

CANADA.

"Should the refusal of the Interoceanic Company to amalgamate result in excluding it from all connection with the Canadian Pacific Railway, the undersigned and their associates will nevertheless have the satisfaction of knowing that if that great national undertaking remains in Canadian and British hands it will be due, in no small measure, to their efforts, and that if it should unfortunately fall into foreign and rival hands, it will be through no fault of theirs, but in the face of their most strenuous exertions to avert so great a calamity.

"All of which is submitted.

(Signed)

"D. L. MACPHERSON.  
"C. H. FAIRWEATHER.  
"W. SHANLY.  
"W. H. HOWLAND.

"Toronto, Nov. 28, 1872.

"I certify that the foregoing Memorandum is correctly copied from the Minute-book of the Interoceanic Railway Company of Canada.

"JOHN HAGUE,  
(Signed) "Provisional Secretary."

"Department of Secretary of State,

"SIR,

"Ottawa, Dec. 2, 1872.

"I have the honour to acknowledge your letter of the 28th ultimo, enclosing a Memorandum from the Executive Committee of the Interoceanic Railway Company, referring to a Report of a Committee of the Honourable the Privy Council, dated 16th October last.

"Yours, &c.,  
(Signed) "E. PARENT.

"The Honourable D. L. Macpherson, Senator, Toronto."

#### Enclosure No. 3.

#### "CORRESPONDENCE BETWEEN SIR HUGH ALLAN AND HIS AMERICAN PARTNERS.

(FROM THE 'MONTREAL HERALD.')

"The following portion of the documentary evidence, showing the corrupt nature of the negotiations between Sir Hugh Allan and the Government, in connection with the granting of the Pacific Railway Charter, has come into our possession.

(Telegraph.)

"'Father Point, October 8, 1871.

"'Send me by mail, care of Allan Bros. & Co., Liverpool, the names of the parties engaged with us in the railroad enterprise.

(Signed) "'H. ALLAN.

"'To C. M. Smith, of Chicago, Metropolitan Hotel, New York.'"

(Letter.)

"'DEAR MR. SMITH

"'London, E.C., Nov. 4, 1871.

"'I find a considerable interest manifested here by moneyed men in our scheme of a Dominion Pacific road, and if we desire to raise funds here to carry on the work, I have no doubt they can be obtained. I have not heard anything from the Government on the subject, and I presume nothing will be done till I go back. I propose to sail some time this month.

"'Yours truly,  
(Signed) "'HUGH ALLAN.'"

(Telegraph.)

"'Montreal, Dec. 7, 1871.

"'I do not think the Government at Ottawa will be prepared to deal with us sooner than the 18th inst. Sir F. Hincks is here, and hints at necessity of advertising for tenders to avoid blame.

(Signed) "'HUGH ALLAN.

"'To C. M. Smith, Banker.'"