CHARTER FOR THE CONSTRUCTION

OF THE

PACIFIC RAILWAY.

WITH PAPERS AND CORRESPONDENCE.

PRINTED BY ORDER OF PARLIAMENT.

OTTAWA:
PRINTED BY I. B. TAYLOR, 29, 31 AND 33, RIDEAU STREET.

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RETURN.

DUFFERIN.

The Governor General communicates to THE HOUSE OF COMMONS Copy of a Charter granted by him to a body of Canadian capitalists, for the construction of the Pacific Railway, together with the papers and correspondence relating to that subject.

GOVERNMENT HOUSE,

OTTAWA, 13th March, 1873.

MONTREAL, June 21st, 1872.

SIR,—I have the honor to inform you that the Provisional Directors of the Canadian Pacific Company, held a meeting, after due notice, on Wednesday, the 19th of June, instant, at which Sir Hugh Allan was appointed President, Mr. Donald McInnes, Vice-President, and myself Secretary of the Provisional Board.

I have also the honor to state, by direction of the Board, that the Canada Pacific Railway Company is desirous of entering into an agreement with the Government under the statute respecting the Canadian Pacific Railway Company recently passed, and will feel honored by any communication from the Government on the subject.

I have, &c.,

(Signed,) E. LEF. DE BELLEFEUILLE,

Secretary.

The Honorable J. C. AIKINS,
Secretary of State, &c., &c., &c.,
Ottawa.

CANADA PACIFIC RAILWAY CO.,
MONTREAL, 3rd July, 1872.

SIR,—I am directed by the President and Provisional Directors of the Canada Pacific Railway Company, to inform you that at a meeting of the Provisional Board held yesterday, the second instant, in Montreal, under the Presidency of Sir Hugh Allan, I was instructed to write to the Government of the Dominion of Canada, to inform them that the Canada Pacific Railway Company is disposed and ready to undertake the building of the Canadian Pacific Railway, on the terms and conditions contained in the act respecting the Canadian Pacific Railway passed at the last session of the Parliament of Canada.

I have, &c.,

E. LEF. DE BELLEFEUILLE,
Secretary.

The Honorable J. C. AIKINS,
Secretary of State, &c., &c., Ottawa.

DEPARTMENT OF SECRETARY OF STATE,
OTTAWA, 4th July, 1872.

SIR.—His Excellency the Governor General in Council has had under consideration your letter of the 21st ulto., reporting the Provisional organization of "The Canada Pacific Railway Company," and expressing the desire of the Board of the Company to be informed when the Government will be prepared to negotiate with the Company in respect to the construction of the Canada Pacific Railway, and I am directed to inform you that it is the wish of the Government of Canada that your Company and "The Interoceanic Railway Company" should unite and form one Company, in accordance with the tenth section of the Act respecting the Canadian Pacific Railway.

A similar communication has been made to the President of the latter Company, the Honble. D. L. Macpherson, Toronto.

I have, &c.,

E. PARENT,
U. S. S.

E. LEF. DE BELLEFEUILLE, ESQ.,
Secretary, Canada Pacific Railway Co.,
Montreal.

DEPARTMENT OF SECRETARY OF STATE,
OTTAWA, 5th July, 1872.

SIR,—I am directed to acknowledge the receipt of your letter of the 3rd instant, stating that the Canada Pacific Railway Company is disposed and ready to undertake the building of the Canadian Pacific Railway, on the terms and conditions contained in the Act respecting the Canadian Pacific Railway passed at the last session of the Parliament of Canada.

I have, &c.,

E. PARENT,
U. S. S.

E. LEF. DE BELLEFEUILLE,
Secretary, Canada Pacific Railway Co.,
Montreal.

OFFICE OF THE CANADA PACIFIC RAILROAD,
MONTREAL, 9th July, 1872.

SIR,—With reference to the last communication addressed to you by the Secretary of this Company, advising that the Company was now prepared to accept of the contract for building the Pacific Railroad on the terms and conditions authorized in the Act of Parliament, I have now the honor to state, that if the building of the Pacific Railroad is given to this Company, it will agree, with such assistance as may be obtained from the Governments of Ottawa and Quebec, or such other assistance as may be given us, to build a branch Railroad from some point on the main-line of the Pacific Railroad, near and North of Lake Nipissing, to Hull opposite Ottawa, there to connect with the Northern Colonization Railroad. This route will cross the Ottawa at Deep River or some other point as far up on the North Shore of the Ottawa, in the Province of Quebec, as the nature of the country will admit.

This company will also agree, with such assistance as we may obtain from the Govern-

ment of Ontario, or other assistance that may be given to us, to build another branch railroad from the Nipissing terminus of the Pacific Railway to such a point in the Province of Ontario as will connect the Pacific Rrilroad with the Railway system leading to Toronto and other parts of Ontario.

I have, &c.,

HUGH ALLAN,
President, Canada Pacific Railroad.

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

DEPARTMENT OF SECRETARY OF STATE,
OTTAWA, 17th July, 1872.

SIR,—I am directed to acknowledge the receipt of your letter of the 9th instant, referring to the communication of the Secretary of the Canada Pacific Railway Company of the 3rd same month, advising that the Company was then prepared to accept the contract for building the Pacific Railway, and entering into further details on the terms and conditions on which the Company was ready to take the contract for the construction of the said railway.

I have, etc.,

E. PARENT, U. S. S.

SIR HUGH ALLAN,
President, Canada Pacific Railway,
Montreal.

OTTAWA, 2nd October, 1872.

SIR,—I have the honor to state, in answer to your letter, suggesting that the Canada Pacific Railway Company and the Interoceanic Railway Company should amalgamate, that the former Company is willing to make such an amalgamation; and that I communicate such willingness to the Interoceanic Railway Company through its Provisional President, the Hon. Mr. McPherson, shortly after receiving your last letter. I have further to state, that I have not been informed of any action by the Interoceanic Company on the subject, having only received an acknowledgment of the reception of my letter.

I have, &c.,

(Signed,) HUGH ALLAN, President,
Provisional, Board Canada Pacific R. R.

The Hon. the Secretary of State, &c., &c., &c.
Ottawa.

DEPARTMENT OF SECRETARY OF STATE,
OTTAWA, 3rd October, 1872.

SIR,—I am directed to acknowledge the receipt of your letter of the 2nd inst., in answer to mine of the 4th July last, suggesting that the Canada Pacific Railway Company and the Interoceanic Railway Company should amalgamate.

I have, &c.,

E. PARENT, U. S. S.

SIR HUGH ALLAN,
Montreal.

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

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 favorable 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 organisation 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 terms the Canada Company, is intended to co-operate with parties in the United States interested in the Northern Pacific Railway. And they declare that the Interoceanic Company share this belief.

That, in reality, is the chief ground stated by the Interoceanic Company for declining amalgamation ; and as it is easy to shew that this ground is entirely unsupported by facts, the Canada Company hope, that this erroneous impression being removed, the course of the Interoceanic Company may be materially changed.

With regard to the assertion that a belief "exists everywhere" that the Canadian Company still intend to carry out the design of combination with American capitalists, it is only necessary to say that the gentlemen who say so, no doubt speak truly as to some limited circle with which they are in immediate communication. But the Canada Company emphatically deny that beyond such a limited circle any such belief or even any idea of such a state of things is entertained.

The Canada Company are aware that a negotiation was commenced during the summer of eighteen hundred and seventy-one, between Sir Hugh Allan and certain American capitalists for the formation of a Company to construct and run the Canada Pacific Railway ; but they are informed by Sir Hugh Allan, and have satisfied themselves by a full enquiry into the circumstances and details of that negotiation, that it was not initiated by Sir Hugh, and that it was commenced and supported by influential persons in Canada, as being the only combination that offered itself at that time for the construction and running of the road ; but they are satisfied that that negotiation never possessed the character attributed to it by the Interoceanic Company, and they know that Sir Hugh Allan would never have consented to embark with foreign capitalists in a Canadian enterprise in which he takes so great an interest without the most perfect securities and guarantees for its control and conduct in the interest of Canada. But the discussion of the negotiation is entirely foreign to the proposition now being considered. That negotiation terminated when Sir Hugh Allan, engaged with others in the formation of the Canada Company and it has never been renewed.

The Canada Company never participated in that negotiation, and never considered or entertained any proposition, suggestion or intention of asking aid from American capitalists, or of combining with them for the prosecution of the Railway, or for any other purpose. The only negotiations they have carried on are those already alluded to with

British capitalists, and they have never even communicated on the subject of the Railway, with any one outside of Canada or Great Britain.

The Canada Company would further remark on this branch of the subject, that they are unwilling to attempt to gather from the terms of the statement of the Interoceanic Company any meaning which does not plainly appear upon its face. But they cannot omit noticing that the weight of this objection rests upon the suggestion, rather implied than expressed, that the Canada Company is prepared to lend itself to the obstruction of the Canada Pacific Railway, by placing the control of it in the hands of capitalists interested in a rival road. Unless the objection is taken as having this bearing, it would have no weight, and the Canada Company are therefore forced to make a single remark upon this view of it. They desire expressly to state that their Company is composed of gentlemen as fully alive to the interests of Canada, and as deeply interested in its welfare, as the members of the Interoceanic Company, or any one else can be. And they protest formally and energetically against any imputation, whether expressed or implied, contemplating the possibility of their taking the course which they cannot but interpret as being imputed to them by the statement of the Interoceanic Company. Although probably the Interoceanic Company will accept the positive and unqualified disclaimer which the Canada Company now place of record, it may not be amiss to remark upon the impossibility of any such course being taken as that which is implied in the Interoceanic Company's objection.

It will be observed that the aid in money and lands is only to be granted by the government as the work actually progresses. It is also necessary that the periods for the completion of the various sections of the road should be fixed by the agreement with the Company entrusted with the enterprise. It is also necessary that the government should fix a period within which the work should be commenced and proceeded with. And it is reasonably to be supposed that there would be a provision in any agreement made with the government that upon failure in any of these conditions the Company should forfeit its rights to the government aid. Again, in the proposition of amalgamation which the Canada Company made to the Interoceanic Company it was suggested, that the former Company should name a small proportion of the provisional Directiors; the Interoceanic Company naming a similar number; the intention being that the remainder of the Board, constituting a majority of it, should be agreed upon between the two companies and the government.

Under these circumstances the undersigned would observe, that the carrying out of any such plan as that implied by or imputed to the Canada Company is simply impossible. Supposing for argument's sake, that they entertained the intention of placing the control of the enterprise in the hands of the Northern Pacific Railway Company, the persons named by them on the board would constitute but a small minority of it. And without theconcurrence of the Interoceanic Company's nominees and those approved of by the Government, it would be utterly impossible not only to alienate the aid given by the Government, but even to obstruct in any material degree, the operations of the majority of the Board. And if, which is impossible, the small minority could control the majority so far as either to purport to alienate the aid or obstruct the work, the remedy would be in the hands of the Government, as no portion of the proposed assistance could actually be alienated from the purposes for which it was intended, and the attempt would only result in the forfeiture of the agreement.

With regard to the assertion of the Interoceanic Company, that they "very generally and equally" represent all the Provinces of the Dominion, and the comparison of importance they draw between the Interoceanic Company's organization and that of the Canada Company, the undersigned would prefer not to discuss it at any length. At the same time, in justice to themselves they would remark, that they have not a word to say against the respectability of the three gentlemen from the Province of Quebec, whose names appear upon the minute of the meeting of the twenty-sixth day of September; but they would ask in what sense or from what point of view can these three gentlemen be said to represent that great and flourishing Province? And as to the other gentlemen

from the Province of Quebec, whose names appear in the Bill of the Interoceanic Company, but who did not take part in that meeting: the well known circumstances of their reception into that Company prevent the expectation that they will exercise any influence in its favor. A list of the provisional directors of the Canada Company is submitted herewith to the Government, and the Company challenge a comparison of them with the provisional directors of the Interoceanic Company. And they do not hesitate to assert that the public of Canada will feel at least as much confidence in the Board constituted of those gentlemen as in the Board of the Interoceanic Company. They regret the necessity for saying even so much as this on the subject, as they earnestly deprecate any approach to recrimination or anything that could by any possibility arouse any feeling on the part of the member of the Interoceanic Company; for it is their desire in answering their statement, rather to endeavour to remove any wrong impression which that Company may have entertained than to enter into controversy with them, and they have studiously avoided remarking upon many matters contained in the statement of the Interoceanic Company though they have been in many instances strongly tempted to do so in order that by avoiding all recrimination and controversal comment upon the line of argument contained in the statement they might manifest their earnest desire to carry out the wish of the Government for amalgamation; not only because such is the desire of the Government, but also because they feel that it is in the interest of the enterprise that all possible strength should be concentrated upon it.

The undersigned are desirous of making one remark more as to the observations of the Interoceanic Company's statement with regard to politics. The Canada Company have not in any manner or way interfered in politics, and they are at a loss to know to what circumstances the Interoceanic Company can refer in their remark on this subject.

The Canada Company is composed of persons holding different views in political matters, and those persons have acted in accordance with those views when called upon in any way to act politically since they joined the Company as they did before, and as they probably will continue to do; and the Canada Company have not in any way resorted to sectional or any other pressure to induce the Government to negotiate with them for the construction of the Railway. On this point also it will be perceived that the Canada Company confined themselves to vindicating their own position, without assailing or attempting to assail the position or acts of the Interoceanic Company.

In conclusion, the undersigned respectfully state, that the members of the Canada Company claim for themselves in every respect a strong sentiment of patriotism and as much public spirit as any of their fellow subjects, and they consider that their names and antecedents are a sufficent guarantee that their claim is well founded. They are sensible of the disadvantages of any obstruction to the gigantic undertaking in which the Government of Canada is about to embark, as any other person or Company can be. They believe themselves to be as competent as the Interoceanic Company or any other Company or body of men to carry out the undertaking, and they are prepared to assume the responsibility with a complete recognition of the weight of that responsibility, but with assured conviction that they are justified in assuming it. They desire an amalgamation with the Interoceanic Company. They are willing to make it upon terms that may be agreed upon as being perfectly just to both Companies, and satisfactory to the people of Canada. And in the event of such amalgamation they are prepared to act cordially with the gentlemen who may be associated in the Board of Direction with such members of the Canada Company as may be chosen to form part of it; but if the Interoceanic Company are not prepared to meet them in a similar spirit, they respectfully ask that their proposition to undertake the building and running of the Canada Pacific Railway may meet with the favourable consideration of Government. The whole respectfully submitted.

(Signed,) HUGH ALLAN.
" J. J. C. ABBOTT.
" LOUIS BEAUBIEN.

Montreal, 12th October, 1872.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 5th October, 1872.

SIR,—I am directed to enclose to you a copy of a communication received from the President of the Interoceanic Railway Company of Canada on the subject of the amalgamation of that Company with the Canada Pacific Railway Company, which had been suggested by the Canadian Government.

I have the honor to be, Sir,
Your obedient servant,
E. PARENT,
Under Secretary.

Sir HUGH ALLAN, Montreal.

MONTREAL, 15th October, 1872.

SIR,—I have the honor to enclose a list of the Provisional Directors of the Canada Pacific Railway Company referred to in my letter of yesterday's date.

I have the honor to be, Sir,
Your obedient Servant,
HUGH ALLAN.

The Honorable the Secretary of State,
Ottawa.

DEPARTMENT OF SECRETARY OF STATE,
Ottawa, 16th October, 1872.

Sir,—I am directed to inform you that the list of Provisional Directors of the Canada Pacific Railway Company, referred to in your letter of the 15th instant, as being therein enclosed, was not enclosed.

I have the honor to be, Sir,
Your obedient Servant,
E. PARENT,
Under Secretary.

Sir HUGH ALLAN, &c., &c.,
Montreal.

CANADA PACIFIC RAILWAY COMPANY.

Provisional Board of Directors, Montreal 15th October 1872.

Sir Hugh Allan, Montreal.
Hon. J. J. C. Abbott, M. P., Montreal.
Hon. A. B. Foster, Senator, Waterloo.
Hon. John Hamilton, Senator, Hawkesbury Mills, Ontario.
Hon. Ch. J. Coursol, Montreal.
Hon. Jean L. Beaudry, Leg. Councillor, Montreal.
Hon. Gidéon Ouimet, Att. General, Q., Montreal.
Hon. David Christie, Senator, Paris, Ontario.
Hon. Louis Archambault, M. P. & Minister of Agriculture, Q. L'Assomption.
Andrew Allan, Esq., Montreal.
Louis Beaubien, Esq., M.P., Hochelaga.
Victor Hudon, Esq., Montreal.
Charles S. Rodier, jr., Esq., Montreal.
Donald McInnes, Esq., Hamilton, Ontario.
Charles F. Gildersleeve, Esq., Kingston.
William Kersteman, Esq., Toronto.
William J. Currier, Esq., M.P., Ottawa.

Hon. James Skead, Senator, Ottawa.
Hon. John J. Ross, M. P. & Leg. Councillor, Q., Ste Anne de la Pérade.
Hon. Donald A. Smith, M.P., Fort Garry, Manitoba.
Hon. Thomas McGreevy, M. P., Legislative Councillor, Quebec.
Sir Edward Kenny, Halifax, N. S.
Jean Bte. Renaud, Esq., Quebec.
Eugène Chinic, Esq., Quebec.
Hon. Billa Flint, Senator, Belleville, Ontario.
William M'Dougall, Esq., M. P., Three Rivers, Q.
Henry Nathan, Esq., M. P., Victoria, B. C.
E. R. Burpee, Esq. St Johns, N. B.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 16th October, 1872.

The Committee of the Privy Council have had under their consideration a letter addressed to the Secretary of State by the Honorable D. L. Macpherson, enclosing copy of a report from theExecutive Committee of the Provisional Directors of the contemplated Interoceanic Railway Company, which has been unanimously adopted by the Directors. The Committee of the Privy Council have learned with regret that the suggestion of the Government, that there should be an amalgamation between the two companies, which obtained during the last session of Parliament Acts of incorporation for the construction of a railroad between a terminus on the Pacific Ocean and one in the vicinity of Lake Nipissing with which all the Canadian Railroads could connect in equal terms, has not been acted on by the contemplated Interoceanic Company for reasons which are given in the report of their Executive Committee. The Committee of the Privy Council admit the importance of securing as much unanimity as possible among the Canadian capitalists who are disposed to assume the responsibility of constructing the great work which by the terms of the union of British Columbia with the Dominion became the duty of Parliament to undertake.

In the opinion of the Committee of the Privy Council there is no ground for rivalry between the Province of Ontario and Quebec, especially as the eastern terminus has been fixed by Parliament at a point convenient for both Provinces.

The Committee of the Privy Council has not failed to give their attentive consideration to the reasons adduced by the Committee of the Interoceanic Company for opposing the amalgamation with the Pacific Company in deference to the wishes of the Government, has expressed its readiness to agree to.

The Committee of the Privy Council concur in the opinion expressed in the report, that the success of the Pacific railway project most mainly depends upon its complete identification with the public sentiment of the country, and that the lands appropriated for the construction of the work should be so dealt with as to enlist the whole energies of the country in their early settlement, and they therefore admit that the organization should be essentially and pre-eminently national in its character, and that success in the British money market is more likely to be attained if the Canadian people themselves become interested in the undertaking.

It is unnecessary for the Committee of the Privy Council to discuss the question raised in the report as to the inexpediency of looking to aid from the United States for the construction of the Pacific Railway, as they do not contemplate seeking such aid, but on the contrary most earnestly desire to accomplish the very object recommended in the report under their consideration, viz : the united action of the Canadian people in the Work. It is assumed in the report that the Canadian Pacific Company would be under the control of citizens of the United States connected with the Northern Pacific Company. It is said to be 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."

The foregoing statement is the avowed ground of the refusal of the Interoceanic Company to amalgamate with the Canada Pacific Company. The Committee of the Privy Council avail themselves of this opportunity to place on record all that is come to their knowledge regarding the negotiations on the subject of the Pacific Railway ; when it became known that the Canadian Government was about to invite the consideration of Parliament to the subject of the admission of British Columbia into the Dominion on conditions, one of which was that Canada would undertake to procure the construction of a Pacific Railway, an enterprising gentleman, an inhabitant of British Columbia, the late Mr Alfred Waddington, who had already made extensive surveys at his own expense, petitioned Parliament for a charter to construct that line, intending, it is believed, to obtain aid in England and United States.

Mr Waddington had a bill introduced and printed, but did not proceed with it during the Session of 1871 ; after the close of the Session, Mr Waddington, in conjunction with one or more gentlemen in Toronto, visited the United States, having, as he always stated, failing in securing any co-operation in Canada, with the view of interesting foreign capitalists in the undertaking. He took with him his own printed bill, and the resolutions which had been adopted by Parliament for the admission of British Columbia into the Dominion, on condition that the Pacific Railway should be constructed, and he succeeded in interesting in his project a number of influential capitalists, some connected with the Northern Pacific Railway, others entirely unconnected with it.

On his return to Canada, Mr. Waddington employed a respectable legal firm in Toronto, as solicitors to the promoters of the railway, and visited Ottawa, armed with a document, signed by a number of gentlemen of known wealth, in which they stated the terms on which they would undertake to construct the railway. The deputation had interviews with some members of the government, who received them courteously, and listened to their proposals, but informed them that the government was not then in a position to enter into negotiations. Meantime, the members of the government, aware of the necessity that existed of proposing a definite scheme during the next session of Parliament, availed themselves of every opportunity of endeavouring to ascertain the terms on which Canadian capitalists would be willing to undertake the work.

The scheme, however, was, so far as they could learn, coldly received, and for several months no proposition was received by the government for the construction of the road, except that already referred to, which was obtained through Mr. Waddington and some friends of his in Toronto. At this stage, a member of the government, during a casual visit to Montreal, to meet Sir Hugh Allan, when he informed him of the proposition which had been made, and mentioned to him the names of the Americans who had made the proposition to the government. He expressed to Sir Hugh Allan his regret that such a work should be allowed to fall into the hands of foreigners, owing to the apathy of Canadian capitalists. It was after, and in consequence of this conversation, that Sir Hugh Allan put himself in communication with the American gentlemen already referred to, and it is not a little remarkable that the suggestion made to Sir Hugh Allan, arose from a desire to carry out the object which the Committee of the Interoceanic Company appear to have in view. That object was to secure the construction of the work under Canadian management, no doubt being entertained that there would be no difficulty in finding safeguards against the dangers anticipated by the Interoceanic Company ; such were the circumstances under which Sir Hugh Allan's connection with the American capitalists took place. Sir Hugh Allan was the first Canadian capitalist who made a proposition for the construction of the line, and to him the government is indebted for the information which enabled them to decide with confidence as to the scheme to be submitted to Parliament. The Committee of the Privy Council think it unadvisable to enter into any discussion of the respective merits or influence of the rival Companies, especially because they remain of opinion that it would be highly unexpedient to select either company to the exclusion of the other.

Should they fail in obtaining the concurrence of both companies to their proposition for an amalgamation on just and equitable principles, they will be compelled from a

sense of duty to adopt other means to secure their object, which is a cordial co-operation of the Canadian people of all classes, and from all sections of the Dominion, in the construction of the Pacific Railroad.

The Committee of the Privy Council have, in conclusion, to state that they have received the most positive assurances that it is not contemplated by the promoters of the Canadian Pacific Company to associate themselves with foreigners, and also that the company is prepared to accept any proposition made by the government for the purpose of preventing the enterprise falling into the hands of an alien proprietary. They cannot, under the circumstances, recommend that the individual who was the first Canadian capitalist who entered into negotiation with the government for the construction of the Pacific Railroad shou' l, with all his associates, be excluded from the management of a work which, as is admitted in the report under consideration, requires, in order to ensure success, the cordial co-operation of the Canadian people. The Committee of the Privy Council are not without hope that on a reconsideration of the subject, the Interoceanic Company may come to the conclusion that the course which would be most for the advantage of the country, that they should follow, would be to act on the suggestion of the government, and to consent to an amalgamation with the Pacific Company, and they therefore recommend that a copy of this minute be sent to both companies, and that they be urged to make an early and earnest attempt to reconcile their differences, and to form an united company for the construction of the Pacific Railroad.

Certified.

(Signed,) W. H. HIMSWORTH,
Clerk, Privy Council.

DEPARTMENT OF THE SECRETARY OF STATE,
OTTAWA, October 22nd, 1872.

SIR,—I am directed to forward you the enclosed Copy of an Order in Council on the subject of the correspondence between the Government of Canada and the Executive Committee of the Provisional Directors of the contemplated Interoceanic Railway Company, relative to the Canadian Pacific Railroad.

I have the honor to be, Sir,
Your obedient servant,
E. PARENT,
Under Secretary.

Hon. D. L. MACPHERSON,
President, Interoceanic Railway Co., Toronto.
Sir HUGH ALLAN,
President, Canadian Pacific Railroad Co., Montreal.

MONTREAL, October 25th, 1872.

SIR,—I have the honor, on behalf of the Canada Pacific Railway Company, to acknowledge receipt of a Copy of a Report of the Committee of the Honorable the Executive Council, approved by His Excellency on the 16th instant, and I here request that you will be good enough to lay before the Honorable the Privy Council the following remarks upon that minute:—

In deference to the desire of the Government which they consider is in accordance with the best policy under the circumstances, the Canada Pacific Company are prepared to amalgamate with the Interoceanic Company upon reasonable terms to be approved by the Government.

With regard to the statement in the minute that there would be no difficulty in finding safeguards against the danger anticipated by the Interoceanic, I would further say that the Canada Company is prepared to consent to any safeguard that can be devised against the possibility of the money or land subsidy being diverted from its purpose.

I would desire further respectfully to remark that the Canada Company is prepared to make such addition to its members from the Province of Ontario as may be considered necessary to constitute a complete representation of that Province in the proprietary and on the Board of the Company. And, in the event of the Interoceanic Company declining to accede to the suggestion of the Government, that the Canada Company will be prepared to submit additional names from Ontario, in order that that Province may be represented in the Company to the satisfaction of the Government.

I have the honor to be, Sir,

Your obedient servant,

HUGH ALLAN,

President, Provisional Board, Can. Pac. R. R.

The Hon. J. C. AIKINS,

Secretary of State, Ottawa.

DEPARTMENT OF THE SECRETARY OF STATE,

OTTAWA, December 4th, 1872.

SIR,—I am directed to transmit to you, for the information of the Canada Pacific Railroad Company, the enclosed memorandum of the Executive Council of the Interoceanic Railway Company of Canada, upon the memorandum submitted to the Government by the Executive Committee of the Canada Pacific Railway Company.

I have the honor to be, Sir,

Your obedient servant,

E. PARENT,

Under Secretary.

E. L. DE BELLEFEUILLE, Esq.,

Secretary, Canada Pacific Railway Co., Montreal.

CANADIAN PACIFIC RAILWAY.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor-General in Council on the 31st January, 1873.

The Committee of the Privy Council have had under consideration, the correspondence and reports of Committees of the Provisional Directors of the Canada Interoceanic Railway Company, and of the Canada Pacific Railway Company, and whilst much regretting that these Companies have not been willing to unite and form one Company or the purpose of constructing the Pacific Railway, the Committee of the Privy Council fare unable to advise Your Excellency to agree with either of the said Companies separately, for the construction and working of the whole line of railway described in the Canadian Pacific Railway Act of last Session, 35 Vic., Cap. 71, and they are of opinion, and submit it to Your Excellency, that it will be more advantageous for the Dominion, and will better insure the attainment of the purposes of the Act above referred to, that a Company should be incorporated under the powers conferred by the Fifteenth Section of the said Act, by Charter for that purpose.

And, whereas, Sir Hugh Allan, of the City of Montreal, Knight; the Honorable Adams George Archibald, of the City of Halifax, C. M. G., a Member of the Queen's Privy Council for Canada; the Honorable Joseph Octave Beaubien, of Montmagny, Commissioner of Crown Lands in the Province of Quebec; Jean Baptiste Beaudry, of the City of Montreal, Esq.; Egerton Ryerson Burpee, of the City of St. John, Esq.; Frederic William Cumberland, of the City of Toronto, Esq.; Sandford Fleming, of the City of Ottawa, Esq.; Robert Newton Hall, of the Town of Sherbrooke, Esq.; the Honorable John Sebastian Helmcken, of the City of Victoria; Andrew McDermot, of the Town of Winnipeg, Esq.; Donald McInnes, of the City of Hamilton, Esq.; Walter Shanly, at present of the Town of North Adams, in the United States of America, Esq.;

and John Walker, of the City of London, in the Province of Ontario, Esq., have stated their ability and willingness to form such Company, and that they have a subscribed capital of Ten Million Dollars, and that they are ready to enter into an agreement for the construction and working of the said line of railway; the Committee recommend that negotiations be entered into with the said persons for the purpose of settling the terms of an agreement under the Act, between the Government and such persons, and that the Minister of Justice be instructed to conduct the same.

Certified.

W. A. HIMSWORTH,
Clerk, Privy Council.

DEPARTMENT OF JUSTICE.

OTTAWA, 31st January, 1873.

The undersigned to whom was intrusted the conduct of the negotiations with Sir Hugh Allan and his associates for the construction of the Canadian Pacific Railway, by the Order in Council of this date, begs leave to report:

That he has settled an Agreement, and a draft Charter under such agreement, with Sir Hugh Allan and his associates which he begs leave to submit for the consideration of Your Excellency in Council.

JOHN A. MACDONALD.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 31st January, 1873.

The Committee of the Privy Council have had under consideration the report of the Hon. the Minister of Justice, and the accompanying draft agreement prepared pursuant to the Order in Council of this date, and they recommend that the said Draft be accepted, and an agreement according to its terms be entered into with Sir Hugh Allan; the Honorable Adams George Archibald; the Honorable Joseph Octave Beaubien; Jean Baptiste Beaudry, Esq.; Egerton Ryerson Burpee, Esq.; Frederic William Cumberland, Esq.; Sanford Fleming, Esq.; Robert Newton Hall, Esq.; the Honorable John Sebastian Helmcken; Andrew McDermot, Esq.; Donald McInnes, Esq.; Walter Shanly, Esq.; and John Walker, Esq.; for the construction and working of the whole line of the Canadian Pacific Railway, under the Statute 35 Victoria, Cap. 71.

The Committee have also had before them a Stock List, showing that the said persons have a subscribed Capital of Ten Million Dollars, and they are of opinion, that under and by the terms of the said agreement, such capital is satisfactorily secured.

They therefore advise that on the execution of such agreement by the said parties, a Charter may properly be granted to them under the Great Seal, pursuant to the 15th clause of the said Act.

Certified.

W. A. HIMSWORTH,
Clerk, Privy Council.

DEPARTMENT OF JUSTICE.

OTTAWA, 31st January, 1873.

The undersigned has the honor to report, that the agreement between the Government and Sir Hugh Allan and his associates for the construction of the Canadian Pacific Railway, which was accepted by the Order in Council of this day's date, has been duly executed by them. He therefore recommends that a charter under the great seal be granted to such persons, pursuant to the 15th clause of the statute 35 Victoria, cap. 71.

JOHN A. MACDONALD.

COPY of a Report of a Committee of the Honorable the Privy Council, dated 31st January, 1873, and approved by His Excellency the Governor General in Council on the 5th February, following.

The Committee of the Privy Council have had before them the Report of the Honorable Minister of Justice of this date, stating that the agreement mentioned in the Order in Council of this day's date, for the construction of the Canadian Pacific Railway, by Sir Hugh Allan ; the Honorable Adams George Archibald ; the Honorable Joseph Octave Beaubien ; Jean Baptiste Beaudry, Esquire ; Egerton Ryerson Burpee, Esquire ; Frederic William Cumberland, Esquire ; Sanford Fleming, Esquire; Robert Newton Hall, Esquire; the Honorable John Sebastian Helmcken, Andrew McDermot, Esquire ; Donald McInnes, Esquire ; Walter Shanly, Esquire ; and John Walker, Esquire, has been duly executed by them. The Committee therefore recommend that Your Excellency do order that a Charter be granted to such persons, under the Great Seal of the Dominion, pursuant to the 15th clause of the Act 35 Vic. Cap 71.

Certified.

W. A. HIMSWORTH,
Clerk, Privy Council.

CANADA.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland, QUEEN, Defender of the Faith, &c., &c., &c.

To all to whom these presents shall come,—GREETING.

WHEREAS, by an Act of the Parliament of Canada, passed in the thirty-fifth year of Our Reign, intituled, "An Act respecting the Canadian Pacific Railway," it is provided, upon the considerations therein declared, that a Railway, to be called "The Canadian Pacific Railway," should be made, in conformity with the agreement referred to in the preamble to the said Act, and should extend from some point on or near Lake Nipissing, and on the south shore thereof, to some point on the shore of the Pacific Ocean; both the said points to be determined by the Governor in Council, and the course and line of the said railway between the said points to be subject to the approval of the Governor in Council.

AND, WHEREAS, it is by the said Act further provided, That the Government of Canada might further agree with the Company with whom they shall have agreed for the construction and working of the said railway, for the construction and working of a branch line of railway, from some point on the railway first thereinbefore mentioned, to some point on Lake Superior in British Territory, and for the construction and working of another branch line of railway from some point on the railway first mentioned, in the Province of Manitoba, to some point on the line between that Province and the United States of America, the said points to be determined by the Governor in Council; and that such branch lines of railway should, when so agreed for, be held to form part of the railway first thereinbefore mentioned, and portions of *The Canadian Pacific Railway.*

AND, WHEREAS, amongst other things, it is by the said Act in effect provided, that if there should be no company either incorporated originally for the construction of the whole line of railway, or formed out of two or more companies for that purpose, or if the Government could not agree, or did not deem it advisable to agree, with any such company for the construction and working of the whole line of railway under the said Act, or if the Government should be of opinion that it would be more advantageous for the Dominion, and would better ensure the attainment of the purposes of the said Act, that a Company should be incorporated by Charter as therein provided, then if there should be persons able and willing to form such Company, and having a subscribed capital of at least ten million dollars, secured to the satisfaction of the Governor in Council, and ready to enter into such agreement with the Government for the construction and running of the said railway, the Governor should have power, upon the conditions in the said Act mentioned, to grant to such persons, and those who should be associated with them in the undertaking, a Charter embodying the agreement made with such persons which should be binding on the Company and so much of the said Act, and of the Railway Act (as such Railway Act was modified by any Act of the now last Session, with reference to any Railway to be constructed under such Act on any of the lines or between any of the points mentioned in the said Act now in recital) as should be agreed upon between the Government and such Company: and that such Charter being published in the *Canada Gazette,* with any order or orders in Council relating to it, should in so far as it is not inconsistent with the said recited Act, have force and effect as if it were an Act of the Parliament of Canada.

AND, WHEREAS, the Government has failed to induce the two Companies incorporated by Parliament during its last Session for the purpose of constructing the railway, to form one Company, and does not deem it advisable to agree with either of the said

two Companies for the construction of the Railway, and is of opinion that it will be more advantageous for the Dominion, and will better ensure the attainment of the purposes of the Act first above mentioned, that a company shall be incorporated by charter as in such Act provided.

AND, WHEREAS, Sir Hugh Allan, of the city of Montreal, Knight; The Honorable Adams George Archibald, of the city of Halifax, C. M. G., a Member of the Queen's Privy Council for Canada; The Honorable Joseph Octave Beaubien, of Montmagny, Commissioner of Crown Lands in the Province of Quebec; Jean Baptiste Beaudry, of the City of Montreal, Esquire; Egerton Ryerson Burpee, of the City of Saint John, Esquire; Frederic William Cumberland, of the City of Toronto, Esquire; Sandford Fleming, of the City of Ottawa, Esquire; Robert Newton Hall, of the Town of Sherbrooke, Esquire; The Honorable John Sebastian Helmcken, of the City of Victoria; Andrew McDermot, of the Town of Winnipeg, Esquire; Donald McInnes, of the City of Hamilton, Esquire; Walter Shanly, at present of the Town of North Adams, in the United States of America, Esquire; and John Walker, of the City of London, in the Province of Ontario, Esquire, have shewn themselves to be able and willing to form such Company for the construction and working of the railway and branches; and have subscribed a capital sum of ten million dollars, secured to the satisfaction of the Governor in Council, and have so subscribed the same in the proportions following, that is to say: $3,846,000, or nearly five-thirteenths, in the Province of Ontario; $3,076,800, or nearly four-thirteenths, in the Province of Quebec, and $769,300, or upwards of one-thirteenth, in each of the Provinces of Nova Scotia, New Brunswick, Manitoba and British Columbia respectively; and are ready to enter into an agreement with the Government for the construction and working of the railway and branches; and the Government has agreed with the said persons for the construction and working of the railway and branches.

AND, WHEREAS, the agreement so made and entered into between the said persons and the Government, is embodied in this Our Royal Charter.

NOW THEREFORE KNOW YE, that WE, of our especial grace, certain knowledge and mere motion, and in pursuance of the power vested in us by the Act hereinbefore in part recited, DO ORDAIN, GRANT AND DECLARE that the said Sir Hugh Allan; Honorable Adams George Archibald; Honorable Joseph Octave Beaubien; Jean Baptiste Beaudry, Esquire; Egerton Ryerson Burpee, Esquire; Frederic William Cumberland, Esquire; Sandford Fleming, Esquire; Robert Newton Hall, Esquire; Honorable John Sebastian Helmcken; Andrew McDermot, Esquire; Donald McInnes, Esquire; Walter Shanly, Esquire; and, John Walker, Esquire; together with all such persons as shall become associated with them in the undertaking, for the purposes herein mentioned, shall be and are hereby constituted a body corporate and politic by the name, style and title of "The Canadian Pacific Railway Company," and by that name, they and their successors shall and may have continued succession; and be capable of contracting and being contracted with, of suing and being sued, pleading and being impleaded, answering and being answered unto in all courts and places whatsoever, in all manner of actions, suits, complaints, matters and causes whatsoever. And that they and their successors may and shall have a common seal, and may change and alter the same at their will and pleasure; and also that they and their successors, by the name of "The Canadian Pacific Railway Company," shall be in law capable of taking, purchasing, and holding to them and their successors, any estate, real, personal, or mixed, to and for the use of the Company, and of selling, conveying, leasing or otherwise departing therewith, for the benefit and on the account of the Company, from time to time, as they shall deem expedient or necessary, subject to the provisions, restrictions and limitations hereinafter contained.

STOCK.

2. AND WE DO FURTHER ORDAIN and DECLARE, that the Capital Stock of the Company shall be Ten Million Dollars, which shall not be increased but by Act of Parliament (such capital stock having been already subscribed as aforesaid), to be held in shares of one hundred dollars each, which shall in all respects be deemed personal property, and ten per centum thereon shall be paid into the hands of the Receiver General of Canada, in money or Canadian Government securities, within one month after the date of these presents, to remain in his hands until otherwise ordered by Parliament. And the interest received by the Receiver General from the investment of such money and from such securities shall be paid to the Company as received, until he shall be authorized by the Government to withhold and retain the same by reason of some default incurred by the Company in the performance of the conditions of this Charter, or of any subsequent agreement between the Government and the Company.

3. That the shares of the said capital stock shall, after the first deposit thereon has been paid, be transferable; but no transfer made within six years from the date hereof shall be valid or effectual, unless it be made with the consent of the Government and of the Directors, and registered in the books to be kept by the Company for that purpose; nor after six years, unless it be made with the consent of the Directors, and registered as aforesaid. And in the event of the right of property in any of the shares in the Capital Stock of the Company becoming transmitted otherwise than by direct transfer, the person claiming the same shall be bound to establish such claim in the manner provided for the transmission of Bank Stock by the Act 34 Vic., cap. 5, intituled, "An Act respecting Banks and Banking." And in the event of the bankruptcy or insolvency of any holder of any shares not fully paid up, or of the sale thereof under execution, such shares shall be *ipso facto* forfeited, but the Company shall pay the purchaser of such shares, or the Assignee or other representative of such Shareholder for such shares at the current value thereof.

4. That no call shall be made upon the stock of the Company beyond or above the first deposit of ten per centum thereon, save as in this clause mentioned, and the balance of ninety per centum thereof shall not be called up until after the expenditure of the money to be raised upon the bonds of the Company or otherwise, as hereinafter authorized and provided; but such balance shall remain as a security to the Government for the final completion and equipment of the railway. After such expenditure the Directors may, from time to time, if necessary, with the approval of the Government, call upon the shareholders for such instalments upon each share, and in such proportion as the Directors may see fit; except that no such instalment shall exceed ten per centum on the subscribed capital, and that ninety days' notice of the time fixed for the payment thereof shall be given in such manner as the Directors shall think fit. And such calls shall not be made more frequently than once in ninety days.

RAILWAY.

5. That the Company, may and shall lay out, construct, equip, maintain and work a continuous railway, of the width or gauge of four feet eight and one-half inches; which railway shall be made in conformity with the Act hereinbefore recited, and with this Our Royal Charter; and such railway shall extend from some point on or near Lake Nipissing, and on the south shore thereof, to some point on the shore of the Pacific Ocean, both the said points to be determined by the Government, and the course and line of the said railway between the said points to be subject to the approval of the Government.

6. That the Company may and shall lay out, construct, equip, maintain and work a branch line of railway from some point on the railway in the last preceding clause

mentioned, to some point on Lake Superior, in British Territory; and also, another branch line of railway from some point on the railway in the last preceding clause mentioned, in the Province of Manitoba, to some point on the line between that Province and the United States of America, the said points and the courses and lines of the said branches between the said points to be determined by the Government; the said branches to be of the gauge aforesaid ; and such branch lines of railway shall form part of the railway in the last preceding clause mentioned, and portions of THE CANADIAN PACIFIC RAILWAY.

7. The railway shall be divided into sections, as follows :—

(1.) THE EASTERN SECTION.—Extending from the Eastern Terminus to Red River.

(2.) THE LAKE SUPERIOR SECTION.—Extending from some point on the Eastern Section to Lake Superior.

(3.) THE CENTRAL SECTION.—Extending from Red River to a point in the longitude of Fort Edmonton.

(4.) THE MANITOBA SECTION.—Extending from the main line in the Province of Manitoba to the Boundary of the United States.

(5.) THE WESTERN SECTION.—Extending from a point in the longitude of Fort Edmonton to the Pacific coast.

8. That the Company shall, within two years from the twentieth day of July, in the year 1871, commence simultaneously the construction of the railway from the Pacific Ocean towards the Rocky Mountains, and from a point in the Province of Ontario hereafter to be determined by the Government, towards the Pacific Ocean, to connect the seaboard of British Columbia with the railway system of Canada ; and further shall construct the Manitoba Section by the thirty-first day of December, 1874; the Lake Superior Section and such portion of the Eastern Section as shall be required to complete communication between Lake Superior and Red River, by the thirty-first day of December, 1876 ; shall proceed with and construct the eastern and western sections simultaneously ; shall prosecute the work of constructing the railway with all due diligence, and shall complete the whole railway within ten years from the said twentieth day of July, 1871, unless the last mentioned period shall be enlarged by Act of Parliament, in which case the Company shall complete the whole Railway within such extended period.

9. That the railway shall be constructed and equipped according to specifications to be hereafter agreed upon between the Government and the Company, and the materials of, and manner in which the several works forming part thereof shall be constructed, and the mode of working the railway, or any part thereof, including the description and capacity of the locomotive engines and other rolling stock for working it, shall be such as may be hereafter agreed upon between the Government and the Company : Provided always, that if the Government and the Company should be unable to agree as to the details of any of the matters in this clause mentioned, the same shall be, from time to time, referred to the determination of three competent Engineers, one of whom shall be chosen by the Government, one by the Company, and a third by such two Engineers, and the expenses of said references shall be defrayed by the company. And in order to establish an approximate standard whereby such matters may be regulated, the Union Pacific Railroad of the United States is hereby selected and fixed as such standard, but in a general way only, and not with respect to any minor details in its construction or working which may be found to be objectionable, nor with respect to alignment and grades, which shall be as favorable as the nature of the country will admit of without undue expenditure.

10. That whenever any portion of the railway exceeding twenty miles is completed, the Company shall, upon being thereunto required by the Government, work the same for

the conveyance of passengers and goods, at such times and in such manner as shall be from time to time agreed upon between the Government and the Company, or in case of failure to agree, as shall be determined by three Engineers selected as hereinbefore provided.

11. That the Government may, from time to time, appoint such persons as it may think proper, to examine, inspect and report upon the construction and equipment of the railway, for the purpose of ensuring the faithful performance of the agreement between the Government and the Company, and the observance of all the provisions of this Charter.

12. That the Company may and shall construct, maintain and work a continuous telegraph line throughout and along the whole line of the railway, such telegraph line being required for the proper working of the railway, and forming a necessary appendage thereto.

13. That the Company shall, from time to time, furnish such reports of the progress of the work, with such details and plans of the work as the Government may require.

LAND GRANT.

14. That to secure the construction of the main line of railway, and in consideration thereof there is hereby appropriated a grant to the Company of fifty million acres of land; which land, with the exceptions hereinafter mentioned, the Company shall be entitled to demand and receive in the Provinces of Manitoba and British Columbia, and in the North-West Territories, in blocks not exceeding twenty miles in depth on each side of such main line, and not less than six nor more than twelve miles in width, alternating with blocks of like depth and width on each side thereof, reserved by the Government.

That to secure the construction of the branch lines, and in consideration thereof, the Company shall be entitled to demand and receive from the Government in the North-West Territories, a land grant in aid of the branch line to Lake Superior, of twenty-five thousand acres per mile; and a land grant in aid of the branch line in Manitoba, of twenty thousand acres per mile.

That the land to be granted in aid of the main line, which shall not be comprised within the alternate blocks hereinbefore mentioned, or be within the Province of Ontario, shall be allotted to the Company in alternate blocks on each side of a common front line or lines, in like manner as the blocks granted and reserved along the line of the railway. And the land grant which the Government may be enabled to make to the Company for the purposes aforesaid, under any arrangement with the Government of the Province of Ontario, shall be received by the Company as part of the said land grant in aid of the main line.

But no land grant shall include any land then before granted to any other party, or on which any other party has any lawful claim of pre-emption or otherwise, or any land reserved for school or other public purposes, or any land reserved or to be reserved under agreement with the Hudson Bay Company, and the deficiency arising from the exception of any such lands shall be made good to the Company by the grant of an equal extent from other wild and ungranted Dominion lands.

That if it shall be found that any of the alternate blocks laid out along the line of the railway are unfit for settlement, the Company shall not be bound to receive from the Government any greater depth of land in such blocks than one mile, computed from the railway.

That the lands to be granted in aid of the main line of railway from out of the lands of the Dominion, and the lands to be granted in aid of the said branches, shall consist of such land as shall be found east of the Rocky Mountains, between parallels forty-nine and fifty-seven of north latitude, and the Company shall not be bound to receive any lands which are not of the fair average quality of the land in the sections of the country

best adapted for settlement, lying within those limits ; and the same shall be laid out, as nearly as may be, contiguous to the lands granted along the main line of the railway, and to the Lake Superior branch.

The Company shall also have a right of way for the railway through the Dominion Lands.

The lands hereby appropriated to the Company shall be granted from time to time, at intervals of six months, as any portion of the railway is proceeded with, in quantities proportionate to the length, difficulty of construction and expenditure upon such portion, to be determined in such manner as hereafter is provided.

15. That the price at which the alternate blocks of land retained by the Government shall be sold by the Government, shall be from time to time adjusted by agreement between the Government and the Company, according to the price that is found to be obtainable for such lands without obstructing the settlement of the country. But unless the Company shall sell lands granted to them at a lower average price, or shall otherwise agree, the Government shall, for and during the term of twenty years from the date hereof, retain the upset price of such alternate blocks at an average price of not less than two dollars and fifty cents per acre. The provisions of this clause are, however, subject to the sanction of Parliament.

16. That the subdivision of blocks of land granted to the Company shall be made in conformity with the system of survey prescribed by the Dominion Lands Act and any amendment thereof; and shall be made by the Company, and be subject to the inspection and approval of the Surveyor General of Dominion lands.

17. That the Government shall extinguish the Indian title affecting the lands herein appropriated, and to be hereafter granted in aid of the railway.

SUBSIDY.

18. That a subsidy or aid in money, amounting to Thirty Million Dollars, is hereby granted to the Company, payable from time to time by instalments at intervals of one month as any portion of the railway is proceeded with, in proportion to the length, difficulty of construction and cost of such portion, such proportion to be ascertained and settled in the same manner as is herein provided with respect to the grants of land.

19. That the Company shall allow as part of the subsidy, the cost of the survey made in the years one thousand eight hundred and seventy-one and one thousand eight hundred and seventy-two, and to be made in the year one thousand eight hundred and seventy-three, by the Government of Canada, for the purpose of ascertaining the best line for the railway.

20. That it shall be lawful for the Company to accept and receive from the Government of any Province, or from any Municipality in Canada, or from any Corporation, a subsidy or aid in money, or bonds, or securities, payable in such manner, at such times, on such conditions, and at such places in Canada or elsewhere as may be agreed upon with the Company.

BOARD OF TRUSTEES.

21. That the Company may by By-Law create a Board of Trustees, to consist of three persons, to be chosen and to be removable at pleasure, as follows, that is to say : one member thereof by the Government, one other member thereof by the Board of Directors, and one other member thereof by or on behalf of the bondholders, in such manner as may be provided by such by-law ; and upon the completion of such Board by the choice of such members, the same shall be published by the Secretary of the Company in the *Canada Gazette*.

22. That the removal, resignation, mental incapacity, or insolvency of any Member of the Board shall vacate his appointment as such; and thereupon or upon the death of any member, the vacancy occasioned thereby shall be filled by the choice of a person to be a member of the said Board by the Government, the Board of Directors, or the bondholders, as the case may be, by whom the member whose vacant seat is to be filled was originally chosen. And such change shall be published in the manner aforesaid.

23. That the duties and powers of the Board of Trustees shall be as follows :—

I. To receive from time to time from the Government of Canada such portion or portions of the subsidy of Thirty Million Dollars as may be earned by, and payable to the Company as hereinbefore mentioned.

II. To receive from time to time the net proceeds of the sales or rents of such portions of the land hereby appropriated as may from time to time be sold or leased by the Company; and also all such subsidies and aids as may be granted to the Company by the Government of any Province, or by any Municipality or other Corporation.

III. To pay the Board of Trustees for their services, such sums of money as shall be from time to time fixed by by-law of the Company.

IV. After payment of the expenses of the trust, to invest all moneys received by them as Trustees in the securities of the Government of Canada, or of any of its Provinces, or of the United Kingdom of Great Britain and Ireland, or of any of the Colonies of the United Kingdom, or of the British Possessions in India, or of the United States of America; and the Board may from time to time sell any such securities, and shall in any such case forthwith reinvest the proceeds of any such sale in other securities of the nature and kind hereinbefore mentioned, or in lieu thereof, when so directed by resolution of the bondholders, passed in accordance with a by-law of the Company, purchase outstanding bonds of the Company.

V. The investments to be so made as hereinbefore directed, and the securities whereof the same shall from time to time consist, shall form a sinking fund, to be held by the Board of Trustees, upon the trusts following, that is to say: upon trust to pay all costs and charges, which may be incurred in respect of the execution of the trusts hereby created, and in the investment and re-investment as hereinbefore mentioned, and thereafter upon trust to pay the interest upon the bonds of the company, as the same shall, from time to time become due and payable, and thereafter upon trust to pay and discharge the bonds of the company as the same, and the principal money thereby secured, shall mature and become due and payable; and upon this further trust, after full payment and discharge of all sums of money of principal and interest upon the bonds of the company, and of all costs and charges incurred in respect of the execution of the trusts hereby created, to transfer the said sinking fund, and the securities thereof, to the Company, to and for the absolute use and behoof of the company; and the trusts hereby created shall, thereupon cease and absolutely determine.

VI. The Board of Trustees shall conform to any order or direction respecting the performance of its duties, which may be concurred in by the Company and by the Bondholders acting as provided by by-law.

24. That the Board shall have such further and other powers in the premises, as may be conferred upon them by any By-Law of the Company approved by the Government. But no such By-Law shall be contrary to, or inconsistent with, the provisions of this charter.

25. That a majority of the Board of Trustees may lawfully exercise the powers of the Board, and the action of such majority shall be held to be the action of the Board. But none of the powers hereby vested in the Company or in the Board of Trustees or the majority of them, shall be acted upon contrary to or inconsistent with the provisions of any agreement which shall be duly entered into by the Company, or the Board of Trustees, or by both, with any person or persons who may agree to become holders of the bonds of the

Company. And any agreement, resolution or proceeding made or taken contrary to, or inconsistent with such agreement, to the detriment of such bond-holders, shall be absolutely null and void in law, and shall have no force or effect whatever.

LAND MANAGEMENT.

26. That the Board of Directors may, from time to time, appoint Commissioners or Agents for the management and disposal of the lands of the Company, with such powers and duties as shall be provided by the by-laws of the Company.

27. That the Company shall render to the Board of Trustees, yearly accounts of all sales, leases or other disposition of lands ; and shall from time to time pay over to the Board of Trustees the net proceeds thereof, after deduction of the cost of management and sale, such cost not to exceed ten per centum of the gross proceeds.

POWERS OF COMPANY.

28. That the Company shall, from time to time, cause the names of the several parties interested in the stock of the Company, and the amount of interest therein of such parties respectively, to be entered in a book to be called "The Stock Register," and may in like manner cause the names and interest of the bondholders, to be recorded from time to time in a book to be called "The Bond Register" ; and duplicates of all registers of stock and bonds of the Company, and of the holders thereof, kept at the principal office of the Company in Canada, may be transmitted to and kept by the agent for the time being of the Company in London.

29. That the Company may pay to the shareholders, interest on the amount o their paid up capital at the rate of five per centum per annum, during the construction o the railway and works.

30. That the Company shall have power and authority to become parties to promissory notes and bills of exchange for sums not less than one hundred dollars ; and all such promissory notes made or endorsed, and such bills of exchange drawn, accepted or endorsed by the President or Vice-President of the Company, under the authority of the Board, shall be binding on the Company ; and may also issue scrip with the like signatures, redeemable in the stock of the Company, or in lands, or in both ; and in no case shall it be necessary to have the seal of the Company affixed to any promissory note, bill of exchange, or scrip : Provided, however, that nothing in this section shall be construed to authorize the Company to issue any notes or bills of exchange payable to bearer, or intended to be circulated as money, or as the notes or bills of a bank.

31. That the Company may, with the approval of the Government enter into and conclude any arrangements with any other incorporated railway company in Canada or the United States, for the purpose of making any branch or branches to facilitate a connection between the railways of the Company and of such other incorporated company, and they may, with like approval, enter into arrangements for the mutual interchange of traffic with all railway companies completing their lines to the lines of the Company ; and they may with like approval, lease or acquire such last mentioned railway or railways, or make running arrangements therewith, and generally may, with like approval, enter into such arrangements as will secure uniform and complete railway connection with the system of railways now or hereafter existing in Canada or the United States.

32. That the company, after the opening of the railway, or any part thereof, to the public, shall annually submit to the Parliament of Canada, within thirty days after the opening of each session thereof, a detailed and particular account, attested by the President and Secretary of the Company, of all moneys by them earned on the part so opened, together with the running expenses thereof, with a classified statement of the tonnage of

freight, and the number of passengers conveyed over the said road; and shall comply with any other provisions which Parliament may hereafter make with regard to the form or details of such account or the mode of attesting or rendering the same.

33. That the Company may, until such right is determined by Parliament, undertake the transmission of messages for the public by any line of telegraph they may construct on the line of their railway, and collect tolls for so doing; or may, with the approval of the Government lease such line of telegraph, or any portion thereof, subject to any provisions herein contained; and, if they think proper to undertake such transactions, they shall be subject to the provisions of the fourteenth and following clauses of chapter sixty-seven of the Consolidated Statutes of Canada.

DIRECTORS AND THEIR POWERS.

34. That the said Sir Hugh Allan, Adams George Archibald, Joseph Octave Beaubien, Jean Baptiste Beaudry, Egerton Ryerson Burpee, Frederic William Cumberland, Sandford Fleming, Robert Newton Hall, John Sebastian Helmcken, Andrew McDermot, Donald McInnes, Walter Shanly, and John Walker (a majority of whom shall constitute a quorum for the transaction of business), shall be Provisional Directors of the Company, and shall have power and authority to elect a President and Vice-President from among their number, to appoint a Secretary, Treasurer and other officers, to call a general meeting of shareholders for the election of Directors, as hereinafter provided, and generally to do such other acts as shall be necessary for the conduct and management of the said undertaking, and for finally procuring the election of a Board of Directors by the shareholders.

35. That the Provisional Directors shall hold office until the election of their successors; and shall call a meeting of the shareholders, to be held on such day, as hereinbefore provided for, and at such place in the City of Ottawa as they shall decide, giving due notice thereof to each shareholder; at which general meeting the shareholders present, either in person or by proxy, shall elect thirteen Directors, who shall constitute the Board, and shall hold office until others are elected in their stead; and if any vacancy shall occur by the death, resignation, mental incapacity insolvency or disqualification from want of Stock of any Director, the vacancy shall be filled for the residue of the current year of office by the Board of Directors.

36. That the Directors be thirteen in number, of whom seven shall be a quorum, and provided such quorum be present, any absent Director may be represented and vote by another Director as his proxy; but no Director shall hold more than one proxy. And the Directors shall retire in the following order, that is to say: four at the end of the first and second years respectively, and five at the end of the third year, and so on in similar proportions, during succeeding years. The Directors so to retire at the end of the first year shall be selected by ballot of the Board. Those to retire at the end of the second year shall be selected by ballot among the nine Directors remaining of the original Board. And at the third and succeeding elections they shall retire by seniority, but the retiring Directors shall be eligible for re-election; and any Director appointed by the Board to fill a vacancy, shall also retire at the end of the current year of office, and a Director shall then be elected by the shareholders in his stead—which Director shall occupy the same position with regard to retirement and seniority as the Director who first vacated the seat. And on the first Wednesday in February, in each year thereafter, or on such other day as may be appointed by a by-law of the Company, there shall be held at the principal office of the Company, a general meeting of the shareholders, at which meeting they shall elect such a number of Directors for the ensuing year as shall be required to supply the places of the Directors so retiring; and public notice of such annual meeting shall be given at least one month before the day of election. Each Director shall be a subject of Her Majesty, and a holder of at

least two hundred and fifty shares of the said stock. The election of Directors shall be by ballot, and the President of the Company, and a majority of the Directors shall reside in Canada.

37. That the chief place of business of the Company shall be at the City of Ottawa, but other places at which the Directors or Committees of the Directors may meet and transact business may be fixed by the by-laws of the Company.

38. That whenever it shall be deemed expedient by the Board of Directors that a special general meeting of the shareholders shall be convened for any purpose, the Directors shall convene such meeting at the City of Ottawa, by advertisement, in the manner hereinbefore mentioned, in which advertisement the business to be transacted at such meeting shall be expressly mentioned.

39. That any deed required and authorized to be executed on behalf of the Company, shall be held to be valid and binding on the Company, if it be signed by the President or Vice-President and by the Secretary, and the seal of the Company be affixed thereto; and no special authority shall be required for affixing the seal to any such deed.

40. That the Directors of the Company shall have power to administer, conduct and manage the affairs and business of the Company; and shall have and exercise all the powers requisite to enable them to do and perform, make and execute, all such acts, matters and things, deeds and instruments as shall be necessary to carry out the provisions of this charter, according to the true intent and meaning thereof, including the power of selling, leasing or otherwise disposing of the lands granted or to be granted in aid of the railway, and of any other lands of the Company not required for the purposes of the railway; except in so far as their powers are expressly limited by the provisions hereof. And they shall also have power, from time to time, to make by-laws for the conduct, management and administration of the affairs of the Company generally; and for the remuneration of the President and Directors of the Company, if such remuneration be deemed advisable; and also, such by-laws as are contemplated by the provisions of this charter for the regulation of divers matters herein required or authorized to be so regulated; and the same to amend or repeal: Provided always, however, that such by-laws shall have no force or effect, in any respect in which they, or any of them, shall be contrary to or inconsistent with this charter, nor in any respect in which they shall require the approval of the Government, until they have received such approval. And such by-laws shall in no case have any force or effect after the next general meeting of Shareholders, which shall be held after the passage of such by-laws by the Board of Directors, unless they are approved by such meeting; and any copy of the by-Laws of the Company, or any of them, purporting to be under the hand of the clerk, secretary or other officer of the said Company, and having the seal of the said corporation affixed to it, shall be received as *prima facie* evidence of such by-law in all courts of the Dominion of Canada.

41.—That the Directors of the Company are hereby authorized and empowered to issue bonds, which shall be a first charge on the railway and its appurtenances, and on the tolls and revenues thereof, and on all lands, whether the property of the Company at the time of the issue of such bonds, or thereafter acquired. And such bonds shall be in such form, and for such amount, and with such coupons attached, and they and the coupons attached thereto shall be payable at such times and places as the Directors from time to time shall provide. And the payment to the Treasurer of the Company, or to any other person appointed by by-law for the purpose, by any *bona fide* purchaser of any lands of the Company, of the purchase money thereof, and the acquittance by such Treasurer or other person so appointed, of such purchase money, shall operate as a release of the lands so paid for from the effect of such charge; and the

Company shall keep all moneys so received separate and apart from its ordinary funds, and shall pay over the net proceeds thereof to the Board of Trustees as hereinbefore provided. The bonds shall be signed by the President, or the Vice-President and the Secretary, but the signature of the President or Vice-President to the bonds, and the signature of the Secretary to the coupons, may be lithographed or engraved thereon; and such bonds shall be valid without having the seal of the Company affixed thereto.

Provided that the amount of such bonds shall not exceed forty thousand dollars per mile, to be issued in proportion to the length of railway to be constructed under and by virtue of this charter, unless the issue of bonds to a larger amount be authorized by the Government. And all bonds issued under this charter shall have the same and equal rank and priority, as a first charge on the assets of the Company hereinbefore described.

42. That if, at any time, any agreement be made by the Company with any persons intending to become bondholders of the Company, restricting the issue of bonds by the Company, under the powers conferred by the preceding section, or defining or limiting the mode of exercising such powers; the Company thereafter shall not act upon such powers otherwise than as defined, restricted and limited by such agreement. And no bond thereafter issued by the Company, and no order, resolution, or proceeding thereafter made, passed or had by the Company, or by the Board of Directors, contrary to the terms of such agreement, shall be valid or effectual.

43. That the Directors of the Company may, by by-law, appoint an agent or agents in the City of London, England, and may by such by-law make provision for the payment of dividends, and for the transfer of the stock and bonds of the Company at the said City of London, in such manner, and upon such terms and conditions as shall be provided by such by-law. Provided that all such by-laws for the transfer of stock passed within six years after the date of this Charter, shall be subject to the approval of the Government.

MISCELLANEOUS PROVISIONS.

44. That for the purpose of making an allotment of the land and money subsidies, the railway shall be divided into convenient sections; and so soon as sufficient information has been obtained respecting the difficulty and cost of construction of such sections, the proportion of land and money subsidies applicable to each of them shall be determined by agreement between the Government and the Company; and if the Government and the Company are unable to agree upon such proportion, the same shall be decided upon by three Engineers selected as hereinbefore provided.

45. That "The Railway Act of 1868," as modified by any Act of the Parliament of Canada, of the Session held in the year 1872, with reference to any railway to be constructed under any such Act on any of the lines, or between any of the points mentioned in the Act in this charter first recited, in so far as the provisions of the same are applicable to the undertaking authorized by this charter, and in so far as they are not inconsistent with or contrary to the provisions thereof, are hereby incorporated therewith.

46. And as respects the said railway, that the eighth section of "*The Railway Act, 1868,*" relating to *Plans and Surveys*, shall be subject to the following provisions:—

It shall be sufficient that the map or plan and book of reference for any portion of the line of the railway, not being within any district or county for which there is a Clerk of the Peace, be deposited in the office of the Minister of Public Works of Canada, and any omission, mis-statement or erroneous description of any lands therein may be corrected by the Company, with the consent of the Minister, and certified by him; and the Company may then make the railway in accordance with such certified correction.

The eleventh sub-section of the said eighth section of the Railway Act shall not apply

to any portion of the railway passing over ungranted lands of the Crown, or lands not within any surveyed township in any Province; and in such places, deviations not exceeding five miles from the line shown on the map or plan, approved by the Government and deposited by the Company, shall be allowed, on the approval of the Government Inspector, without any formal correction or certificate; and any further deviation that may be found expedient may be authorized by order of the Government, and the Company may then make their railway in accordance with such authorized deviation.

The map or plan and book of reference made and deposited in accordance with this section, after approval by the Government, shall avail as if made and deposited as required by the said "*Railway Act, 1868,*" for all the purposes of the said Act, and of this charter; and any copy of, or extract therefrom, certified by the said Minister or his deputy, shall be received as evidence in any court of law in Canada.

It shall be sufficient that a map or profile of any part of the completed railway, which shall not lie within any county or district having a registry office, be filed in the office of the Minister of Public Works.

The Company shall not commence the construction of any bridge over any navigable water, until they shall have submitted to the Government plans of such bridge, and of all the intended works thereto appertaining, nor until such plans, and the site of such bridge shall have been approved by the Government; and such conditions as it shall think fit to impose touching such bridge shall be complied with; nor shall any plan of any such bridge be altered, or deviation therefrom allowed, except by permission of the Government.

47. That the provision made in sub-sections thirty, thirty-one and thirty-two of section nine of "*The Railway Act, 1868,*" as to incumbrances on lands acquired by the Company, shall apply to lands acquired by the Company in the Provinces of Manitoba and British Columbia, and in the North-West Territories; and as respects lands in the North-West Territories, the Court of Queen's Bench for the Province of Manitoba shall be held to be the Court intended by the said sub-sections.

48. That in the Provinces of British Columbia and Manitoba, any Judge of a Superior or County Court shall have all the powers given by the said Act to a County Judge, and in the North-West Territories such powers shall be exercised by a Judge of the Queen's Bench of the Province of Manitoba.

49. That it shall be lawful for the Company to take from any public lands adjacent to or near the line of the said railway, all stone, timber, gravel and other materials which may be necessary or useful for the construction of the railway; and also to lay out, and appropriate to the use of the Company, a greater extent of lands, whether public or private, for stations, depots, workshops, buildings, side-tracks, wharves, harbors and roadway, and for establishing screens against snow, than the breadth and quantity mentioned in "The Railway Act, 1868," such greater extent taken, in any case, being allowed by the Government, and shown on the maps or plans deposited with the Minister of Public Works.

50. And whereas, it may be necessary for the Company to possess gravel pits and quarries, and lands containing deposits of gravel, stone, brick clay, iron or coal, as well as lands for stations and other purposes, at convenient places along the line of railway, for constructing and keeping in repair, and for carrying on the business of the railway, and as such gravel pits, quarries or deposits cannot at all times be procured without buying the whole lot of land whereon such deposits may be found; therefore, that the said Company may purchase, have, hold, take, receive, use and enjoy, along the line of the said railway, or separated therefrom, and if separated therefrom, then, with the necessary right of way thereto, any lands, tenements and hereditaments which it shall please Her Majesty, or any person or persons, or bodies politic, to give, grant, sell or convey unto and to the use of, or in trust for the said Company, their successors and assigns; and it shall and may be lawful for the said Company to establish stations or workshops on any of such lots or

blocks of land, and from time to time, by deed of bargain and sale or otherwise, to grant, bargain, sell or convey any portions of such lands, not necessary to be retained for gravel pits, quarries, sidings, branches, fuel-yards, station grounds or workshops, or for effectually repairing, maintaining and using, to the greatest advantage, the said railway and other works connected therewith.

51. That as respects places not within any Province, any notice required by the Railway Act, 1868, to be given in the "Official Gazette" of a Province, may be given in the *Canada Gazette*.

52. That deeds and conveyances of lands to the Company for the purposes of this Charter (not being letters patent from the Crown) may, in so far as circumstances will admit, be in the form following, that is to say :—

"Know all men by these presents, that I, A.B., in consideration of paid to me by the Canadian Pacific Railway Company, the receipt whereof is hereby acknowledged, grant, bargain, sell and convey unto the said The Canadian Pacific Railway Company, their successors and assigns, all that tract or parcel of land (*describe the land*) to have and to hold the said land and premises unto the said Company, their successors and assigns for ever.

"Witness my hand and seal, this day of one thousand eight hundred and

"Signed, Sealed and Delivered in presence of } A.B. [L.S.]

"C. D.
"E. F."

or in any other form to the like effect.

53. That Her Majesty's naval and military forces, whether Imperial or Canadian Regular or Militia, and all artillery, ammunition, baggage, provisions, or other stores for their use, and all officers and others travelling on Her Majesty's naval or military or other service, and their baggage and stores, shall at all times, when the Company shall be thereunto required by one of Her Majesty's Principal Secretaries of State, or by the Commander of Her Majesty's Forces in Canada, or by the Minister of Militia and Defence of Canada, or by the Chief Naval Officer on the North American Station on the Atlantic, or on the Pacific Ocean, be carried on the said railway on such terms and conditions, and under such regulations as the Government shall from time to time make.

54. That the Justices of the Peace for any county or district in British Columbia and Manitoba, assembled in general or quarter sessions, shall have the power vested by section forty-nine of "The Railway Act, 1868," in the Justices so assembled in the Province of Ontario as to the appointment of Railway Constables, and in places where there are no such Sessions, any two Justices of the Peace in any Province, or in any place not within a Province, shall have the powers given by the said section to any two Justices of the Peace in Ontario for the appointment and dismissal of any such constables; and where there is no Clerk of the Peace the record of the appointment of a constable shall be dispensed with.

55. That it shall be lawful for the Government, by order to be published in the *Canada Gazette*, on or before the first day of May, 1874, to declare this charter, and the several provisions thereof, and all contracts and agreements made thereunder between the Government and the Company to be null and void, if the Company have not by the first day of January last preceding that date, made arrangements to the satisfaction of the Government for raising the money required for the construction and working of the said railway.

56. That the expression "the Government" and "the Governor in Council" in this charter, mean the Governor General in Council; and the expression "railway" includes as well the branches as the main line of the Pacific Railway, except when the contrary appears from the context.

And WE do, for ourselves, our heirs and successors, grant and declare, that these Our Letters Patent, or the enrolment thereof, shall be in and by all things valid and effectual in the law, according to the true intent and meaning of the same, and shall be recognized as valid and effectual by all Our Courts and Judges, and all officers, persons, and bodies politic or corporate, whom it doth or shall or may concern.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent, and the Great Seal of Canada to be hereunto affixed. WITNESS, Our Right Trusty and Well Beloved Cousin and Councillor the Right Honorable Sir FREDERIC TEMPLE, Earl of DUFFERIN, Viscount and Baron Clandeboye of Clandeboye, in the County Down, in the Peerage of the United Kingdom, Baron Dufferin and Clandeboye of Ballyleidy and Killeleagh in the County Down, in the Peerage of Ireland and a Baronet, Knight of Our Most Illustrious Order of Saint Patrick, and Knight Commander of Our Most Honorable Order of the Bath, Governor General of Canada, and Governor and Commander in Chief in and over the Island, of Prince Edward, and Vice-Admiral of Canada and Prince Edward. At Our GOVERNMENT HOUSE, in Our CITY of OTTAWA, in Our Dominion, this Fifth day of February, in the year of Our Lord, One thousand eight hundred and seventy-three, and in the Thirty-sixth year of Our Reign.

By Command.
J. C. AIKINS,
Secretary of State.

DEPARTMENT OF SECRETARY OF STATE,
Ottawa, 14th February, 1873.

SIR,—I am directed to transmit to you, the enclosed Charter of "The Canadian and Pacific Railway Company," the receipt of which you will be good enough to cause to be acknowledged.

I have, &c.,

E. PARENT,
U. S. S.

Sir HUGH ALLAN,
&c., &c., &c.
Montreal.

MONTREAL, 17th February, 1872.

SIR,—I have the honor to acknowledge receipt of your letter, dated 14th instant, accompanied with the Charter of the Canadian Pacific Railroad.

I have, &c.,

HUGH ALLAN.

E. PARENT, Esq.,
Under Secretary of State,
Ottawa.

OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
TORONTO, 20th June, 1872.

SIR,—I have the honor to inform you, that the Interoceanic Railway Company of Canada, was this day organized provisionally by election of myself as President; Mr. Charles H. Fairweather as Vice-President, and Mr. John Hague as Secretary.

I shall feel obliged by your informing me, when the Government will be prepared to negotiate with this Company, in respect to the construction of the Canadian Pacific Railway, authorized by Parliament last Session.

I have, &c.,

D. L. MACPHERSON,
President of Board of Provisional Directors.

To the Honorable,
The Secretary of State for Canada,
Ottawa.

DEPARTMENT OF SECRETARY OF STATE,
OTTAWA, 4th July, 1872.

SIR,—His Excellency the Governor General in Council has had under consideration your letter of the 20th ultimo, reporting the Provisional organization of "The Interoceanic Railway Company of Canada," and expressing the desire to be informed when the Government will be prepared to negotiate with the Company in respect to the construction of the Canadian Pacific Railway, and I am directed to inform you that it is the wish of the Government of Canada, that your Company and "The Canada Pacific Railway Company," should unite and form one Company, in accordance with the tenth section of the Act respecting the Canadian Pacific Railway.

A similar communication has been made to the Secretary of the latter Company, E. Lef. de Bellefeuille, Montreal.

I have, &c.,

E. PARENT,
Under Secretary of State.

Hon. D. L. MACPHERSON,
President, Interoceanic Railway Company,
Toronto.

OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
TORONTO, 28th September, 1872.

SIR,—I have the honor to state for the information of the Government, that I convened a meeting of the Provisional Directors of the Interoceanic Railway Company of Canada, for the purpose of considering the suggestion of the Government, that this Company should amalgamate with the Canada Pacific Railway Company.

At the request of the Board, I send herewith a Copy of a Report from the Executive Committee upon the subject, adopted unanimously by the Board, declining amalgamation for the reasons set forth.

I am also requested by the Board to intimate to the Government that this Company is prepared to enter into arrangments for building and working the Canadian Pacific Railway.

I have, &c.,

D. L. MACPHERSON,
Provisional President.

To the Honorable,
The Secretary of State,
Ottawa.

INTEROCEANIC RAILWAY COMPANY OF CANADA.

TORONTO, 26th Sept., 1872.

At a meeting of the Provisional Directors of the Interoceanic Railway Company of Canada, held this day, present in person or by proxy :—

The Hon. D. L. Macpherson, President ;

Chas. H. Fairweather, Esq., Vice-President ;

The Hon. Messrs. Wm. McMaster, Frank Smith, John Simpson, G. W. Allan, Is. Thibaudeau, John Carling ; J. W. Cumberland, Esq., C. S. Gzowski, Esq., J. G. Warts, Esq., John Walker, Esq., W. H. Howland, Esq., David Torrance, Esq., John Boyd, Esq., T. Kenny, Esq., Edwin Russell, Esq., J. F. Randolph, Esq., John Starr, Esq., the Hon. D. E. Price.

A communication was read from the Government, suggesting that the Interoceanic Railway Company should amalgamate with the Canada Pacific Railway Company. The following report thereon from the Executive Committee was also read :—

To the Provisional President, Vice-President and Directors of the Interoceanic Railway Company :

Your Executive Committee have had under consideration a communication from the Government, expressing a wish that the Interoceanic Railway Company should amalgamate with the Canada Pacific Railway Company, and they now beg leave to report :—

That they have given their best attention to the proposal, solely with reference to the successful and early completion of the Canadian Pacific Railway.

The construction and management of an undertaking involving such vast and varied interests must, in their opinion, mainly depend for success upon its complete identification with the public sentiment of the country.

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 two fold :

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 mean time 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 shew 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

a reputation which will destroy public confidence in the enterprise, and occasion either its abandonment or completion at sacrifices far beyond any that the country now contemplates.

Your Committee readily admit that it would be desirable to secure the united strength of the Dominion in support of this work, and if the company organized by Sir Hugh Allan really represented Canadian interests, though local, it would be well to have their co-operation.

But, unfortunately, the impression still exists everywhere, that Sir Hugh Allan's original scheme is unchanged, and that his company is intended to co-operate with the parties in the United States interested in the Northern Pacific Railway, and your Committee sharing this belief, cannot regard the proposal of amalgamation as otherwise than ill-advised and dangerous to the public interests.

Your Committee are convinced that such an amalgamation would at once destroy public faith in the company as a Canadian undertaking.

They believe that if amalgamation were accomplished, the best friends of the enterprise in Canada would refuse their aid, and that in consequence an excuse would be found for placing it under the control of the rival American Company, or of its chief promoters, in the illusory hope that they would carry it through to completion.

Your Committee fail to find an adequate reason for asking the Interoceanic Company to part with its individuality,

The public everywhere evince confidence in it as it is.

Assurances have been received from every Province in the Dominion (except Manitoba), that the quota of stock allotted to each by the Act of Incorporation would be subscribed, and in some of the Provinces much more than such allotted quota would be taken.

In this way all classes of the community would be closely indentified with the great national work, and the fulfilment of such assurances would vastly strengthen the Company in its negotiations in England and on the continent of Europe.

By entrusting the execution of the Pacific Railway to the Interoceanic Company, the government will, in effect be dealing with the representatives of their own people.

They will be assured of the application of every dollar and every acre to the sole object which Parliament contemplated in granting the subsidies, and that the lands will not be permitted to pass under foreign control, or be held back from settlement for years, or until those of the Northern Pacific Railway Company are occupied. Your Committee cannot avoid drawing attention to the fact, that the promoters of the line—which is our nearest rival route—the gentlemen with whom Sir Hugh Allan has been acting, depend wholly upon the sale of their lands for means to construct that railway. It is, therefore, of extreme importance to the promoters of that line, the Northern Pacific, to get control of the Canadian lands (which almost equal in area England and Scotland), and to retard their settlement until their own are disposed of.

No more suicidal policy could be pursued by the people of Canada than to allow their rivals to have such an interest in this national undertaking, as would virtually transfer to them the ownership and control of 50,000,000 acres of Canadian Territory; would invest them with the direction of the immigration policy, which must be inaugurated for the settlement of those lands; confer upon them the power to influence the construction and progress of the railway; and grant to them, in perpetuity, a monoply of the traffic over the Canadian, which is the shortest and best Trans-continental route.

Your Committee firmly believe that amalgamation means the admission of this rival United States interest into the organization of the Canadian enterprise, and that once admitted and wielded for one object, it would speedily master the divided and weakened Canadian representation. They consider that this danger far outweighs any possible advantage that could result from union with Sir Hugh Allan and his associates. They are convinced that the public would shrink from committing themselves and their means to the undertaking, and they therefore respectfully recommend that the Board of Directors of this Company inform the government that they cannot be parties to any

amalgamation with the Canada Pacific Company, but are prepared forthwith to enter into arrangements on behalf of the Interoceanic Company for the construction and working of the Canadian Pacific Railway.

All of which is submitted.

(Signed,)	D. L. MACPHERSON.	(Signed,)	C. H. FAIRWEATHER.
"	W. SHANLY.	"	FRED. CUMBERLAND.
"	W. H. HOWLAND.		

After discussion of the foregoing report, the following resolution was carried unanimously :—

"That the report of the Executive Committee, just read, be approved and adopted, " and that the President be requested to transmit a copy of the same to the government, " as setting forth the reasons of this Board for declining amalgamation with the Canada " Pacific Railway Company."

A true extract from the Minutes of the Provisional Board of the Interoceanic Railway Company of Canada.

(Signed,) JOHN HAGUE,
Provisional Secretary.

Toronto, Sept. 28th, 1872.

OTTAWA, 7th October, 1872.

SIR,—I am directed to acknowledge the receipt of your letter of the 28th ultimo, and inclosures, informing this department that the Interoceanic Railway Company of Canada declines its amalgamation with the Canada Pacific Railway Company, as proposed by the Government, and intimating that the company is prepared to enter into arrangement for the building and working of the Canadian Pacific Railway.

I have, &c.,
E. PARENT,
Under Secretary of State.

Hon. D. L. MACPHERSON,
President, Interoceanic Railway Company,
Toronto.

DEPARTMENT OF SECRETARY OF STATE,
OTTAWA, 16th October, 1872,

SIR,—I am directed to transmit to you the enclosed copy of a " memorandum of the Canada Pacific Railway Company," upon the statement submitted by the Interoceanic Railway Company to the Government of Canada.

I have, &c.,
E. PARENT,
Under Secretary of State.

Hon. D. L. MACPHERSON,
President, Interoceanic Railway Company,
Toronto.

Memorandum of the Executive Committee of the Interoceanic Railway Company of Canada, upon the Memorandum submitted to the Government by the Executive Committee of the Canada Pacific Railway Company, dated 12th October, 1872.

The undersigned, the Executive Committee of the Interoceanic Railway Company, offer their acknowledgments to the Honorable the Privy Council, for communicating to them the memorandum of the Canada Pacific Company upon the communication addressed to the government by the Interoceanic Company, on the 30th September last; setting forth their reasons for declining amalgamation with the Canada Pacific Company.

The undersigned beg to say that when transmitting that statement to the Government, the Interoceanic Company had no intention of entering upon a controversy with the Canada Pacific Company through the medium of the Government. But they do not regret that the Government saw fit to communicate it to the Canada Pacific Company. The object of the Interoceanic Company was merely to communicate, frankly, to the Government the reasons which prevented their complying with the request of the Government to amalgamate with that company.

The Interoceanic Company decided against amalgamation after mature deliberation, and under the firm persuasion that they were acting in the true interests of the country. The undersigned will now proceed to comment briefly upon the memorandum of the Executive Committee of the Canada Pacific Company.

The undersigned observe that the Committee of the Canada Pacific Company profess to concur fully in the opinion which the Interoceanic Company holds, namely that the importance to Canada of the Canadian Pacific Railway being owned and worked pre-eminently as a Canadian enterprise cannot be exaggerated. It is matter for regret that the Canada Pacific Company, or its chief promoter, did not always entertain this opinion ; had they or he done so, it is probable the Interoceanic Company would never have sought incorporation.

The Committee of the Canada Pacific Company seem anxious to establish that the promoters of that company are more Canadian than the promoters of the Interoceanic Company, because the draft Charter, as originally submitted to Parliament by the former company, provided that all the Directors should be British subjects, while that of the Interoceanic Company only required that a majority should be so. The undersigned must express surprise that any importance should seem to be attached to what is manifestly unimportant, if not, positively trivial. To make the company really Canadian it is necessary that the greater part of the stock should be *bona fide* held by Canadians and British subjects.

It was the purpose of the Interoceanic Company to secure that object, and it once secured they saw no reason for excluding any class of their fellow-citizens, whether native born or alien, from participating in the management of the company.

Shareholders have the power to control the policy of companies; Directors are merely their agents or deputies to carry it out. If Canadians hold *bona fide* a controlling amount of the stock of the Canadian Pacific Railway, they will see that the Directors, whatever their nationality, manage the undertaking for the advantage of the Shareholders and of Canada; but if a controlling portion of the Stock is held by citizens and residents of the United States interested in a rival railway, they will see that their Directors carry out their policy regardless of Canadian interests, even if the law required every member of the Board to be a British subject and a resident of Canada, under such circumstances if any of the Directors prove too patriotic to give effect to the designs of the foreign shareholders, they will be removed and more subservient men elected in their stead.

The Committee of the Canada Pacific Company argue, at great length, that under their proposal for amalgamation it would be impossible to alienate any portion of the public subsidies from the purposes for which they were intended, and that an attempt to alienate them, if made, would result in a forfeiture of the agreement.

The undersigned see no force or weight in this argument. But even if it has some force, as far as it applies, it would be of little moment ; for desirable though it be that the advantages resulting from the construction of the railway should insure to Canadians, yet these advantages are insignificant when compared with those that would follow the ownership of the road after completion, viz: the possession of a vast territory in the heart of the Dominion, and the control of a large trans-continental traffic.

The undersigned regret that the Committee of the Canada Pacific Company, while admitting the respectability of the Directors of the Interoceanic Company from the Province of Quebec, should have made three of those gentlemen the subject of invidious attack. The gentlemen referred to are too well known, at home and abroad, as successful merchants of high character and wide influence, to require any vindication from this covert

and unwarranted attack. They compare favorably with any gentlemen upon the Provisional Board of the Canada Pacific Company, or any other Board of Directors in the Dominion.

The undersigned do not know what is referred to in the following extract from the memorandum of the Committee of the Canada Pacific Company :—"And as to the other gentlemen whose names appear in the Bill of the Interoceanic Company, but who did not take part in that meeting, the well-known circumstances of their reception into that company prevent the expectation that they will exercise any influence in its favor."

If the insinuation is intended to charge that the names of any gentlemen were introduced into the Charter of the Interoceanic Company, either as Provisional Directors or Corporators, without their knowledge and consent, the undersigned meet that charge by the most unqualified denial. Of the one hundred and seven names which appear in the Charter of this Company, no name was placed there except at the solicitation or with the permission of the gentleman named ; but the undersigned have been given to understand that of the eighteen names which appear in the Charter of the Canada Pacific Company, more than one, and that too of the more influential among them, were used without permission.

The Committee of the Canada Pacific Company deny, in most distinct terms, that that Company have in any way interfered in politics.

The undersigned can only assume that the Committee desire to state that no interference in politics took place under authority of a formal resolution of the Provisional Directors of that Company.

The public press has made the whole country aware of pressure having been brought to bear upon the Government by Sir Hugh Allan during the Montreal election.

On the eighth day of August last, Sir Hugh Allan delivered a public speech, of which a report appeared in the newspapers published on the following morning. Sir Hugh then, as now, President of the Canada Pacific Company, in that speech, referring to the contract for that enterprise, declared that he had received pledges from Sir George Cartier which were entirely satisfactory to him. His own words were : "I have every reason to be satisfied with what Sir George has done." Unless it can be shown that the Provisional Directors of the Canada Pacific Company disapproved of and annulled the agreement or arrangement which Sir Hugh Allan, their President, declared he had concluded to his own entire satisfaction, the undersigned submit that the Canada Pacific Company must be held to be parties to that agreement.

The undersigned consider that it would have been proper in the Canada Pacific Company, to have communicated that agreement to the Interoceanic Company when proposing amalgamation.

The Interoceanic Company have at all times studiously avoided everything calculated to arouse sectional feeling, and have always held that all traffic intended for the Maritime Provinces and for shipment to Europe, *via* the St. Lawrence, should go by Montreal; but they have likewise held that the interests of the Railway Company and of the Dominion require that the location of the Pacific Railway shall be as near the settled and tax-paying Districts of Ontario as the reasonable directness of the line to tide-water may permit. While the Interoceanic Company have avoided all sectionalism, it will be noticed by those who may read Sir Hugh Allan's speech already referred to, that he unfortunately excites it, and to justify his doing so, advances the extraordinary doctrine, that those, for the transport of whose products and merchandise railways are constructed "have a less direct interest" in their location and economical construction and running them those who have merely the handling of the property at a port of transhipment.

The Committee of the Canada Pacific Company admit that negotiations were carried on between Sir Hugh Allan and certain American Capitalists for the formation of a Company to construct and run the Canadian Pacific Railway, but they say " that this nego-
" tiation was not initiated by Sir Hugh, but was commenced and supported by influential
" persons in Canada, as being the only combination that offered itself at the time for the
" construction and running of the road, and they are satisfied that that negotiation never

"possessed the character attributed to it by the Interoceanic Company, and that they "know Sir Hugh Allan would never have consented to embark with foreign capitalists "in a Canadian enterprise, in which he takes so great an interest, without the most per-"fect securities and guarantees for its control and conduct in the interest of Canada."

If, as may be implied from the above, Sir Hugh Allan provided "securities and guarantees" for the control of the Railway by Canadians, the undersigned submit that the production of the agreement would be the satisfactory mode of enabling the Government and country to judge of their sufficiency.

They must add, however, that in the opinion of the Interoceanic Company, nothing short of the ownership of the undertaking by Canadians would afford real security or guarantee for its control and conduct in the interests of Canada.

The undersigned are not aware who the influential gentlemen are to whom the Committee refer. They never heard any influential gentleman named as having negotiated with American capitalists except Sir Hugh Allan himself. The Committee of the Canada Pacific Company declare that their company "never participated in the negotiations "referred to, and never considered or entertained any proposition, suggestion or intention "of asking aid from American capitalists, or of combining with them for the prosecution "of the Railway or for any other purpose. The only negotiations they have carried on "are those already alluded to with British capitalists, and they have never even commu-"nicated on the subject of the Railway with any outside Canada or Great Britain."

The undersigned confess that this statement surprises them, and they have reason to believe the American capitalists with whom Sir Hugh Allan has been negotiating would be equally surprised if they had communication of it, but the undersigned assume that the Executive Committee only mean it to be understood that the Canadian Pacific Company did not authorize, by formal resolution of the Directors, any negotiations with capitalists in the United States. While accepting the denial made on behalf of the Canada Pacific Company, the undersigned assume as they have already stated, that it is not intended to apply to the acts of their President, for the undersigned learn from one of the promoters of the Interoceanic Company, who has had the opportunity of communicating with gentlemen in the United States who were parties to and interested in the arrangement made with Sir Hugh Allan, that they consider the same to be still in force, but that owing to the feeling existing in Canada against the Canadian Pacific Railway being owned by Americans, they, the Americans, would not in future be known in the project.

The American capitalists had been led to expect that the amalgamation of the two Canadian Companies would have been effected in September last.

The undersigned are given to understand, through the same source, that the scheme of the "American" or "Allan" combination for constructing and running the Railway, is to connect at Sault St. Marie, and at Pembina with the Northern Pacific Railway, and use that line when built between the two points named; that it is intended to send all the traffic between the West, including British Columbia and the Atlantic cities, by the American Lines of Railway, *via* St. Paul, and sending through Canada only the traffic destined for Europe and the Maritime Provinces.

This information was obtained by the undersigned about the time the memorandum of the Committee of the Canada Pacific Company, under consideration, was written. The undersigned feel bound to communicate it to the Government. It confirms in a remarkable manner the opinion expressed to the Government by the Interoceanic Company, and justifies the decision of that Company against amalgamation.

The correspondent, to whom the undersigned are indebted for this information, uses the following language in commenting upon it, in which the undersigned fully concur: "If "this (scheme) is carried out, our great national enterprise, instead of being the successful "rival of the American Company, competing for the Asiatic trade, which is now in its "infancy, and building up the Dominion as no other undertaking can do, will simply be "the Canadian Branch of the Northern Pacific Railroad, entirely under its control and "dictated to by it relentlessly."

The undersigned beg to say that they do not yield to any company or individual in

the earnest desire to promote the earliest possible construction of the Canadian Pacific Railway compatible with its being a strictly Canadian and British enterprise, and the Canadian Pacific Company cannot more sincerely than the undersigned, desire to aid the Government in carrying out this great national undertaking. It would however be doing the Government poor service to agree to amalgamation unless the Interoceanic Company believe that the Amalgamated Company would constitute a distinctively Canadian Company of sufficient strength to carry the undertaking to a successful issue. The undersigned are of opinion that amalgamation with the Canada Pacific Company would not lead to this result. They deem it their duty to state to the Government that in their opinion the admitted negotiations of Sir Hugh Allan with gentlemen in the United States, resulting in an arrangement or understanding which is considered opposed to Canadian interests, and which the undersigned, from information in their possession and referred to above, have reason to believe is still substantially existing, will continue to cause the Canadian people to view with suspicion, and prevent their subscribing stock in any company in which Sir Hugh Allan and his associates appear controlling parties. The undersigned are of opinion that this feeling instead of being confined to a limited circle, as the Committee of the Canada Pacific Company allege, will be found to influence the people of the whole Dominion.

The undersigned venture to remind the Government that Books for applications for Stock in the Canada Pacific Company have been open for months at the Capitals of, and large Towns in, all the Provinces of the Dominion.

The Pacific Company have thus had the best means of ascertaining the favour with which they are regarded by the capitalists and people of Canada.

It is somewhat surprising that their Committee do not, in their memorandum, inform the Government what amount of Stock has been applied for and subscribed up to a given day, say to the first day of October last. Instead of doing so the Committee's Memorandum is conspicuously silent in respect to the countenance and aid their Company expect from Canadian sources.

From this silence, were it not for their repeated protestations that their Company would be pre-eminently Canadian and British, it might fairly be assumed that the Directors had little or no expectation of making it so. For the reasons given above, and those stated in their communication of the 30th September last, the undersigned on behalf of the Interoceanic Company feel themselves under the necessity of again declining amalgamation with the Canada Pacific Company; but they beg to reiterate, that from the assurances they have received from capitalists in this and the other Provinces and in England, the Interoceanic Company, as an independent organisation, can undertake to construct and run the Pacific Railway in the full confidence of carrying the work successfully to completion, through the instrumentality of a Canadian and British Proprietary.

All of which is respectfully submitted.

(Signed,) D. L. MACPHERSON, (Signed,) C. H. FAIRWEATHER,
" W. SHANLY, " W. H. HOWLAND.

Office of the Interoceanic Railway Company of Canada,
Toronto, 25th Nov. 1872.

I certify that the foregoing is correctly copied from the minute book of the Interoceanic Railway Company.

(Signed,) JOHN HAGUE,
Provisional Secretary.

Toronto, 25th November, 1872.

DEPARTMENT OF THE SECRETARY OF STATE,
OTTAWA, 22nd October, 1872.

SIR,—I am directed to forward you the enclosed Copy of an Order in Council on the subject of the correspondence between the Government of Canada and the Executive

Committee of the Provisional Directors of the contemplated Interoceanic Railway Company, relative to the Canadian Pacific Railroad.

I have the honor to be, Sir,
Your obedient servant,
E. PARENT,
Under Secretary.

Hon. D. L. MACPHERSON,
President, Interoceanic Railway Co.,
Toronto.

OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
TORONTO, 25th October, 1872.

SIR,—I have the honor to acknowledge receipt of a Copy of an Order in Council on the subject of the correspondence between the Government of Canada and the Executive Committee of this Company, relative to the Canadian Pacific Railroad.

I shall take the earliest opportunity of laying it before the Directors of this Company.

I have the honor to be, Sir,
Your obedient servant,
D. L. MACPHERSON,
Provisional President, Interoceanic R. Co.

To the Hon. the Secretary of State,
Ottawa.

OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
TORONTO, 25th October, 1872.

SIR,—I have the honor to acknowledge receipt of a copy of a "Memorandum of the "Canada Pacific Railway Company," upon the statement submitted by the Company to the Government.

I shall lay it before the Directors of this Company with as little delay as possible.

I have the honor to be, Sir,
Your obedient servant,
D. L. MACPHERSON,
Provisional President, Interoceanic R. Co.

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

OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA.
TORONTO, 26th November, 1872.

SIR,—I have the honor to enclose a "Memorandum of the Executive Committee of the Interoceanic Railway Company of Canada upon the memorandum submitted to the Government by the Executive Committee of the Canada Pacific Railway Company, dated 12th October, 1872.

I regret the delay that has taken place in transmitting to the Government the reply of this Company to the memorandum of the Canada Pacific Railway Company. It has been caused by the absence from Toronto of members of the Executive Committee of this Company, one of whom is still absent in England.

I have the honor to be, Sir,
Your very obedient servant,
D. L. MACPHERSON,
Provisional President, Interoceanic R. Co. of Canada.

To the Hon. the Secretary of State,
Ottawa.

OFFICE OF THE INTEROCEANIC RAILWAY COMPANY OF CANADA,
TORONTO, 28th Nov., 1872.

SIR,—I have the honor to enclose a memorandum from the Executive Committee of the Interoceanic Railway Company, referring to a report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General on the 16th day of October last, a copy of which you transmitted to me for the information of the Interoceanic Railway Company of Canada.

I regret the delay that has taken place in transmitting to the Government the accompanying memorandum; it has been caused by the absence from Toronto of members of the Executive Committee of this Company, one of whom is still absent in England.

I have the honor to be, Sir,
Your most obedient servant,
D. L. MACPHERSON,
Provisional Secretary of the Interoceanic Railway Co. of Canada.

To the Honorable the Secretary of State,
Ottawa.

MEMORANDUM.

The undersigned Executive Committee of the Interoceanic Railway Company of Canada have the honor to state, that they have had under consideration the report of the Committee of the Honorable the Privy Council upon the subject of amalgamation of the Interoceanic Company and the Canada Pacific Railway Company, approved by His Excellency the Governor General in Council on the 16th day of October last, and transmitted to the Provisional President of this Company. In reply, the undersigned beg respectfully to state for the information of His Excellency the Governor General, that the communications addressed to the Government by this Company, on the 30th day of September last and on the 25th day of November inst., fully set forth the reasons which induced this Company to decline amalgamation with the Canada Pacific Railway Company.

The undersigned deem it unnecessary to re-state those grounds. They will merely add that the promoters of the Interoceanic Company are satisfied that the amalgamation of that Company with the Canada Pacific Company would not fulfil the anticipations of the Government, because, in their opinion, it would not secure the confidence of the people of the Dominion for the amalgamated Company, and that consequently amalgamation, under such circumstances, would be followed by certain failure when the time arrived for organizing the Company upon a Canadian proprietary basis.

The principal matters referred to in the report of the Committee of the Honorable the Privy Council having been, as already stated, discussed at length in the two communications above referred to; the undersigned only consider it necessary to remark upon one other point now, for the first time, brought under the notice of the Interoceanic Company.

The undersigned, with the utmost respect, beg to state they gather from the report of the Honorable the Privy Council that the Government impliedly charges the promoters of the Interoceanic Company with remissness in not communicating with the Government during the Summer of 1871, and making a proposition for constructing and running the Canadian Pacific Railway.

The undersigned submit that they do not see how they could have done so before the Government had announced its readiness to receive propositions.

The Committee of the Honorable the Privy Council furnishes, in the opinion of the undersigned, an answer to this charge, as it appears by the report that when Mr. Waddington and his associates approached the Government to tender for the construction and running of the Railway, they were informed that the Government was not in a position to enter into negotiations.

Should the refusal of the Interoceanic Company to amalgamate result in excluding it from all connection with the Canadian Pacific Railway, the undersigned and their associates will nevertheless have the satisfaction of knowing, that if that great national undertaking remans in Canadian and British hands it will be due in no small measure to their efforts, and that if it should unfortunately fall into foreign and rival hands, it will be through no fault of theirs, but in the face of their most strenuous exertions to avert so great a calamity.

All of which is submitted.

Signed D. L. MACPHERSON, Signed, W. SHANLY,
" C. H. FAIRWEATHER, " W. H. HOWLAND.

Office of the Interoceanic Railway Company of Canada,
Toronto, 28th November, 1872.

I certity that the foregoing Memorandum is correctly copied from the Minute Book of the Interoceanic Railway Company of Canada.

(Signed,) JOHN HAGUE,
Provisional Secretary.

Toronto, 28th November, 1872.

DEPARTMENT OF SECRETARY OF STATE,
Ottawa, 2nd December, 1872.

SIR,—I have the honor to acknowledge your letter of the 28th ultimo, enclosing a Memorandum from the Executive Committee of the Interoceanic Railway Company, referring to a Report of a Committee of the Honorable the Privy Council, dated 16th October last.

Yours, &c., &c.,

E. PARENT.

The Honorable D. L. MACPHERSON, Senator,
Toronto.

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Signed D.
" C.

Office of the Interoceanic Railw
Toronto, 28th November, 1

I certify that the foregoing M
of the Interoceanic Railway Comp

Secretary.

Toronto, 28th November, 1872.

DEPARTMENT OF SECRETARY OF STATE,
Ottawa, 2nd December, 1872.

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Yours, &c., &c.,

E. PARENT.

The Honorable D. L. MACPHERSON, Senator,
Toronto.