

(Telegraph.)

"Montreal, Dec. 8, 1871.

"I have seen Sir Francis to-day. He says they have determined to advertise, and that it is no use to visit Ottawa at present. I write you by mail.

(Signed) "HUGH ALLAN.

"C. M. Smith, Banker."

(Letter.)

"DEAR SIR,

"Montreal, Dec. 8, 1871.

"Sir Francis Hincks called at my office this day, and said that, while he was as anxious as ever to arrange with us about the railroad, the feeling of the Government is that if they closed an agreement with us without advertising for tenders, they would be attacked about it in the House. I think this may be true, and in view of it I see no use in our going to Ottawa at present; but I think we should meet and arrange preliminaries ourselves and decide on a course of action. If, therefore, you could come here about the 15th instant, I would go on to New York with you on the 18th, and we could then put the affair in shape. Please advise me if this suits you.

"Yours truly,

"To C. M. Smith, Esq., Chicago."

(Signed) "HUGH ALLAN.

"DEAR SIR,

"Montreal, Dec. 29, 1871.

"I have your note from Pictou, but I have not heard from New York since I left there. A good many rumours are afloat regarding railroad matters, and I have good reason to believe that Mr. Brydges is using all the influence he can with Cartier to thwart our views, not that he has any proposal to make, but he wants to stop the Pacific Railway altogether. A party in the interest of the Hudson's Bay Company, consisting of Donald A. Smith, D. McInnes, G. Laidlow, G. Stephen, Daniel Torrance (of New York), and one or two others, have given notice in the 'Official Gazette' that they will apply for a Charter to make a railroad from Pembina to Fort Garry. That is the only one that affects us. I go to Ottawa on Wednesday, and will return here on Saturday. I will find out there what is going on, but I think we are sure of Cartier's opposition.

"Yours truly,

(Signed) "HUGH ALLAN.

"To G. W. McMullen, Esq., Pictou, Ont."

"DEAR MR. McMULLEN,

"Montreal, January 1, 1872.

"I saw Mr. Brydges yesterday, and found out pretty nearly what he will require to join our railway project. His terms are very high; but as they possibly include more than himself, we may have to concede them. He thinks, however, that the Government will not have the courage to go into the scheme at all, and will shirk it till after the elections. I go to Ottawa on Wednesday, and will see what they propose to do. I will write you as soon as I find out. I intend to return back to here on Saturday night. Wishing you the compliments of the season,

"I am, yours truly,

(Signed) "HUGH ALLAN.

"P.S.—I have a telegram from you this moment, advising me that you are going to New York; I therefore send this letter to the St. Nicholas Hotel there."

"GENTLEMEN,

"Montreal, January 24, 1872."

"My subscription of \$1,450,000 to the stock of the proposed Canada Pacific Railway Company includes the sum of \$200,000, furnished jointly by you and myself, to be transferred, in whole or in part, to Mr. C. J. Brydges, on condition of his joining the organization, and giving it the benefit of his assistance and influence. In case he refuses or neglects to join before the 15th day of April next, I will transfer at once thereafter to you jointly \$100,000 of the before-named subscription, and in case Mr. B.'s influence and co-operation can be secured for a less interest in the Railway Company than the before-mentioned amount, then I will transfer to you one-half of any residue that remains of the said \$200,000 after Mr. Brydges' accession to the Company has been secured. It is, however, understood that any residue, or portion of the \$200,000 named, may be used to secure any other influence deemed by myself and you desirable or important, on the same terms as is proposed in regard to Mr. Brydges, and may apply to others in addition to him.

"Yours truly,

(Signed) "HUGH ALLAN.

"To Charles M. Smith and George W. McMullen."