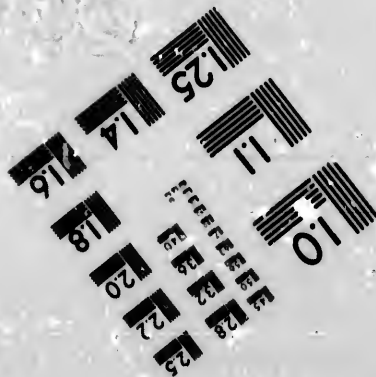
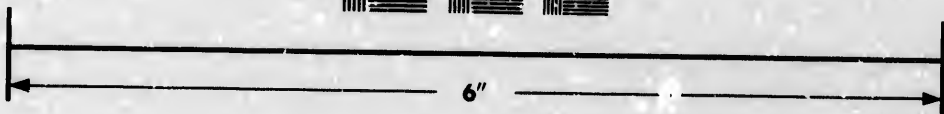
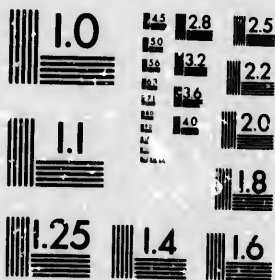


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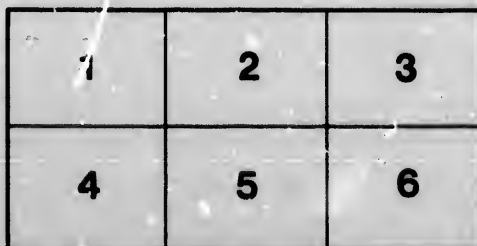
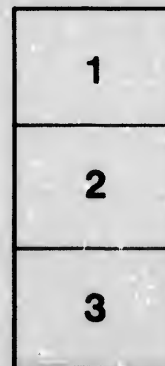
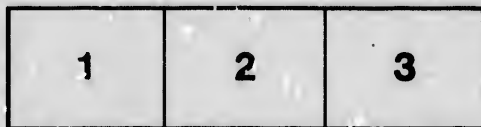
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TO THE RIGHT HONOURABLE  
THE MINISTERS OF JUSTICE AND OF THE INTERIOR.

GENTLEMEN,—

I have carefully perused the long reply (dated 4th April, 1890) made by Mr. Sutherland to the statements contained in my letters to Sir John A. Macdonald, and in rejoinder I beg to say that a mass of matter is introduced, wholly irrelevant to the issue, and which, therefore, although full of inaccuracies—half truths and falsities—I do not propose now to deal with, although I reserve the right, if necessary, to point these out later on, and to produce documentary and other evidence. At the same time any satisfactory explanations, touching the three main matters charged in my letter, are evaded.

I charge, in the first place, that the Manitoba Government Grant in Aid, in the form of Bonds for £51,000, which, by clause 8 of the Agreement of 14th September, 1886, were pledged to the West Cumberland Company, were, on the 7th October, 1886,—that is to say twenty-three days later,—pledged over again, by Mr. Sutherland, to Messrs. D. D. Mann & Co., and that this was done in fraud of the West Cumberland Company.

Mr. Sutherland meets this, not by giving a direct denial to the charge, but by the *tu quoque* rejoinder that in making this charge, I, with the evident intent of seeking to place him in a false position, concealed the fact of the original agreement having been varied or altered by an agreement of subsequent date, the fact being that I did not refer to this as I desired to eliminate unnecessary details; as, however, it has now been mentioned I will give a full explanation.

The Agreement of the 14th September, by the 8th clause, gave the Winnipeg Company the right, absolutely, if they obtained the guarantee of Messrs. D. D. Mann & Co., to deal with the Bonds. The agreement of the 17th September qualified this right, making it subject to the West Cumberland Company being satisfied with the financial position of Messrs. D. D. Mann & Co.

Mr. Sutherland admits that between the 14th and 18th September, unfavourable reports about Mann & Co. had been received, and that it was in consequence of the feeling of alarm thus created that the agreement of 17th September was signed. His suggestion is, however, that under the terms of this agreement *further enquiry* was to be made by the West Cumberland Company, and that if *then* not satisfied the Winnipeg Company was not to be at liberty to charge or deal with the Manitoba Government Bonds, and that, as he was never afterwards notified on the subject, he *was* justified in dealing with them.

It is quite clear, however, that he was bound to do one thing or the other—either *retain* the Bonds or *obtain* the guarantee of D. D. Mann & Co. Assume for the sake of argument that the West Cumberland Company, having failed to notify the result of their “further enquiry,” he *was* within his rights in dealing with the Bonds, did that absolve him from the *alternative* obligation of obtaining the guarantee, and until he had done so was it any the less a fraud to part with the Bonds? Messrs. Mann & Co. inform me, as a matter of fact, that the terms of the agreement with the West Cumberland Company were withheld from them, and that no request for their guarantee was ever made or even hinted at, by Mr. Sutherland.

I submit, therefore, that the answer given to this charge wholly fails, and this apart from collateral evidence which can be produced, if necessary, of a different kind.

Then, secondly, I charge that the Act guaranteeing the principal and interest of the Winnipeg Company Bonds for £56,700, was subsequently repealed by the Manitoba Government at the request, so stated, of the Winnipeg Company.

To this Mr. Sutherland rejoins that the Bonds were drafted, revised and printed under the supervision of the Solicitors to the West Cumberland Company and Lloyd's Bank, implying that if the

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Bonds are defective it is their fault, not his. I venture wholly to doubt this most unlikely story, although I have not at hand, of course, the means of proving its falsity, but it true it does not amount to much, as Mr. Sutherland was responsible for the instructions, by whomsoever they were carried into effect, and he does not suggest that the Bonds were drawn otherwise than in accordance with the instructions he gave.

Mr. Sutherland further seeks to lighten his responsibilities by stating that the whole transaction, with its attendant risks, was carefully considered by the Solicitor to the West Cumberland Co., and that concern was felt on certain points, implying, I suppose, that the securities were suspected not to be what they professed to be, a state of things which I need hardly say is absurd.

Mr. Sutherland then takes distinct issue with the Manitoba Government, who claim that the Act repealed was a permissive one, and was never acted upon by them. Mr. Sutherland on the other hand now boldly states that an Order-in-Council was duly passed, and that interest (he does not say principal) on all bonds issued thereunder, was, and is still guaranteed by the Manitoba Government. Does he mean that bonds other than those issued to the West Cumberland Company are in existence, which are guaranteed, and are being paid their interest, whilst ours are not? If ours were issued under this Order-in-Council, why has the interest been allowed to fall into arrear during the last four years, and why was not this Order-in-Council forthcoming when the disallowance was prayed for of the repealing Act, "passed so much to his chagrin and disappointment," and *why is it still withheld?* Surely if the fact be as stated, not only has a fraud been perpetrated in the past, but it is a continuing fraud without excuse and without palliation.

The third complaint I make, and to which I submit no real answer is given, is that the Company, although it cannot pay us our money, is doing its utmost to prevent our obtaining possession of the security, given expressly to provide for such an eventuality.

Mr. Sutherland does not deny that we have waited patiently for nearly three years, but is indignant when we at length take action. He suggests that we have ulterior designs, and have entered into a dark conspiracy to rob him of the fruit of his ten years labours. I need hardly say that had we any evidence that his present combinations would be likely to result in the early payment of our claim, we would assist them in every way; but with a secretiveness quite in character with his former conduct, he declines even to tell us what these combinations are, and still less does he produce the evidence, without which it would be improper and imprudent for us to act, particularly having regard to the painful experiences we have already gone through.

My best rejoinder to the letters from Mr. Gemmill and Mr. Tupper will be to send you copies of two letters which I wrote on the 28th February, the one to Sir John A. Macdonald, the other to Mr. Sutherland, but neither of which, for certain reasons, and acting under the advice of Mr. Kingsmill, I actually delivered.

Finally I venture to suggest that nothing in Mr. Sutherland's reply nor in my rejoinder really affects the question now under consideration, which is, whether the Government can see their way, under all the circumstances, to protect our interests by making a renewal of the Land Grant, conditional upon payment of our claim, or in the event of its final forfeiture provide therefor out of the forfeited property. Mr. Sutherland, as I gather, sees no objection to the suggestion, nor could its adoption interfere with the carrying into effect of his combinations or of any other arrangements by which this important national project may be successfully launched. I trust, therefore, that the petition I have ventured to present may meet with favourable and early consideration.

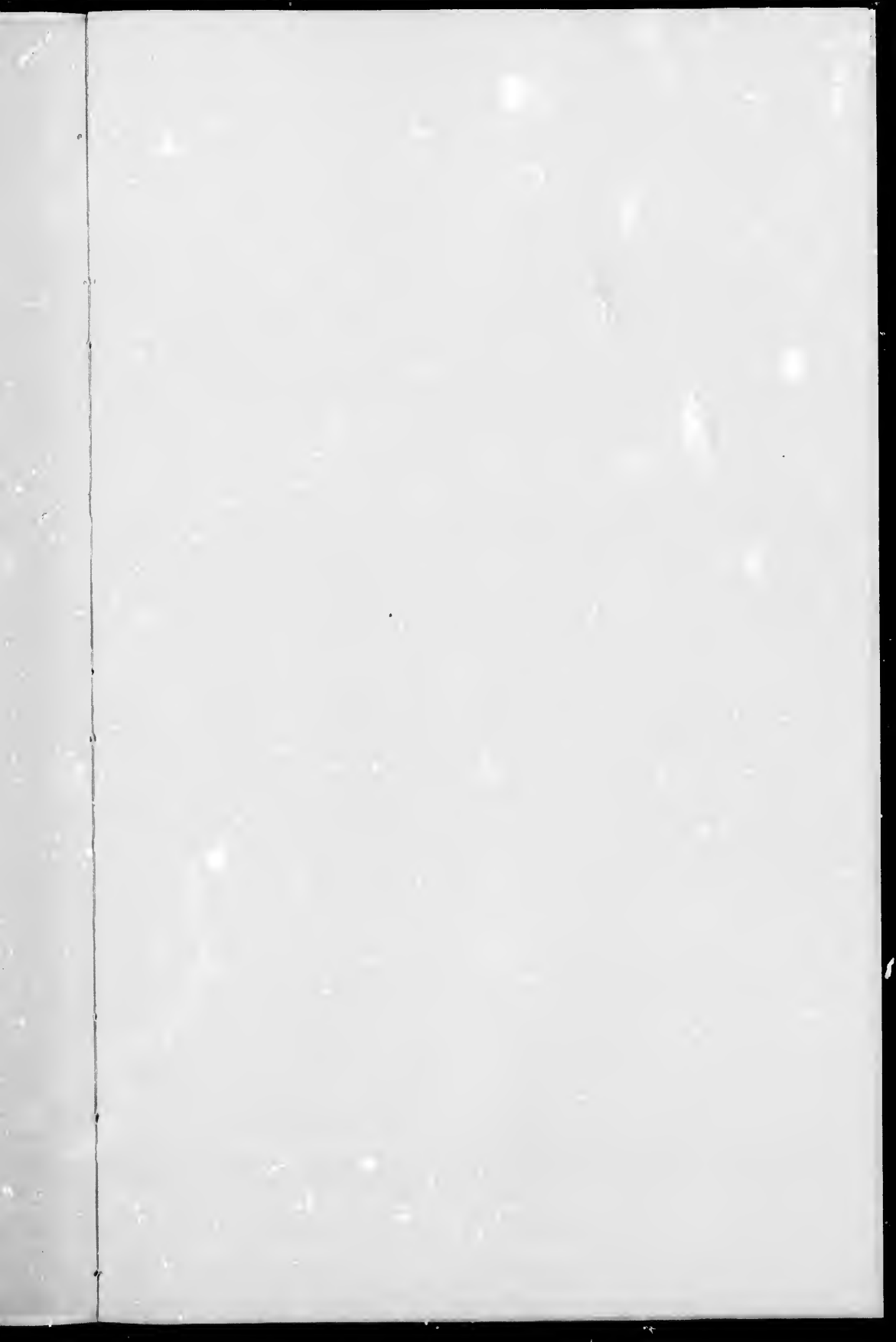
I am,  
Gentlemen,  
Yours most obediently,

*Signed*

*A. S. Menham*

Representing the West Cumberland Iron and Steel Company, (Ltd).

The Russell House,  
Ottawa, 8th April, 1890.







THE RUSSELL HOUSE, OTTAWA, 28th February, 1890.

To

THE RIGHT HON. SIR JOHN MACDONALD, G.C.B., &c..

Ottawa.

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**Winnipeg and Hudson Bay Railway.**

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SIR,—

Referring to the interview you accorded me on this subject on the evening of the 13th inst., I have held back till now the statement you requested me to furnish, and a print of which is now enclosed, in compliance with the very urgent desire of Mr. Tupper, who is acting as solicitor for the Company, He was instructed that arrangements were being made with an eminent London house for the immediate payment of our claim, and Mr. Tupper desired to have an opportunity of carrying such an arrangement into effect, which would of course have been eminently satisfactory to those I represent. The facts which, at length, he has been able to put before me, however, render such a happy solution of our difficulties so highly improbable that I have felt it would no longer be proper for me to delay sending in the formal statement which I am instructed to place before you.

I beg at the same time to enclose a copy of a letter addressed by me to Mr. Suthecland, which will explain the delay which has taken place, and the nature of the negotiations with Mr. Tupper.

I am, Sir,

Yours most obediently,

ALFRED E. WENHAM.

OTTAWA, 28th February, 1890.

To  
HUGH SUTHERLAND, ESQ,

## WINNIPEG AND HUDSON BAY RAILWAY.

SIR,—

Referring to what has passed during the past few days, I think it right to put on record the position which, as the representative of the West Cumberland Iron & Steel Co. I take up in this matter. You state that an application has been made for Government assistance, to enable you to raise the capital necessary for completing the line—that arrangements have been made with London financiers and with contractors of repute, such as will ensure payment of our claim and the carrying into effect of the entire project, and that you fully expect to conduct the whole matter to a successful issue before the close of the present Session. Under these circumstances you ask me to suspend, for the time being, all hostile action, whether legal or otherwise.

This, upon the face of it, is so highly reasonable a request, that provided I were satisfied that the expectations thus held out would be realized, I should unhesitatingly accede to it, but having regard to the painful experiences we have gone through in the past, in connection with engagements entered into by your Company, I should not be doing justice to those I represent, and should be wanting in ordinary business prudence, unless I obtained some documentary evidence in support of the verbal assurances given, as well as for some improvement in our position, should after all the expectations indulged in fail to be realized.

All that I ask for—and this, of course, in strict confidence—is, documentary evidence and particulars of the application made to the Government, and of the arrangements entered into with the London capitalists and contractors—with, in addition, an undertaking that in the event of your failing to obtain the Government assistance this session, or inducing your friends to take up the project without, you will give us “by consent” the relief prayed for in our suit, and of which there can be no question, we shall eventually obtain, without subjecting us to the expense and delay of protracted legal proceedings.

Your objection to this last condition, I understand to be, that you suspect me of desiring to “capture the franchise” with a view to enabling Messrs. Mann & Holt to obtain by this means payment of a disputed claim.

Any intention of this kind I absolutely deny, and as security to you against this, I am prepared to give you any reasonable facilities for a “recapture of the franchise” you may require, my only object being to obtain legal security against such surprises as we have unfortunately been subjected to in the past.

On Friday, the 21st inst., your solicitor formally declined to comply with my wishes as above stated, considering that I ought to be satisfied with verbal assurances. I could only construe this, however, as meaning that the evidence in your possession is of too shadowy a character to bear the flight of day, and that the confidence expressed as to your being able to carry the matter through this session is also far less real than you would have me suppose.

Subsequently your solicitor intimated his belief that you could induce your London friends to guarantee the payment of our claim “in any event” if time were allowed for communicating with them. To test this belief I offered, and did pay the cost of a long cablegram to London on the subject. For reasons which I could not quite understand, Mr. Tupper declined to show me either the cablegram sent to London or the one received in reply. He informed me, however, that the reply was to the effect that a representative of your London financial friends, who would be fully instructed, was on his way, and was expected to arrive in New York on Sunday last, 23rd inst.

This, gentlemen, however, has not arrived, and I have therefore informed Mr. Tupper that unless by 12 o'clock to-morrow (Friday), the 29th inst., some evidence is produced that he will be here without further delay, I shall be driven to the conclusion that no reasonable ground exists for supposing that your London friends are prepared to guarantee the payment of our claims in any event, and after that hour I shall, therefore, feel free to take such steps as I may be advised in other directions.

I am, Sir,

Yours faithfully,

A. E. WENHAM.



