shall subscribe five millions five hundred thousand dollars, shall pay in the sum of ten per centum on the whole ten millions of dollars of stock to be subscribed as aforesaid, into the Banking House of Jay Cooke and Co., in New York city, to the credit of the Canada Pacific Railway Company upon its organization to be used for the construction of the said railway and for such other purposes as the Directors of said Company hereafter to be elected shall determine, and it is also agreed that on the organization of said Railway Co., such a By-law shall be adopted as will prohibit any further assessments on the stock beyond the ten per cent. paid as before specified unless ordered by a vote of at least nine-tenths ($\frac{9}{10}$) of all the outstanding stock of the Company at some regular or special shareholders' meeting.

It is further agreed by the parties hereto, that they shall associate themselves together as the Canada Land and Improvement Co. which it is proposed shall be hereafter incorporated by the Parliament of Canada, for the purpose of constructing the said Railway, and for the purchase and sale of lands, and for other needed objects, and that their interests in the said Land and Improvement Co. shall be in the same proportions as their usual subscriptions to the railway stock, aforesaid, bear to the whole ten millions of dollars (\$10,000,000) subscribed, and it is agreed that the contracts for building any or all of the various Sections of the Canada Pacific Railway, when let, shall be let to the said Canada Land and Improvement Co. at fair prices, and to the Canada Land and Improvement Company shall operate and be allowed the use of the said railway, during the period