

CANADA.

"The subsidy in money, though in itself large, is still insignificant relatively to the enormous outlay that must attend the construction of the work. The Company having to rely upon the disposal of their lands for the greater part of their expenditure, renders it desirable, nay necessary, that the land should be dealt with so as to enlist the whole energies of the country in their early settlement.

"It is therefore of supreme importance that the organization through which the railway is to be built should be essentially and pre-eminently national in its character.

"The sources from whence the Company's means must be drawn are twofold :

1st, Canadian; 2nd (and chiefly) British.

Success in the British money market will, in the opinion of your Committee, depend in a great measure upon the extent to which the Canadian people themselves become interested in the undertaking.

"It is perfectly futile to look to the United States for aid in this work, as it is necessarily a rival to the several existing Pacific Railways. While this remark applies generally to its future as a commercial enterprise, it is in the meantime still more applicable and weighty in reference to the measures required for the early settlement of the vast regions traversed by the rival lines through the United States. The Canadian Pacific Railway Company must compete in Great Britain and Europe generally for the emigration thence, and this can never be done advantageously or successfully in association with any of the American interests concerned in the trans-continental traffic. The suggestion for amalgamation with the Canada Pacific Company, more generally known as that organized by Sir Hugh Allan, forces upon your Committee the consideration of the matters above referred to.

"It is a matter of public notoriety that the original proposal of Sir Hugh Allan, relative to the Canada Pacific Railway, was made in association with the American gentlemen most prominently connected with the Northern Pacific Railway. It is generally believed that the Government are themselves aware of this; and it was mainly owing to the apprehension that the control of a work, upon which the future of the Dominion so much depends, might pass into American hands, that the Interoceanic Company was called into existence.

"The public of Canada instinctively felt that if the parties interested in the Northern Pacific Railway were permitted to control the Canadian line, that such a combination would obstruct the material as well as political alliance with the British possessions on the Pacific Coast, and retard and endanger the successful settlement of the fertile Western Territory of Canada.

"From one end of the Dominion to the other, but more especially in the great Province of Ontario (upon whose people the greater part of the burden of the cost of the railway must fall), there have come unmistakable indications of public opinion on the subject, and the names connected with the Interoceanic Company conclusively show the general determination to make the work distinctively national and Canadian. It may appear invidious to institute comparisons between the relative importance of the Interoceanic Company's organization and that of Sir Hugh Allan's Company, but this cannot be avoided when the proposal is one for amalgamation.

"Your Committee must therefore remark that the Interoceanic Company is probably the largest and most influential combination of men of capital and position which could be found in the Dominion, not confined to one Province, but very generally and equally representing all.

"With respect to the other Company, your Committee submit that it is not in any broad or national sense representative of the Dominion.

"Its active influence is almost exclusively confined to the Province of Quebec, and in that Province to the city of Montreal; but excepting Sir Hugh Allan himself, and two or three other gentlemen, it cannot with fairness be designated as representing the capital and enterprise of even that community.

"It is no injustice to say that the claims of Sir Hugh Allan's Company rest, not upon general public support, but mainly upon the position of Sir Hugh Allan himself. Early though it be in the history of the Canadian Pacific Railway, the dangerous character of such an organization as the Company you are invited to amalgamate with has already been made apparent by its promoters resorting to the arena of politics for that strength and support not due to its intrinsic merits.

"The Interoceanic Company, on the other hand, has relied solely upon general public support, and has in no instance appeared as desirous of unduly influencing the Government.

"If the Canadian Pacific Railway is to be made the subject of undue and improper pressure by one section of the Dominion to the prejudice of others, it will soon acquire