

structures and buildings as might be necessary to meet the requirements of the traffic.

3. That the Company were to provide rolling stock necessary to accommodate and to conduct promptly and efficiently the traffic and business of the line.

4. That, through settlements, the railway must be enclosed by fences, and that cattle-guards should be provided at all public highways crossing the railway, at a level with the rails.

5. That the maximum grade was not to exceed 60 ft. to the mile.

6. It provided that the railway should be completed and equipped in accordance with such agreement and specification forming a part thereof, and the fact of such completion and equipment by the Company, necessarily meaning completion and equipment to the standard set forth in the agreement and specification, was to be established by the report of the Chief Engineer of the Government Railways to the Minister of Railways and Canals.

Thereafter, namely, at the close of 1887, desiring to recover such a sum as would enable me to meet the obligations that I was under, I placed myself in communication with various parties in England, where I was then residing, with the object of inducing them to provide money with which to carry out the undertaking. For this purpose I produced the Charter granted to the new Company, and the agreement made by the Company with Her Majesty, referred to above, and by representations made by me in good faith, as to the security offered by the said agreement, that the line would be properly built, equipped, and the rails permanently and legally connected with the Canadian Pacific Railway, so that the said Great North-West Central Railway might possess all the rights and privileges conferred by the Railway Act thereby, as an independent line, always intended to be in connection with the Canadian Pacific Railway, and also by expressing my opinion (now proved to have been correct) as to the value of the traffic to be obtained on the first portion of the line if so equipped, I did induce certain persons to enter into the undertaking with me, with a view of their becoming the shareholders in place of the five persons to whom the new Charter had been granted, upon condition that the outgoing shareholders, or some of them, should undertake that the first fifty miles of railway should be so completed, according to the agreement with Her Majesty, before final payment of £150,000 was required.

These persons, after arranging with others to associate themselves with them, for which purpose they, also in good faith, produced the said agreement of the Company with Her Majesty, agreed to provide £200,000 to purchase the first fifty miles of the railway, built and equipped to the standard set forth by the said agreement and the specification attached thereto, together with the land grant to be earned thereby, and all the shares in the Company with its property of every description. In the negotiations which culminated in this agreement, the great importance of the provision in the Government agreement relating to grades and sufficient equipment for the traffic of the district, was constantly referred to, especially by engineers to whom the matter was submitted, and whose opinion was depended upon.

Having satisfied myself of the position of the parties and the arrangements they had made to meet their engagements, I entered into agreement with the five shareholders at Ottawa, to whom the