

# APPENDIX.

---

## LIST OF APPENDIX.

---

No. 1. REPORT OF THE ROYAL COMMISSION, appointed by Commission addressed to them under the GREAT SEAL of CANADA, bearing date the Fourteenth day of August, A.D. 1873.

## DUFFERIN.

L.S.

## CANADA.

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

JOHN A. MACDONALD,  
Attorney General  
of Canada. }

To the Honorable *Charles Dewey Day*, of the *City of Montreal*, in the *Province of Quebec*, in *Our Dominion of Canada*, late one of the Judges of the Superior Court in and for Lower Canada, The Honorable *Antoine Polette*, of the *City of Three Rivers*, in the said *Province of Quebec*, one of the Judges of the Superior Court in and for Lower Canada, and *James Robert Gowan*, of the *Town of Barrie*, in the *Province of Ontario*, in *Our said Dominion*, Esquire, Judge of the County Court of the County of Simcoe, in the said *Province of Ontario*, and to all others to whom these Presents shall come or whom the same may in any wise concern.

## GRANTING

Whereas the Honorable *Lucius Seth Huntington*, of the *City of Montreal*, in the *Province of Quebec*, a Member of the Honorable the House of Commons of Canada, in his place in Parliament, did on the second day of April, in the year of Our Lord One Thousand Eight hundred and seventy-three, move the following Resolution:—

“That he the said *Lucius Seth Huntington* is credibly informed and believes that he can establish by satisfactory evidence that, in anticipation of the Legislation of last Session as to the Pacific Railway, an agreement was made between *Sir Hugh Allan*, acting for himself and certain other Canadian Promoters, and *G. W. McMullen*, acting for certain United States Capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated Railway, and to give the former a certain per-centage of interest in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company with *Sir Hugh Allan* at its head,—

“That the Government were aware that these negotiations were pending between the said parties,—

“That subsequently an understanding was come to between the Government, *Sir Hugh Allan* and *Mr. Abbott*, one of the Members of the Honorable House of Commons of Canada, that *Sir Hugh Allan* and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections; and that he and his friends should receive the contract for the construction of the Railway,—

“That accordingly *Sir Hugh Allan* did advance a large sum of money for the purpose mentioned, and at the solicitation and under the pressing instance of Ministers,—

“That part of the moneys expended by *Sir Hugh Allan* in connection with the obtaining of the Act of Incorporation and Charter were paid to him by the United States Capitalists under the agreement with him —

“That a Committee of seven Members be appointed to inquire into all the circumstances connected with the negotiations for the construction of the Pacific Railway with the legislation of last Session on the subject, and with the granting of the Charter to *Sir Hugh Allan* and others, with power to send for persons, papers and records, and

with instructions to report in full the evidence taken before and all proceedings of the said Committee," which said resolution upon a division of the said House was lost,—

And Whereas the Right Honorable Sir *John A. Macdonald*, Knight, also a Member of the said House of Commons of Canada, in his place in Parliament, did, on the eighth day of April aforesaid, move a resolution in the words following: "That a Select Committee of five Members (of which Committee the mover shall not be one) be appointed by this House to inquire into and report upon the several matters contained and stated in a resolution, moved on Wednesday, the second day of April instant, by the Honorable Mr. *Huntington*, Member for the County of Shefford, relating to the Canadian Pacific Railway, with power to send for persons, papers and records, to report from time to time, and to report the evidence from time to time, and, if need be, to sit after the prorogation of Parliament," which said last named resolution was carried.

And Whereas, by an Act of the Parliament of Canada passed on the third day of May, in the year of Our Lord One thousand eight hundred and seventy-three, and in the thirty-sixth year of Our Reign, intituled "An Act to provide for the examination of witnesses on oath by Committees of the Senate and House of Commons in certain cases," it is amongst other things in effect enacted,—

"That whenever any witness or witnesses is or are to be examined by any Committee of the Senate or House of Commons, and the Senate or House of Commons shall have resolved that it is desirable that such witness or witnesses shall be examined on oath, such witness or witnesses shall be examined upon oath or affirmation where affirmation is allowed by law."

And Whereas the Honorable *John Hillyard Cameron*, also a Member of the said House of Commons of Canada, in his place in Parliament, did, after the passing of the said above named Act of Parliament, and on the third day of May aforesaid, move a resolution in the following words:—

"That it be an instruction to the said Select Committee to whom was referred the duty of enquiry into the matters mentioned in the statement of the Honorable Mr. *Huntington* relating to the Canadian Pacific Railway, that the said Committee shall examine the witnesses brought before it upon oath," which was carried;

And Whereas the said Act of Parliament has, since the passing thereof, been disallowed by Her Majesty;

And Whereas no power exists whereby the said Committee, so appointed as aforesaid, can legally administer oaths to witnesses brought before it, whereby one of the objects desired by the said House of Commons cannot be attained;

And Whereas it is in the interests of the good Government of Canada not only that full enquiry should be made into the several matters contained and stated in the said above recited resolution of the eighth day of April aforesaid, but that the evidence to be taken on such enquiry should be taken on oath in the manner prescribed by the said resolution of the third of May aforesaid, and the Governor in Council has deemed it expedient such inquiry should be made.

*Now Know Ye* that, under and by virtue, first in pursuance of the Act of the Parliament of Canada, made and passed in the thirty-first year of *Our Reign* intituled: "An Act respecting inquiry into Public Matters," and of an order of the Governor in Council, made on the thirteenth day of August, in the year of *Our Lord* one thousand eight hundred and seventy-three;

We, reposing special trust and confidence in the loyalty and fidelity of you, the said *Charles Dewey Day*, *Antoine Polette* and *James Robert Gowan* have constituted and appointed you to be our Commissioners for the purpose of making such inquiry as aforesaid, of whom you, the said *Charles Dewey Day*, shall be Chairman; and we do authorize and require you, as such Commissioners, with all convenient despatch, and by and with all lawful ways and means to enter upon such enquiry, and to collect evidence and to summon before you any parties or witnesses, and to require them to give evidence, on oath or on solemn affirmation, if they be parties entitled to affirm in civil matters, and to produce such documents and things as you may deem requisite, to the full investigation

and report of the matters and statements aforesaid. *And We* do hereby order and direct that the sittings of you, the said Commissioners, under this, *Our Royal Commission*, shall be held at the *City of Ottawa*, in *Our Dominion of Canada*.

*And We* do require you to communicate to *Us*, through *Our Secretary of State of Canada*, and also to the *Honorable the Speaker of the Senate*, and to the *Honorable the Speaker of the House of Commons of Canada*, as well the said evidence as any opinions which you may think fit to express thereupon. *And We* do *Strictly Charge* and Command all *Our Officers* and all *Our faithful subjects*, and all others, that in their several places, and according to their respective powers and opportunities, they be aiding to you in the execution of this *Our Commission*.

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 FREDERICK 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 Killecagh, in the County Down, in the Peerage of Ireland, and a Baronet, Knight of *Our Most Illustrious Order of St. Patrick*, and Knight Commander of *Our Most Honorable Order of the Bath*, Governor General of Canada, and Vice Admiral of the same.

At *Our Government House*, in *Our City of Ottawa*, this Fourteenth day of August, in the year of *Our Lord*, one thousand eight hundred and seventy-three, and in the thirty-seventh year of *Our Reign*.

By Command,

J. C. AIKINS,  
*Secretary of State.*

## REPORT.

To the Right Honorable Sir Frederick 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 and Ballyleidy and Killecagh, in the County Down, in the Peerage of Ireland, and a Baronet, Knight of the Most Illustrious Order of Saint Patrick and Knight Commander of the Most Honorable Order of the Bath, Governor General of Canada, and Vice-Admiral of the same :

*May it please Your Excellency :*

The undersigned Commissioners, appointed by Royal Commission addressed to them under the Great Seal of Canada, bearing date the fourteenth day of August, A.D., 1873:

*Have the honor to Report—*

1. That they met at Ottawa on the eighteenth day of August last, for the purpose of making preparations for the discharge of the duties imposed upon them by the Commission.

2. The course of proceedings was then settled, and the fourth day of September last was appointed for entering upon the examination of witnesses.

3. The Commissioners, on undertaking the enquiry they were enjoined to make, had hoped that the entire conduct of it would not have been left in their hands, that the Hon. Mr. Huntington or some one who believed that the charges specified in the Commission could be established by evidence, would have conducted the enquiry before them; and they had resolved in such event, not only to accept such aid in the investigation, but to allow to the promoter at least the same latitude in the mode of proceeding as the recognised officers in courts of justice are allowed in ordinary judicial investigations; and

also to give to the members of the Government a like latitude for defence. This course appeared to the Commissioners to be just, and in accordance with what they believed to be your Excellency's wishes and expectations.

4. In the prosecution of their work the Commissioners have called before them such persons as they had reason to believe could give any information on the subject of it, or otherwise facilitate the investigation, and especially the Hon. Mr. Huntington, to whom a letter annexed to this Report, was addressed on the 21st August last past, requesting him to furnish to the Commission a list of such witnesses as he might wish to examine, and to proceed on the day named with evidence in the premises.

5. A letter was also addressed to the Hon. the Secretary of State, giving notice of the day appointed for proceeding; a copy of which is also annexed.

6. In the interval, between the first day of meeting and the day so appointed, summonses were duly served upon Mr. Huntington and others, to appear and give evidence.

7. On the 4th day of September the Commissioners met, and, after the publication of the Commission, the witnesses cited for that day were called.

8. Mr. Huntington failed to appear.

9. The evidence of the Hon. Henry Starnes was taken, and a sealed packet placed in his possession by Sir Hugh Allan and Mr. George W. McMullen, was produced and deposited with the Commissioners.

10. The sealed packet was opened, with the consent of Mr. Starnes and Sir Hugh Allan, and the several papers it contained were put in proof.

11. The Commissioners then examined the other witnesses in attendance, and afterwards, on successive days, proceeded to the examination of those whose names are on the list styled "List of Witnesses to be examined," hereto annexed.

12. Of the thirty-three gentlemen, whose names are on that list, twenty-nine have been examined.

13. Two of these, Mr. George W. McMullen and the Hon. A. B. Foster failed to appear, although duly summoned; the former through a special messenger sent to Chicago for that purpose.

14. The other two, Mr. Henry Nathan and Mr. Donald A. Smith, are resident; the former in British Columbia, and the latter in Manitoba. The distance and consequent delay in securing their attendance, and the large outlay it would cause, rendered it inexpedient, in the judgment of the Commissioners, to call them to give evidence.

15. In addition to those whose names are on the above-mentioned list, the Commissioners have called and examined Mr. Daniel Y. McMullen, Sir Hugh Allan, the Hon. J. J. C. Abbott, and the Hon. Mr. Ouimet.

16. Most of these witnesses were cross-examined on behalf of the Government by Sir John A. Macdonald, or other members of it.

17. Mr. Charles M. Smith, of Chicago, was summoned by the Commissioners, but did not appear.

18. Evidence has also been given by Mr. Frederick C. Martin, and Mr. Thomas White, whose names were furnished by members of the Government, and Mr. George Norris, Jr., and Mr. J. A. Perkins, whose names were also so furnished, were cited to appear, but made default.

19. The Commissioners, on the 23rd day of September, while still in the course of their examinations, requested by public announcement, all persons possessing any information on the subject of the enquiry, to appear and give evidence before them.

20. No evidence has been offered in answer to this announcement.

21. The Commission closed its sittings for taking evidence on the first day of October, instant. These sittings were public and open; and accommodation was provided for reporters of the public press.

22. The Commissioners have endeavoured, in obedience to requirements of the Commission to obtain from the witnesses all the evidence pertinent to the subject matter of the enquiry which they were able to give.

23. This evidence is contained in depositions, thirty-six in number, and in certain documents, all of which are annexed to this Report, and specified respectively in the accompanying List and Schedule.

24. If the evidence be considered redundant, it has arisen from the nature and circumstances of the enquiry, which rendered it inexpedient to limit its range by the technical rules of evidence observed in the ordinary tribunals.

25. With respect to that portion of the Commission which leaves to the discretion of the Commissioners the expression of their opinions upon the evidence, they have determined not to avail themselves of the liberty so given.

26. They had arrived at that conclusion before they were informed of Your Excellency's views on the subject, and they feel confirmed and justified in it, by a communication received before their labors commenced, to which Your Excellency kindly permits them to allude, relating to one or two points on which they thought it their duty to consult Your Excellency before entering upon the execution of their task.

27. In that communication Your Excellency was pleased to express the opinion that the functions of the Commissioners were rather inquisitorial than judicial, and that the execution of them should not be such as in any way to prejudice whatever proceedings Parliament might desire to take when it re-assembled in October.

28. The Commissioners coinciding with Your Excellency in the view that the terms of the Commission do not require them to pronounce judicially on the evidence, consider that their duty will have been fully discharged when they shall have forwarded to the Secretary of State the accompanying depositions and documents with this report, in triplicate, as required by their instructions—unless a report of their opinion on the result of the evidence should be specially required.

All of which is respectfully submitted.

(Signed,)

CHARLES DEWEY DAY,  
*Chairman.*

A. POLETTE,  
*Commissioner.*

JAMES ROBERT GOWAN,  
*Commissioner.*

ROYAL COMMISSION ROOMS,  
Ottawa, October 17th, 1873.

## LIST OF WITNESSES TO BE EXAMINED.

Sir Francis Hincks.

Geo. W. McMullen.

Hon. D. L. Macpherson.

Hon. Mathew Henry Cochrane.

Hon. Asa B. Foster.

Hon. Jean Charles Chapais.

Norman W. Bethune.

Andrew Allan.

Louis Beaubien.

Victor Hudon.

Edward Lefebvre de Bellefeuille.

Hon. Joseph O. Beaubien.

Hon. Jean Louis Beaudry.

Peter S. Murphy.

Charles A. Leblanc.

Jackson Rae.

James Dakers.

Robert N. Hall.

Joseph Hamel.

Wm. Blumhart.

Sir John A. Macdonald.

Hon. Hector L. Langevin.

Daniel McMullen.

Chas. J. Coursol.

Jean Baptiste Beaudry.

F. W. Cumberland.

E. R. Burpee.

Sandford Fleming.

H. N. Nathan, Jr.

D. W. N. Smith.

D. McInnes.

Hon. A. Campbell.

Hon. Peter Mitchell.

## LIST OF WITNESSES SUMMONED.

Abbott, Hon. J. J. C.	Hudon, Victor.
Allan, Andrew	Huntington, Hon. Lucius Seth.
Allan, Sir Hugh.	Langevin, Hon. H. L.
Beaubien, Hon. J. O.	Le Blanc, C. A.
Beaubien, Louis.	Macdonald, Rt. Hon. Sir John A., K.C.B.
Beaudry, Hon. J. L.	Macpherson, Hon. D. L.
Beaudry, J. B.	Martin, F. O.
Bethune, N. W.	McGreevy, Hon. Thomas.
Blumhart, W. E.	McInnes, D.
Burpee, Egerton R.	McMullen, George W.
Campbell, Hon. Alexander.	McMullon, Rev. D.
Chapais, Hon. J. C.	McMullen, Daniel Y.
Cochrane, Hon. M. H.	Mitchell, Hon. Peter.
Coursol, C. J.	Murphy, P. S.
Cumberland, F. W.	Norris, George, Jr.
Dakers, James.	Ouimet, Hon. G.
De Bellefeuille, E.L.	Perkins, John A.
Fleming, Sandford.	Rae, Jackson.
Foster, Hon. A. B.	Smith, Charles M.
Hall, R. N.	Starnes, Hon. Henry.
Hamel, Joseph.	White, Thomas, Jr.
Hincks, Sir F.	



## LIST OF WITNESSES EXAMINED.

	PAGE		PAGE
Abbott, Hon. J. J. C.....	163	Hall, R. N.....	80
Allan, Andrew.....	22	Hamel, Joseph.....	82
Allan, Sir Hugh.....	136	Hincks, Sir F.....	12
Beaubien, Hon. J. O.....	56	Hudon, Victor.....	25
Beaubien, Louis ..	26	Langevin, Hon. H. L.....	128-190
Beaudry, Hon. J. L.....	41	Le Blanc, C. A.....	49
Beaudry, J. B.....	52	Macdonald, Rt. Hon. Sir J. A., K.C.B.	105
Bethune, N. W.....	30	Macpherson, Hon. D. L.....	32
Blumhart, W. E.....	160	Martin, F. C.....	182
Burpee, Egerton R.....	84	McInnes, D.....	78
Campbell, Hon. Alexander.....	89	McMullen, Rev. D.....	58
Chapais, Hon. J. C.....	68	McMullen, Daniel Y. ....	60
Cochrane, Hon. M. H.....	71	Mitchell, Hon. Peter.....	100
Coursol, C. J.....	48	Murphy, P. S.....	43
Cumberland, F. W.....	74	Ouimet, Hon. G.....	192
Dakers, James.....	45	Rae, Jackson.....	53
De Bellefeuille, E. L.....	23	Starnes, Hon. Henry.....	10
Fleming, Sandford... ..	134	White, Thomas, Jr.....	185

---

---

## DEPOSITIONS

Taken before the HONOURABLE CHARLES DEWEY DAY, late one of the Judges of the Superior Court in and for Lower Canada, THE HONOURABLE ANTOINE POLETTE, one of the Judges of the Superior Court in and for Lower Canada, and JAMES ROBERT GOWAN, Esquire, Judge of the County Court of the County of Simcoe, in the Province of Ontario, Royal Commissioners appointed by Commission addressed to them, under the Great Seal of Canada, bearing date the fourteenth day of August A.D., 1873

---

At the Parliament Buildings, Ottawa.

---

S. J. VANKOUGHNET, Esquire, D.C.L.,  
*Secretary.*

---

FIRST DAY.

---

THURSDAY, 4th SEPTEMBER, 1873.

---

The Secretary read the Commission.

The Shorthand-writer sworn was Matthew Hutchinson.

PROVINCE OF ONTARIO, )

City of Ottawa. )

IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

THE HONBLE. HENRY STARNES, of the City of Montreal, Banker, who being duly sworn, deposeseth and saith:

I received a Subpoena *duces tecum* to appear before the Commissioners and produce the papers described therein, and I hereby produce them to be filed in this matter. The said papers were placed in my possession for safe keeping by Mr. Abbott on behalf of Sir Hugh Allan and Mr. McMullen. In producing them in compliance with the orders received from the Commission, I beg to state that I object to their being opened without the consent of Sir Hugh Allan. I think it my duty to make this objection, as they were placed in my possession for safe keeping. They are returned as they were placed in my hands as they were when I first received them. The superscription "Henry Starnes, Sir Hugh Allan, G. W. McMullen" was put on by myself. They were placed in my hands a day or two before Sir Hugh Allan's departure for England, to be left with me. There are three distinct parcels, one to Mr. McMullen, one to Sir Hugh Allan, and one addressed to myself. They were handed to me by Mr. Abbott on behalf of Sir Hugh Allan. Mr. McMullen was also present at the time I received them from Mr. Abbott.

I have no knowledge of what those papers contain.

I have no objection to the package being opened providing Sir Hugh Allan's consent is obtained.

(Hon. Mr. Abbott hereupon produced a written consent that the said package of papers be opened by the Commissioners.)

*Question*—Have you any knowledge in relation to such negotiations as are described in the charges mentioned in the Commission in this matter, as being carried on between Sir Hugh Allan and Mr. McMullen, for the purposes designated in this Commission?

*Answer*—I have no personal knowledge.

*Question*—Were you a member of an election committee in 1872, in conjunction with Mr. Beaudry and Mr. Murphy?

*Answer*—I was requested to go upon that committee, but did not attend regularly.

I am aware that money was received for election purposes. I might state that I was requested by the late Sir George E. Cartier to act on the committee, as he felt that the elections would be hotly contested, and that he was aware that his opponents were well furnished with ample means, and it would be necessary to fight them with money. I objected, as I did not wish to take any part. He however felt that there was a desire to make the elections by means of Railways, and he was determined to have nothing to do with that, as he wished to make his election upon his own merits, and it would be necessary for me to get friends to subscribe and to get as much money as we possibly could. I went round and got subscriptions. He then told me that Sir Hugh Allan would subscribe liberally, and I believe Sir Hugh Allan did subscribe very largely, but his subscription did not come exactly to my knowledge.

I cannot say how all the money came, but it was deposited with me, and by what means I do not exactly know. It was placed in the Bank of which I am President, and paid out by cheques.

This money was derived from other subscribers as well as from Sir Hugh Allan.

The bulk of this money came from Sir Hugh Allan, I understood. Various parties subscribed in smaller or larger sums.

I have no original receipts which were given by the Election Committee. When the receipt was published in the Montreal newspapers I was astonished, as I had forgotten all about it. I was surprised, for I had signed it, I suppose, in the hurry of the election. I might have signed more than one.

I know nothing about the two letters referred to in the newspapers in connection with this receipt. I have no knowledge as to where either of those letters now is.

The money was not paid upon any specific conditions contained in these letters. There was no condition as far as I know.

I signed this receipt inadvertently, and know nothing at all about it till it was published in the newspapers.

I have no idea or knowledge in whose hands those letters now are.

I was not induced to give that receipt on account of any particular undertaking. I believe there were more than one receipt given. I have reason to believe there were.

I don't know what amount was derived from Sir Hugh Allan's subscription, except what passed through my hands, and I cannot say now what that amount was.

When I first joined the Committee I understood it was to look after Sir George Cartier's election, but afterwards the Committee seemed to assume the control of elections outside of Montreal, to what extent I cannot say.

I don't know of any other information that would facilitate the object of this inquiry.

I cannot state exactly the amount I received for the support of the elections, but I think it was about sixty to seventy thousand dollars, which was raised by way of subscriptions and from Sir Hugh Allan.

The envelope of the package having been removed by consent of the witness, the following endorsement was written on the inner parcel:—

"Within ten days after the end of the coming Session of Parliament, the Hon<sup>ble</sup> Henry Starnes is requested to deliver envelope No. "one" to Sir Hugh Allan, and "envelope No. "two" to G. W. McMullen, unless objection be made by Sir Hugh Allan to his doing so, in which case he will open the envelope addressed to himself and act as instructed therein.

(Signed) " HUGH ALLAN,  
" G. W. McMULLEN.

"Montreal, 26th February, 1873."

I know the handwriting of Sir Hugh Allan, but not that of Mr. McMullen. The latter was present when the parcel was given me.

I have no objection now, seeing the consent from Sir Hugh Allan, to open the package.

[The package was then opened by the witness and returned to the Commissioners.]

And on this twelfth day of September, 1873, the witness re-appeared and made the following addition to his foregoing deposition. In my evidence I stated that the amount of money that passed through my hands was \$60,000 to \$70,000—on reference to the books of the bank, I find it was \$66,357.

And further the deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn taken on the fourth of September, }  
1873, and acknowledged on the }  
twelfth of said month and year. }

(Signed)

(Signed) HY. STARNES.

CHARLES DEWEY DAY,

Chairman.

A. POLETTE,

JAMES ROBERT GOWAN,

Commissioners

PROVINCE OF ONTARIO, }

*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons on the second day of April, A.D. 1873; relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of Our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

SIR FRANCIS HINCKS, of the City of Montreal, who, being duly sworn, deposeth and saith:

I presume that the best course will be to give a narrative of the circumstances beginning before the legislation. In fact it may be well that I should commence from the earliest stage of the proceedings in regard to the Pacific Railway. I believe the first person with whom I had any conversation that I recollect of on the subject of the Pacific Railway, was Mr. Cyril Graham, a gentleman who acted as Commissioner for the Hudson Bay Company, in the years 1870 and 1871.

On his return from the United States, he told me that he had been in communication with several influential gentlemen, and that he thought satisfactory arrangements could be made by which great economy would be produced with regard to the construction of the Pacific Railway. That he believed the Americans would be prepared to abandon the Western Section of the Northern Pacific Road, carrying it through Canadian territory, if the Canadians would abandon their Eastern Section, and carry it through United States territory by the Sault Ste. Marie. I heard all that he said upon the subject, and I must say that it produced some impression upon my mind.

About the month of May, 1871, Sir John Rose sent me a copy of a letter which he had addressed Sir John A. Macdonald, in which he informed me that persons in London had spoken to him very much in the same terms that I have mentioned that Mr. Graham had represented to me, and suggesting in the letter either that we should approach these gentlemen in the United States, or let them understand that they might approach us, and at the same time offering that if he could be of any service in London, that he would be happy to be so.

In consequence of these statements, I certainly formed a pretty strong idea that satisfactory arrangements could be made with capitalists in the United States.

The next circumstance that I would mention, was the arrival in Ottawa of a number of gentlemen of whom Mr. McMullen was one; Mr. Smith, of Chicago, was a second; James Beaty, of Toronto, a third; and Mr. Kersteman, and Mr. Waddington, and I think there was another whose name I cannot recollect, but I think he was a Toronto gentleman.

They asked an interview with members of the Government. The only members in Ottawa at that time were Sir John A. Macdonald and myself. I think I was the person to whom they were first introduced, and Sir John A. Macdonald consented to give them an interview, which they had. We heard what they had to say; they produced a document signed by some six, seven or eight gentlemen of standing in the United States, and of known wealth. I forget their names now, but there was General Cass, Mr. Ogden was another, and I think Mr. Scott, of Philadelphia, was another. The date was in July, 1871, probably about from the tenth to the thirteenth of July.

They were told distinctly that it was not in the power of the Government to enter

into any negotiations with them. I think that Mr. Smith and Mr. McMullen had an interview with me in my own room, and we had some little conversation, but did not amount to anything. It was simply an understanding that it was impossible for us to enter into negotiations at all at that time. After they had returned to Toronto, I got a letter from a gentleman who had accompanied them there, and who I understood was their professional adviser at the time, and I had some correspondence with him. I refer to Mr. Beaty. In the course of that correspondence he mentioned his intention of going to Montreal to induce Sir Hugh Allan to join the scheme. He had not at that time been spoken to. I wrote very discouragingly to Mr. Beaty in reply, simply on the ground that I did not see how it was possible to talk about a scheme which the Government had not come to any conclusion upon, as to what assistance they could give. I did not see that the matter was in such a stage as admitted of its being discussed at all. After that I saw Sir Hugh Allan in Montreal, but as I felt that the suggestion of his name came from Mr. Beaty entirely, writing with the sanction of Mr. McMullen, I therefore inferred that the suggestion of Sir Hugh Allan came from them; and as I had been the means of preventing their opening communication, I thought it was only fair to give him the list of names who were willing to engage in the building of the Pacific Railway.

That conversation with Sir Hugh Allan must, I think, have taken place about the beginning of August. I cannot recollect the day exactly, but I do recollect that I told him that Sir John A. Macdonald would be in town I think, either that evening or the next evening. Sir John was passing through to a watering place, and intended to go from the Ottawa boat to the Quebec boat without stopping in Montreal. Sir Hugh did see him. I was not present at the interview, but Sir Hugh told me that he had had a discouraging reply from Sir John, as he did not think the Government was in a position to enter into negotiations. I afterwards went to the Maritime Provinces, and in October, Sir Hugh Allan came with these same gentlemen, Mr. McMullen and Mr. Smith having been in communication with him, with another proposition. At that time there was a considerable number of Members of the Government present. I have seen Mr. McMullen's statements, and he gives the names of nine of these persons, and I presume he gives them correctly. On that occasion what passed was this: The gentlemen were introduced, Sir John A. Macdonald then asked Sir Hugh Allan whether he had a proposition to make to the Government. Sir Hugh Allan's reply was—"If I make a proposition, are you prepared to enter into negotiations on the subject?" Sir John answered that "He was not prepared to do so," and Sir Hugh Allan rejoined, "Then I am not prepared to make any proposition." That was the whole conversation on the subject that took place at that interview. Sir Hugh Allan went shortly afterwards to England, and returned very early in December. When he returned I had a conversation with him. I must have been in Montreal in December, although I have no very special recollection of it.

Whenever we met, he was always talking of the Pacific Railway, and inasmuch as a great number of conversations took place of this kind, I think I ought to state with regard to evidence of this kind, that where two persons have different interests, and not in a position to understand what is passing in each other's mind, that very often there will be misunderstandings in regard to what passed at these conversations.

My desire was to be as reticent as possible. I had no proposition to make on the part of the Government. He, on the other hand, was most anxious to get the Government to agree to some proposition, so as to enable him to make progress with his arrangements. I say this, because I observe by letters which have been published, that it is alleged that I said something about advertising for tenders, with the view to avoid the Government incurring blame. Now, I have no doubt whatever, that I did point out to Sir Hugh Allan that it was wholly impossible for the Government to come to any arrangement without the sanction of Parliament, and it is not improbable that I may have discussed the question about advertising for tenders, but I could scarcely have told him that we were determined to advertise for tenders because no such determination was ever arrived at. Several conversations took place, and different persons will have differ-

ent views. I may have suggested to advertise for tenders, to find out whether there was any other person besides Sir Hugh Allan who would come forward and undertake the building of the road. We, as a Government, had pledged ourselves to procure the construction of the Pacific Railway, and we had also determined to try to do it by the instrumentality of a chartered company.

We were anxious to find out what persons there were in the Dominion who would undertake the building of the railway, and upon what terms they would be willing to construct it. A number of unauthorized conversations took place with Sir Hugh Allan, but Sir Hugh knew perfectly well that these conversations were unauthorized, and that I was not speaking the sentiments of the Government. I simply stated what occurred to my own mind in the course of the conversations. Sir Hugh also knew perfectly well that my views with regard to the construction of the Pacific Railway harmonized a great deal more with his own than any other member of the Government. He knew that I was not opposed individually to the admission of American capitalists. He was well aware of that from the first. He was well aware that my views were in favour of coming to some arrangements with the Americans, as there would be economy in the postponement of a certain section to a later period so as to get one complete road through. We had a good many conversations, and he was also aware that some members of the Government were much opposed to admitting Americans into the scheme at all. All these conversations took place long before the Session of Parliament—long before any scheme was determined upon by the Government. They were had with a view to my getting all the information I could with regard to the best scheme for constructing the road.

The next circumstance I would advert to, was the final arrangement that the Government came to with regard to the railway, which was submitted to Parliament. That scheme was decided upon by the Government, after the most careful consideration, without any conference with any outside persons at all, as to the extent of land and money they would give.

When Parliament met, I would say that during the whole of 1871, there was a great coolness in the principal parts of Ontario with regard to the scheme. No propositions were made such as those that emanated from Sir Hugh Allan. Nothing was done until just about the time of the meeting of Parliament. It then became evident that there would be a proposition made to Parliament for the chartering of more than one company. The Government did not think it desirable to oppose any of the charters but to let them take their own course, taking power to establish a separate company if they should deem it necessary to do so. I may observe that during the Session of Parliament, it became more and more clear, and I was very reluctantly convinced, that it was absolutely necessary to exclude the Americans entirely from the company, and from that time I may say this became the settled policy of the Government.

*Question*—What date do you give to that?

*Answer*—The meeting of Parliament.

*Question*—Was that previous to the passing of the Act?

*Answer*—During the time the Act was under consideration and before the passing of the Act. It was then perfectly understood by all the members of the Government that the Americans would have to be excluded. After the Session of Parliament broke up about the 12th or 15th of June, I think, I went to the West, and was engaged in the Election, and I had no communication with Sir Hugh Allan for a great many weeks, probably months. I must have left Ottawa very early in July, and I was not in Montreal after the Session to the best of my recollection. I do not recollect seeing any one, and no arrangement of any kind was made by the Government about the Pacific Railway. Nothing was to be done until after the elections. The next action taken by the Government was I think, in the month of September or October, 1872, after the elections were entirely over, when negotiations were commenced with the view of procuring an amalgamation of the two Companies,—the Inter-Oceanic and the Canadian Pacific—Sir Hugh on behalf of his Company wrote accepting the proposition of the Government, that the two Companies should be amalgamated on condition of their being united on fair terms.

taking the principal gentlemen of both companies. The Committee of the Inter-Oceanic Company, of which Mr. Macpherson was chairman, gave reasons why they could not join. One of their principal reasons was that Americans were still in the Company. That document was sent to Sir Hugh Allan for his Company to report upon it, and they did report upon it. About the 16th of October, I think, a minute of Council was prepared, and that minute gave a full and faithful narrative of every thing connected with the Pacific Railway and the negotiations up to that time.

It was hoped that that minute of Council, as it pledged the Government to prevent the Americans coming in, and stated that the Government would take adequate means of doing so, would induce the Inter-Oceanic Company, as it was called, to join in this amalgamation. They still refused, however, and on their final refusal it became necessary for the Government to see what course they would have to take under the circumstances. Sir Hugh Allan had been very anxious, and my own opinion is that it would not have been an unreasonable demand after the refusal of the other company to amalgamate, that the charter should be given to the Company of which he was chairman. However, the Government, upon a full consideration, determined to adopt a different course of proceeding. I have no doubt they were impressed a good deal by some views of Mr. Macpherson which he put forward very strongly in his correspondence with regard to amalgamation, that no person from British Columbia were included in the scheme as put forth, and that Sir Hugh had stated that if British Columbia were introduced the Maritime Provinces would also require a representation. Mr. Macpherson thought they should be represented, and I have no doubt these arguments had as great a weight with the other members of the Government as they had with me. Finally it was arranged that a Company should be incorporated containing thirteen members, divided into fair proportions between the different sections of the Dominion: from Ontario, five; from Quebec, four, and from each of the other Provinces one, making thirteen in all. We gave a great deal of consideration to the whole scheme, and finally agreed upon names after a good deal of negotiation. Some names were suggested and withdrawn, others were spoken to but refused to act, and finally these names were agreed upon, certainly without the concurrence of Sir Hugh Allan in any way whatever. On the contrary, it is within my own knowledge that he objected to many of the names. The names were taken as fairly as possible from the Province of Ontario, one of them the Vice-chairman of the Inter-Oceanic Company, another who had no connection with either, but whom it was desirable that we should select, namely, Mr. Sandford Fleming, and there was only one name that had been originally in the Canada Pacific Company, a gentleman of large means and high standing, Mr. Donald McInnes, of Hamilton. He was the only one from Ontario at all connected with Sir Hugh Allan. From Quebec one name was taken against the most urgent remonstrances of Sir Hugh Allan, Mr. Hall, of Sherbrooke. The gentlemen had each of them the same interests as Sir Hugh Allan, who had only a thirteenth, the same as the others. He had no controlling power in the Company whatever. He got no benefit of any kind throughout the whole course of these negotiations. I state most positively that it was impossible for any undertaking to be got up with a greater desire to promote the interests of the country than the Pacific Railway. Every detail was considered with the greatest possible care, and as far as my own individual opinion goes, although I had very little personally to do with the charter, I think that the Company, — I do not refer to Sir Hugh Allan particularly, — were treated with less liberality than the Government ought to have shewn them. My opinion all along was that it was an enterprise, which to be successful, the parties going into it must be treated with the greatest possible liberality. I should say further, that there was a stipulation made when these thirteen gentlemen were allowed to subscribe stock that they were to offer it, with the exception of a small reservation to each, on the same terms to the public as they were to get it themselves, and offices were to be opened in Ontario, Quebec and the other Provinces for the subscription of stock. I think that is as far as I can go with regard to the transaction altogether.

*Question*—In your reference to July, 1871, have you stated all you recollect that passed then— your statement was that that was an unimportant interview which led to conversation and discussion, but no results?



*Answer*—No results. We listened to what they had to say. I mentioned that an informal proposal was made, signed by a number of gentlemen. I cannot at this moment recollect the exact number of acres per mile that was proposed, but I recollect that it was not based upon a lump sum, but upon getting a bonus of \$15,000 a mile cash, and a certain number of miles on each side of the railway, which I do not exactly recollect, likely twenty.

*Question*—Do you remember whether there was any expression of the wish or intention of the Government, that prominent Canadian names should be among the members of this company; was there anything insisted upon of that kind?

*Answer*—Nothing at the meeting of Sir John A. Macdonald and myself with these gentlemen. I think it is probable in private conversation, that I may have said that it was unfortunate there were no Canadian names in the company. It was my feeling at the time, and knowing that it was so, it is probable that I might have expressed it.

*Question*—I understood you to say distinctly that anterior to the legislation on the subject in 1872, there were no negotiations between Sir Hugh Allan and Mr. McMullen, as representing the United States capitalists, for the purpose of putting this enterprise into the hands of an American Company, with Sir Hugh Allan at its head?

*Answer*—Of course I was perfectly aware from the fact that Sir Hugh Allan came to Ottawa with these gentlemen, that he was corresponding with them, and that negotiations between him and them were going on, but I never saw their agreement, and never knew there was one until recently, when I saw among the papers published that there was some agreement which I have never seen. I have no knowledge of my own of an agreement between them, and simply knew of the fact that they were corresponding with one another.

*Question*—Have you any reason to believe that any of the Members of the Government were aware that negotiations were going on?

*Answer*—I am sure that they did not know of any agreement, but they must have known just as I did, that Sir Hugh Allan was negotiating with them from the fact that Sir Hugh Allan came with them to Ottawa, but they knew of no agreement any more than I did, and they never gave any assent to it.

*Question*—Have you in your possession any correspondence relating to this matter, that you could lay before the Commission?

*Answer*—I had a correspondence very shortly after these gentlemen visited Ottawa in July, 1871, with Mr. Beaty who attended them down and introduced them. It originated with Mr. Beaty. He wrote me a letter. I replied to that letter. He wrote me another, and I replied to that. I have no objection to lay it before the Commission, except simply the objection of laying before you a confidential correspondence of that kind, but I don't apprehend that there is anything in it that any great objection can be taken to, and I hereby produce them to be filed.

*Question*—Do you mean to contradict, in unqualified terms, that an understanding was come to between the Government and Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the election of ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the Pacific Railway?

*Answer*—Yes; and I would add this, that of course I cannot positively swear with regard to anything that passed between individual members of the Government and Sir Hugh Allan, but I know of my own knowledge that everything connected with the Pacific Railway charter came under my own observation, and I know that it was not given with any reference to that whatever.

I positively contradict it.

*Question*—Do you know whether such an understanding was come to between these gentlemen—Mr. Abbott and Sir Hugh Allan, and any member of the Government?

*Answer*—I know of none.

*Question*—Were your relations with Sir Hugh Allan as intimate as those of the other members of the Government, or more or less?

*Answer*—I should think about the same, very much about the same.

*Question*—Have you any knowledge that any money was furnished by Sir Hugh Allan for the support of the elections?

*Answer*—Well, I suppose I may say I have that knowledge now, but if I refer back to the period of the elections, No. I am now aware from circumstances I have heard, and which I suppose the whole public have got, that Sir Hugh Allan was a liberal contributor to the election fund. I am aware of this from circumstances that have come since to my knowledge.

*Question*—Had you any knowledge of that at the time or before the elections?

*Answer*—No. Not until long after the elections, a considerable time after.

*Question*—Do you know for whose election any particular sums were contributed?

*Answer*—I cannot say that I do. I have reason to believe that there was a very large amount contributed for the Montreal elections.

*Question*—You state that Sir Hugh Allan was not to have any controlling influence in the company; was it not understood that he was to be President?

*Answer*—I do not know that it was so understood. Of course members who went in were perfectly free, I presume, to vote for whoever they pleased. I did not take any part in the communication that passed between any of these gentlemen, and I really do not know what passed. I don't know whether they were canvassed by any member of the Government on behalf of Sir Hugh Allan, but I would not be surprised if they were.

*Question*—Can you state any certain sum of money that was contributed by Sir Hugh Allan?

*Answer*—No. I cannot state of my own knowledge I cannot give hearsy evidence.

*Question*—Have you any knowledge that any sum of money was offered to any member of the Government for the purpose of influencing him in connection with the Pacific Railway?

*Answer*—I am perfectly convinced there was nothing of the kind.

*Question*—Or any other inducement or advantage?

*Answer*—None.

This may be a proper time to explain a circumstance which has been referred to in the papers, which seems to imply that I desired some inducement of some kind. Reference was made to my having stipulated for a situation on the Pacific Railway for one of my sons. Now I desire to explain exactly what passed. When I wrote my letter very hastily, I at the moment really had forgotten the circumstance, which made very little impression upon my mind, but I afterwards distinctly recollected it. My youngest came in October, 1871, to pay a visit to his friends. He then held an office in British Guiana, and came here on leave of absence. I was anxious to keep him in Canada, and to establish him in business. Some time during the fall of 1871, and while Sir Hugh Allan was absent from the country, a friend in Montreal suggested to me the idea of purchasing out a forwarding business, which was likely to become vacant in consequence of the death of a gentleman, who died in the latter part of November, 1871, and it was supposed that his business after his death would be disposed of. This matter had been brought under my consideration, and I took the opportunity of Sir Hugh Allan's being in Ottawa, to consult him on the subject. He was on a visit for three or four days at Rideau Hall, in January, eighteen hundred and seventy-two (1872), after his return from England. The cause of my having any conversation with him, was simply to ask his advice with regard to this business, as I considered him more competent to give an opinion than any one that I knew of. He strongly advised me to have nothing to do with it, and at the end of the conversation, I simply said, if you hear of any opening for my son, I would be glad if you would bear him in mind. He made the remark that when the Pacific Railway is started, there will be plenty of opportunities, and so little importance did I attach to the conversation, that I never mentioned it to my son, and it never crossed Sir Hugh Allan's mind or mine that there was any thing corrupt one way or the other, with reference to the conversation. If it was wrong at all, I am alone responsible for it, for no

other member of the Government knew anything about it, nor did I attach importance to it. Of course I have seen Mr. McMullen's narrative, and if there is anything I have not noticed, I would like to have an opportunity of adding to this statement.

I say most distinctly that no such conversation was had with me, that a round sum of money down would be preferred by me at my time of life. I swear most positively that no such conversation ever took place. No such thing was ever mentioned by me to Sir Hugh Allan or by him to me. There is a statement that I said something of Sir George Cartier's jealousy with regard to the Grand Trunk to the Pacific. Mr. McMullen thought I had a conversation to that effect with him. I can only say that I have no recollection of any such conversation. I don't think it is at all likely that I had spoken to him about Sir George Cartier's views on the subject, but it is quite correct to say that Sir George was very strongly opposed to the Americans having any interest in the scheme.

Most unquestionably the Americans never received any pledges of any kind or description, as stated by Mr. McMullen.

*Question*—Did you not mention a memorandum of which you had taken a copy, given you by the Americans?

*Answer*—I took a copy of the names but not of the memorandum, and these I handed to Sir Hugh Allan.

There was no money received or paid by the Government for or in consideration of giving the contract.

There is mention made in Mr. McMullen's letter that I received a specific sum of \$4,800 from Sir Hugh Allan. I deny this in the most positive terms. I received no sum of money whatever.

*Question*—By Sir John A. Macdonald through the Chairman.

Can you state when the elections commenced generally, and when they ended.

*Answer*—My impression is that they commenced about 15th July, or perhaps the beginning of July, and I should say from memory that they ended about the middle of August.

*Question*—Up to the time of the return of the writs of the elections, which took place in September, was there any policy suggested to the Government, or before the attempt of the amalgamation of the two companies.

*Answer*—None.

*Question*—During all that period was it or was it not understood that a strenuous attempt should be made to effect an amalgamation of the two companies?

*Answer*—Certainly, and much later I had reason to believe that there was good ground to expect that an amalgamation would take place.

During the whole period the elections were going on, and until long after, perhaps as late as the beginning of October, this was the case.

*Question*—In October, were or were not the efforts of the Government renewed to effect an amalgamation of the two Companies?

*Answer*—Yes.

*Question*—Was there any suggestion from any person to the Government that you are aware of, or was it the policy of the Government to issue a charter under the Government Act till after the failure of all attempts at amalgamation?

*Answer*—Certainly not.

*Question*—Then the charter which was issued, and is now in existence, is based on a policy which was only adopted by the Government in October or November after the attempt to amalgamate had proved a failure?

*Answer*—Yes, I should be inclined even to put it to a later period. The arrangement of the new Company took a considerable time. I presume that it was about the latter end of November that the policy of the Government to work by means of a company of that kind was decided upon.

And further, for the present, deponent saith not.

And on this fifth day of September, 1873, reappeared the said witness, who desires

to give some explanation of his answer to the question on a preceding page of his deposition, and gives the following amalgamation :

I wish to answer this question at greater length. I never heard of any suggestion to the Government to issue a charter under the General Act, and the Government never contemplated issuing such charter till they became satisfied that it was impossible to effect an amalgamation between the rival companies.

The correspondence alluded to in my foregoing deposition is in the words following :

LETTER MARKED " B. "

TORONTO, 17th July, 1871.

*Confidential.*

Sir FRANCIS HINCKES,  
Ottawa, Ont.

DEAR SIR,—I have been thinking over the suggestion about the introduction of some of our Canadian Capitalists into the Canadian Pacific Railway Company, and thought it proper to write to you for the purpose of having your views upon the matter, and especially to have the names you would suggest. Our American friends have no objection, on the contrary they are anxious to meet the reasonable views of yourself or the Government on that point. You will oblige, therefore, by naming such persons as you think proper to have associated in the matter, either from personal or political considerations. Those who have already done anything in the way of a formation of a company, or with that object in view, we would be specially glad to deal with. We have authority to a certain extent to distribute some shares in the concern, which if they would not be of any profit would not be any loss to the holders, and no money is required. If you could make it convenient to write by return mail, it would be convenient, that we might consult with one of the American gentlemen now here.

Yours truly,

(Signed)

JAMES BEATY, Jr.

LETTER MARKED " C. "

OTTAWA, 20th July, 1871.

*Confidential.*

MY DEAR SIR,—I have been almost constantly confined to the house since I received your letter of the seventeenth, and having at once sent you a telegram, that would enable you to assure your friends, that no such arrangement as you suggested would be practicable, I put off writing until I could do so more satisfactorily. It strikes me that you fail to appreciate the suggestion relative to Canadians being induced to interest themselves in the projected railway to the Pacific. I am inclined to believe that some Americans of capital and influence might be induced to take hold of the scheme, but in my judgment they will find it expedient, if not absolutely necessary, to associate themselves with Canadians of equal position and means by whose instrumentality this very gigantic scheme can be brought favourably before British capitalists. Any scheme requiring large aid from Government will be viewed with great jealousy by the public. It is not the business of the Government to name parties nor to suggest to any one that they would like particular persons brought into a scheme. The Government have to consider propositions brought before it on their merits, and will be expected, I think, to see that the Canadian promoters of any scheme are not only able, but willing to put money into it,—a most indispensable condition which you seem not to attach any importance to.

I fear that you are going altogether too fast when you refer to an authority to distribute shares in a company which has not even been formed, and the projectors of which are not yet in a position to take the most initiatory step. I inferred from what I heard from the American gentlemen who lately visited Ottawa, that they had come under a complete misapprehension of facts and that they believed that Mr. Waddington and

Mr. Kersteman had had some previous understanding with the Government. You may rely on it that one of the main difficulties in the present scheme, is that Canada is, as it were, represented by Mr. Kersteman chiefly, who is looked on by those with whom I have conversed, as a "man of straw." It is clear that men of this type would only be taken hold of by capitalists on the ground of their having influence of some kind, for which they must be paid, and if paid, the payment must come from the public chest eventually. The American gentlemen who have means expect, and have a right to expect, a good contract, but it is clear that if they have to subsidize Canadians, their demands will be higher. A great mistake has, I fear, been already made, and your letter induces me to think that you contemplate proceeding further in a wrong direction. The first step will be for the Government to determine what aid they will give in land and money, and things would have gone much smoother if that had been decided before any appeal had been made to capitalists on the other side. When terms have been agreed to, then the names to be inserted in a charter will become a matter of consideration and negotiation. This is the view which I take, but you will understand that I am merely giving you my own ideas and without consultation. I know, however, that there is great anxiety that this work should get into first-rate hands.

Yours faithfully,

(Signed)

F. HINOKS.

LETTER MARKED "D."

*Confidential.*

TORONTO, 24th July, 1871.

Sir FRANCIS HINOKS,  
Ottawa, Ont.

DEAR SIR,—I am much obliged to you for your last letter, and the observations you make therein. I had a keen appreciation of the proprieties and necessities of the case when I understood the matter. You must notice, however, that I never saw Mr. Waddington until I met him on my way to Ottawa; and I believe I had only spoken to Mr. Kersteman about two or three times before that Wednesday when I started for Ottawa upon a notice received two hours before in the Court House that I was expected to go. I learned pretty nearly all I knew on my way down. I had just one conversation that amounted to anything before I left, with Mr. K.

I then perceived that the whole matter was disorganized, and required complete reconstruction as far as Canada was concerned, but I could not then back out. I was up to that point only introduced as a lawyer, and of course had to attend to my clients' behests. I could not do even what I thought prudent at Ottawa. The very suggestions made pressed themselves upon my attention from the very beginning; but how to arrange them and how to meet obstacles of the present position I could not then determine. When I returned home with the knowledge I had made, I made up my mind both from the standpoint of public policy and the legal standpoint, that no Senator or Member of Parliament could be in the Company, much less be on the Board as a Director. This settled one question directly, at the same time it opened up new difficulties. The field is very limited for selection when you exclude the Senators and Members of Parliament, and where to appeal was another grave question. Of course we do not *now* seriously contemplate to have on the Board either Mr. W. or Mr. K., although they have both done a kind of service that must be acknowledged. My own view was, and I think it is or will be your view, that names must be presented to the Canadian and general public that will at the least have the appearance of not only being willing *but able* to command the money or capital necessary to build the road, and which will meet with the approval of Parliament. Those names are few and far between in Canada.

Taking the cue I received, I at once upon my return entered into negotiation with Mr. Laidlaw, who I now am fully aware has been to some extent in communication with gentlemen in Montreal, such as Allan, Stephen, and King, to the same end that we have

in view, although nothing substantial has been done. The probabilities are, I will go with him to Montreal before the end of a week or two on this subject. What it may result in I cannot tell. It must not be imagined, however, that the present organization, although immature and incomplete, is to be despised. I assure you that it is not either in this country or the United States. We do not mean to make any fuss about subsidizing Canadians. Canadians will be quite willing to come into any undertaking that they think will pay, and we do not intend, whatever may be the end, to go into anything else. We have room for others, and mean to get them, and there are shares still open, and we do not expect men to associate in an important enterprise of this sort without substantial inducements. They will not do it for amusement, that I have learned in my short life. As to such men as Waddington and Kersteman, being representative men, it is not thought of. They will, however, put themselves forward, and no one that I know of can prevent them; but all that will, if it is not already, be satisfactorily arranged. There are a few men to be thought of in this connection in Ontario, Gzowski, Laidlaw, Manning, McGivern, and Adam Brown, of Hamilton, Wilson, of Picton, are presentable. Then in Quebec, Hugh Allan, George Stephen, King, of Bank of Montreal, and one or two more that some one else could name would be all that on first sight can lay claim to any notoriety or availability in this direction. Many business men might be suggested ooth here and there if time permitted, but these are prominent, yet after all they are very few, and of others how many would be willing to take stock with the Grand Trunk before their eyes. Even some of these names are not the most popular in Railroad connection. As the matter now stands, I am the representative of the American gentlemen who are interesting themselves in the road. And except for the waywardness of Mr. Waddington, would be the only medium of communication for the Canada gentlemen. I myself am of the opinion that there is plenty of time before the surveys are complete or before Parliament sits to consider all these questions; still such a Company as will be necessary for this purpose, to accomplish a work so extensive and important, cannot be arranged in a month even; so time had better be taken by the forelock. There is no doubt very crude notions have been entertained about this matter, but I think they are now pretty well dismissed. I am satisfied, however, unless the Government grants are very substantial, few will be inclined to engage in an enterprise of such magnitude.

I remain,

Yours very truly,

(Signed)

JAMES BEATY, JR.

LETTER MARKED "E."

*Confidential.*

OTTAWA, 26th July, 1871.

MY DEAR SIR,—I have received your letter of the 24th inst. I note that you had yourself arrived at the conclusion, before coming to Ottawa, that "the whole matter was disorganized and required complete reconstruction." You mention your intention of proceeding with Mr. Laidlaw to Montreal to see certain parties. Mr. Laidlaw is represented to be a shrewd business man, and yet from your account he is about to see persons regarding a scheme the advantages of which neither he nor you can have the slightest idea of; at least I certainly am wholly ignorant at this moment what aid in land and money the Government will recommend the Parliament to grant. How any one under such circumstances can look to men of business about being concerned in a scheme, I am at a loss to comprehend, and I am persuaded that owing to Mr. Kersteman's premature and most injudicious proceedings, the greatest injury has been done to a great undertaking.

Believe me, truly yours,

(Signed.)

F. HINCKS.

JAMES BEATY, JR.

And further deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the fourth day of  
September, and taken in part on the  
fifth September, eighteen hundred and  
seventy-three, and acknowledged on  
the sixth instant.

(Signed), F. HINCKS.

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }  
*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE and JAMES ROBERT GOWAN,  
Commissioners, to enquire into and report upon the several matters stated in a  
certain Resolution moved by the Hon. MR. HUNTINGTON, in the House of Com-  
mons, on the second day of April, A.D., 1873, relating to the Canadian  
Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hun-  
dred and seventy-three, personally came and appeared before us, the above-named Com-  
missioners,

ANDREW ALLAN, of the city of Montreal, who being duly sworn, deposeth and  
saith:

I knew Mr. McMullen by sight, but I have never spoken to him. I have heard  
the charge read, and I have no knowledge of any such agreement as mentioned in it  
having been made by Sir Hugh Allan and Mr. McMullen as representing certain Ameri-  
can capitalists. I have no knowledge of the subject at all. I have no knowledge that  
any agreement was ever made of the kind between Sir Hugh Allan and G. W. McMullen  
relating to the furnishing of funds necessary for the construction of the Pacific Railway,  
George W. McMullen acting for certain United States Capitalists.

*Question*—Have you any knowledge relating to this matter of the Pacific Railway,  
and the charges that have been read to you?

*Answer*—I have no knowledge of any kind relating to the matter.

*Question*—Have you any knowledge that any money was advanced by Sir Hugh  
Allan to promote the elections?

*Answer*—I have not.

I know nothing personally of the matter at all. The only thing I know is from  
what I have learned from reading the newspapers.

I am a brother of Sir Hugh Allan, and his partner in business.

*Question*—By Sir John A. Macdonald through the Chairman—

Have you been in the habit of discussing these matters with your brother?

*Answer*—I was not. We never spoke about it at all until these matters were pub-  
lished in the newspapers.

And further deponent saith not, and this, his deposition having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the fourth day of September, and acknowledged on the eleventh of September, eighteen hundred and seventy-three.

(Signed), ANDREW ALLAN.

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

"

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

"

PROVINCE OF ONTARIO, }  
*City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this Fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

M. L. DEBELLEFEUILLE, of the City of Montreal, Advocate, who being duly sworn, deposeth and saith:

I have heard the charge read.

*Question*—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. McMullen, acting for certain American capitalists, with a view to furnishing funds by the Americans, for the building of the Pacific Railway.

*Answer*—I have none. Not the least.

*Question*—Have you any knowledge of any negotiations whatever between Sir Hugh Allan and Mr. McMullen.

*Answer*—I know nothing personally, except what appeared in the public newspapers. I knew nothing of it before it appeared in the public prints.

*Question*—Did you take a part in the late elections of last summer?

*Answer*—I did in some Counties, but not in Montreal East.

*Question*—Are you aware that any sums of money were supplied from any source whatever, for the purpose of carrying on the elections in Lower Canada?

*Answer*—I know that Sir Hugh Allan did advance some money for the elections, but don't know what amount. That advance was made some time in August I think.

*Question*—To whom was the money paid?

The witness objects to this question, inasmuch as he does not see any relation between the question and the accusation which the Commission is instructed to enquire into.

Objection over-ruled.

*Answer*—I know of only one sum of money which was paid, and only one person who received money, namely,—Louis Beaubien, of Hochelaga. It was paid to him for the purposes of his election.

*Question*—Do you know of any money that was paid for the promotion of Sir George Cartier's election?

*Answer*—I do not know it personally, but I was not a member of the Committee of Sir George Cartier.



*Question*—Do you know what amount was advanced to Mr. Louis Beaubien for his election?

*Answer*—He got a cheque for seven thousand dollars from Sir Hugh Allan. I have no personal knowledge of any further sums being advanced by Sir Hugh Allan. This sum advanced to Louis Beaubien was made in September, I think, and I can now remember that he was paid this amount after he was elected. I am positive of that now.

*Question*—Why was it given to him then?

*Answer*—To pay the expenses made in his election, and I now well remember Mr. Beaubien gave his note for it. I think he had to refund it. I don't know what delay he would have given him to pay it.

I could not say from what source this money was derived, I only saw the cheque of Sir Hugh Allan. I don't know where the money came from.

*Question*—Have you any knowledge whether this money was advanced at the request of any member of the Government?

*Answer*—No; I think that I was the first person and only one, to ask Sir Hugh Allan to assist Mr. Beaubien.

*Question*—Have you any documents in your possession which would throw light on the subject of the enquiry before the Commission?

*Answer*—I don't see that I have. I was acting as Secretary of the Canada Pacific Railway, and the documents I have are documents regularly filed.

A good deal of correspondence took place between the Canada Pacific Company and the Inter-Oceanic Company in 1872, which is in my possession as guardian. They may have some bearing on the accusation in relation to its first part as regards its connection with the Americans. But so far as the Pacific Railway Company is concerned, I deny most positively any such connection.

I have not got the said correspondence with me, but all the documents contained in it must be in the hands of the Government, and have been laid before Parliament.

To Mr. Abbott through the Chairman.

I was Secretary of the Canada Pacific, of which company Sir Hugh Allan was President, and under the instruction of the President and the Board, I published an advertisement in the newspapers in all the principal towns of the Dominion stating that stock books had been opened and any body who wished to subscribe could go to such places and do so. The public were invited to subscribe for whatever amounts they would desire to take in the stock of the Canada Pacific Company. That was during the summer of 1872. I was named Secretary in June. I attended to that business in July, 1872. These books were opened in the towns of the different Provinces of the Dominion. The advertisement was published and the books were sent by me, and they remained there for I think thirty days, to enable any person desirous of subscribing in them to do so within the delay mentioned.

The books were returned to me, with a certificate of the Agents, stating if Shares had been subscribed, and to what amount.

The whole stock was thrown open to the public. There was no reservation of the stock. Sir Hugh Allan is President of the Montreal Northern Colonization Railway Company, and Mr. Louis Beaubien is its Vice-President; and I know that for two and a-half or three years they were very intimately connected in order to ensure the success of that railway; and it may be, so far as I know, in consequence or in consideration of the friendship existing and such relations between them—Mr. Beaubien and Sir Hugh—that Sir Hugh made this loan of money to help Mr. Beaubien in his election of 1872. When I asked the money from Sir Hugh Allan, I did not in the least mention any interests of Sir Hugh Allan or Mr. Beaubien in the Pacific Railway. I only considered Sir Hugh as a friend of Mr. Beaubien, and I thought that, like some others of his friends, Sir Hugh Allan would help Mr. Beaubien in the election he had made, and which was then completed.

I have no papers on this matter except those which came into my hands as Secretary except a few letters that can have no bearing on this subject at all.

I have had no correspondence, whatever with the Americans.  
And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and has signed.

Sworn and taken before me on the fourth of  
September, and acknowledged on the  
ninth of September, one thousand  
eight hundred and seventy-three. } (Signed) E. LEF. DEBELLEFEUILLE.

(Signed)

CHARLES DEWEY DAY,  
*Chairman.*

"

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

"

PROVINCE OF ONTARIO, }  
*City of Ottawa.* }

## IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

VICTOR HUDON, Esquire, of the City of Montreal, Merchant, who, being duly sworn, deposeth and saith:

I know Sir Hugh Allan. I do not know Mr. McMullen.

I have no personal knowledge of any arrangement between Sir Hugh Allan and G. W. McMullen, having for object the construction of the Canadian Pacific Railway.

I took some interest in the elections in Montreal in 1872. I was one of the members of Sir George Cartier's Committee for Montreal East.

I am aware that there were sums of money subscribed to carry on that election. Ordinarily in elections we have a committee and friends who subscribe. I do not know the names of the persons who subscribed at this election. I heard that Sir Hugh Allan was to subscribe. I do not know how much he did subscribe. I know some of the members of the committee; I think all of them subscribed something. A short time before the election I learned that Sir Hugh Allan had subscribed.

Sir Hugh Allan was not a member of the Committee. I do not know the amount subscribed by Sir Hugh Allan, nor by any other members of the Committee.

I have no knowledge of any one having subscribed \$20,000 during the elections. I have not in my possession any letter or document bearing upon this enquiry.

I have knowledge of the subject of this enquiry only by what I have seen in the newspapers, I have no personal knowledge on the subject. I have stated all I know in reference to the sums of money subscribed for the elections.

And further the deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the }  
fifth of September, 1873.

(Signed) V. HUDON.

(Signed)

CHARLES DEWEY DAY,  
*Chairman.*

”  
”

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: The COMMISSIONERS.

On this sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

LOUIS BEAUBIEN, of the city of Montreal, a Member of the Honourable The House of Commons of Canada, who being duly sworn, deposed and saith:

I am a Member of the House of Commons. I am Vice-President of the Montreal Northern Colonization Railway. I hold no situation or directorship in the Canadian Pacific Railway. I have heard read the charges which the Commission has been appointed to enquire into.

I know Sir Hugh Allan, and have met Mr. Mullen.

*Question*—Are you aware of any agreement or negotiation being made between Sir Hugh Allan and Mr. Mr. McMullen relating to the matter expressed in these charges?

*Answer*—I am not aware of any.

*Question*—Do you know of any agreement made by Sir Hugh Allan with Mr. McMullen acting for United States Capitalists to furnish funds necessary for the construction of the Pacific Railway?

*Answer*—No, I have no knowledge of any such transaction. I was one of the Provisional Directors of the Canada Pacific Company, but I only joined when these things are supposed to have taken place, and have no knowledge of them whatever.

*Question*—Was your connection with the Canada Pacific Railway Company subsequent to the period referred to, and before the legislation of last Session?

*Answer*—My name was included among the Provisional Directors when that Company was incorporated; that was the first time I was connected with it.

The period I refer to was the Session before the last. I was not a member of the Dominion Parliament then.

*Question*—Are you aware of parties who were expected to take up the stock of the Canada Pacific Company?

*Answer*—No, I was not aware.

*Question*—Do you know whether any American capitalists were expected to furnish money for the purposes of the Railway?

*Answer*—No, I do not.

*Question*—Have you ever, or had you at that time, seen any list made out by Sir Hugh Allan as to the distribution of stock?

*Answer*—No, I had not.

*Question*—Do I understand you to say positively that you know nothing at all relating to this matter expressed in the first clause of the charge which you have just heard read to you?

*Answer*—Nothing at all.

*Question*—I see your name signed to a memorandum of the Canada Pacific Railway Company, upon a statement submitted by the Inter-Oceanic Railway Company to the Government of Canada, along with the names of Sir Hugh Allan and J. J. C. Abbott. Were you a party to a memorandum of that kind?

*Answer*—I was. It is signed "Hugh Allan," "J. J. C. Abbott," "Louis Beau-bien."

*Question*—Had you any knowledge of any negotiations concerning the amalgamation of these two Companies?

*Answer*—All I know is what is contained in the Blue Book, entitled—"Charter for the construction of the Pacific Railway, with papers and correspondence;" that is all the proposal that I ever heard was made.

*Question*—Did you take any personal part in any of the negotiations?

*Answer*—I signed all these documents after being named by the Company on its committee, which was termed the Executive Committee.

*Question*—Do I understand you to say that you signed this document, and took an active part in the negotiations which took place between the Canada Pacific Company and the Inter-Oceanic Company?

*Answer*—I took all the part referred to by these documents.

*Question*—Had you any interviews on the subject of the amalgamation?

*Answer*—No. I had none that I remember of.

*Question*—Have you any knowledge of the agreement or understanding described in the charge between the persons connected with the Railway and the Government?

*Answer*—None.

*Question*—Have you any knowledge of any money having been advanced by any persons connected with the Railway in Quebec, for the promotion of the elections?

*Answer*—I have reason to believe that Sir Hugh Allan advanced a certain amount of money to be used in the elections.

*Question*—What amount?

*Answer*—I cannot say.

*Question*—Was it a large sum?

*Answer*—I have no means whatever of judging.

*Question*—Do you know of any specific case in which money was advanced by Sir Hugh Allan, for the purpose of aiding the election of Ministers and their supporters, at the then ensuing elections?

*Answer*—Not Ministers. I may mention this fact. A friend of mine and a supporter of the Government, sometime before the elections wanted me to get up subscriptions for his election, to a small amount. I went to Sir Hugh Allan and he consented to help that gentleman. The Government never knew of it, and the Government don't know of it now, at the present moment. As this was a private matter between Sir Hugh Allan and that gentleman—for I state under oath that the Government know nothing about it—I would not like to give the name of the gentleman. The amount he received was one thousand dollars. The gentleman who advanced the money was Sir Hugh Allan.

In my own case Sir Hugh Allan was called upon by one of my friends about three weeks after my election. My election took place on the thirtieth of August, and the money I am going to mention was obtained about the middle of September. My friends called upon Sir Hugh Allan, and told him that my expenses had been a little heavy, and asked him to advance money to help me in paying back the expenses of the election which were borne by myself. He consented to do so. I received the money, and gave him a

receipt for it. In that receipt it is not stated that the Government would re-imburse Sir Hugh for the amount of it. I could not find a copy of that receipt, but I saw it a month ago when it was mentioned in McMullen's letter. This morning I was taking it down as well as I could remember in my memorandum book. If there is any change in the wording of the receipt, I can swear it is not a material change.

The receipt is as follows :—

“Received from Sir Hugh Allan, the sum of seven thousand dollars, which I agree to repay him within one year, if he be not sooner re-imbursed, along with other sums advanced by him in aid of the elections.”

This note is due now. The amount of the note was obtained at the solicitation of my friend. The Government never knew of this arrangement at all.

I will correct this answer in so far as I have reason to believe that Sir Hugh Allan subscribed money to the Central Committee Fund of Montreal, and I was informed that Sir Hugh Allan stipulated that if necessary I would be helped out of the fund. I understood, also, that Sir George Etienne Cartier was opposed to any of the funds being used for that purpose, but I believe that gentlemen on the Committee notwithstanding this gave without Sir George's knowledge some money to my friends. I will state also that I know that Sir Hugh Allan helped two candidates who were believed to be friendly to the Administration. As the Government did not know that they were assisted, and as neither of them are members of the House, and it being a private matter between them and Sir Hugh, I did not think it necessary to mention it on Saturday in my deposition. I don't think it fair to these two gentlemen to bring their names before the public.

I don't know of any other sum advanced by Sir Hugh Allan or by any other person on his behalf. I could not say how much was subscribed for the Montreal elections but I think there was a list passed round and subscriptions asked from different gentlemen.

I don't know anything further that took place, Sir George E. Cartier's Committee was rather against me. I was not on the Committee, but my opponent, Mr. Hudon, was President of it, which was sufficient to keep me off.

*Question*—Did you apply to Sir Hugh Allan yourself to aid you in the payment of your election expenses ?

*Answer*—I suppose I must have said a word for myself at that time.

*Question*—Did you expect before or at the time of your election that this money was to be forthcoming from Sir Hugh Allan ?

*Answer*—No, I expected to be elected by acclamation, and if it had not been for Sir George Cartier, I would have been elected by acclamation.

*Question*—Why did you apply to Sir Hugh Allan for this money instead of some other wealthy gentlemen ?

*Answer*—Sir Hugh Allan was the person more likely than anybody else.

*Question*—Had you been in particular relations or in business relation with Sir Hugh Allan.

*Answer*—I was considered as one of the most active parties in the Railway, and have been a Director in it from the very beginning, and was one of those who assisted to induce Sir Hugh Allan to come into that Company, and since then I have been in very close relations with him. When I speak above of the Railway, I mean the Montreal Northern Colonization Railway. Sir Hugh Allan is President of that road, and I have been Vice President of it ever since the beginning.

To Sir John A. Macdonald.

*Question*—Was Mr. Victor Hudon the Government candidate for the County of Hochelaga ?

*Answer*—If being Sir George Cartier's candidate was being the Government candidate, certainly he was the Government candidate. I don't say Sir George was opposed to my election at the latter end, but if Mr. Victor Hudon came forward at all, it was due to the encouragement that Sir George gave him, and I learned that Sir George Cartier advised his friends to vote for Mr. Hudon.

I know that the gentlemen in the office of Sir George Cartier voted for Mr. Hudon.

I made the application for the loan above referred to, to help me to pay the expenses of my election. I did not ask for this loan as a friend of the Government, but simply on account of Sir Hugh Allan being a friend of mine. It was Mr. E. L. DeBellefeuille that got the loan for me.

That sum had never been promised to me before, and I had never expected to get that loan.

*Question*—Had Sir George Cartier any knowledge or intimation that you were going to ask for that money before you got it?

*Answer*—No; I suppose when I got it he knew. I suppose Sir Hugh Allan likely told him afterwards, but Sir George may not have known anything about it.

And further, for the present, the deponent saith not.

And on this eighth day of September, 1873, the said witness re-appeared and made the following alterations and additions to the foregoing deposition, namely: I wish to remove the words in a former part of my deposition, "so I also went to different friends."

I have been reminded this morning that Mr. Victor Hudon was not President of Sir George E. Cartier's Election Committee, as stated by me in my deposition.

I gave the receipt referred to by me to Sir Hugh Allan. I gave it to him in the city of Montreal. I think it was in his own office.

In my evidence I stated that I saw the receipt about a month ago. I never saw the original of the receipt since I gave it. It was not the receipt that was signed that I kept, it was the *project* or draft which was not signed, as there were some corrections to be made in the draft. I made a copy of it, and signed this copy and delivered it to Sir Hugh Allan. I have never seen the receipt I signed since I delivered it to Sir Hugh. I saw the draft that I kept the next day after Mr. McMullen's letter appeared in the papers. I think I can find it. The receipt was not written in Sir Hugh Allan's office. It was written in Mr. Abbott's office. It was written on ordinary foolscap paper. For all I can say, that document is in the possession of Sir Hugh Allan at present.

I consider that receipt to be a note. I think I can produce the drafts.

*Question*—You say that in this receipt, which you have given from memory, "that unless the money was otherwise re-imbursed." What do you mean by these terms? From whom was it expected to be re-imbursed?

*Answer*—I have no means at all of knowing where he expected to be refunded.

*Question*—In making use of this expression from what source did you think this re-imburement to come?

*Answer*—I had no idea at all; and my opinion is that Sir Hugh Allan himself did not know where it would come from. Many a time he said that he did not know that he would be otherwise re-imbursed. Sir Hugh told me that all the money he was giving in support of the elections he thought would be a dead loss to him. I suppose he expected to be re-imbursed from the profits of the enterprise.

*Question*—What meaning did you attach to the word "re-imbursed" in that respect?

*Answer*—I expected that the friends of the Government would subscribe and would help me.

*Question*—Was there any funds provided?

*Answer*—There was a general election fund that had been established.

I had not in my mind then any supposed arrangement between the Government and Sir Hugh Allan. I never knew of any arrangement whatever, and Sir Hugh Allan never told me that there was.

The Commission desires the witness to preserve the draft of the receipt referred to if he can find it, and enjoins him also in that event to forward it to the Commission.

I wish to strike out the following words from my foregoing deposition: "Many a time he said that he did not know that he would be otherwise re-imbursed."—Sir Hugh told me several times that all the money he was giving in support of the elections he thought would be a dead loss to him.

And further deponent saith not, and this his deposition having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the sixth of September, 1873, and remainder taken, and the whole acknowledged before us this eighth day of September of said year. } (Signed), LOUIS BEAUBIEN.

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

“

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

“

PROVINCE OF ONTARIO, }  
*City of Ottawa.*

IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

NORMAN WILLIAM BETHUNE, of the city of Ottawa, Telegraph Manager, who being duly sworn, deposeseth and saith:

I reside in Ottawa. I am a manager of the Montreal Telegraph Company.

*Question*—Have you in your possession the original of the telegram dated at Toronto, August 26th, 1872, addressed to the Honorable J. J. C. Abbott, Ste. Anne's, and signed John A. Macdonald?

*Answer*—I have not.

*Question*—Have you the original of a telegram dated Montreal, 26th August, 1872, directed to Sir John A. Macdonald at Toronto, and signed J. J. C. Abbott?

*Answer*—I have not.

*Question*—Have you in your possession any telegram signed by either of these parties, Sir John A. Macdonald, or Hon. J. J. C. Abbott, between the first of August and the end of that month?

*Answer*—None that I am aware of.

*Question*—Have you searched for anything of the kind?

*Answer*—I have not made search, but I caused the books of the Company to be examined by the clerks, and they found no messages between Sir John A. Macdonald and Sir Hugh Allan or Mr. J. J. C. Abbott, from the first to the thirty-first of August.

The Commissioners desire to have fuller information on the subject, and will require you to examine the books of the Company a month further back and a month afterwards, and would desire that you should examine them yourself, that you may be able to state under oath whether there are any such messages, and what they are.

*Answer*—All original messages previous to the first of August, 1872, are not now in existence, the rule of the company was that messages should be kept for one year, and then destroyed. The present rule is that messages shall be kept for six months and then destroyed. I think it probable that none of those messages are now in existence, as it is the rule of the company to have them destroyed.

*Question*—In whose hands would messages be in Toronto and Montreal?

*Answer*—In Toronto they would be in Mr. Harver P. Dwight's hands, in Montreal they would be in Mr. James Daker's hands. It is impossible to produce the originals of any telegrams passing through the Ottawa office anterior to the first of August, 1872, but we have an entry of these telegrams in the books.

*Question*—Can you not examine the books a month previous to August and a month afterwards?

*Answer*—Certainly.

The books of the Company contain no copies of telegrams, but only a copy of the address, and signature of parties.

And further for the present deponent saith not,

And on this eighth day of September, reappeared the said witness, and continued his deposition as follows:

*Question*—Have you examined the books of the Telegraph Company in your office?

*Answer*—I have found it impossible to examine them in the period allotted to me. I find further by the books that Sir John A. Macdonald was absent from Ottawa for a large portion of the time named within which the telegrams referred to are said to have passed.

I have examined the books from first of July up to 6th of July, and for the whole month of September.

*Question*—Have the books been examined for the month of August?

*Answer*—They have been examined by my clerks, and I find that Sir John A. Macdonald was not in Ottawa during the month of August, and therefore no telegrams could have been left in the Ottawa office as being sent or received by him during that time.

*Question*—Have you any original telegrams in your office received during August or July, 1872, between Sir John A. Macdonald and Mr. Abbott?

*Answer*—No; I have no such originals in my possession.

And further deponent saith not, and this his deposition being read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the sixth day of September, 1873, and remainder taken on the eighth day of September, and the whole acknowledged on the ninth of September of said year.

(Signed), N. W. BETHUNE.

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

"

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

"

PROVINCE OF ONTARIO, }  
City of Ottawa. }

IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the HON. MR. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.



On the sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

The HONORABLE DAVID L. MACPHERSON, of the City of Toronto, Senator, who being duly sworn, deposes and saith :

I am acquainted with Sir Hugh Allan ; I know Mr. McMullen only slightly. I have heard a portion of the Commission read embodying the charges which the Commissioners are enjoined to enquire into.

*Question*—Are you aware of any agreement or negotiations having reference to the formation of a Company of the character of that mentioned in the extract which has just been read to you ; if you have, will you please to state your knowledge of it ?

*Answer*—I have no personal knowledge of any agreement being concluded such as is described therein.

*Question*—Have you any knowledge of any such negotiation ?

*Answer*—Sir Hugh Allan told me himself in February, 1872, that he was negotiating with Americans with the object of having them take an interest in the Canadian Pacific Railway. The date of this was towards the end of February, 1872. I received a letter dated 27th February, 1872, from Sir Hugh Allan, and replied on the 29th ; these letters have been published, and perhaps the easiest way would be to refer to them. In a letter dated 8th July, 1873, and published, I give the substance of the conversation which Sir Hugh Allan had with me, and also the letters which passed afterwards between us.

The witness read a letter before the Commission embodying the evidence of his knowledge of the matters referred to in the extract of the charge which has been read to him.—This letter contains a true statement of the facts therein declared. It is dated July 8th, 1873, and is as follows :

## THE PACIFIC RAILWAY NEGOTIATIONS.

### SENATOR MACPHERSON'S STATEMENT.

*To the Editor of the Mail.*

SIR,—Sir Hugh Allan having admitted the genuineness of the letters published over his name in the *Globe* and *Montreal Herald* of Friday last, I ask the favor of space in your columns to correct misrepresentations affecting myself contained in some of these letters.

Sir Hugh Allan, in his letter to Mr. C. M. Smith, of Chicago, dated Toronto, 24th February, 1872, the day after his last interview with me, purporting to be a statement of what had passed between us, says :—“He (Mr. Macpherson) has been applied to by our opponents and uses that as a lever by which to obtain better terms from us. He insists on getting \$250,000 of stock, and threatens opposition if he does not get it.” Every one of these allegations is absolutely without foundation.

I had not been “applied to by the opponents” of Sir Hugh and his American associates, and did not say that I had been.

I am not aware that they had opponents then, for the leading features of their scheme for constructing the Canadian Pacific Railway were unknown to the public.

So far from demanding \$250,000, or any other amount of stock, I avoided the discussion of all details with Sir Hugh, and confined myself in our conversation to pointing out what, in my opinion, were fundamental and insuperable objections to his project from a public point of view. And it will be seen from my letters to him, given below, that within a week of the date of these interviews I had refused to connect myself with him.

If I had not been restrained by other, I may say by higher, considerations from joining Sir Hugh Allan's combination, it is quite evident, from his correspondence now published, that he would not have allowed the question of “terms” to stand in the way

of my doing so. Sir Hugh Allan, in his letter to Mr. McMullen, dated Montreal, 4th March, 1872, when advising his friend (Mr. McM.) that Mr. Brydges and myself had declined to join them because "their Company was too largely American, and that we wanted to see it in the hands of Canadians," proceeds to say: "They (Messrs. Macpherson and Brydges) tried to detach me from the Company we have formed and get me to join theirs, which of course I declined." So far as I am concerned, this is entirely unfounded.

Mr. Brydges and I had formed no Company; I was not connected with one at that time, and I am not aware that one existed, or any association of persons intended to form one. I therefore could not have asked Sir Hugh Allan, to join any Company. There never was any concerted action between Mr. Brydges and myself in respect to the Canadian Pacific Railway. Neither of us knew that the other had been asked and had declined to join Sir Hugh Allan's combination until after these events. Acting in the belief that Sir Hugh desired and expected that the communications, oral and written, which took place between us in February, 1872, would be regarded as private, I have hitherto abstained from giving them publicity, although in doing so I may have laid myself open to much misconception as to my motives in declining, first, to connect myself with his American scheme, and then in opposing the amalgamation of the Inter-Oceanic and Canadian Pacific Railway Companies.

The version which Sir Hugh Allan has permitted himself to give in his published letters of what passed at our interviews, not only released me from any further obligation of silence, but imposes on me the duty of placing before the public the details I now furnish.

They consist of the following memoranda and letters:

- 1st. A memorandum of conversation between Sir Hugh Allan and myself in February, 1872 (prepared soon after these interviews).
- 2nd. Letters from Sir Hugh to me dated 27th and 29th February, 1872.
- 3rd. My letter to Sir Hugh, dated 29th February, 1872.
- 4th. A memorandum of what passed between the Hon. J. J. C. Abbott, Sir Hugh Allan and myself, concerning the organization of an amalgamated company, prepared for the executive committee of the Inter-Oceanic Railway Company. The following are copies *in extenso* of these documents.

(COPY.)

1st. *Memorandum of conversation between Sir Hugh Allan and myself in February, 1872.*

In February, 1872, Sir Hugh Allan called upon me and proposed that I should join him in undertaking to construct the Canada Pacific Railway, for the subsidies to be granted by Parliament, and to allow my name to appear as one of the Provisional Directors, in an Act about to be applied for to incorporate the Canada Pacific Railway Company. I said that before I could consider the proposal to join him, I must have some general idea of his scheme for carrying out the enterprise. He informed me that he had it understood with the Government that the undertaking should be placed in his hands, and that he had secured the cooperation of parties in New York, of great wealth, who would subscribe the greater part of the share capital which it was proposed to fix at \$10,000,000. With the assistance of these American capitalists he had no doubt the enterprise could be carried to completion successfully. He said that he proposed to place the management in the hands of a Board of eleven Directors, of whom six, including the President, should be British subjects, resident in Canada, and five should be Americans, resident in the United States.

The Canadian members of the Board to be Sir Hugh Allan, the Hon. A. B. Foster, the Hon. J. J. C. Abbott (or the Hon. Thomas McGreevy), Donald A. Smith, Donald McLunes and myself.

The American members to be Messrs. J. G. Smith, G. W. Cass, William B. Ogden, of Chicago; T. A. Scott, of Philadelphia; and Jay Cooke, of New York; all Directors of

the Northern Pacific Railroad Company—the two first-named being the President and Vice-President of that Company.

I took exception to the proposed organisation of the Company, and remonstrated against giving our rivals the control and ownership of our Trans-Continental Railway, which could only be carried out with Canadian subsidies in money and land. I pointed out to Sir Hugh that the Americans he referred to would not invest money of their own in the enterprise; that apparently they had none to invest in such enterprises, for that they had obtained from Europe all, or almost all, the capital employed so far, in constructing the Northern Pacific Railway; that if they were allowed to hold the major part of the stock, as he proposed, they would be complete masters of the Canadian Pacific Railway; and that this would enable them to subordinate its traffic arrangements to their interests in the United States; that it would give them control of the settlement of the large territory to be granted to the Company in our North West, and that they might, and possibly would, so manage its settlement as to imperil the very peace of Canada. Sir Hugh dissented from all these opinions, and in expressing surprise that I should entertain such narrow views, said that he took a cosmopolitan view of the question, that in stipulating that a majority of the directory should be British subjects, resident in Canada, he had sufficiently guarded Canadian interests. He added that he was unable to state precisely how the stock (\$10,000,000) would be apportioned; that that was then being determined in New York; that he expected to be fully advised on his return to Montreal, and would communicate the information to me. I objected also to the composition of the Canadian Board, as proposed by Sir Hugh Allan, and urged that it did not fairly or sufficiently represent the various Provinces of the Dominion.

I said that Mr. McInnes and myself would not be sufficient representation from Ontario, and that there was no representative from British Columbia, the Province of all others most interested in the railway. Sir Hugh said that he considered the Board as proposed a good one, and that if British Columbia were represented, the Maritime Provinces would also expect to be represented.

I replied that I thought they ought to be represented; that the undertaking was a Dominion one in the broadest sense; that all the Provinces should have the opportunity of taking an interest in the company, and of being represented at the Board; that I was quite certain Parliament would not assent to, or the country tolerate any scheme which would place the Canadian Pacific Railway and its subsidies in the hands of foreigners and rivals. After Sir Hugh's return to Montreal, I received the following letters:—

(COPY.)

MONTREAL, 27th Feb., 1872.

MY DEAR SIR,—The papers which have come from New York indicate the amount of stock allotted to me as \$1,450,000. This I propose to divide in something like the following shares:—

Hon. D. L. Macpherson .....	\$100,000
Hon. A. B. Foster.....	100,000
Hon. J. J. C. Abbott .....	100,000
Donald A. Smith .....	100,000
Donald McInnes .....	50,000
Andrew Allan .....	100,000
John Shedden .....	50,000
C. S. Gzowski .....	50,000
George Brown .....	50,000
Henry Nathan .....	100,000
C. J. Brydges.....	100,000
T. McGreevy .....	50,000
H. Allan.....	500,000

\$1,450,000

This may not be the ultimate arrangement, as I have not yet even proposed the matter to some of the gentlemen, but, if I can arrange it there will not be much change. Please advise me at once if you consent that your name shall appear as one of the Provisional Directors, as I must send in the list to the Government without delay.

Yours truly,  
HUGH ALLAN.

(Signed)

The Hon. D. L. Macpherson.

The information in this letter is for yourself alone.

(COPY.)

MONTREAL, 29th Feb., 1872.

To Hon. D. L. Macpherson, Toronto.

MY DEAR SIR,—Since writing to you I am informed that the Hon. George Brown will not be a shareholder at present, and I propose to name Mr. Howland in his place.

Yours truly,  
HUGH ALLAN.

(Signed)

(COPY THIRD.)

MONTREAL, 29th Feb., 1872.

DEAR SIR HUGH,—I have to thank you for your letter of 27th inst., informing me that there had been allotted to you in New York shares in the Canada Pacific Railway, for Canadians, to the amount of \$1,450,000, and mentioning how you propose to divide the same. Since you asked me to allow my name to appear in the Charter as one of the Provisional Directors, I have carefully considered your scheme, and have become convinced that Parliament will not assent to it in its present shape, or to any scheme which, like it, would place our great Transcontinental Railway for ever under the absolute control of our rivals, our American neighbours. This would be effected by giving to them, as you do, seventeen-twentieths of the whole stock of the Company. Why should this be done? Canada must give the means in money and land to build the Railway. Why should we hand over the control and ownership of the line, with all its incalculable advantages, direct and indirect, during construction and for ever, to foreigners? Such an arrangement is not indispensable to the building of the road, and nothing short of this in my opinion would justify it.

Second only in importance to obtaining the railway, is the securing the control of it with all its benefits to our own people.

We have in Canada men of sufficient ability to carry out this great undertaking successfully, whose character and means would be ample guarantee to the Government and the country for the fulfilment of their engagements. Money would have to be obtained from abroad, but the securities would be Canadian, and the negotiations should be directed by Canadians.

The assistance of English and foreign financial agents would be necessary, and for their services they would have to be paid; but they should have no interests rival or antagonistic to the Canada Pacific Railway. I should be quite willing that they and their clients should have an interest in the road, but not a controlling one.

The position of the Canadian Directors, under your proposed organization of the Company, would be uncomfortable and anomalous—at least so it appears to me. They would sit at the board in virtue of their being Canadians, but merely as the nominees and the mere agents of foreign shareholders.

The interests of these shareholders might conflict with the interests of Canada, possibly very soon. Then, if the directors stood by their country, I apprehend they

would be required to surrender their seats at the first ensuing election for more subservient men.

Holding these views, which I expressed to you when you first offered me a directorship, and they have strengthened with reflection, and not seeing my way to occupying a seat at the Board with that feeling of independence so essential to usefulness as a director of any undertaking, especially one of the magnitude of the Canada Pacific Railway, it is my duty to decline the office. I deem it right to give you my reasons therefore frankly and freely. Thanking you for inviting my co-operation,

I remain, &c.,

(Signed)

D. L. MACPHERSON.

Sir Hugh Allan, Knight, &c., Montreal.

(copy.)

4. Memorandum.—Early in July, 1872, I casually met the Hon. J. J. C. Abbott, of Montreal, at the Queen's Hotel here, and had some conversation with him respecting the amalgamation of the Inter-Oceanic and Canada Pacific Railway Companies.

We both understood the Government wished the two Companies to amalgamate, and it was also understood that the Government favored a Directory of thirteen members (the same number as the Cabinet), of whom I, as President of the Inter-Oceanic Company, should name five from Ontario; Sir Hugh, as President of the Canada Pacific Company, four from Quebec, and the Government four—one for each of the other Provinces. Mr. Abbott said that four was too small a number to enable them to obtain an adequate representation of nationalities and localities from the Province of Quebec; that they required six, and would like the numbers to be for Ontario and Quebec seven and six. I replied that as between Ontario and Quebec the proportion of five to four was much less than Ontario was entitled to, while seven to six would make the disproportion still greater. Finally I said that if amalgamation would be entertained by the Inter-Oceanic Company, and if all the other details were satisfactorily settled, it was possible the Inter-Oceanic Company would not break off negotiations upon the point as to whether the number of Directors named by each Company respectively should be five and four or seven and six.

I stated very early in our conversation that there would be feeling of unwillingness on the part of the Inter-Oceanic Company to enter into amalgamation at all, many of us doubting whether the objects of the two Companies were the same, ours being to make the Company ultimately organized essentially Canadian, while we feared Sir Hugh Allan and his associates still clung to their old alliance with gentlemen interested in the Northern Pacific Railway on conditions that would place the Canada Pacific Railway in their hands and under their control. Mr. Abbott assured me that this was not the case.

I replied that it was a point on which it would be difficult to satisfy the Inter-Oceanic Company.

Mr. Abbott then referred to the Presidency of an amalgamated Company, and inquired if I would agree to Sir Hugh Allan being appointed to that office.

In reply I stated distinctly that I would not, that while I did not arrogate any claim myself to the Presidency, I should not concede or waive any in favour of Sir Hugh Allan; that if amalgamation should take place, the new Provisional Board should be left free to elect their President, and that it was not for Sir Hugh Allan and myself to arrange in advance who should be President.

Mr. Abbott was not satisfied with this, and referred to it again on the following day, remarking that unless the Presidency were promised to Sir Hugh, he was afraid no amalgamation would take place.

In the course of the following week, when at Montreal on private business, I, in compliance with a written request from Sir Hugh Allan, called at his office. He at once referred to the Pacific Railway, and said he understood from Mr. Abbott that the only

points of amalgamation on which he (Mr. Abbott) and I differed were the number of Directors to be named by each Company and the question of the Presidency.

I replied that these were the only points we had discussed. That I had said to Mr. Abbott, speaking for myself only, that if all the other details of amalgamation were settled satisfactorily, I thought the Inter-Oceanic Company might be induced to consider the necessities of the other company so far as to make the number of Directors to be named by each of us respectively seven and six.

That with respect to the Presidency, I had told Mr. Abbott that if amalgamation took place the choice should be left to the directors, and asked Sir Hugh if he did not think that that would be the proper way.

He replied that he could not say that such was his opinion.

It might be inferred from what Sir Hugh says in his affidavit published on Saturday last of Mr. Abbott's interviews with me, that we had been for days closely engaged in discussing terms of amalgamation for the companies, and generally maturing a scheme for the construction of the Pacific Railway. We had but two brief interviews, and the only subjects discussed were those mentioned in the above memorandum.

My reasons for declining to assist Sir Hugh Allan to carry out what I then regarded, and still regard, as most prejudicial to Canada—I might almost be justified in saying a conspiracy against Canada—are contained in my letter to him quoted above. My reasons for opposing the amalgamation of the two companies are set forth in the memoranda addressed to the Government by the Inter-Oceanic Railway Company, published in the *Toronto Globe* in July last, and submitted by the Government to both Houses of Parliament.

A complete statement of my negotiations with Sir Hugh Allan, with a view to the construction of our great Inter-Oceanic Railway is now before the people of Canada, to whose judgment the course which I pursued is unreservedly submitted.

I am, sir,

Your obedient servant, &c.,

D. L. MACPHERSON.

Toronto, 8th July, 1873.

In Sir Hugh Allan's letter dated 27th July, 1872, he advised me that the papers he expected to receive from New York, had been received by him, indicating the amount of stock allotted to him to be \$1,450,000, that being, as I understood, the proportion of the whole amount of \$10,000,000, which had been allotted to Canada, and he intimated in that letter how he proposed to divide that amount, namely \$1,450,000, among Canadians.

*Question*—Have you got in your possession the list which he gave you, giving the names of those among whom this amount of stock was to be divided?

*Answer*—His letter to me containing the list has been published. I thought I had his original letter with me, but I find I have it not. It is embodied in my published letter, of the 8th July, and is dated 27th February, 1872.

My reply to Sir Hugh Allan, dated 29th February, 1872, and referring to his letter, the contents of which I have just described, is embodied in Exhibit "E."

I am not personally aware, that Mr. McMullen acted for certain United States capitalists, but understood that he did.

Sir Hugh Allan's letter to me, indicates that three-twentieths of the whole stock had been assigned to Canada, and the remaining seventeen-twentieths were to be divided among capitalists in the United States. This was in February, 1872, before there was any legislation whatever, but in anticipation of the ensuing Session.

I have no knowledge except what is stated in Sir Hugh Allan's letter, and know nothing about the certain per centage of interest, that is stated in the charge I heard read which Sir Hugh Allan was to receive.

*Question*—Is it in conformity with your knowledge that Sir Hugh was to be at the head of the proposed Railway company?

*Answer*—Nothing was said at that time by Sir Hugh Allan about his being at the

head of the company, that point was not raised in Sir Hugh Allan's conversation with me then ; no personal matters or details were then discussed.

*Question*—Have you knowledge whether the Government were aware that these negotiations were pending between Sir Hugh Allan and the Americans ?

*Answer*—I had not an absolute personal knowledge, but I understood that the Government were aware of it, and Sir Hugh Allan himself stated to me that the Government were aware of it. The knowledge which I had in respect to this matter was obtained from Sir Hugh Allan.

*Question*—In reference to the following portion of the charge, viz. : “ that subsequently an understanding was come to, between the Government, Sir Hugh Allan, and Mr. Abbott, one of the members of the Honorable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers, and their supporters at the ensuing General Elections, and that he and his friends should receive the contract for the construction of the Rail- way.” Have you any knowledge relating to that subject ?

*Answer*—I have no knowledge relating to that subject.

*Question*—Do you mean to say that you know of no understanding between the Government and Sir Hugh Allan and Mr. Abbott, relating to Sir Hugh Allan's support in the elections ?

*Answer*—No, I have no knowledge of any arrangements between the Government and Sir Hugh Allan and Mr. Abbott, that Sir Hugh was to furnish money for the elections. I have no personal knowledge that the giving of the contract to Sir Hugh Allan depended on his furnishing money for the elections.

*Question*—There was an offer made to you of some of the stock in this contemplated company was there not ?

*Answer*—In Sir Hugh Allan's letter of 27th February, 1872, my name is put down in the list with others for \$100,000, but I was no party to that. Nothing of the kind was discussed between Sir Hugh Allan and myself, everything he alleges connected with that is utterly unfounded. I stipulated for nothing, and I was offered nothing. I at no time negotiated in any way for the insertion of my name as a subscriber of any stock in this company. I state this most positively.

*Question*—Did you give Sir Hugh Allan at any time to believe that you felt disposed in any way to become a party to such an arrangement ?

*Answer*—No ; I took exception to his scheme when he first explained it to me, and in reply to Sir Hugh Allan's letter of the 27th February, 1872, advising the allotment of stock in New York of the Canada Pacific Company, I, by return mail, declined to have anything to do with his scheme.

*Question*—You were, I believe, President of the Inter-Oceanic Railway Company, were you not ?

*Answer*—I was.

*Question*—I see in the printed pamphlet marked “ Charter for the construction of the Pacific Railway,” which was given to Parliament, your name subscribed to a report of a meeting of the Provisional Directors of the Inter-Oceanic Railway Company of Canada, dated 26th September, 1872, was that an application to the Government for the contract for that company ?

*Answer*—It was informing the Government that the Company was prepared to treat with the Government, and was organized.

That was long after Sir Hugh Allan's application to me ; at the time Sir Hugh Allan had negotiations with me, there was no Company in existence. Had it not been for my objections to Sir Hugh Allan's scheme, and my desire in the interests of the country, to frustrate that scheme, I probably would not have appeared in connection with the Canadian Pacific Railway at all. It was only after I found that Sir Hugh Allan would not abandon his American associates, that I proposed to certain gentlemen in Toronto, and elsewhere, to apply for a charter, and to be prepared to do whatever might seem best when the time for action arrived. The gentlemen to whom I addressed myself, agreed in

opinion with me, and we petitioned for an Act, incorporating the Inter-Oceanic Company.

*Question*—Was this Inter-Oceanic Company, formed with a view of defeating the original scheme, with the American capitalists?

*Answer*—Yes.

*Question*—Were there any negotiations between the Inter-Oceanic Company and the Canada Pacific Company with respect to amalgamation afterwards?

*Answer*—There was sometimes afterwards.

*Question*—Why was that negotiation unsuccessful?

*Answer*—Because the Inter-Oceanic Company did not believe that the Canada Pacific Company had abandoned their American connections. It is quite true that the Committee of the Canada Pacific Company assured the Government that they never had any communication with Americans. The Inter-Oceanic Company, however, looked upon Sir Hugh Allan as really the Canada Pacific Company, and they had reason to believe that the American gentlemen with whom Sir Hugh had been in negotiation, still expected that the understanding which he had with them would be fulfilled, and for that reason the Inter-Oceanic Company declined to amalgamate with the Canada Pacific Company.

In the second memorandum of the Executive Committee of the Inter-Oceanic Railway Company, addressed to the Government, they stated "that 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." I give these reasons from the memorandum of the reasons on account of which the Inter-Oceanic Company declined to amalgamate.

*Question*—Was there any other reason than Sir Hugh Allan's associations with Americans which induced the Inter-Oceanic Company to oppose the Canada Pacific Railway Company?

*Answer*—I think not, except the reasons which are given in the memoranda contained in the blue book referred to, endorsed, "Charter for the construction of the Pacific Railway with papers and correspondence."

*Question*—Can you state your grounds for believing in the fact that Sir Hugh Allan was associated with American capitalists?

*Answer*—I had a statement from himself in the conversation which I had with him at an early period that his associates were American capitalists.

*Question*—Had you any statement from him at a later period?

*Answer*—No, I had a conversation with Mr. Abbott, and he assured me that they had dropped the American connection. I told him it would be very difficult to satisfy the Inter-Oceanic Company on the subject.

I have no knowledge at all relating to the elections in Montreal.

*Question*—Do you remember any other matter which might be of use in this enquiry?

*Answer*—The only additional matter that took place at all between the Canada Pacific Company and myself was the conversation I have referred to with Mr. Abbott, and what took place then I have also published. It was expressing his desire that an amalgamation would take place. Mr. Abbott, I believe, was one of the Provisional Directors of the Canada Pacific Company, but is not a Director of the present Canadian Pacific Railway Company. He is Counsel I believe of the Company now chartered. This conversation took place before the Company was chartered; that is before the Royal Charter was issued.

Subsequent to the issuing of the Charter, I had no conversation with Sir Hugh Allan.

In 1872, two Acts of Incorporation were granted, one to the Canada Pacific Company, and the other to the Inter-Oceanic Company. It was these two Companies which



it was proposed to amalgamate, that is the Canada Pacific Company, which Sir Hugh Allan wished to amalgamate with the Inter-Oceanic Company.

I had this conversation with Mr. Abbott I think in July, 1872. In that conversation he urged upon me the desirability of amalgamation, and also asked me if, in the event of the subject being discussed, and favourably considered, would I consent to Sir Hugh Allan's being President. We also spoke of the number of Directors. The only matter at all personal to Sir Hugh Allan and myself was the question of the Presidency. Mr. Abbott wished that I would consent to the office being filled by Sir Hugh Allan. I told him I would not assent to it in advance, but I set up no claim to the office myself. I thought it should be left to the free choice of the Directors if amalgamation should take place.

*Question*—Had you any interview with the Government or any member thereof with relation to this amalgamation?

*Answer*—No personal interview—I had a conversation—or probably two or three conversations—with Sir John A. Macdonald, on the subject, in which he urged the importance of amalgamation, putting it on the ground that it was desirable to unite as much as possible the influence and financial strength of the country, but nothing beyond this general expression of opinion. I objected on the ground stated in the minutes of the Inter-Oceanic Company, and because I felt quite certain that Sir Hugh Allan continued in association with the Americans, and that this would be fatal to the enterprise in his hands, and that if the Inter-Oceanic Company joined with the Canada Pacific, it would be involved in failure and disgrace, and I did not wish either the Inter-Oceanic Company or myself to be involved in these.

To Sir John A. Macdonald.

I include the whole of my published letter, dated 8th July, 1873, in my deposition. In this letter there is contained a memorandum of the conversation which took place in July, 1872, with Mr. Abbott; it is substantially correct.

*Question*—When was the last occasion on which you had any communication with myself on the subject of the amalgamation?

*Answer*—I think it was in November last, at Toronto.

Sir John A. Macdonald pressed strongly for the amalgamation of the two companies at that time. I dissented on pretty much the same grounds as those assigned in the memorandum of the Inter-Oceanic Company, addressed to the Government.

The printed copy of the letter above referred to, of the 8th of July, 1873, and which is marked "E," contains a full and true statement of all the matters to which it relates.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the sixth day of September, 1873, and acknowledged before us this eighth day of September, of said year. } (Signed) D. L. MAUPHERSON.

[Signed] CHARLES DEWEY DAY,  
Chairman.  
" A. POLETTE,  
" JAMES ROBERT GOWAN,  
Commissioners.

PROVINCE OF ONTARIO, }  
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons, on the second day of April, A. D., 1872, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

THE HONORABLE JEAN LOUIS BEAUDRY, of the city of Montreal, one of the Members of the Legislative Council, who being duly sworn, depose and saith:

I was a Provisional Director of the Canada Pacific Railway Company, incorporated in 1872.

I have no knowledge of an agreement between Sir Hugh Allan and G. W. McMullen, acting for certain American capitalists, for the construction of the contemplated Pacific Railway to have funds from capitalists of the United States. I have no knowledge whatever of any negotiations or correspondence having taken place with reference to the matters stated above.

I have no knowledge of an understanding between the Government, Sir Hugh Allan and Honorable J. J. C. Abbott, that Sir Hugh Allan and his friends should advance money for the purpose of aiding the election of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the Railway in consideration of such subscriptions. From the short duration of the connection I had with the enterprise of the Pacific Railway, I had no means of knowing, and knew nothing of these correspondence. I have no other knowledge except of what I have stated that took place at the meeting of the Board. Nothing took place then that had any respect to the correspondence or negotiations with the Americans.

The question as to what source the means for the construction of the Pacific Railway were to be derived was not discussed at the meetings which I attended.

I have no personal knowledge whatever that these funds were to be expected from American capitalists.

I took an active part in the elections of Montreal East in 1872; I was on Sir George Cartier's Committee.

When I attended the Committee for the first time there had already been some organization made, and at the meeting which I attended they asked me to preside over the meeting; it was about the commencement of August, 1872. I was told by some of the members of the Committee that they had a list of subscriptions for the object of defraying the expenses of the election.

I did not see the list of subscription myself, but at a certain period of the canvassing I was asked by some of the members of the Committee to go to Mr. Abbott, and I went to Mr. Abbott with two other gentlemen, and then signed a receipt for \$20,000 to Mr. Abbott. I did not see the money myself. The receipt was signed in Mr. Abbott's office, in his presence—it was left with Mr. Abbott. I was given to understand that Sir Hugh Allan was a subscriber to the election funds: the expressions made use of in the receipt then signed by me are the only conditions that I am aware of. The Honorable H. Starnes and Mr. Murphy signed the receipt with me.

The only receipt which I signed in connection with these gentlemen is the one above referred to. I have not seen this receipt since. I have no personal knowledge of that receipt having passed from Mr. Abbott's hands except what I have seen in the newspapers. I am not aware, personally of any other sums given by Sir Hugh Allan. That receipt refers to the letters of Sir George E. Cartier, dated 30th July and 24th of August, 1872. I had not seen those letters when I signed the receipt; but subsequently, the letter of the 30th of July was shown to me. It was in the hands of a gentleman who wanted me to state if the article which had appeared the day previous in the *Gazette* was correct as to the nature of the letter. That gentleman was Mr. Murphy. I did write a letter in conjunction with Mr. Starnes and Mr. Murphy. I think this letter was handed to the Editor of the *Montreal Gazette*. The letter which the Chairman read to me just now is

the letter which I signed, and the contents of it are true. I have taken communication of a printed copy of the letter referred to, in the following terms:

*Extract from the "MONTREAL GAZETTE," July 23rd. 1873.*

### THE PACIFIC RAILWAY SCANDAL.

*To the Editor of the Gazette.*

SIR,—Seeing your Editorial of yesterday in which reference is made to a letter from Sir George E. Cartier to Sir Hugh Allan, dated 30th July last, which letter is referred to in the letter of Sir George E. Cartier, of date 24th August, published by Mr. McMullen, we feel bound to state that we have seen the first mentioned letter, and that your editorial statement that it has no reference whatever to the Pacific Railway Company, or to the Pacific Railway contract, is perfectly correct.

(Signed), J. L. BEAUDRY,

" H. STARNES,

" P. S. MURPHY.

July 22nd, 1873.

I declare the statement contained in that letter to be true, and I make it a part of my deposition. I don't know, personally, of any other sum of money subscribed for the Montreal elections, for I did not go round with the list; but I have heard there was—I was told by some members of the Committee that there was a list of subscription. I don't know what amount was subscribed, and I do not know either what amount Sir Hugh Allan has subscribed. There was a large sum of money paid to the different Election Committees. I was in the General Committee, and there were sub-committees in every Ward. I had nothing to do with the distribution of the money or with paying the accounts. Considerable sums of money were paid to these sub-committees. Some of the sums of money paid were drawn from the Metropolitan Bank by cheques. I am not aware of what kind of receipts was given for these sums of money. I believe these \$20 000 were paid on account of Sir George E. Cartier's letter of the 24th August. When I signed that receipt I thought that Sir Hugh Allan was a subscriber, and it is the only inference which I can draw from the wording of the receipt. I had no knowledge whatever of any conditions except what is contained in the receipt.

I have no knowledge of any other subscription, except that some friends told me they had subscribed.

The receipt was signed and left with Mr. Abbott, and I did not see the money. I did not see the cheque for the drawing of the \$20,000 from the Bank.

And further the deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on this eighth }  
day of September, one thousand eight }  
hundred and seventy-three. }

(Signed) J. L. BEAUDRY.

(Signed)

CHARLES DEWEY DAY,  
*Chairman.*

"

A. POLETTE,

"

JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }  
 City of Ottawa }

## IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

PETER S. MURPHY, of the city of Montreal, Merchant, who being duly sworn, deposesh and saith :

I am a resident of Montreal.

*Question*—Have you any knowledge relating to an agreement between Sir Hugh Allan and Mr. G. W. McMullen, representing certain American capitalists, for the building of the Canada Pacific Railway with American funds?

*Answer*—I have not.

*Question*—Have you had any particular connection with the original Company?

*Answer*—None at all.

My connection was with the Montreal Northern Colonization Railway Company.

*Question*—Had you any knowledge previous to the passing of the Act of incorporation of the Canada Pacific Railway Company as to any negotiations that were going on?

*Answer*—No; I don't know Mr. McMullen by sight.

*Question*—Had you any knowledge of the understanding, subsequent to that period, between Sir Hugh Allan, or Mr. Abbott, and the Government, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the then ensuing general elections, namely, that of 1872. And that he and his friends should receive the contract for the construction of the Pacific Railway? Were you aware of any such agreement with the Government or with any member of the Government? Have you any knowledge on this subject whatsoever?

*Answer*—I have no such knowledge whatsoever.

*Question*—Had you any communication with Sir Hugh Allan, or with the Government, that would have enabled you to know?

*Answer*—I had not. I know nothing except what I saw in the papers.

*Question*—You were interested in the elections of 1872, and took an active part in them, did you not?

*Answer*—I did. I was a member of Sir George Cartier's General Election Committee for the Eastern division of Montreal.

*Question*—Do you know of money being furnished for the carrying on of the elections there, or in any other part of the City?

*Answer*—Yes. There was a large subscription list passed round, and several gentlemen subscribed. The largest amount subscribed was that by Sir Hugh Allan. Hon. Mr. Starnes stated the other day that it was seventy thousand dollars. My impression is that it did not exceed sixty-five thousand dollars; that is the gross amount of all the subscriptions.

*Question*—Do you know of any portion, and if so, what portion was subscribed by Sir Hugh Allan?

*Answer*—His first subscription was ten thousand dollars. I was one of those who signed the receipt for it.

The next sum was for ten thousand dollars more, I think, but I am not sure. It was for at least ten thousand more.

Then there was the last or third subscription, or at least it is the only other one of which I have any knowledge. It was for twenty thousand dollars more. I signed the receipt for it.

*Question*—Is the name "P. S. Murphy," which I see appended to the printed receipt for \$20,000, yours?

*Answer*—Yes. Mr. Betournay's name was also on the receipt for the \$20,000 I believe. This receipt is signed "J. L. Beaudry," "Henry Starnes," "P. S. Murphy," "L. Betournay."

Ours was the Central Committee.

*Question*—Do you know in whose hands the original of the receipt for the \$20,000 now is?

*Answer*—The receipt was given to Mr. Abbott. I was present when it was given, and saw the \$20,000 paid. The money was deposited in the Metropolitan Bank.

*Question*—Have you any reason to suppose that this receipt has passed out of Mr. Abbott's hands?

*Answer*—No; I have not seen it since. I think it ought to be either in his or Sir Hugh Allan's hands.

*Question*—Do you know whether that money was paid in consequence of any letter from Sir George Cartier?

*Answer*—The money was paid in accordance with Sir George Cartier's letter of the 24th August, 1872, and upon the conditions contained in his letter of the 30th July, 1872. I saw Sir George's letter of the 30th July. I saw it in Sir Hugh Allan's hands at the time, and I saw it a month ago in Mr. Abbott's hands.

It was little more than a year ago that I saw it with Sir Hugh Allan.

*Question*—You published a letter in conjunction with Mr. Beaudry and Mr. Starnes, in relation to this letter of Sir George Cartier's of the 30th of July, did you not?

*Answer*—Yes.

*Question*—Who has the original of the letter?

*Answer*—It was sent to the *Gazette*.

*Question*—Will you take communication of that letter now and state to the Commission whether the allegations contained in it are true?

*Answer*—The copy now shown to me is a true copy of the original, and contains the truth.

*Question*—You state in this letter that Sir George Cartier's letter of the 30th of July has no reference to the Pacific Railway Company or to the Pacific Railway contract, do you not?

*Answer*—I do. The statement in relation to this matter, published in the *Gazette*, is perfectly correct.

*Question*—Having seen this letter of the 30th July, what statement are you prepared to make upon it?

*Answer*—The same statement as is contained in that letter. I state positively that the contents of that letter are true. I examined Sir George Cartier's letter of the 30th July, and it had no reference whatever to the Pacific Railway Company, or to the Pacific Railway contract.

*Question*—Were there any other sums than those which you have mentioned subscribed for the promotion of the elections?

*Answer*—There were. I was a subscriber myself, and there were several other subscribers, among whom was Sir Hugh Allan, who was the largest subscriber. The aggregate amount was about \$65,000.

We had Committees in all the Wards, and the expenses were very great, but the money was not all spent in the Eastern Division. A large portion was spent in elections elsewhere.

I suppose we were robbed as is general in elections. It was a condition of Sir Hugh

Allan's subscription that the expenses of Mr. Beaubien's election should be paid out of the fund if there was a contest. And if we had had a surplus the expenses of Mr. Beaubien would have been paid, but we were short, and, therefore, it was not done, and that is the reason why Mr. Beaubien's note remains unpaid.

*Question*—Did the examination of that letter, which was shewn to you, by Sir Hugh Allan, purporting to be from Sir George Cartier, leave the impression on your mind which found expression in that letter?

*Answer*—Yes.

*Question*—Do you know anything of any telegrams, which passed on the subject of these advances between Sir John A. Macdonald and Mr. Abbott?

*Answer*—I saw them in the papers only, and know nothing more about them.

*Question*—Was there any application to the Committee for the \$7,000 which was given to Mr. Beaubien?

*Answer*—No, I believe not?

And further deponent saith not, and this his deposition having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken, and acknowledged on the day, } (Signed), P. S. MURPHY.  
month and year first above written, }

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

”  
”

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }  
*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report on the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners.

JAMES DAKERS, of the City of Montreal, who being duly sworn, deposeth and saith :

I reside in the City of Montreal.

My occupation there is Secretary and General Manager of the Montreal Telegraph Company.

I know Sir Hugh Allan.

I don't know Mr. McMullen. I never saw him.

*Question*—Have you any knowledge of any negotiation or agreement between Sir Hugh Allan and G. W. McMullen, in relation to the building of the Canada Pacific Railway?

*Answer*—None whatever.

*Question*—Do you mean to say that you have no kind of knowledge relating to that matter at all?

*Answer*—Nothing except what has appeared in the public newspapers.

*Question*—Have you any knowledge of any arrangement or understanding between the Government and Sir Hugh Allan for the furnishing of money for the elections in Montreal in 1872.

*Answer*—None whatever, except what has appeared in the papers.

*Question*—Were you in a position to know anything on this subject to which I refer from your office occupation?

*Answer*—Nothing further than from the messages which passed through our office, but I do not see one out of a hundred perhaps, except there is something of importance brought under my notice. I don't see one-tenth of the communications that pass through the office, and of course I had no means of knowing otherwise.

*Question*—Have you any knowledge that money was furnished by Sir Hugh Allan for the elections?

*Answer*—None whatever, except what appeared in the public prints.

*Question*—Have you in your possession any telegrams which passed through your office, between Sir John A. Macdonald and Sir Hugh Allan, or the Honorable Mr. Abbott, in the month of August, 1872, referring to the elections, or furnishing money for them?

*Answer*—None; the messages of August, 1872, are all destroyed.

*Question*—Are you able to state whether a message signed John A. Macdonald, dated 25th of August, 1872, and directed to Honorable J. J. C. Abbott, Ste. Annes, and marked "immediate private," in these words, "I must have another \$10,000. Don't fail me—last time of calling," ever passed through your office?

*Answer*—I never saw a message of that kind as having passed through our office. There was no such message that I know of, of the 25th August.

*Question*—Have you any knowledge whether a message purporting to be sent from J. J. C. Abbott to Sir John A. Macdonald, directed to him at Toronto, and dated Montreal, 26th August, 1872, in these words,—“Draw on me for 10,000,” ever passed through your office?

*Answer*—No; I have no recollection of having seen such a message, nor do I know that such a message ever passed over the line.

*Question*—Could these messages have passed through your office without your being aware of it?

*Answer*—Yes.

*Question*—Are you positive that all the messages of that date, that is the original telegrams of that date, which have passed through your office have been destroyed?

*Answer*—Yes, I am positive they have been destroyed—and up to the 1st of January, 1873, they have all been destroyed.

*Question*—Is there anything in the books of the Telegraph Office in Montreal that would enable you to state if messages in the terms I have referred to ever did pass through your office?

*Answer*—Under date the 26th of August, the signature and address taken from a message from Hon. J. J. C. Abbott to Sir John A. Macdonald, appears on our books, but what were the contents of this message I know not.

*Question*—Is that the only message which is entered in your books as passing between the same parties?

*Answer*—There is another address and signature of a message having passed from Sir John A. Macdonald to the Hon. Mr. Abbott, and which appears on our books on the 24th of August, 1872.

*Question*—Have you any means which would enable you to state to the Commission what the contents of these telegrams were?

*Answer*—No means whatever.

*Question*—Are you enabled to state by what particular operator in your office they were sent?

*Answer*—I could not tell through what operator they were sent, and I don't think that any operator who received them would be able to tell the contents of them at this distance of time.

*Question*—Why are all the original telegrams destroyed?

*Answer*—For want of room is one cause, and another cause is that we don't want, eighteen months, a year, or six months after, to have our operators dragged up to Court, and kept there for a whole day. This is a standing order of the office.

To Sir John A. Macdonald through the Chairman :

*Question*—How long has this regulation existed as to the destruction of the telegrams ?

*Answer*—The regulation for the destruction of them has been in existence for a long period. The regulation for the destruction of them after six months has been in force since January last.

One cause for this new regulation is that there is very little room in which to keep these telegrams.

This regulation had no connection with the telegram that passed relative to the elections in 1872.

The recommendation for this six months regulation, was made by myself; and had nothing whatever to do with the elections. It was made before there was anything known of this Pacific Railway matter at all.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the }  
day, month and year first above }  
written, before us }

(Signed), JAMES DAKERS.

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }  
*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present : THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

CHARLES JOSEPH COURSOL, of the city of Montreal, who being duly sworn, deposeth and saith :

I reside in Montreal : my office is Judge of Sessions of the Peace for the Province of Quebec, and Commissioner of Police for the Dominion. I have held that office for several years.

*Question*—Did you hold any other office in 1872 ?

*Answer*—I held the office of Mayor of the city of Montreal. I know Sir Hugh Allan. I saw Mr. McMullen once or twice in Montreal.

*Question*—Have you any knowledge of any agreement or negotiation between Sir Hugh Allan and Mr. G. W. McMullen in relation to the construction of the Pacific Railway ?

*Answer*—None whatever.

*Question*—Have you never known anything of that matter

*Answer*—I have never known anything of the kind.



*Question*—Have you any knowledge of any understanding between the Government, or any member of the Government and Sir Hugh Allan through the Hon. Mr. Abbott or otherwise, relating to the furnishing of funds by them for the promotion of the elections of 1872 in Montreal?

*Answer*—None whatever; nor is it likely I should have had either. I hope not.

*Question*—From your office would you have been likely to have known anything about that?

*Answer*—No, not through my office.

*Question*—Have you any knowledge of Sir Hugh Allan's having furnished any funds for the elections of 1872?

*Answer*—No knowledge whatever.

*Question*—Do you know of any subscription having been raised for the promotion of Sir George E. Cartier's election?

*Answer*—I heard that there had been a subscription raised for him. I know in one case there was a subscription raised; but I know of no subscription except one, which does not exceed, I believe, two or three hundred dollars. It was given by one of Sir George Cartier's friends.

*Question*—Do you mean to say that you know nothing whatever of the subject of this enquiry?

*Answer*—Nothing whatever; I was not a member of any Committee, and did not even vote at the elections, and took no part in them whatever. I know nothing at all of the subject matter of this enquiry, except what I have read in the newspapers.

*Question*—Are you aware for what reason your name was put upon the list of witnesses of Mr. Huntington for examination here?

*Answer*—I am not aware. I saw my name on Mr. Huntington's list when it was published during the last Session of Parliament. I met Mr. Huntington yesterday in the street, and I asked him if he knew why my name was put on there. I said to him that if he had any questions he wished put by the chairman, I would suggest them to the chairman, in order that they might be put to me, and that I might state under oath anything I might know in regard to them. Mr. Huntington then told me that my name had been put there on his list, as it had been suggested to him by somebody during the Session of Parliament, but he did not know or remember what evidence I had to give.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the }  
day, month and year, first above } (Signed) CHAS. J. COURSOL.  
written, before us.

(Signed) CHARLES DEWEY DAY,  
Chairman.  
" A. POLETTE,  
" JAMES ROBERT GOWAN.  
Commissioners.

PROVINCE OF ONTARIO, }  
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons, on the 2nd day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

CHARLES A. LEBLANC, of the city of Montreal, Sheriff, who, being duly sworn, deposeth and saith :

I am Sheriff of the District of Montreal, and have been so for nine months.

I know Sir Hugh Allan. I do not know Mr. G. W. McMullen.

*Question*—Have you knowledge of any agreement or negotiation between these gentlemen relating to the construction of the Pacific Railway, at any time?

*Answer*—I have not had at any time.

*Question*—You positively state that you have no such knowledge?

*Answer*—I state so positively.

*Question*—Are you aware of any understanding between Sir Hugh Allan and Mr. Abbott with the Government, that Sir Hugh Allan and his friends should advance money for the promotion of the general election in 1872, and particularly the election of Ministers and their supporters?

*Answer*—I have no knowledge of any such understanding.

*Question*—Do you know whether any individual member of the Government had any such understanding with these gentlemen?

*Answer*—I do not know. That is a matter of which I have no knowledge whatever. I never had any conversation with Sir Hugh Allan or any other person with respect to the elections.

*Question*—You were not Sheriff at the time those elections were going on, were you?

*Answer*—No, I was not.

*Question*—Were you a member of Sir George E. Cartier's Central Election Committee?

*Answer*—Yes; I became a member of it about eight days after it was formed. I heard that Sir George Cartier requested that I should be there; so I went, but I had no time to be there during the day, and I only went when I saw that Sir George wanted me to go. I took an active part in the working of the Committee, particularly at night, as I had no time in the day time.

*Question*—Was there any money furnished for the purpose of promoting the elections?

*Answer*—There was undoubtedly by the friends of Sir George Cartier.

*Question*—Do you know what amount was subscribed for the purpose?

*Answer*—No, I never enquired; only I asked one or two members if they had enough of money. They said that they thought so for the elections in Montr.

*Question*—Do you know by whom the money was subscribed?

*Answer*—I have not seen the list. I know that I subscribed myself, as I always did, for Sir George Cartier's elections, but I never had anything to do with the money. I always put any money I collected for the election purposes in the hands of the Cashier. Personally I do not know that Sir Hugh Allan subscribed anything to Sir George Cartier's election. I heard that he did.

*Question*—Have you any knowledge of the receipt that was given for \$20,000 that was signed by Mr. Murphy, Mr. Beaudry, Mr. Betournay and Mr. Starnes? do you know if it was received from Sir Hugh Allan from the hands of Mr. Abbott?

*Answer*—I know nothing of it except what I have learnt from the newspapers. I was very much surprised to see it at the time it was published in the papers.

*Question*—Then are you prepared to say that you have no knowledge of any sum having been subscribed by Sir Hugh Allan except what you have derived through the newspapers?

*Answer*—Nothing more.

*Question*—Do you know anything about the manner in which this money was expended?

*Answer*—I know it was generally expended for the elections. I have not seen the amount.

There were only two or three little accounts that I was personally liable for. There may have been some of that money spent for the elections in the country, but I don't know of it personally.

And further for the present deponent saith not.

And on this tenth day of September, 1873, re-appeared the said witness, and made the following addition to the foregoing deposition:—When I said that I knew nothing about the contract for the Pacific Railway, I meant to say that I knew nothing about the contract between Sir Hugh Allan and Mr. McMullen, but I now remember that in two instances in the month of June, 1872, Sir George Cartier said, with those energetic words that he generally used, something about the Pacific Railway Company, and that he would never, as long as he would be in the Ministry, consent to any American Company having the contract for building the Pacific Railway; that there were enough of Canadian Companies who were able to do the work, and that he would resign his place in the Ministry if the contract was given to any such company; and he added that he hoped his friends would see that the two Companies, meaning that of Sir Hugh Allan and that of Mr. Macpherson, would be amalgamated, and that they would be able to carry the whole matter through without any trouble.

*Question*—You say that on two occasions, in the month of June, Sir George Cartier made these remarks you have alluded to. Do you remember when the first conversation occurred?

*Answer*—His first conversation was when I was on a deputation with three other gentlemen.

*Question*—Where?

*Answer*—In the Government Buildings, at his office.

*Question*—Who was present on that occasion?

*Answer*—The Hon. J. L. Beaudry, Mr. Victor Hudon, and Mr. C. S. Rodier, jun., and the Hon. Mr. Chapleau. I cannot say whether they heard these words or not.

*Question*—In what capacity were they present, and for what purpose?

*Answer*—We came to see, as he was our representative in the East Division, what were his views on the Pacific Railway?

*Question*—Was it in answer to such an appeal that these observations were made?

*Answer*—We had a memorial to present to him, which was in writing. We left it with him, and then we had a conversation; but I don't know whether the other gentlemen heard what Sir George said, for he spoke to me particularly.

*Question*—Was any formal reply given to that memorial?

*Answer*—Not that I know of. We all went into the office together. I think it was then about one o'clock. The memorial was read in my presence, and Sir George answered to it, and said that as our representative we had a right to put to him any question we liked, but, as a Minister, he could not say anything, but that the interests of Lower Canada would not be overlooked.

*Question*—Will you give a circumstantial account of what passed on this first occasion?

*Answer*—I think we have a copy, perhaps, of that memorial. We wanted to know what he thought of the Pacific Railway. I, as one of the directors of the Montreal Northern Colonization Railway, wanted especially to know what he thought about the Pacific, and if an amalgamation could be effected with the Northern Colonization Railway, so as to have the terminus of the Pacific Railway in Montreal.

*Question*—At what time in the course of the interviews were these remarks made by Sir George Cartier?

*Answer*—It was just at the time that we were going to leave his office.

*Question*—Was it said to you only?

*Answer*—He did not appear to be speaking to me in confidence at all ; it was said openly.

*Question*—Do you remember if any other gentleman was near at the time ?

*Answer*—I cannot remember.

*Question*—Can you separate the two occasions, so as to state what was said on the first and what was said on the second occasion ?

*Answer*—It was about the same expression that he used on both occasions.

*Question*—On the first occasion what was it that Sir George said ?

*Answer*—To the best of my opinion it was the very words that I have put into my foregoing deposition.

*Question*—What do you mean by “those energetic words” you refer to. Give as near as possible the very words he addressed to you when speaking of the Pacific Railway ?

*Answer*—The words he used were, as near as I can remember, as follows :—

“*Aussi longtemps que je vivrai et que je serai dans le Ministère, jamais une sacrée Compagnie Américaine aura le control du Pacifique, et je resignerai ma place de Ministre plutôt que d’y consentir.*”

*Question*—Were these words said on the first occasion ?

*Answer*—I am sure that he made use of them twice, and moreover I think another time at his own house. He said these words I am sure on the first occasion. He said there were enough of Canadian Companies able to do the work, and that he would resign his place in the Ministry if the contract was given to the Americans.

*Question*—Did he say on the first occasion that he hoped that his friends would see that the two Companies would be amalgamated, meaning that of Sir Hugh Allan and that of Mr. Macpherson, and that the whole matter would be carried through without trouble ?

*Answer*—Yes ; it was said on leaving the door of his office. We had a second interview with him on 24th June, 1872, when we left him in Ottawa. He wanted us to meet him in Montreal, and we did so on the date I have just mentioned. There were present on this occasion the gentlemen whom I have spoken of, namely : the Hon. J. S. Beaudry, Victor Hudon, C. S. Rôdier, jun., and the Hon. Mr. Chapleau. There were a few others present who had nothing to do with our interview.

*Question*—Did you still continue in your representative character with him as a prolongation of the first interview ?

*Answer*—Yes ; it was a prolongation of the first meeting, and it was absolutely the same words that were used in the first instance.

*Question*—Did he enter more fully into the matter than ?

*Answer*—No ; he did not go more fully into it, with the exception that he again repeated those words in the presence of all the people who were there, and told us we might ask him any question that we liked, in his capacity as our representative, as to what he thought on railway matters, but any question put to him as a Minister he could not answer. As we were at the time preparing for the election, he said that he did not want us to bring the matter before the public in connection with the railway scheme, but on his own merits. He said he thought that he had done enough for his country and for the party he represented, and that he ought to be elected on his own merits.

I told him we would do the best we could.

*Question*—Did Sir George speak in French or English ?

*Answer*—He spoke on both occasions in French. The gentlemen present were all French Canadians.

*Question*—On this last occasion, of the 24th June, did you say that Sir George spoke openly in the hearing of all ?

*Answer*—Yes, but as to the first occasion I am not quite sure whether the other gentlemen present heard what he said.

*Question*—Were you on such intimate terms with Sir George that would have induced him to speak more particularly to you than to the others ?

*Answer*—I suppose I was the most intimate with him ? I was one of his most intimate friends in Montreal—I mean outside of politics. Ever since we were at college

we have been personal friends. I may add that he placed great confidence in me at many times.

*Question*—You mentioned that there was another occasion on which Sir George spoke to you personally on this subject; was it in the same spirit?

*Answer*—Yes. This was after the 24th June.

It was at his own place at Long Point. I was down there, as his nomination was to take place the next day, and he wanted to see me, and we had a very long conversation that afternoon. He repeated those very words to me, that it was not necessary to look to foreign companies to build the Pacific Railway, as we had men in the country who could do the work; and he added that we should try to have an amalgamation made between the two companies—that of Sir Hugh Allan and that of Mr. Macpherson—and also said that he could not say as to what the Government would do.

To Sir John A. Macdonald, through the Chairman:

*Question*—When was the nomination of Sir George Cartier?

*Answer*—It was on the 19th August, 1872.

The election took place on the 28th August, 1872.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the ninth day of September, 1873, and remainder taken, and the whole acknowledged on this eleventh day of the same month and year.

(Signed) C. A. IEBLANC.

(Signed)

CHARLES DEWEY DAY,  
*Chairman.*

„

A. POLETTE,

„

JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, )

*City of Ottawa.* )

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

JEAN BAPTISTE BEAUDRY, ESQUIRE, of the City of Montreal, who being duly sworn, deposeth and saith: .

I reside at Montreal.

I know Sir Hugh Allan, but I do not know Mr. McMullen.

I have no knowledge of an arrangement between Sir Hugh Allan, and certain American Capitalists to procure funds for the construction of the Canada Pacific Railway.

I was not one of the Provisional Directors of the Canada Pacific Railway.

I have no knowledge of an understanding between Sir Hugh Allan and Mr. Abbott.

and the Government, that Sir Hugh Allan should advance moneys for the election of Ministers and their friends. I was not a member of any committee for the election of Sir George Cartier in 1872. I know nothing of moneys furnished for that election beyond what I have seen in the newspapers.

I am not aware that Sir Hugh Allan advanced any sum of money for these elections; I could not know it as I was not a member of any committee.

I cannot say why my name was placed on the list of witnesses.

I know absolutely nothing of this affair.

I heard from no one why my name had been placed on the list of witnesses, and I was much surprised when I found it had been so placed.

And further deponent saith not, and this, his deposition having been read by him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken, and acknowledged  
on the ninth of September,  
eighteen hundred and seventy-  
three. } (Signed), JEAN BAPTISTE BEAUDRY.

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

"

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

"

PROVINCE OF ONTARIO, }  
*City of Ottawa.*

### IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

JACKSON REA, of the City of Montreal, who being duly sworn, deposeth and saith:

I reside in Montreal. My occupation there is General Manager of the Merchants' Bank of Canada.

*Question*—Who is President of that Bank?

*Answer*—Sir Hugh Allan.

*Question*—Are you connected with Sir Hugh Allan otherwise than in business by any family relations?

*Answer*—None whatever.

*Question*—Do you know Mr. G. W. McMullen?

*Answer*—I never saw him, and I never heard of him till the recent correspondence appeared in the newspapers.

*Question*—Have you any knowledge of any negotiation or agreement or correspondence between Sir Hugh Allan or any other person in relation to the construction of the Pacific Railway, which took place in 1872.

*Answer*—None whatever.

*Question*—Would your relations with Sir Hugh Allan been likely to have enabled you to have known something of this matter?

*Answer*—Not necessarily so.

*Question*—No facts connected with that negotiation came to your knowledge?

*Answer*—Nothing ever came under my knowledge connected with any negotiations carried on by Sir Hugh Allan in connection with the Pacific Railway. Nothing whatever.

*Question*—Have you a knowledge of any undertaking by Sir Hugh Allan, or by Mr. Abbott, to furnish funds for promoting the elections in Montreal, in 1872?

*Answer*—I have no personal knowledge.

*Question*—Have you any reason to believe that any such arrangement was made?

*Answer*—Nothing further than mere rumour.

*Question*—Did you take any part in the elections in Montreal, in 1872?

*Answer*—I did not.

*Question*—Are you aware if any sum of money was raised for the purpose of aiding in these elections?

*Answer*—I am not, further than from mere rumour. I had no personal knowledge of it.

*Question*—Do you know whether Sir Hugh Allan ever subscribed any money or furnished any sum of money for that purpose?

*Answer*—I have only heard such reports.

*Question*—You have not heard that from him?

*Answer*—No, he has not told me.

*Question*—Have you any knowledge which would induce you to believe that these rumours were true?

*Answer*—My belief is that the rumours were true, that he did subscribe money.

*Question*—Would you give the grounds of your belief, if you please?

*Answer*—Simply from casual remarks of his own, made sometimes to other people in my hearing.

*Question*—Have you any idea of the amount which he furnished?

*Answer*—I have not.

*Question*—Were any cheques drawn upon his account which would indicate the amount?

*Answer*—I never saw any. They would not necessarily come under my notice in any way, if such existed.

*Question*—Would the fact of payment of money for that purpose, be apparent on Sir Hugh Allan's account in the bank?

*Answer*—Not upon the account itself. Whether the vouchers or cheques drawn would show it or not, I am unable to state without a personal examination.

*Question*—You mean to say then that you have no knowledge that would enable you to state what amount was subscribed by Sir Hugh Allan?

*Answer*—I have not.

*Question*—Do you know to whom the money was paid?

*Answer*—I do not.

*Question*—Have you any knowledge whatever of the application of any money, or the mode in which money given in aid of the elections was expended by the Central Committee?

*Answer*—Not the most remote. I know nothing whatever about it.

*Question*—Do you know anything of this printed receipt which has been published in the newspapers, signed by Mr. Murphy, Mr. Starnes, Mr. Beaudry, and Mr. Betournay, purporting to be a receipt for \$20,000, received from Sir Hugh Allan?

*Answer*—I have seen it in the newspapers. That is the only place I have seen it or heard of it.

*Question*—These telegrams of Sir John A. Macdonald to Mr. Abbott, and from Mr. Abbott, to Sir John A. Macdonald, have you ever seen them elsewhere than in the newspapers?

*Answer*—Never.

*Question*—Has Sir Hugh Allan got more than one account in the Bank; has he a private account different from his business account?

*Answer*—His general business account is under the name of H. & A. Allan. He has a private account besides, but only one.

*Question*—Is the condition of that account passed under your view like all other accounts in the Bank?

*Answer*—It is.

*Question*—Did you observe at the time of the election of any large cheques passing?

*Answer*—Sir Hugh Allan's account is a very large and active one at all times, and I did not notice at the time of the elections anything remarkable about the cheques.

*Question*—Is there any connection between your Bank and the Metropolitan Bank?

*Answer*—There is none whatever.

*Question*—Is there any account that would show exchanges between the two Banks, do you exchange from time to time notes?

*Answer*—We do exchange notes and cheques every day. The Banks all exchange every day.

*Question*—Is there any account that would show the particulars of the exchange each day?

*Answer*—We can only see the figures. The names of the drawers of cheques do not appear.

To Sir John A. Macdonald through the Chairman:

My connection with Sir Hugh Allan is altogether through the Bank. I am not his political nor his Railway Agent. I was not consulted as to his subscriptions to elections, nor as to his arrangements about building Railways.

And further deponent saith not, and this deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn taken and acknowledged before  
us, on the day, month, and year,  
first above written.

(Signed), JACKSON RAE.

(Signed), CHARLES DEWEY DAY,  
*Chairman.*

„ A. POLETTE,

„ JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO,  
City of Ottawa.

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. MR. HUNTINGTON in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,



THE HONORABLE JOSEPH OCTAVE BEAUBIEN, of St. Thomas, in the Province of Quebec, who being duly sworn, deposeth and saith :

*Question*—Where is your place of residence ?

*Answer*—St. Thomas, in the Province of Quebec.

*Question*—Were you formerly, and are you now, a member of the Legislative Council of Quebec ?

Yes, and I am now.

I held the office of Commissioner of Crown Lands in the Province of Quebec.

I know Sir Hugh Allan, I don't know Mr. G. W. McMullen.

*Question*—Are you aware of any agreement or negotiations between Sir Hugh Allan and Mr. G. W. McMullen, or any other person, in relation to the construction of the Pacific Railway with funds to be furnished by American capitalists ?

*Answer*—None whatever.

*Question*—Do you know anything about any negotiation or agreements between those gentlemen in 1872, before the Act of Incorporation was passed relating to the Pacific Railway ?

*Answer*—No sir.

*Question*—Had you any relations with those gentlemen that would enable you to know ?

*Answer*—No ; I had no relations with Sir Hugh Allan, before I became a Director of the Canadian Pacific Railway.

*Question*—In relation to the Canada Pacific Railway, the first one which was incorporated, had you any relations with Sir Hugh Allan which would have enabled you to know of any such agreement or negotiations ?

*Answer*—No ; I had no conversation with any members of the Government of the Dominion before that. The first knowledge with respect to the Pacific Railway, was when the company was formed last winter, and the Canadian Pacific Railway Company was chartered.

I was appointed Director of that Company. I was nominated by the present Dominion Government.

*Question*—Since you have been connected with the Canadian Pacific Company, have you ever had any conversation with any of the Ministers, or any other persons which would enable you to say whether there was such a negotiation as I have alluded to ?

*Answer*—No, none whatever. I never had any conversation whatever.

*Question*—Do you know Sir Hugh Allan ?

*Answer*—Yes.

*Question*—Do you know of any arrangement or understanding, between him and the Government, or any member of the Government, in relation to the furnishing of funds for the promotion of the election of Ministers and their supporters ?

*Answer*—No.

*Question*—Do you reside below Quebec ?

*Answer*—Yes.

*Question*—How far from Montreal.

*Answer*—It must be sixty leagues—one hundred and eighty miles.

*Question*—Have you ever had any communication with any of the Ministers or with any person as to the furnishing of funds for the support of the elections in Montreal in 1872.

*Answer*—No, I don't know anything about it. I never received any money from Sir Hugh Allan, or any person acting as the agent or in the interest of Sir Hugh Allan.

*Question*—Were any moneys received from Montreal by subscriptions for the support of Ministers in your neighbourhood.

*Answer*—Not that I know of.

*Question*—Do you mean to say that you had no manner of communication, or means of knowing how the money was furnished for the promotion of these elections ?

*Answer*—No. I never came near those men when this affair is said to have been transacted.

*Question*—Do you know for what reason your name was put upon the list of witnesses?

*Answer*—I do not.

*Question*—Have you any knowledge by which you can account for your name being there?

*Answer*—They may have thought that I was acting in the elections in the interests of the Government or Ministers: but there are no grounds for that, for about the time of the election, I ran myself for the County of Montmagny, which I had represented for a long time, and I never saw during that time Sir Hugh Allan or any one of the Ministers.

*Question*—Are you a Member of the Dominion Parliament?

*Answer*—No, not now. I was defeated for the Dominion Parliament.

*Question*—You are understood to be a Government supporter?

*Answer*—Yes.

To Sir John A. Macdonald through the Chairman:

*Question*—Were you asked by the Ministry to become a Director?

*Answer*—Yes.

*Question*—By what Minister were you asked?

*Answer*—By Mr. Langevin.

I reside in the District of Quebec.

*Question*—Were you not selected as a representative of the District of Quebec interest as against the Montreal interest?

*Answer*—It was considered so at the time that I represented the Quebec district.

*Question by the Chairman*—How long have you been a member of the Legislative Council, and in public life?

*Answer*—Seventeen years, I think.

I was Commissioner of Crown Lands up to last April. At the time I was appointed on the Board of Directors, I held that office, and was a member of the Quebec Government.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the eleventh of September, } (Signed), J. O. BEAUBIEN.  
1873, and acknowledged on the twelfth }  
of September, of said year. }

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

A POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa,* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord One thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

REVEREND DANIEL McMULLEN, of Picton, Province of Ontario, who being duly sworn, deposeth and saith :

*Question*—You are a clergyman, Mr. M. Mullen, are you not ?

*Answer*—Yes.

*Question*—Of what denomination ?

*Answer*—Methodist.

*Question*—Is your residence at Picton ?

*Answer*—Yes.

*Question*—Do you know Mr. George McMullen ?

*Answer*—Yes.

*Question*—In what relation do you stand to him ?

*Answer*—He is my son.

*Question*—Do you know Sir Hugh Allan ?

*Answer*—No. I never saw him to my knowledge.

*Question*—Have you any knowledge of a negotiation in which Mr. G. W. McMullen, your son, was engaged, in relation to the building of the Pacific Railway ?

*Answer*—I have some knowledge, the most of which I may say I have gathered from what has been published in the press.

*Question*—Have you any other knowledge of a personal character, in regard to this matter, which has come under your personal notice ?

*Answer*—None that I am aware of.

I may remark for the information of the Commission, that in the absence of my sons I have a heavy burden of domestic care on my hands in the position which I have occupied for a great many years. I have always had great confidence in the ability of my son to manage any business which he understood. I have never sought information from him unless it was under very pressing circumstances, and then it was done chiefly to relieve myself of the burden and care which at this time of life I was not prepared to bear.

*Question*—Has your son been in communication with you in respect to this matter ?

*Answer*—No ; I know nothing beyond what I have read in the public press.

He has always been very remarkable since early boyhood in business matters, and was always close, and he seldom disclosed any business transaction to the members of my own family.

*Question*—Has he been in the habit of communicating or consulting with you ?

*Answer*—Not in matters of that kind.

*Question*—Has he communicated to you anything in connection with the construction of the Pacific Railway ?

*Answer*—I have no recollection of any communication of that kind except at the period at which it was decided and settled that the Government would exclude the American element from the Company, and that the gentlemen for whom he was acting would have no share in the building of the Railway, and supposing that he had spent a very large portion of his time, and that heavy expenses had been connected with it, which he was not well able to lose, and that money had been expended through him on behalf of the persons for whom he was acting, I felt some anxiety lest he might incur some censure for want of energy and fidelity in dealing with the interests of others. I therefore took the liberty—the only time that I think I did make any enquiry into his business matters—of asking him what arrangement was likely to be made for indemnifying himself, and especially the parties for whom he had been acting, so that he would not be exposed to any censure. He assured me that he was fully persuaded and was then in process by which the parties for whom he had acted would be indemnified for the

time and expenses he had incurred. I believe that was the only question that I asked him.

*Question*—How did you become aware of the expenditure of money by him?

*Answer*—I became aware of it by supposition; I supposed that he would incur expense in dealing with this matter, but I have no recollection of him telling me that he did. I enquired of him in order to relieve my own mind, but it is very little I know intimately or accurately, respecting the whole affair, except what I have gathered from what has been published in the public prints.

*Question*—Did he communicate to you any correspondence during the time that it was going on, or hold any communication with you on the subject of it?

*Answer*—I don't recollect that he described any of his correspondence, and I did not ask for any, as I thought it would be interfering, and that perhaps he would feel reluctant to communicate to me anything on the subject, and I was therefore a good deal cautious on that ground.

It might naturally be thought that I would be intimately acquainted with those matters, but I am not for various reasons, especially those that I have stated. I had enough else to burden my mind and employ my thoughts and attention, and I studiously endeavoured to avoid inducing him to communicate anything to me on the subject.

*Question*—You never saw any of the originals of this correspondence, did you?

*Answer*—No.

*Question*—Can you account, Mr. McMullen, for your name being included in the list of witnesses; are you in possession of any knowledge that would account for it to your own mind?

*Answer*—The only reason that I am aware of is the close of the speech made by Mr. Huntington at the prorogation. I read it, but I could not give it in detail.

But he made the remark there, assigning his reason for placing my name on the list of witnesses.

*Question*—Can you recollect what that reason was in general terms?

*Answer*—I think he expressed some fear, or suggested to the Committee that perhaps my son might absent himself when called upon to give testimony, and he thought it would be better to secure some member of the family—his father or some of his brothers—that is the only reason that I am aware of.

I am not aware of the reason assigned by the Commission by whom I have been summoned to appear. If there is, I have not seen it. I inferred that the reason mentioned by Mr. Huntington had influenced them.

*Question*—Is there any other Daniel McMullen?

*Answer*—I have a son who bears my name that has been some eight or nine years in Parliament. His name is Daniel Y. I have but one name. His name is Daniel Yure McMullen. He resides in Chicago.

I am a minister of the Wesleyan Methodist Church. I am not in possession of a regular charge. The state of my health obliges me to hold a retired position.

My son, Daniel Y. McMullen, is now in attendance here. It happened that at the time I was summoned to appear here he had come on a visit home to his friends, and he came with me.

I am a stranger in Ottawa. I have resided sixty odd years in Canada, since 1811. I am intimately acquainted with the Western part of the Province, but this is my first visit to Ottawa.

To Sir John A. Macdonald, through the Chairman:

*Question*—Do you know where your son, George W. McMullen is now?

*Answer*—He is in Chicago; he is there now. He went there some three or four weeks ago. He had been in Picton before that.

*Question*—Is his residence in Picton or Chicago?

*Answer*—His residence and domicile is in Chicago.

*Question*—How long was he in Picton before he went to Chicago?

*Answer*—Three or four weeks; I could not tell to the day.

And further deponent saith not, and this his deposition being read to him he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the eleventh day of ) (Signed), D. McMULLEN.  
September, 1873, and acknowledged on )  
the twelfth of the said month and year:- )

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

"

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

"

PROVINCE OF ONTARIO, }

*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON, in the House of Commons, on the second day of April, A. D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners.

DANIEL Y. McMULLEN, of the City of Chicago, who being duly sworn, deposesh and saith :

*Question*—Are you the son of the last witness, Daniel McMullen ?

*Answer*—Yes.

*Question*—Are you a brother of George W. McMullen ?

*Answer*—Yes.

I reside in Chicago.

*Question*—What business are you engaged in there ?

*Answer*—Banking.

*Question*—Are you alone or in co-partnership with any person ?

*Answer*—My brothers and myself are together.

*Question*—Do you know Sir Hugh Allan ?

*Answer*—No.

*Question*—Have you any knowledge of an agreement or negotiation in which your brother was engaged in 1871, in relation to the construction of the Pacific Railway.

*Answer*—Yes.

*Question*—What is the nature of your knowledge concerning this agreement, is it a personal knowledge or simply derived from what others have told you ?

*Answer*—It is both.

*Question*—Will you state what personal knowledge you have of it ?

*Answer*—I saw the original contract between the American parties and Sir Hugh Allan. I also saw and read quite a large number of Sir Hugh Allan's letters, and I saw nearly all the documentary evidence that he has or had, that is all the personal knowledge I have ; that is the documentary evidence. I saw the original contract that was signed I believe in New York. The personal knowledge is all documentary, that is with parties directly interested.

*Question*—Can you specify any letters which you saw from Sir Hugh Allan ?

*Answer*—I could not specify any of them so that you would understand what I mean except the first letter that he wrote from Montreal. I cannot specify them by

date. They were dated along from some time in the fall of 1871 up to the fall of 1872. They date from the beginning of the negotiation in 1871, previous to the elections, till about the first session of this Parliament.

*Question*—Do you know Sir Hugh Allan's handwriting?

*Answer*—I think I would know it. I have no positive knowledge that the signature I saw was his, but the letters came signed "Hugh Allan." Part of letters were addressed to C. M. Smith, of Chicago, and part were addressed to my brother.

*Question*—Do you know in whose possession those letters are now that you speak of?

*Answer*—The only knowledge that I have as to the place of them is from newspaper reports.

*Question*—Do you know whether they are or are not in your brother's possession?

*Answer*—They are not in his possession.

*Question*—Do you know how he disposed of them?

*Answer*—I only know what he told me. I have no personal knowledge as to how he disposed of them. I can only tell you what he said he did with them.

*Question*—What did he say he did with them?

*Answer*—He said they constituted the package in Mr. Starnes' hands in Montreal.

*Question*—Did he say that all the letters he had were in that package?

*Answer*—All of the principal were there he said.

*Question*—What means have you of knowing Sir Hugh Allan's handwriting?

*Answer*—No means at all, only that I know that my brother addressed letters to him, and that letters came back signed Hugh Allan, addressed to my brother.

*Question*—How do you know that your brother wrote to Sir Hugh Allan?

*Answer*—I have seen letters written by my brother addressed to him.

*Question*—Did you ever see the parcel which your brother said he gave into Mr. Starnes' hands?

*Answer*—No.

*Question*—Can you designate any particular letters which you believe to be from Sir Hugh Allan, besides the one you have mentioned as the first one?

*Answer*—By dates?

*Question*—In any way they can be identified.

*Answer*—There were several important letters, in one of which he gave a rough sketch of the sums of money he had expended; and one of the last letters my brother received was in regard to the exclusion of the American element from the company; and there was another letter, I don't know whether it was in the package or not, giving the amount of stock to be placed in the different parts of Canada.

*Question*—What was the subject matter of the first letter to which you allude?

*Answer*—The first letter that I ever saw from Sir Hugh Allan was addressed to C. M. Smith. It merely stated that his address had been given to him by a member of the Government, and that he thought that the time had arrived for the American and Canadian parties to get together.

A letter is shown to witness.

*Question*—Is that the letter to which you refer?

*Answer*—No; this is not the letter. The letter that opened the correspondence was written from Montreal; this is written from London. I think it was in 1871, and previous to Sir Hugh Allan sailing for Europe. The one now shown to me was written after the negotiations had proceeded several months.

*Question*—Is that the letter you mean now shown to you?

*Answer*—No; it is anterior to that. The first letter that opened the correspondence I think, was written either in May or June of 1871.

*Question*—To whom was that letter addressed?

*Answer*—To Charles M. Smith.

*Question*—Did Mr. G. W. McMullen tell you that that letter was included in the package placed in Mr. Starnes' hands?

*Answer*—He told me that the package contained all the letters of importance. He did not indicate to me any special letters.

*Question*—Are you confident with respect to the date of it?

*Answer*—The only means I have of knowing is that the negotiations had proceeded some two or three months before the Chicago fire, and that was in October, 1871.

*Question*—There are some letters addressed to Mr. Smith in this package; through whom were they obtained from Mr. Smith?

*Answer*—I presume they were given to my brother. The relations between Mr. Smith and my brother and myself are so intimate, that all the correspondence was communicated to us. I handled all the letters of Mr. Smith, as well as my brother's, and Mr. Smith handled all my brother's letters in reference to this matter.

*Question*—How nearly can you particularize the date in regard to this matter? If you cannot say the day, say the month.

*Answer*—I think it was early in May, 1871.

*Question*—You don't know where that letter is now?

*Answer*—It was not considered of sufficient importance to take much care of.

*Question*—What other letter do you recollect?

*Answer*—There was a letter detailing the sums of money that Sir Hugh Allan had spent.

*Question*—Do you remember the date of that?

*Answer*—I think it was in February. It was in January or February, 1872.

*Question*—Here is a letter which reads as follows: "It seems pretty certain that in addition to money payments, the following stock will have to be distributed: To D. L. Macpherson, \$100,000, &c." Is this the letter you refer to?

*Answer*—No; it is another letter. I said that I recollected that letter in addition to the other.

*Question*—"On whom am I to draw for money." Is that the letter?

*Answer*—I believe that is the letter. On examining it I see that this is the other letter. I recollect this letter. This does not refer to the appropriation of stock in Canada. This is one of the letters that I recollect as having been received by Mr. Smith as coming from Sir Hugh Allan. I saw it after Mr. Smith received it. Within a day or two after he received it, he either called at our office or we called at his office, and all these letters were read by both parties.

*Question*—Look at that letter dated 16th September, 1872, and say if it is the letter you refer to relating to the money?

*Answer*—Yes; this is the letter.

*Question*—Are there any other letters you can remember of?

*Answer*—I believe that there were two letters that came from Sir Hugh Allan in regard to the breaking up of the arrangements in the fall of 1872. I scarcely think they are in the package, but they may be.

*Question*—Why don't you think they were in the package?

*Answer*—Because they did not consider them of sufficient importance.

*Question*—Sufficient importance for what?

*Answer*—In regard to the scheme. When he put the letters in the package, he put in all the letters that had important matters in them in regard to the negotiations, but I don't think he put them in; that is letters which closed the negotiation. They were too short and abrupt. The letter dated 11th November is one that was in the package.

*Question*—Look at the other letter now shown to you, and say if that is one of the letters you have alluded to.

*Answer*—Yes; both of the letters now shown me are the two letters I have spoken of.

*Question*—Do these complete the whole series?

*Answer*—Yes.

*Question*—You said there were two letters which were not thought important, and that you did not suppose they were in the package?

*Answer*—Excuse me; I said that they were not important—I meant my brother told me he had put in all the important letters—and from my recollections I suppose he considered them of little importance; but I see he has put them in.

*Question*—Have you copies of all correspondence that passed?

*Answer*—No.

*Question*—Has your brother?

*Answer*—Not to my knowledge.

*Question*—Do you keep a letter book.

*Answer*—Yes.

*Question*—Do you copy important letters received and sent?

*Answer*—These letters were never copied. We keep a letter book in which we usually take copies of letters received and sent. They may have been copied by hand. Nearly all of the letters that my brother wrote, either he or I usually copied them in letter form.

*Question*—Were they in a particular book?

*Answer*—Not in a book at all, but on a sheet of paper.

*Question*—Are these copies in existence?

*Answer*—I don't know that they are.

*Question*—Were copies of the letters despatched by you kept?

*Answer*—Yes, it is the copies despatched by us that I refer to.

*Question*—Were the letters received copied?

*Answer*—No, they were simply filed away. After the contents of the letters received were known to two or three interested in the scheme, my brother usually took charge of them himself.

*Question*—Do you know of any interviews that your brother had with Sir Hugh Allan, or anybody else in reference to these matters?

*Answer*—Only what he told me. The only person he ever consulted in my presence were one or two gentlemen in Toronto. It was on one occasion when I was with him in Toronto. We met Mr. James Beaty and his nephew. They were the only persons that we conversed with when I was present.

*Question*—You have never been present at any interviews between him and Sir Hugh Allan, or any other person representing Sir Hugh Allan?

*Answer*—I was present at one or two interviews that he had with Mr. Waddington and Mr. Kersteman, in Chicago, but I do not consider they were themselves directly interested. That was at the very opening of the negotiations.

I live in Chicago. I have been recently in Picton. I left Chicago on Sunday night. My brother was there at that time. He had not received any subpoena when I saw him.

*Question*—Do you know anything more about this matter of your own personal knowledge?

*Answer*—Nothing but the terms of the contract. I saw the contract between the New York parties, my brother, Mr. Smith, and Sir Hugh Allan.

*Question*—What date was that?

*Answer*—It is a year since I saw it. I think it was in the fall of 1871. I cannot designate the date.

*Question*—Was the contract dated?

*Answer*—I cannot swear positively that it was dated. I have merely reference to the time that it was signed.

*Question*—Did you see it signed?

*Answer*—No.

*Question*—How can you say it was signed, if you did not see it signed?

*Answer*—I know it was signed between the time that my brother left Chicago and came back, and brought the contract with him.

*Question*—Did he prepare a contract before he left Chicago?

*Answer*—He prepared a memorandum on which to make the contract.



*Question*—The instrument that you saw apparently signed, was it the instrument that he brought back with him?

*Answer*—I never saw that instrument until after he came back. I have merely his word for it that it was signed.

*Question*—Can you say the date?

*Answer*—No, I cannot.

*Question*—Have you no recollection at all?

*Answer*—My recollection of the date is, that it was either in December or the last of November, 1871.

*Question*—What names did the writing that you saw bear; what signatures were to it?

*Answer*—The American names were W. B. Ogden, George W. Cass, Thomas Scott, Governor Smith, of Vermont, and W. G. Fargo.

The majority of these gentlemen live in New York.

*Question*—Were these all?

*Answer*—No; Winslow Lanier and Co., I believe, signed. I understood that their signatures stood for a number of other parties, and the President's, I do not remember his name, of the United States, and Adams' Express Company.

*Question*—Did the contract purport to bear Sir Hugh Allan's signature?

*Answer*—Yes; there was the signature—Sir Hugh Allan, my brother, and C. M. Smith.

*Question*—At what time did your brother leave for the purpose of procuring this contract?

*Answer*—He left very soon after Sir Hugh Allan returned from England in the fall of 1871—I think it was in the last of November.

*Question*—What time did your brother return?

*Answer*—He returned immediately after the holidays.

*Question*—How many days was he away?

*Answer*—He was away about five or six weeks, to the best of my recollection.

*Question*—Do I understand you to say that he did not frame the contract, but notes upon which the contract was to be framed?

*Answer*—I said he prepared a memorandum for the contract, with the view to a full contract.

*Question*—Was it signed by Sir Hugh Allan—you do not know?

*Answer*—I did not see these parties sign.

*Question*—Do you know where that instrument is now?

*Answer*—I believe it is in my office.

*Question*—Is it there?

*Answer*—I have only my brother's words for it, that a package of papers in the vault contains all these papers. I have not seen it since a year ago.

*Question*—Did you see your brother place it in the vault then?

*Answer*—No.

*Question*—Did he show it to you himself, or did you ask to see it?

*Answer*—He showed it to me voluntarily, as he did all the documents.

*Question*—Are you interested in his business?

*Answer*—We are partners.

*Question*—Did he put the document into his package after he had shown it to you?

*Answer*—When he showed it to me we were in Picton. He went soon after to Chicago, and I have never seen the contract since.

*Question*—How soon after you left Chicago did you see him in Picton?

*Answer*—It was several months. He left Chicago for the purpose of getting this contract signed, and it was afterwards that I saw him in Picton.

*Question*—Had you not seen him in the meantime?

*Answer*—He came to Chicago and returned. The document, as I understood him, remained in New York for some time, and he afterwards went to New York to get it,

and it was when passing through Picton that he showed me the contract. That was the first and only time I saw it.

**Question**—Do you know what endorsement was on the package given to Mr. Starnes?

**Answer**—No.

**Question**—Do you not know anything of it?

**Answer**—All I know of the package is that he told me that the letters were in the package, and that there were two notes addressed to Mr. Starnes, to govern him and his action in regard to the delivery of them.

To Sir John A. Macdonald, through the Chairman:

**Question**—You are a partner of George W. Macfullen?

**Answer**—Yes.

**Question**—I think you have stated that you are intimately acquainted with all the proceedings and arrangements between your brother and Mr. Smith?

**Answer**—Yes.

**Question**—Who else in Chicago are interested?

**Answer**—There was Mr. Hurlbert, who assisted somewhat in the negotiations as a friend of Mr. Smith. Our relations with Mr. Hurlbert were not very intimate. We did not consider that he was really negotiating.

**Question**—Did you see those letters as they were published in the Montreal Herald?

**Answer**—I saw them published in the *Globe*, but not in the *Herald*.

**Question**—Do you know who gave them to the *Herald* to be published?

**Answer**—No.

**Question**—Did your brother not tell you?

**Answer**—No.

**Question**—Have you any knowledge?

**Answer**—No; I do not know—I never heard.

**Question**—Have you any suspicion?

**Answer**—I have not.

**Question**—Do you swear that you do not know?

**Answer**—Yes.

**Question**—Are you your brother's partner?

**Answer**—Yes.

**Question**—Have you seen all the correspondence from end to end?

**Answer**—Yes.

**Question**—And yet you have not the slightest idea how these letters got into the Montreal Herald or Toronto Globe?

**Answer**—No.

**Question**—Do you swear to that?

**Answer**—I do.

**Question**—Did you never hear of your brother giving copies of these letters to any one?

**Answer**—No.

**Question**—Did you never hear of his giving copies to me?

**Answer**—He told me that he showed them to you.

**Question**—Do you not remember in one of his letters of his having said that he gave copies to me?

**Answer**—I do not recollect.

**Question**—Did he never tell you about giving copies to Mr. Huntington, to Mr. W. Foster, or to anybody else?

**Answer**—No.

**Question**—Have you read your brother's letters that were published?

**Answer**—I have read most of them.

*Question*—Do you remember in one of his letters that he said he had given copies of them to me?

*Answer*—My recollection is that in the interview with you he showed you the letters. He never said to me that he had given copies of them to any one.

*Question*—Do you know how much he was to get for putting this correspondence into Mr. Starnes' hands?

*Answer*—I have no recollection of his telling me directly.

*Question*—Although you are in business relations with him, you don't know whether he got \$20,000 or 20,000 pence.

*Answer*—At the time he gave these letters I was out of the city at a branch office in another part of the State. I know from hearsay what he got, but he did not tell me.

*Question*—Was it from Mr. Smith or Mr. Hurlbert?

*Answer*—No; it was from another brother who wrote me while I was absent from the city.

*Question*—How much did you get of this \$20,000?

*Answer*—Nothing.

*Question*—Does not this amount of \$20,000 appear in your books?

*Answer*—No.

*Question*—You have no interest in that money?

*Answer*—No; I got no share or interest in it.

*Question*—And yet you are a partner with your brother and Mr. Smith in all the Pacific Railway matter.

*Answer*—Yes; I said that I was interested in the proceedings. But as far as this money was concerned, I had no share whatever. Our partnership received none. The \$20,000 were divided round for current expenses. Mr. Smith got some, and Mr. Hurlbert got some. It was divided among all those acting in the negotiation.

*Question*—How did you know that this money was divided round for current expenses?

*Answer*—I heard it from a letter I received from another brother, who was in Chicago when my brother came home.

*Question*—Did you ever hear of a \$17,000 cheque that was contained in the same letter?

*Answer*—Yes; I heard by the same means that there was a cheque for \$17,500; but I don't recollect what my brother told me about it. All I understood was with regard to the general arrangements about the package.

*Question*—Did he tell you nothing about this cheque?

*Answer*—He told me the other day that he would forfeit \$17,500.

*Question*—How was he to forfeit this money?

*Answer*—He said that if the package was given over to Sir Hugh Allan before a certain time after the closing of the last Session of Parliament, he would forfeit \$17,500.

*Question*—Did he tell you that if the letters were published by him he would forfeit \$17,500?

*Answer*—No.

*Question*—Did he not tell you that if any of the negotiations came out until after a certain time he would forfeit \$17,500?

*Answer*—No.

*Question*—Did he not tell you about \$25,000 that he was to get from Mr. Huntington?

*Answer*—No.

*Question*—He did not.

*Answer*—No; he told me that no one ever gave him a cent.

*Question*—He told you that, but he did not tell you about the other matter?

*Answer*—He told me about that, but he knew that I had heard about the other matter from my other brother.

**Question**—You say that the package contained all the letters of importance, do you know if there were other letters?

**Answer**—I have no knowledge of any others. My brother did not say that it contained all the letters, and I have no knowledge as to whether the package contained all the letters or not.

And further for the present deponent saith not.

And on the twelfth day of September, 1873, re-appeared the said witness, and made the following alterations and additions to the foregoing deposition:—

I wish to add that the letters, which passed between Sir Hugh Allan and my brother, date from the beginning of the negotiations, 1871, until the close of the first Session of Parliament; also in answer to the question, "Why don't you think that certain letters are in the package."

I wish to change the word "they" in my answer to "I," making it read, "Because I did not consider them of sufficient importance."

I desire also to add that the conversation I refer to, with my brother, with regard to the forfeiting \$17,500, took place a few weeks ago, and that my brother told me that if the Committee was dissolved, and the package fell into Sir Hugh Allan's hands, he would forfeit \$17,500.

On another point I have been thinking over in my mind, since my examination, and I now remember that my brother and myself had two conversations.

The contract that he showed me at the interview, at Picton, was a private one between himself and his New York partner.

The contract between the American parties and Sir Hugh Allan was shown to me at Chicago.

I wish to add further, that when I saw the charges in the newspapers, that my brother was a paid witness or something to that effect, I questioned to know if he had received any remuneration. He replied that he had not received one cent, and would not even accept his current expenses.

**Question**—I think you said that you saw in your brother's possession, either received by him directly or from other parties, all the evidence that was published in the newspapers. Is that so?

**Answer**—I said that I saw the letters that were published in the *Globe*.

**Question**—Did you see the telegrams that were published?

**Answer**—I saw them after they were published.

**Question**—You did not see them before?

**Answer**—No.

**Question**—Not any one of them?

**Answer**—Not any telegrams published in connection with his letter. I never saw any of them except in print.

**Question**—There is a copy of an alleged telegram from Sir John A. Macdonald to Mr. Abbott, which was published—did you see the original of that?

**Answer**—No.

**Question**—Did you see the original of one purporting to be from Mr. Abbott to Sir John A. Macdonald, which has been published?

**Answer**—Not except in print.

**Question**—Have you any knowledge in respect to how they were acquired?

**Answer**—No.

**Question**—Can you give the Commission any further information on this subject?

**Answer**—I asked my brother how he got those telegrams, and he said he might tell me some time, but he would not then.

**Question**—You never saw any of the originals of the telegrams that appeared?

**Answer**—I never saw them till they appeared in print, and I did not know that my brother had them.

**Question**—There is a letter from Sir George E. Cartier published also, did you see that?

*Answer*—No.

To Sir John A. Macdonald, through the Chairman :

*Question*—Have you seen any other papers connected with the subject of this inquiry further than Sir Hugh Allan's correspondence, and the contract you have spoken of ?

*Answer*—Not that I have any recollection of.

*Question*—You have not seen any of the papers attached to your brother's second letter. I mean the telegrams spoken of by one of the Commissioners ?

*Answer*—I don't recollect which was his second letter. On being informed, I say that I never saw these telegrams till I saw them in print.

*Question*—When did your brother tell you that he would inform you at some future time where he got these telegrams ?

*Answer*—I don't recollect the exact date. It was after the letter appeared. It was in Chicago he told me.

*Question*—You had seen all the other papers yourself ?

*Answer*—I saw the correspondence.

*Question*—But he withheld these telegrams from you, you say ?

*Answer*—Yes, I never saw them.

*Question*—You asked him where he got them ?

*Answer*—Yes, I asked where he got the telegrams, and he said that he would probably tell me sometime.

*Question*—You did not press the question after ?

*Answer*—No. I thought it was of no use pressing it.

And further deponent saith not, and this his disposition having been read by him he declares that it contains the truth, persists therein and hath signed.

Sworn, and taken in part on the eleventh day of September, 1873, and the remainder taken and the whole acknowledged on the twelfth day of said month and year.

(Signed), DANIEL V. McMULLEN.

(Signed),

CHARLES DEWEY DAY,  
*Chairman.*

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On the twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

The HONORABLE JEAN CHARLES CHAPAIS, of the Parish of St. Denis, in the Province of Quebec, who being duly sworn, deposeth and saith :

I am Senator of the Dominion of Canada for the Province of Quebec, and a member of the Legislature. I was one of the Dominion Ministers from the time of Confederation up to 25th January last, when I handed in my resignation.

JUDGE POLETTE—I will read the first part of the charge :

"That in anticipation of the legislation of last Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated Railway, and to give the former a certain percentage of interest in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company with Sir Hugh Allan at its head."

*Question*—Have you any knowledge of the arrangement there referred to?

*Answer*—Having heard the charge read, I declare that I have no knowledge of it whatever. I know nothing of any, except what I saw in the press, and the legislation referred to in Mr. Huntington's charge took place without there being any such arrangement. I did not learn of any such arrangement being in existence while I was a member of the Dominion Government, nor did I hear of any conversations to that effect. I do not know of any negotiations having taken place with any member of the Government. Several conversations occurred relative to the means to be taken to procure the money necessary for the construction of the Pacific Railway, but I do not know that mention was particularly made of any such arrangements as that referred to in the deed; in all these conversations I always understood that the general desire was that the Pacific Railway should be built with British capital. I never had any interview on the subject with Sir Hugh, nor do I know that any other member of the Government had any in respect of this matter.

**JUDGE POLETTE**—I will now read another part of the charge:

"That subsequently an understanding was come to between the Government, Sir Hugh Allan and Mr. Abbott, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters, at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway."

*Question*—Have you any knowledge of that sort?

*Answer*—No; I do not know of any sum having been advanced to the Government for election purposes.

*Question*—Do you know of any promise of money having been made?

*Answer*—No; no such promise was ever made to me.

*Question*—Was it ever said that any member of the Government had received money to assist in the elections?

*Answer*—It was never said before me.

It is always understood that elections cannot be carried on without money. I understood money was subscribed by the friends of the candidates, but no sum of money was derived for the service suggested. When I speak of aiding the elections, I mean the money that is spent legally.

I do not know if any money was subscribed for the elections of Montreal, except from what has appeared in the press.

*Question*—Do you know Sir Hugh Allan?

*Answer*—I know him a little. We have never spoken but twice. Those conversations were not relative to the Pacific Railway. If that subject was ever mentioned, it was in so light and incidental a manner that I never thought anything of it. I think it quite possible that I mentioned it to him on the cars, and I may have asked him "what progress are you making with your Pacific Railway project?"

I know that Sir Hugh Allan had an interest in the construction of the Pacific Railway, because on one occasion there was a question before me regarding an Act of Incorporation.

The circumstance to which I allude is this: Sir Hugh Allan was one day introduced in the Council Chamber, when I was present, and he expressed there his intention to take an interest in the construction of the Pacific Railway. I think this was in the autumn months of 1871. There had at that time been no legislation on the subject of this

railway, but the matter was being discussed. There were only a few words exchanged at that time, only sufficient to give me to understand what I have just mentioned.

There were other Ministers present.

The means were not spoken of at that time for building the Pacific Railway.

I do not remember who were the Ministers present, but I am certain the Prime Minister was there.

Sir Hugh Allan never spoke to me of the election fund.

I did not know he had subscribed until I saw it in the newspapers; I never heard of it from him nor any one else.

I never had any conversation with Mr. Abbott on the subject of moneys to be subscribed by Sir Hugh Allan for the elections, and have no knowledge of any conversation of that kind between him and any other person.

*Question*—Were you ever informed of the alleged facts into which this Commission is enjoined to inquire?

*Answer*—No; there was nothing that could lead me to suspect that any such facts were true. I think if they were true, I would have known them as a Minister.

By Mr. Langevin, through the chairman:

*Question*—Could you say what was the opinion of the members of the Government on the subject of the construction of the Pacific Railway by Americans and with American capital?

*Answer*—With the exception of one of the Ministers, whom it is not necessary to mention, the Ministers were hostile to the construction of the Pacific Railway by Americans and with American capital.

*Question*—Can you state the name of the Minister who was considered favorable to the Americans in connection with the construction of the Pacific Railway with American capital?

*Answer*—I understand Sir Francis Hincks was not unfavourable to that.

*Question*—Do you know particularly if Sir George Cartier was opposed to the construction of the Pacific Railway with American capital?

*Answer*—I have heard Sir George Cartier energetically oppose such a course, and I may here say the same for myself.

*Question*—Can you say if the negotiations for granting the charter to the Company now chartered to construct the Pacific Railway were anterior to or after the general elections?

*Answer*—These arrangements were posterior to the elections.

*Question*—Is it correct that after the general elections the Government did all they could do to convince Sir Hugh Allan and Senator Macpherson, as representing the two incorporated companies, to consent to an amalgamation of the two companies, as provided for by the Act authorizing the Government to grant a charter for building the Railway?

*Answer*—The greatest efforts were made by the Government, and the greatest persuasion was used to induce the interested parties in the two companies to agree to amalgamation for the building of the road, and it was only after the impossibility of arriving at such an agreement that the Government used the means which the law gave them to exercise in the presence of such an emergency.

*Question*—In granting the charter of the company which now exists, do you know if the Government had in view the special interests of Sir Hugh Allan; or if, on the contrary, the Government did not do all it could to ensure the construction of the railway by means of a company capable apparently of securing a representation of the federal interests of the Dominion?

*Answer*—From the commencement to the end the efforts of the Government were constant to form a company which would afford the best guarantee for the completion of that great work. Those efforts tended to conciliate, as far as possible, the opposing interests of the two Provinces, the most important in the Dominion: I mean Ontario and Quebec; and to that end we chose the organization of the company now existing,

the names affording the best guarantee that the work will be accomplished. We considered the desirability of introducing into the new company the names which appeared in both acts of incorporation of the company.

*Question*—Can you state positively that before the general elections there was no agreement between Sir Hugh Allan and the Government on the subject of the construction of the Pacific Railway?

*Answer*—In my recollection, as a member of the Government, there never was any such agreement.

*Question*—By the PRESIDENT—Can you say whether Sir Francis Hincks continued to hold his first opinions about American capital, or whether he surrendered them subsequently?

*Answer*—Yes; he gave up his own opinions afterwards, and coincided in the views of his colleagues.

And the said deponent saith nothing more for the present.

On the thirteenth day of September, 1873, the witness again appeared, and desired to add the following to his deposition:

At the time of the interview between Sir Hugh Allan and some members of the Cabinet, of which I have above spoken, he was accompanied by two persons named respectively Smith and McMullen. After the usual introduction, the question of the Pacific was mentioned by them. As well as I can remember the following was the substance of the short conversation which took place on this subject. Sir John A. Macdonald enquired if they had anything to say. To this they replied as follows: "In case propositions are made to the Government, are they ready to discuss them?" On Sir John replying in the negative, the gentlemen said that under these circumstances they had nothing to say. And the interview thus terminated.

And further the deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn, and taken on this twelfth day of  
September, acknowledged thirteenth  
September, one thousand eight hundred and seventy-three.

(Signed),

"  
"

(Signed,)

JEAN CHARLES CHAPAIS.

CHARLES DEWEY DAY,  
*Chairman.*

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }  
*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

THE HONORABLE MATTHEW HENRY COCHRAN, of Compton, in the Province of Quebec, who being duly sworn, deposes and saith:



I reside in Compton, Quebec.

My occupation there is farmer and stock breeder.

I am a member of the Senate.

I know Sir Hugh Allan. I do not know Mr. G. W. McMullen.

*Question*—Have you any knowledge of any agreement or negotiation between Sir Hugh Allan and Mr. McMullen in relation to the construction of the Canada Pacific Railway at any time?

*Answer*—None whatever.

*Question*—Have you at any time heard any member of the Government or Sir Hugh Allan himself make any reference to the existence of any such agreement or negotiation?

*Answer*—Not to my knowledge.

*Question*—Were you, from the nature of your occupation, or from any particular position you were in, likely to become acquainted with negotiations of that character?

*Answer*—I might.

*Question*—Have you had any conversation with any of the members of the Government in relation to any contemplated agreement for the building of the Pacific Railway with American capital?

*Answer*—I have not.

*Question*—Have you any knowledge of an understanding between Sir Hugh Allan, Mr. Abbott, and the Government, or any members of the Government, for the supplying of money to aid in the election of Ministers and their supporters in the general elections of 1872?

*Answer*—None, aside from what was in the public press; nothing else.

*Question*—Has anything in any way come to your knowledge which would lead you to believe that there was such an understanding?

*Answer*—None.

*Question*—Did you take an active interest or part in the elections of 1872?

*Answer*—I was interested in them; but I was on no Committee whatever.

*Question*—Do you know of the subscription of any sums of money for the carrying on of these elections?

*Answer*—One small sum only.

*Question*—Was that in the city of Montreal, or in the neighbourhood where you live?

*Answer*—It was in Montreal.

*Question*—Was that sum subscribed by Sir Hugh Allan?

*Answer*—It was not.

*Question*—Do you know what amount was subscribed in Montreal for the promotion of the elections?

*Answer*—I do not.

*Question*—Do you know whether Sir Hugh Allan added to that subscription in any way?

*Answer*—I don't, of my own knowledge.

*Question*—Have you any knowledge that anybody else, besides this one person whom you have alluded to, subscribed?

*Answer*—I have not.

*Question*—Have you any objection to state who he was?

*Answer*—It was the firm of Smith, Cochrane & Co., of which I am a partner. We have been in the habit of doing so at all the general elections, and have been doing it for many years past.

*Question*—Have you any knowledge of the matters to be enquired into by this Commission; any knowledge relating to the construction of the Pacific Railway, or to the furnishing of money for the elections, which you have not stated, and which may be of use to us?

*Answer*—I was one of the Provisional Directors of the Inter-Oceanic Company.

*Question*—Are you aware of the negotiations which took place for an amalgamation between that Company and the Canada Pacific Railway Company?

*Answer*—Only what I have learned from the press. I never met the Directors but once, and that was in June of 1872, in Toronto. That was before these negotiations took place.

*Question*—Do you know why these negotiations failed; why the amalgamation did not take place?

*Answer*—I don't, further than what I see in the press.

*Question*—Are you aware that your name was put down on the list of witnesses?

*Answer*—I am not.

*Question*—Have you any idea what information or what kind of information was expected to be derived from your testimony.

*Answer*—I have not; I have no idea unless it was because I was one of the Provisional Directors in the Inter-Oceanic Company.

To Sir John A. Macdonald, through the Chairman:

I have no idea why I was put on Mr. Huntington's list of witnesses. I never had any conversation with Mr. Huntington on this matter, except in a joking way after he had made his charges.

There was nothing said by me that would lead him to believe that I knew anything about this matter, not the slightest.

And further deponent saith not for the present.

And on this thirteenth day of September, 1873, the witness re-appeared and made the following addition to his foregoing deposition: I wish to add to my answer to the question—"Have you had any conversation with any member of the Government in relation to any contemplated agreement for the building of the Pacific Railway with American capital?"—the following: On the contrary, I have repeatedly heard one member of the Government say that on no conditions would Americans be allowed to have any control.

*Question*—What member of the Government said so, and at what time, and where was it said?

*Answer*—It was the Honorable Mr. Pope, in the fall of 1872, on several occasions at Ottawa, and also at Montreal.

And further deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of September, 1873, and acknowledged on the thirteenth day of said month and year.

(Signed,)

(Signed,) M. H. COCHRANE.

CHARLES DEWEY DAY,  
*Chairman.*

"

A. POLETTE,  
JAMES ROBERT GOWAN.  
*Commissioners.*

"

PROVINCE OF ONTARIO, }

*City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us the above-named Commissioners,

**FREDERICK WILLIAM CUMBERLAND**, of the City of Toronto, who being duly sworn, deposeth and saith :

*Question*—Where is your place of residence ?

*Answer*—Toronto.

*Quæstion*—What is your occupation there ?

*Answer*—Managing Director of the Northern Railway.

*Question*—Do you know Sir Hugh Allan ?

*Answer*—I do.

*Question*—Do you know Mr. George McMullen ?

*Answer*—I do not.

*Question*—Have you any knowledge of any agreement or any negotiations between these gentlemen, in relation to the building of the Canada Pacific Railway with American capital ?

*Answer*—I have not.

*Question*—Have you any knowledge of any negotiations in relation to the construction of the Pacific Railway in the winter of 1872, or the autumn of 1871 ?

*Answer*—Yes.

*Question*—Will you state what that knowledge was ?

*Answer*—Do you mean negotiations between other parties, or negotiations in which I myself was engaged ?

*Answer* by Commissioner :

I mean negotiations in which Sir Hugh Allan was engaged.

*Answer* by witness :

None whatever, except for the purpose of the amalgamation of the Inter-Oceanic Company with that of the Canada Pacific.

*Question*—Had you any knowledge of any negotiations, having for their object the construction of the Pacific Railway with American capital, at any time ?

*Answer*—None.

*Question*—Were you a Provisional Director of the Canada-Pacific Company that was incorporated in the Session of 1872 ?

*Answer*—I was a Provisional Director of the Inter-Oceanic Company, that was incorporated during that Session, but not of the other.

*Question*—Was the Inter-Oceanic Company in some sense the rival of the other Company ?

*Answer*—It was the Company commonly known as the Macpherson Company.

*Question*—Was it antagonistic to the other Company ?

*Answer*—Yes ; it was the rival of Sir Hugh Allan's.

*Question*—Are you a Director of the Canadian Pacific Railway Company—the one now chartered ?

*Answer*—I am.

*Question*—Have you any knowledge of any negotiations which took place for the amalgamation of the Canada Pacific Railway Company and the Inter-Oceanic Railway Company ?

*Answer*—I was aware of an effort being made to bring about that amalgamation, but before the efforts were exhausted I left for England.

*Question*—Were there any negotiations between the two companies having that end in view—the amalgamation ?

*Answer*—No, not to my knowledge.—The negotiations to which I referred just now were those emanating from the Government. My opinion was sought by a member of the Government as to whether such an amalgamation was possible.

*Question*—Who was that member ?

*Answer*—The Hon. Mr. Campbell, then Postmaster General.

*Question*—What was your impression as to his views on the subject?

*Answer*—Mr. Campbell evinced very great anxiety to bring about an amalgamation, and asked my opinion as to the possibility of it, so far as I knew the opinions and views of my colleagues on the Inter-Oceanic Board.

*Question*—At what time did this conversation take place?

*Answer*—I think it was about the end of October or early in November, 1872.

*Question*—Did any amalgamation take place?

*Answer*—No.

*Question*—Why not?

*Answer*—I cannot say of my own knowledge, because the efforts towards amalgamation had not been exhausted when I was obliged to leave for England, and I was not aware what course these events took after my interview with Mr. Campbell. I was aware that he acted in some measure upon my advice, my opinion being that an amalgamation was not impossible, and that the majority of my colleagues on the Inter-Oceanic Board would consent to such an amalgamation, provided that they obtained a sufficient guarantee for the exclusion of American influence, to which I had already expressed our objection. Mr. Campbell told me that those guarantees would be given, and of a nature that would be quite satisfactory to us. I then, although recognizing personal difficulties as between Sir Hugh Allan and Mr. Macpherson, expressed the opinion that the majority of my colleagues on the Inter-Oceanic Board would accept such a guarantee and consent to the amalgamation. That, however, did not prove to be correct.

*Question*—Was any sufficient guarantee given to the Inter-Oceanic Company?

*Answer*—In my opinion the guarantees that were then suggested by Mr. Campbell were amply sufficient?

*Question*—They did not satisfy the Inter-Oceanic Company, did they?

*Answer*—I don't know. I think there were some personal reasons that probably offered additional obstacles.

*Question*—How long were those negotiations going on, tending to the amalgamation of the two companies?

*Answer*—It must have been for a very short time, because I left immediately after my interview with Mr. Campbell, for England.

*Question*—Are you able to say when they began?

*Answer*—My impression is that Mr. Campbell came to me first, so far as Toronto was concerned at any rate. I don't know that I am able to state the date of that conversation with accuracy, for I only remember it as immediately preceding my leaving for England. I think I left for England early in November.

*Question*—Had you any conversation with any other Member of the Government on the subject?

*Answer*—Yes. I had a conversation with Sir John A. Macdonald.

*Question*—What was the purport of that conversation?

*Answer*—It was after my interview with Mr. Campbell, and I think on my way to England; the conversation was somewhat similar to that which I held with Mr. Campbell. I think I told Sir John the purport of that conversation, and repeated my own views as to the possibility of an amalgamation.

*Question*—Was there any conversation especially, as to the exclusion of American capital and of the American element altogether, in your interview with Sir John A. Macdonald?

*Answer*—Yes; both with Mr. Campbell and Sir John A. Macdonald. I explained that the American element would have to be excluded, but I thought if there was a sufficient guarantee given as to that, an amalgamation might be effected.

So far as my knowledge goes, I understood that the Government always held the same views as to the desirability of amalgamation.

*Question*—Have you any knowledge concerning the elections of 1872, in the Province of Quebec, particularly in Montreal?

*Answer*—None.

*Question*—Have you any knowledge of money being subscribed in aid of the elections of ministers and their supporters, either in Quebec or Ontario?

*Answer*—I have some knowledge of efforts being made for raising money for election purposes in Ontario.

*Question*—Do you know whether Sir Hugh Allan contributed?

*Answer*—I have no personal knowledge, I have learned it from hearsay, and from the newspapers, but I have no knowledge of my own.

*Question*—Did that information come from any member of the Government or from Sir Hugh Allan?

*Answer*—No; from neither.

*Question*—Were you on any of the election committees in Ontario?

*Answer*—No, I was not.

*Question*—I understood you to say that you know absolutely nothing of the elections in the Province of Quebec?

*Answer*—Nothing whatever.

*Question*—You don't know whether any money was subscribed by any party there?

*Answer*—I do not.

*Question*—Do you know of any money being received from Quebec for the purpose of elections in Ontario?

*Answer*—No, I do not.

*Question*—Am I right in understanding that the great standpoint of the Inter-Oceanic Company was Canadian influence, and in so far as it was a rival and antagonistic to Sir Hugh Allan's scheme, it was supposed to exclude American influence; was that the chief and prominent distinction?

*Answer*—That appears in the papers to be the reply which the Inter-Oceanic Company gave to the Government.

*Question*—Was that the fact?

*Answer*—There is not a question about it. There were some individual reasons also which offered obstacles.

*Question*—Do you know anything about the chief object of the Inter-Oceanic Company; was it based upon any principle, or was it merely with the object of making money or something else?

*Answer*—I really don't know. I was invited to join it very early in its history. My impression is that at that time the idea of Canadian and British influence being employed in it was the basis.

*Question*—You were subsequently appointed a director in the Chartered Company, the Canadian Pacific, were you not?

*Answer*—Yes.

*Question*—At whose instance were you appointed?

*Answer*—I really don't know. The appointment was made during my absence in England.

*Question*—It was a Government appointment, was it not?

*Answer*—Yes.

*Question*—Do you know how your name came to appear?

*Answer*—I have no knowledge. I have my own suppositions. My suppositions are based upon a conversation that I had with Sir John A. Macdonald before I went to England. The subject of that conversation was, in the event of amalgamation failing, who might be regarded in Ontario as reliable persons to serve upon the new Board.

*Question*—Did he at that time give any indications that he desired you to act upon this Board?

*Answer*—We considered a number of names as to their fitness, and Sir John did me the honor of asking my opinion, and in that list my own name was placed, and I then told Sir John that I gave him *carte blanche*.

*Question*—You have been a long time connected with railways.

*Answer*—Yes.

*Question*—You have the credit of being sharp in these matters?

*Answer*—I had no desire to serve upon that Board.

*Question*—Did you gather from Sir John's conversation that it was his desire to seek out competent persons?

*Answer*—We parted with the understanding, that as far as I was concerned, if it was thought I could be useful or he desired that I should serve, he might use my name.

*Question*—Were there any gentlemen from the Inter-Oceanic Board named in this Canadian Pacific Company?

*Answer*—Yes; Major Walker.

*Question*—Any other?

*Answer*—Mr. Walter Shanly.

*Question*—Any other?

*Answer*—I think there were four; I forget the last.

*Question*—Who is Mr. Walker.

*Answer*—He is a resident of London, Ontario, and largely interested in oil works in that neighborhood.

*Question*—Mr. Shanly is an engineer, is he not?

*Answer*—He is an engineer of the highest standing, and has large railway experience.

My impression is, that there were others who were on the Inter-Oceanic Board, appointed Directors of the Canadian Pacific Company, but at this moment I do not recollect them. Looking at the list, I see there were Major Walker, Mr. Shanly, and myself.—These are the only ones that I recognize from Ontario.

To Sir John A. Macdonald, through the Chairman:

*Question*—On this occasion, on which you and I had the conversation anterior to your going to England, do I understand that that conversation was as to the formation of a Board in case the amalgamation fell through?

*Answer*—Yes.

*Question*—And I was negotiating to get your opinion as to fitting representatives from Ontario on the Board of the chartered company? We considered a great many names, including your own, did we not?

*Answer*—Yes.

*Question*—You said that if you could be of use in the Company or out of the Company that I might use your name?

*Answer*—I did.

*Question*—You took part in the elections in Ontario, did you not?

*Answer*—I did.

*Question*—In Toronto and vicinity?

*Answer*—Yes.

*Question*—Did you subscribe to the elections at Ontario?

*Answer*—I helped at the elections pecuniarily.

*Question*—In subscribing to the elections did you consider in any way that you were recompensing the Government for any interest in this railway?

*Answer*—Certainly I did not. I subscribed and paid as a member of the party. I may just add this, that I expressed rather strong reasons originally when I was invited to go on the Inter-Oceanic Board; and to yourself, I think, subsequently with reference to the possibility of my name being placed on the Board of the present Company, and at that interview, anterior to my going to England, I said that I had no desire to serve upon that Board, that I saw nothing in it: that the terms then described by the Government were not such as to attract anybody to the work, but that I was willing to work as a public servant. I did not consider that the terms were sufficiently liberal.

*Question*—You agreed to serve upon the Board, if it was necessary, from public and patriotic motives?

*Answer*—As a public servant. I saw nothing in it.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of  
September, 1873, and acknowledged  
of the thirteenth day of said month  
and year. } (Signed,) F. W. CUMBERLAND.

(Signed,) CHARLES DEWEY DAY,  
*Chairman.*  
" A. POLETTE,  
" JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }  
*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A. D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

DONALD McINNES, of the City of Hamilton, Merchant, who being duly sworn deposeth and saith:

I reside in the city of Hamilton. My occupation there is that of a Merchant.

I know Sir Hugh Allan. I do not know Mr. Geo. McMullen.

*Question*—Do you know of any negotiation carried on between these gentlemen, or of any agreement between them in the autumn of 1871, or the winter of 1872, for the purpose of building the Canadian Pacific Railway with American capital?

*Answer*—No; I know nothing about it. I may state that I think it was in the autumn of 1871, Sir Hugh Allan asked me whether I would consent to become a Director of the Canada Pacific Railway, and I consented. I think he told me in general terms that he was negotiating with some American capitalists, but I know nothing whatever beyond that. I don't think he stated who they were.

*Question*—Do you remember about the time this took place?

*Answer*—No. I do not.

*Question*—Can you fix about the time?

*Answer*—I cannot charge my memory exactly. I remember the occasion. It was on the train between Cornwall and Montreal. We had been at Cornwall to attend the meeting of a manufacturing Company, in which we were both interested, and it was on the way back to Montreal that we had this conversation.

I think it was about the latter end of 1871.

*Question*—Had the winter set in?

*Answer*—I think so.

*Question*—Did he mention to you the name of Mr. McMullen?

*Answer*—No. I don't think I ever heard of his name until it appeared in print recently.

*Question*—Did you understand that any agreement had been made?

*Answer*—No. I understood that no agreement had been made.

*Question*—Were you one of the Provisional Directors of the Canada Pacific Railway?

*Answer*—Yes.

*Question*—In that capacity did it come to your knowledge that any negotiations were being carried on?

*Answer*—No; it so happened that I never attended any of the meetings.

*Question*—Have you had any conversation with any member of the Government that would lead you to think that such negotiations were going on?

*Answer*—No.

*Question*—Do you mean to say that you have no other knowledge than that which you have stated above in reference to these negotiations?

*Answer*—None whatever, except, of course, what has recently appeared in the newspapers.

*Question*—Are you a member of the present Canadian Pacific Company?

*Answer*—Yes. I was named a Director when I was in England, by Sir John A. Macdonald.

*Question*—Can you state why that Company was chartered instead of the old Company "the Canada Pacific" going on.

*Answer*—No, I cannot state the exact reasons. I was absent in England when that Company was formed.

*Question*—Have you any knowledge of any negotiations between the Canada Pacific Company and the Inter-Oceanic Company with respect to an amalgamation?

*Answer*—None except what appeared in the public papers.

*Question*—You don't know otherwise than from the public prints that such a negotiation was carried on between the two Companies?

*Answer*—No; I may have heard it mentioned in conversation that such a thing was going on, but nothing beyond that.

*Question*—Do you know whether there are any American capitalists among the Directors of the Canadian Pacific Company or any American capital invested there?

*Answer*—I am not aware of any.

*Question*—Have you any knowledge, Mr. McInnes, of money having been subscribed for the support of Ministers and for the aiding of elections of Ministers and their supporters in 1872, at the general elections in Ontario?

*Answer*—Yes; I know there was money subscribed in the constituency where I belong, and paid.

*Question*—Do you know whether any money was subscribed by Sir Hugh Allan or Mr. Abbott?

*Answer*—No; I do not know of any.

*Question*—Was any money sent up from the Province of Quebec?

*Answer*—None that I am aware of.

*Question*—Have you any knowledge relating to the elections in the Province of Quebec?

*Answer*—None whatever.

To Sir John A. Macdonald, through the Chairman:

*Question*—I think you are one of the principal merchants in Hamilton?

*Answer*—I am a merchant there.

*Question*—It was in your capacity as being a merchant largely engaged in business that Sir Hugh Allan asked you to go on the Board of the Canada Pacific Company?

*Answer*—I presume so.

*Question*—And to get a representative from Ontario?

*Answer*—I think so.

*Question*—From whom did you first get any information of your being selected to serve on the Board of the Chartered Company?

*Answer*—From yourself. I was in London at the time and received the news by



cable. I received no information other than from yourself. I answered, accepting the appointment.

*Question*—Have you any particular relations with Sir Hugh Allan?

*Answer*—No; none. I am quite independent of him in business matters, except that we have a joint enterprise in Cornwall in a manufacturing company.

I know of subscriptions being made at the last elections in Hamilton. That always happened at elections, unfortunately. I know that I subscribed.

*Question*—On the right side, and at the right time?

*Answer*—Yes; I did that of my own accord and not on account of being on the Pacific Railway. Decidedly not. I did not show any great anxiety to get on that Board, or to be connected with that enterprise.

*Question*—Was it altogether as a matter of duty and principle that you consented to serve on that Board?

*Answer*—I felt that it was a great national undertaking, and if my services would be of any use in its promotion, that it was my duty to place them at the disposal of such a public work.

And on this thirteenth day of September, 1873, re-appeared the said witness, and made the following addition to his foregoing deposition:

I desire to add with respect to some correspondence which was published in the newspapers, in which my name was put as receiving by way of gift, as I understood it, the sum of \$50,000 of the Canada Pacific stock. I beg to state that, Sir Hugh Allan, nor any one else, ever made such an unworthy proposal to me.

And further deponent saith not, and this, his deposition having been read to him, he declares that it contains the truth, persist therein, and hath signed.

Sworn and taken on the 12th day of September, 1873, and acknowledged on thirteenth day of said month and year.

(Signed,) D. McINNES.

(Signed,)

CHARLES DEWEY DAY,  
*Chairman.*

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

ROBERT N. HALL, of the Town of Sherbrooke, in the Province of Quebec, Advocate, who being duly sworn, deposes and saith:

I reside in Sherbrooke. My profession is that of an advocate.  
I know Sir Hugh Allan. I do not know Mr. G. W. McMullen.

*Question*—Have you any knowledge of any negotiation or agreement between Sir Hugh Allan and Mr. McMullen, relating to the construction of the Pacific Railway?

*Answer*—Not the least; no knowledge of it whatever.

*Question*—Have you ever had any conversation with any member of the Government in relation to any such agreement?

*Answer*—I have not.

*Question*—Have you ever had any means of knowing whether such a negotiation was going on with a view to an agreement of that nature?

*Answer*—I never saw anything to indicate it.

*Question*—Is it then a matter concerning which you know nothing at all?

*Answer*—I have no knowledge of it whatever; not the least.

*Question*—Have you taken an interest or have you been engaged in Railway enterprises?

*Answer*—I have taken quite an interest in the promotion of Railways in the section of country in which I live.

*Question*—Have you had any interest or taken any part in the movement for building this Pacific Railway?

*Answer*—I was appointed one of the Directors of the Canadian Pacific Company, that is the chartered Company.

*Question*—When did your acquaintance or connection then begin with the enterprise for building this railway?

*Answer*—It was only a short time before my appointment, and before the signing of the contract.

*Question*—Before that did you know anything about it, or had you taken any interest in the matter?

*Answer*—I had taken quite an interest in it, although I did not identify myself in any way with its promotion.

*Question*—You had not been consulted by Sir Hugh Allan, or any other person in relation to the construction of it?

*Answer*—No, I had not. I had no connection with Sir Hugh Allan in reference to it. In fact I did not know him before the contract was signed. My acquaintance with him is only since that time.

*Question*—Did you take any part, in Lower Canada, in the general elections of 1872?

*Answer*—I did not.

*Question*—Do you know of any money having been subscribed in aid of the election of Ministers or their supporters?

*Answer*—No, I do not. There were very few contested elections in the Townships, the elections were by acclamation—those at least in the part of the Townships where I reside.

*Question*—Do you know anything of the Montreal elections?

*Answer*—Nothing whatever.

*Question*—Do you know whether there was any subscription of money for the carrying of them on?

*Answer*—I do not.

*Question*—Do you know whether Sir Hugh Allan contributed anything in aid of the elections in any part of the Province of Quebec?

*Answer*—I do not. No contribution ever came to my knowledge in any way.

*Question*—Are you aware of the reasons for which your name was put on the list of witnesses?

*Answer*—I cannot imagine any reason—I never had any conversation with Mr. Huntington at all—I had no knowledge of anything that tended to support the charges made by him.

To Sir John A. Macdonald, through the Chairman:

*Question*—Do you know at whose instance it was that you became a member of the Board of the Canadian Pacific Railway?

Answer—At the instance of the Hon. Mr. Pope, Minister of Agriculture ; at least I understood I was nominated by him. He is the representative from the Townships in my part of the country. He asked me to become a Director. He said it was desirable that that section of the country should be represented on the Board, and asked me to act. He said there were two representatives from Montreal, and one from Quebec, and he thought therefore that the Eastern Townships should have a representative on the Board.

I was in no respect, that I am aware of, the nominee of Sir Hugh Allan.

I had no personal acquaintance with Sir Hugh Allan at the time. I had reason to believe that Sir Hugh Allan wished to name another gentleman in my place. That gentleman was Mr. Foster. I understood that negotiations—at least the signing of the contract—was delayed on account of Sir Hugh Allan's pressing the nomination of Mr. Foster.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of September, 1873, and acknowledged the thirteenth day of said month and year.

(Signed,)

(Signed,) ROBT. N. HALL.

CHARLES DEWEY DAY,  
*Chairman.*

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa.*

IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners, to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this thirteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

JOSEPH HAMEL, of the city of Quebec, Merchant, who being duly sworn, deposeth and saith:

I know Sir Hugh Allan very slightly. I never had any conversation with him. I do not know G. W. McMullen.

Having heard read that part of the charge contained in the Royal Commission, which reads as follows:

"That in anticipation of the legislation of last Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself, and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated railway, and to give the former a certain per centage of interest in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company with Sir Hugh at its head."

I declare that I know nothing of this arrangement. I only know what I have seen in the newspapers, nothing more.

I am not aware whether the Government knew of the existence of such an arrangement between Sir Hugh Allan and G. W. McMullen.

I do not know whether there existed any negotiations between certain persons for the construction of the Canada Pacific Railway.

No Minister or Member of Parliament spoke to me on the subject. I declare that I only know of this affair through what I have read in the newspapers.

Having heard read the other part of the charge contained in the Commission, which reads as follows :

"That subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, one of the members of the Honorable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway."

I declare that I know absolutely nothing of such an arrangement, except what I have learned through the press. Sir Hugh Allan never told me that he had advanced money for the elections of Ministers and their supporters, nor did Mr. Abbott, whom I know very slightly. No member of Parliament, or Minister, ever told me that Sir Hugh Allan had advanced money for the elections of 1872.

I have no knowledge that money was subscribed for the Montreal elections. As to other places, I am aware that subscriptions are always raised to assist the elections of friends of the Government. I do not know that Sir Hugh Allan subscribed to aid the elections, nor Mr. Abbott either. I do not know if the friends of Sir Hugh Allan advanced sums of money for the elections of Ministers or their friends. When I say that I do not know that sums of money were advanced for the elections of 1872, I mean sums coming from this source—that is, from Sir Hugh Allan. There were moneys subscribed by other friends of the Government towards the elections, but it was not for the election of Ministers. The subscriptions I have just mentioned, may have reached five or six thousand dollars for the election at Kamouraska. I am not aware of any moneys for other elections. I have never had any conversation with members of Parliament, or with Ministers, on the subject of subscriptions by Sir Hugh Allan or Mr. Abbott, or their friends, for the elections of Ministers or their partizans, and no conversation occurred in my presence on the subject. I know absolutely nothing, of my personal knowledge, of the charges mentioned in the Royal Commission.

I can form no idea why my name was on the list of witnesses unless it was because I am a friend of the Government.

I persist in declaring emphatically that I have no knowledge of any arrangement or understanding, such as that mentioned in the charges before the Royal Commission, and I declare that I have had no conversation with Ministers or Members of Parliament on this subject, and that they have never spoken about it in my presence.

The money subscribed for Kamouraska was subscribed at Quebec and Kamouraska. It did not come from Montreal.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the }  
day, month and year, first above }  
written, before us. }

(Signed,) JOSEPH HAMEL.

(Signed,)

CHARLES DEWEY DAY,  
*Chairman.*

"  
"

A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present : THE COMMISSIONERS.

On the fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

EGERTON R. BURPEE, of the city of St. John, in the Province of New Brunswick, Civil Engineer and Contractor, who being duly sworn, deposeseth and saith :

*Question*—Are you a member of the Dominion Parliament ?

*Answer*—No.

*Question*—Do you know Sir Hugh Allan ?

*Answer*—I am acquainted with him slightly.

*Question*—Do you know Mr. George McMullen ?

*Answer*—Yes.

*Question*—When did your acquaintance with Mr. McMullen begin, have you known him any length of time ?

*Answer*—No ; I have known him since about the Session of 1872.

*Question*—Were you one of the Provisional Directors upon the Board of the Canada Pacific Railway Company, incorporated during the Session of 1872 ?

*Answer*—Yes.

*Question*—Have you any knowledge, Mr. Burpee, of any agreement between Sir Hugh Allan and Mr. McMullen, representing certain American capitalists, for the building of the Pacific Railway with American capital ?

*Answer*—I was told by Mr. McMullen that there was such an agreement.

*Question*—Do you remember when he told you that ?

*Answer*—At the same time—the Session of 1872.

*Question*—Can you specify more nearly the year, month or day ?

*Answer*—It was about the last of the Session.

*Question*—Was it after the Act of Incorporation had been passed, or before ?

*Answer*—It was before.

*Question*—What did he say to you on that occasion ?

*Answer*—I met him a great many different times. He told me there was an arrangement made with American capitalists, in connection with Sir Hugh Allan, to build the road ; and he wished me to become a member of the Company.

*Question*—Did he state if there was any condition of that arrangement by which a certain interest was to be paid to Sir Hugh Allan ?

*Answer*—No. There was a condition that Sir Hugh Allan was to be one of the Company.

*Question*—Do you know who were the American capitalists whom Mr. McMullen represented ?

*Answer*—I cannot remember them all ; there was a large number. There was Governor Smith mentioned, Jay Cooke, and General Cass.

*Question*—Did you understand that the Government of the Dominion was at that time favourable to that arrangement ?

*Answer*—No, I did not. It was rather adverse.

*Question*—Did McMullen say anything to you on that subject ?

*Answer*—Nothing definite at all, except that he wanted the Government to acquiesce.

*Question*—Was this after the agreement to which you have adverted had been signed?

*Answer*—He said it had been signed.

*Question*—At whose instance did you become a Provisional Director?

*Answer*—At the instance of Sir Hugh Allan and Mr. Abbott; but I was for a long time interested in the Pacific Railway. We had been talking about it for some four or five years. I was solicited by both the Inter-Oceanic and the Canada Pacific Company to join with them. I had a desire to be interested in the work, having already spent four or five years in working in connection with it.

*Question*—Were you requested to become a Provisional Director of the Inter-Oceanic Company before you were connected with the Canada Pacific Company?

*Answer*—Yes.

*Question*—Was the Government aware that you had been requested to become a director of the Inter-Oceanic Company?

*Answer*—I cannot say that they were. Those members of the Government with whom I had any conversation had always told me that the two companies would be amalgamated, or at least that was their impression.

*Question*—Who were those members of the Government?

*Answer*—The members from the Province of New Brunswick, Mr. Tilley and Mr. Mitchell.

*Question*—What reason had you to believe that the Government was adverse to the introduction of American capital?

*Answer*—I had been told by members of the Government that it was intended that the road should be built with Canadian or British capital.

*Question*—Will you name the gentlemen who told you so?

*Answer*—I do not remember exactly, but I know that it was Mr. Mitchell's idea that the Road should be so built.

*Question*—Any other beside Mr. Mitchell?

*Answer*—I think there were several others besides him. I think it was Mr. Tilley's idea also.

*Question*—From your several conversations with members of the Government, what was the conclusion that you came to as to the disposition of the Government in the matter?

*Answer*—I was quite convinced that the two companies would be united. For that reason I thought that it was immaterial as to which company I belonged to. My opinion is, from the conversations I had with members of the Government, that the Government was adverse to the admission of American capital.

*Question*—Had you any personal knowledge of negotiations tending to the amalgamation of these two companies—the Inter-Oceanic and the Canada Pacific?

*Answer*—No personal knowledge. I took no part in these negotiations.

*Question*—Do you know why the negotiations were unsuccessful?

*Answer*—No.

*Question*—Are you now a member of the Board of Direction of the Canadian Pacific Company?

*Answer*—Yes.

*Question*—By whom were you nominated a Director?

*Answer*—By the members of the Dominion Government for the Province of New Brunswick, Mr. Tilley and Mr. Mitchell.

*Question*—That company consists of how many Directors?

*Answer*—Thirteen.

*Question*—Do you recollect the date of that charter?

*Answer*—I think it was in January, 1873. I cannot remember precisely. I was here at the time. Perhaps it was February.

*Question*—When you were asked to become a Director of the Canadian Pacific Company—or rather before you were asked to be so—were you consulted in regard to the terms of the Charter?

*Answer*—I had talked it over with different parties, and I was told what the provisions were, and I also had an opportunity of reading it.

*Question*—When was the contract given under this Charter.

*Answer*—At the same time, if I recollect right, or a few days afterwards.

*Question*—Having seen the Charter, what was your opinion in regard to it, and the terms of the contract upon it?

*Answer*—It was to be entirely Canadian under this new Charter.

*Question*—Was the stock subscribed in order to lead to that result?

*Answer*—It was. It was distributed in the different Provinces in proportion to their population. I was requested to get up one-thirteenth of the stock, and before I became a member the greater portion of the stock for New Brunswick was subscribed by other people.

*Question*—Then the stock was to be re-distributed by the thirteen Directors in their several Provinces?

*Answer*—Yes.

*Question*—Were there any prescribed terms on which the stock should be given out by these thirteen Directors?

*Answer*—Yes; there was no one allowed to exceed a certain amount, and it was to be kept entirely in the hands of British subjects. It was to be given out to the different Directors in proportion to the population of the Provinces which they represented; for instance, one-thirteenth of the whole stock was allotted to the Province of New Brunswick.

*Question*—Were you prohibited from putting any premium upon it?

*Answer*—Yes.

*Question*—Were these thirteen Directors on an equal footing?

*Answer*—Yes, so I understood.

*Question*—There was no preference given to any one over the others?

*Answer*—I never could see any.

*Question*—As a man experienced in the construction of railroads, do you consider the Charter to be, or the contract to be, one of a particularly favorable and profitable character?

*Answer*—I did not consider it satisfactory.

*Question*—Satisfactory to whom?

*Answer*—I mean that I did not consider it advantageous. I considered it a hard contract.

*Question*—You stated, did you not, in the beginning of your evidence, that you are a railroad contractor?

*Answer*—Yes.

*Question*—Were you induced to take a part in the Directorship of this Company with the hope of making a profit out of it?

*Answer*—I thought so at first; but when I came into this last company I could not see much chance for making a profit. I expected, in the first place, when I was working in connection with the road, that a profit might be made out of it—that is, years previously I thought so.

*Question*—Have you any knowledge of any understanding between the Government and Sir Hugh Allan and Mr. Abbott, for the furnishing of money for the promotion of elections in 1872?

*Answer*—None whatever.

*Question*—Where were you during the period of these elections?

*Answer*—In New Brunswick, I think.

*Question*—You are not in a position to know anything of the matter?

*Answer*—No.

*Question*—Have you any reason to believe that any money was subscribed in the Province of Quebec or Montreal for the purpose of the elections?

*Answer*—It is a matter of which I have absolutely no knowledge.

*Question*—I suppose you took some interest in the elections in New Brunswick?

*Answer*—In some of them.

*Question*—Do you know if money was subscribed there for the support of the elections?

*Answer*—I did not see any subscribed ; but I know money was spent.

*Question*—Do you know from what source the money came?

*Answer*—From individual candidates, and from their friends for them.

*Question*—Have you any knowledge that Sir Hugh Allan or Mr. Abbott furnished any money for election purposes.

*Answer*—I do not know. I have no knowledge whatever.

*Question*—Do you know whether any money was sent to New Brunswick for election purposes from the Provinces of Quebec or Ontario?

*Answer*—I have no reason to believe there was.

*Question*—Have you had any conversation with any member of the Government which would give you any knowledge on that subject?

*Answer*—No.

*Question*—Or with Sir Hugh Allan?

*Answer*—No.

*Question*—You say you know Mr. McMullen. Have you any knowledge of the correspondence which took place between him and Sir Hugh Allan?

*Answer*—Nothing, except what he told me of the correspondence.

*Question*—Have you anything to add to what you said he told you in relation to that correspondence?

*Answer*—No.

*Question*—You have never seen the correspondence between them—any of the original letters?

*Answer*—I have seen some of the original letters but I cannot say now what they contained.

*Question*—Would you be able to identify any of them now?

*Answer*—I am not certain. I don't think I would.

*Question*—Were any of the letters which you saw, afterwards published in the public prints?

*Answer*—No ; but I have not read them all. I cannot say for certain that they are the same. I would not undertake to say that I could identify them, as I paid at the time very little attention to them.

*Question*—Were you present at any of the conferences between Sir Hugh Allan and Mr. McMullen?

*Answer*—No.

*Question*—Or with either of these gentlemen and any member of the Government?

*Answer*—No.

*Question*—Do you know anything about these telegrams which have been published?

*Answer*—No knowledge whatever.

*Question*—Have you any further knowledge relating to the subject of this enquiry?

*Answer*—I don't think of any.

*Question*—Do you know whether Sir Hugh Allan received any money from United States' capitalists?

*Answer*—Mr. McMullen told me that he had advanced him money for the preliminary expenses of organizing the Company and getting the Charters.

*Question*—Have you any other knowledge besides that?

*Answer*—Nothing except from him.

*Question*—Did Mr. McMullen say to you for what purpose the money was furnished by him?

*Answer*—It was for the preliminary expenses in getting the Charter and organizing the Company. It was before the first charter was got.

*Question*—Was the use of American capital ever contemplated in the new Charter?

*Answer*—No.

To Sir John A. Macdonald, through the Chairman:—

I am a civil engineer as well as a railway contractor—I have had large experience in



railways in New Brunswick and elsewhere for the last fifteen years. During the last five years I have directed my attention towards the Pacific Railway. I got up some statistics in reference to it at one time.

I expected to make some profit out of it at one time.

I was not asked by the representatives of New Brunswick in the Cabinet to act as a Director. They informed me that they had put my name down, and asked me to serve as a representative man from New Brunswick—at least I took it in that light—I had no idea of making any profit out of it as a Director. I had a misgiving as to whether the arrangement was a profitable one for the Company.

I was asked by Sir Hugh Allan to become a Director of the present Company.

I am quite certain that it was not due to Sir Hugh Allan that I was appointed.

I cannot say that Sir Hugh Allan was opposed to me, but my impression was that he was opposed to me, but I do not know it directly from himself. I thought, at the time that he was opposed to me.

The interest of New Brunswick in this Company was one-thirteenth of the whole stock, and as a Director I subscribed one-thirteenth of the stock, and paid a tenth of that amount; at least my friends and myself together paid it. That is, my New Brunswick friends. They took some of the stock for me before I subscribed. Those persons who subscribed for me were all Canadians. No American money was admitted on that subscription list. There was an agreement between me and those New Brunswick friends that the stock should be transferred from me to them.

I know that the Charter provided that there should be no transfer of stock without the consent of the Government, and they understood it so too.

If this were not done, the money deposited was to be paid back by me to them.

Mr. McMullen told me that Sir Hugh Allan had received from the Americans a sum of money to meet the preliminary expenses in getting the Charter for the first Company. I have had a good deal to do with getting up Railway Companies, and have had considerable experience in that way. That is always the first step taken to get funds for preliminary expenses. It always requires money, and sometimes we are obliged to pay it ourselves.

In my conversation with Mr. McMullen, I did not tell him that American capital would be excluded until after this last Charter was granted, or a short time before it was granted. Under the new charter, as it was drawn, it was not possible for American capitalists to get in without the consent of the Government; at least, I cannot see any way how they could, and I told Mr. McMullen so.

*Question by a Commissioner*—What are the names of the persons who joined in the subscription of stock with you?

*Answer*—There were several. There were Mr. Domville, who lives at St. John, and Mr. Ryan, of Miramachi. His home is in Ontario somewhere I believe. He had some one or two friends with him, whose names I do not know. Their stock was put in his name for them; Mr. McKean was one of them, I think. I have no other names, but both Mr. Ryan and Mr. Domville have friends joined with them in their stock.

My reason for supposing that Sir Hugh Allan was not favorable to my becoming a Director was, that I met him several times, and he seemed adverse to have anything to say to me about it, and I never had any conversation with him about it until after I had signed the articles, and then nothing but the ordinary intercourse of one with another; nothing was said with respect to my name having been placed on the Directorship.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged, on the }  
fifteenth day of September, 1873. }

(Signed,)

(Signed,) EGERTON R. BURPEE.

CHARLES DEWEY DAY,

*Chairman.*

"

A. POLETTE,

"

JAMES ROBERT GOWAN,

*Commissioners.*

PROVINCE OF ONTARIO, }

City of Ottawa. }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners, to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

The HONORABLE ALEXANDER CAMPBELL, who being duly sworn, deposeth and saith:

I reside in Ottawa. I am a member of the Privy Council. I am now Minister of the Interior. I have been a member of the Government since the first of July, 1867; that is of this Government.

*Question*—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. G. W. McMullen respecting the construction of the Pacific Railway with American capital?

*Answer*—I have no knowledge of any such agreement.

I know Sir Hugh Allan, but I do not know Mr. G. W. McMullen.

*Question*—Are you aware of any negotiations being carried on between these gentlemen having that end in view; that is, the construction of the Pacific Railway with American capital?

*Answer*—Not of my own knowledge.

*Question*—Have you been present at any interviews with those gentlemen, or with either of them, relating to that matter?

*Answer*—None; I never saw Mr. McMullen in my life, to my knowledge, and have been present at no interview with him.

*Question*—Are you aware whether the Government encouraged any negotiations for the purpose of building the road with American capital?

*Answer*—I am aware that the Government did not encourage any such negotiations; that they declined to promote or favour any such arrangement.

*Question*—When did it first come under your notice that any negotiations tending to that end were going on?

*Answer*—Merely by rumor. I think either during or shortly after the session of 1872.

*Question*—Was the opinion of the Government decided upon that matter—that of excluding American capital?

*Answer*—Yes; decided for excluding it.

*Question*—When was that decision of the Government apparent?

*Answer*—I think shortly after the end of the session of 1872, it became the pronounced policy of the Government to construct the railway altogether by means of Canadian and British capital, and by means also of the amalgamation of the two companies.

I think it was made apparent shortly after the close of the session of 1872.

*Question*—When you refer to the two companies, do you mean the Inter-Oceanic and the Canada Pacific?

*Answer*—I do. It was the policy of the Government to amalgamate these two companies, to exclude American capital, and to give the Charter to the company, to be composed of these two amalgamated companies.

*Question*—Have you any knowledge of the correspondence which took place between Sir Hugh Allan and Mr. McMullen?

*Answer*—None whatever.

*Question*—Would you be able to identify any of the letters that passed between them?

*Answer*—Not in the least.

*Question*—Have you read the published letters of Mr. McMullen—the two letters in the press?

*Answer*—I read those which appeared in the *Montreal Herald*. I have not read a recent account of an interview which some one had with him in Chicago.

*Question*—Were you present at any of the interviews which the Government had with him?

*Answer*—No; I never saw Mr. McMullen.

*Question*—Are you aware whether Sir Hugh Allan ever received any promise, or any encouragement from the Government, in his negotiations with American capitalists?

*Answer*—None whatever, so far as I know.

*Question*—Do you know by whom the negotiations for an amalgamation of the Inter-Oceanic and the Canada Pacific Companies were originally suggested?

*Answer*—I do not.

*Question*—Were these negotiations looked upon favourably by the Government, or otherwise?

*Answer*—Favorably. I myself went to Toronto at the request of Sir John A. Macdonald, about the end of October, 1872, for the purpose of endeavoring to bring about such an amalgamation; and I know that from the end of the session of 1872—I don't remember exactly what time the session closed—but from that time up to the time of my visit to Toronto, and afterwards—I should say up to the end of November—there were continuous efforts being made by the Government to bring about an amalgamation of those two companies. Besides my visit, efforts were also made by correspondence. After I returned, Sir John Macdonald went himself for a like object. He went some weeks, I think, after I returned. I went up towards the end of October and saw Mr. Macpherson, the President of the Inter-Oceanic Company; I also saw Mr. Cumberland, who was one of the Directors, and I went to London and saw Mr. Carling, who was another of the Directors, and Major Walker, who, I think, was a member of that company, but I am not aware whether he was a Director or not. I endeavored to persuade Mr. Macpherson that his objections as to the American element in the Canada Pacific Company were ill-founded, and that the guarantees which the Government were prepared to give were so complete and so absolute, that they would entirely exclude the possibility of the company being controlled by Americans. I did not conceive that Mr. Macpherson was afraid of American capital, but that American views might control it, and that the lands which were promised to the company might fall into American hands, and be used for American purposes. I endeavored to convince him by the clauses which would be put in the Charter that it would be impossible for Americans to get control of it, and that the railway would be really and thoroughly controlled by Canadians. That was the object which I had in view, and these were the endeavors which I used. This was late in October.

*Question*—You failed to convince him?

*Answer*—Yes; Mr. Macpherson did not himself put forward the idea that he claimed to be at the head of the company. He stated that he had no personal objects of his own to gratify, but he was persuaded that if it was not stipulated that Sir Hugh Allan should not be at the head of the company, that American interests would not be excluded. I failed to convince him, because of that view which he strongly adhered to. I may add that during the same visit in the west I also saw Mr. Gzowski, his partner, on other matters, and I think that I satisfied him that the guarantees proposed by the Government were sufficient for the purpose of excluding American control. I did not, however, succeed in convincing Mr. Macpherson.

*Question*—Did Mr. Macpherson's opinions seem to be shared by all the other members of the Inter-Oceanic Company?

*Answer*—By no means. Mr. Cumberland was quite satisfied that the guarantees were sufficient. Mr. Carling and Major Walker were also satisfied. All three of these gentlemen expressed to me the opinion that Mr. Macpherson, in holding firmly to these views, after what I had stated to him, would not continue to represent the views of the gentlemen who had formed his company.

These gentlemen were satisfied, and they thought that the larger number of the members would be satisfied that the guarantees were sufficient to exclude American control.

*Question*—Did anything further pass at that conference with Mr. Macpherson?

*Answer*—No. My visit failed on the ground that Mr. Macpherson could not believe that, so long as it was not agreed that Sir Hugh Allan would be excluded from the Presidency of this company, American interests would be effectually excluded.

*Question*—Did you explain to the gentlemen with whom you had the conference what the Charter was to be?

*Answer*—Yes. The guarantees which we proposed, and which are now in the Charter, were that the original stock list should be subject to the supervision of the Government, and that no changes should take place in that stock list without the consent of the Government; that the election of Directors should be subject to the approbation of the Government, and that no changes should take place in the Directory without the consent of the Government.

There were also provisions made in respect to the control of the lands.

*Question*—You went up to Toronto to represent the Government?

*Answer*—I went at the request of the Government, or, rather at the request of Sir John Macdonald.

*Question*—What time did Sir John Macdonald go there?

*Answer*—Two or three weeks after that, in November.

*Question*—What was the result of the whole negotiations?

*Answer*—We could not convince Mr. Macpherson that these guarantees were sufficient, unless it was also conceded, that we should stipulate to exclude Sir Hugh Allan from the Presidency. But, at the same time, he clearly led me to understand that he did not himself put forward any particular claim to the Presidency, but that Sir Hugh Allan should be excluded from that position.

*Question*—Was Sir Hugh Allan aware of the part the Government was taking for the purpose of bringing about this amalgamation?

*Answer*—I do not know. I never had any conversation with Sir Hugh Allan about the Canadian-Pacific Railway at all.

I presume that he was aware of it, but I don't know it myself.

*Question*—Was any further guarantee suggested besides that of excluding Sir Hugh Allan from the Presidency?

*Answer*—No, not in addition to those which I have mentioned.

*Question*—Do you know when it was announced to Sir Hugh Allan that the Government would not consent to the admission of the American element in the Company?

*Answer*—Not of my own knowledge. I apprehend it must have been during the Session of 1872.

*Question*—After the failure of the negotiations for bringing about the amalgamation, what course did the Government then determine upon?

*Answer*—They determined to avail themselves of the Act which had been passed during the previous Session, in contemplation of such an event, and to form a company under this Act—a company composed of the wealthiest and most influential men in the country, giving to each Province a representation on an analogous basis to that which prevails in the Privy Council. Five members from the Province of Ontario, four from Quebec, and so on; it being considered that the Privy Council fairly represents the importance and influence of each Province.

That Charter was granted in consequence of the failure to amalgamate, but very many of its provisions would have found their way into the contract, with either of those companies, or into that with the united one, supposing we had dealt with an amalgamated company.

*Question*—What was the fundamental principle of that Charter with respect to the distribution of stock; how was it to be divided?

*Answer*—It was an approximation of the representation of the different Provinces composing the Dominion.

*Question*—In the choice of the Directors of the Company as representative men from the different Provinces, was there any preference or advantage given to one over another?

*Answer*—None; and the desire was to get into the company men of standing, men of capital, and men of railway knowledge. The Government also desired to procure from the several Provinces the best men of respectability, standing, wealth, or railway knowledge.

*Question*—Was there any inequality among themselves as to the footing on which they stood as Directors?

*Answer*—None whatever.

*Question*—Were the terms upon which this Charter was granted and on which the contract was based more or less favorable than the terms contemplated by the Government at the beginning?

*Answer*—They were the same terms, in so far as these terms would be deduced from the Act of Parliament. Where the Act did not prescribe terms, the object was to make the Charter as perfect as possible, and to absolutely exclude the possibility of Americans having any control, and to so frame it as to make it secure the objects we had in view. We spent a great deal of time over it, and so far as my knowledge and ability enabled me to judge, I believe that that Charter was made as perfect in these respects as it could be made. The Charter was intended to exclude American control; to retain control of the lands and money subsidy; to enable the Government to make a safe disposition of that money, and generally to accomplish the objects which the country had in view in the granting a Charter for the construction of the Pacific Railway.

*Question*—What time was the draft of that Charter made?

*Answer*—The Charter, when I was first asked to take any part in it, was in draft; it was, I should say, about the middle of January. It was completed on the 5th of February. It had been submitted, on behalf of the Government, to Sir John A. Macdonald and myself, and, on behalf of the railway company, to Mr. Abbott. We spent a great many days over it, discussing the various points—some put forward by Mr. Abbott on the part of the company, that such a clause was too stringent, and another clause did not give the advantages which he considered they ought to have, and so on. These clauses were discussed for several days, Mr. Abbott consulting now and again with the persons who were to be directors of the road.

*Question*—On what calculation or data was the price fixed for the construction of this railway?

*Answer*—We did not fix the price; we fixed our contribution to it. It was fixed by statute that the country should give the company undertaking the works \$30,000,000 and 50,000,000 acres of land.

*Question*—On what data were these fixed?

*Answer*—They were fixed by Parliament.

*Question*—Have you any knowledge personally to state whether the contract given would be a profitable one to the contractors or not?

*Answer*—No, I have not. I may state that the data on which the \$30,000,000 in money was fixed was 3,000 miles of railway at \$10,000 a mile.

*Question*—You have seen the printed letters of Mr. McMullen, you say, with the exception of one?

*Answer*—I have.

**Question**—Do you know anything of the sums of money which are mentioned there as having been disbursed by Sir Hugh Allan?

**Answer**—I do not.

**Question**—These sums are \$8,500 to Sir John Macdonald and Sir Francis Hincks, and a large sum of money to newspapers, and a sum promised to the Honorable Mr. Langevin—do you know anything about these sums of money?

**Answer**—Nothing whatever.

**Question**—Do you know anything about the matters alluded to in Mr. McMullen's letters?

**Answer**—No; I was present at none of the interviews. I never saw Mr. McMullen.

**Question**—Have you any knowledge that Sir Hugh Allan advanced \$200,000 as stated in Mr. McMullen's letter?

**Answer**—No.

**Question**—Do you know anything about the sums of money alluded to, that is, money advanced for the purposes of the elections?

**Answer**—No; I know nothing about those sums—nothing whatever.

**Question**—Do you know anything about money payments to different individuals?

**Answer**—No.

**Question**—At the conclusion of this last letter of Mr. McMullen's, I find it printed in these terms:—"From Sir George Cartier to Mr. Abbott, dated August 24th, 1872. "In the absence of Sir Hugh Allan, I shall be obliged by your supplying the Central Committee with a further sum of \$20,000, upon the same conditions as stated by me at the foot of my letter to Sir Hugh Allan, of the 30th ultimo. (Signed) George E. Cartier. P.S.—Please also send Sir John A. Macdonald \$10,000 more on the same terms." Do you know anything about that letter?

**Answer**—Nothing.

**Question**—Do you know anything about the \$20,000 mentioned in it?

**Answer**—I was in Kingston immediately after Sir John A. Macdonald's election, and I understood from him, that a certain sum of money had been contributed towards the elections in Ontario by Sir Hugh Allan. I had no personal knowledge of the matter.

**Question**—Have you ever seen these telegrams which have been published?

**Answer**—I have not.

**Question**—Have you not seen one from Sir John A. Macdonald to Mr. Abbott in these terms:—"I must have another \$10,000; will be the last time of calling. Do not fail me!"

**Answer**—No.

**Question**—Nor the answer of Mr. Abbott:—"Draw on me for \$10,000!"

**Answer**—No; that telegram purports to be sent from Toronto.

I did not see Sir John after he left Kingston. I know absolutely nothing of them.

**Question**—Have you any knowledge, as a matter of fact, that there was any money supplied for the elections by Sir Hugh Allan?

**Answer**—None, except the knowledge I have mentioned.

**Question**—Have you any knowledge concerning the elections in Montreal, and in the Province of Quebec?

**Answer**—None.

**Question**—Have you any knowledge of any understanding between Sir Hugh Allan and the Government, or any member of the Government, that money should be furnished for supporting the elections?

**Answer**—None whatever. The Government is charged, as I understand, with having made a corrupt bargain with Sir Hugh Allan.—Now I think that I am in a position, as a member of the Government, and having been particularly concerned in this Pacific Railway Charter, to say that there was no such bargain with Sir Hugh Allan or his associates, either corrupt or incorrupt. There was no bargain to give them or any one the contract at all. I do not believe that Sir Hugh Allan had any sort of understanding beyond that one given by Sir George Cartier, which was given by him on one day and repudiated by

Sir John A. Macdonald on the next. I saw Sir John's telegram to that effect immediately afterwards. Beyond that I do not believe that Sir Hugh Allan had any understanding with the Government, or that there was any bargain, either corrupt or incorrupt, to give him or anybody else this contract until the Charter was about being signed, that would be perhaps the end of January or the early part of February. I am persuaded he had no such understanding. I say this, because the allegation is that a corrupt bargain was made either before or during the Session, or at the time of the elections, and I know that during all that time the Government made no bargain to give the contract to any one. I was engaged in Toronto endeavouring to bring about the amalgamation of these two companies as late as October, and I know that Sir John A. Macdonald was there for the same purpose as late as November, and it was nearly the end of November before we were satisfied that an amalgamation could not be brought about. When I was in Kingston I saw the telegram from Sir George Cartier giving the terms of the arrangements, which, if I rightly remember, were that the amalgamation of the two companies should be brought about, and the contract given to the amalgamated company, but failing that it should be given to the Canada Pacific. These facts were communicated to Sir John A. Macdonald, and he immediately sent a telegram back, stating that he would not assent, and that he would go down to Montreal.

I am satisfied there was no bargain with any one to get the contract until it was absolutely given at the end of January, 1873.

*Question*—That letter from Sir George Cartier, dated 24th August, 1872, which I have read to you, contains an allusion at the close of it to "the same conditions as the amount written by me at the foot of my letter to Sir Hugh Allan, of the 30th ultimo." Have you seen that letter?

*Answer*—I have not.

*Question*—Do you know where it is?

*Answer*—I do not know of my own knowledge. I understood some time ago that it was in the hands of Sir Hugh Allan. I never saw it.

To Sir John A. Macdonald, through the Chairman:

I was not present at any interviews between the Cabinet and Mr. McMullen. I never saw him.

I was aware that there were two interviews, but I was absent on both those occasions.

The Charter was the result of the failure to amalgamate. I don't mean to convey the idea that the terms of the contract with the amalgamated company, had there been an amalgamation, would have been different from the terms in the Charter. I presume that the Charter would have been much the same. We were anxious to make the best Charter we could, and to carry out the wishes of the country in relation to the railway. Whether the amalgamation had taken place or not; whether it had been arranged by the Inter-Oceanic Company or the Canada Pacific, or by a chartered company; in any case it was the policy of the Government that the terms should be as I have mentioned, and as are contained in the present Charter. That was the policy of the Government immediately after the Session of 1872.

*Question*—You say you were aware, and that you had means of knowing, as a member of the Government, that there was no bargain, corrupt or incorrupt, with Sir Hugh Allan, before the elections or before November?

*Answer*—None whatever.

*Question*—Could there have been such a bargain without your knowing?

*Answer*—It could not be without my knowledge.

*Question*—Supposing any one of the thirteen Ministers had made any agreement with Sir Hugh Allan, would it have been of any value whatever?

*Answer*—Not unless it had been yourself. It would have been of no value. In such event, I apprehend, if any one of your colleagues could not have concurred in the advice which, in that case, you would have given His Excellency, he would have been obliged to retire.

*Question*—Except myself, any agreement made by a member of the Government with any party would be so much waste paper unless it was sanctioned by the Government!

*Answer*—That is my opinion.

*Question*—If Sir George Cartier had made any arrangement with Sir Hugh Allan at Montreal or elsewhere, you say it would have been futile?

*Answer*—If Sir George Cartier had made such an arrangement and it had not been accepted by his colleagues he would have been obliged to retire, or have given it up and sacrificed his own views.

*Question*—As a matter of fact, and in justice to Sir George Cartier's memory, do you know as one who was socially and intimately acquainted with Sir George Cartier, what his sentiments were with respect to the introduction of American capital into the Pacific Railway enterprise?

*Answer*—Very strong against the admission of either American capital or control. The idea then was not opposition so much to American capital as to Americans controlling the road. He took the extreme ground of excluding American capital as well as American capitalists.

*Question*—From the conclusion of the Session to the granting of the Charter did the Government policy vary for a moment with respect to excluding American capital and American control.

*Answer*—Not for a moment. I think the only member of the Government who at any time held different views was Sir Francis Hincks, but finding his colleagues unanimous in the other direction he yielded his views.

He saw as well as his colleagues that the feeling of Parliament was decidedly opposed to American connection.

*Question*—Then he yielded to the sentiments of others?

*Answer*—Yes; I think the fixed policy of the Government during the whole period, from the end of the session 1872, to the time the charter was granted, was to exclude American control, and to give the charter to Canadian or British capitalists, in order to make it a national work, and to carry out national views and objects.

*Question*—Was it not also the fixed policy of the Government that the company which should be entrusted with the building of the Pacific Railway should not be a sectional one.

*Answer*—Yes; the desire was to embrace important interests in the different Provinces of the Dominion, and to get each Province as much as possible represented by men of standing, wealth, and railway knowledge. This was done in order to prevent sectional jealousies, which might impair the progress of the work.

*Question*—Do you know, as a matter of fact, that the existence of the Government greatly depended upon there being no sectional differences, and would not the Government have been greatly endangered by bringing in a sectional company?

*Answer*—I think so.

*Question*—Would it not have been impossible to exclude either Ontario or Quebec?

*Answer*—Impossible. I believe that was the reason why, in the very early stage of the matter, I apprehend before the close of the Session of 1872, it was considered to be impossible to give the contract either to the Canada Pacific, Sir Hugh Allan's Company, or to the Inter-Oceanic, Mr. Macpherson's Company. If it were given to Sir Hugh Allan's Company it would exclude many representative men from Ontario, Mr. Macpherson's Company being comprised principally, though not wholly, of Ontario men.

If the contract were given to the Inter-Oceanic Company it would have excluded representative men from the Province of Quebec, who were in Sir Hugh Allan's Company, and who considered him as their representative in railway matters, and who had put him forward as the head of the organization and as the mouthpiece of their views and wishes. I think very early it became quite clear that the Government could not proceed and deal with either Company, but must endeavor to procure an amalgamation, and so deal, if possible, with the Dominion at large.



It was a matter affecting not only the interests of the railway, but the political existence of the Government.

I am convinced that the Quebec interests could not have been excluded from any arrangement for building the road.

*Question*—If so, could Sir Hugh Allan have been excluded?

*Answer*—No.

*Question*—Why?

*Answer*—Because he was put forward as a leading representative man. He was a prominent business man, and had been largely engaged in promoting the Northern Colonization Railway, and for two or three years he had put himself forward as the leader of Lower Canada in Railway matters, and was accepted as such by Lower Canada.

*Question*—Are you aware that a deputation from Lower Canada—Montreal—came up to Ottawa and saw Sir George Cartier, to insist that Sir Hugh Allan be viewed as the representative man of Lower Canada.

*Answer*—I was not aware of it.

*Question*—You were not aware that Mr. Hudon and Sheriff Leblanc came to Ottawa for that purpose?

*Answer*—No, I am not.

*Question*—Sir Hugh Allan is an exceedingly wealthy man, is he not?

*Answer*—Yes.

*Question*—What is he reputed to be worth?

*Answer*—From \$500,000 to \$600,000 a year, I have heard it reported.

*Question*—Reference has been made to Sir George Cartier's letter, and to my telegram to him repudiating his *quasi* arrangement. You were at Kingston at the time I received his telegram. I suppose you saw it almost at the time I received it?

*Answer*—The same day or the next.

*Question*—Do you remember my repudiating it at once?

*Answer*—Yes, and also of your telegraphing that you would go down to Montreal at once, and of your making preparatory arrangements with me to go down, if necessary, that night.

*Question*—My election was then going on, was it not?

*Answer*—I think this was during the nomination week.

*Question*—So I made arrangements with you to enable me to go down and break up such an arrangement, and asked you to attend to my interests in my absence?

*Answer*—Yes.

*Question*—Did you see the answer to my telegram?

*Answer*—Yes.

*Question*—The arrangement stood according to my previous telegram?

*Answer*—Yes; the only thing you said I think was that the influence the Government had on the Board would be used to get Sir Hugh Allan made President.

*Question*—You assented to that, and thought it reasonable that the wealthiest man in Canada, and the oldest on the Board should be made President?

*Answer*—Yes; and also because he was the first person who came forward as a Canadian, and took an interest in the project, and was willing to embark his means in it.

*Question*—Had Sir Hugh Allan any special reason for desiring the extension of railways westward?

*Answer*—I don't know, except that he was largely interested in the Northern Colonization road.

*Question*—Was he not also largely interested in steam transportation?

*Answer*—Yes.

*Question*—Are you not aware that there was an attempt made to get up a rival company in England?

*Answer*—I have heard so.

*Question*—Under whose auspices?

*Answer*—Of the Grand Trunk Railway, I understood. It was however a mere rumor.

*Question*—Did that present a cause of fear to Sir Hugh Allan that the Steamship line might be excluded from the Western traffic?

*Answer*—It may have been so. I never had any conversation with him on the subject, but I understood that he had those views.

*Question*—Are you not aware that he was also interesting himself very much, and pressing on public attention a road still further west than the Northern Colonization Railway. The Toronto and Ottawa Road?

*Answer*—Yes, it was to be a road to run from here to Carleton Place and Peterborough, through the interior of Upper Canada, and come out to the lake at Toronto.

*Question*—The fact is, Sir Hugh Allan had determined upon the extension of the Railway system, and desired to connect himself with it?

*Answer*—I understood from general report that he had the idea of a Railway system from Montreal westward, independent of the Grand Trunk Railway.

To the Commissioners:

I understood you to say that the terms of the Charter were finally settled some time in the latter end of January?

*Answer*—Yes.

*Question*—You mentioned also that you had several interviews with Mr. Abbott, a representing that Company?

*Answer*—Yes.

*Question*—And his praying that certain alterations might be made?

*Answer*—Yes.

*Question*—Did that touch the question of the exclusion of American control?

*Answer*—It did not. That was a conceded point before we sat down.

*Question*—Did the Government in any way concede the point in regard to American control?

*Answer*—Not in any way, and he did not desire it. It was a conceded point that it should be excluded before we sat down, and our desire was to frame a Charter so as to make that secure, and he was equally anxious with us that it should be so.

*Question*—What was the nature of the alterations he suggested?

*Answer*—I can hardly remember. He may have suggested forty or fifty.

*Question*—What principle did they affect?

*Answer*—There was a great deal of detail as to the mode and rapidity by which the \$30,000,000 were to be paid; whether the payment was to depend on the construction of certain sections, or upon a certain quantity of labor on several sections, and how fast it was safe for the Government to pay it out. He endeavoured to get stipulations for this money to be paid out as rapidly as possible. Sir John Macdonald and myself, on the other hand, endeavoured not to have the money paid until assured evidence had been affected that value had been received for it by the country. And in the same way with regard to lands, his object being to obtain the land as quickly as possible, while our desire was that it should be granted only as the construction of the road progressed. What I mean to say is, that he endeavoured to obtain some mode of determining the rate of progress in the work more favorable than that of leaving it to the decision of the Government or its engineer. It was understood that the payments were to be dependent on the rate of progress. Then as to the way the land was to be dealt with as to the possibility of its being used, in any way injuriously to the interests of the country at large; as to the mode and rapidity of its being patented, and a variety of questions of like nature, which must occur in a large national undertaking, came up from day to day.

*Question*—On how many occasions were you present when Mr. Abbott also was present?

*Answer*—In the discussion of this Charter, we may have spent the best part of seven or eight days.

*Question*—Were you there on the first occasion?

*Answer*—I was there every time.

*Question*—On that occasion was there anything said with respect to American control, or did he claim that any alteration should be made in that part of the Charter which was to exclude American control?

*Answer*—No. It was a conceded point before we sat down, that it should be excluded, and there was no effort made on his part to get the Charter changed on that point.

*Question*—That referred to American capitalists, as well as American control?

*Answer*—Yes. Whatever Sir Hugh Allan wished, or may have done originally with his friends, Mr. Abbott, as his representative and that of the companies, said he and they had entirely abandoned any intention of having American interests introduced, and Mr. Abbott was equally anxious with Sir John Macdonald and myself to prevent the possibility of this control or influence being brought in.

*Question*—Can you state what was the date of the first interview between the members of the Government and Mr. Abbott, in relation to the final settling the exact terms of the Charter?

*Answer*—I should say towards the end of January, probably about the 20th. I do not remember whether the time was given consecutively or not. I think Mr. Abbott may have had occasion to go to Montreal once or twice.

*Question*—In what form was the draft, I mean was it a rough draft?

*Answer*—It was originally in manuscript, and at the time it was presented to me, it was in type—in galley.

To Sir John A. Macdonald, through the Chairman:

I think it was the end of January that Mr. Abbott was put in communication with you and myself, but the communications and negotiations had been going on long before that. What I was asked was as to the interviews which resulted finally in the settlement of the Charter.

*Question*—The draft of the Charter commenced with a few headings, and by degrees expanded and became more and more worked into details, until at last we sat down and framed the Charter?

*Answer*—It was set down in detail, printed in galley, revised and reprinted. I think it was printed four or five times, as the alterations were going on, before it was finally settled.

I desire to add one word. In that last letter which Mr. McMullen publishes, he says, I think, with reference to a bill or note made by Mr. Hillyard Cameron, that it was renewed by the Merchants' Bank, and says that the renewal was at the instance of the Government after a visit of the Postmaster General to Montreal. I was the Postmaster General at the time, and am the person to whom he referred, and I wish to say that the insinuation conveyed by that paragraph is false; that I knew nothing of the renewal of Mr. Cameron's paper, and that no visit of mine to Montreal had any reference to any such renewal, nor did I ever ask any one to renew such a note.

And further, for the present, deponent saith not.

And on this sixteenth day of September re-appeared the said witness, and made the following addition to his foregoing deposition: At the close of my deposition I spoke of a statement which Mr. McMullen had made in a letter that I took some part in having a note renewed which had been made by Mr. Hillyard Cameron. I was speaking from memory as to what Mr. McMullen had stated. Since I gave my testimony I have looked up the statement as it appeared in the papers, and I find his statement is not as to the renewal of a note, but as to the inception of it. The statement is: "And now let me add one more fact, which will illustrate the position of the Committee, and of the absolute control which the accused and their friends have exercised over it—Outside of the amounts which may have been furnished him by Sir John A. Macdonald, the Chairman of the Investigating Committee applied through the Premier for a loan of \$5,000 when the elections were all over, and Sir Hugh Allan supposed that he was through paying, and he objected, but after a personal visit of the Postmaster General to Montreal, and

"urgent letters and telegrams of Sir John, who announced that it was to help us, the thing was done."

I desire to say in reference to the inception of the note and the original loan, that the insinuation of any visit of mine to Montreal had anything to do with it, is false. I knew nothing of such a loan, and no visit of mine to Montreal had anything to do with it.

*Question*—Did you visit Montreal about that time?

*Answer*—I can hardly tell. I never spoke to Sir Hugh Allan on the subject, nor to any officer of the Merchants' Bank. I was not aware until long afterwards that there was such a discount.

*Question*—Do you know of Sir John A. Macdonald having written to Sir Hugh Allan in respect to this note?

*Answer*—I do not of my own knowledge.

*Question*—Do you know of any telegrams; did you send any telegrams respecting this matter?

*Answer*—None; nor do I know of any having been sent.

*Question*—Do you know of any application by Mr. Cameron to any member of the Government to assist him in obtaining this discount?

*Answer*—Not of my own knowledge, but I believe there was some communication on the subject, and that Sir John Macdonald did assist him to get this discount; but I have no personal knowledge of it.

And further for the present deponent saith not.

And on this 17th day of September, re-appeared the said witness and continued his deposition as follows:

The amount which I learned from Sir John A. Macdonald in my conversation with him at Kingston, as that which was to be contributed by Sir Hugh Allan to the Ontario Election fund, was \$25,000. This was after Sir John's own election.

*Question*—Did you hear of any other sum being promised by Sir Hugh Allan?

*Answer*—I did not until after these discussions took place in the newspapers.

*Question*—Did you from any other member of the Government?

*Answer*—I did not, until as I have said, these matters became rife in the newspapers.

*Question*—Do you know at any time of any other sums being furnished by Sir Hugh Allan, than the \$25,000?

*Answer*—Not until those newspaper reports came out. But afterwards I did hear so from the conversation I had with Sir John A. Macdonald himself.

*Question*—Did it then come to your knowledge that further sums had been subscribed by Sir Hugh Allan?

*Answer*—Yes; there were sums in the aggregate, which amounted to \$45,000.

*Question*—For the Province of Ontario?

*Answer*—Yes.

I desire, with the permission of the Commissioners, to add that on my visit to Toronto and in the interviews I had with Mr. Macpherson to bring about the amalgamation between the two companies, I did not desire to make any stipulation as to who was to be President, nor did I desire to make any stipulation upon the subject of the Presidency. It was Mr. Macpherson who desired it to be stipulated that Sir Hugh Allan should not be President.

*Question*—Upon the grounds he stated?

*Answer*—Yes.

I desire to say further, that I have had no correspondence whatever with Mr. Abbott about the amount or mode of distribution of any election fund of which Sir Hugh Allan was the chief or sole contributor, or of any other election fund whatever.

I make this statement, as I see in the Montreal *Herald* it is suggested that such a correspondence took place, and I desire to contradict it.

*Question*—Had you any correspondence with Sir Hugh Allan?

*Answer*—No, not with any body.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the fifteenth day of September, 1873, and acknowledged on the seventeenth day of said month and year.

(Signed,)

A. CAMPBELL

(Signed,)

CHARLES DEWEY DAY,  
*Chairman.*A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second of April, A. D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

THE HONORABLE PETER MITCHELL of the city of Ottawa, who being duly sworn deposeth and saith :

I am a member of the Privy Council, and Minister of Marine and Fisheries in the Dominion Government.

*Question*—I will read to you the terms of the charge which the Commission is enjoined to enquire into, the first clause of which is as follows: "That an agreement was made between Sir Hugh Allan, acting for himself and certain other Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the Pacific Railway, and to give the former a certain per centage of interest in consideration of their interest and position. The scheme agreed upon being ostensibly, that of a Canadian company, with Sir Hugh Allan at its head." Have you any knowledge of any agreement or negotiation of that kind?

*Answer*—No, not of my own personal knowledge. I have such knowledge as the public prints have lately afforded.

*Question*—Is all your knowledge confined to that which you have derived from the press?

*Answer*—Entirely so.

*Question*—Were you not aware at any time previous to the publishing of the correspondence that such negotiations were going on?

*Answer*—I was aware from public rumors that Mr. McMullen and Sir Hugh Allan had some intercourse in relation to this matter, and that they had talked of arranging some plan by which American capital could be acquired. That information I got from Mr. McMullen himself?

*Question*—You know Sir Hugh Allan and Mr. McMullen, do you not?

*Answer*—Yes; I know both of them.

*Question*—And the information you possessed in regard to these negotiations was derived from Mr. McMullen himself?

*Answer*—Yes, as to the fact that such negotiations were going on. I never had any conversation with Sir Hugh Allan on the subject.

*Question*—Were you present at any interviews between the members of the Government and Sir Hugh Allan and Mr. McMullen?

*Answer*—I was present at one interview with Sir Hugh Allan, Mr. McMullen, and I think Mr. Smith, but I am not sure whether Mr. Smith was there or not. I don't remember the date, but it was the first interview which Mr. McMullen, in his published letter, states that I was present; although I don't know whether it was the first or second interview except from what I have seen in the papers.

I think it was the interview which McMullen states in his letter took place early in July, 1871, at which I was present. It will be in the one where he states I was present.

*Question*—This interview, at which Mr. McMullen says you were present, took place the 5th October, was that the one?

*Answer*—I presume so.

*Question*—What passed on that occasion?

*Answer*—Not very much. I understood that these gentlemen came there to make some proposition to the Government, and that he asked an interview with the Government for that purpose. They got the interview, and the substance of what took place was, that when the gentlemen obtained the interview, and the ordinary courtesies had been gone through, Sir Hugh Allan was asked by Sir John A. Macdonald if he had any proposition to make to the Government. Sir Hugh asked the question in reply, "If the Government were in a position to entertain a proposition if he made one?" and Sir John, on behalf of the Government, stated "that the Government were not in a position to accept a proposition" if made at that stage of the proceedings, and Sir Hugh Allan then declined to make any proposition. Very shortly afterwards they bowed themselves out in the ordinary course, as there was no business to be done.

*Question*—Was there any discussion at that time concerning the source from which the capital was to be derived?

*Answer*—Not between the Council and Sir Hugh Allan and his associates. I think that the discussion that took place during the interview was exceedingly limited, and almost entirely confined to Sir John A. Macdonald and Sir Francis Hincks, on behalf of the Government. There was a discussion also amongst members of the Government after they had left.

*Question*—Was Mr. McMullen understood to be representing American capitalists on that occasion?

*Answer*—I do not know. I understood so myself from what I had heard, but I am not sure whether Mr. McMullen told the other members of the Government or not. I think the conversation was mainly, on their side, confined to Sir Hugh Allan. After they left, the question about American capital was raised and discussed by the Cabinet, and the opinion of each member present was given on that occasion.

*Question*—What was the view generally taken?

*Answer*—With the single exception of Sir Francis Hincks, every gentleman was opposed to the admission in any way of American control, and that Americans should have no interest in the construction of the road. Some gentlemen were against American capital too. My own opinion was exceedingly decisive on that point. At the first interview with Mr. McMullen, I told him that I would never consent to the Americans having control of our national road. He spoke of the influence of Sir Hugh Allan in the country, and of his great wealth. I said that Sir Hugh Allan was not all Canada, and I told him that I did not think that my colleagues would consent. After that, Mr. McMullen had very little to say to me.

*Question*—It was then the settled policy of the Government at that time to exclude American capital?

*Answer*—It was, with the exception I have mentioned, and I accepted it as the settled policy of the Government.

*Question*—Do you know anything of the correspondence which took place between Sir Hugh Allan and Mr. McMullen?

*Answer*—Nothing whatever, except what I have seen in the public prints. I saw none of the original letters. I was told by a member of the Opposition, with whom officially I am often brought in contact, that there was a correspondence of a most ~~damaging~~ character between Sir Hugh Allan and Mr. McMullen. He offered to show it to me, but the next day he informed me that he could not get it. I could not believe it myself, and I felt that there was a misrepresentation made in relation to it.

*Question*—Was this the only interview at which you were present when Mr. McMullen was also present?

*Answer*—I think so.

*Question*—Have you had any conversations with Mr. McMullen apart from that interview?

*Answer*—On two or three occasions when he was here. At the conversation which took place in Chicago, I gave a very decided expression of my own opinion as to Americans being permitted to have any control of our Pacific Railway.

On several occasions afterwards, I think when Mr. McMullen was here, or at least once or twice when he was here, he spoke to me of the progress of their work and seemed to feel very confident about it.

I always told him what my opinion was on the subject.

*Question*—Are you prepared to say that the Government, or any Member of the Government, never gave him any encouragement or favor in this project or enterprise, so as to induce him in any way to believe that American capital would be admitted in the building of the road?

*Answer*—I am prepared to say the Government never did, and except what Sir Francis Hincks said, I am not aware that any member of the Government did. There was no encouragement, nor any insinuation of any kind, that Americans would be permitted to have any interest in the construction of the Railway.

I only speak of my own opinion, and of what transpired in the Council Chamber. I am satisfied in my own mind that no expectation could have been held out that American control would be permitted.

*Question*—Have you any knowledge of any negotiations that took place for the bringing about of an amalgamation between the Inter-Oceanic and the Canada Pacific Companies?

*Answer*—I took no part in such negotiations. I was aware that negotiations were going on, but what the particulars were I did not exactly know. All I know was this, that it was the desire of the First Minister to bring about such an amalgamation, and that opinion was coincided in by all of his colleagues.

*Question*—Who took an active part in these negotiations?

*Answer*—Sir John A. Macdonald, Hon. Mr. Campbell, and perhaps Sir Francis Hincks?

I don't think Sir Francis took part so much as the others.

Of course the other members of the Cabinet stated their views, and approved or disapproved as it struck their minds at the time that the steps were taken or proposed to be taken.

These negotiations began, if I recollect right, shortly after the elections, or it may have been during the Session of 1872.

The Session of 1872 closed, I think, early in June.

The result of the negotiations, as I understood, and as I learned in the Council, was that they failed. Mr. Macpherson declined to accept the terms of amalgamation as proposed.

I had no personal interview with Mr. Macpherson nor with any other gentlemen of the Inter-Oceanic Company. I took no personal part whatever outside of what took place in the Council. I took no part in the negotiations for amalgamation.

*Question*—Did you take any personal part in the framing of the Charter.

*Answer*—No. The framing of the draft of the Charter was almost entirely conducted by Sir John A. Macdonald himself, with Mr. Campbell on the part of the Government. The part that I took in the Charter was this: After the first draft was made it was submitted to the Cabinet. We went over the Charter section by section and clause by clause, and spent days over it, sometimes discussing the phraseology and at other times discussing matters of detail. A good deal of difference of opinion was manifested by the different members of the Cabinet in regard to the details. But one prominent point was always kept in view as to how we could best accomplish the satisfying of the public mind that American control was excluded from the Charter. Outside of that I took no part in the framing of the Charter.

*Question*—The determination of Government to issue that charter—when was it arrived at?

*Answer*—My impression is that it was immediately after the return of Sir John A. Macdonald from Toronto.

I think that was late in the fall of 1872; we had several discussions about it in the Council before that decision was come to. My impression is, although I am not confident about it, that the determination to issue that Charter was fixed upon in the month of December; that was after the failure of the negotiations; at least that seemed to be the settled sentiments of the Government, but it may not have been settled upon before January.

*Question*—Was it in consequence of that failure that they determined upon that course?

*Answer*—It was as the only means left open to the Cabinet for carrying out the wishes of Parliament.

*Question*—Was that contract given under that Charter under any more favourable terms than had been previously contemplated by the Government?

*Answer*—None that I am aware of. It was on very much less favourable terms than Sir Hugh Allan asked. My recollection is that Sir Hugh Allan asked a greater amount of money and a larger quantity of land.

*Question*—Had Sir Hugh Allan any advantage over his co-directors?

*Answer*—I know of none.

As a member representing one of the smaller Provinces my anxiety was to see that Sir Hugh Allan got no advantage. Both Mr. Tilley and myself, I believe, gave very special attention to that point, and I saw no desire on the part of the Government to give him any special advantage; but, on the contrary, looking upon him as a very wealthy man, representing the sentiments of a large portion of Quebec. We felt that the great danger was of any man in his position having too much power; for that reason we specially guarded against it.

*Question*—Another portion of the charge is, "that subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, one of the Members of the Honorable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway." Do you know anything about an understanding of that kind?

*Answer*—I do not.

*Question*—Was any such understanding made with the Government?

*Answer*—None that I know of.

None was ever heard at the Council Board when I was there. I know none was made with the Government. What might have taken place with individual members of the Government I cannot say. I could not but have been acquainted with it, if it had been made with the Government. The whole course of the negotiations and transactions ignored the possibility of any such contract having been made.

*Question*—Do you know whether any such understanding was come to between these gentlemen—Sir Hugh Allan and Mr. Abbott, and any member of the Government?



*Answer*—I do not know of any.

*Question*—Do you know whether any money was in fact subscribed by Sir Hugh Allan or Mr. Abbott?

*Answer*—I do not know of a dollar being subscribed, except from what I have learned in the public prints.

*Question*—Do you know whether money was subscribed by any person for the promotion of the elections in 1872, in Quebec or in your own Province?

*Answer*—I do not know of a dollar, except a small sum I authorized a friend to subscribe for me to one of the elections in our Province.

*Question*—Do you know of money having been received from Quebec for promoting the elections in your Province?

*Answer*—I never heard of a dollar having been received, nor do I believe that there was a single shilling given to our Province for any such purpose. If there was, I am entirely ignorant of it.

*Question*—Do you know anything of a printed letter, purporting to be a letter from Sir George Cartier to Mr. Abbott, dated the 24th day of August, 1872, which is as follows: "In the absence of Sir Hugh Allan, I shall feel obliged, &c." Do you know anything about that letter?

*Answer*—I do not, nor did I ever see it until I saw it in one of the Montreal papers.

*Question*—Do you know anything of the letter alluded to in this letter as being of the 30th of July?

*Answer*—I do not. I never heard of it until I saw it in the public prints.

*Question*—Do you know anything of this telegram, which reads, "I must have another ten thousand," &c.?

*Answer*—I know nothing of it, or of any other telegram of that character; I never heard of it until I saw it in the newspapers.

To Sir John A. Macdonald, through the Chairman:

*Question*—What was Sir George Cartier's opinion as to the admission of American capital into this enterprise?

*Answer*—He was always hostile to allowing American capitalists to be interested in it. His opinions were very decided, and suffered no variation from the beginning. I learned his opinions by his statements at the Council Board, and also visiting occasionally at his house, and in private conversation with him. I occasionally met him at dinner, and I never found but the one opinion entertained by him. And, like myself, he was very decided in his opinion on this point.

*Question*—Who selected Mr. Burpee to be a Director on the Canadian Pacific Company?

*Answer*—Mr. Tilley and myself. I never spoke to Sir Hugh Allan in relation to this subject, and certainly not in relation to Mr. Burpee's appointment. The ground of our selecting Mr. Burpee was, that we considered him the most prominent representative railway man in our Province, and that he would act independently of Sir Hugh Allan. We did not wish that the interests of New Brunswick should be overlooked, and we were anxious to select a man that would represent the interests of New Brunswick at that Board. We selected Mr. Burpee for the purpose of watching Sir Hugh Allan, and to hold out against him if he were inclined towards the Americans. Mr. Burpee was aware of this, and I think sympathized with that feeling himself. There was one opinion entertained by Mr. Tilley and myself, and that was, that with the great wealth and influence of Sir Hugh Allan, the interests of our Province should not be overlooked.

*Question*—Do you know, or do you not, whether Sir Hugh Allan was favourable to Mr. Burpee's appointment when he heard of it?

*Answer*—I had no means of knowing, but I understood that he was adverse to the selection of Mr. Burpee. I had no conversation with Sir Hugh Allan on the subject, I learned this from outside rumour.

And further for the present, deponent saith not.

And on the 16th day of September, the said witness re-appeared and made the following addition to his foregoing deposition:

In answer to a question put me, as to the exact views entertained by Sir Francis Hincks in relation to the admission of American capital or control in the building of the Pacific Railway, I say that I understood Sir Francis had no objection to any person building the road. My impression is that Sir Francis looked upon the undertaking as one that so far from being a benefit to the contractor, would be a loss; and he was anxious that any person would undertake the building of the road. Sir Francis would not, I think, have objected to Americans having control in the building of it, but afterwards Sir Francis coincided in the views of his colleagues, that it was desirable to exclude American control. But previously he looked upon it as so bad a speculation that he would be glad to see Americans or any one else undertake it. He was quite ready to see it built by any person. After the matter, however, was discussed, he coincided in the general views of the majority of the Government.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the fifteenth day of September, 1873, and acknowledged on the sixteenth day of said month and year. (Signed,) P. MITCHELL.

(Signed,) CHARLES DEWEY DAY,  
*Chairman.*  
A. POLETTE,  
JAMES ROBERT GOWAN,  
*Commissioners.*

PROVINCE OF ONTARIO, }

*City of Ottawa.* }

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution, moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this seventeenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

THE RIGHT HONORABLE SIR JOHN A. MACDONALD, Knight Commander of the Bath, and Minister of Justice for the Dominion of Canada, who being duly sworn, deposed and saith:

*Question*—You are aware of the charges relating to the construction of the Pacific Railway, and to the raising and distribution of funds for the promotion of the elections in 1872, recited in the Commission; will you have the goodness to state to the Commission all the facts within your knowledge relating to this matter.

*Answer*.—I suppose it had better be done as a narrative?

In the Session of 1871, resolutions were passed admitting British Columbia into the Dominion, and it was then provided that a railway, connecting the Pacific with the Canadian system of railways, should be constructed within ten years. At the same Session there was a resolution passed in the House of Commons, that the road should be constructed by private enterprise, aided by public subscriptions in money and lands.

There were no other proceedings that Session except a vote to defray the expenses of surveying the line, but it was understood that the Government should prepare and lay before Parliament, at its next Session, a scheme for the construction of the road. The surveys were commenced and carried through during that summer, but the Government took no action for some time with respect to the construction of the road or the formation of companies for that purpose; in fact had not prepared a scheme, when I was one day waited upon by Mr. Waddington in Ottawa.

Mr. Waddington was an English gentleman whom I knew. He formerly resided in British Columbia, and had spent a good deal of money in railway surveys and explorations, and was an enthusiast in the matter. He told me that by his invitation, as I understood it, some American capitalists from Chicago were coming to Ottawa to make a proposition to the Government for the construction of the Pacific Railway. I told Mr. Waddington that I thought this movement was premature; that the Government could not make any arrangements at all until it had submitted a scheme to Parliament, and obtained the sanction of Parliament. He seemed to be a good deal disappointed, and asked I would I refuse to see them. I said; certainly not, I would be glad to see them; and Sir Francis Hincks and myself, we being the only two Ministers then in town, saw these gentlemen. We told them that we thought their visit was premature. We said, as a matter of politeness, that we were glad to see that American capitalists were looking for investments in Canada, but that we could not enter into any arrangement or receive any proposition from any body until after the next Session.

They said that they had communicated with other capitalists in New York and elsewhere, whose names they mentioned at the time, and, I think, exhibited a list of their names to Sir Francis Hincks and myself, who were ready to co-operate with them if they could make an arrangement for the construction of the road. Some of the names I knew, some of them I did not, but have since ascertained that they were all of them men of standing and capital in the United States.

*Question*—Do you recollect the names of the gentlemen present at the conference?

*Answer*—There was Mr. Smith of Chicago; Mr. McMullen was with him, also from Chicago. He was, however, a Canadian. I think Sir Francis Hincks mentioned other names, but I cannot recollect them at this moment.

I think there were two others.

*Question*—Can you fix the date of that interview?

*Answer*—I cannot without reference.

*Question*—It was the first interview on the subject?

*Answer*—Yes. The fact of these gentlemen having made this proposition called our attention, and through Sir Francis Hincks and myself the attention of our colleagues, to the necessity of attempting to get Canadian capitalists to enter upon the subject.

I first communicated with several gentlemen in Ontario, principally in Toronto, endeavoring to enlist their interest in the enterprise. I told them that it was a great pity that a great work of this kind should be carried off by foreign competitors, and if American capitalists could make it a paying enterprise, surely Canadians could do so as well. I spoke to my friends, and mentioned the fact that these American gentlemen had come and made this proposition. Sir Francis Hincks, subsequently, on one of his visits to Montreal, saw Sir Hugh Allan on the subject. He did so without any arrangement or instructions from his colleagues or from myself as first minister. He did so on his own responsibility, just the same as I did to any friends that I saw. As I understood he had a communication with Sir Hugh Allan which he stated in his evidence. On Sir Francis Hincks' return to Ottawa, he mentioned that he had this conversation, and I thought he had made a mistake, and so did, I believe, most of the members of the Government. At that time it had not occurred to me, or I think to any one, that these American gentlemen, were in any way connected with the Northern Pacific Railway. That had not occurred to any of us. It certainly had not occurred to me, and the reason why I thought that the action of Sir Francis Hincks was premature, was that I thought that the true plan would be to endeavour to get up a strong Canadian company, in which

would be represented the capital of the different sections of the Dominion, and after a body of Canadian capitalists was so formed, they might extend to the United States, or to England, and I thought that it would frustrate that policy, to have communication in the first place with Americans. After Sir Francis Hincks had made that communication, Sir Hugh Allan came to Ottawa with several of these American gentlemen, Mr. McMullen again, Mr. Smith, and I think Mr. Hurlburt of Chicago. We received them in the Council Room, and had some conversation with respect to the railway, but only as a matter of conversation as to the importance of the road and its great advantage to Canada, and so on; but the only business that we did was my asking Sir Hugh Allan, who seemed to be the principal spokesman of the party, if he had any proposition to make. He told us that he had an arrangement with American gentlemen, some of whom were there, for the purpose of getting up a company to build the Pacific Railway. I said we were desirous of getting applications and propositions of every sort from all parties who took an interest in the matter. He then asked me if we were prepared to consider and enter upon any such proposition if he made it. We said no, we were not prepared; we could enter into no arrangement at that time; we had no authority from Parliament to do so. Sir Hugh Allan said, "I, then, am not prepared to make any proposition," and then they left.

*Question*—Do you remember the time of that interview?

*Answer*—I do not. But I see it stated in one of Mr. McMullen's letters that it was on October 5th, 1871.

*Question*—That is the interview to which you allude?

*Answer*—Yes. I cannot say whether this is correct or not, but I have no reason to doubt it.

*Question*—There were several members of the Government present besides yourself?

*Answer*—Yes. The Cabinet was pretty full. Mr. McMullen says there were present Sir John A. Macdonald, Sir Francis Hincks, Sir G. E. Cartier, and Messrs Tilley, Tupper, Mitchell, Morris, Aikins, and Chapais.

I presume his statement with regard to those present is correct.

I would say, in reference to this, that before that meeting, I saw it observed in the letter of the 18th July, signed by Mr. McMullen, which appeared in the *Montreal Herald* and *Toronto Globe*, that he says that the result of the communication between Sir Hugh Allan and these American capitalists, was an interview in "Montreal early in September, 1871, by which preliminaries were settled between Sir Hugh Allan, Charles M. Smith, and myself, by which Sir Hugh was to receive a large personal interest in the stock, and an amount for distribution among persons whose accession would be desirable, and that the cash instalment on such stock would be advanced and carried on by others." He goes on to say, "that an interview was held by myself with Sir John A. Macdonald, at the St. Lawrence Hall, the day before we met Allan, at which he expressed the approval of the Government at the proposed meeting, and requested me to meet him in Ottawa." Now, that is an incorrect statement. I was at the St. Lawrence Hall, met Mr. McMullen, and he told me that he was entering into negotiations with Sir Hugh Allan; that they proposed to make a proposition to the Government. I heard his statement, and neither expressed approval or disapproval of it. In September we were exactly in the same position as when he had previously met us in Ottawa, and the Government were not in a position to enter into any proposition of the kind, because we had not got the sanction of Parliament.

I said we would consider any proposition that was made, when it was made. I observe also, that Mr. McMullen, in the same letter, states, "that at the meeting in October '5th it was at once apparent that they were not fully in accord amongst themselves, in consequence, as Sir Francis Hincks informed me, of Grand Trunk jealousy of Allan, represented in the important personage of Sir George Cartier." This is altogether an erroneous statement; we were quite in accord amongst ourselves; we were all in accord that we could not consider any proposition until after we had the sanction of Parliament; that we were not in a condition to make any arrangement until Parliament had authorized us to do so. In consequence of its being known that Sir Hugh Allan

had entered into this arrangement with American capitalists—it was known to every one—a feeling of fear arose in Ontario, especially in Toronto, that the Pacific Railway might get into American hands and under American control, or might get into American and Montreal hands, and that in the construction of the Board the interests of Ontario might be forgotten or neglected.

This, I think, added to the urgent request of myself on frequent occasions to a number of gentlemen in Toronto, induced, I think, the formation of the Inter-Oceanic Company. I had spoken to Mr. Macpherson, Mr. Howland, Mr. Cumberland, Mr. Worts, and a number of other gentlemen in Toronto, to try to interest them in it, and the Company was formed. Mr. Macpherson took a warm interest in the forming of it early in the autumn of 1871. The statement had got into the newspapers, and the impression had gone abroad that American capitalists were not interesting themselves in the Canada Pacific Railway on its own merits, but that they were connected with the Northern Pacific Railway, and were endeavouring to make it subservient to the interests of that railway; and the fear arose and spread through Canada that our railway would be made subordinate to American interests if they were admitted to any share in the enterprise. I was one of those who participated in that fear, and it seemed to be also the opinion of my colleagues, including latterly Sir Francis Hincks, when he found that the opinion was generally shared by his colleagues against the admission of foreign capital and that the object of the Americans in getting control of our railway was to connect it with their system of railway. I think the Government became as one in the opinion that American capital should be excluded, although we had not come to any formal decision on the matter. During the Session of 1872 we found that those who usually supported the Government, the majority of the House of Commons, were of the same opinion. It soon became apparent to every one, I think—to Sir Hugh Allan, who was here occasionally promoting the Bill for the incorporation of the Canada Pacific Company—that Parliament would not sanction any scheme which would involve the admission of American capital.

The Government then came to the conclusion, that as there were two great bodies of capitalists, one from Montreal and the other from Toronto, both petitioning for acts of incorporation; I say, the Government came to the conclusion to aid in the passage of acts of incorporation of any respectable body of persons who would apply for that purpose, and then the Government might judge afterwards which of the companies would best subserve the interests of the country, and give them the construction of the road. At the same time we submitted to Parliament the Government Bill, to which allusion has been made, enabling the Government to give the contract to any company that might be incorporated for the purpose, with provisions for the amalgamation of those companies, and with a provision, if it was thought for the advantage of the country, that a Royal Charter should be granted, giving the Government the power to grant such Royal Charter. The Government Act contained a clause to enable the Government to grant a subsidy in land and money. There were two acts of incorporation passed, as has already been several times brought before your notice; one for the Inter-Oceanic Railway Company, of which the principal seat was in Toronto, and the other for the Canada Pacific Railway Company, the principal seat of which was in Montreal. So soon as the Session was over, which I think was in June, when Parliament was prorogued, the Government addressed itself to the task of attempting to procure the amalgamation of these two companies. They represented the interests principally of Quebec and Ontario, although I believe both of those companies contained names of gentlemen as corporators, from the other Provinces. Still, it was generally understood that the Inter-Oceanic Company was the Ontario Company, and that the Canada Pacific was the Quebec Company. The policy of the Government, from the time of prorogation until now, I may say, had never varied. It was that an amalgamation of these two companies should be procured, if possible. We were satisfied that such was the jealousy that had arisen between the two companies, that it would be impossible to give the Charter to either of these companies; that is, the construction of the road to either of these two companies. We knew that no Government could exist

that would give the contract to either section. If it were given to Sir Hugh Allan's Company, the Government would be certain to alienate the support of their Parliamentary friends from Ontario, and *vice versa*; so that we spared no pains in the attempt at amalgamation. The Canada Pacific Railway Board always expressed their willingness to amalgamate. The Inter-Oceanic Board expressed an unwillingness to amalgamate. Immediately after the Session of 1872, or shortly after, I went to Toronto for the purpose of seeing my friends there who were interested in the Inter-Oceanic Company, and I pressed them as much as possible to acquiesce in the amalgamation. The elections were to come on between July and September, and we felt, as a Government, that it was very important to us to go to the country with a scheme perfected and an amalgamation effected with the capitalists of Ontario and Quebec, ready to co-operate in the construction of the Pacific Railway.

After talking the matter over with Mr. Macpherson and other gentlemen in Toronto, I wrote to Montreal, and I asked Sir Hugh Allan to come up to Toronto, and Mr. Abbott, a Member of Parliament, and who had taken great interest in the Canada Pacific Railway, also to come to Toronto and discuss the matter with Mr. Macpherson. Sir Hugh Allan wrote me that it was impossible for him to come up, but that Mr. Abbott might. Mr. Abbott did come up, and saw Mr. Macpherson, and you will find in the evidence given by Mr. Macpherson a memorandum of the substance of the conference between these two gentlemen. That memorandum I believe to be substantially correct from the information that I had from both of the gentlemen who attended it.

I left Toronto to go to Kingston, to attend to my own election, impressed with the idea that there were no insuperable difficulties in the way of an amalgamation.

They had approached very nearly each other. There were only two points of difference. The one was the question of the Presidency, and the other was the number of the Directors. With respect to the number of Directors, it was suggested that they should be thirteen. This suggestion emanated from the Government. We took the number in the Cabinet, which was thirteen, as a sort of precedent, and it was suggested by the Government that the Board of direction should be chosen in the same way that the Cabinet had been selected; that there should be five members of the Board from Ontario, four from Quebec, and one from each of the other Provinces. That is a detail in which they varied from the Cabinet, as there are no representatives from Manitoba and British Columbia in the Cabinet. We thought that would be a fair mode of adjusting the representation of the Board, and adequate to represent the interests of the different Provinces on the Board. I think it was Mr. Abbott's proposition on behalf of the Canada Pacific Company, that instead of thirteen there should be seventeen Directors for some reasons or another; that it would require a larger number of members to represent all the interests; but, as will be seen by the memorandum, Mr. Macpherson did not approve of this, but thought that this point might be yielded, although it was not, of course, so advantageous for Ontario to have seven representatives as against six from Quebec, as it would be to have five from Ontario against four from Quebec, on a Board of thirteen members.

Then as regards the Presidency, Mr. Macpherson always held to the same position; that he did not look forward to it himself, he did not press his own claim for it in any way, but he thought that Sir Hugh Allan, from his having originally made this arrangement with the Americans, if he were placed in the position of President, from his acknowledged wealth and influence, would have too much power on the Board, and that he might exercise that power in favor of bringing in American capital.

Still it seemed to me, that as that was really the only question—that is, the question of the Presidency—that we were very near an amalgamation, and I left Toronto, as I have said, impressed with the idea that that difficulty would be removed or could be removed, and that there would be an amalgamation.

When I was at Kingston, attending to my election, I was communicating I may say, with Sir George Cartier, giving him an account of the progress I had been making at Toronto, and my communications were always of an encouraging nature, because I believed that the two companies would be amalgamated, and we would get over this difficulty.

When I was at Kingston, Mr. Macpherson came there either to see me, or was there accidentally, I really forget which, but he was at Kingston, and we had a discussion about it, and I found the difficulty still existing about the Presidency, and I made up my mind that there was no use in attempting to procure the amalgamation before the elections, and that matters should be allowed to stand on the terms as discussed between Mr. Macpherson and Mr. Abbott at their meeting in Toronto. I telegraphed Sir George Cartier in that sense. That telegram is set out in the affidavit of Sir Hugh Allan made in Montreal. I have, however, got a rough draft of it. The telegram is dated the 26th July, and is herewith produced, and filed, marked "G."

I may say, with respect to the expression in that telegram, "that this should be accepted by Sir Hugh Allan," that I had regretted to find there had been a sort of coolness between Sir Hugh Allan and Sir George Cartier, and not only between Sir George Cartier and Sir Hugh Allan, but between Sir George and his Lower Canadian friends. They had got the idea that Sir George was not so friendly as he ought to have been to the Northern Colonization Road, in which a large number of Lower Canadians took great interest, especially the Montrealers, and of which Sir Hugh Allan was President, and that in fact they had got the impression that Sir George Cartier was throwing cold water on all those enterprises which Sir Hugh Allan had entered upon, and this of course, unless it were removed, would be fatal to Sir George Cartier, and in Lower Canada would lose him parliamentary support, and, of course, lose the Government Parliamentary support. The idea had been industriously spread abroad that Sir George, as being the Solicitor or Counsel of the Grand Trunk Railway Company, was not anxious to promote any Railway enterprise that might be a rival or competitor of that railway. This was so much the case that a good deal of feeling had been created respecting Sir George Cartier's supposed course of action, and that a deputation, which has been already spoken of, which, I am aware had come to Ottawa, to press upon him, so far as they could, the necessity of taking an active interest in the Northern Colonization road and other railways, extending the Northern Colonization west, including the Pacific Railway, and that the Montreal interest, as represented by Sir Hugh Allan, should not be ignored. I sent that telegram on the 26th of July, and I was glad to receive a communication from Montreal. I am not sure whether it was from Sir George himself, or from Mr. Abbott or Sir Hugh Allan, but from one of the three, stating that Sir George had expressed himself with respect to all these enterprises in a manner which satisfied the Montreal interest, including Sir Hugh Allan and his political friends in Montreal. And I may say here, that it was on hearing that, that any communication arose respecting election funds. When Sir George Cartier and I parted in Ottawa, he to go to Montreal and I to go to Toronto, of course, as leading members of the Government, we were anxious for the success of our Parliamentary supporters at the elections; and I said to Sir George that the severest contest would be in Ontario, where we might expect to receive all the opposition that the Ontario Government could give to us and to our friends at the polls. I said to him, you must try and raise such funds as you can to help us, as we are going to have the chief battle there. I mentioned the names of a few friends to whom he might apply, and Sir Hugh Allan amongst the rest, and that he was interested in all those enterprises which the Government had been forwarding. When, therefore, I ascertained that Sir George had put all right with his friends, I then communicated to my friends in Montreal, Sir George and Mr. Abbott, stating I hoped they would not forget our necessities; that they would see to raise some funds for us in Ontario.

On the 30th, I think, of July, I received a letter from Sir Hugh Allan, addressed to me at Kingston, stating that he had come to an arrangement with Sir George Cartier. He did not send me a copy of the arrangement itself, but he said he had come to an arrangement and had reduced it to writing, stating generally the terms of the arrangement. I was not satisfied with this. It was not in accordance with my telegram of the 26th, and although it was exceedingly inconvenient for me, for I was in the heat of my election, and was receiving a most stern opposition, I telegraphed back at once that I would not agree to it at all, but that I would go down to Montreal that night or the next night

and see them, so that there might be no mistake or misapprehension in the matter. It appears that Sir George Cartier saw Sir Hugh Allan at once, and informed him that I objected to the arrangement that had been made, and that unless the proposition contained in the telegram of the 26th July was adhered to, that I would go down to Montreal and discuss the whole matter with them. I then received two telegrams, one from Sir Hugh Allan and the other from Sir George Cartier, which I fortunately kept, which I shall read. This is dated 31st July. It is from Sir George Cartier. It commences as follows: "I have seen Sir Hugh Allan. He withdraws the letter written to you, since you make objection to it, and relies for a basis of arrangement on your telegram to me, of which I gave him a copy, &c."

I hereby produce and file it, marked "H."

At the same time I received this one from Sir Hugh Allan, addressed to myself, of the same date. It commences as follows: "I have seen Sir George Cartier to-day. You may return my letter, &c."

I hereby produce and file it, marked "I."

That was the only arrangement that was ever made between the Government and Sir Hugh Allan, or the Canada Pacific Railway Company which he represented, and I had no discussion or conversation in a contrary sense, either from Sir Hugh Allan or any member of his company, or from Sir George Cartier, from that time until this. That was the arrangement that was made, by which till the elections were over, the whole matter connected with the construction of the Pacific Railway should stand in abeyance, and that after the elections were over an attempt should be made to amalgamate; and that these two gentlemen, Mr. Macpherson, and Sir Hugh Allan, should meet in Ottawa, and form a Provisional Board.

I see that it is mentioned by Mr. McMullen in one of his letters, that there was a subsequent arrangement made on the sixth of August, between Sir George Cartier and Sir Hugh Allan. If such an arrangement was made I am quite unaware of it, and more than that I don't believe it.

I am quite satisfied that if Sir George Cartier had made any such arrangement, he would have mentioned it to me. Sir George was a man of the highest honor, and between him and myself there were no political secrets, and if he had made any arrangement of that kind respecting the railway, he certainly would have communicated it to me.

I observe that Sir Hugh Allan says in one of his letters, which has been published, dated the 6th or 7th of August, he "yesterday concluded an arrangement with Sir George Cartier." The way I read this, is, that by yesterday he meant a day or so before, which would be about the 30th July, when he signed these papers.

After the elections were over, we renewed our attempts to promote the amalgamation of the Companies.

At my request, my colleague, the then Postmaster General, Mr. Campbell, went to Toronto, with what results you know from his own statement. Early in November, about the 7th or 8th of November, I went to Toronto, and once or twice I thought I had succeeded in overcoming the reluctance of Mr. Macpherson, but after discussing it with him frequently, and pressing all my views upon him, I had at last to leave Toronto unsuccessful in my mission. On my return to Ottawa, the Government then addressed itself to the formation of a Company under a Royal Charter. As I have already stated, the Government were satisfied that it would be in the highest degree inexpedient and impolitic to grant the construction of the Road to either of the incorporated companies. We came to the conclusion that we should exercise the power conferred upon us by the Government Act of the Session of 1872, and endeavor to form a company in which all the different Provinces would be represented in one, as I have mentioned. And we did grant that Charter, as is known.

In the selection of the first Board of Directors and shareholders, the Government had only the one object; that of getting men who would command the confidence of the country, either from being men of capital or being men of known standing, or of being men especially acquainted with the subject of the construction of railways. The names



of various gentlemen were discussed, some were originally selected and afterwards changed. At first the Government thought of some leading men who were in Parliament, on account of their wealth and standing. There were several gentlemen who were selected who were members of one House or the other, but afterwards, on consideration of the whole question, the Government came to the conclusion that it would be better to exclude all Members of Parliament from the Board.

There had been a motion made in the House of Commons during the previous Session to exclude Members of Parliament from the Company, and some feeling had been shown on the subject.

The Government therefore came to the conclusion that under the circumstances it would be better to exclude members of Parliament from the Directory.

And now I would state the reason, so far as I know them, why the gentlemen composing the Board of Direction were chosen.

In Ontario there were five gentlemen selected. Major Walker, of London, was chosen as being a man of standing and wealth, and at the head of the oil interest of western Canada. He had been connected with the Inter-Oceanic Company as a corporator, and he was selected as representing the western interest. At first we had asked Mr. Carling, the member for London, to be Director, but when we came to exclude members of Parliament, Major Walker was selected in his stead. He was selected without any reference to Sir Hugh Allan, or the Quebec interest at all. I don't know whether Sir Hugh Allan was acquainted with Major Walker before or not.

Mr. McInnes was selected as a leading merchant at Hamilton. He was known to Sir Hugh Allan. He was a member of the Canada Pacific Railway Company. He is a western man, and of high standing and character, and the Hamilton interest could not be ignored. Mr. McInnes was in England at the time, and when selected by myself, I telegraphed him by cable, and got his answer by letter, accepting.

Col. Cumberland was selected as being a Railway man, and a civil engineer of high standing, and as being a great personal friend of myself. He was going to England at the time, and I asked him if he would agree to serve. He said he would rather not, but that I might command him either in the company or out of the company, if he could be of any service, and I selected him.

Mr. Sandford Fleming was selected by myself, and he also went on the Board with the greatest reluctance, and it was only by my strong pressure that he consented. I may add that Sir Hugh Allan was strongly opposed to his being appointed on the Board. He did not object to Mr. Fleming from any personal reason, but he thought that his services, as an engineer, would be of more value to the company if he were not in the Board. I thought that it would be a great advantage to the company to have a man of Mr. Fleming's standing on the Board, and I insisted on his appointment.

Mr. Shanly was the last, he was placed on the Board at my suggestion. I asked him to serve on the Board. He declined at first, and he came to see me especially on the subject, and at my earnest solicitation he became a member of the Board. He was a member of the Inter-Oceanic Board. The Directors for Nova Scotia and New Brunswick were selected by my colleagues in the Government from these Provinces. And I believe in both cases without communication with Sir Hugh Allan, and certainly not at his instance. With respect to Nova Scotia, Mr. Collingwood Schreiber, an Upper Canadian originally, but who had been connected with the construction of railways in the Maritime Provinces, was originally selected as a Director to represent Nova Scotia, but afterwards as Governor Archibald had returned from Manitoba, and as he was a man of high standing and great influence in Nova Scotia, he was substituted by the Nova Scotia members of the Cabinet for Mr. Schreiber.

Mr. Burpee, as Mr. Mitchell has said, was chosen by Mr. Tilley and himself, without any reference to Sir Hugh Allan.

As regards the members of the Board from Quebec, there was first Sir Hugh Allan himself; Mr. Beaudry, a merchant of high standing in Montreal. He may be considered, though I don't in fact remember, as being selected by Sir Hugh Allan, as being his special

choice. Mr. Hall was selected by Mr. Pope to represent the Eastern Townships on the Board. Sir Hugh Allan pressed strongly for the appointment of Mr. Foster, or a person representing Mr. Foster. Mr. Foster himself could not be a member of the Board after we came to the ~~arrangement~~ to exclude members of Parliament, as he was a Senator. Sir Hugh Allan therefore desired to have a representative of Mr. Foster on the Board, but Mr. Hall was selected by Mr. Pope.

Hon. Mr. Beaubien, the Commissioner of Crown Lands for Lower Canada, was named by Mr. Langevin. He selected Mr. Beaubien to represent the District of Quebec interest as separate from the Montreal District interest.

The Charter was framed with great care. The principal heads of it were prepared by myself; that is, the leading principles of the Charter were jotted down by myself and acquiesced in by my colleagues, and were communicated to the gentlemen whom we had selected to form this Board. We had several meetings, I fancy in December and January, at Ottawa, where these matters were discussed.

The provisions of the Charter were added to and enlarged from time to time, and at last Mr. Abbott was selected to meet Mr. Campbell and myself, and settle all details of every nature. Mr. Abbott was acting not on his own account, but as I understood, as counsel for the new Company, which was about to be formed. He was early selected as the legal man of the Company, and in that capacity he met us, and we worked out the details, most painfully worked at them for a considerable time; had them printed and re-printed, and at last they assumed the form in which they now are in the completed Charter.

I think that I have given you a statement of all the facts connected with the promotion of the Company, and what I know of the communications and original arrangements with the Americans. I may say, that every precaution that we could think of, or that was suggested to us to prevent the Americans getting in either directly or indirectly so as to have control of the Company was adopted. In the first place, by the election of the thirteen gentlemen who were not only Directors of the Company, but were also shareholders, and held all the stock.

They were all gentlemen of high standing and Canadians, and certainly would not any one of them be in any way a party to handing over the Canadian Pacific Railway to foreign control. They held the whole of the stock, and not a single share could be transferred for the first six years until the sanction of the Government had been obtained. The reason we selected six years was this; we gave the Company one year—to the first of January next—to raise the necessary funds, and we thought that after five years of active prosecution of the work there would be no fear of the road getting into foreign hands; and that point once gained, the less the Government had to do with the stock the better, for it would fetter the transfer of the stock, and of course render it less valuable. The uncertainty as to whether a purchaser would be approved of by the Government would operate against the value of the stock in the market.

*Question*—Have you any further statement to make?

*Answer*—Nothing further occurs to me.

I can state, and propose to take up the question as to the contribution of election funds. As I have already mentioned, when Sir George Cartier went to Montreal from Ottawa, and I went to Toronto, I asked him to endeavor to get what pecuniary help he could from our rich friends in Montreal; and when I was in Kingston, at the time of my own election, I got a letter from Sir Hugh Allan, stating that he would contribute \$25,000 to the election fund. He used the expression that he would contribute \$25,000 to help the friends of the Administration in their elections. I may say here, that I considered myself a trustee to that fund, and certainly did not apply any of that money to my own election.

*Question*—Have you got that letter?

*Answer*—No; I destroyed it.

It was simply informing me that he would contribute to that extent.

I paid the expenses of my own election; and, in fact, I did not receive any funds at

all from Sir Hugh Allan until after my own election was over. I was at Toronto the most of the period during which the elections were being held, going off occasionally to one place or another to communicate with my friends. I got pecuniary assistance where I could. In Canada we have not the same organization that they have in England. We have neither a Reform Club nor a Carleton Club to manage elections, and the leaders have to undertake that for themselves. I found, as the contest went on, that it was getting more severe; representations were coming to me from all parts of Ontario that the Opposition, to use a general expression, had two dollars to our one, and I redoubled my exertions to get subscriptions from all our friends. Sir Hugh Allan was then in Newfoundland, as I understood, and I wrote twice personally to Mr Abbott, who was acting in Montreal for him, and twice received contributions to the extent of \$10,000 each.

*Question*—Were these sums both from Mr. Abbott?

*Answer*—I am not sure, but I think so.

*Question*—That was in addition to the \$25,000, making in all \$45,000?

*Answer*—Yes.

I see that in one of Mr. McMullen's letters, of the fourth of August, published in the *Montreal Herald*, he states that "over \$100,000 were sent to Sir John A. Macdonald, from Montreal, besides a large amount paid to the Central Committee." As to the funds I got from Montreal, they are exactly the sums I have mentioned.

As to the contribution of \$25,000, it was sent to me without my having previously asked for it. I had no communication with Sir Hugh Allan, and never asked him for any sum whatever, at the time that I received the \$25,000; but I have no doubt Sir George asked him to subscribe, and I got the intimation from Sir Hugh Allan that he had subscribed that amount. The other two sums of \$10,000 each, were given at my request. I wrote to Sir George Cartier in Montreal, with respect to these additional advances, that as we had such a hard fight, he must either borrow or beg funds for me, and I have no doubt that he asked for them. I was not aware until I saw the communication in the newspapers, that he had written Mr. Abbott, to endeavor to get it for me if he could.

I think this is all the statement I have to make.

*Question*—Is there any other matter connected with this charge on which you desire to make a general statement?

*Answer*—There are a number of statements made by Mr. McMullen, which I would like to call your attention to, or to which I have already adverted, but would wish to specify more particularly. Mr. McMullen, in his letter of the 18th of July, states that Sir Francis Hincks suggested that the Government would be obliged to advertise for tenders, in order to avoid blame, so that the conclusion of an agreement would have to be postponed for several weeks.

To that I will say that the idea of advertising for tenders had been mentioned, with many other suggestions that were made, but it never came to anything. The Government never came to any conclusion to advertise for tenders. Indeed we saw that there would be no object in advertising for tenders, as we excluded American capitalists altogether. There was no suggestion that there would be any companies formed in England to build the road, and all the capitalists in Canada, who desired to have anything to do with it, were parties to the Inter-Oceanic or the Canadian Pacific Companies, and so there was no object in advertising. Mr. McMullen says, he (Sir Hugh Allan) at one time announced to Mr. Smith and myself that the \$8,500 of which he speaks in one of his letters, had been lent to Sir John A. Macdonald and Sir Francis Hincks in sums of \$4,000 and \$4,500 respectively, with very good knowledge that it was never to be repaid.

With reference to that sum of \$4,000 to myself, that is a complete and utter falsehood. I never received \$4,000 from Sir Hugh Allan. I never had any money transactions with him in my life. He never gave me any money or never lent me any money in his life. It is utterly false, and I have reason to believe Sir Hugh Allan never said so. Mr. McMullen does not state that we received the money, but that Sir Hugh Allan said so to him, but I do not believe he ever did say so for two reasons:

In the first place, if he ever did it, it would have been a falsehood, and in the next

place, when Mr. McMullen came to see me in December, I think it was then that he came to see me, the first time alone after the elections, I forget the exact date; he came evidently for the purpose of attempting to bully me, and levy blackmail upon me, and he spoke very mysteriously of what he could prove.

That Sir Hugh Allan had told him some very strange stories about expenditure of money for members of Parliament and so on. I was very much surprised to hear that statement, and he said among other things, "he never mentioned your name in connection with any of these expenditures, but he has the names of persons who are very near you." I said, he could not very well have mentioned my name, because I never had any money transactions with him. In the first place, I know the statement is false, and I am satisfied for these two reasons that Sir Hugh Allan never said so. Again Mr. McMullen says: "I met Sir John Macdonald in Montreal after the close of the Session, while on his way to meet Lord Dufferin at Quebec, and he suggested that as Allan had made so many enemies, I should go to Mr. Macpherson and try to bring about an amalgamation, promising to write a personal letter to Mr. Macpherson to aid in the desired object." Now that is in substance untrue—entirely untrue—except the single fact that I saw Mr. McMullen. Mind you; I did not seek him out, Mr. McMullen sought me out. I was going to Quebec to see Lord Lisgar off for England. I went from here in the steamer, and went direct from one steamer to the other, and did not enter Montreal at all. How Mr. McMullen found out I was on the boat, I don't know, but certainly he came down to see me. He said the Canada Pacific Railway Board was sitting, and was going to take some steps. I was very guarded—I did not know what he had to do with it. I understood, of course, that there were to be no Americans having anything to do with our Pacific Railway scheme; and I did not therefore understand what he had to do with the matter at all, or why he had come to see me. He was a Canadian himself, but I did not know whether he had any stock or interest in the Pacific Company. I was exceedingly guarded with him, I heard what he had to say:—He said the Company was organized. I said it was not the slightest use in having anything done until there is an amalgamation. He then said to me that he was going to leave Montreal for Chicago, and he thought he would stop at Toronto on his way home and see Mr. Macpherson.

I think I said it would do no harm, or some answer of that kind. I did not encourage him to go. He informed me that he would go. I made no suggestion to him in regard to it. It would be quite absurd to suppose that if I could not persuade Mr. Macpherson to go in for the amalgamation of the two incorporated Companies, that he could do so. It is quite a misstatement. Mr. McMullen says again: "After having Sir George sign an agreement as stated in the letter of August 6th, he commenced paying money but, as he told me, having Cartier's order in each case, and taking a receipt therefor. When making the agreement he had no idea that the amount of money would be excessively large, and when it had run up to between \$150,000 and \$200,000 he became alarmed, and told Cartier that he must stop paying the drafts which were coming in so rapidly unless the whole Government would sanction the bargain. He then stated that Sir George sent to Ottawa, and received a telegram from Sir John Macdonald confirming his action. After this Allan said he proceeded paying out money until he had advanced \$358,000 in addition to \$40,000 drawn from New York." Now this is altogether untrue. He received no such telegram from me. He could not do so, because I never was in Ottawa during that time. I was always in the west attending the elections. From the time I left Ottawa at the end of June or the beginning of July, until the elections were all over, I never was once in Ottawa, and I never made such a communication. It is altogether a falsehood.

Then again as to the meeting which he alleges to have taken place on the 31st of December, he says, "on the 31st of December, I had an interview of some two hours duration with Sir John, and placed him in possession of all the facts, and showed him the letters which I had from Sir Hugh in regard to the matters as well as the original contracts, and the letters to the New York Railroad President, which were recently published in connection with other correspondence." He (Mr. McMullen) came to me and complained very much of the way he had been used; that he had devoted himself for some time

to this subject, and had been thrown overboard. He did not show me those papers. He read me passages from some of the letters. I recognised some of the passages when I read the correspondence published as some of the passages read. I heard what he had to say, and what I then said was, that according to his own statement, if his statements were true, and those passages read seemed to carry out his statement, that I thought Sir Hugh Allan had not used him well. I said "he ought to have been more frank with you. He could not, if he had tried, obtained what he wanted to get. He must have ascertained that last session. He could not by any possibility have effected the purposes you wished "him to effect of getting your associates, the American capitalists, interested in the Company. He could not do so, the public feeling was so great." The feeling expressed in Parliament, and the policy of the Government were all opposed to it, so that, however willing or anxious Sir Hugh Allan might be to carry out that arrangement, it was impossible to do so, and his fault I thought was in not having at once candidly told the American gentlemen with whom he had made this agreement, that such was the fact. On the 23rd of January, that was a very short time before the contract was signed, and after all arrangements had been made, and the selection of the Directors or most of them had been completed, Mr. McMullen came, accompanied by Mr. Smith, of Chicago, and Mr. Hurlburt, of Chicago, and they went over the story again. They told me that they had been very badly used, and they had in good faith advanced for preliminary expenses of the Railway a sum of money; that is, for the preliminary expenses of the Canada Pacific Railway Company which was incorporated. I stated to them that of course Sir Hugh Allan was liable to them for that money, and must, it seemed to me, as a matter of course, refund it, if he had not already done so. They said they would not put up with such conduct, and would see him. I said it is your own affair. Mr. McMullen said they would seize his ships in American ports, and take proceedings against him. I said it was quite open for them to do so. I went so far as to say, "I think you are quite right; if I were in your place, I think I would proceed against him." They said they would go down to Montreal, and both Smith and Hurlburt said, "you must distinctly understand that we do not come here for the purpose of black-mailing you or black-mailing the Government, but for the purpose of stating our case." In fact they wanted to know whether, by any chance, they could be admitted to have an interest in the Railway.

That was, I understood the object of their communication. I said to them, that it was utterly impossible; that American capital must be excluded, and that the Company must be formed by Canadians, and was, in fact, in process of formation, in the manner in which it now presents itself. They said they would go down and see Sir Hugh Allan, and return this way and see me. I said I would be very glad to see them, and if I could be of any service in settling matters between Sir Hugh Allan and them, I would be very glad.

They did not come this way, however, but I received a letter from Mr. Smith, of Chicago, making a great complaint, that they were excluded, and he wanted to know if I would have any objection to their petitioning the Canadian Parliament for redress. I did not answer that letter. There is a report appearing in the *Chicago Times* of September 3rd, which was sent to me, containing an account of an interview between a reporter of that newspaper and Mr. McMullen in Chicago.

*Question*—Which Mr. McMullen?

*Answer*—Mr. George W. McMullen. Most of that report repeats what has been already published, but I wish to recall the attention of the Commission to it. He says: "That we went to Montreal in September, 1871—and arranged preliminaries—Sir Hugh was to be the agent of the Government. He was to receive for himself a large interest, and an amount of stock which was to be placed where it would do most good, and the cash instalments on the stock were to be advanced by us.

The interviewer asked then—"Was the Government aware of this?"

Mr. McMullen replied: "I told Sir John Macdonald all about it before our meeting with Allan. At the Premier's request I visited him after the meeting at Ottawa, and told him everything, and he was well satisfied." As I said before, I saw Mr. McMullen

at the St. Lawrence Hall, and he told me what was doing. I heard him. On both occasions my statements were uniform, that the Government could not enter into any arrangement until after Parliament met.

He reverts in that interview to a statement that Sir Hugh Allan had informed him that he had loaned \$4,000 to me; that Sir Hugh Allan had said so.

"Sometime after this, Allan stated that he had loaned \$4,000 and \$4,500 to Sir John A. Macdonald and Sir Francis Hincks respectively, with the knowledge that it was never to be returned." That is untrue. I have already explained why I believe that Sir Hugh Allan did not say so, and if he had said so, Mr. McMullen told me a falsehood when he said that Sir Hugh Allan had never mentioned my name in connection with these transactions. Here is another statement. The Reporter says: "Have you any further proof that the Government was aware of Sir Hugh Allan's bargain with Cartier?"

Mr. McMullen said: "I do not feel at liberty to submit all for publication. I will give a short item that will probably be sufficient. Shortly after the elections were over, and while Sir Hugh Allan was pressing for a fulfilment of his bargain, he began to think that the Government intended to play false. He prepared a complete transcript of all the transaction between him and Cartier and Macdonald, the contracts, supplementary contract, orders for money, telegrams for money, telegrams of Sir John, and memoranda generally, all ready for publication. On the following morning the Government was notified of this, and they yielded to the threat." I can only say that I never heard of such a statement; never saw it; no such threat was ever made, and no communication of the kind was ever made. It is a falsehood complete and entire, without one semblance of truth. Here is another statement which, perhaps hereafter, before this Commission closes, can be more specifically replied to, as it is not a subject with which I am very conversant. The reporter says: "But \$400,000 is a pretty good sum of money for one man to lose. Does Sir Hugh really suffer this loss?" Mr. McMullen says, "Sir Hugh is President of the Merchants' Bank of Canada, a very large institution, which in its current report shows a Government deposit, without interest, of over \$1,200,000, and as all its funds are directly under his control, it is safe to suspect that up to the present time he is even. I understand that another Bank in Montreal furnished a portion of the sum by discounting notes secured by Allan's endorsement, and that these are still being carried. This bank also has over \$300,000 of Government money on the equally liberal terms of no interest." That statement is untrue. I do not believe the Merchants' Bank have ever at any time deposits of over \$300,000 without interest. Funds accumulate in the different banks, and any profit goes to the shareholders, and in no way to Sir Hugh Allan, except as he is a shareholder. But the sum of \$1,200,000 is altogether false. I think these are all the remarks I have to make.

There is one more statement which I desire to make in justice to Mr. Hillyard Cameron. It is stated, that at my pressing instance, Sir Hugh Allan advanced money or discounted a note of Mr. Cameron's of some \$5,000. Mr. McMullen says: "The Chairman of the Investigation Committee, applied through the Premier for a loan of \$5,000 after the elections were all over, and as Allan supposed he was through paying, he objected, but after a personal visit of the Postmaster-General to Montreal, and the urgent telegrams and letters of Sir John, who announced that it was to help us, the thing was done." The circumstance was simply this: Mr. Cameron told me—we are very great friends—that he was very hard-up, and that he wanted some money, and was anxious to get a discount, and he asked me if I would drop a line to Sir Hugh Allan asking him to get his note discounted by the Merchants' bank. I wrote down, asking Sir Hugh to use his influence to get a discount for Mr. Cameron for \$5,000, and he got that discount. That is all I know about it. That was in January, before this Investigation Committee, as it is called, was thought of. Parliament did not meet until March. Mr. Huntington did not make his charge against the Government respecting the Pacific Railway, until April, and such an idea as the charge being made or the Committee being struck, had certainly not occurred on the 23rd January, 1873. I have just this further to say, that when it was proposed to strike the Committee, there was a good deal of excitement in the House at the time

on the subject, as of course you cannot but be aware of, and it was the opinion, or it was believed, as it proved, that there would be a strong party struggle as to the composition of the Committee. I suggested some names to be on that Committee, to my friends. Mr. Hillyard Cameron was not one of those whom I suggested; and when I found it had been so arranged by some of our friends, I was disappointed and expressed my disappointment. So that Mr. Cameron was put on that Committee I may say, without my consent, I having suggested another and a different member of Parliament, and was quite disappointed that Mr. Cameron was selected. I feel bound to state this in justice to Mr. Hillyard Cameron.

*Question*—Mr. McMullen's letters seemed to allege that copies were given you of certain letters between him and Sir Hugh Allan. Did you see those letters?

*Answer*—On the 23rd of January he saw me, and said he would send me copies, and he did send me copies.

*Question*—Are these copies of the originals which were afterwards included in the sealed packet?

*Answer*—Yes, I think so. I have got them.

*Question*—Are you able to state whether these copies you have are copies of the originals here?

*Answer*—I have got all the copies.

It would take some time to bring them now as they are at my house.

*Question*—You will produce them to-morrow?

*Answer*—I did not get them on the 23rd of January. He promised to send me copies of all the papers, and I subsequently got them.

*Question*—Had you any knowledge that that correspondence was going on at that time?

*Answer*—No.

*Question*—When did you first become aware of it?

*Answer*—I became aware of this correspondence by seeing it in the *Montreal Herald*. Of course I was aware of the correspondence at the time I got the copies, and I next saw it in the *Montreal Herald*.

And further for the present deponent saith not.

And on this eighteenth day of September, re-appeared the said witness, and continued his deposition as follows:

*Question*—Have you any knowledge of the sealed packet of papers which was placed in the hands of Mr. Starnes?

*Answer*—The first I heard of these papers was when application was made on the floor of the House by Mr. Huntington to have them impounded. I then afterwards saw the packet when it was produced before the Committee by Mr. Starnes. It was sealed, and the Members of the Committee who were present put their initials in the vicinity of the seal, but it was not opened.

*Question*—Is that envelope now shewn to you, the one which you saw?

*Answer*—I have no doubt but that is the one. I recognise Mr. Hillyard Cameron's writing on it, and also that of Mr. Blanchet and Mr. Dorion.

*Question*—Will you have the kindness to look at the letters contained in that sealed packet, and numbered from 1 to 19, and say whether the copies which have been given to you are copies of these letters?

*Answer*—I would say with respect to these copies, that Mr. McMullen, at the meeting which I have spoken of already, stated to me that he would send me copies of the correspondence between Sir Hugh Allan, Mr. Smith and himself. He did send me copies of that correspondence two or three days after. I see in that correspondence two letters addressed to a gentleman in New York. These letters appeared in the *Montreal Herald*, and, I think, without the name of that gentleman.

His name I see in those papers. These letters belong to that gentleman, and I do not wish to be a party to making them public, but I will hand them into the Commission,