

" 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 endeavouring 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 appear, on reference to the draft charter submitted by that Company to the House of Commons, that they proposed to make their Board of Directors exclusively British; while, on the other hand, the Interoceanic Company proposed by their draft charter to create a Board which of necessity needed only to be British as to the majority of it. And it was only in consequence of the desire of the Government and Parliament that the two charters should be identical, and of the objection of the Interoceanic Company to make their Board of necessity exclusively British, that the Canada Company took from the Interoceanic Company's charter the clause requiring only a majority to be British instead of the whole. And, moreover, the Canada Company have been actively engaged since their incorporation in negotiations with British capitalists, exclusively tending to the acquisition of means for the construction of the railway with every prospect of favourable result, should they be authorized to undertake it.

" In the face of these facts, it would seem that the somewhat elaborate argument of the Interoceanic Company, to prove the expediency of making the Company entirely Canadian and British was not only unnecessary and inapplicable, but possibly might be said to be out of place as coming from that Company.

" The Interoceanic Company having however submitted various arguments in support of these propositions, proceed to apply them to the disadvantage of the Canada Company.

" They assert that it is a matter of notoriety that one of the leading members of the Canada Company and its Provisional President has been engaged in negotiation with gentlemen connected with the Northern Pacific Railway, for the organization of a Company for the construction of the road; and they say that the impression still exists everywhere that his original scheme is unchanged, and that his Company, as they term the Canada Company, is intended to co-operate with parties in the United States