

the Great North-Western Telegraph Company held in Toronto on the same date. Both letter and extract having reference to aggressive action on the part of the Canadian Pacific Railway Company in appropriating certain routes of this Company for the purpose of conducting a competitive telegraph business with the Great North-Western Telegraph Company.

On the responsibilities imposed upon the Great North-Western Telegraph Company, as well as upon the obligations assumed by it the terms of the agreement of the 17th August, 1881, are clear, distinct and very explicit. Clauses 7 and 12 bear particularly upon the points raised in your letter and the extract from your minutes,

While disclaiming responsibility of any kind whatsoever in connection with the matter referred to, the Directors, upon further consideration, may see it to be politic in the interests of their Company to intervene; they would, therefore, be glad to have evidence from the Great North-Western Telegraph Company of the alleged violation of contracts, as soon as such can be procured, and prepared in such a manner as to bring into the Courts, if, in their discretion, they should determine to take such action.

Counsel engaged to define the position of the Montreal Telegraph Company under the agreement of the 17th August, 1881, differ on some material points, but it is believed these differences can be easily reconciled on the return from England of one of the Counsel now absent there; until then, the Directors regret, they will not be in a position to submit their decision to your Company.

I am, respectfully,

Your obedient servant,

D. ROSS-ROSS,

*Secretary.*

The General Manager acknowledged the receipt of the above communication, addressed to their Secretary, as follows:—

THE GREAT NORTH WESTERN TELEGRAPH COMPANY OF CANADA.

General Manager's Office, Toronto, Ontario, Nov. 24th, 1886.

D. R. Ross, Esq.

Secretary, Montreal Telegraph Co.

Montreal, Que.

Dear Sir,—Yours of the 17th inst. came duly to hand. I will as soon as convenient, forward you the information desired in regard to the violation of contracts by the C. P. R. Co.

Yours truly,

(Signed) H. P. DWIGHT,

*General Manager.*

On the 19th December, this Company received the following communication:—

THE GREAT NORTH WESTERN TELEGRAPH CO. OF CANADA,

General Manager's Office, Toronto, Ont. Dec. 18th, 1886.

D. ROSS ROSS, Esq.,

Secretary Mon. Tel. Co.

Montreal, Que.

Dear Sir,—In reply to yours of the 17th November, I have to inform you that the Canadian Pacific Railway Company have placed cross arms and erected two wires upon our poles on the South Eastern Railway, between Longueuil Junction and Farnham, and between Farnham and Richford they have built an independent line, poles, and wires, on the western side of the track. One of their wires is rented to a firm and used for their business between Montreal and New York, and the other wire is used by the C. P. R. Co. for commercial business.

On the line of the Canada Central Railway, the Canadian Pacific Company have erected poles and strung a number of wires for the transmission of public or commercial business, over nearly the whole route, and have opened offices at the different towns along the route, for the transaction of telegraph business.

On the line of the Credit Valley Railway Company the C. P. R. Co. have constructed an independent line of telegraph, between Toronto and St. Thomas, and have opened numerous offices along the route for the transmission of public or commercial telegraph business.

In fact the great bulk of the public or commercial business which the C. P. R. Co. are now doing, would appear to be in utter defiance of contracts, which, until the advent of the C. P. R. upon the scene, were recognized in good faith by both the Telegraph and Railroad Companies, with no hint or suspicion apparently, on either side that these contracts were not perfectly valid and binding.

Yours truly,

(Signed) H. P. DWIGHT,

*General Manager.*

On the 20th of December the Hon. Mr. Lacoste, Q.C., returned from Europe, and on further consultation with him, he recommended that his opinion and the opinion of Mr. Macmaster should be laid before a third lawyer. The Board being desirous of having the Company's position clearly defined before decisively replying to the Great North Western Telegraph Company, acted on Mr. Lacoste's advice as soon as possible. The two opinions and all correspondence, contracts and agreements bearing on the subjects were submitted to Mr. Geoffrion. His opinion received on the 5th inst., confirmed that of the Board, and at a meeting held that day, the following resolutions were passed, and ordered to be despatched immediately to the Secretary of the Great North Western Telegraph Company:—