

MONTREAL, 14th October, 1872.

SIR,—I have the honor to transmit you a memorandum from the Executive Committee of the Canada Pacific Railway Company in reply to the statement submitted to the Government by the Interoceanic Railway Company, and I beg the favor of your laying the same before the Council.

I have, &c.,

HUGH ALLAN,
President, Provisional Directors.

Hon. J. C. AIKINS,
Secretary of State, Ottawa.

Memorandum of the Canada Pacific Railway Company upon the Statement submitted by the Interoceanic Railway Company to the Government of Canada :

The undersigned, the Executive Committee of the Canada Pacific Railway Company, have to express their obligations to the Honorable the Privy Council for the courtesy of a communication of the statement of the Interoceanic Railway Company, purporting to set forth the reasons which have induced the latter Company to decline the proposal of amalgamation made by the Canada Pacific Company. And they avail themselves of the opportunity thus afforded them, to make some remarks upon the contents of that statement, though they do not feel that any good result would be attained by answering it fully and in detail.

They regard with regret the decision of the Interoceanic Company, but as they conceive that it has been brought about chiefly by errors upon matters of fact, they are not without hope that it may be reconsidered.

In making the proposal of amalgamation, the Canada Company felt that so vast an enterprise required all the strength that could be enlisted in it. They believed that the Government aid with all the advantages which the Government are empowered to grant would not be in excess of the requirements of the undertaking, and that there was no room for attempting to diminish such aid or advantages by competition. They considered that the Government had adopted a wise policy in endeavoring to create by consolidation the strongest company possible, rather than to attempt to effect some insignificant saving by placing the two companies in competition with each other ; and they felt that the only public-spirited and patriotic course was to meet the desire of the Government frankly ; and to consent to amalgamation without undue solicitude as to the terms of it. They believed that the gentlemen who represented the Interoceanic Company would be prepared, as they themselves were, to lay aside any feeling of rivalry that may have existed, and to act vigorously in concert with them for the benefit of the undertaking. But at the same time they were, and are, fully prepared to undertake and carry out the enterprise alone ; as they have already ascertained, by negotiation with English capitalists, that the plans they have formed for the requisite financial arrangements can in all probability be carried out.

With respect to the propositions which the Interoceanic Company seek to establish by the first portion of their statement, namely, that the organization should be pre-eminently national in its character ; and that its means must be drawn first from Canadian and second and chiefly from British sources ; the undersigned have simply to say that any argument for the purpose of sustaining such proposition was quite superfluous although possibly European capital may require to be sought for, outside of Great Britain—no one will dispute the advantages of committing the construction and running of the Pacific Railroad to a Company of Canadian origin and composed of British subjects ; nor the disastrous results that might be expected from placing the enterprise under the control of the American Northern Pacific Railway Company. The Canada Company have always entertained the opinions enunciated in their statement on this subject : and as proof of that fact it will