

On comparing the correspondence sent me with that in the packet which was placed in Mr. Starnes' hands, I may say that there are two telegrams, and a letter previous to the 8th of December, 1871, the earliest date of any communication in the packet.

Question—Do these copies of the correspondence which were sent to you purport to be copies of a correspondence between Sir Hugh Allan, Mr. McMullen, Charles M. Smith, and this New York gentleman?

Answer—Yes.

Question—These copies have continued in your possession since you first received them?

Answer—Yes.

Question—No copies of them were given by you to any person?

Answer—None.

Question—I perceive that there are some statements in these letters, several of which I wish to call your attention to. In the letter of the 28th of February, 1872, Sir Hugh Allan mentions the distribution of stock in the Canada Pacific Railway Company, \$100,000 to Mr. Macpherson; A. B. Foster, \$100,000, and so on. Have you any knowledge of an arrangement between Sir Hugh Allan and those gentlemen of that kind, or of any arrangement which Sir Hugh Allan proposed to make with respect to the distribution of stock?

Answer—Not the slightest. I never saw this document or knew that Sir Hugh Allan proposed to distribute the stock among the Canadians in this proportion; but I heard from Mr. Macpherson that in a conversation which he had with Sir Hugh Allan, that he had mentioned or written the manner in which he thought it would be right that the stock, in case of amalgamation, should be distributed in Canada, but the particulars I do not know.

Question—Then there is the letter of the 7th of August, to which you have already adverted in your examination in chief. In the letters of the 6th and 7th of August, two distinct letters, Sir Hugh Allan states, that "We (meaning himself and Sir George Cartier) yesterday signed an agreement by, which, on certain monetary conditions, they agreed to form a company of which I am to be President, to suit my views, to give my friends a majority of stock, and to give the company so formed the contract for building the road—in the terms of the Act of Parliament, which are \$30,000,000 in cash, and 50,000,000 acres of land, with all the advantages and privileges which can be given to us under the Act." Have you any knowledge of what agreement he refers to in that statement?

Answer—No. The only agreement is the one I have mentioned in my examination, namely: that of the 30th July, to which I objected.

Question—You have no knowledge of such agreement being made on the 5th and 6th August, by Sir George Cartier, or any other Member of the Government?

Answer—No, I don't believe he ever did make such an agreement.

Question—Do you know of any agreement which was entered into between Sir Hugh Allan and Mr. McMullen, and certain capitalists in New York, in relation to the construction of the Pacific Railway?

Answer—Yes.

Question—When did you first become acquainted with that agreement?

Answer—I know that Sir Francis Hincks had mentioned to Sir Hugh Allan the names of these gentlemen, and had suggested that Sir Hugh should put himself in communication with them. After that I cannot speak with any certainty. I was not aware that any arrangement had really been come to until shortly before Sir Hugh Allan came with these gentlemen to Ottawa; and then, when they came to Ottawa, we declined to enter into any discussion of the matter with them.

Question—Did you see the agreement?

Answer—Not until I received a copy of it from Mr. McMullen.

Question—Is it among the papers you handed in?

Answer—No; I have only given you the correspondence. I also produce and file other papers marked "K." Though these I received at the same time as the copies of

the correspondence; the papers I now produce show drafts of Sir Hugh Allan to the extent of \$40,000 mentioned in Mr. McMullen's letter, and the contract as originally entered into in New York, with a modification of it afterwards.

Question—When was the decision arrived at by the Government to exclude American capital?

Answer—I don't remember when there was a formal announcement of our policy on that point, but from the time it was first mooted in the press, that American capitalists who were seeking to be concerned in the construction of the road, were interested in the American Northern Pacific Railway and other United States systems of railways, the Government began more and more to doubt the expediency of allowing American capitalists to have anything to do with it. The Government was not favorable to allowing Americans to come in, inasmuch as we foresaw the difficulty of preventing the control of the road, after its construction, from falling into their hands if they were allowed to construct the road. This feeling grew in the country more and more intense as the subject was discussed by the press, and as public excitement and public feeling was increasing against it, the Government individually, and as a body, before Parliament met, came to the conclusion that it was impossible to allow Americans to have any interest in the road.

Question—Was this before April, 1872?

Answer—Before April 1872. When Parliament met, and I had an opportunity of seeing the Members of Parliament, it was then evident that this was the general, almost the universal feeling in the House.

Question—Was any encouragement at any time given to the proposal to build the road with American capital by the Government or any member of it?

Answer—No, except the communication I have already mentioned made by Sir Francis Hincks, I am not aware of any communication of any kind between any member of the Government and these gentlemen. On the two occasions when these gentlemen were present in Ottawa, I principally conducted the conversation with them, and certainly I gave no encouragement to Mr. McMullen or the American capitalists.

Question—Was there any communication or correspondence with Sir Hugh Allan on the subject which would lead him to believe that the Government would favor that mode of building the road?

Answer—No. I am certain Sir Hugh Allan when he came up he found out that the Government and Parliament were equally opposed to the admission of American capital.

Question—You say when Sir Hugh Allan came up here he found that out. Can you fix the date?

Answer—No, I don't at all remember. I remember this fact, however, that Mr. Abbott who took a great deal of interest in the promotion of the Bill before the House stated distinctly to me, as a member of the Government, that he had undertaken it on the solemn assurance that only Canadian capital should be concerned in the enterprise, and that he had that assurance from Sir Hugh Allan.

Question—When did the Government first determine to unite the interests of Ontario and Quebec and the other Provinces together in one common Company for the building of this road under the Royal Charter?

Answer—Immediately after my return from Toronto, in November, I think. I got here about the 22nd of November. We then came to the conclusion that we would not—although the Inter-Oceanic Company had declined to have any amalgamation—give the construction of the road to the Canada Pacific Company, but that we must issue a Royal Charter. Even if they had consented to an amalgamation taking place between the two companies, it would have been too late to amalgamate under the Act. By the Government Act it is provided that the amalgamation must take place within one month after the passing of the Act; so that if the two companies had an amalgamated they could only have gone on under one of the Acts of Incorporation. It would have been a matter of indifference whether they proceeded under one of the Acts of Incorporation or under a Royal Charter.

Question—At what time was it that the Government determined not to give the contract to the Canadian Pacific Company, and contemplated the formation of another

company, by the amalgamation of the Inter-Oceanic company with that of the Canada Pacific, for the purpose of carrying on the work ?

Answer—We at no time contemplated giving the construction to any one of the companies, but we formally came to the conclusion to grant a Royal Charter on my return from Toronto.

Question—When was the idea of forming the Inter-Oceanic company first originated ?

Answer—During the summer or autumn of 1871. I had been pressing Mr. Macpherson, Mr. Wm. Howland, son of the Lieut. Governor, Col. Cumberland, and other gentlemen to take up the question, and had spoken to my friends and leading men in Ontario, not to allow Americans to come in and build the Railway.

Question—Have you any reason to believe that the company was formed because of the opinion you expressed to your friends in Toronto ?

Answer—I am sure of it.

Question—Was it from the beginning formed upon the basis of excluding all American capital ?

Answer—No. With respect to the Inter-Oceanic Company, I am not perfectly informed. I do not think that when they first commenced to discuss the formation of the Inter-Oceanic Company, they contemplated the exclusion of American capital. I think on the contrary, that in the Inter-Oceanic company's Act of Incorporation, if I remember aright, there is some provision that the majority should be British subjects. I forget now what the expression is, but there is something in that Act, which, from my recollection, indicates that there was no positive exclusion of American capital.

Question—Was there anything which indicated an intention to exclude the controlling influence of American capital in the road ?

Answer—I have no doubt that they had that in their minds ; that those who were promoting the Inter-Oceanic Bill had determined that they would not allow American capital to have control. I have no doubt that that was one of the inducements to their getting up the Company. In the first place they thought it was a great thing for Canadians to be engaged in that great national enterprise. In the second place, as I thought myself, and as I expected they thought, that Canadians ought to be interested in it, and no doubt their desire to be interested in it was greatly increased by their fears and the rumours which some of them had heard that it was an attempt of American capitalists to get hold of the control of this great work, but I cannot speak specifically on that.

Question—Have you stated at what time you gave up the expectation of bringing about an amalgamation between these two companies ?

Answer—About the 14th, 15th, or 16th of November. I had thought at one time that I had succeeded in removing all the objections, and that amalgamation would have taken place, but I failed.

Question—Was it at that period the Government determined on issuing the charter of the present Company ?

Answer—I returned here about the 22nd November, and of course we had no time to lose. We immediately addressed ourselves to get up a Company composed of representative men from all the different Provinces who would accept the Royal Charter.

Question—Was that determination the result of the failure to bring about the amalgamation ?

Answer—It was.

Question—You stated yesterday that the number of Directors in the Company is thirteen, and the distribution was a good deal governed by the principle which had governed the selection of Members of the Cabinet. Was there any inequality of condition or advantages among the several Directors ?

Answer—There was not. I forgot in my statement yesterday one or two points. In speaking of the personnel of the Directory, I forgot to allude to the two Directors from British Columbia and Manitoba. With respect to Manitoba, the Government asked Mr. Donald Smith, a Member of Parliament from that part of the country, the representative

man in Canada of the Hudson Bay Company, to be a member of the Board. The Government thought it would be a great advantage to get the assistance and influence of that powerful corporation in England if the Company had to go to that market to borrow, to get them interested in the Pacific Railway; and we asked Mr. Smith to become a Director, and with that view, and a person greatly interested in the matter, he attended several of the informal meetings that we had. We had a good many of them here, but when the Government came to the conclusion to exclude Members of Parliament, Mr. Smith was, of course, excluded, and we consulted him as to getting a representative man from Manitoba. He recommended Mr. McDermott, whom he represented to be a wealthy merchant in Winnipeg, for whom he acted and from whom he had procured a power of attorney to act. This is how Mr. McDermott was appointed. In the same way Mr. Helmken, of British Columbia, was appointed. He is a gentleman of very high standing there, who was one of the delegates to Canada to settle with the Canadian Government as to the terms of Union between British Columbia and the Dominion, and who was afterwards asked to become a Senator, from his well-known high standing and character in British Columbia; and I know, as a matter of fact, that he was asked to be first Premier since Confederation, by Lieut.-Governor Trutch. He also declined that. He is considered a man of high standing, and, therefore, we asked him to become a Director. He did become a Director, and Mr. Nathan, a Member of Parliament from British Columbia, representing Victoria, was his attorney. I had forgotten to mention these two things.

Then you asked me as to whether there was any advantage of one Director over the others. There was none. The plan upon which the Government acted was this: There were to be thirteen Directors, each to take one-thirteenth of the stock, and each to pay up a tenth to form a deposit of \$1,000,000 which the Government Act required. We stipulated with these Directors, that they should be in fact trustees for their several Provinces; that they should not hold more than \$100,000 each of stock at first; on which they would each pay \$10,000; and that they should give an opportunity to the people of their different Provinces to subscribe for the rest of the stock as they chose. Such subscription being of course provisional, until sanctioned by the Government, as it was a provision that no transfer could be made of any shares without the consent of the Government, and then in case the stock was not subscribed in the different Provinces, whatever was unsubscribed should be placed in the open market with the same condition that no person should get any stock whatever until their names were submitted and approved of by the Government.

Question—Who was elected President?

Answer—Sir Hugh Allan.

Question—Do you know whether he was elected through the influence of the Government?

Answer—I know that he was not elected through the influence of the Government. I know it in this way; that for convenience sake I was made the sole means of communication between the Government and the Provisional Board of Directors. I know therefore that when they met I made no suggestion at all, because it was not necessary that I should do so. They all seemed to assume that Sir Hugh Allan, from his wealth and standing, and having taken it up first, was to fill the position as a matter of course. That seemed to be understood by all the gentlemen. If there had been any doubt about it, I should have carried out what I said I would do in my telegram. I would have said I hope you will elect Sir Hugh Allan, but I did not do so.

Question—The Government did not find it necessary, then, to exercise its influence, promised by your telegram of the 26th of July?

Answer—They did not find it necessary. I do not remember making any communication to any member of the Board on that subject, for all seemed to take it as a matter of course. I am more particular about that, because several of them did speak to me about who should be Vice-President.

Question—Who is the Vice-President?

Answer—Major Walker of London.

Question—Does Sir Hugh Allan, in consequence of being President, enjoy any peculiar advantages other than the distinction, of course?

Answer—The only advantage he has is sitting at the head of the table regulating the proceedings, and having the name of President, but by law he has no advantage; and that view I pressed strongly on Mr. Macpherson, and other members of the Inter-Oceanic Company, and that every Director made his own position on the Board according to his ability.

Question—Did Sir Hugh in the course of his negotiations in relation to this whole matter obtain from the Government any advantage greater than these other gentlemen?

Answer—No; none whatever.

Question—I think you say in your examination in chief, that after your telegram of the 26th July—after that arrangement was made—that these arrangements were made between Sir George Cartier and Sir Hugh Allan, with respect to the furnishing of funds for the support of the elections. Did you not state something to that effect?

Answer—No. I did not state that.

Question—Have you any correspondence relating to that matter—of the money to be subscribed in Montreal by Sir Hugh Allan?

Answer—No. I have not.

Question—Was Sir Hugh Allan the only one that you mentioned?

Answer—I mentioned other names.

I think it hardly fair to mention the names of those other gentlemen. I mentioned Mr. Brydges' name, and Mr. George Stephen's name, and several other names. I have no doubt mentioned Mr. Ogilvie's name, and other friends.

Question—Had you any reason for mentioning Sir Hugh Allan's name beyond that which actuated you in mentioning the names of the other gentlemen?

Answer—Yes, I had. I thought Sir Hugh Allan was especially interested in getting a Railway Parliament returned, and that he was interested in sustaining the Government which would carry out the railway policy which they had inaugurated.

Question—Did you consider him then to have a direct personal interest in the result of the elections?

Answer—Yes, I considered him to have a strong personal interest in this way. Sir Hugh Allan had, as is well known, a very large interest in the steamship line and in getting freights for that line. He knew, as it was well known in the country, that there was an opposition line being got up under the auspices of the Grand Trunk Railway Company to run to England, and it is well known that he was alarmed at this, because he naturally assumed that if the rival line were connected with the Grand Trunk Railway there would be preference given to that line over his own in matters of freight from the west. Sir Hugh Allan, I think, I am not wrong in supposing that this excited him very much, and that it was the primary cause of his connecting himself with the Northern Colonization Road from Montreal westward, and encouraging the building of the northern Road between Montreal and Quebec, and the extension of the inner line between Ottawa and Toronto, so as to have another and competing line which would give his line of steamers fair play. I think I am not wrong in believing that this was the origin of his connecting himself so strongly and warmly with these lines, and these lines would not, I think, especially the Road from Ottawa to Toronto, be early undertaken unless there was a chance of the Pacific Road going on westward. I think he had a special interest in this line and the western extension, and besides, as he expressed himself to me and every one else no doubt, he had a great pride at his age and with his means and standing in connecting himself with this great national enterprise. Sir Hugh Allan could have been under no mistake as to his position long before the elections took place with reference to the Pacific Railway.

It was not necessary for him to advance or subscribe one shilling in order to insure to himself, if he thought proper, an interest in the Pacific Railway Company. He knew, in the first place, that the Canada Pacific Railway, of which he was President, and the

representative man from Lower Canada, could not be ignored in any company that was formed to build the Pacific Railway. He must have ascertained early, when Parliament met, from the feeling in Parliament, that he could not get for his company the exclusive right to construct the Road. The interests of Ontario forbade that. His company could not be excluded, but could only have an interest in common with Ontario. So that without his subscribing a single sixpence to elections, or to any other purpose, he knew quite well that the Quebec interest must be represented in any Railway Company that was formed, and that he was the representative man from Quebec, and would be supported by the whole influence of Quebec as such. The only danger was that the railway policy adopted by the Parliament, which had expired, might be reversed by the coming Parliament. He knew that the policy of the Government in carrying out the Pacific Railway had been strongly opposed by the Opposition to the Government; that it was argued very strongly that the road was beyond our means, and would over-tax our resources; therefore, that was the danger to him. He desired to connect himself with the Pacific Railway, which would be the complement of all those other lines with which he had connected himself. And the whole railway policy of the Government might be reversed if the Opposition succeeded in carrying the country. He was therefore interested in exactly the same way—to use an illustration from England—he had the same interest in supporting the Government in its policy in this country, as the great body of Licensed Victuallers, in England, have to oppose the present Government there, because they disapproved of some of the legislation of the past, and fear hostile legislation in the future. I considered that Sir Hugh Allan had a very strong interest in the securing a Government majority in the present Parliament.

Question—You said that you received a letter from Sir Hugh Allan, during the progress of your election, subscribing \$25,000 for election purposes?

Answer—Yes. Stating that he was ready to subscribe \$25,000.

Question—What became of the letter?

Answer—I destroyed it; it might have been stolen.

Question—Did that letter contain any terms or conditions upon which the subscription was made?

Answer—None whatever.

Question—Can you recollect the terms in which it was expressed?

Answer—I cannot pretend now to recollect the words, but it was simply stating that he was quite ready to help to assist in the election of the friends of the Government or our Western friends; something like that, to the extent of \$25,000.

Question—Was that the only letter or communication you received from him on the subject of his subscription?

Answer—That was the only letter I received from him, and I had no personal communication with him on these points at all. Sir George Cartier doubtless had in Montreal.

Question—I think you stated that you received two other sums of \$10,000 each?

Answer—Yes. I must retract my statement that they both came from Mr. Abbott. The first \$10,000 was from Sir Hugh Allan, and I have no doubt that is the \$10,000 mentioned in that communication of Sir George Cartier's. The other \$10,000 I got subsequently from Mr. Abbott, Sir Hugh Allan being at the time in Newfoundland, I think.

Question—These were all the sums?

Answer—Yes.

Question—Was Sir Hugh Allan's subscription of the \$25,000 before or after the 24th of August?

Answer—It was before the 24th of August. It was early in August, I think.

Question—I see in that letter of Sir George Cartier's a reference made to terms and conditions of his in a letter of the 30th of July, and that is repeated in the postscript. Have you ever seen that letter of the 30th July?

Answer—Never, until it was alluded to in the publication. I have seen it since.

Question—In whose hands is it?

Answer—In Sir Hugh Allan's hands. No doubt he has it to produce. I know the general contents of it, but I cannot give it with any degree of accuracy.

Question—That is the letter to which reference is made in this letter and postscript of Sir George Cartier's, is it?

Answer—I presume so.

Question—Because there was one letter of 30th July published. It is not that?

Answer—No, it is not the published letter.

Question—What was the disposal of the money which was sent to you?

Answer—I used it to aid our friends in the different parts of Ontario in their elections.

Question—Had you an Election Committee in your election at Kingston?

Answer—I had.

Question—Was any portion of it applied to your own election?

Answer—No portion of it whatever.

Question—Was any applied to re-imburse what was expended on it?

Answer—As to re-imbursing my expenses, I paid every farthing of my own election expenses, unless some of my constituents paid some money that I do not know of out of their own pockets. I paid all the expenses of my own election, and did not reimburse myself for any portion of my own election expenses out of these funds. On the contrary, I added to the election fund out of my own limited means to help my friends elsewhere.

Question—Do you know the entire amount Sir Hugh Allan contributed to the elections both in Ontario and Quebec?

Answer—I cannot speak with any certainty.

Question—The second sum of money received by you, of \$10,000, was in consequence, I think, of a telegram which has appeared?

Answer—I would not like to swear that I sent exactly that telegram, because I do not remember its terms, but I sent a telegram, and I have no doubt that this is the telegram.

Question—It is given at the end of Mr. McMullen's letter?

Answer—That was the second "and last time," I suppose. It says it will be the last time of calling, so I take it that it refers to the last \$10,000. I have no doubt it did.

Question—That telegram is dated 26th August, 1872, addressed to the Hon. J. J. C. Abbott, and signed by yourself. Is that the one you mean, "I must have another \$10,000; will be the last time of calling. Do not fail me. Answer to day!"

Answer—I have no doubt I telegraphed to him, and I have no reason to doubt that this is a copy of the telegram.

Question—Was that telegram answered?

Answer—I have before me this telegram, "Draw on me for \$10,000." I don't remember, but I have no doubt he did answer, and did send me such a telegram. I did draw upon him for \$10,000, and I would not have drawn upon him without authority.

Question—Were there any other telegrams between you and Mr. Abbott, or Sir Hugh Allan, or received relating to money for election purposes?

Answer—No. There were no other telegrams with Sir Hugh Allan, and those I have referred to. I may have telegraphed to Mr. Abbott, in connection with the elections, but I have no recollection of doing so.

I may perhaps now refer to a statement which I see in the *Chicago Times*, which I intended to have spoken of yesterday. It is as follows. The reporter asks him, "Can you prove that Sir John Macdonald knew of this bargain?" Mr. McMullen replied, "I can, and will even show his telegrams, one admonishing Allan to shell out, because he had a big thing; another telegram declaring in the most positive manner that he endorsed the arrangement made by Sir Hugh with Cartier, and would hold himself bound by it. He confirmed the bargain unreservedly." Reporter asks can you prove that? Mr. McMullen answers—I will put witnesses upon the stand who saw the telegram, one of them a very prominent man, and a friend of Cartier's. I will name the man who wrote the

second of these transactions. I can only say that I never sent such a telegram. It is quite an untruth. I never sent any telegram to Sir Hugh Allan, saying that I endorsed any arrangement made by Sir George Cartier and Sir Hugh Allan. I cannot understand how the idea, that I sent such a note or telegram, got abroad, or how Mr. McMullen could have got the idea that I sent any such telegram to Sir Hugh, calling on him to shell out, for he had got a big thing. I have been thinking how he could invent such a thing, and the only clue I have is simply this: I remember, in writing or telegraphing to Mr. Abbott, that I said we had a great enterprise before us, and we should fight it out thoroughly. I made use of some such expression to Mr. Abbott, as it was a great game or great enterprise that we had before us, which was quite true; we had a great game in seeking to carry as many elections as we could in Canada, and to secure a majority. That is the only clue which I can think of in regard to that telegram. "A big thing" is an American expression, which I never use that I am aware of.

Question—Do you know what passed between Sir Hugh Allan and Sir George Cartier on the subject of this subscription?

Answer.—I do not; I may say that Sir George wrote me no letters; he was then in very bad health, sinking under the disease which caused his untimely death; what communications we had were by telegraph, and they were very short.

Question—Was there any understanding that for any subscription more or less, direct or indirect, Sir Hugh Allan was to receive any exceptional advantage from the Government?

Answer—I say distinctly there was no arrangement that he was to get any advantage of any kind.

Question—Was there any understanding?

Answer—No understanding. There was no agreement or understanding to give him any advantage of any kind.

Question—Have you any reason to believe that Sir Hugh Allan gave that large subscription in consequence of an expectation of any kind?

Answer—I have no doubt Sir Hugh Allan gave these subscriptions for the one object of sustaining the Government and their railway policy in connection with the Pacific Railway, he being assured that that policy would be sustained with the influence and power of the Government, if it remained a Government.

To the Hon. Mr. Campbell, through the Chairman:

Question—You have had very many years experience of elections?

Answer—Yes.

Question—During thirty or thirty-five years?

Answer—During about forty years, from 1836.

Question—At all elections, I believe, there is a certain expenditure of money?

Answer—Yes.

Question—What is the character of that expenditure?

Answer—It is an uncertain expenditure. There is what they call the legitimate expenses, which every candidate has to undertake—the expenses of canvassing, printing and advertising—those are the legitimate expenses. There is also a very large expenditure, which is very common in this country, although it is contrary to the Statute. It is, however, I believe so universal that I have never known any serious contest before an Election Committee on that ground. I refer to the expenditure for teams to bring the voters to the polls. My experience has been, with respect to this item, that you cannot get the voters to come to the polls on either side unless some effort is made to provide conveyances for them.

Question—That constitutes a very serious item?

Answer—Yes, I have always understood that to be the chief item.

Question—Then there is more or less treating?

Answer—Yes, and dinners and things of that kind, all of which are contrary to the Statute, but they generally prevail in Canada.

Question—Did you find at the elections which occurred last, in 1872, any particular necessity for spending money ?

Answer—There was this necessity, that I don't suppose there ever was a fiercer struggle for the mastery than that which took place between the two parties, especially in Ontario. Every effort was made on both sides to carry their candidates. There was an unusual amount of exertion put forth, the exertions of the opposition being much greater in 1872 than they were in 1867.

Question—The exertions of the opposition ?

Answer—Yes, and of course there was a corresponding exertion made by the party to which I belong.

Question—And there was a corresponding increase in the expenditure ?

Answer—Yes.

Question—You had a very general knowledge of the contest in Ontario ?

Answer—Yes.

Question—You found that there was an expenditure of a much larger amount than usual on both sides ?

Answer—Of course I am not in the secrets of the opposition ; but I found such a concurrent opinion in Ontario, from independent sources, that money was being spent very largely, unusually so by the opposition, that I had no doubt about it. Of course, some of those statements might have been exaggerated in particular localities, but the same report came from all quarters. I have recently seen statements, that may, perhaps, at some time see the light, verifying that fact.

Question—You were at the head of the Government during the last elections, and also during the previous general elections ?

Answer—I was during the election of 1867, and of the last elections. I have been, if not at the head of the Government, a member of it since 1854, with the exception of the twenty months which Mr. Sandfield Macdonald was in power, and the six or eight days during which Mr. Brown was in power.

Question—Is there any other machinery in Canada for raising funds to meet election expenses except the efforts of individuals ?

Answer—There is no such machinery here as prevails in England. In each constituency, I suppose, the different parties raise a fund, and they usually have a central fund.

Question—There is no such machinery as the Carleton Club and the Reform Club in England, but the head of the Government charges himself with doing as much as possible among his friends for the general funds ?

Answer—The leaders of parties which divide the country, exercise their influence amongst their friends to raise funds for that purpose.

Question—You spoke of the appointment of Mr. Hall, and said that the first name suggested was that of the Hon. Mr. Foster. Do you mean that the appointment of Mr. Foster was strongly pressed on the Government by any one ?

Answer—Before we settled that there were to be no Members of Parliament on the Board, Sir Hugh Allan and Mr. Abbott both asked that Mr. Foster should be appointed. The Government left that to Mr. Pope, who is a member of the Government, and he selected Mr. Hall, as I understood, on Mr. Foster saying that he would not resign his Senatorship to become a Director.

Question—That was just about the time of the Charter being signed ?

Answer—Yes.

Question—Up to that time Mr. Abbott and Sir Hugh Allan had been pressing the appointment of Mr. Foster ?

Answer—Yes ; and, if I remember rightly, Mr. Foster was offered a position on the Board, if he would resign his Senatorship, which I understood he declined to. I was informed by Mr. Pope of the fact, and he selected Mr. Hall. If I remember rightly, Sir Hugh Allan desired that if Mr. Foster was not appointed, some one representing him should be chosen, and he suggested his brother.

I wish to make one remark : I stated that when Sir George Cartier and I parted,

when he went to Montreal before the elections, I suggested to him certain names besides Sir Hugh Allan, and I gave him those names. I do not wish it to be understood that I know that these gentlemen subscribed. I do not know whether they did or not. I merely suggested some friends of the conservative party.

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 seventeenth day of September, 1873, and remainder taken on eighteenth day of said month, and the whole acknowledged on the twenty-second day of said month and year. } (Signed),
JOHN A. MACDONALD.

(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 eighteenth 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 HECTOR L. LANGEVIN, of the City of Ottawa, who being duly sworn, deposed and saith:

Question—You are aware, Mr. Langevin, of the terms of the charge recited in the Commission; the alleged agreement with American capitalists for building the Pacific Railway; the knowledge of the Government of this agreement, and the subsequent charge, that there was an understanding between the Government and Sir Hugh Allan and Mr. Abbott, to furnish funds for promoting the elections in 1872, for which they were to receive the contract for building the road. You are familiar with these allegations, will you have the goodness to make a statement, in detail, giving all the facts within your knowledge relating to these charges?

Answer—About the arrangement for the contract between Sir Hugh Allan and the American capitalists, I knew nothing, until I saw it mentioned in the newspapers. I may say, as was said by others, that the Government and the different Members of the Government were, from the beginning, opposed to Americans obtaining the contract and the control of the Canadian Pacific Railway, with the exception of Sir Francis Hincks; but finding afterwards that his colleagues were unanimous on the subject, he gave up his own opinion, and agreed with us that the company to be formed should be formed by Canadians or British subjects. The charge made by Mr. Huntington, that the Government or Members of the Government, in consideration of funds to be furnished or paid to the Government, or any Member or Members of the Government, made any agreement, or had any understanding with Sir Hugh Allan and Mr. Abbott,

or Sir Hugh Allan or Mr. Abbott or any one else, for the building of the Canadian Pacific Railway, or for the obtaining of the contract, for any advantage or any gain connected with it; that charge is false. The Government never had any such understanding, or ever made any such promise or any such bargain, and in so far as I know, and I have no doubt that if it had been otherwise I would have known it, there has been no bargain, no contract, no understanding of that kind between Sir Hugh Allan and Mr. Abbott, or either of them, or the Americans on the one side and any member of the Government on the other. I try to make it as general and as special as possible, because I want to give a complete denial to the charge. I may now say about the giving of the contract to Sir Hugh Allan, or to any one else, that the statements made by me here about the action of the Government are perfectly correct. The Government did not make any arrangement with Sir Hugh Allan, or with any one else, for the building of the Canadian Pacific Railway until after the general elections of 1872. Up to that time there was no promise or arrangement of any kind made by the Government, or any member of the Government about the building of the road. I may also add that the Government were determined, from the beginning, to give no advantage to one Province over any other.—We knew full well that Sir Hugh Allan was considered by the Lower Canadians as their representative man in this matter. We knew that he had taken, from the beginning, a very important part in the promotion of the railway: but on the other hand we had to consider that this railway was not for the Province of Quebec alone, but also for the other Provinces, I should say for the whole Dominion. On the other hand, the Toronto interest was very important. Our Toronto friends were very pressing, and by Toronto friends I mean the financial interest of Ontario; that interest was very pressing; and, of course, they as well as the Quebec or Montreal interest were doing their best to have the upper hand in this railway. We had, therefore, to be very careful as a Government, that no preponderance should be given to one Province over the other, but that in giving the charter the interests of the whole Dominion should be considered and taken care of. We, therefore, did all that we could to bring about an amalgamation of the two companies; that is to say, the Canada Pacific Railway Company and the Inter-Oceanic Railway Company, the first having as its representative Sir Hugh Allan, and the other, the Hon. Mr. Macpherson. However, the negotiations which we had with those two companies failed. We could not induce the Inter-Oceanic Company to amalgamate, and therefore, we had to decide what course the Government should then take. We had only those two companies incorporated by Act of Parliament. Were we to give the contract to one or the other, we would necessarily have given offence to one section or the other, and also given an undue preponderance to one Province over the other. The consequence was, that the Government took advantage of the clause in the Act relating to the aid that Parliament allowed the Government to give to this undertaking. We took advantage of that clause, and formed a new company, composed of some of the leading men of the Canada Pacific Company and of the Inter-Oceanic Company, adding to them some other leading men of the Dominion.

The composition of the new company has already been described by Sir John A. Macdonald, and I have only to say, that I would have only to repeat what he has just said on that point. As to the names, that is a correct description. The charter of the Canadian Pacific Railway Company was given, I think, in the first days of February, 1873, if I am not mistaken.

Question—Will you now proceed to the other branch of the subject, respecting the money furnished for the elections?

Answer—As I have already stated, there was no bargain of any kind. I mean that neither the Government nor any member of the Government, so far as I know—and I would have known of it if it had been otherwise—made any bargain or agreement by which the Government, or any Member of the Government was to receive any sum of money, or any advantage from Sir Hugh Allan, or from any one else, for the granting of the charter or for the influence of the Government, or any member of the Government, or for the services of the Government, or of any one of them. Respecting the sums of money

that Sir John A. Macdonald had stated as having received for the Ontario Elections, I know nothing. Respecting the sums of money furnished to the Montreal Central Election Committee, I knew nothing either.

During the Session of 1872, I had a conversation with Sir George Cartier, my Quebec leader, on the elections that were coming on, and I stated to him that we should divide the work in Lower Canada, in order that our friends should be able to refer with certainty to one of us, in case they needed advice or otherwise. It was so understood between us, and I went further. I told him the experience I had had at previous elections, and that I could not myself provide the funds that might be required in my region, without help from the exterior. That, of course, I had friends that could help me to a certain extent, but that he was aware that the great wealth of the Province of Quebec was centered in Montreal and not in Quebec; and that, therefore, I would expect that whenever he obtained from his wealthy friends in Montreal, contributions to the election fund for the Province of Quebec, he should remember that I should have a share to help in the election contest of my region—that is, the eastern part of the Province of Quebec. He promised me that he would do his best. Whilst on this subject, I may say, that alluding to the charge that has been made publicly in a letter published in the Montreal *Herald*, by George W. McMullen—a charge that Mr. Abbott had been authorized by, he does not say whom, to promise me \$25,000 for my goodwill, or for my services or future services in connection with the Pacific Railway, and that Mr. Abbott had reported having done so; I may say first, that Mr. Abbott never told me that he was authorized to promise me \$25,000, or any other sum. Mr. Abbott never promised or offered me anything. He never spoke to me of anything of the kind, and therefore, in so far as I am concerned, that charge is false. I leave of course, to Mr. Abbott, who may be examined on a future day, to say whether he was authorized to do anything of the kind, and whether the charge made against him—that he said he had promised anything of the kind—is true. So far as I am concerned, I say positively that he never spoke to me on the subject, and never promised me anything at any period. The only time I had a conversation on election matters with Mr. Abbott, was, I believe, sometime during the Session of 1872, when he, having occasion to come to my Department, to see me about some matters connected with a public work in his county, I spoke to him as being one of my best political friends from my own Province, on the prospects of the electoral contest that was to take place during the summer. I told him that the last contest had been a severe one for me, in so far as my small purse was concerned, and that, of course, my position being more prominent now than it was then I was afraid that the claims or the calls upon me would be still greater, and on that, he remarked that it would not be fair that the burden should all fall on my shoulders, but that certainly I should be helped by my friends. That is the only conversation I ever had with Mr. Abbott on that subject, and of course it is one of those conversations I could have had with any other political friend supporting me in Parliament or supporting me out of Parliament; and I may add, that Mr. Abbott never spoke to me about the Pacific Railway, or the Bills that were before the House, and he never asked my support of any of the measures that were then before the House, or asked whether I would support or oppose them. In consequence of the conversation I had with Sir George Cartier, as I stated just now, during the elections of 1872, I received from Sir George Cartier, by the hands of Sir Hugh Allan, \$15,000, he (Sir Hugh) stating that he was instructed by Sir George Cartier, to remit me that sum for the election fund of my region. Some time afterwards I received a note from Sir Hugh Allan stating that on my giving a receipt to Mr. Abbott, he (Mr. Abbott) was instructed to deliver me, also, by the direction of Sir George Cartier, \$10,000 additional for the same object. As I was about leaving Ottawa for Quebec, during the elections, and understanding that Sir Hugh Allan had gone to Newfoundland, I telegraphed Mr. Abbott at Montreal to be kind enough to meet me on board the Quebec boat at Montreal, which he did. I told him there that I had received a note from Sir Hugh Allan, as I stated just now; that I had asked no money from Sir Hugh; and that the sum of \$15,000 that he had sent me before came from Sir George Cartier; that I had understood from Sir George Cartier

that any sum of money that he would send me would be a portion of the subscription of his wealthy friends in Montreal, and that, therefore, I could not for a moment think of giving a receipt or of receiving any money on any condition whatever; and that if this sum of \$10,000 was not on the same footing as the \$15,000 first sent, I could not receive it. Moreover, if there had been any misunderstanding about the first sum, and if that first sum was not a pure gift on the part of the subscribers to the fund, I would go down to Quebec, and would return that amount immediately. Mr. Abbott told me that there must be some misunderstanding, that he was sure that there must be no intention of putting any condition or exacting any receipt about this money. So we parted. Mr. Abbott sent me afterwards the \$10,000 without any condition; and, I believe, stated, that his explanation to me was the proper one. Some time afterwards, Sir George Cartier, whom I had seen *en passant* in Montreal, and who had asked me in what position I found myself about the elections in my region, was informed by me, that besides my own election, and what I had contributed personally to others, I was short to the amount of \$7,500 or \$7,600. He told me he thought his Election Committee would have to provide for that additional sum; and that sometime afterwards I received it with a note from Sir Hugh Allan, stating Sir George Cartier had instructed him to hand me that amount. I never had any communication on this subject with Sir Hugh Allan, beyond what I have just stated.

By my statement the Commissioners will see that none of that money was employed in paying the expenses of my own election.

Question—Did you take as active an interest in the negotiations concerning the building of the Pacific Railway in the earlier stages of it, as other members of the Cabinet?

Answer—No. The first negotiations were conducted by Sir John A. Macdonald principally. The negotiations between Sir Francis Hincks and Sir Hugh Allan and others were conducted as coming from himself at the beginning; and as Sir John Macdonald stated correctly, when he heard that he was favoring the introduction of the American interest in the proposed Railway Company, we expressed our dissent from that action; and from that moment until the end, the Cabinet never wavered on that point, showing their determination to exclude Americans from the Pacific Railway Company.

Question—Do you recollect about the time that decision was arrived at?

Answer—The formal decision on that point was, I think, in April or May, 1873, but I am not sure.

Previous to the Session of 1872, that determination was arrived at on the part of the Government. Although, perhaps, it was not known to outsiders, yet it was the settled policy previous to the Session of 1872 and when we met Parliament, and had an opportunity of seeing the members of the House of Commons, it was clear that any other policy would fail.

Question—Were you present at any of the interviews mentioned by some of the witnesses, and also in Mr. McMullen's letter relating to this matter?

Answer—No; I was not present when the American gentlemen were there.

At the first interview I understood there were only two members of the Government present—Sir John Macdonald and Sir Francis Hincks. The second interview was reported to me on my arrival here. I think I had gone to Montreal or Quebec.

Question—You have no recollection of having ever met these gentlemen in conference?

Answer—No; I never met them. I never saw Mr. George McMullen.

Question—Had you ever any conversation with Sir Hugh Allan on the subject of the agreement they had entered into?

Answer—No.

Question—Then you knew very little of that?

Answer—Very little indeed.

Question—Did you take any part in the efforts which were made to bring about an amalgamation of the Inter-Oceanic and the Canada Pacific Companies?

Answer—Nothing more than as a member of the Privy Council.

Question—You knew that the negotiations were going on?

Answer—Yes. The action was determined in the Privy Council before being taken.

Question—Respecting the organization of the Canadian Pacific Company, and the appointment of Directors. You state that the evidence you would give would be that given by Sir John A. Macdonald?

Answer—Exactly what he gave. The Hon. Mr. Beaubien, who was specially selected by me, was so selected to represent the interest of the District of Quebec, not as opposed to that of Montreal, but as being distinct from that of Montreal. That was the object I had in view in selecting him from that portion of Lower Canada.

Question—Sir Hugh Allan was elected President of that Board?

Answer—Yes.

Question—Have you any knowledge of any influence being used to procure him that position?

Answer—I am not aware that the Government used any special influence or any influence to bring about his election.

Question—Do you know whether his election was unanimous or not?

Answer—I understood it was.

Question—You have no personal knowledge on that subject?

Answer—No; I was not present.

Question—Had you any communication with Sir Hugh Allan upon the subject of money to be furnished for the elections before your communication with Sir George Cartier?

Answer—No, never; at no time.

Question—You had no conversation with him on the subject?

Answer—No.

Question—Do you know how much he subscribed in all for the elections?

Answer—No; I don't know.

Question—Have you in your possession the letter that Sir Hugh Allan wrote, to which you have referred?

Answer—No. I don't keep any of these letters, nor any letters that are mere formal letters. It has always been a rule with me, as soon as I have finished a letter, to destroy it, unless it is an official letter to be filed in the Department. But my own letters I destroy, and I think, by what I have seen since, that I was perfectly right in this.

Question—Do you remember the terms of that letter?

Answer—No, there was nothing special in it.

Question—Did it relate to the advance of that \$10,000?

Answer—Sir Hugh Allan stated, so far as I can recollect, that Mr. Abbott would pay me, or hand me, \$10,000, and that Sir George Cartier had wished him to send it to me on my giving him a receipt.

Question—Was that the only condition in the letter?

Answer—As far as I can recollect there was no other condition than that.

Question—You have said, I believe, that you received another letter from Sir Hugh Allan, enclosing the last sum you received?

Answer—No, I don't think there was any note with it, if there was any, it was simply stating, that, "I send you \$7,000, or \$7,600, by order of Sir George Cartier." I think he must have sent some such a note as that, but I have no special recollection of it.

Question—You don't remember the terms of the letter?

Answer—No, it was nothing more than a mere business letter that might be written by one person to another.

Question—He mentioned to you that he had sent you that sum of money; did he say anything else?

Answer—No.

Question—Did he not say anything else?

Answer—He said, "by the direction of Sir George Cartier," or "by the wish of Sir George Cartier."

Question—Nothing more than that?

Answer—No.

Question—You say you mentioned to Mr. Abbott that unless it was a free gift on the part of the subscribers to the fund, you would go to Quebec and at once return the first \$15,000.

Answer—Yes.

Question—Why did you make that remark?

Answer—Because, when I saw that Sir Hugh Allan, in his letter, stated that Mr. Abbott had \$10,000 which he would hand me, or send me, or pay me on my sending a receipt; or giving a receipt, I thought that meant that it was not a mere subscription; and, therefore, thinking that the same thing might apply to the first \$15,000 that had been sent, and for which no receipt had been given; I stated at once, to Mr. Abbott, that if this money, that had been sent by direction of Sir George Cartier, was not a mere gift on the part of the subscribers, I must return it, and I was going down to Quebec and would return it at once. The reason for that was apparent. The object I had in view, when I spoke to Sir George Cartier in the Session of 1872, was to see that the heavy expenditure of the elections should not fall on me, and that I should not be responsible for the whole amount, and if this had not been a mere gift on the part of subscribers, I would have found myself responsible for the whole amount, which I would not undertake to be.

Question—You use the word "gift" in opposition to "loan"—not a loan but a gift?

Answer—Yes, that is what I mean.

I wish to add, in regard to Sir George Cartier, on another point. It is that from the beginning he showed his opposition to the introduction of Americans or American capital in the Pacific Railway Company, to be established or to be incorporated. He expressed himself so to me more than once, stating, I cannot recollect his exact words, but the meaning of the conversation was this, that he would not allow the Americans to build our railway. Their interests, commercially speaking, being different from those of the Dominion; and that we had in Canada and in England men who could find the necessary capital, and who would have the necessary skill to build this railway. He was very positive, and never wavered on that point.

Question—Do you know anything of the letter from Sir George Cartier to Sir Hugh Allan of date the 30th July?

Answer—No. I know of no letter except that which has been published in the newspapers.

There is one of that date published.

Question—Do you know of any other letter of that date which has not yet been published?

Answer—No.

Question—Did Sir George Cartier mention any such letter to you?

Answer—I never had any conversation with him about that.

To the Hon. Mr. Campbell, through the Chairman:

Question—You stated that you concur in Sir John Macdonald's statement of the mode in which the present Directors of the present Company were chosen?

Answer—Yes.

Question—Did Sir Hugh Allan exercise any influence in the choice of these Directors?

Answer—No, not that I am aware of; and if he had exercised any influence there is no doubt I would have known it from the knowledge I had of the business of the Council.

Question—Did not both Sir Hugh Allan and Mr. Abbott press for the appointment of a person in lieu of Mr. Foster, when the Government arrived at the determination that no member of Parliament should be on the Board, as Mr. Foster's nominee, in fact?

Answer—Yes they did.

Question—And no such appointment was made?

Answer—No such appointment was made.

Question—They continued to press for the appointment up to the last moment, did they not?

Answer—They did.

By the COMMISSIONERS :

Question—Who was the person put forward ?

Answer—I think Mr. Foster's brother.

Question—And they were pressing for the appointment of Mr. Foster up to the last moment, until they were told, in fact, that it was no use ?

Answer—Yes.

Question—So Sir Hugh Allan exercised no influence in the selection of the persons who are on the Board ?

Answer—None whatever.

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 eighteenth day of September, 1873, and acknowledged on the twenty-sixth day of said month and year. } (Signed,) HECTOR L. LANGEVIN.

(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 eighteenth 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,

SANDFORD FLEMING, of the city of Ottawa, Civil Engineer, who being duly sworn, deposed and saith :

Question—You reside in Ottawa, I believe.

Answer—Yes, at present.

I am a Civil Engineer.

Question—Do you know Sir Hugh Allan

Answer—I know him very slightly.

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

Answer—I do not know him.

Question—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. G. W. McMullen, representing United States capitalists, for the construction of the Canada Pacific Railway with American funds ?

Answer—None whatever, except what I have recently seen in the newspapers.

Question—Were you brought in relation to the parties to that transaction at the time it was going on ?

Answer—Not at all.

Question—You therefore know nothing at all about it ?

Answer—Nothing of my own knowledge.

Question—Have you ever had any conversation with Sir Hugh Allan relating to it.

Answer—No conversation whatever.

Question—You were I think one of the Provisional Directors of the Canada Pacific Railway Company?

Answer—My name is in the Charter of the present company. I was not connected in any way with any of the companies that were incorporated by Act of Parliament.

Question—When did you first become interested in the movements for the construction of the Pacific Railway?

Answer—In 1871. I was called upon by the Government to conduct the surveys.

Question—That was all your connection with it until you were appointed a Director of the Canadian Pacific Railway Company?

Answer—Yes, until I was asked by Sir John Macdonald to consent to be one of the Directors.

Question—About what time were you requested to become a Director?

Answer—It must have been in January of this year, 1873. I am not quite sure, but I think it was only about two or three weeks before the date of the Charter, the Charter is dated the 5th of February.

Question—How many Directors are there upon that Board?

Answer—I believe there are thirteen names in the Charter.

Question—They are all upon an equal footing as Directors?

Answer—Yes.

Question—Who is President?

Answer—Sir Hugh Allan.

Question—Were you present at his election?

Answer—I was.

Question—Was there any difference of opinion on his election?

Answer—I don't think there was. It seemed to be agreed upon by common consent that he should be President.

Question—What were the motives which induced the unanimous election of Sir Hugh Allan?

Answer—He had taken a very active part in the whole affair, and he was one of the wealthiest men, if not the very wealthiest man. He seemed disposed to embark his capital in this enterprise to a very large extent, and it was also thought that he would, as President, be better able than almost any other man to influence capitalists in England to join in the work.

Question—Was it considered an advantage to the undertaking to have him at the head of it as President?

Answer—It was then considered so, unquestionably.

Question—You have extensive experience and reputation, and knowledge as an Engineer, Mr. Fleming. Can you give an opinion as to the pecuniary promise of this enterprise under the Charter. Does it appear to you to be of a profitable character?

Answer—Anything I can say on that head must be very speculative. I suppose I have had a better opportunity of judging than any other member of the Board, on account of being connected with the surveys; but I always had grave doubts about the financial success of the scheme.

Question—Did you accept a Directorship from a desire or with the expectation of making money out of it?

Answer—I accepted a Directorship because it was pressed on me by the Premier. I hesitated very much about accepting it, and did not do so solely with the idea of making money out of it.

Question—Do you know anything about the general elections in 1872—about the raising of funds for the purpose of carrying them on?

Answer—Nothing whatever. I was not in this part of the country at the time.

Question—And nothing has since come to your knowledge with respect to these elections

Answer—Nothing, except what anyone can read in the public papers.

Question—You stated the reasons which seemed to operate with the Board in selecting Sir Hugh Allan as President. Were they the reasons which operated with you, that is, his wealth, his position, his facility for obtaining means, and so on; were these the reasons which operated with you?

Answer—I think so. Everything pointed to Sir Hugh Allan as the proper man.

Question—Had you any other reasons than those you have named, for giving him your support as President?

Answer—I never gave the matter very much consideration. Everything pointed to Sir Hugh Allan as the proper man to be President of the Company. His name was first on the list of names given in the Charter, and he had no rival.

Question—Was any influence used with you personally to induce you to support Sir Hugh Allan as President?

Answer—I am not aware of any. It seemed to be generally understood by everybody that he should be President. He seemed to have no rival.

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 eighteenth day of
September, 1873, and acknowledged on
the twentieth-ninth day of said month
and year.

(Signed,) SANDFORD FLEMING.

(Signed,)

CHARLES DEWEY DAY,

Chairman.

”

A. POLETTE,

”

JAMES ROBERT GOWAN,

Commissioners

PROVINCE OF ONTARIO,

City of Uawa.

N 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 nineteenth 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 HUGH ALLAN, of the City of Montreal, Knight, who, being duly sworn, deposeth and saith:

I am a resident of Montreal.

Question—You have taken an active interest in the negotiations and operations for the constructing of the Canada Pacific Railway?

Answer—I have.

Question—There are a number of letters which have been found in a package entrusted by you and Mr. G. W. McMullen, whom I suppose you know, in the hands of Mr. Starnes, and we desire, in the first place, to prove those letters to be in your hand writing; will you take the package and examine it, and state if they are so?

Answer—With reference to the parcel itself, it was not I who put it into the hands of Mr. Starnes, or made it up, I cannot swear positively as to the originality of the package. I can, however, identify my own handwriting.

Question—These letters now shown to you, were they all written by you to the gentlemen to whom they are addressed?

Answer—Yes; they were private letters, for private information, and not for publication at all.

Question—Are the telegrams also correct?

Answer—I think so. I have only a knowledge of their general terms?

Question—Are there any other contents in that sealed package which you can identify; that is, for instance, the sealed packet and other documents, one a letter addressed to the Hon. Henry Starnes, is that your letter?

Answer—Yes; that is my signature.

Question—Is that Mr. McMullen's signature to it, also?

Answer—I think so.

There is also another envelope here containing a cheque for \$17,500, and I hereby produce and file it marked "N."

Question—What was the letter addressed to Mr. Starnes with the memorandum and agreement?

Answer—The letter is herewith produced and filed, marked "O."

Question—You have said that you have taken an active interest in the negotiations for the construction of the Canada Pacific Railway. I will now read to you the formal charges that have been made against the Government on that subject, with the view of receiving a statement of what you know about them. Will you have the goodness to state all the facts within your knowledge relating to the subject matter of these charges?

Answer—If the court will permit me, I will read a statement which I have drawn up relating to the matter.

With reference to this statement, and any other I may make, I wish the court to understand that at this distance of time—from one to two years—during which many changes have taken place, and as a matter of course, I cannot exactly charge my memory as to conversations about facts and figures which then took place, and therefore I can only state what occurred to the best of my knowledge and belief.

The witness then made the following statement:—

I have for some years past taken a strong interest in the development of railway communication throughout the Dominion of Canada, and particularly through the district of country lying to the westward of Montreal, with a view to increasing the facilities of communication between the sea-board and western America. And that amongst other projects my attention was early directed to the scheme for constructing a railway between Montreal, as the most westerly Atlantic seaport, and the Pacific Ocean.

That in the Autumn of 1871, I learned, in conversation with Sir Francis Hincks, that certain American capitalists had proposed to the Government, through Mr. Wadlington to organize a company for the purpose of building the Canadian Pacific Railway, but that no action had been taken upon their proposition.

That, thereupon, inasmuch as no movement appeared to be contemplated in Canada, for the purpose in question, and I doubted if Canadian capitalists could be induced to subscribe to it to any large extent, I obtained from Sir Francis Hincks the names of the persons who had been communicating with the government, and immediately placed myself in correspondence with them, for the purpose of endeavouring to form a Pacific Company, in advance of the measures which were expected to be taken by the Government at the then ensuing Session of Parliament.

That, accordingly, after a certain amount of negotiation, I visited Ottawa in company with some of these gentlemen, and we had an interview with the Government referred to by Sir John, on or about the 5th October, 1871. Sir John's account of that interview, accords perfectly with my recollection of what took place. On the 23rd December, 1871, I entered into an agreement with certain American capitalists. I now produce a copy of that agreement, omitting only the names of the other signers, which I conceive I have no right unnecessarily to drag before the public.

The witness here reads the agreement, a copy of which is produced and filed, marked "P."

There was also a supplementary contract made at a future day. I had no recollection of this contract until within the last few days, and if I had been asked, would have said I had never seen it. There is no question but that the contract was entered into and that I was one of the signers.

Witness here reads supplementary contract, a copy of which is produced and filed, marked "Q."

Neither the Government as a whole, or any member of the Government, ever saw that agreement or had any knowledge of its existence as far as I know, until very recently.

On looking at the deed of agreement, it will be seen that it was stipulated that the Road should be built by the route and on the terms prescribed in the Act to be passed respecting it, and it was further understood that, in addition to the route north of Lake Superior, a branch was to be constructed from Lake Nipissing to Sault Ste. Marie, with a branch to Georgian Bay, near the mouth of French River. At Sault Ste. Marie the river was to be bridged and the line carried along the south shore of Lake Superior to Duluth where it would join the North Pacific from which line another branch would lead to Fort Garry.

From Fort Garry westward to the Pacific it was intended the Road should proceed on the route afterwards determined by the surveys, and it was regarded as a possibility that the northern Pacific, when it got as far West as the Missouri River, might be deflected so as to join the Canadian Pacific, get the advantage of our easier pass through the mountains, and run on its track to some point west of the mountains where they would again separate; the Northern Pacific passing south to New Westminster, and the Canadian Pacific, seeking the shore of the Pacific Ocean at such point as determined by the surveys.

I favored this scheme, because it not only gave us such a Pacific Railroad as we might desire, but also the advantage of a direct connection with the States of Northern Michigan, Wisconsin, Minnesota, and Dakota, the traffic and produce of which would naturally find its way to and from the seaboard through Canada, as being much the shortest, and consequently the cheapest route, even for the traffic of New York and Boston.

Thus in place of, as has been alleged, sacrificing the interests of Canada to the United States, these plans, if carried out, would have been a greater benefit to Canada than any other scheme of communication that could be desired, and would have given a double communication with Fort Garry. And with regard to this agreement, I most distinctly and explicitly declare, that neither in the agreement itself, nor in any conversation or negotiation connected with it, was there any stipulation, statement, or expressed plan, which had for its object any retardation of the work, or any other purpose, than its completion throughout, at as early a day as would be consistent with reasonable economy in building it. And more particularly I declare, that there was no intention expressed or implied, either in the agreement or in the negotiations which accompanied it, of placing it in the power of the Northern Pacific Railway, or any other company or body of men, to obstruct the enterprise in any manner or way whatever.

I am bound to say here, that these New York gentlemen behaved throughout all my negotiations with them in the most honorable and consistent manner.

Although the organization at first gave them a majority of Directors, when it was thought that this might give rise to objection, they at once agreed that the majority should

be British subjects, residing in Canada; and they consented to abide by all the regulations and conditions that the Parliament or Government of Canada might impose upon them. They never proposed to make the road subservient to the Northern Pacific, nor to use it in any way otherwise than for the best interests of Canada.

It was arranged that the Americans would advance money for necessary preliminary expenses, and they paid in \$40,000 American currency for this purpose.

A large portion of this was spent to their perfect satisfaction; but owing to the subsequent changes in the aspect of affairs, I thought it better, without any application from them, to return to them the entire amount, and I did so. There was no other money contributed by the Americans in any form or for any purpose to which I was a party.

Soon after my return from New York, I wrote to Toronto, with the view of enlisting gentlemen in the scheme, and the first person I applied to was the Hon. D. L. Macpherson, to whom I explained the whole scheme, and asked him to join the organization. This he declined to do, on the plea of its connection with the Americans.

I found the general feeling of the people in Toronto rather cool towards the Pacific Railroad, because their city did not lie on the direct line of the proposed road, though they could not deny the great merits of the scheme in a public point of view.

They feared the western traffic would, by the proposed road, be carried past them to Lower Canada.

No further steps of importance were taken by myself or associates, up to the time of the opening of the Session of Parliament at Ottawa; in respect of the projected company; except that I placed myself in communication with the Government, offering to organize a company which would undertake the construction of the road, and discussing the question of the facilities and aid which the Government would probably recommend to be furnished by the country; and in the course of these discussions and negotiations, I endeavored, as far as possible, to secure for myself the position of President of the projected company, which was the position my associates were willing to allow me, and to which I thought myself entitled from the active part which I took in the great national enterprise to which the agreement and negotiations in question had reference. And as to this point, I had reason to believe from the first that the Government was prepared to admit my claim.

That when the time for the Session of the Canadian Parliament approached, I applied to Mr. Abbott to prepare the requisite legislation; and shortly after Parliament had opened, I proceeded to Ottawa for the purpose of ascertaining how matters were progressing and what prospect there was of a successful prosecution of the undertaking by myself and the persons who were then associated with me. That previous to this time, however, I had communicated with a large number of persons in Canada on the subject of the proposed company, requesting their co-operation and assistance, and endeavoring to induce them to subscribe for stock to such an extent as I thought fair, considering their position and means.

And though I did not meet with any great measure of success in procuring subscriptions of stock, yet it was quite as great as I had anticipated when making my arrangements with the American capitalists. In my negotiations with them, therefore, I provided for the distribution of the stock which those gentlemen were willing to subscribe, or which I believed they would eventually be willing to subscribe upon the formation of the company, as mentioned in my letter of the 28th February, 1872, already referred to.

When I visited Ottawa, as stated in the last paragraph, I ascertained by personal observation and communication with the members of the House, that a strong prejudice had arisen against any connection with American capitalists in the formation of the proposed company; the fear expressed with regard to that subject being that such capitalists would find it for their interest rather to obstruct the Canadian Pacific, and further the construction of the Northern Pacific, than to act in the interests of Canada, by pressing forward the Canadian road. And though I did not share this fear, and always believed, and still believe that the persons who proposed to be associated with me would have gone on with the enterprise in good faith, to the best of their ability, yet I found the

feeling for the moment so strong that I judged it expedient and proper to yield to it, and therefore consented that the legislation to be presented to the House should exclude foreigners from the company, and that the Directors should be exclusively Canadian.

A bill incorporating the Canada Pacific Company was then introduced into the House by Dr. Grant, who had been a prominent advocate of the Canadian Pacific scheme, and had introduced in the last previous Session a similar measure at the instance of the late Mr. Waddington and others, who were then interesting themselves in the project.

Notwithstanding that the Bill which was so introduced, contemplated by its terms the exclusion of foreigners, I did not feel by any means convinced that the Government would insist upon any such condition, believing as I did, and do, that such a proposition was impolitic and unnecessary. I did not, therefore, feel justified in entirely breaking off my connection with my American associates, although I acquainted them with the difficulty which might arise if the Government took the same position which the majority of the people with whom I conversed at Ottawa appeared to do. I was aware that by the terms of the Bill introduced by the Government, they would have a controlling power as to the terms of the contract, and I was willing to abide by their decision as to the extent of interest, if any, which foreigners might be permitted to hold.

And until that decision was communicated to me, I felt in honor bound by the agreement I had made to leave the door open for the entrance of my American associates into the company, unless the contingency arrived of a distinct prohibition by the Government against admitting them. And in informing them of the progress of the affair in Canada, as I did on certain occasions as an individual and without implicating the company, of which I was a member, I consider that I was only acting fairly by them. And I did not intend thereby to bind, and as I conceive did not in any way bind or compromise to my views, the other members of the Canada Pacific Railway Company, with whom I did not think it necessary to communicate at all on the subject of my occasional correspondence with my former American associates; the more especially as that correspondence was entirely private and confidential, and, moreover, was written with such inattention as to accuracy of expression, as might be expected in correspondence intended only to be seen by those to whom it was addressed. During my stay in Ottawa, I had some communication of an informal character with members of the Government, and I found that they were still disposed to recognize the value of my services in endeavoring to organize a company, but in view of the rivalry which appeared to exist in respect to the Pacific scheme, and the strong array of Canadian names which had been obtained by the Inter-Oceanic Company as associates in its project, nothing definite leading me to expect any preference for myself or for the company which I was endeavoring to organize, or indeed anything definite relating to the project, was said by the members of the Government with whom I then communicated. It appeared to me that while their intentions and opinions had been freely expressed to me, when no company other than that which I was proposing to organize was likely to be formed, the presence of competition amongst Canadians for the contract had decided them to allow matters to take their own course, until they should have been enabled to decide, after the formation of the Canadian Companies, what line of conduct would be most conducive to the interests of the country. And there was, therefore, very little said or done during the Session which gave me any clue to the views of the Government with respect to the course of action which they would probably ultimately adopt.

In order to make my narrative intelligible, it is necessary I should recall to mind the Legislation of the Session of 1873, as regards the Pacific Railroad. During that Session, two companies were incorporated with precisely similar powers. The Inter-Oceanic Company, of which Mr. Macpherson was a leading member, and the Canada Pacific Company, in which I took a prominent part. The Acts of Incorporation of these Companies conferred on them no grant or right to the contract. A third Act was passed, a Government measure, which empowered the Government to grant 50,000,000 acres of land, and \$30,000,000 in aid of the construction of the railway, and to contract for its construction and running, either first with any company incorporated for the purpose

during that Session ; or second, with any two or more companies amalgamated for the purpose ; or third, with any company which the Government might create by letters patent for the purpose.

After the Session, the Canadian Pacific Railway Company, of which I was a member, proceeded to organize, and notified the Government that they were prepared to take the contract for building and running the Pacific Railway on the terms and conditions mentioned in the Government Act. They caused the stock books to be opened in various parts of the Dominion, in conformity with the Act, and took such initiatory steps and such other proceedings as were necessary to enable them to act as an organized corporate body. That it soon after became evident to me that the Government would be best pleased to see an amalgamation of the two companies incorporated by Parliament, in order that united action might be secured, and the greatest strength obtained in the formation of a Canadian Company. I therefore opened negotiations with the Inter-Oceanic Company, for the purpose of endeavoring to effect such an amalgamation, and at the same time the Canada Pacific Company placed itself in communication with the Government with relation to the same subject. It was thereupon intimated that the Government were also desirous that the amalgamation should take place. That, thereupon, Mr. Abbott, a member of the Canada Pacific Railway Company, proceeded to Toronto to meet Senator Macpherson, and if possible to arrange terms of amalgamation that would be satisfactory to both companies. And after a discussion of the matter during two or three days, in Toronto, between him and Mr. Macpherson, he reported to the Canada Company that there did not appear to be any material difficulty in the way of our amalgamation, except that the claim which I made to be President of the amalgamated company, and to have the nomination of an equal number of the members in the new Board to that nominated by Mr. Macpherson, could not be acceded to. Mr. Macpherson's proposal was, that he, as representing the Inter-Oceanic Company, should have the nomination of a larger number of members in the amalgamated company than I, and that the question of the Presidency should be left to the Board of Directors. With regard to the Presidency, Mr. Abbott informed the Company that Sir John Macdonald expressed himself as being favorable to my election as President, and that any influence the Government might possess among the members of the amalgamated company, would be exercised for the purpose of aiding in my election to that office ; and that probably the difficulty, as to the nomination of members to the new Board, between myself and Mr. Macpherson, might be obviated in some way. In other respects he reported that he could find no divergence of opinion as to the amalgamation of the two companies between myself and Mr. Macpherson.

After receiving Mr. Abbott's report of the negotiations at Toronto, I felt satisfied that no difficulty would occur in bringing them to a successful termination. And as the late Sir George Cartier happened to be in Montreal shortly afterwards, and I was taking considerable interest in his re-election, I met him, and had an unofficial conversation with him on the subject of the charter, on several occasions urging that the influence of the Government should be used to procure the amalgamation upon such terms as I considered would be just to myself and the company over which I presided.

On the 29th July, 1872, I received a message from Sir George Cartier, asking me to see him the next day. I requested Mr. Abbott to accompany me, and I discussed the whole question with Sir George, who stated his views fully.

He communicated to me a telegram he had received from Sir John A. Macdonald, of which the following is a copy :—

July 26th, 1872.

“ SIR GEORGE CARTIER, Montreal.

“ Have seen Macpherson. He has no personal ambition, but cannot in justice to Ontario concede any preference to Quebec in the matter of the Presidency, or in any other particular. He says the question about the Presidency should be left to the Board. Under these circumstances, I authorize you to assure Allan that the influence

"of the Government will be exercised to secure him the position of President. The other terms to be as agreed on between Macpherson and Abbott. The whole matter to be kept quiet until after the elections. Then the two gentlemen to meet the Privy Council at Ottawa, and settle the terms of a provisional agreement. This is the only practical solution of the difficulty, and should be accepted at once by Allan. Answer.

"(Signed),

JOHN A MACDONALD."

And Sir George Cartier on that occasion gave me the assurance which he was by that telegram authorized by the Premier to convey to me.

That on further discussion with Sir George Cartier as to the course which the Government would probably take with regard to the amalgamation and the contract to be granted, I urged upon him certain modifications of the terms of the above telegram from Sir John Macdonald, and finally, Sir George came to entertain the opinion that I was entitled to have certain of those modifications conceded to me, and expressed his willingness to recommend it to his colleagues. Being desirous of having as definite an expression of opinion from Sir George, as he felt himself justified in giving, I requested that he would put what he stated verbally to me in writing, and accordingly on the 30th July, 1872, he wrote me the following letter :

"Montreal, 30th July, 1872.

"DEAR SIR HUGH,—I enclose you copies of telegrams received from Sir John A. Macdonald ; and with reference to their contents, I would say, that in my opinion the Governor in Council will approve of the amalgamation of your company with the Inter-Oceanic company, under the name of the Canadian Pacific Railway Company ; the Provisional Board of the amalgamated company to be composed of seventeen members, of whom four shall be named from the Province of Quebec, by the Canada Pacific Railway Company ; four from the Province of Ontario, by the Inter-Oceanic Railway Company, and the remainder by the Government ; the amalgamated company to have the power specified in the 10th section of the Act incorporating the Canada Pacific Railway Company, and the agreement of the amalgamation to be executed between the companies within two months from this date.

"The Canada Pacific Company might take the initiative in procuring the amalgamation, and if the Inter-Oceanic Company should not execute an agreement of amalgamation upon such terms, and within such limited time, I think the contemplated arrangement should be made with the Canada Pacific Company under its charter.

"Upon the subscription and payment on account of stock being made, as required by the Act of last Session respecting the Canadian Pacific Railway Company, I have no doubt but that the Governor in Council will agree with the Company for the construction and working of the Canadian Pacific Railway, with such branches as shall be agreed upon, and will grant to the Company all such subsidies and assistance as they are empowered to do by the Government Act. I believe all the advantages which the Government Act empowers the Government to confer upon any company, will be required to enable the works contemplated to be successfully carried through, and I am convinced that they will be accorded to the Company to be formed by amalgamation, or to the Canada Pacific Company, as the case may be.

"I would add, that as I approve of the measures to which I have referred in this I shall use my best endeavours to have them carried into effect.

"Very truly yours,
(Signed),

"GEO. E. CARTIER."

I observe that it has been stated that there was a postscript to the foregoing letter ; I declare, positively, that there was no such thing, and I now exhibit the original letter to the Commission, in support of what I say, but I do not dispossess myself of it. An authentic copy of which, however, is herewith produced and filed, marked "R."

I positively declared, that, up to the date of this letter, I had not any understanding of any kind or description with the Government, either directly or through any other

person than that contained in Sir John Macdonald's telegram of the 26th July, which is given above; and that telegram and the above letter from Sir George Cartier contained everything that was ever stated or agreed to between any member of the Government and myself, on the subject of a Pacific Railway project up to that date.

On the same day that I received the above letter from Sir George Cartier, I informed Sir John A. Macdonald of the substance of it, and asked for his sanction of the views which it contained. But he declined to concur in the terms of Sir George's letter, telegraphing to him (Sir George Cartier) that he would not agree to them, and that he would come down to Montreal and confer with him respecting them.

Hereupon I immediately informed Sir George Cartier that I should consider the letter addressed to me as being withdrawn, and to my knowledge Sir George telegraphed to Sir John that he had seen me, and that as he (Sir John) objected to Sir George's letter, it had been withdrawn. I also telegraphed to Sir John on the same day (July 31st) to the effect that I had seen Sir George Cartier, and that he (Sir John) might return my letter or regard it as waste paper, and that I was satisfied with the telegram of the 26th, as expressive of the views of the Government.

These two telegrams are, I understand, produced by Sir John A. Macdonald with his affidavit.

I positively and explicitly declare, that excepting so far as an understanding between the Government and myself is expressed in the foregoing correspondence, I had no agreement of any kind or description either verbally or in writing, by myself or through any other person, in respect of the contract for the Pacific Railway or of any advantage to be conferred upon me in respect of it.

In one of my letters in the published correspondence, dated 6th August, 1872, I appear to have said, "Yesterday we entered into an agreement." The word "yesterday" was used inadvertently for "recently," or "some days ago."

That this was merely a slip of the pen will appear from the letter following in the published correspondence, and which is dated the day after—7th August—in which, referring to the same agreement, I again use the word "yesterday."

There never had been anything that could be called an agreement, except that arising out of Sir John Macdonald's telegram of the 26th July, which remained untouched, Sir George's letter of the 30th July, which I have just exhibited, and my own to Sir John A. Macdonald being considered withdrawn.

As we were leaving, Sir George said to me, in his usual abrupt manner, "are you now going to assist in our elections," or words to that effect.

I replied, that as on former occasions I would, no doubt, do so to some extent, but I wanted to know how much he required. He said it was impossible to tell, but from the opposition raised to the Pacific Railroad project, it might amount to \$100,000.

I thought this was a large sum, but I felt that the interests involved in the issue of the approaching general elections were most important in an national point of view. It seemed to me to be a question whether the policy of the Administration with reference to railroads, canals, harbors, light houses, and emigration was to be approved of or not; that policy I thought then, and still think, deserving of the support of all those who would really care for the development of the resources of the country. In addition to these public reasons for giving pecuniary assistance to the Government in the late general elections, I had personal reasons, which will be readily appreciated even by those who cannot understand any higher motives. As a person largely interested in the carrying trade, I could not fail to desire the success of every scheme which would increase the communications with the interior of the continent.

In addition to this, my feelings were aroused by the attacks on myself personally, as well as on the Government, the ground of attack on the latter being mainly on its Pacific Railway policy, and as I approved of that policy, I therefore determined to give the Government all the assistance in my power, and in answer to Sir George's request, I asked him to state to me in writing what he wanted me to do.

In the afternoon we again waited on Sir George, and he gave me a letter, of which the following is a copy :—

Private and Confidential.

"MONTREAL, 30th July, 1872.

"DEAR SIR HUGH.—The friends of the Government will expect to be assisted "with funds in the pending elections, and any amount which you or your Company shall "advance for that purpose shall be re-couped to you.

"A memorandum of immediate requirements is below.

"Very truly yours.

(Signed),

"GEO. E. CARTIER."

NOW WANTED.

"Sir John A. Macdonald.....	\$25,000
"Hon. Mr. Langevin.....	15,000
"Sir G. E. C.....	20,000
"Sir J. A. (add'l).....	10,000
"Hon. Mr. Langevin.....	100,000
"Sir G. E. C. (add'l).....	30,000

Question—Have you got that letter in your possession?

Answer—I have, and I hereby produce it before the Commission, but do not wish to dispossess myself of it, an authentic copy is herewith produced and filed, marked "S."

As the letter now appears, the memorandum is for \$110,000, but at the time it was written the three first items amounting to \$60,000 only were mentioned. Sir George said however that they could talk of that afterwards. Accordingly I paid over the three first sums of money to the gentlemen indicated. Afterwards Sir George requested me to send a further amount to Sir John A. Macdonald of \$10,000, and \$10,000 to Mr. Langevin, and \$30,000 to the Central Committee of Elections; and the three sums last mentioned in the memorandum appended to the letter, were then added to it by Sir George. I accordingly remitted \$10,000 to Sir John Macdonald, \$30,000 to the Central Committee, and left \$10,000 with Mr. Abbott for Mr. Langevin, to be paid upon getting from that gentleman a receipt for it. In Sir George Cartier's letter of the 30th July, namely the one to which I have secondly alluded, there is an undertaking on the part of Sir George that my advances would be paid back to me. I did not see well from what source this money could be repaid, but Sir George held out some hope that his political friends would contribute to make it up. Beyond this there was nothing that I can recall as to the manner of repayment. On leaving Sir George, I said to Mr. Abbott, that I saw no possibility of my ever being repaid these contributions. Neither then nor on any other occasion had I any correspondence with Sir George, as to the repayment of these sums.

I left Montreal for Newfoundland I think early in August, and only returned at the end of the month, and except by infrequent telegrams I had no communication with Montreal during that time. Among these telegrams I had two from Mr. Abbott informing me that Sir George wanted \$20,000 more for the Central Committee, and \$10,000 for Sir John. I authorized Mr. Abbott to pay over these sums, and placed the money at his disposal.

I think I also received telegrams from Mr. Abbott, telling me that Mr. Langevin would sign no receipt, and asking my authority to hand him the money without any receipt.

This last telegram did not reach me in time to be acted upon, and I have since learned from Mr. Abbott that Mr. Langevin gave no receipt.

I heard of Sir George's defeat while in Nova Scotia, on my way back. In this way, on my return, I found that the limits of payments which I had first agreed to had been exceeded, and with subsequent advances they finally stood as follows :

To Sir George E. Cartier's Committee.....	\$85,000
To Hon. Sir John A. Macdonald, towards election expenses in Ontario.....	45,000
To Hon. H. L. Langevin, towards electoral expenses in Quebec	32,600
	\$162,600

I also paid, for the assistance of other friends of my own, in connection with the elections, between \$16,000 and \$17,000.

These sums, with the preliminary expenses on the Pacific and various railroads in which I was engaged, more or less directly connected with the Pacific enterprise, made up the amount of my advances to about \$350,000.

After the elections I made another attempt to amalgamate the two companies with the assistance of the Government, by addressing the following letter to the Hon. D. L. Macpherson:—

MONTREAL, September 5th, 1872.

DEAR SIR,

"I received, some time ago, a communication from the Government, informing me that it was deemed advisable that our two companies should unite and form one company, for the construction of the Canadian Pacific Railroad, and expressing a hope that the suggestion would meet with the approval of the two companies. No doubt you also received a similar communication.

"In conformity with the wish of the Government, the Canada Pacific Railroad Company, of which I am President, is prepared to amalgamate with your Inter-Oceanic Company, and I consider it is for both our interests that the amalgamation should take place as soon as possible.

"I have, therefore, directed a meeting of the Provisional Board of my company to be called for the purpose of authorizing the execution of a deed of amalgamation being agreed upon.

"I understood that the Government would approve of such an amalgamation upon the following conditions:—

"1st.—That either of the charters should be the charter of the amalgamated company.

"2nd.—That the Provisional Directors of the amalgamated company should be seven in number, of whom four should be named by you, four by me, and the remainder by the Government.

"3rd.—That the Board thus constituted should elect the Provisional Chairman or President.

"As the Canada Pacific Company has opened stock books in conformity with the Act, and has retained them at the different points required by the Act since they were so opened, I would suggest that the proposed subscription should be inserted in those books, subject to allotment by the Provisional Board, to be constituted under the deed of amalgamation. And the books could then remain open at such points as may be ordered by the Provisional Board for further subscription, either in this country or in England. By thus availing ourselves of the proceedings of the Canada Pacific Company, the time within which the Company can be regularly organized, will be greatly shortened, and the amalgamated company will be in a position, at an early date, to proceed with the financial arrangements requisite for commencing the work next spring.

"I shall be happy to hear from you as early as possible on the subject of these suggestions, with any others which you may feel disposed to make, should you entertain the idea of an amalgamation; and in that event you might consider it desirable to call your Board together, in order to act in concert with our Board in carrying out the amalgamation as soon as possible.

"Arrangements should also be made, and powers obtained, to enable us to negotiate and execute a contract with the Government.

" For this purpose a meeting at Ottawa of an Executive from each Company may be necessary, and I will be prepared to meet you there when required.

" Your obedient servant,
(Signed)

" HUGH ALLAN.

" Hon. D. L. Macpherson,
" Toronto, Ont."

This offer was again rejected, and on grounds similar to those formerly given, and I made no further attempt at amalgamation; but the Government continued in their endeavor to induce the Inter-Oceanic Company to amalgamate, till towards the end of the month of November.

A little before this time, however, a memorandum was communicated to me, which had been received by the Government from the Inter-Oceanic Company, which appeared to destroy the prospect of amalgamation, and although the Canada Company endeavored to remove the objections made by the Inter-Oceanic Company, they failed in doing so, and the idea of amalgamation was shortly afterwards finally abandoned.

Thereupon the Government informed me that it was decided that the contract should not be given to either of the companies alone, but that the Government would incorporate a new company of the prominent members of the two incorporated companies, and any leading Canadians who might be disposed to join them, and able to give assistance, and could be induced to subscribe the stock in the proportions which the government had decided upon, which proportions are those embodied in the charter. And from that time the efforts of all parties interested in the project were directed towards procuring the association together of the most prominent men of both companies in the new company to be incorporated under the terms of the Government Act of the previous Session. And it was, as the result of these efforts, that the present company was formed, composed, in a majority of instances, of gentlemen with whom I had no communication whatever, and not in any respect as the consequence of any understanding between myself and the Government. From that time also, communication between myself and my former associates ceased, having finally been broken off by myself, as soon as I ascertained the desire of the Government. And I state further, positively, that no money derived from any fund, or from any of my former American associates, was expended in assisting my friends, or the friends of the Government, at the recent general elections.

That with regard to the construction which appears to be intended to be placed upon the statements in the letter referred to as to the preliminary expenses connected with the charter, I state most positively and explicitly, that I never made any agreement or came to any understanding of any kind or description with the Government, or any of its members, as to the payment of any sum of money to any one, or in any way whatever, in consideration of receiving the contract for the Canadian Pacific. I declare that I did expend considerable sums of money in various ways, which appeared to me to be advantageous to the company I had organized, and calculated to strengthen my hands in endeavoring to obtain the contract for that company; but that I did not, on any occasion; or in any way, pay or agree to pay anything whatever to any member of the Government, or to any one on behalf or at the instance of the Government, for any consideration whatever, in connection with the charter or contract. As may be gathered from the letters in question, I considered it to be my policy to strengthen my position as far as I possibly could with my own friends and fellow-citizens in the Province of Quebec, and more especially in so far as related to the Montreal Northern Colonization Railway, which I conceived would at some day be the outlet from the Canadian Pacific to the Port of Montreal. And a considerable portion of the money referred to in those letters was expended by me in furtherance of that project in many ways, and it was with these views, in addition to those already stated, I contributed the money referred to, but without any understanding or condition with the person receiving it.

I have already said that my subscription and loans to assist in the elections could not have been a consideration for my getting the Pacific contract, as is alleged in Mr.

Huntington's motion, for on the 30th July nothing was settled. The plan then contemplated, and for months afterwards, was that of an amalgamation of the Pacific and the Inter-Oceanic Companies; the plan finally adopted was the granting of a Charter to an altogether new company of which it is true I was a Director, but in which I had little or no choice of my co-directors and no more influence than that conferred on me by the stock which I might hold. In point of fact, some of the Directors were scarcely known to me, and to the appointment of some I was opposed.

So, in fact, the Canada Pacific incorporated by the Act of the Session of 1873 never got the contract, and never had anything approaching to a promise of it. The contract was given to a body totally different, and including for the most part persons who had nothing to do with that company.

The terms of the charter, the composition of the company, the privileges which were to be granted to it, the proportions in which the stock was to be distributed, having been matters for negotiation and settlement up to the last moment, and were only closed and decided upon while the charter was being prepared in the early part of the present year; and the persons who finally composed the company were only decided upon within a few days of the issue of the charter; I, myself, being permitted to subscribe a similar amount of stock to that subscribed by other prominent members of the company.

With reference to certain private and confidential letters published in the *Montreal Herald*, and to certain statements in those letters which may appear to conflict in some degree with the foregoing, I must, in justice to myself, offer certain explanations. I desire to state, with regard to these letters, that they were written in the confidence of private intercourse, in the midst of many matters engrossing my attention, and probably with less care and circumspection than might have been bestowed upon them had they been intended for publication. At the same time, while in some respects those letters are not strictly accurate, I conceive that the circumstances to a great extent justified or excused the language used in them. With regard to the reference repeatedly made in those letters to the American interest in the stock of the company, as I have already stated, I had made an agreement with the parties to whom those letters were addressed, associating myself with them in a company projected for the construction of the Pacific Railway.

It was a very delicate and unpleasant thing for me bluntly to tell them that I would not carry out the arrangement; besides, although I came gradually to know how strongly opposed the Government was to the introduction of American capital and influence, and that this feeling had taken possession, to a considerable extent, of the public mind: still I had never been formally notified by the Government that it was their intention positively to exclude foreigners and their capital, in the organization of the Pacific Company.

And in consenting to the legislation introduced into the House, I thought I was only deferring to a prejudice which I myself considered without foundation. I did not hesitate to intimate, that if a suitable opportunity offered, they should be permitted to assume a position in the company as nearly like that which they and I had agreed upon as circumstances would permit. And as I entirely disbelieved the statements that were made as to their disposition to obstruct the Canadian Pacific, and considered that they might be of great use in furthering its construction, especially in the event of a failure of the negotiations in England, I had no hesitation in placing myself, individually, in the position of favoring their admission into the company, if circumstances should permit of it. It was in that spirit that what is said in my private letters, now published, was written to the gentlemen to whom they were addressed, and if matters had taken such a turn as to permit, with propriety, of those intentions being carried out, I should have felt myself bound to adhere to them. But, in point of fact, when the discussions as to the mode in which the Company should be formed, were entered upon with the Government late in the Autumn, I came to understand decisively that they could not be admitted, and I notified them of the fact, and that negotiations must cease between us, by a letter which has not been published in the *Herald*, but which was in the following terms:—

" MONTREAL, 24th October, 1872.

" My DEAR MR. McMULLEN,—

" No action has yet (as far as I know) been taken by the Government in the matter of the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect of shutting out our American friends from any participation in the road, and I apprehend all that negotiation is at an end. It is still uncertain how it will be given (the contract), but in any case the Government seem inclined to exact a declaration that no foreigners shall have directly or indirectly any interest in it. But everything is in a state of uncertainty, and I think it is unnecessary for you to visit New York on this business at present, or at all, till you hear what the result is likely to be.

" Public sentiment seems to be decided that the road shall be built by Canadians only.

" Yours truly,

(Signed,)

" HUGH ALLAN."

I desire to state further, with regard to the envelope, and the papers which it contains, which were placed in the hands of the Hon. Mr. Starnes shortly before my departure for England with the delegation of the Pacific Railway, that upon being informed by me that all negotiations between my former American associates and myself on the subject of the Canadian Pacific Railway must cease, large demands were made upon me, by Mr. McMullen, based partly upon alleged expenditure by him, and partly upon a claim by him for compensation for his loss of time and service in the promotion of the enterprise, so long as he and his friends remained connected with it. These demands at first were of so extensive a character, I declined altogether to entertain them. I was disposed to return to my American associates any money which they might have expended in the matter, and I was ready to compensate Mr. McMullen for the loss of his time and his expenses; but it appeared to me that the sum which he demanded was much greater in amount than all such disbursements and expenses could possibly have reached. I felt naturally that by trusting to the honor of my correspondents, and writing to them in a manner somewhat inconsiderate, I had placed it in their power to annoy me by the publication of those letters, and I feared that the outcry which might follow their publication, in the columns of certain papers which have manifested unceasing hostility to the Canadian Pacific Railway, might injure the prospects of the delegation in England. I, therefore, authorized an arrangement to be made with Mr. McMullen, by which a sum, very much less than his original demands should be paid to him, the greater portion at once, but the remaining, and a considerable portion on the delivery of the letters to me, after the present Session of Parliament, should they not be published in the interval. This was accordingly done. Mr. McMullen received the greater part of the sum agreed to, namely \$20,000, and the remainder, namely \$17,500, was placed in one of those envelopes in the form of a cheque, the other envelope containing, to the best of my belief, the same letters which have been published in the Montreal *Herald*, together with one or two others which do not appear there, but which would have established the rupture of all negotiation between the Americans and myself. This arrangement was made on my behalf with Mr. McMullen, without the concurrence or knowledge of any Member of the Government, none of whom were aware that the papers had been deposited in the hands of Mr. Starnes.

Question—With regard to some of these letters which are in the parcel which you have proved, I see in that of the 28th February, 1872, you name a number of gentlemen to whom the stock was to be distributed. Had you obtained the consent of these gentlemen to receive that stock?

Answer—I had not. I did not say that I had in any letter I have written. The mention was that \$4,500,000 of the stock that was to be given to myself, Mr. McMullen and Mr. Smith, was to be distributed amongst such parties in Canada as we thought would be beneficial to the Company; but the intention was that they should pay for their stock the same as any one else. It was never contemplated that it should be given without payment.

Question—Was this letter intended to convey the idea, or did it convey the idea, that these gentlemen had accepted the stock?

Answer—I had no such intention. I merely stated that these would probably be the amounts we would have to contribute from our several stocks. I did not intend to convey the idea that these gentlemen had consented to accept, or had accepted it, in any form.

Question—Did any of those whose names appear here accept the stock?

Answer—None of them, unless they became Directors of the Canadian Pacific Railway

Question—Not at that time?

Answer—No, not at that time.

Question—I see in your letter of June 12th, 1872, this expression:—"I believe I have got the whole arranged through my French friends, by means you are aware of, and we have now a pledge of Sir George that we will have a majority, and other things satisfactory. I have told you all along that this was the true basis of operations, and anything else was powder and shot thrown away, and I think so still?"

Answer—These were merely matters of conversation, and never amounted to anything like a pledge of any kind. I had been communicating with a vast number of people on the subject, and they generally received what I had to say to them favorably, and I thought I had succeeded in securing the good will of all parties regarding it.

Question—There is a letter of the 1st July, directed to Mr. Cass, in which you give a very full account of your proceedings, and a detailed history of the course which you followed for the purpose of obtaining the influence which you desired in Parliament. Will you explain the expressions which you made use of there with respect to the means of securing Sir George Cartier and the majority in Parliament?

Answer—There never was any means used to obtain Sir George Cartier or anyone else, except those I have already alluded to. In conversation with all the gentlemen, and in my intercourse with them from time to time, I was constantly talking to them on this subject; urging them to use all the means in their power, and I generally got their promise to that effect; but I did not use any improper means to acquire anything of that kind at all.

Question—The impression that would be conveyed by this would be that you used some objectionable means for the purpose of purchasing the support of these men?

Answer—I did not; indeed I did not.

Question—You state, "that Sir George then proceeded to give me the contract as required, in a way that there would be seventeen provisional directors, of which Ontario would have eight and we nine, thereby giving us the control. We at once proceeded to organize a company, and they named me President," and so on. What company was that to which you referred?

Answer—The original Canada Pacific; but we never got any contract. It was the opposite way. In the Provisional Company I was made President. It was only a provisional company, and was entirely abandoned.

Question—Am I to understand that there was such a projected company which subsequently resulted in nothing?

Answer—There was, undoubtedly; but it resulted in nothing. There were only two Provisional Companies.

Question—That was the company you announced in your letter to Mr. Cass?

Answer—Yes.

Question—In the letters of the 6th and 7th August, you state that an agreement had been entered into?

Answer—That referred to the letter on 30th July, and to Sir John A. Macdonald's telegram of the 26th July.

Question—That, you state, I think, was an inadvertent statement?

Answer—Yes, it alluded to the letter of the 30th July, and to Sir John A. Macdonald's telegram of 26th July, which was the only agreement ever made.

Question—Sir John's telegram?

Answer—Sir George's letter of the 30th July, founded on Sir John's telegram, but it was subsequently objected to by Sir John, and withdrawn.

Question—Then you state, in a letter of the 16th July, that Sir George Cartier announced to you that he did not intend to give the contract to your Company, and that he never had intended to do so. Is that the first distinct announcement you had?

Answer—Yes; that was the first distinct announcement.

Question—There are several allegations made; you have no doubt seen the published letters of Mr. McMullen?

Answer—Some of them, but I don't think I have seen the whole of them.

Question—There is one published on the 16th July, in the *Montreal Herald*, and it contains an allegation with respect to the payment of several sums of money which he states you alleged to have paid. We will go over these sums in order that you may have an opportunity of stating what you have to say with respect to them. He says that he (meaning you) at one time announced that the \$8,500 of which he speaks had been lent to Sir John Macdonald and Sir Francis Hincks, in sums of \$4,000 and \$4,500 respectively, with a very good knowledge that they were never to be repaid?

Answer—No such transactions ever took place.

Question—Did you ever make such a statement to Mr. McMullen?

Answer—Not to my remembrance.

Question—There is a reference to another sum of \$50,000, about which you said you had some conversation with Sir Francis Hincks, and he said that at his time of life he should prefer an absolute payment of \$50,000 to a percentage on the ultimate profits?

Answer—No such conversation took place. I never spoke to Sir Francis Hincks on the subject of money in my life, in any form, in this connection.

Question—Are you able to state whether you made that statement to Mr. McMullen or not?

Answer—I do not recollect any such conversation.

Question—As to the conversation with Sir Francis Hincks as to securing for his son the position of Secretary to the Company, at a salary of \$2,000?

Answer—That is an entire mistake which Mr. McMullen has made. Sir Francis Hincks applied to me to get his son an appointment in the Warehousing Company at Montreal. I don't know how Mr. McMullen came to know anything about it, but Sir Francis Hincks never applied for his son to be employed on the Pacific Railway. He was looking for employment for his son, and I was President of the Warehousing Company, and without any reference to the railway or the contract, he happened to ask me if I knew of anything that would suit his son, and this quite casually. He asked me something about whether there was anything in the Warehousing Company likely to suit him. I said I did not know, and he never got any appointment.

Question—As to the allegation that several sums had been paid for different newspapers and \$6,000 to Attorney General Ouimet?

Answer—I never paid any sum of any kind to Attorney General Ouimet.

Question—What about the newspapers?

Answer—As to the newspapers, I discounted a note for the proprietors of the *Minerve*, which they agreed to pay in advertising. I think that was the only transaction I had with any newspaper.

Question—What amount was it?

Answer—I think it was \$4,000.

Question—Then there was an indefinite loan of \$10,000 to Sir Francis Hincks?

Answer—I never loaned any money to Sir Francis Hincks.

Question—In addition to the payments spoken of, Mr. Abbott was authorized to promise Mr. Langevin \$25,000 to aid in the elections about Quebec, on condition of his friends' assistance?

Answer—I never heard of that before I saw it in the newspapers. He was not authorized by me.

Question—And Mr. Abbott reported that he had done so?

Answer—He never reported so to me.

Question—Then there is another portion of this letter to which I wish to call your attention. It is as follows:—"After having Sir George sign the agreement as stated in the letter of the 6th August, he commenced paying money; but, as he told me, having Cartier's order in each case, and taking his 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 until he had advanced \$358,000 in addition to the \$40,000 drawn from New York. I promised to submit his statement to my friends in New York, and leave the matter for them to decide!"

Answer—I was absent from the Province during the whole of that time, therefore, the whole of that is impossible.

Question—From what date?

Answer—I left on the 13th of August, and did not return till the 3rd September, and the elections were going on during that time. A large amount of money was paid during my absence and before I went, and there was no money paid that I did not know of before I left, or did not sanction when I was away, therefore I could not positively have made such a statement.

Question—Did you at any time tell Sir George Cartier that you must stop paying the drafts which were coming in so rapidly, unless the whole Government would sanction the bargain?

Answer—No; I never had any interview or conversation with Sir George Cartier on that subject.

Question—The entire conversation you had with him was that already stated?

Answer—Yes.

Question—Do you know if Sir George sent any telegram to Ottawa on this subject, or received any?

Answer—I never saw or heard of any.

Question—You stated that the first intimation you received unfavorable to the admission of your American associates in the enterprise, was that letter of Sir George Cartier's of the 16th July?

Answer—Yes, of the 16th July, 1872.

Question—Had you at any time any stock in your name as a cover for the American capitalists, either in the Canada Pacific Company or in the present chartered company?

Answer—Never. No Americans that I am aware of have the slightest interest in the Canadian Pacific, either direct or indirect. I never had any stock in my name at any time that represented Americans.

Question—Can you state particularly the conversation which passed between you and Sir Francis Hincks at the first interview, when it was suggested to you to apply to American capitalists for assistance?

Answer—At this distance of time I could not give any definite statement of the conversation, but I can give the general terms. Sir Francis Hincks came to my office in Montreal, and pointed out to me the fact, that owing to the union with British Columbia, a railroad of that kind would have to be built; and that the Government had begun to enquire as to the means by which it could be built, and he himself was very anxious about it. They were not prepared to do anything, and had not made up their minds respecting it; but he wished to make enquiry in order to see in what way it could be carried out when the time came. He then stated that he felt very anxious that some of our own people should take it up, and not leave it entirely in the hands of the Americans. He had no objection to American connections, but he thought the principal parties in it ought to be Canadians. He told me of an interview he had had with Mr. Waddington, Mr. Smith, and Mr. McMullen. He strongly recommended me to take up the enterprise, as

being one which must redound greatly to any person who carried it out. He urged that it was a great enterprise; if the promoters succeeded they would be conferring a great benefit on the country. I was very reluctant to go into it at all. I felt that it was too large a matter, and too important, for a man with so much business on his hands as myself to engage in; but he was very urgent and finally persuaded me to agree to enter into it. At the same time I was very reluctant to do so. He then said that the best thing to do was to put myself in communication with those parties who have applied to us; you can make your own arrangement with them. You will find those gentlemen at New York, and you will find them more likely to take it up than the people in England, because they have already constructed two railways across the Continent, and are about commencing a third. They are much more likely to undertake it than our own people, who do not know anything about it, and who would be afraid of so large a sum.

Question—Were you induced by that conversation to enter into communication with your American associates?

Answer—I was.

Question—Then I suppose you attached yourself rather strongly to the idea of building the railway by these means?

Answer—I did. I became, I may say, passionately enamoured of it, and determined that if it could be carried through by any means, even by a large expenditure of my own money, I would carry it through.

Question—Except from Sir Francis Hincks did you receive any encouragement from the Government to enter into communication with your American associates?

Answer—No, never.

Question—From no other members of the Government?

Answer—No. They were very reticent on the subject. After two or three months had elapsed, when it appeared that the West had taken up opposition to it, the Government began to indicate that they were also opposed to it.

Question—Did you ever receive any encouragement from any members of the Government except from Sir Francis Hincks?

Answer—Never.

Question—You felt a good deal disappointed at the result?

Answer—I did indeed; very much disappointed.

Question—With whom originated the idea of a new company, or the amalgamation of the two companies?

Answer—I think it was with Sir John Macdonald the whole of these things originated.

Question—That was against your opinion and wish?

Answer—It was. I was satisfied that the first arrangement would have been most successful.

Question—Do you know when the Government became first acquainted with the agreement between you and your American associates of December, 1871? They were not aware of it at that time?

Answer—No, not for long after.

Question—Not at the time of the legislation of 1872?

Answer—They were aware that negotiations were going on, and had gone on, but they had never seen the agreement.

Question—Did you consider the telegram of Sir John A. Macdonald of the 26th July, as the basis of an agreement to be made?

Answer—Undoubtedly that was the basis and the only basis we had to go upon.

Question—Has that basis been adhered to or departed from?

Answer—As far as it could be, it has been adhered to. It suggested an amalgamation, and at the meeting at Ottawa after the elections I acquiesced in all the proposals, and wrote to Mr. Macpherson, and requested him to meet me in Ottawa, to carry out Sir John's telegram of the 26th July.

Question—By whom was Sir John's disapproval of the letter of the 30th July communicated to you?

Answer—Sir George Cartier communicated it to me on the 31st July, I think; but I think it was not direct to me, but to Mr. Abbott, and through him to me.

Question—I mean the telegrams which followed the letter from Sir George Cartier of the 30th July?

Answer—I sent a telegram upon the 31st, and I think Sir John telegraphed down immediately to Sir George Cartier his objection.

Question—You stated that you were a very large subscriber of money for the support of the elections. That money was subscribed about what period; can you state the time?

Answer—On the 30th July, I agreed to the amount of \$60,000 or \$75,000 I think, as stated in Sir George Cartier's letter. He mentioned the amount he required on that date. I agreed to that, and subsequently within a day or two before I left for Newfoundland, he stated that he wanted a further sum, and I sent him over the letter to put down what he wanted, and he did put it down. I agreed to that also. That was the last I heard of the matter until I had gone to Newfoundland, and when I was in Newfoundland, I received two telegrams, I think from Mr. Abbott, on the subject of money. These telegrams I agreed to. He telegraphed me also with regard to the receipt from Mr. Langevin, but I did not get the telegram and did not know of it at the time.

Question—The letter of Sir George Cartier, of the 24th of August, of which a copy is published, is in these terms:—"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 the amount written by me at the foot of my letter to Sir Hugh Allan, on the 30th ultimo.

(Signed,)

"GEORGE E. CARTIER.

"P. S.—Please also send Sir John Macdonald \$10,000 more on the same terms."

What was meant by these expressions, "the same conditions" and "the same terms"?

Answer—It is difficult to say what Sir George meant by those words. He was not a man with whom you could talk very much, because in all the interviews with him he generally did most of the talking himself, and you could with difficulty say anything. I never understood exactly what he meant on any of these points. I was quite satisfied that he probably felt that he did not like to be under such very heavy obligations, and would endeavor at some future time to make it up by subscription or otherwise. I did not think that he had any very definite idea, and I did not think it would be done.

Question—He says, "as written by me at the foot of my letter to Sir Hugh Allan, of the 30th ultimo?"

Answer—That is the recouping, I suppose?

Question—Did you ever receive any other letter from Sir George Cartier on the subject?"

Answer—Never.

Question—"The friends of the Government will expect to be assisted with funds in the pending elections, and any amount which you or your Company shall advance for that purpose shall be recouped to you." This is the letter to which he refers in the "letter of the 24th August?"

Answer—Yes.

Question—This was all the communication in writing between you?

Answer—That was all the communication I ever had from Sir George on the subject.

Question—And you had no further conversation with him than what you have mentioned which took place on the 30th July?

Answer—I think I only saw him once or twice after the 30th July, previous to my leaving for Newfoundland. I was very much occupied, and during that time we had no further conversation on the subject of the money. He did not require any more than,

Question—Had you any understanding with Sir George or any other member of the Government, or derived from any quarter, that you were to receive certain advantages for the subscriptions which you gave—certain favors from the Government for the subscription which you gave—towards the elections?

Answer—Certainly not.

Question—Had you any expectation of receiving any such favors?

Answer—No, I had not the slightest.

Question—Have you received any favors from the Government?

Answer—I have not.

Question—What is your position in the Canadian Pacific Railway Company?

Answer—I am President of the Company?

Question—Have you any other advantage, than that?

Answer—None whatever, except the paying out of money.

Question—Were you elected President through the influence of the Government?

Answer—Not to my knowledge. I am not aware that the Government exercised any influence over any one. I was elected unanimously, and many of the persons I had never seen before, and did not know.

Question—What was your motive in subscribing so largely? I will ask you a preliminary question. Had you ever subscribed so much in any previous election?

Answer—Never anything like it, and on this occasion I was actuated by a variety of motives. They did not all come into operation at the same time, but from time to time. I was very desirous to support the present Government in its commercial views. The policy that it had inaugurated was entirely according to my feelings and wishes as being right and proper for the development of the country, and for the advantage of the Dominion. They had undertaken a very large emigration scheme, and very large canal expenditure, so as to make our internal communications superior to any other country, and to bring down all produce from the West in this direction, which I was very much interested in their doing. They had undertaken to enlarge the harbor of Montreal to a very great extent. They had undertaken and built a vast number of light-houses all through the Dominion, and their commercial policy was of the most enlightened character, and such as I entirely approved of; and I thought it was my duty, therefore, to sustain that policy, and I was to a large extent influenced by that motive, partly, of course, in consequence of my own interest in it, and partly in consequence of the great development of the country which it was sure to bring about. Then, again, I was interested in the Northern Colonization Road. I had expended a large sum of money in bringing it to the point it had then reached. Its prospects were not so brilliant at that time as they are to-day, and there was some doubt whether it would go on or not, but I saw at once that if the Pacific Railway was built, the Northern Colonization Railway would become a necessity. Montreal especially could not do without it; could not do without a direct connection with the Pacific. That road would have carried all the trade which the Pacific Road might bring across the Continent for shipping by sea. I had a further interest, inasmuch as the members of the present Government were among my own friends and acquaintances; I had known them for many years, and although I am no politician myself, and never voted at a Parliamentary election in my life except once, yet the members of the Government were persons with whom I was always in contact, and I wished to assist them in every way possible. I was also interested, as being largely engaged in the carrying trade, and I saw that my interest was to support the present Government in their position.

Question—You had a very large sum of money invested in your steamships and other enterprises in the country?

Answer—A very large sum.

Question—This sum which you gave amounted to nearly \$400,000; was that not sufficient to cramp you or distress you very much in your monetary affairs?

Answer—Not at all; I gave it entirely from my own funds. I never borrowed nor asked any from any one. I never encroached on the moneys of the firm. I did not

even speak to my brother on the subject, and never drew a shilling from the firm for the purpose. It was entirely out of my own pocket.

Question—Do you know how this money was distributed; how it was spent?

Answer—I know nothing about it.

Question—Sir George Cartier's interview with you was on the 30th July. When he asked you to subscribe, was any allusion made to the contract for the Pacific Railway?

Answer—No, not more than the fact, that the letter was written that morning.

Question—He did not say "you have helped us, we will help you?"

Answer—No.

Question—Did he intimate anything of that kind?

Answer—He did not.

Question—Sir George Cartier, in his letter of the 30th July, mentioned about your being repaid or recouped, I think is the word he used. What did you understand by that; by whom were you to be recouped?

Answer—That is one of the points on which Sir George did not give any explanation. He talked in his usual abrupt manner about money, and he said he would get up a subscription, among the party, to pay me back or at least a portion of it. He did not suppose that he would be able to realize the whole of it, but he talked about getting up a subscription to pay back a portion of it. I myself did not believe that anything of the kind could be done, therefore I placed no confidence in the statement.

Question—Was there anything to justify you in supposing that it would be repaid out of moneys to be devoted to the construction of the Pacific Railway.

Answer—It was impossible, and it could not have been done if he had.

Question—Do you know the Hon. Mr. Foster, Senator?

Answer—I do.

Question—Was Mr. Foster present at any interviews you had with Mr. McMullen?

Answer—I could not say in reality; I am not certain.

Question—Have you ever had any conversation, on the subject of these matters, with him, which are stated in Mr. McMullen's letter?

Answer—I never had any conversation with him on the subject of the Pacific Railway at all, except that he was very anxious to become a director, and I was very anxious to have him one. That is the only point on which I had any conversation with him. He never spoke to me about any of the other matters referred to, so far as I remember.

Question—Can you not say whether he was present or not at any interview you had with Mr. McMullen?

Answer—No, I cannot say.

Question—Did you ever speak to him on any of the subjects respecting those payments of money, or the other allegations made by Mr. McMullen?

Answer—Not that I remember. I think I never did. I may have had a conversation, but in a very slight and indirect manner with Mr. Forster on this subject; but I don't remember ever speaking to him about it.

Question—You say that you were absent from the 13th of August to the 3rd of September?

Answer—I think those were the dates.

Question—Have you with you any memorandum from your books showing when the different payments were made, and to whom they were made?

Answer—I have not.

Question—Can Mr. Abbott state when these payments were made?

Answer—I cannot say. He would be more likely to be able to state them than I would. These different payments were made, I think, as stated in the letter published. I think on the 14th of August a further payment was made in my absence.

Question—Then all the sums except that amount paid on the 14th of August would, I understand, probably have been paid before you left?

Answer—Not the whole of them; probably more than one was paid after I left. I think Mr. Abbott paid three sums after the 13th August.

Question—Would you have the goodness to look at that letter from Sir George Cartier, of the 30th July. I observe that the body of the letter is not in his handwriting, but the signature is his. In whose handwriting is the body of the letter?

Answer—I think it is Mr. Abbott's writing.

Question—Mr. Abbott stood in confidential relations to you apparently. What were they? What was the position in which he stood towards you? Was it as a professional adviser or otherwise?

Answer—Scarcely as a professional adviser, and yet, to some extent, it was so. He was deeply engaged with me in all these railway schemes, and as such we had become closely allied in all matters of this kind. He was with me at all the interviews I had with Sir George Cartier, and I did nothing on any point without consulting him.

Question—Then he was present at the time Sir George Cartier made this appeal to you to subscribe for the assistance of the Government at the elections?

Answer—He was, but his recollection of what took place differs a little from mine. While I think he mentioned \$100,000, Mr. Abbott thinks Sir George did not mention any sum, but only spoke of a large sum.

Question—Was he present at the interview from the first to the last?

Answer—He was.

Question—And had the means of knowing all that passed on the occasion?

Answer—He had.

Question—Did he, or did you, or did Sir George suggest a letter of request to be put in written form?

Answer—I did.

Question—Were the terms of the letter settled at that time?

Answer—They were settled by Sir George himself, I think, without consulting us. He dictated the letter I think to Mr. Abbott, without allowing any interference.

Question—Then this letter was written at the time?

Answer—I am not sure whether it was written at the time or during the interval between the morning and afternoon.

Question—You saw him again in the afternoon?

Answer—Yes.

Question—Was Mr. Abbott present then?

Answer—Yes.

Question—Was it then that the letter was signed?

Answer—Yes.

Question—Had you any conference in the meantime with Mr. Abbott as to the terms of that letter?

Answer—I had not. We did not know what Sir George wanted, or how he proposed to state it at all. We were not going to dictate to him what he should say.

Question—I should like to hear again if you remember the way in which Sir George approached the subject of a money subscription?

Answer—It was in a very abrupt manner. As we were going out at the door after arranging the first letter of the 30th July, he turned about and said:—"Will you help us at our elections?" or "are you going to help us?" or something to that effect.

Question—Did you make a reply?

Answer—I did.

Question—What was it?

Answer—I said that I had been always in the habit of giving something to the elections, and no doubt I would do so on this occasion.

Question—Who spoke next, what was next said?

Answer—I am not sure, but I think it is possible that I said to him "to what extent will you require assistance?" or "what do you want," and I also suggested that he should put in writing what he wanted.

Question—Your recollection is that he said \$100,000 would be wanted?

Answer—Yes, Mr. Abbott thinks he did not mention any definite amount.

Question—After he named that sum, what did you ask him to do ?

Answer—To put the request in writing.

Question—Why did you wish the request in writing ?

Answer—I wished to have some authority for payment, and to know what I was doing ?

Question—What purpose did you think that would serve ?

Answer—Nothing beyond being more satisfactory to myself. Men of business generally require things to be done in that way.

Question—I understood you that notwithstanding what Sir George Cartier had said about making a subscription among his friends, and raising some portion of the same, you yourself had little hope of being recouped ?

Answer—Very little hope indeed.

Question—Why did you think it necessary to have this letter written ?

Answer—Simply because, as I thought, as a man of business, I should have an authority for the large sums of money I was going to pay.

Question—This then is the only document that you have which relates to any agreement or arrangement in respect of that money between you and any member of the Government, or the only one that was ever executed ?

Answer—The only one that I know of.

Question—And no understanding or condition was made, though not expressed in writing, as to the receipt of that money, or as to the mode in which it was to be recouped, or as to some advantage which was to be given to you ?

Answer—None whatever.

Question—I observe in the letter of the 7th August you speak very definitely. Have you a copy of that letter with you ?

Answer—I have not.

Question—The words used are these :—“ It is unnecessary to detail the various phases through which it passed, but the result is, that we yesterday signed an agreement, by which, on certain monetary conditions, they agree to form a company, of which I am to be President to suit my views, to give me and my friends a majority of the stock, and to give the company so formed the contract for building the road on the terms of the Act of Parliament.” You explain, that in using the word “ yesterday ” in your letters of the 5th and 6th of August, written to General Cass and Mr. McMullen, you merely meant to convey the idea that it was recently, the letters having been written in a hurried manner, you never supposing they would be published, and in both you refer to this document and this only ?

Answer—I referred to both letters.

Question—And this letter goes no further than what is contained in both documents ?

Answer—No further.

Question—You say “ signed an agreement.” You were aware that any document which Sir George Cartier signed would not bind the Cabinet ?

Answer—Yes, I was aware of that.

Question—Then why did you use the expression “ signed an agreement ? ”

Answer—It was the expression used in the hurry of the moment, undoubtedly the agreement was just so made.

Question—Was it upon any opinion you had expressed in a letter of the 1st, in which you say :—“ on a calm view of the situation, I am satisfied myself that the decision of the question must ultimately be in the hands of one man, and that man is Sir George Cartier, the leader and chief of the French party, who has held the balance of power between the other factions, and has sustained and kept in office and existence the entire Government for the last five years.” Did you take what Sir George Cartier did as according to your view of the situation equivalent to an agreement with the whole Government ?

Answer—No ; I cannot say that I did. I looked upon it simply as an agreement that he would promote our views when the time came, in the Cabinet, and until the

telegram was made known to me that Sir John Macdonald declined to accede to it, I looked upon it as a kind of agreement.

Question—You are still more definite in your letter to Mr. McMullen of the 6th, wherein you say :—“ He yesterday signed an agreement, by which, on certain monetary conditions, they agreed to form a company of which I am to be President ? ”

Answer—These were merely expressions made use of in consequence of the communication with Sir George Cartier. I had no communication with the Government at all.

Question—And the only documents embodying what you have called an agreement are contained in this letter of the 30th July, by Sir George Cartier, and one other letter ?

Answer—The only ones.

Question—This letter of the 30th July, will you have the goodness to look at it, the longer letter of the 30th July. In whose handwriting is that letter, the body of it ?

Answer—There are two writings in it, and I do not know either of them.

Question—When was that signed ?

Answer—It was signed, I should think, between twelve and one o'clock, on the 30th July.

Question—On the occasion of the first interview ?

Answer—Yes.

Question—On the first interview you say the money was spoken of ?

Answer—Yes, at close of it.

It was immediately after that interview that that letter was signed, and immediately afterwards the money was spoken of.

Question—Was anything said about money before the longer letter of the 30th of July was signed ?

Answer—Nothing whatever.

Question—Was Mr. Abbott present on that occasion also ?

Answer—Yes.

Question—I do not desire to press the question which I am about to put, but I should like you to answer it if you have no objection. It seems a very large sum for anyone to give towards such a purpose, and as I only know by report your means and the extent of the capital employed in the various undertakings in which you are engaged in connection with railway and other great enterprises ; if you have no objection, I should like you to give a general statement of the amount of capital you have in these undertakings. Of course it is a question I do not press, if you do not choose to answer ?

Answer—I have no objection to answer. I consider that my property invested in various ways connected with the country, in business of all kinds, amounts to about \$6,000,000.

Question—Then all the interest that you speak of in connection with your investments in this way would be promoted by the policy of the Government ?

Answer—It was with that intention that I supported them.

Question—Was there any discussion as to the exact terms of this longer letter before it was signed ?

Answer—I think there must have been.

Question—Do you remember what it was ?

Answer—I am not quite certain what it was, but I think I probably wished to have a larger amount of influence in the company than the Government were willing to give me, and I think it was probable that that was the point that we discussed together. I think it was entirely the organization of the Pacific Railway, and I think it only referred to the amount of influence I would have in it, and nothing else.

Question—Claims made by you for more favorable terms, and not conceded by Sir George ?

Answer—Yes.

Question—Are you aware that Sir George at one time, according to the evidence before us, had an opinion entirely unfavorable to the introduction, not merely of American control, but of American capital into this enterprise ?

Answer—I am aware that he had up to the very last moment, when the ultimate contract was signed, and on that day when I had the interview with him in regard to this matter, one of the conditions was that no American capital or control was to be introduced into it.

Question—Did you at any time consider him hostile to the interests you were desirous of promoting?

Answer—I did.

Question—Up to what period did you consider him decidedly hostile to the interests you thought it desirable to promote?

Answer—Up to the time that a committee of his constituents came up to Ottawa and visited him, for the purpose of influencing him on the subject. There was a large meeting held of his principal supporters in Montreal, and they entertaining the opinion generally held in Montreal, as to his hostility to the organization we had formed, appointed a committee to come to Ottawa and assure him, that if he continued that hostility, he would not be re-elected for Montreal. I understood from them afterwards, that Sir George had agreed to abate his hostility, and forward the views expressed by his constituents as far as possible, but I have no doubt it was that hostility which caused the loss of his election in Montreal.

Question—When was that deputation?

Answer—I think it was during the Session of Parliament.

Question—That is the one Mr. Leblanc speaks of?

Answer—The same.

Question—You used all the influence you possessed in endeavoring to mould public opinion in unison with your own views; were you in any way instrumental in stimulating the feeling that prevailed in favor of views which Sir George did not approve of?

Answer—I was no doubt very influential in raising public opinion in Montreal, in favor of the scheme, and there is no doubt that meetings were held and means were used, to diffuse information, which had a great effect in causing a feeling to arise against Sir George Cartier.

Question—Did you know anything of this deputation waiting on Sir George Cartier during the Session; did you know anything of it before it was formed, or of the intention to form it before it was formed, or when did you first become aware of the appointment of the committee?

Answer—I first heard of it in Montreal. There was an intention of sending up a committee for the purpose. I was aware that they had held a meeting and appointed a deputation, but I did not know anything about what the instructions to that committee were, or what the action of the committee was.

Question—When did you first discover that there was a change in Sir George Cartier's views, or that yielding to the pressure of opinion, he was disposed to change them?

Answer—Immediately after the deputation called on him. I was at Ottawa within a few days of or at the time the deputation was here. I happened to meet Sir George, and I thought I observed some change in respect to his views.

Question—Can you fix the date of that?

Answer—I cannot.

Question—Was Parliament in Session at the time you met Sir George?

Answer—I think it was. I think it was within a day or two after that deputation was up here.

Question—You were with a deputation that waited on the Government at Ottawa?

Answer—Yes.

Question—What is your recollection of what occurred on that occasion. What gentlemen were with you representing the interests you were desirous to promote?

Answer—Mr. Smith, Mr. McMullen, and myself, I think, were the only ones to represent that interest. There was perhaps another, but I think there were only three. I think the members of the Government numbered altogether nine or ten, and the discus-

sion was participated in by Sir Francis Hincks and the deputation. Sir George Cartier never spoke during the whole time. Very few of the other members spoke at all. No opinion was expressed by the Government on the subject.

Question—Do you remember what was said?

Answer—I remember that I explained to them the route by which it was proposed to take the Railway, the advantages it would give to the Provinces, the means by which it could be built, and the results that would probably arise from it. I don't think anything was said by any member of the Government except merely asking explanations on points which they did not quite understand.

Question—Was that the interview at which you were asked to make some proposal?

Answer—It was.

Question—What did you say?

Answer—I said, "Are you prepared to accept a proposal if I make one?" Sir John replied, "we are not prepared to accept any proposition;" then I said, "I am not prepared to make one."

Question—Returning to the money question once more, I understand you to say that you had no hope or expectation of receiving that money back again?

Answer—Not the slightest.

Question—You say you got this paper as a sort of business matter, did you make any entry in your books as to the disbursement of that large sum of money?

Answer—In my own private books.

Question—What was the form of the entry?

Answer—I don't keep it in regular style, and make entries in it.

Question—Is there any entry made which would indicate any source from which you expected to have those large sums repaid to you?

Answer—A considerable portion of the money was expended in the Northern Colonization Road. I do expect to get back some portion of that money, because it was legitimately expended for Railway purposes. There was a large amount of money expended on the Pacific Railway, I having paid all the preliminary expenses connected with it. I do not expect to get that back; in all probability I will not. There was a large sum expended on the Ottawa and Toronto Railway. I think when that comes to be organized, I will get that back. I have paid for surveys, and paid the commissioners for getting bonuses from the municipalities, altogether quite a large sum of money, and I expect to get that back. The portion of money paid to assist in the elections directly I don't expect to be repaid.

Question—That is the money you disbursed to Sir George Cartier, Mr. Langevin and Sir John?

Answer—Yes.

Question—And the subsequent moneys, paid through Mr. Abbott?

Answer—Yes, amounting in all to \$162,000.

Question—Did you make any entry in your books about those particular sums. Did you separate them?

Answer—No, I don't think I did. I imagine that my books contain merely a memorandum of the payments.

Question—And you have no claim in any way for their repayment?

Answer—No, not in the slightest.

To Sir John A. Macdonald, through the Chairman:

Question—As I understand it, then, the agreement between you and the Government, or any member of the Government, may be considered to be confined to my telegram of the 26th July?

Answer—I think so.

Question—At the time that that telegram was sent to Sir George, on the 26th July, there had been no conversation with him or any one about helping to contribute to the elections?

Answer—No, not at all; it was after that.

Question—It was after that, so that as far as that agreement was concerned there was no connection between your subscription to the elections and that telegram?

Answer—None at all.

Question—When Sir George and yourself entered into this agreement of the 30th July, varying the terms of my telegram, its terms were settled before there was any discussion about money matters?

Answer—Yes, immediately after those terms were settled the discussion about money matters came up.

Question—Then his letter, my telegram to him of the 26th, and his letter of the 30th July, were all before the conversation took place about the money matter. Then on receiving my telegram, or after having ascertained that I objected to the agreement of the 30th July, you replied to me next day that I might treat your letter as waste paper?

Answer—I am not sure what day it was, but it was a day or two afterwards, at all events.

Question—You authorized Sir George also, to telegraph me that your letter might be regarded as waste paper, and that the agreement was my telegram of the 26th July?

Answer—I did.

Question—Therefore, any sums you may have advanced to aid in the elections, must have been after you were aware that I had rejected that letter of the 30th July of Sir George?

Answer—I cannot say when the actual payments were made.

Question—The agreements were made on the afternoon of the 30th July, and on the 31st you replied that your letter was waste paper?

Answer—I am not sure when the payments were made, but I regarded them at all events, as having been paid without reference to that matter.

Question—You say that you considered it to be to your interest to support the Government and its policy in the various subjects you have mentioned?

Answer—I did.

Question—And that there was a danger that that policy might be discontinued or reversed in case of a change of Government?

Answer—I apprehended it might be so. I did not know that there would be, but I apprehended that there might be.

Question—Now in that communication in that paper, respecting the recouping, he (Sir George), says, "You or your company." What company does it refer to?

Answer—I am not able to explain what company was meant. I can only judge from analogy. Sir George had said before that the Americans were to have nothing to do with it, therefore he could not have meant them. The Canadian Pacific Railway Company was not formed, except provisionally, and had no funds. The only other company that he could have possibly meant, was my own firm, and that never paid any of the money.

Question—Sir George did not know of the agreements between you and the Americans, and could not have any reference to them?

Answer—No; he did not know anything about it.

Question—You never showed him that agreement, or made any communication to him on that matter?

Answer—I did not, nor to any member of the Government.

Question—And you kept that away even, I take it, from the other gentlemen connected with the Canada Pacific Railway?

Answer—Except talking about it in general terms to Mr. Macpherson and the other gentlemen in Toronto; there was no knowledge of it whatever.

Question—Sir George did not know of it; you never told him?

Answer—No, he did not know of it; at least not from me.

Question—I need not ask you about the loan to me of \$4,000?

Answer—I have clearly stated that.

Question—Not a word of truth in it?

Answer—None.

Question—Not only \$4,000, but no dollars at all nor cents?

Answer—None.

Question—You have stated that you did not give authority to Mr. Abbott to make arrangements with Mr. Langevin as spoken of in Mr. McMullen's letter?

Answer—I do not remember speaking to Mr. Abbott at all on the subject.

Question—I remark that you state that you gave a discount to *La Minerve* newspaper. Was that a business transaction?

Answer—A business transaction entirely.

Question—Had it any reference at all to the Government or to the Pacific Railway?

Answer—Not the slightest.

Question—As a matter of fact, was that arrangement between the proprietors of *La Minerve*, or with the individuals composing the firm?

Answer—It was not with the proprietors of *La Minerve*. It was with an individual and not with the company.

Question—You made them a discount at your Bank?

Answer—I don't remember whether it was through the Bank or through myself. It was for a small amount; a mere business transaction.

Question—Then there was no agreement?

Answer—None.

Question—Was there any telegram from me to you approving of or confirming the proceedings of Sir George Cartier as stated by Mr. McMullen?

Answer—You did not telegraph me at all that I knew of.

Question—You received no telegram from me approving of Sir George Cartier's arrangement, and the only acquaintance you have of any telegrams from me was one disapproving of it?

Answer—Exactly.

Question—I see that Mr. McMullen speaks in this interview about your being a large gainer, and that you would be recouped by the Government deposits, to a large extent, in the Merchants' Bank?

Answer—The Merchants' Bank has the smallest amount of Government deposits of any Bank of the same class, so that was quite impossible. The Merchants' Bank collects at various points for the Government, where its other agents have no branches, so there is a very small amount there, much smaller than is usual in other Banks.

Question—Do you happen to remember the amount?

Answer—It varies every day.

Question—Can you state the average?

Answer—I think it is from \$200,000 to \$300,000.

Question—Any profits that might be made on these deposits, to whom would they go?

Answer—To the shareholders of the Bank, of course.

Question—And not to Sir Hugh Allan personally?

Answer—By no means.

Question—You get your portion?

Answer—Yes, my share of the dividend, that is all.

Question—Mr. McMullen states that you prepared a memorandum, setting forth all the telegrams, correspondence, and everything connected with the Pacific Railway, and threatened the Government to publish it, and that then they came to your terms. Is there any truth in that?

Answer—None whatever.

Question—Did you ever make any communication approaching to it?

Answer—None whatever.

Question—It is altogether a falsehood?

Answer—Entirely.

Question by the Commission :

Had you any communication from the Government respecting the suppression of these letters ?

Answer—None whatever.

Question—Or from Sir John, Sir George, or any other member of the Government

Answer—None whatever.

Question by Sir John Macdonald :

There is a statement by Mr. McMullen, that I sent you a telegram, stating, that you had a "big thing," and "must shell out." Did you ever get such a telegram ?

Answer—I never got such a telegram.

Question—Or anything like it ?

Answer—No ; nor anything like it.

Question—When, in one of your letters, which has been referred to, to Mr. McMullen, or Mr. Cass, I forget which, you say, "by the means you know of," did you refer to pecuniary means, or political exertions by yourself, or how ?

Answer—I don't know.

Question—What did you mean when you said in your letter of the 1st July, 1872, that means must be used to influence public opinion ?

Answer—It meant simply by newspaper articles and means of that kind.

Question—Working up public excitement, and so on ?

Answer—Yes, the usual way in which such things are done.

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

And on this 25th day of September, the said witness re-appeared, and made the following addition to his foregoing deposition :

In answering the question, "Was there anything said about the money before the longer letter of the 30th July was signed." I wish to say that nothing was said about money previous to the terms of it being agreed upon, but reference was made to it in a later period of the day.

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 and taken on the nineteenth day of
September, 1873, and acknowledged
on 25th day of said month and year. }

(Signed,) HUGH 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 nineteenth 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 JOHN J. C. ABBOTT, of the City of Montreal, Advocate, who being duly sworn, deposeth and saith :

Question—You reside in Montreal ?

Answer—Yes.

Question—You are an Advocate ?

Answer—Yes.

Question—And a Member of the House of Commons ?

Answer—Yes.

Question—Do you know Sir Hugh Allan ?

Answer—I do.

Question—Have you been connected with him of late years in railroad operations ?

Answer—I have been associated with him in two or three railroad enterprises during the last year or two.

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

Answer—I do.

Question—You are aware of the charges relating to the construction of the Pacific Railroad, and the furnishing of money for the elections, recited in the Commission. Will you have the kindness to state, in detail, what you know of these matters ?

Answer—My first interview with Sir Hugh Allan, on the subject of the Pacific Railway, was very shortly after the Session of 1871. Then I suggested to him that this enterprise would be a fit object for a gentleman of his position and wealth. To that he replied, " Well, put down your ideas in writing," but this I did not do for reasons which it is unnecessary to mention now. I did not take any further steps then. The next I heard of the Pacific Railroad from Sir Hugh, was when he called on me in Montreal, I think in the month of March, 1872, and asked me if I would assist him, as he was going to take up the enterprise. I agreed to do so, and shortly afterwards I met Mr. McMullen at his house in the evening, at a dinner party or something of that sort. He (Sir Hugh) then told me that he had made an arrangement with certain American capitalists to form a company to build this road; that he been in communication with the Government about it, and that he thought they could organise a company that would build it, and that they would get the contract. As far as I recollect, he did not shew me either the contract or the supplementary contract on that occasion. In fact I did not see either the one or the other until within the last few days, except the contract which I saw for a moment at Montreal, in the early part of this year, at a meeting I had with Mr. McMullen and two of his friends, and I have not yet read them carefully. He said that the Americans had sketched a Bill for the incorporation of the company; and that they thought the best mode of getting the road built was by a corporation, and he gave me these two Bills as a sort of basis for the preparation of the Legislation that was required for the incorporation of the company. I took them, and that was about all that passed on that occasion. I was not told who the people were, and I think did not know until a very considerable time afterwards, except that one of them was Mr. J. Gregory Smith. I did not know that there had been any formal agreement executed at that time, or if I had heard that there was, I did not know its nature. It amounted to this, that Sir Hugh Allan, probably recollecting my suggestion to him of the previous year, and knowing that I was frequently engaged, in my professional capacity, in the organization of corporations, applied to me to prepare the necessary Legislation for the company to build the road.

I undertook to do that, and shortly afterwards Parliament met.

I don't know that I had any further interview or conversation, either with Sir Hugh Allan or Mr. McMullen, until after Parliament met. I came up to Ottawa about the first week of the Session, and I found that there was a very considerable feeling in the House against the admission of American influence into the Pacific Railway. In fact, I suggested to Sir Hugh Allan and Mr. McMullen that there probably would be such a feeling, and that if they attempted to give to it the character of an American company, they might not succeed in passing their Bill. When I reached Ottawa, however, I found this feeling much stronger than I had anticipated, and I found then, for the first time,

that a company had been partially organized in Upper Canada. A number of names had been got which were understood to be pledged to the formation of a company to exclude American capital and American control. I conferred with a good many of the Members, and with some of the Ministers, in a general way, about this, and I saw plainly that no charter to incorporate a company to build the road with American capital, or leaving the control of it in the hands of Americans, would be sanctioned by either the House or the Government. A short time after this, Sir Hugh Allan came himself to Ottawa; I think I asked him to come, and I told him what I thought was the position of affairs, and that unless he set himself to work to organize a Canadian company and abandon his American project, he could not succeed in what he wished to do.

Question—About what time was this?

Answer—About three weeks after the opening of the Session. It must have been about the end of April, I should suppose. I had two or three conversations with Sir Hugh Allan on this point, and Mr. McMullen himself had been here before that, and I had expressed the same opinion to him. I told Sir Hugh this in the presence of Mr. McMullen, and after some consideration, Sir Hugh authorized me to proceed with the preparation of a Bill for the incorporation of a company that would entirely exclude American influence and American capital. I should not say American capital, we could not exclude that if people chose to put it in, but entirely to exclude American influence. And I understood from that moment that any agreement that had been made with American capitalists was at an end. Subsequently, I told Sir John Macdonald our conversation; and I also approached Mr. Macpherson, and suggested to him, that as Sir Hugh Allan and his friends were willing to go into a company composed entirely of Canadians, and entirely under the influence and control of Canadians, it would be better if he and his party, which was strong, should join with Sir Hugh Allan and his party which was also strong, in forming one company, for the purpose of taking up this enterprise—that is, one Canadian Company. Mr. Macpherson was not convinced that the connection between Sir Hugh Allan and his American friends had ceased, nor that the influence of those people had ceased in the company; and this was one of the reasons, though not the only reason, for his not yielding to my suggestion to form but one strong company—the strongest company the Dominion could raise—to proceed with the building of the road. Consequently, I then prepared a charter for the Canada Pacific Railway Company, which was the name given to the Company of which Sir Hugh Allan was the prominent man, and the charter of the Inter-Oceanic Company was subsequently prepared and printed in nearly the same language.

Question—They were incorporated by statute?

Answer—Yes; but the incorporation did not take place for a considerable time after that. I think the Canada Pacific Bill was printed first, and the Inter-Oceanic Bill afterwards, containing the clauses of the Canada Pacific Bill, and a few more, and the matter remained in that position until about the beginning of June. The policy of the Government, as I understood, during that interval, was not settled with regard to these companies; that is to say, they seemed to be unwilling that the incorporation of private companies should proceed until their own measure, laying down the principles upon which they were prepared to act in carrying out the enterprise, should have either passed the House, or made such progress before the House, as would enable every one to know what the project was really to be.

After this took place, the Bills were allowed to go before the Standing Committee on Railways.

Question—The policy of the Government then to exclude American influence was known before these Acts of incorporation were passed?

Answer—It was known in this way, that everyone knew that there was a strong feeling on the part of the Government against American influence. No one knew, as far as I am aware, that there had been any distinct decision by the Government, but yet every one in the House distinctly understood, that either the Government, or the greater number of the gentlemen composing the Government, were opposed to American influence being

introduced, into the company, and more especially was Sir George Cartier known to be opposed to it. I know, myself, that on several occasions he expressed himself strongly against the admission of American influence, and appeared to show rather an hostile feeling towards the Allan Company; and to have the idea that they did intend to take the Americans into their organization. For some time he appeared to have that feeling. About the first week in June, I think, the Bills were allowed to go to the Committee.

The Government Bill having been introduced, and its terms made known, the other two Bills were allowed to go to the Committee, and they were passed in exactly the same language. I do not think that there was any difference in them from one end to the other, except in the names of the incorporators. The Canada Pacific Company's Bill had been framed with a clause, excluding absolutely all foreigners from being members of its Board, but the Inter-Oceanic Company's Bill, as prepared, provided only for the exclusion of a majority of foreigners from its Board, and permitted a minority of the company on the Board. Before the Committee, the form of the clause adopted by the Inter-Oceanic Company was inserted in the other Bill, and I believe that both stood, and for that matter stand to this day, allowing a minority of foreign Directors; but up to that time there was this difference, that the Canada Pacific Company had provided for the exclusion of all foreign Directors.

Question—That is, the draft Bill that you prepared for the Canada Pacific Company, expressly excluding Americans?

Answer—Yes, it excluded all foreigners.

Question—The other Bill was in the terms you state, providing for a majority of Canadians?

Answer—Yes. The Bills were read a first and second time, and referred to the Committee on Railways, and in that Committee their terms were assimilated to each other in the form adopted in the Inter-Oceanic Company's Bill.

Question—With the approbation of the promoters?

Answer—Yes; at least I cannot say that the question was ever submitted to the promoters of the Canada Company's Bill. I was representing them before the Committee, and as the Government were desirous of having the Bills in the same terms, and Mr. Macpherson's Company were unwilling to put in a clause excluding foreigners, I yielded to the suggestion that it would be better not to exclude them absolutely, and to make the Canada Company's Bill the same as theirs. Immediately after the Session there was a sort of provisional organization of the Canada Company. They appointed a President and Vice-President, and caused books to be opened throughout the Dominion. The books were opened in the principal towns in every Province in the Dominion, and notices were inserted calling for subscriptions of stock. The greatest possible publicity was given to these notices, and there was no restrictions as to the amount which might be subscribed. The Company were anxious, so far as I knew, to get all the subscriptions they possibly could. The matter remained in that condition.

Question—About what time were those books opened for subscription?

Answer—I think early in July, but I am not quite certain as to the date. Immediately after this provisional organization took place, the Company communicated to the Government the fact that they had so provisionally organized themselves, and applied to be granted the contract. They got no immediate answer to that, but shortly afterwards were informed, I think by a letter from the Government, that the Government desired that an effort should be made for an amalgamation between the two companies.

Question—Did you say that they applied for the charter?

Answer—They applied for the contract, stating their readiness to construct and run the road in accordance with the Government Act. Shortly after this they received an intimation from the Government that they would like to see an amalgamation of the two companies, and they immediately communicated with Mr. Macpherson's Company, urging such an amalgamation, and expressing their readiness to make it on such terms as might be agreed upon; and also communicated to the Government their readiness to do this. Nothing came of it at that time. The elections then came on, and about the com-

menagement of them, I think, I was sent by the Canada Company to Toronto to press upon Mr. Macpherson the amalgamation. I saw him in Toronto, and I also saw Sir Jöhn Macdonald there on one or two occasions. The substance of what passed between Mr. Macpherson and myself is detailed with sufficient accuracy in his own printed and sworn statement. The result was that there were only two points upon which there was any difficulty; one was that Mr. Macpherson could not agree to Sir Hugh Allan being President of the Company; the other was that Sir Hugh Allan would not agree to Mr. Macpherson's naming a preponderance of the Directors of the proposed amalgamated company. These were the two points. This was communicated to Sir John A. Macdonald; and he, at this time endeavored to assist me in bringing about an agreement with Mr. Macpherson. I think he had one or two interviews with him; and when I left Toronto his impression was, as stated to me, that these little difficulties could be got over, and that we would succeed in this amalgamation. That also was my opinion. About the end of July, I think it was on the 29th of July, Sir Hugh Allan called upon me at my office, and asked me to accompany him on the following day, at eleven o'clock, to Sir George Cartier's house. He said that he had an appointment with him at that hour. To the best of my recollection, Sir Hugh is mistaken in saying that I had been with him at previous interviews with Sir George Cartier. I do not think that I was with him except on the occasion of which I have just spoken, namely the appointed meeting of 30th July. Sir Hugh called upon me, and we went to Sir George's rooms, and saw him there. Sir George and Sir Hugh had quite a lengthy discussion, which appeared to me to flow to some extent from previous interviews about the position of these companies, about their amalgamation, about the prospects of the amalgamated company in connection with the railway; in fact on the whole subject; and they came to agree in certain views about the matter, which were stated by Sir George and Sir Hugh plainly enough. The basis of their conversation was the telegram which Sir John A. Macdonald had sent Sir George on the 26th July, and Sir Hugh urged certain additional conditions beyond those mentioned by Sir John A. Macdonald. In point of fact, the telegram of the 26th July, appeared really to settle nothing except what had been perfectly understood from the first, so far as I know, that Sir Hugh Allan was the fittest person to be President of the Company. That the Government considered him so, and considering him so, would use their influence to obtain for him that position; but every thing else connected with the Railway and the enterprise, was to be postponed until the elections were over. This position of affairs did not exactly settle one of the objects for which I understood Sir George and Sir Hugh had met. The people of Montreal, and a very large portion of the people of Lower Canada, were extremely anxious to know something about this railway and its prospects. They thought that the preponderance of the Upper Canada Company meant, that the traffic of the Pacific Railway would be brought down to Toronto, and over the Grand Trunk to Montreal and the seaboard; while the preponderance of the Lower Canada Company would insure a direct communication to Montreal with the Pacific Railway, by means of the Montreal Northern Colonization Railway, which the people were also very much interested in. In the interests of Sir George Cartier's election as well as for other reasons, Sir Hugh appeared desirous of having something more definite settled than was contained in Sir John's telegram. The result was that they appeared to agree upon certain points in which Sir George was disposed to favor Sir Hugh's views. Sir Hugh then said to Sir George,—"Now, if you can put these points in writing for me, as you state them, I think they will satisfy our friends." Sir George was extremely busy, and was not a very ready penman at any time, and he said,—"Mr. Abbott has heard our conversation, let him put down what he understands has passed between us, and come back this afternoon and we will close it up." We then rose to leave, and were leaving the room when Sir George addressed Sir Hugh on the subject of money, in the manner which Sir Hugh has described. He said in an off-hand kind of way, "Are you not going to help us with our elections?" Sir Hugh said he would, or words to that effect, and said, "how much do you want," or "how much do you require?" or something like that. I understood Sir George to say that there would be a considerable sum required, as there was so much opposition on

various grounds. Sir Hugh said, as far as I can recollect, "Well, write down what you want." Sir George said very rapidly, "You know you won't lose it all. Our party will make up the greater part of what you give, but we want it now," or something like that. My memory is very imperfect as to the exact phrases used, as I never endeavored to recollect them until lately, when the matter became the subject of conversation. Sir George then said, "Very well; come back this afternoon. Let Mr. Abbott write a note requesting you to advance this money, and telling you that I will see that you are repaid, and come back this afternoon at such an hour and we will close the whole matter up." We left upon that; I went to my office, sketched a letter about the railway affair, either by dictation or otherwise, I don't remember now, corrected it, and had it copied.

Question—I would call your attention to these two letters now.

Answer—I sketched those two letters.

Question—You saw them, I suppose?

Answer—I sketched them; I drew them. I sketched those two letters roughly, knowing, I thought, what to say with regard to the first—the railway affair—but knowing very little about the other. Sir Hugh called upon me, and I took these two letters I had sketched to Sir George Cartier's office with Sir Hugh Allan. The first letter referring to the railway, Sir George was satisfied with as to the first two pages of it, but not with the third. The letter was written upon three leaves. He was satisfied with the first two leaves, but the conclusion of the letter did not exactly please him. He said "leave that off, and I will dictate to you what conclusion to put to it." He then dictated the four or five lines which constitute the last sentence of the letter as published; signed it, and handed it to Sir Hugh Allan. The other letter with respect to the money he did not approve of, and struck his pen through the most of it, I think, if not the whole of it; wrote a few words upon the draft, and requested me to write it over for him, which I did either from his dictation, or from the draft so altered by him. These are the two letters which Sir Hugh has produced this morning. I find that my recollection differs a little, but not materially, from that of Sir Hugh, I think that the terms of the first letter referring to the railway were agreed to, but that it was not written or signed at the first interview; that is we were leaving, and after the terms had been agreed to, Sir George spoke to him about the money in the manner in which Sir Hugh Allan has indicated, and that in the afternoon the two letters were signed. That is my recollection of the circumstances connected with that. Subsequently, in fact I think some time after this, the question of the amalgamation of the two companies was revived. We received an informal intimation from the Government, or some member of the Government, that it would be well to have a meeting at Ottawa, I think in the latter end of the month of September, with the Inter-Oceanic Company, or with leading men from that company, carrying out precisely, as I understood it, the télégram of Sir John A. Macdonald of the 26th July. Several members of the Canada Company came to Ottawa accordingly, and some gentlemen I think connected with the Inter-Oceanic Company also came, but of this I am not quite sure. At all events, on our arrival here, or shortly after, we were informed that the Inter-Oceanic Company had sent in a memorandum giving reasons for declining the amalgamation.

Question—Is that memorandum published in the Blue Book?

Answer—Yes, the first one. We saw several members of the Government about it, and requested to have a copy of that paper, that we might have an opportunity of answering it. They urged upon us to endeavor to answer it in such a manner as to remove the objections of the Inter-Oceanic Company if possible, rather than get into an altercation with them, and so increase the difficulties of amalgamation. The paper was not communicated to us at Ottawa, but a copy was sent to us at Montreal. The answer was drawn up, as we thought, in a very conciliatory spirit; urging the amalgamation strongly, and endeavoring to dispose of the grounds of objection raised by the Inter-Oceanic Company, and doing all that we could to endeavour to bring about an amalgamation. This answer was communicated to the Inter-Oceanic Company, and they replied to it I think.

Question—Was that the document of the 12th of October, signed by Sir Hugh Allan, yourself, and Mr Beaubien ?

Answer—Yes ; but I cannot remember the date. We were the Provisional Committee. An answer was sent to that, which, I think, is also printed. On seeing that answer we thought that the attempt to amalgamate would prove unsuccessful, and I do not think the Canada Company took any further steps to bring about an amalgamation ; but we were informed that the Government had taken up the matter, and were making an effort, and of Sir John A. Macdonald's visit to Toronto to see Mr. Macpherson ; and the probability at first of his succeeding, and afterwards of his failure. These efforts were commenced before the elections, suspended to some extent during the elections, and re-commenced towards the end of September and carried on until the end of November, with every desire, I think, on the part of the Canada Company to have them successful. After this, I think, either at the end of November or the beginning of December, late in the autumn, at all events, Sir Hugh Allan was informed, and I myself I think verbally, also, that the Government intended to form a Company under the power given them by their Act ; that they did not think that it would be proper to give the contract to either company incorporated ; that these companies were to a very considerable extent sectional, and the company which should get the contract must be one that would fairly represent the whole Dominion. The Government then stated that they were endeavoring to get together a company composed of such men as would fairly represent the whole Dominion, and would command confidence here and in England, where it was supposed the funds were to be obtained for building the road. Shortly after this a few of the gentlemen, whom the Government had been consulting about the company, met in Ottawa, and perhaps every week or so they met again, their numbers being increased each time by persons who were thought fit to come, and who were encouraged to come in. I think that in January the number had been pretty nearly filled up, and the framing of the charter was proceeded with. At the meetings here I had always taken an active part, and given a good deal of attention to the whole subject, and I came gradually to be put forward without any formal appointment to represent those gentlemen in settling the details of the charter ; and the Government corresponded with me on several occasions in that sense, and caused me to visit Ottawa to meet members of the Government for the purpose of working up the charter. And in that way during the month of January, and I think up to the 5th of February, the clauses of the charter were discussed and the charter framed after a very great deal of discussion and attention on both sides. It was framed as it now is, and was issued about the 5th of February of this year, in the form which it now assumes.

Question—What number of interviews had you with the Government ?

Answer—We had several interviews with the whole Cabinet, but the details of the Charter were settled chiefly with Sir John A. Macdonald and the Hon. Mr. Campbell.

I don't know whether any narrative I could give you, could proceed further than that I have given ; but any further questions which the Commission may choose to put me I will be happy to answer.

Question—Did you know of the correspondence between Sir Hugh Allan and Mr. McMullen and Mr. Smith, while it was going on ?

Answer—Nothing whatever. I had no idea of it at all.

Question—Have you any personal knowledge about these telegrams on the 30th and 31st of July, to Sir George Cartier, respecting that letter of the 30th of July, embodying the new terms of agreement ?

Answer—No. I had no knowledge of them until very recently. I was under the impression, until some time ago, that Sir John A. Macdonald concurred in Sir George Cartier's letter, but I cannot at this moment remember what caused that impression. It was without any foundation whatever, I am satisfied now.

Question—Were you present at any of the meetings between Sir Hugh Allan and Mr. McMullen, except the one you have mentioned ?

Answer—I had an informal meeting on one occasion early in the Session, when I

informed them—Sir Hugh Allan and Mr. McMullen—that unless the American project was laid aside, it would be useless to attempt to carry out their enterprise. I met them both frequently afterwards.

Question—You have seen Mr. McMullen's published letter of July ?

Answer—Yes.

Question—Do you remember the statements made with respect to the payments of, or promises of sums of money ?

Answer—I don't remember sufficiently well what promise you refer to.

Question—The first is, that Sir Hugh Allan announced to Mr. Smith and Mr. McMullen that \$3,500 had been lent to Sir John A. Macdonald and Sir Francis Hincks ?

Answer—I know nothing whatever of that.

Question—It also speaks of \$50,000 which Sir Hugh Allan said it was necessary to pay to Sir Francis Hincks ?

Answer—I never heard of that, except in the newspapers.

Question—Did you over-hear Sir Hugh Allan mention either of these sums, or that they were expected by the parties to whom they were given ?

Answer—No, never.

Question—Then the letter says : "In addition to the payments spoken of, Mr. Abbott was authorized to promise Mr. Langevin \$25,000 to aid in the elections about Quebec, on condition of his friendly assistance, and Mr. Abbott reported that he had done so ?"

Answer—As regards that I think it is necessary to make a statement. In the first place the statement in that form is entirely untrue ; but it is quite true that I had a conversation, early in the Session with Mr. Langevin about the expenses incurred in the elections at Quebec. Mr. Langevin mentioned to me that at the previous general elections he had been obliged to expend a very considerable sum of money, not very large in itself, but large comparatively, and he said he did not think it fair that the burden of those elections should rest entirely on him. He said he thought he ought to have a share of any funds subscribed in Montreal for election purposes to assist in Quebec, which he had not had in previous elections, and that they could not expect much of a subscription from Quebec to help the Government. I agreed with him in thinking that it was unfair that he should bear the burden of the Quebec elections, and I told him that in so far as I could have any influence in the matter I would try that he should have a portion of any fund which might be got up in Montreal for general election purposes. Talking over matters—and I think it is this that Mr. McMullen speaks of—it came out in conversation that probably the elections would cost in the District of Quebec, irrespective of his own, a sum of \$25,000 or \$30,000. I told him that as far as I could influence the matter I would endeavor to get something like that amount allotted to the District of Quebec. That is what took place between Mr. Langevin and myself. I did not at that time make any allusion to the position of the Canada Pacific and its charter. I knew Mr. Langevin was a strong Lower Canadian, and I thought that his friends were all in favor of arranging the Pacific matter in such a way that there should be direct communication with the seaboard at Quebec and Montreal ; and I assumed that in any matter in which he could support the views of the Lower Canadians he would do so, and we did not wish anything more. I never said anything more ; I never reported that I had made any arrangement with Mr. Langevin ; though, no doubt, I did mention it to Sir Hugh Allan, that if we got up a fund, Mr. Langevin should have a part of it to the extent of \$25,000.

Question—Did you communicate this to Mr. McMullen ?

Answer—It is not likely that I would do so ; though Mr. McMullen appears to have become aware of it. But there has been so much spying and betrayal of private documents and abstraction of private letters in the course of this affair, that it is impossible to say how Mr. McMullen became possessed of it.

Question—I do not understand you ?

Answer—I mean that nearly if not all the papers published in the press relating to this Pacific affair have been obtained by illegal if not criminal means. For instance, the

four papers which were published at the end of Mr. McMullen's second letter, must have been obtained by means which I think I may call criminal.

Question—What papers do you refer to?

Answer—I refer to the two telegrams and the receipts, the one from Sir John Macdonald to me, the one from me to Sir John Macdonald, the letter of Sir George Cartier to me, and the receipt of the Montreal Committee to me.

Question—In whose possession were they?

Answer—These papers were in my possession during the absence of Sir Hugh Allan in Newfoundland.

Question—Have you them yet?

Answer—No, I gave them to Sir Hugh Allan when he returned from Newfoundland; and it is quite obvious, at all events I am convinced of the fact, that those papers were either stolen from the private drawer in which they were kept while in my possession, or from the place in which Sir Hugh Allan put them.

Question—You say Sir Hugh Allan has them now?

Answer—I don't say he has them; I say I gave them to him on his return in September, 1872. I don't suppose these gentlemen had the originals in their possession, but they must have obtained them by bribing a confidential clerk or secretary who had access to them to copy them. For these reasons, I say I don't know how Mr. McMullen got his information. It is barely possible that he could have heard it from Sir Hugh Allan or myself.

Question—You were acting as confidential agent to Sir Hugh Allan with respect to the money?

Answer—No, I don't think I was. Sir Hugh Allan asked me to assist him in this affair. I think the preponderance of his motive was that my professional practice had led me in the direction of this kind of business—the organization of companies. I also took an interest as a public man in this particular railway, but I considered I was acting more as the solicitor of Sir Hugh than in any other capacity I can describe. I never was in any sense his agent.

Question—I think you were made the medium through which the moneys were paid for election purposes?

Answer—Only while Sir Hugh was in Newfoundland. I never had anything further to do with the moneys than this. I was present when those letters which I have described were talked about and signed, and when Sir Hugh Allan left for Newfoundland I was made the medium of communication with him with respect to three or four transactions.

Question—Did any other sums come into your possession other than those subscribed by Sir Hugh?

Answer—None whatever. I had nothing whatever to do with the distribution of the money subscribed for the elections.

Question—What was the amount paid through you by Sir Hugh Allan for the elections?

Answer—The first amount was \$10,000.

Question—At what date?

Answer—I think it must have been about the 8th or 10th of August. It was \$10,000 which he left in my hands to be given to Mr. Langevin. He wrote to Mr. Langevin, I think, informing him that the money was in my possession, and that on his giving me a receipt for it I would pay it. The first I heard of Mr. Langevin's action was his telegraphing me to meet him on the Quebec boat, which I did, on his way down to Quebec. He said he had received a letter from Sir Hugh Allan saying that on giving a receipt I would give him the money. He said he could not understand why such a receipt was asked from him. I told him I did not see that there was any reason for it either, and I did not think that there was any particular reason. He then said that he would have nothing to do with it; that he could not give me any receipt. He did not know what Sir Hugh Allan's reason was for asking it, and at all events he would not give any receipt.

whatever. It looked to him as if it might be said that it was not a free subscription to the elections at Quebec which Sir George Cartier had promised him, and unless it was he would not take it at all; and, moreover, he would on his arrival at Quebec return the \$15,000 which Sir George Cartier had previously caused to be sent him. He appeared to me to be a little excited about the matter. I left him upon his expressing his determination not only to refuse that money but to send back the \$15,000 which was the sum first paid. I telegraphed Sir Hugh Allan, saying that Mr. Langevin did not feel disposed to give any receipt, and asking his authority to give Mr. Langevin the money without a receipt. I did not get an answer within two or three days, and knowing that the elections were going on, and that the money would probably be wanted, I took the responsibility of sending the money to Mr. Langevin by express, and wrote him at the same time telling him that I had done so.

The second sum, namely:—\$20,000, was paid to the Montreal Central Committee, I getting Sir Hugh Allan's authority to pay it, by telegraph. The third sum was \$10,000, respecting which Sir John Macdonald telegraphed me. That I also informed Sir Hugh of, and obtained by telegraph his authority to pay it. I think these were all the sums of money I had anything to do with. I kept these vouchers, these letters and telegrams, in my private drawer in my office until Sir Hugh Allan returned from Newfoundland, and then I gave them to him.

Question—Were they out of your possession at all?

Answer—Not that I know of.

Question—The \$20,000 was given upon this letter of Sir George Cartier's to you of August 24th?

Answer—Yes.

Question—You are familiar, of course, with the terms of it, namely: "On the same conditions as the amount written by me at the foot of the letter to Sir Hugh Allan of the 30th ultimo. Please send Sir John Macdonald \$10,000 more on the same terms." What did you understand by those expressions in Sir George's letter to you?

Answer—I understood him to refer to the letter of the 30th July, in which he informed Sir Hugh Allan that any advances he made would be recouped.

Question—There were two letters of that date, both drafted by you in the first instance, then portions of them rejected, and the whole modified by Sir George. Do you remember the terms of your draft of your letter?

Answer—No, I do not. My impression is that the third sheet of the longer letter was rejected because the conclusion did not please him, and my idea was that the objection was hypercritical, as it only referred to the phraseology.

Question—Not to the matter, but only to the form of expression?

Answer—Yes. You will perceive that the conclusion of the letter is a sort of statement that these being his views he would urge them upon his colleagues. The form in which the draft concluded was a little different from that, but not materially. He preferred his form, and he dictated it to me, and I wrote it as you see it.

Question—What was your draft relating to the money?

Answer—I think it was about the same length as the one produced, but I cannot say positively. I had great difficulty, I remember, in saying anything about the details, because I did not understand how it could be recouped, and did not believe that Sir George could raise such a sum of money, as he described, from his party.

Question—Were there in the draft any special terms or conditions upon which the money was to be advanced?

Answer—I think not.

Question—Do you think it corresponded in general meaning with the letter that is produced?

Answer—I think so. I think it made some mention of the money being repaid out of such money or fund as could properly be appropriated to the purpose. It was a perfectly harmless letter, and one perhaps less open to misconstruction than the one which has been produced.

Question—There was no difference as to the substance?

Answer—Not that I recollect. Sir Hugh Allan informed me that he did not attach the slightest importance to the promise of repayment.

I think, if the Commission will allow me to refer to it, I remember a statement which appears in a Chicago paper, said to have been made by Mr. McMullen to some newspaper editor there, respecting an agreement which he says was executed subsequently to the 30th July, and he mentions a circumstance which he appears to think confirms his position in connection with the agreement. He says it was written by three clerks in my office, so that none of them might know its contents. No such agreement was ever prepared or written; but, as a matter of fact, the first letter which has appeared before your Honors was written by three clerks in my office. The first two pages were written by two different clerks, and the third leaf was written by a third clerk, and that is the paper of which some person, I have not the slightest doubt who, has been willing to betray confidence, has given him an inaccurate description, and caused Mr. McMullen to suppose that it was a different paper from that produced.

Question—Why was it written by three clerks?

Answer—Simply because the space of time between the interviews was so short, I had to write it out or dictate it, get it extended, corrected and recopied, and so I placed one sheet in the hands of each clerk to save time. If I had supposed it possible that any one of those clerks could have been bribed to disclose the contents of the paper, I might have been more anxious to prevent their knowing what it contained, but I had no such idea and no such motive.

Question—Were you present at any other interview, or do you know of any communication between Sir Hugh Allan and any members of the Government in relation to the subscription of money for the elections?

Answer—No, I never heard of any other.

Question—Do you know how these moneys were spent at all?

Answer—I cannot say that I do. I have a general knowledge that they were expended in furthering the elections in different parts of the Province.

Question—Sir George Cartier's election?

Answer—Yes, and other elections. I do not know many of the details; I have personal knowledge of scarcely any of them. I was not a member of his committee, and did not take part in his election, as I had enough to do in attending to my own.

Question—Did you ever hear from Sir Hugh Allan an expression of expectation of receiving any advantage from the Government?

Answer—He certainly had the expectation of receiving advantage. He expected to retain in power the Government whose policy he approved of; but as to the Pacific charter, beyond sustaining in power the Government which was disposed to carry out the building of the Pacific Railway, I most unhesitatingly say that I never heard a word from him.

Question—You were in very intimate relations with him on this subject?

Answer—Yes. I did not see him very often, but he seemed to speak to me without any reserve.

Question—Do you know Mr. Foster?

Answer—Yes.

Question—Was he present at any of your interviews with Mr. McMullen?

Answer—I think he was present at the interviews with Mr. McMullen during the Session. He was one of the Directors of the Canada Pacific Railway Company, and we desired to get him on the Board of the Canadian Pacific. He is a man of considerable railway experience, and I believe of capital. He was entirely in the confidence of the company, and during the Session of 1872 assisted, to some extent, in getting the Bill through. And I have no doubt that Mr. Foster, Mr. McMullen, and myself, frequently met during that Session.

Question—Did you ever have any conversation, in Mr. Foster's presence, in relation to any sums of money to be paid to the Government or any member of it?

Answer—To the best of my recollection, no. Nothing of that sort was ever contem-

plated at all to my knowledge, either during the Session or afterwards. The election fund, to which Sir Hugh Allan afterwards contributed, was not, I think, spoken of at all during the Session, except as I have previously stated. After the Session I saw very little of Mr. Foster, and nothing at all of Mr. McMullen for a considerable time.

Question—Sir Hugh Allan mentioned that he had never given anything so large at any previous elections. Did it occur to you that this was a very large sum for him to give on this occasion?

Answer—I knew nothing of what he had given on previous occasions, but I certainly thought that this was a very large sum for him to give. At the same time it must be observed that he did not agree deliberately to subscribe the whole of this sum at once. He contributed from time to time as the elections went on and as the money was needed. Probably he might have hesitated at subscribing so large a sum at once, but the feelings and interests which he himself has described probably led him as the money was needed, to continue his contributions to a larger sum than he originally intended.

Question—Do you know of any other facts which will throw light on his motives in giving this large sum?

Answer—No; most certainly not. To my own mind Sir Hugh Allan's motives as described by him are perfectly clear. He is interested in the carrying trade to an enormous extent. About \$3,000,000 of his fortune is invested in the carrying trade alone. I mean in seagoing steamers alone. He has also a large amount of money invested in the inland carrying trade. He was forced, as he imagined, and not unwillingly, perhaps, to enter into an organization for an extensive series of railways, providing for a second communication between the seaboard and the interior of the country. He had taken up with a vast deal of energy and enthusiasm this Pacific Railway scheme. He had been himself a member of the Canal Commission, if not the Chairman of it, and had taken great interest in that. On every one of these subjects the Government had a policy which was favorable to his views, and in my opinion three times the sum would have been well spent if it had been necessary to keep a Government in power, which had according to his views, and my own too, the improvement of the country so deeply at heart as this Government appeared to have.

Question—Did he think so at that time?

Answer—Yes, certainly.

Question—Did it not strike you as strange that he should contribute so largely?

Answer—Not at all strange, considering his position and his objects.

Question—You say that you had several interviews with the Government, and more particularly with Sir John Macdonald and Hon. Mr. Campbell, discussing the terms of the charter before it was finally settled. Did you propose any modifications in the original draft.

Answer—Yes. The work which was done during, I think, about a fortnight of very close application to the charter was of two kinds. One was a very critical examination of the phrases and language of the charter, and that took up a good deal of time. The other did not take up so much time, namely, the discussion of certain modifications which were suggested on both sides to the original draft. I made several suggestions, some of which were approved, and some of which were rejected.

Question—What was the general nature of the modifications you suggested?

Answer—I suggested, I remember, as one thing of importance, that there should be power granted to the company to issue a further amount of stock, and Sir Hugh Allan had that very deeply at heart indeed, because he feared that an application to English capitalists to obtain money might be unsuccessful if these capitalists were not to have any share in the prospective advantages of the road. That was discussed at considerable length with the Government, and finally the matter was submitted to the Government itself, and Sir Hugh Allan's views on this subject and my own were overruled. There were several other points on which I desired to have modifications, for instance the amount of bonds per mile. I thought that it was too small.

Question—Did your views prevail?

Answer—They did not prevail in that respect. I remember another subject which was considerably discussed, namely, as to the mode and in what proportions the money and lands were to be paid to the company for the construction of the road. The original design was that they should be paid on the certificate of the Government Engineer. My idea was that there might be a difference of opinion between the Government Engineer and the Company, and I was anxious that there might be some independent tribunal to which the question should be referred, and finally a very guarded clause was introduced which provided a referee or referees for that purpose.

Question—Did you propose any modification in the original draft, having reference to the admission of American capital or American control?

Answer—No; quite the contrary. From the moment I prepared the Bill for the House of Commons I considered that the design of introducing American influence and control into the road was abandoned. I did not regard it as impossible that it might be revived; that might depend upon the policy of the Government; but as far as I know the idea of carrying out the road by American influence and capital, was abandoned. My impression was that Sir Hugh Allan, while he authorized the organization being proceeded with on that ground, still appeared to entertain in his own mind the idea that some time or other we might be obliged to have recourse to American capital. That is the way in which I account for his having continued in private correspondence with the Americans. So far as I and the company were concerned, there was not the slightest idea of the introduction of American influence and capital. My efforts were directed to framing the charter, or assisting the Government to frame the charter, so as to exclude the possibility of it.

Question—Were you present in Ottawa at the time the names of the gentlemen who appear in the charter were settled on?

Answer—They were not all settled on at once. It was a work of some time to collect together the Directors of the Company. I am aware that several gentlemen were spoken to, others were corresponded with, several came to Ottawa and saw the Government; and one by one fit people were selected from one part of the Dominion or another until the full complement of thirteen was decided upon. I think the last one was not entirely settled upon until within two or three days of the signing of the charter. I refer to Mr. Hall. He was not finally selected until two or three days before the charter was signed, partly because Sir Hugh Allan and myself had urged the appointment of some one suggested by Mr. Foster, and partly because Mr. Foster himself was desirous of being represented on the Board, and partly, I believe, because Sir George Cartier had expressed a wish that Mr. Foster should be on the Board or represented on it.

Question—Did you come to Ottawa instructed by the Company, or prepared to submit any names as Directors to the Government?

Answer—No.

Question—Did you submit any names?

Answer—No; I never did. The only name on the Board that was submitted by any member of the Company?

Question—Do you mean the Canada Company?

Answer—No. The Canada Company ceased to have any existence I may say, for the purpose of this Railway, when the design of amalgamating it with the Inter-Oceanic Company was abandoned.

Question—Still to some extent the interests of the Canada Company were represented?

Answer—No; not in the slightest degree. When the project of amalgamation was abandoned, several gentlemen independent of any company were asked to come to Ottawa to meet, with the view of discussing the details connected with a company. I have not a very precise idea of the way they were got together at first, but I know that five or six gentlemen, who desired to be interested in the formation of a new company, met at Ottawa, and the Canada Company had no more to do with it than any imaginable company out of the realm.

Question—Do you know if Sir Hugh Allan suggested any names to the Government?

Answer—Yes; I know he suggested the name of Mr. Beaudry.

Question—Any others?

Answer—No others that were accepted. The only one I believe that Sir Hugh Allan was the means of introducing into the company was Mr. Beaudry.

To Sir John A. Macdonald through the Chairman:

Question—Speaking of the terms which were granted to the Canadian Pacific Railway Company by the charter, and supposing that Sir Hugh Allan had had no connection in any way with the company, from what you know of the policy of the Government, and from the communications between members of the Government and yourself and the Board, would not the same terms have been granted?

Answer—I have not the least doubt they would. I think the terms of the contract and charter were settled without the remotest reference to Sir Hugh Allan any more than to any other member of the Board. I never knew a suggestion of his, however much it might be pressed, if it appeared unreasonable, that was not rejected without ceremony. I don't know of any favor or concession ever having been made to him.

Question—Then you are satisfied that if the construction of the road had been confided to the Inter-Oceanic Company, they would have got the same terms?

Answer—I am quite satisfied of it.

Question—Then these subscriptions for election purposes had no effect on the charter?

Answer—No. So far as I knew, and I believe I was in a position to know as much as any one, the subscriptions for the elections had no influence whatever upon the negotiations. I never heard them referred to.

Question—Was it not the case that every effort made by Sir Hugh Allan to get any preponderance to his sectional influence was overruled?

Answer—I don't know that he made any special effort to give a preponderance to his sectional interests in the Canadian Pacific Company, but in the Canadian Pacific Company, the efforts that he made were overruled; for instance, I know that he made some suggestions in respect to the amalgamation, and they were overruled.

Question—There is a quotation made in one of Mr. McMullen's letters. A series of paragraphs from the paper, communicated by the Canada Pacific Company to the Government, stating distinctly that so far as that Company was concerned, they had no connection with American capitalists?

Answer—Yes.

Question—That truly expressed the action of the Canada Pacific Company?

Answer—Most decidedly.

Question—Of which you were a member?

Answer—Yes.

Question—You were not aware of this correspondence with Sir Hugh Allan?

Answer—I was not aware of it.

Question—So that these communications between Sir Hugh Allan, Mr. McMullen and others, were matters personal to Sir Hugh Allan himself, for which the Canada Company were in no way responsible, and which they repudiated when they were known?

Answer—Entirely so. Except as to the repudiation they did not become known until after the Canada Company had ceased to take any action in the Pacific matter.

Question—Mr. McMullen in the discussion of this particular question refers to a trifling matter to which I might as well refer. Mr. McMullen said in effect, that at an interview which he had with Sir John A. Macdonald, he gave him copies of documents, Sir Hugh Allan's drafts for the \$40,000, and the receipts of Mr. Todd for the Private Bills expenses of the Canada Improvement and Canada Pacific Railway Companies paid by him?

Answer—In that communication of Mr. McMullen he professes to slight or disparage the statement of the Canada Pacific Company, that they had nothing to do with the

Americans, and he quotes, in support of his pretension that they had, the fact that he paid the House fees on the Bills which were introduced in the first instance in the House for the Canada Company. In point of fact, that fact is true, though the inference is not correct. I believe he did pay the House for the two Bills and some other trifling expenses.

Question—What would they amount to?

Answer—The House fees were \$245, for which I got receipts. There were some other trifling expenses, probably amounting to \$100 or \$150 more.

The receipts for the House fees are herewith produced and filed marked "S." and "T." In fact, Mr. McMullen did keep up a certain amount of connection with the promotion of the Pacific Bill, after he was perfectly aware that all connection with the Americans must cease. He was a Canadian himself, and was very anxious to keep himself connected with the scheme so far as he could, in hopes of something turning up in the end. He met Sir Hugh Allan occasionally. The Bills were called up in the Committee hurriedly, and it was necessary to have the fees paid on them before they could be passed through the Committee, and to the best of my recollection I said, "I wish Sir Hugh would send the money," or "I wish I had the money to pay the fees," or something of that kind. He said he had money for such purposes, and he paid the fees. The matter had entirely slipped from my memory, as I supposed he had settled it with Sir Hugh Allan. However, when negotiating for giving up Sir Hugh Allan's correspondence last January, he told me that he had these receipts for the House fees, and the other small expenses I have mentioned. I told him to bring them to my office, and I would give him a cheque for the amount, unless Sir Hugh Allan settled with him. Sir Hugh Allan did settle with him, and Mr. McMullen gave up those receipts to me.

Question—Are you aware what sum Sir Hugh paid him in relation to giving up the correspondence?

Answer—The sum of \$20,000.

Question—Are you aware what money he refunded of what he received from the United States capitalists?

Answer—He told me that he had refunded it all.

Question—Do you know anything about the sealed packet of letters left with Mr. Starnes?

Answer—Yes. It was I who arranged for their deposit with Mr. Starnes. About the latter end of the year Mr. McMullen himself, I think, told me that he had a number of letters.

Question—Letters of what year?

Answer—Of 1871 and 1872, I think. He (Mr. McMullen) made an application to Sir Hugh Allan, claiming that his people had the right to command the services of Sir Hugh Allan in connection with the Pacific contract, and stated that Sir Hugh had not used them well, and that he ought to pay whatever advances they had made, and also for their loss of time and other claims. The demand made by Mr. McMullen amounted to a considerable sum. I think over \$200,000, if not \$250,000, in the first place, but this included the \$40,000 Sir Hugh had received. Afterwards there was some little negotiation about it, and he reduced his claim somewhat, and finally he came to Montreal with Mr. Smith and Mr. Hurlburt. He read me passages from the correspondence, and showed it to me; stated to me his position, and added that he had been ill-used, and spoke of his claim for a considerable sum of money. He also showed me the contract with his friends, which I glanced over to verify a statement he made as to its contents. I wrote him, with Sir Hugh Allan's authority, that so far as the disbursements went, Sir Hugh Allan was ready to pay them, and with regard to their services, he was ready to pay them a reasonable sum, but that the demand he was making was one which did not appear to me to be based on either of these principles, but was in fact such a demand as Sir Hugh Allan could not listen to at all. He came to Montreal, as I have stated, with Mr. Smith and Mr. Hurlburt, of Chicago. I had an interview with those gentlemen, and I then, for the first time, saw those letters. I think this was in January. I did not read them all, but I read, or heard read, extracts from some of them, which showed me their character. I saw at once that the publication of these letters, which Mr.

McMullen had threatened to publish, would produce a great deal of outcry, and would probably interfere with the prospects of the deputation going to England to raise money for the road. I thought it was best for Sir Hugh Allan to make any arrangement in reason, or out of reason, in order to get through with his mission to England before there was any row made about them. I therefore arranged with Mr. McMullen to accept \$40,000 in American currency. He assured me that he had spent above \$20,000 and the remainder he claimed as remuneration for loss of time of himself and his friends. But this arrangement did not include the \$40,000 received by Sir Hugh Allan.

I thought it would be a prudent precaution to prevent the publication of these letters, and therefore to make the payment of part of the money dependent upon their not being published for a reasonable length of time. The paper read by Sir Hugh Allan, which was afterwards given to Mr. Starnes along with the sealed packet, was prepared by myself. It was submitted to Sir Hugh Allan, and signed by him, and afterwards also signed by Mr. McMullen. The package was made up on the spot, and Mr. McMullen and I gave it into the hands of Mr. Starnes.

I also paid Mr. McMullen \$20,000. The cheque for the remainder was to be delivered to him some time after the rising of the Session in the event of these papers not being published. He declared to me that there were no copies of them in existence, except the one which he had given to Sir John A. Macdonald, which is the copy referred to in the paper. He undertook also to procure the sanction of Messrs. Smith and Hurlburt to this arrangement, and he wrote a letter to Sir Hugh Allan, discharging him from all claims of every kind and description. I think Sir Hugh Allan has this letter which Mr. McMullen wrote to him. I also produce and file the letter which Mr. McMullen wrote to me, marked "U."

Question—Do you know Mr. McMullen's handwriting?

Answer—I think I saw him write this letter.

Question—Was that concession or payment made by Sir Hugh Allan at once or after consultation with you?

Answer—It was made after the negotiation had spread over a couple of weeks I should think, and after several notes and interviews had passed between Sir Hugh Allan and myself.

Question—You were negotiating with Mr. McMullen?

Answer—I was negotiating with him on behalf of Sir Hugh Allan as his solicitor in the matter.

Question—What did you say was the motive that induced Sir Hugh Allan to give a sum beyond the actual disbursements which were alleged to be \$20,000?

Answer—In the first place, I think, Sir Hugh recognized the fact that Mr. McMullen and his friends had really spent a good deal of time about their scheme, and that they had given themselves a good deal of trouble about it. I think he recognized, also, that they should have some remuneration for that. I think he considered that the sum demanded for that was very large, indeed exorbitant, but he thought it was better to settle the matter than to have a great outcry and scandal, while he and the delegation to England were endeavoring to raise money for the Pacific Railway. I imagine that he saw, that if these letters were published an immense deal more would be made out of them than their importance warranted by any parties who were opposing the Pacific scheme, and he desired that their publication, if it were to take place, might not be until after his return.

Question—When did you, Mr. McMullen and Sir Hugh, come to an understanding?

Answer—It is mentioned in the paper which was filed this morning.

Question—As soon as you came to an agreement it was committed to writing?

Answer—Yes.

Question—Was it at your suggestion that a portion of the money was withheld?

Answer—Yes.

Question—You were acting as Solicitor for Sir Hugh Allan?

Answer—Yes.

Question—And thought it a reasonable and proper precaution to take?

Answer—Yes. I thought it possible that there might be copies of these letters

extant, and that no sooner would the money be paid than copies might appear in the newspapers. I thought that the retention of a portion of the money would operate as a check against anything of this sort.

Question—"Within ten days after the end of the coming Session of Parliament, Mr. Starnes is requested" and so on: Why was that time fixed upon?

Answer—Just for the same reason as any other time might have been fixed upon in order to give sufficient time to enable the delegation to go to England and return. The publication then would be better than during the Session of Parliament, as it would create less noise and scandal than during the Session.

Question—The date is the 26th of February. When did Sir Hugh Allan leave for England?

Answer—I think on the 1st of March.

Question—For what purpose?

Answer—As one of the delegation to try to raise funds for the Pacific Railway.

Question—When did copies of these papers appear in the newspapers?

Answer—The first time that copies appeared was on July 4th, in the *Montreal Herald*, but the charge Mr. Huntington made in the House, was supposed to be based on some copy which he had of these papers. I understood that he proposed to read papers which bore a resemblance to these documents.

Question—You say that it was apprehended that the publication of these papers might affect the mission upon which Sir Hugh Allan went home to raise money. Do you know if it did?

Answer—I am perfectly certain that it did. I was one of the delegation of four—composed of Sir Hugh Allan, Governor Archibald, Major Walker and myself—and the chief difficulty we met with in England, was the feeling caused by the violence of the publications in this country; the extravagant charges made against the company, causing the belief in the minds of English capitalists that the success or failure of the company depended upon the success or failure of one of the great political parties in this country. People became convinced, as far as I could judge, when these charges were made and reiterated to such an extent, that if the Government maintained themselves in power, the contract would likely be carried out and the company go on; while, on the other hand, if the Government were ejected from power, the contract and the charter would fall to the ground, and the road would not be built. They felt then that they were not only imperilling their money on the chance of the success of an enterprise sufficiently difficult in itself, but on the chance of one or the other of the political parties remaining in power. There was more hesitation from that notion, that any successful result would depend upon the success of one party or the other, rather than in view of the difficulty of the undertaking itself. This it was that prevented capitalists in England from subscribing; in fact that was the reason given by one large firm of capitalists, with whom the delegation made the greatest progress in negotiating for the money.

Referring to the deposition of Mr. White, I wish to state that the draft Bill which he supposed I had prepared, and caused to be printed on behalf of the projected American Company, was, to the best of my recollection, the draft Bill in print, which I have already stated, Sir Hugh Allan gave to me when he requested me to prepare the legislation for the Session of 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 on the nineteenth day of
September, 1873, and acknowledged on the
twenty-seventh day of said month and year.

(Signed,) J. J. C. ABBOTT.

(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., 1878, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twentieth 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,

WILLIAM EDWARD BLUMHART, of the city of Quebec, who being duly sworn, deposeseth and saith:

I reside in Quebec, but this summer I have resided temporarily in New Brunswick. My occupation is general agent of a company for building railways. I am not an engineer, but attend to the business portion of the agency.

Question—Were you residing in Quebec during the years of 1871 and 1872?

Answer—Yes.

Question—Do you know Sir Hugh Allan?

Answer—I don't.

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

Answer—No, I do not.

Question—Do you know anything of an agreement made between those gentlemen relating to the building of the Pacific Railway?

Answer—I do not.

Question—Were you in a position to know anything of that matter?

Answer—No.

Question—You are then utterly without knowledge relating to that subject?

Answer—Yes. I have no knowledge whatever, except what I have seen in the public prints.

Question—Did you take any part in the general elections of 1872?

Answer—I did.

Question—Were you on any of the committees?

Answer—I was on several committees, but not on the General Committee.

Question—Were you on any committees which were organized, as it was supposed, in favor of the promotion of the election of the Government candidates?

Answer—Yes.

Question—Do you know anything about the subscription of money for promoting the elections?

Answer—I know that money was subscribed.

Question—Do you know by whom?

Answer—Several persons subscribed. I saw no names, nor any list of names of subscribers. I know there were subscriptions made. I do not know to what amount.

Question—Do you know whether Sir Hugh Allan was one of the subscribers?

Answer—I do not.

Question—Do you know through whose hands any money came which was used by the Central Committee, or by any other Committee?

Answer—I do not.

Question—How do you know that money was subscribed?

Answer—I know that one gentleman told me that he had subscribed.

Question—Was that Sir Hugh Allan?

Answer—No. A gentleman from Quebec—a tradesman.

Question—A tradesman in Quebec?

Answer—Yes.

Question—Do you know the names of any of the gentlemen who were on the Central Committee in Quebec?

Answer—Yes.

Question—Will you mention them?

Answer—I know Mr. Beaudet.

Question—His Christian name?

Answer—Elisie.

Question—Do you know the Hon. Mr. Langevin?

Answer—I do.

Question—Do you know whether any money was received through him by the Central Committee, or by any person for the elections?

Answer—I do not; I never was on that Committee at all.

Question—Had you anything to do with the distribution of the moneys which were subscribed for the elections?

Answer—All the money I had anything to do with was what we subscribed ourselves and spent ourselves.

Question—Had you any conversation at any time with Mr. Langevin about election expenses?

Answer—No.

Question—Had you any such conversation with any other of the Ministers?

Answer—No.

Question—Do you know anything about any understanding between the Government and Sir Hugh Allan and Mr. Abbott in relation to subscriptions for elections?

Answer—No.

Question—Have you any knowledge whatever in relation to the subject matter of this enquiry?

Answer—Nothing but what has appeared.

Question—Do you know why your name was put down upon the list of witnesses?

Answer—I have no idea at all.

Question—Have you ever said anything to give reason to believe that you had some knowledge concerning this matter?

Answer—No. I always on the contrary, since I saw my name on Mr. Huntington's list of witnesses, said I had no idea why my name was put down, as I knew nothing about the matter.

Question—For whose election were you on a committee?

Answer—For the counties of Rimouski, Bellechasse, and Montmagny.

Question—Who was the candidate for Rimouski?

Answer—Mr. Sylvain.

Question—Who for Bellechasse?

Answer—Mr. Caron.

Question—And for Montmagny?

Answer—The Honorable Mr. Beaubien.

Question—These were all Government candidates?

Answer—Yes.

Question—Were they elected?

Answer—No, they were all defeated. They had not money enough.

Question—Do you know whether any money was sent down from Montreal for the support of these elections?

Answer—I do not.

Question—Do you live in the City of Quebec?

Answer—Yes.

Question—Do you know anything of the elections in the City of Montreal or the Montreal District ?

Answer—No ; my exertions were confined entirely to the Counties before mentioned.

Question—Were you on the Kamouraska Committee ?

Answer—No.

Question—Who represents Kamouraska now ?

Answer—Mr. Pelletier, I think.

Question—Who represents Bellechasse ?

Answer—Mr. Fournier.

Question—Were you on the Election Committee for the Centre Division of the City of Quebec ?

Answer—No ; I was absent from the City. The elections in those three Counties, where I have mentioned I was engaged, took place on the same day.

Question—Had you ever any conversation with Mr. Huntington on the subject of this enquiry ?

Answer—No, never. I do not know Mr. Huntington.

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,)

(Signed,) WM. E. BLUMHART.

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 twenty-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;

FREDERICK CALVIN MARTIN, of the town of Woodstock, in the Province of Ontario, who being duly sworn, deposeth and saith :

Question—I will read over the terms of the charge which it is the duty of the Commission to enquire into, that you may know precisely what they are, and then proceed to put you questions.

Having heard the charge read, I will now ask you first as to the part of the charge relating to the agreement between Sir Hugh Allan and Mr. G. W. McMullen. Do you know Sir Hugh Allan ?

Answer—I do not.

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

Answer—I do. He is a second cousin of mine.

Question—Do you know anything of an agreement between Sir Hugh Allan and

Mr. G. W. McMullen, acting for certain United States capitalists, whereby Mr. McMullen agreed to furnish funds for the construction of the Pacific Railway ?

Answer—I know that Mr. G. W. McMullen, with several other capitalists, were forming an agreement with Sir Hugh Allan to obtain the contract for building the Canadian Pacific Railway.

Question—When did you become acquainted with that fact ?

Answer—First through friends or relations of Mr. McMullen's.

Question—About what time ?

Answer—I think it was in 1871, the latter part of 1871.

Question—Have you any knowledge whether any agreement took place between Sir Hugh Allan and Mr. McMullen and his friends, tending, or with a view to the construction of the Pacific Railway ?

Answer—I have no knowledge from Mr. McMullen himself, except this:—Had a conversation with him ; I think it was in April, 1872, at my father's house. I spoke to him on that occasion on the subject of the Pacific Railway. The first question I asked him was about the route that would be taken ; whether the road would not be obstructed by snow, and as to how they would overcome that difficulty. He said that he thought that the road would go too far North for that ; or North of the snow limit, I think, he expressed it. I asked him if the *Globe* newspaper would not be strongly opposed to the building of the Canadian Pacific Railway, it being a Government measure. He said no, not to any extent.

Question—Do you know anything about the terms of this agreement ?

Answer—I do not.

Question—You had no other conversation with him ?

Answer—Not at that time.

In July, 1872, I left for Chicago, in order to visit him. I arrived there on the 28th July, 1872, and spent a week there, and then went on out to the prairies. I came back to Chicago, and I think it was on my return I staid there about a week and a half.

One day Mr. McMullen came into the room and said he had received a letter. Holding it in his hand, he said, "This is from Sir Hugh Allan." He read me a part of the letter, and said "Sir Hugh Allan is a tricky fellow, and not to be depended upon, but I think we have got him so tightly bound by these letters that he dare not go back on us."

Question—Is that the whole of the conversation ?

Answer—Yes.

Question—Was any allusion made to the part which the Government were taking, or that the Government had taken any part in that agreement ?

Answer—No ; there was not.

Question—Was any allusion made to any members of the Government ?

Answer—There was not. There was something said about the elections, but nothing affecting the Government.

Question—Have you had any communication with Mr. G. W. McMullen since that on this subject—since the publication of these letters ?

Answer—I have not. I have had a conversation with his brother, Harvard C. McMullen.

Question—You have seen those letters of Mr. G. W. McMullen's which have been published ?

Answer—I have.

Question—You had no conversation with him on the subject of those letters ?

Answer—Not with him ; only with his brother.

Question—Do you know anything about the subsequent portion of the charge, as to Sir Hugh Allan's advancing money for the purpose of the elections ?

Answer—I do not.

Question—Did you take any interest in the elections in your own part of the country ?

Answer—I did.

Question—Have you any knowledge of any money being supplied from Montreal for these elections ?

Answer—I have not.

Question—Of the elections in Lower Canada, I take it you know nothing ?

Answer—Nothing except what I have got from the newspapers.

Question—Where do you reside ?

Answer—At Woodstock.

Question—What is your occupation ?

Answer—I am a lawyer.

Question—Do you know anything more about the subject matter of the charge which you have heard read ?

Answer—I do not.

Question—Have you ever had any communication with Sir Hugh Allan ?

Answer—No. I do not know Sir Hugh Allan.

Question—Or with any member of the Government on this subject ?

Answer—No.

Question—And this conversation, which took place with Mr. G. W. McMullen, is all that you know about the matter ?

Answer—It is, except what I heard from his brother. Nothing more than that.

Question—Where was Mr. G. W. McMullen going when you had this conversation with him in April ?

Answer—He was at home then in Chicago. It was in Chicago it occurred.

The first conversation occurred at my father's house in Beechville, about five miles west of Woodstock. I think he was on his way then to Ottawa, but I am not certain.

Question—I believe you mentioned the dates at which these conversations took place respectively ?

Answer—Yes. One was in April, and the other conversation was in July, I think.

Question—Have you mentioned the year ?

Answer—It was in 1873.

Question—What time in July ?

Answer—It was in August the second conversation took place.

Question—What time in July was the first conversation ?

Answer—The first conversation was in April.

Question—What time in April ?

Answer—I cannot say. I am not certain that it was in April, but I think so.

Question—What time in August was the second conversation ?

Answer—About the middle of the month. I remained in Chicago, at that time, a week ; and from Monday till Saturday I was out on the prairies, and then I returned to Chicago, and left there on the 21st August.

Question—Did Mr. McMullen show you any papers ?

Answer—Nothing but this letter, and he did not hand it to me, but only read me a portion of it.

Question—Do you remember the contents of it ?

Answer—I do not know that I do. I did not pay any particular attention to it at that time.

It was a letter that he received in August, when I was there, from Sir Hugh Allan.

Question—Was any person present besides Mr. McMullen and yourself ?

Answer—There was not. There were other persons in the house, but we were alone in the drawing-room at the time. It was at his brother's house.

Question—Where did he take the paper from ?

Answer—I think he had it in his hand when he came in.

Question—Was there anybody with him when he came in ?

Answer—No, he was alone. He had it open in his hand.

Question—Was he apparently reading it ?

Answer—Yes. I was in the room when he came in. He then made the remark to me that I have mentioned.

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 twenty-fourth day of
September, 1873, and acknowledged on
the twenty-fifth day of said month and
year.

(Signed,) FRED. C. MARTIN.

(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 twenty-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,

THOMAS WHITE Junior, of the City of Montreal, who being duly sworn, deposeseth and saith:

‘I am a resident of Montreal.

Question—What is your profession?

Answer—Publisher.

Question—Publisher of what?

Answer—The Montreal Gazette.

Question—Do you know the charges which are recited in the Commission; are you familiar with them or shall I read them to you?

Answer—I know them.

Question—Do you know Sir Hugh Allan?

Answer—I do.

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

Answer—I do.

Question—Have you any knowledge concerning any agreement between Sir Hugh Allan on one side, and Mr. G. W. McMullen on the other, representing certain United States capitalists, relating to the construction of the Canada Pacific Railway?

Answer—I have no knowledge of any formal agreement. I am aware that during the Session of 1872, Mr. McMullen was in Ottawa, representing certain American capitalists as he stated, and was interesting himself in the construction of the Pacific Railway. During the latter part of the Session he was in very frequent communication with gentlemen in the House, who were interesting themselves with Sir Hugh Allan in this enterprise, and

I saw him frequently at that time, and had conversations with him. I am also aware that towards the close of the Session, Mr. Abbott, with whom I had frequent conversations looked upon American connection as abandoned. I am aware, too, that Sir George Cartier with whom I had frequent conversations during the Session, was very much opposed to the American connection, for the construction of the railway, and was anxious to promote the interests of Mr. Macpherson's Company as an offset to it. I had one conversation with Sir George Cartier especially, in which, while professing a desire to see Sir Hugh Allan connected with the company, he expressed his determination to have the company so formed as to exclude the possibility of American connection.

Question—Do you recollect the date?

Answer—It was whilst the Bills were before the House. The conversation occurred before the close of the Session. It was at his own house, and lasted two or three hours. The Northern Colonization Railway, at that time was a prominent question in Montreal, and I was giving it support through the newspaper, and it was in connection with that, that fears were entertained by some of the promoters of that scheme, that Sir George was opposed to it, and that this conversation arose.

Question—When did your conversations take place with Mr. McMullen?

Answer—In the early part of the Session. I had known Mr. McMullen for some fifteen years.

Question—Do you know whether the Government gave him any encouragement in this scheme?

Answer—I cannot say.

Question—Had you any conversation with any other member of the Government than Sir George Cartier on the subject?

Answer—No.

Question—Had you any conversation with Sir Hugh Allan on the subject?

Answer—I had conversations with him on general Railway matters. I understood his policy was to unite all the schemes with which he was identified as the easiest way to secure the construction of those in the Provinces of Ontario and Quebec.

Question—Were you aware that he was associating himself with, or that negotiations were going on between him and those Americans?

Answer—I inferred from the conversations I had with Mr. McMullen and Mr. Abbott that such was the case, but I had no direct knowledge of any formal agreement.

Question—Was Mr. McMullen or any other person present at the conversation you had with Sir George Cartier?

Answer—No.

Question—Do you know anything more in reference to this branch of the subject?

Answer—Nothing more.

Question—Did you take any interest in the elections in Montreal in 1872?

Answer—I did.

Question—Were you on any of the committees in Montreal?

Answer—I was on the Committee for West Montreal, but not on the Central Committee. I was frequently at the meetings of the Central Committee, but not a member of it.

Question—Did you take any part in the election of Sir George Cartier?

Answer—No direct part.

Question—Were you on his committee?

Answer—I was not on his committee.

Question—Do you know whether any money was subscribed for the purpose of promoting the Montreal elections?

Answer—I am aware that there was a fund, as there always is at elections.

Question—Do you know the amount of it.

Answer—No, I have no knowledge of the amount of it.

Question—Do you know whether Sir Hugh Allan was a subscriber to that fund?

Answer—I have no personal knowledge that he was a subscriber.

Question—In whose hands was the fund?

Answer—Mr. Betournay, now Judge Betournay, was Chairman of the Committee, and I think any cheques that were drawn, were drawn by him.

Question—Cheques upon whom?

Answer—Cheques upon the Metropolitan Bank.

Question—Did you understand the funds were deposited there?

Answer—I understood that the funds of the Central Committee were deposited in the Metropolitan Bank.

Question—Who drew those cheques?

Answer—Mr. Betournay usually, I think. I saw him draw a good many cheques.

Question—Do you know anything of the amount?

Answer—No, I do not. I think the largest amount paid out was for canvassers. This system of canvassing has always prevailed in Montreal. The canvassers got their pay every Saturday.

Question—Do you know of any understanding between Sir Hugh Allan and the Government, or any member of the Government or their supporters, for raising money for the elections?

Answer—I do not.

Question—Is there anything more that you have to state in relation to this matter?

Answer—Nothing in relation to these charges.

To Sir John A. Macdonald, through the Chairman:

Question—You say that you know that Sir George Cartier, in order to counteract any apprehended American influence, attempted to strengthen the Inter-Oceanic Company?

Answer—I am aware of it.

Question—Do you know that Sir George favoured the introduction, as proposed, in that company, of some leading Lower Canadians for that purpose?

Answer—I am aware of it.

Question—Can you mention their names?

Answer—The names mentioned at the time were Mr. Tourangeau and Mr. Simard. Mr. Tourangeau was one of the members of the House for Quebec East at that time, and Mr. Simard was the member for Quebec Centre.

Question—They were corporators in Mr. Macpherson's Company?

Answer—Yes.

Question—You know pretty well all the names of the corporators in that Company, and in the Canada Pacific Company?

Answer—Yes. I have looked at them frequently.

Question—Are there any American names mentioned in either of those companies?

Answer—I think not.

Question—Do you remember anything about an original draft of the Canada Pacific Railroad Charter?

Answer—I think that Mr. Abbott caused the original draft of that Charter to be printed before the Session.

Question—Before the Session of 1872, there was a draft of the Act of Incorporation of the Canada Pacific Railway Company; there were Americans included in that?

Answer—There were.

Question—Mr. McMullen's name was in it?

Answer—I think so, and Mr. Smith's, of Chicago.

Question—That draft was abandoned?

Answer—Yes. I think it was never introduced at all into Parliament.

Question—How do you account for its being abandoned; was it because of Sir Hugh Allan's connection with Americans, and consequently that such an Act would not be acceptable to Parliament?

Answer—That was, I understood, the reason for its non-presentation.

Question—You then understood from Mr. Abbott, who was promoting the Bill which is now on the Statute Book, that all connection with the Americans had been abandoned?

Answer—Yes, and towards the close of the session, that was the general impression in regard to the Canada Pacific Company.

Question—Mr. McMullen must have known that at the time?

Answer—He must have known it, but I have no knowledge that he did know it.

Question—You say, with respect to the expenditure of money for the elections in Montreal, you were on the Committee for the Western Division?

Answer—Yes.

Question—You don't know personally what was the expenditure in Montreal East?

Answer—I do not. I think it was very large.

Question—You say the largest item in the expenditure was the payment of canvassers?

Answer—Yes, the payment of paid canvassers. That was a plan which was adopted by both sides.

Question—Both parties had paid canvassers?

Answer—Yes.

Question—Was there a very large expenditure for that purpose besides other expenses in Sir George Cartier's election?

Answer—There must have been from the number of paid canvassers. I cannot form any estimate of the amount, but it was several thousand dollars, judging from the whole expenditure that took place.

Question—Do you know anything about a sum of \$25,000 being raised by the supporters of Mr. Jetté for his election?

Answer—Nothing but the report prevailing at the time. There was a very large sum raised, and I understood it was \$25,000.

Question—To assist Mr. Jetté in defeating Sir George Cartier?

Answer—Yes.

Question—Do you not know, that by some mysterious process, a good deal of Sir George Cartier's money went to the other side?

Answer—That was the impression at the time. There is no doubt about our being sold. Men who had been working with us were found on the day of the election to be working for the other party. That was the case in both the Eastern and Western Divisions. I do not know whether we were outbid or not, but these men were found working on the day of the election on the other side.

Question—You have read Mr. McMullen's letters, in which he makes charges of corruption against the Government, and in fact, everybody else?

Answer—I have.

Question—I think he has included you?

Answer—He has.

Question—Would you be kind enough, with the permission of the Commission, to state exactly your relations with Sir Hugh Allan, and also what were his relations with your newspaper?

Answer—The copyright of the *Gazette* was purchased from Sir Hugh Allan and Mr. Brydges by T. & R. White, our firm, in 1870. The plant of the office was leased to us; leased upon the understanding, or upon the condition, that after a certain expenditure in the way of salaries, the profits should be divided, and that we should have the right to purchase within ten years for \$30,000. The papers were made out, at Mr. Brydges' request, in the name of Sir Hugh Allan, hence our relations in the first instance with Sir Hugh Allan, rather than with Mr. Brydges. After some time we became anxious to complete the purchase upon the terms agreed upon, and applied to Mr. Abbott, by whom the papers had been drawn in the first instance, or rather revised after being drawn by a Notary, we applied to him to arrange with Sir Hugh Allan for the purchase. Sir Hugh Allan was quite willing, but he thought he should be paid in cash, which was not convenient for us to do then. While these negotiations were going on through Mr. Abbott, the Montreal Northern Colonization Railway was the prominent subject of dis-

oussion at the time. Mr. Abbott sent for me one day, and told me that he thought he could have the matter arranged, and that in view of the support which the *Gazette* had given to the Northern Colonization Railway, in which Sir Hugh Allan was deeply interested, he thought that there should be some consideration allowed for that, and that the company would be disposed to agree to it. He therefore suggested that the papers be drawn up for \$20,000 instead of \$30,000. That was in January or February, 1872. We declined the arrangement, and said that we only wanted the purchase completed at the \$30,000.

Therefore, the first charge made by Mr. McMullen is entirely untrue. In the second letter of Mr. McMullen's, there is a charge made, that we threatened Sir Hugh Allan with exposure unless he consented to an arrangement before leaving for England.

Having now heard read the portion of Mr. McMullen's second letter, which refers to this matter, and on being asked if that statement is true, I say that the statement is true, as a matter of fact. Matters were "fixed up." The statement is strictly true in that respect, but in regard to the impression which it conveys it is entirely false.

The efforts made to get the paper into our own hands were prompted by two motives:—first, the business promised to be a profitable one. In the next place, Sir Hugh Allan's connection with public enterprises in different parts of the country, rendered it necessary that Sir Hugh Allan's connection with the paper should cease, so that no person could be able to say that the *Gazette* had any connection or was under the influence of Sir Hugh Allan.

We wanted the arrangement to be carried out, if possible, before Sir Hugh Allan left for England, and the paper transferred entirely over to us. After the papers had been drawn up—some four or five days before Sir Hugh left for England—he thought that he should have a larger interest upon the unpaid sums, and the papers had all to be made over again at a larger rate of interest. They were then signed before he left for England, the amount mentioned in them being that named in the first lease when we first purchased the good will of the paper.

Question by the Commission :

Question—With whom did you see the printed Bill prepared by Mr. Abbott, that you speak of?

Answer—With Mr. Abbott.

Question—In what form was it?

Answer—It was in the usual form.

Question—Where was it printed?

Answer—I am not very sure; I think it was printed in our office. I saw it first in Mr. Abbott's possession.

Question—Did he give you a copy of it?

Answer—No, he did not.

Question—Do you know of any one having got a copy of it?

Answer—I do not.

Question—You have no knowledge as to whether he exhibited it to any one else?

Answer—I have not. Mr. McMullen, I suppose, knew of it. I knew such a Bill was printed, and that there were American names in it.

Question—For what purpose did Mr. Abbott show you the Bill?

Answer—Because we were in constant communication with regard to railway matters.

Question—For what purpose did you say that he showed it to you?

Answer—In the ordinary course of conversation; not for any specific purpose. I think I knew almost everything that was going on in connection with railway matters at that time.

Question—The names of the American capitalists were Mr. McMullen and Mr. Smith.

Were there any other names?

Answer—No; I don't know of any others.

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

Sworn, taken and acknowledged on this }
 twenty-sixth day of September, 1873. }

(Signed,) THOS. WHITE, JR.

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 twenty-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 HECTOR L. LANGEVIN, of the City of Ottawa, being recalled on the application of Sir John A. Macdonald, was by permission of the Commission, the second time examined, who being duly sworn, deposes and saith:

Question—I think you stated in your previous examination that you had taken part in the elections on the Ministerial side in the District of Quebec?

Answer—I did.

Question—And that you had raised funds for that purpose?

Answer—Yes.

Question—How much did you say you had raised; how much did Sir George Cartier send you?

Answer—\$32,000 I think.

Question—Have you been a good deal connected with elections in your part of the country for many years?

Answer—Yes.

Question—Do you consider that that subscription or that expenditure was excessive in your part of the country, as compared with previous expenditures?

Answer—I considered that the expenditure at the last elections was greater than at the previous elections, speaking of the expenditure in the elections around.

Question—The expenditure on both sides was much larger in 1872, than in 1867?

Answer—Yes, much larger.

Question—Which was the most expensive election in your part of the country?

Answer—I think it was Quebec Centre.

Question—Who were the candidates?

Answer—The candidates were Mr. Cauchon and Mr. J. G. Ross, merchant.

Question—Can you form any idea as to the expenditure in that single election?

Answer—I understand that the expenditure was, in fact I know that one of the candidates expended nearly \$15,000, and I understand that, on the other side, the friends of the other candidate expended nearly \$30,000.

Question—You say one of the candidates expended \$15,000; who was that candidate?

Answer—Mr. Cauchon.

Question—How do you know that he expended that amount?

Answer—I knew it from himself.

Question—How do you know the expenditure on the other side?

Answer—I did not know it from Mr. Ross, but I know it from some of his friends, and it is a matter of public notoriety in Quebec, that the expenditure on that side was nearly double that on Mr. Cauchon's side.

Question—There was a good deal of riot in that election?

Answer—Yes, and loss of life also. One man was killed. Perhaps I might be allowed on that point to state this also, that none of the money that was entrusted to me for the elections was expended in this election of Quebec Centre. I make this statement specially, because it had been stated outside, of course by my opponents, that they were not surprised now to find that there had been so much rioting and loss of life in that election of Quebec Centre; and, of course, I wish it to be well understood that I had no part in that election.

Question—You stood aloof from the election, did you not?

Answer—Yes. The fact is, Mr. Cauchon gave me to understand that he was friendly to the administration, and so did the friends of Mr. Ross, on the other side, give me to understand that Mr. Ross was also friendly to us; and finding therefore our friends in Quebec Centre were divided, some supporting Mr. Cauchon, and others Mr. Ross, I stated to Mr. Cauchon and to Mr. Ross's friends that, under the circumstances, the Government would take no part in that election, but that they would leave their friends to fight the battle out themselves, and elect what candidate they thought right under the circumstances.

Question—Are you aware of the election contest in Missisquoi?

Answer—Nothing special.

Question—That is not in your District?

Answer—It is not in the region I was looking after.

Question—You know nothing of the expenditure there?

Answer—No; only by hearsay.

Question—Do you know anything of the expenditure in Kamouraska?

Answer—Not personally, but I understand it was very large.

Question—Who were the candidates?

Answer—The candidates were Mr. Pelletier on the opposition side, and Mr. Routhier (now Judge Routhier) on the other side.

Question—The expenditure was very large in that County?

Answer—It was very large.

Question—Have you any means of judging approximately of the expenditure there?

Answer—If I could judge from public rumors, I should suppose that it was between \$16,000 and \$18,000.

Question—On both sides?

Answer—No; about \$8,000 or \$9,000 on each side.

Question—Which is Mr. Fournier's County?

Answer—Bellechasse.

Question—Do you know anything about the expenditure there?

Answer—No; but I understand it was large on both sides.

The fact is, that in all the elections the expenditure was very large; much larger than usual. My political friends from the different portions of the eastern part of Lower Canada all state that the expenditure against them was such that they could not stand it. This accounts to a very great extent for the loss of some of the counties there.

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 this } (Signed,) HECTOR I. LANGEVIN.
 twenty-sixth day of September, 1873. }
 (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 thirtieth 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 Hon. GÉDÉON OUIMET, of the City of Quebec, Provincial Secretary and Minister of Public Instruction for the Province of Quebec, who being duly sworn, deposeth and saith :

Having heard read that portion 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 Allan at its head."

I have no knowledge of such an arrangement, and I would add, that from communication with Sir George Etienne Cartier, Sir Hugh Allan and some of the Directors of the Northern Colonization Railway, I was induced to think the contrary.

I do not know G. W. McMullen.

I do know Sir Hugh Allan.

I have never had any knowledge touching this arrangement, or any other of the kind.

I have no knowledge that the Government entertained the idea of entering into an arrangement of this kind. I say this because of frequent communications with the lamented Sir George Cartier, who certainly entertained altogether contrary opinions.

I don't know that the Government, or any member of the Government, entertained the idea of entering into arrangements with Americans, or of forming any company for the purpose of constructing the Pacific Railway in which American capitalists were to be included.

Question—What was the nature of your relations?

Answer—As a member of the Government of the Province of Quebec, I took an active part in the policy inaugurated by that Government in favor of the construction of railways within the limits of our Province, among others the Montreal Northern Colonization Railway. After the formation of that company, the Government of Quebec did me the honour to select me as one of the directors to represent that Government in this company. Beyond my interest as a Member of the Government, I was much interested in the construction of that Railway, as being a proprietor in the city of Montreal, and also as a member in the Local Legislature for the county of two Mountains, through which the contemplated railway was to pass. I also took an active part with my friends in endeavoring to induce the citizens of Montreal to subscribe the million of dollars which was asked for that great enterprise. The question of a depôt within or near the limits of the city of Montreal was considered one of vital importance for the town as well as for the Province of Quebec. With a view to securing the success of the railway, we addressed ourselves to Sir Hugh Allan, in his capacity as a great financier and as an eminent man in our province, in the hope to secure a more easy and certain result. It was thus, when the Pacific Railway came up as an important political question in the confederation, that I made efforts with my friends with a view to have this great railway united with the Northern Colonization Railway, that it might pass through the Province of Quebec and have its depôt within or near the city of Montreal; and it was then that I worked to favor the Pacific Railway, the object being to secure the success of the Northern Colonization Railway. My communications with Sir Hugh Allan were to this effect, and it was equally with the same objects in view that my name appeared as one of the provisional directors in the Canada Pacific Railway Act of 1872; and concerning the appearance of my name in the act of incorporation, I may say that I only knew of its being there after the Bill had passed through the committee, and, as I said before, I was sufficiently favorable to the enterprise not to make any objection, and I made none. This Bill, which is 35th Vic., chap. 73, was discussed, I think, in the month of May, 1872, and I was then in Ottawa, not only in the interests of the Montreal Northern Colonization Company, but for the purpose of meeting my colleagues in the Quebec Government: the Honorable Messrs. Chauveau, Beaubien, Archambeault and Irvine.) We had at the time several meetings of the Executive of Quebec, at Hull. This, then, was the interest which I had in this question of the Pacific Railway, an interest altogether relative to the Northern Colonization Railway. In a conversation which I had with Sir Hugh Allan in April or May, 1872, that gentleman asked me to neglect nothing in the interests of the Northern Colonization Railway. He also spoke to me in the interests of the Conservative party, to which he attributed his commercial prosperity in a great measure, and did not hide from me the fact, that that party had already made efforts to maintain his steamship company, and that he was convinced the party had made sacrifices in his favor, or words to that effect. I did not fail to tell him that I was doubly interested myself in the success of the Northern Colonization Railway, of which he was President, as well from being a member of the Government of Quebec, as from being member of the county of Two Mountains, and that I should make efforts to have this line traverse the county that I represented.

The aid which I gave to Sir Hugh Allan, relative to the construction of the Pacific Railway at Ottawa or elsewhere, was of a friendly character as a citizen who was interested in this great enterprise, and interested more directly, as I have already explained, in the construction of the Northern Colonization Railway. Sir Hugh Allan nor any one else ever engaged my service as advocate, nor in my character as Attorney-General of the Province of Quebec (a charge which I have already denied) in the interests of the Pacific Railway.

I procured the aid which I have already spoken of to Sir Hugh Allan, because I was in communication with Sir Hugh Allan as a Director of the Northern Colonization Railway. I may add that Sir Hugh Allan appeared to honor me with his confidence.

I endeavored to induce my friends from the Province of Quebec, who were members

of the House of Commons, not to lose sight of the interests of our Province, and to favor the Northern Colonization Railway; and if that influence was favorable to the Pacific Railway, with a view to its union with the Northern Colonization Railway, I induced them to give it; but I did not, properly speaking, give any aid to the Pacific Railway as a question apart from the Northern Colonization Railway. I desire also to say, that if I had not been interested in the Northern Colonization Railway I would have had nothing to do with the Pacific, because I was not a member of the House of Commons. For the rest, I cannot see what influence I could have outside of that which I have just mentioned.

Having had communication of letter which has been published in the newspapers, over the name of G. W. McMullen, and in which the following appears:—" \$6,000 to Attorney-General Ouimet for aid rendered at Ottawa " as having been paid by Sir Hugh Allan, and being asked for any explanations on this point, I say in reply:—Having never been asked by the company, nor by any person whatever in its interest, nor by any person for my services as a lawyer or otherwise, and it being impossible that I should be engaged by the company in any quality as Attorney-General, my services as such being of no assistance either in the obtaining of the charter or the contract; having acted only as a friend to the enterprise, as a citizen desiring it to come to a good end, I affirm that I never received the sum of \$6,000 in question, nor any sum whatever. I affirm, moreover, that I never had, either directly or indirectly, either from the company or from any friends of the enterprise, any promise of money or of anything else.

I never received any sum of money from Sir H. Allan, nor from any one else, either directly or indirectly, as I have already said. I was largely interested myself in the Northern Colonization Railway Company and road. I have in its interest disbursed considerable sums, and undergone much fatigue, but, God be thanked, without recompense, or hope of recompense, hoping only that to the Province of Quebec may accrue the benefits which will flow from the construction of the Northern Colonization Railway.

I do not know if Sir Hugh Allan paid \$4,000 to the *Minerve*, nor of the other sums mentioned by McMullen in his letter as having been paid by Sir Hugh Allan. I do not believe a word of them, or of the other charges made by him.

I do not know whether the Government or any member of the Government had any knowledge of the negotiations spoken of between Sir H. Allan and Mr. McMullen, nor do I know if Sir Hugh Allan had any negotiations with Mr. McMullen.

The second part of the charges contained in the Royal Commission is 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 nothing of it. I could say, however, that I had some conversation with Sir George Cartier in June, July and August, 1872, in which he spoke to me of Sir Hugh Allan, the Allan Company, the Pacific Railway, and the Northern Colonization Railway. Sir George rebutted the idea of any connection of American capitalists with the Pacific Railway, and said that he never would consent to such a thing, and that he thought that the roads should be constructed without the aid of American capitalists. While expressing his appreciation of the merits of Sir Hugh Allan, Sir George Cartier did not appear to me to be on very friendly terms with him—that is to say, on terms of personal friendship. Nevertheless, he thought that Sir Hugh Allan, from his position, would be of great assistance to the Pacific Railway. He told me that he wished to see the amalgamation of the Macpherson and Allan Companies, and that he had been unjustly reproached with opposition to the Northern Colonization Railway in favor of the Grand Trunk Railway. I remarked to him that I regarded it as unfortunate that his Government had not settled this question of the contract of the Pacific Railway

before the elections, because, I added, that this question would militate against him in the Province of Quebec, and particularly in Montreal East. I said to him, also, that Sir Hugh Allan had told me that he owed his commercial prosperity in a great measure to the Conservative party, and that I thought that Sir Hugh or his Company would aid him by influence or otherwise in his election. Sir George thereupon said, that he could not entertain much hope that Sir Hugh Allan or his Company, meaning the Montreal Ocean Steamship Company, would come to his assistance, but as for himself (Sir George) he had several times put his portfolio in danger to maintain or obtain the subsidy for the Allan Company. Sir George told me this in that energetic language which he ordinarily used, and which is well known to those who were familiar with him. I had the honor to occupy myself in the election of Sir George at the last elections, and, notwithstanding that his friends urged him to let us make his election on the basis of the railway policy, and particularly the Pacific, he would not consent, saying, that he would conduct his election on his own personal merits.

I have not any knowledge that Sir Hugh Allan advanced a sum of money to aid in the election of Ministers and their supporters. I went a few times to Sir George's Central Election Committee, but I know nothing of the distribution of the money. Of course I know, from personal experience, that it was necessary to spend money on that as on other elections.

No member of the Government ever told me that Sir H. Allan had advanced money for the elections, nor did Sir H. Allan ever tell me.

This conversation with Sir George Cartier, in reference to the road, that I have mentioned, took place at several intervals, and I think that the last conversation I had with him was two or three days before the polling in the Eastern Division of Montreal, in which Sir George was a candidate.

Question—Do you know the date on which the polling took place?

Answer—Late in the month of August.

Being asked if I can give any explanation or if I have any idea why my name is mentioned in McMullen's letter, as having received \$6,000, I declare that I have no idea how my name came to be mentioned. The charge is wholly false.

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
thirtieth day of September, 1873.

(Signed,) GÉDÉON OUMET.

(Signed,)

CHARLES DEWEY DAY,
Chairman.

"

A. POLETTE,

"

JAMES ROBERT GOWAN,
Commissioners.

LIST OF EXHIBITS.

- A. "Sealed Packet," addressed "Hon. Henry Starnes," and subscribed "Sir Hugh Allan"—"G. W. McMullen."
- A 1. Letter from Sir Hugh Allan to Hon. J. J. C. Abbott, consenting to the opening of the sealed packet, dated Montreal, 2nd September, 1873.
- B. Letter from James Beatty, Jr., to Sir F. Hincks, dated 17th July, 1871.
- C. Reply of Sir Francis Hincks, dated July 20, 1871.
- D. Letter from James Beatty, Jr., to Sir F. Hincks, dated July 24, 1871.
- E. Reply of Sir F. Hincks, dated 26th July, 1871.
- F. Letter of Hon. D. L. Macpherson to *Mail*, dated 8th July, 1873, contain reply to Sir Hugh Allan.

- G. Telegram from Sir J. A. Macdonald to Sir G. E. Cartier, dated July 26, 1872.
 H. Telegram from Sir G. E. Cartier to Sir J. A. Macdonald, dated 31st July, 1872.
 I. Telegram from Sir Hugh Allan to Sir J. A. Macdonald, dated 31st July, 1872.
 J. Copies of a portion of correspondence between - Sir H. Allan and C. M. Smith, G. W. McMullen, and George W. Cass.
 K. Copy of "First Contract" between Sir Hugh Allan and his American associates, dated 23rd December, 1871.
 L. Copy of "Supplemental Contract" between same parties, dated March 28th, 1872.
 M. Copy of acknowledgment, dated April 1st, 1872, from Jay Cooke & Co., to G. W. McMullen, of his draft on various parties, to amount of \$50,000, setting out drafts numbered 1 & 2, &c. ; also of receipt by G. W. McMullen, of fees for Legislation.
 N. Cheque by Sir Hugh Allan on Merchants' Bank, for \$17,500 in favor of Hon. Henry Starnes, dated February 26, 1873, contained in "Envelope No. two," portion of contents of A. or "Sealed Packet."
 O. Memo. between G. W. McMullen and Sir Hugh Allan; February 26, 1873, contained in small envelope, addressed "Hon. Henry Starnes," portion of contents of A or "Sealed Packet."
 P. Same as "K."
 Q. Certified copy of Letter from Sir G. E. Cartier to Sir Hugh Allan, 30th July, 1872.
 R. Certified copy of Letter from Sir G. E. Cartier to Sir Hugh Allan, 30th July 1872.
 S. Receipt for House Fees *Re.* Incorporation of Canada Improvement Company, June 1st, 1872.
 T. Receipt for House Fees *Re.* Incorporation of Canada Pacific Railway Company, June 1st, 1872.
 U. Letter from G. W. McMullen to Hon. J. J. C. Abbott, dated February 25, 1873

EXHIBITS.

A.

COPIES OF LETTERS AND TELEGRAMS ENCLOSED IN ENVELOPE
NUMBER ONE.*Telegram No. 1.*

MONTREAL, December 8th, 1871.

C. M. SMITH,
Banker.

I have seen Sir Francis to-day. He says they have determined to advertise, and that it is of no use to visit Ottawa at present. I write you by mail.

(Signed,)

HUGH ALLAN.

Letter No. 2.

17, Gracechurch Street,
LONDON, 4th Nov., 1871.

DEAR MR. SMITH,—I find a considerable interest manifested here by the moneyed men in our scheme of a Dominion Pacific Railroad, and if we desire to raise funds here to carry on the work I have no doubt they can be obtained.

I have not heard anything from the Government on the subject, and I presume nothing will be done till I go back.

I purpose to sail sometime this month.

Your truly,
(Signed,)

HUGH ALLAN.

Telegram No. 3

C. M. SMITH,
Banker.

MONTREAL, December 7th., 1871.

I do not think the Government, at Ottawa, will be prepared to deal with us sooner than the eighteenth inst. Sir Francis Hincks is here, and hints at necessity of advertising for tenders to avoid blame.

(Signed,)

HUGH ALLAN.

Telegram No. 4.

C. MATHER SMITH,
Banker.

MONTREAL, December 6th, 1871.

I arrived here this morning, and will be glad to see you as soon as convenient.

(Signed,)

HUGH ALLAN.

Letter No. 5.

C. M. SMITH, Esq.,
Chicago.

MONTREAL, 8th December, 1871.

DEAR SIR,—Sir Francis Hincks called at my office this day, and said, that while he was as anxious as ever to arrange with us about the Railroad, the feeling of the Government is, that if they closed an agreement with us without advertising for tenders they would be attacked about it in the House. I think this may be true, and in view of it I see no use in our going to Ottawa at present. But I think we should meet and arrange preliminaries ourselves, and decide on a course of action. If, therefore, you could come here about the 15th inst., I would go on to New York with you on the 18th, and we could then put the affair in shape.

Please advise me if this suits you.

Yours truly,
(Signed,)

HUGH ALLAN.

Letter No. 6.

MONTREAL, 2 th Dec., 1871.

G. W. McMULLEN,
Picton, Ont.

DEAR SIR,—I have your note from Picton, but I have not heard from New York since I left there.

A good many rumors are afloat, regarding railroad matters, and I have good reason to believe that Mr. Brydges is using all the influence he can with Cartier to thwart our views. Not that he has any proposal to make, but he wants to stop the Pacific Railroad altogether. A party in the interests of the Hudson's Bay Co., consisting of Donald A. Smith, D. McInnes, G. Laidlaw, G. Stephen, Daniel Torrance of N. Y., and one or two others, have given notice in the *Official Gazette* that they will apply for a charter to make a railroad from Pembina to Fort Garry. That is the only one that affects us.

I go to Ottawa on Wednesday next, and will return here on Saturday. I will find out there what is going on, but I think we are sure of Cartier's opposition.

Yours truly,
(Signed,) HUGH ALLAN.

Letter No. 7.

Private.

MONTREAL, 1st Jany., 1872.

DEAR MR. McMULLEN,—I saw Mr. Brydges yesterday, and found out pretty nearly what he will require to join our railway project. His terms are very high, but as they possibly include more than himself, we may have to concede them. He thinks, however, that the Government will not have the courage to go into the scheme at all, and will shirk it till after the elections. I go to Ottawa on Wednesday, and will see what they propose to do. I will write to you as soon as I find out. I intend to return back here on Saturday night.

Wishing you the compliments of the season,

I am, yours truly,
(Signed,) HUGH ALLAN.

I have a telegram from you this morning, advising that you are going to New York; I therefore send this letter to the St. Nicholas Hotel there.

Letter A. No. 7.

MONTREAL, 6th Oct., 1871.

C. M. SMITH, Esq., of Chicago,
Metropolitan Hotel, New York.

DEAR SIR—I enclose copy of the communication sent to Sir John. Everything looks favorable at present at Ottawa.

I sail from Quebec to-morrow.

Yours truly,
(Signed,) HUGH ALLAN.

No. 7. Telegram (b).

FATHER POINT, Oct. 8th, 1871.

C. M. SMITH, of Chicago,
Metropolitan Hotel.

Send to me by mail, care of Allan Bros. & Co., Liverpool, the names of the parties engaged with us in the railroad enterprize

(Signed,) HUGH ALLAN.

Letter No. 8.

MONTREAL, JANUARY 24th, 1872.

Messrs. CHAS. M. SMITH
and GEO. W. McMULLEN.

GENTLEMEN,—My subscription of one million four hundred and fifty thousand dollars to the stock of the proposed Canada Pacific Railway Company, includes a sum of two hundred thousand dollars, furnished jointly by you and myself, to be transferred, in whole or in part, to Mr. C. J. Brydges, on condition of his joining the organization and giving it the benefit of his assistance and influence.

In case he refuses or neglects to join before the 15th of April next, I will transfer at once thereafter to you, jointly, one hundred thousand dollars of the before-named subscription, and in case Mr. Brydges' influence and co-operation can be secured for a less interest in the Railway Company than the before-named amount, then I will transfer to you one-half of any residue that remains of the said two hundred thousand dollars after Mr. Brydges' accession to the Company has been secured. It is, however, understood, that any residue or portion of the two hundred thousand dollars named may be used to secure any other influence deemed by myself and you desirable or important on the same terms as is proposed in regard to Mr. Brydges, and may apply to others in addition to him.

Yours truly,
(Signed,)

HUGH ALLAN.

Letter No. 9.

MONTREAL, 5th Feb., 1872.

DEAR MR. McMULLEN,—I returned yesterday from Ottawa. Everything looks well, up to the present time, but I may tell you, in strict confidence, that there are symptoms of coolness between Sir John A. and Cartier, arising from the coquetting of the latter with Blake and Mackenzie, to form an alliance and carry the elections next summer, with a view to leave John A. out in the cold. This would not be quite so favorable for us, but I am going to Toronto on the 7th inst., to look after our interests. We are all right with the *Globe*. You have not yet sent me the articles of agreement signed by the parties. Send it immediately, as I need it in my negotiations.

I will require you to come down here, by-and-by, to arrange the construction Company, and consult about other matters.

In the printed Bill, is there not a mistake about the lands and the taxation? Look at it.

Yours truly,
(Signed,)

HUGH ALLAN.

G. W. McMULLEN, Esq.,
Chicago.

I wrote you, but have not received any answer from you.

Telegram No. 9 (a).

C. MATHER SMITH,

MONTREAL, Feb. 16, 1872.

Why is it that McMullen does not answer my letter? I will be in Detroit on Wednesday evening; can I meet you there?

(Signed,)

HUGH ALLAN.

Telegram No. 9 (b).

C. M. SMITH,

MONTREAL, Feb. 19th, 1872.

I think it is the Douglass Hotel, at Detroit. Don't fail to come.

(Signed,)

HUGH ALLAN.

Letter No. 10.

C. M. SMITH, Esq.,
Chicago.

TORONTO, 28rd Feb., 1872.

DEAR SIR,—I find that Mr. Brydges is making a strong attempt, by exciting national feeling, to get up an opposition to us in our Pacific scheme. He is endeavoring to get up what he calls a purely Canadian Company, on the representation that we are going to make an enormous profit out of it, the most of which will go to parties in the United States. He has written to influential men here and in other parts of the country, urging them to subscribe stock, merely as security, for they never will be called on to pay anything, and he says the Government must give a preference to a Canadian Company.

I do not know to what extent he has been successful.

Yours truly,

(Signed,)

HUGH ALLAN.

Letter No. 11.

C. M. SMITH, Esq.,
Chicago, Ill.

TORONTO, 24th Feb., 1872.

DEAR SIR,—Since writing to you yesterday, I have seen Mr. D. L. Macpherson, of Toronto, who is a member of the Dominion Senate, and rather an important person to gain over to our side.

He 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. You will remember he is one of those I proposed as a Director.

I will do the best I can, but I think that McMullen, you and myself, will have to give up some of our stock to conciliate these parties.

Yours truly,

(Signed,)

HUGH ALLAN.

Letter No. 12.

MONTREAL, 28th Feb., 1872.

Private.

DEAR SIR,—It seems pretty certain that, in addition to money payments, the following stock will have to be distributed :—

Hon. D. L. Macpherson	\$100,000
Hon. A. B. Foster.....	100,000
D. A. Smith	100,000
C. J. Brydges.....	100,000
J. J. C. Abbott	50,000
D. McInnes	50,000
John Shedden	50,000
A. Allan	50,000
C. S. Gzowski	50,000
George Brown	50,000
A. J. Hincks	50,000
H. Nathan.....	50,000
T. McGreevy	50,000
	\$850,000

To meet this, I propose that we give up of our stock as follows :

O. M. Smith.....	\$250,000
George W. McMullen.....	250,000
Hugh Allan	350,000
	\$850,000

Please say if this is agreeable to you. I do not think we can do much less, and may have to give more. I do not think we will require more than \$100,000 in cash, but I am not sure as yet.

Who am I to draw on for money when it is wanted? And what proof of payment will be required? You are aware I cannot get receipts.

Our Legislature meets 11th April, and I am already deep in preparation for the game. Every day brings up some new difficulty to be encountered, but I hope to meet them all successfully. Write to me immediately.

Yours truly,
(Signed,) HUGH ALLAN.

I think you will have to go *it blind* in the matter of the money (cash payments). I have already paid \$8,500 and have not a voucher, and cannot get one.

C. M. SMITH, Esq.,
Chicago.

Letter No. 13.

MONTREAL, 4th March, 1872.

MY DEAR MR. McMULLEN—Mr. Macpherson, Toronto, and Mr. Brydges, here, have both notified me to-day that they decline to join us in the Canadian Railway scheme.

Their reasons are, that the Company is too largely American, and that they want to see it in the hands of Canadians.

They tried to detach me from the company we have formed, and get me to join them, which, of course, I declined. I don't know what they can do against us, but I intend going to Ottawa on Monday, 11th inst., and will then try to find out something about it.

I will be in Ottawa most of the week.

Yours truly,
(Signed,) HUGH ALLAN.

Letter No. 13 (a.)

MONTREAL, 15th April, 1872.

DEAR MR. McMULLEN—The enclosed telegram from Mr. Cass reached me this morning. He wishes you to go to New York, but I wish to see you before you go. I leave here on Wednesday morning, and will see you on Thursday morning. You will be able to leave for New York on Thursday evening, if you desire to do so.

Yours truly,
(Signed,)

HUGH ALLAN.

Letter No. 13 (b.)

MONTREAL, 16th April, 1872.

DEAR MR. McMULLEN,—I must remain here to-night to write my letters for the English mail, which I have been rather neglecting of late. You might make use of your time in seeing such of the Ministers as you can reach; but I wish especially that you should see Sir John A. at eleven o'clock on Thursday. Telegrams to Prescott Junction, to-morrow, if you can do this.

I enclose a letter which came enclosed to me from New York, this day. What can be the matter there?

I ought to arrive at Ottawa at 4.30, to-morrow afternoon (Wednesday).

Yours truly,
(Signed,)

HUGH ALLAN.

*Letter No. 14.**Confidential.*

MONTREAL, 12th June, 1872.

G. W. McMULLEN, Esq.,
Russell Hotel, Ottawa.

DEAR SIR,—I have this day received a telegram from you, dated New York, asking me to meet you in Ottawa to-morrow on important business.

I am unable to go, and if the important business refers to the Pacific Railroad scheme, I do not think it is necessary I should go.

I believe I have got the whole arranged through my French friends by means you are aware of, and we have now the pledge of Sir G. that we will have a majority and other things satisfactory.

I have told you all along that this was the true basis of operation, and that anything else was powder and shot thrown away, and I think so still.

You should come here and see me before you carry out any important transaction, or pay any money. I want you to get a correct copy of the Government Bill and our own Bill, because we have first to consider how far they will suit our friends, and we may have to go to New York to consult them.

I will be in town to-morrow and Friday. I will be absent on Saturday, but will return here on Monday, and be here till Friday.

Yours truly,
(Signed,)

HUGH ALLAN.

Letter No. 15.

MONTREAL, 16th July, 1872.

MY DEAR MR. McMULLEN,—I feared you had got entirely lost in the depths of matrimony, but I am glad to notice by your letter, dated 11th inst., that you have got safe back.

Since I saw you last, the Pacific Railroad (Canada) scheme has gone through many phases, and its present position is difficult to be described.

Sir George Cartier has been in town for some days, and I have had several interviews with him.

He now tells me that he does not now, and never did, intend to deal either with Macpherson's Company or ours, and that he only allowed them to get incorporated as a matter of amusement. But he says he always intended that the Government would form its own Company, who will carry on the work under the orders of the Government according to the views of the Government engineers, and with money furnished by the Government. He says that he and Sir John A. made up their minds to this long ago, but did not tell any of their colleagues.

A kind of negotiation is going on with both Macpherson and myself, relative to the composition of this Government Company, but it has not come to anything as yet. Meantime the period of the elections is drawing near, and unless the matter is arranged satisfactory to Lower Canada, Sir George Cartier's prospect of being returned is very slim indeed. I cannot foresee with any certainty the ultimate result, but the decision cannot be long put off.

I will advise you as soon as anything is positively known.

Yours truly,
(Signed,) HUGH ALLAN.

Letter No. 16.

(Private and Confidential.)

MONTREAL, 6th August, 1872.

DEAR MR. McMULLEN,—I have been hoping from day to day that some conclusion which I could communicate to you would be arrived at, respecting the Pacific Railroad negotiations, but some obstacle to cause delay always intervened. The near approach of the elections, however, and the stand taken by my French friends, that they would lend no help till I pronounced myself satisfied, has at length brought the matter to a crisis, and I think the game I have been playing is now likely to be attended with success.

Yesterday, we entered into an agreement, by which the Government bound itself to form a company of Canadians only, according to my wishes. That the company will make me President, and that I and my friends will get a majority of the stock, and that the contract for building the road will be given to this company in terms of the Act of Parliament. Americans are to be carefully excluded, in the fear that they will sell it to the Northern Pacific. But I fancy we can get over that some way or other.

This position has not been attained without large payments of money. I have already paid over \$300,000, and I will have at least \$100,000 more to pay. I must now soon know what our New York friends are going to do. They did not answer my last letter.

Yours truly,
(Signed,) HUGH ALLAN.

Letter No. 17.

MONTREAL, 16th Sept., 1872.

DEAR MR. McMULLEN,—I wanted at this time to have a meeting in New York, to see what our friends there were disposed to do, but to-day I have a letter from General Cass,

stating that he is leaving New York for Chicago, there to join Mr. Ogden, and the two are going to Puget Sound. They say no meeting can be held till 15th November, which will not do at all.

I hope in ten days or so to have contract signed, and would like immediately after to go to England, to raise the money to build the line. I have disbursed \$343,000 in gold, which I want to get repaid. I have still to pay \$13,500, which will close everything off.

I will go to New York as soon as the contract is signed, say about 7th October, and would be glad to meet you there at that time.

Yours truly,
(Signed,) HUGH ALLAN.

G. W. McMULLEN, Esq.,
553 Washington Street,
Chicago, Ill.

Letter No. 18.

MONTREAL, October 24th, 1872.

DEAR MR. McMULLEN,—No action has yet (so far as I know) been taken by the Government in the matter of the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect of shutting out our American friends from any participation in the road, and I apprehend the negotiation is at an end.

It is still uncertain how it will be given (the contract), but in any case the Government seem inclined to exact a declaration that no foreigner will have directly or indirectly any interest in it. But everything is in a state of uncertainty, and I think it is unnecessary for you to visit New York on this business at present, or at all, till you hear what the result is likely to be.

Public sentiment seems to be decided that the road shall be built by Canadians only.

Yours truly,
(Signed,) HUGH ALLAN.

G. W. McMULLEN, Esq.,
Picton, Ont.

Letter No. 19.

MONTREAL, 11th Nov., 1872.

DEAR MR. McMULLEN,—You really know as much about the Pacific Railroad contract as I do, and that is not much.

I am assured that the Government have resolved to form a new company, but under what conditions, or who the parties will be, I am ignorant. It is said that the whole matter will be arranged by the end of the month, and if so, we will soon know it.

I have not changed my views of what it ought to be.

Yours truly,
(Signed,) HUGH ALLAN.

G. W. McMULLEN, Esq.,
Picton, Ont.

NOTE.—For residue of "Sealed Packet," see "N." and "O."

A 1.

Letter from Sir Hugh Allan to Hon. J. J. C. Abbott.

MONTREAL, 2nd September, 1873.

HON. J. J. C. ABBOTT.

DEAR SIR,—Referring to the parcel of papers deposited with Mr. Starnes, and which will no doubt be produced before the Royal Commission, I authorize you, on my behalf, to consent that it shall be opened by the Commissioners. But I object to any of the papers in it being used or published unless they are found to contain evidence which can be legally or judicially used in the case.

Yours truly,
(Signed,) HUGH ALLAN.

B.

Letter from James Beaty, Jr., to Sir F. Hincks, dated 17th July, 1871. (For this letter see deposition of Sir F. Hincks, page 19.)

C.

Reply of Sir F. Hincks, dated July 20, 1871. (For this letter see deposition of Sir F. Hincks, page 19.)

D.

Letter from James Beaty, Jr., to Sir Francis Hincks, dated July 24, 1871. (For this letter see deposition of Sir F. Hincks, page 20.)

E.

Reply of Sir Francis Hincks, dated 26th July, 1871. (For this letter see deposition of Sir F. Hincks, page 21.)

F.

Letter of Hon. D. L. Macpherson to *Mail*, dated 8th July, 1873, containing his reply to Sir Hugh Allan. (For this letter see deposition of Hon. D. L. Macpherson, page 32.)

G.

Telegram from Sir John A. Macdonald to Sir George E. Cartier.

(Private)

SIR GEORGE CARTIER, Ottawa.

July 26th, 1872.

Have seen Macpherson. He has no personal ambition, but cannot, in justice to Ontario, concede any preference to Quebec in the matter of the P., or in any other particular. He says the question about the P. should be left to the Board. Under these

circumstances, I authorize you to assure Allan that the power of the Government will be exercised to secure him the position of P. The other terms to be as agreed on between Macpherson and Abbott. The whole matter to be kept quiet until after the elections; then the two gentlemen to meet the Privy Council at Ottawa, and settle the terms of a provisional agreement. This is the only practical solution of the difficulty, and should be accepted at once by Allan. Answer.

(Signed,)

JOHN A. MACDONALD.

H.

Telegram from Sir G. E. Cartier to Sir John A. Macdonald

KINGSTON, 31st July, 1872.

(By Telegraph from Montreal)

TO SIR JOHN A. MACDONALD:

Have seen Sir Hugh, he withdraws letter written you since you make objection to it, and relies for basis of arrangement on your telegram to me, of which I gave him copy.

Matters go on well here. Hope they are same with you. Don't think it necessary for you to come down here Saturday. I want to be out of town on Sunday, but will remain here if you specially desire to see me. Answer.

(Signed,)

G. E. CARTIER.

I.

Telegram from Sir Hugh Allan to Sir J. A. Macdonald.

KINGSTON, July 31st, 1872.

(By Telegraph from Montreal.)

TO SIR JOHN A. MACDONALD:

I have seen Sir Geo. Cartier to day, you may return my letter or regard it as waste paper, it was not intended as anything official. Your telegram to Sir Geo. is the basis of our agreement, which I have no doubt you will approve of. He purposes to go out of town on Saturday afternoon, and I am persuaded his health will be benefited thereby.

(Signed,)

HUGH ALLAN.

J.

Copies of a portion of Correspondence between Sir Hugh Allan and Charles M. Smith, George W. McMullen and George W. Cass, relative to the construction of the Canadian Pacific Railway.

No. 1 Telegram.

C. M. SMITH (of Chicago),
Metropolitan Hotel, N. Y.:

FATHER POINT, October 8th, 1871.

Send to me, care of Allan Bros. & Co., Liverpool, the names of the parties engaged with us in the Railroad enterprise.

(Signed,)

H. ALLAN.

No. 2 Letter.

17, Gracechurch Street,
LONDON, 4th November, 1871.

DEAR MR. SMITH,—I find a considerable interest manifested here by the moneyed men in our scheme of a Dominion Pacific Railroad, and if we desire to raise funds here to carry on the work, I have no doubt they can be obtained.

I have not heard anything from the Government on the subject, and I presume nothing will be done till I go back. I purpose to sail sometime this month.

Your truly,

(Signed,) HUGH ALLAN.

No. 3 Telegraph.

MONTREAL, December, 7th 1871.

C. M. SMITH,
Banker :

I do not think the Government at Ottawa will be prepared to deal with us sooner than the eighteenth instant. Sir F. Hincks is here, and hints at necessity of advertising for tenders to avoid blame.

(Signed,) HUGH ALLAN.

No. 4 Telegraph.

MONTREAL, December 8th, 1871.

C. M. SMITH :

I have seen Sir Francis to-day. He says they have determined to advertise, and that it is of no use to visit Ottawa at present. I write you by mail.

(Signed,) HUGH ALLAN.

No. 5 Letter.

MONTREAL, December 8th, 1871.

C. M. SMITH, Esq., Chicago :

DEAR SIR,—Sir Francis Hincks called at my office this day, and said, that while he was as anxious as ever to arrange with us about the Railroad, the feeling of the Government is, that if they closed an agreement with us without advertising for tenders, they would be attacked about it in the House. I think this may be true, and in view of it, I see no use in our going to Ottawa at present.

But I think we should meet and arrange preliminaries ourselves, and decide on a course of action. If therefore you could come here on the 15th, I would go to New York with you on the 18th, and we could then put the affair in shape. Please advise me if this suits you.

Your truly,

(Signed,) HUGH ALLAN.

See copy of Contract entered into in pursuance of the suggestions in this letter.

No. 6 Letter.

MONTREAL, 29th December, 1871.

G. W. McMULLEN, Esq.,
Picton, Ont:

DEAR SIR,—I have your note from Picton, but I have not heard from New York since I left there:

A good many rumours are afloat regarding railroad matters, and I have good reason to believe that Mr. Brydges is using all the influence he can with Cartier to thwart our views. Not that he has any proposal to make, but he wants to stop the Pacific Railroad altogether. A party in the interest of the Hudson's Bay Company, consisting of Donald A. Smith, D. McInnes, G. Laidlaw, G. Stephen, Daniel Torrance of N. Y., and one or two others have given notice in the *Official Gazette*, that they will apply for a charter to make a railroad from Pembina to Fort Garry. That is the only one that affects us. I go to Ottawa on Wednesday next, and will return here on Saturday. I will find out there what is going on, but I think we are sure of Cartier's opposition.

(Signed,) Yours truly,
HUGH ALLAN.

No. 7 Letter.

MONTREAL, January 1st, 1872.

DEAR MR. McMULLEN,—I saw Mr. Brydges yesterday, and found out pretty nearly what he will require to join our railway project. His terms are very high, but as they possibly include more than himself, we may have to concede them. He thinks, however, that the Government will not have the courage to go into the scheme at all, and will shirk it until after the elections. I go to Ottawa on Wednesday, and will see what they purpose to do. I will write you as soon as I find out. I intend to return back here on Saturday night.

Wishing you the compliments of the season,

I am,
(Signed,) Your truly,
HUGH ALLAN.

I have a telegram from you this morning, advising that you are going to New York; I therefore send this letter to the St. Nicholas Hotel there.

No. 8 Letter.

MONTREAL, January 24, 1872.

Messrs. CHAS. M. SMITH and GEO. W. McMULLEN:

GENTLEMEN,—My subscription of one million four hundred and fifty thousand dollars, to the stock of the proposed Canada Pacific Railway Company, includes a sum of two hundred thousand dollars, furnished jointly by you and myself, to be transferred, in whole or in part, to Mr. C. J. Brydges, on condition of his joining the organization and giving it the benefit of his assistance and influence. In case he refuses or neglects to join before the 15th day of April next, I will transfer at once thereafter to you, jointly, one hundred thou-

sand dollars of the before named subscription, and in case Mr. Brydges' influence and co-operation can be secured for a less interest in the Railway Company than the before named amount, then I will transfer to you one-half of any residue that remains of the said two hundred thousand dollars after Mr. Brydges accession to the Company has been secured. It is, however, understood that any residue, or portion of the two hundred thousand dollars named, may be used to secure any other influence deemed by myself and you desirable or important on the same terms as proposed in regard to Mr. Brydges, and may apply to others in addition to him.

Yours truly,
(Signed,) HUGH ALLAN.

Letter No. 9.

MONTREAL, 5th Feb., 1872.

DEAR MR. McMULLEN.—I returned yesterday from Ottawa. Every thing looks well, up till the present time; but I may tell you, in strict confidence, that there are symptoms of coolness between Sir John A. and Cartier, arising from the coquetting of the latter with Blake and Mackenzie, to form an alliance and carry the elections next summer, with a view to leave John A. out in the cold. This would not be quite so favorable for us, but I am going to Toronto on the 7th inst., to look after our interests. We are all right with the *Globe*. You have not yet sent me the articles of agreement signed by the parties. Send it immediately, as I need it in my negotiations. I will require you to come down here, by and by, to arrange the construction Company, and consult about other matters. In the printed Bill, is there not a mistake about the lands and the taxation? Look at it.

Yours truly,
(Signed,) HUGH ALLAN.

G. W. McMULLEN, Chicago.

I wrote you, but have not received any answer from you.

Letter No. 10.

TORONTO, 24 Feb., 1872.

C. M. SMITH, Esq., Chicago, Ill.

DEAR SIR,—Since writing to you yesterday, I have seen Mr. D. L. Macpherson, of Toronto, who is a member of the Dominion Senate, and rather an important person to gain over to our side. He 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. You will remember he is one of those I proposed as a Director.

I will do the best I can, but I think that McMullen, you and myself will have to give up some of our stock to conciliate these parties.

Yours truly,
(Signed,) HUGH ALLAN.

Letter No. 11.

MONTREAL, 28th Feb., 1872.

C. M. SMITH, Esq.,

DEAR SIR,—It seems pretty certain that, in addition to money payments, the following stock will have to be distributed :

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

\$850,000

To meet this I propose to give up of our stock as follows :

C. M. Smith.....	\$250,000
G. W. McMullen.....	250,000
Hugh Allan.....	350,000

\$850,000

Please say if this is agreeable to you. I do not think we can do with less, and may have to give more. I do not think we will require more than \$100,000 in cash, but I am not sure as yet. Who am I to draw on for money when it is wanted, and what proof of payment will be required? You are aware I cannot get receipts.

Our Legislature meets 11th April, and I am already deep in preparation for the game. Every day brings up some new difficulty to be encountered, but I hope to meet them all successfully. Write to me immediately.

Yours truly,

(Signed,) HUGH ALLAN.

I think you will have to *go it blind* in the matter of money (cash payments). I have already paid \$8,500, and have not a voucher, and cannot get one.

See supplemental Contract made in pursuance to requests in this letter, and at other times.

Letter No 12.

MONTREAL, 12th June, 1872.

G. W. McMULLEN, Esq.,
Russell House, Ottawa.

DEAR SIR,—I have this day received a telegram from you dated New York, asking me to meet you in Ottawa to-morrow on important business. I am unable to go, and if the important business refers to the Pacific Railroad scheme, I do not think it necessary I should go. I believe I have got the whole matter arranged through my French friends, by means you are aware of, and we have now the pledge of Sir G. that we will have a

majority, and other things satisfactory. I have told you all along that this was the true basis of operation, and that anything else was powder and shot thrown away, and I think so still. You should come here and see me before you carry out any important transaction or pay any money. I want you to get a correct copy of the Government Bill and our own Bill, because we have first to consider how far they will suit our friends, and we may have to go to New York to consult them.

I will be in town to-morrow and Friday. I will be absent on Saturday, but will return here on Monday and be here till Friday.

Yours truly, —

(Signed,)

HUGH ALLAN.

Letter No. 13.

MONTREAL, July 1st, 1872.

G. W. CASS, Esq.,

Liberty Street, New York.

MY DEAR SIR,—The negotiations regarding the Canadian Pacific Railroad are now approaching a termination, and I have no reason to doubt they will be favorable to us. I have been given to understand, by Mr. McMullen, that he has regularly kept you informed of the progress and position of affairs, hence I have not communicated with you on the subject, as often as I otherwise would have done. No doubt he informed you that—thinking as I had taken up the project, there must be something very good in it—a very formidable opposition was organized in Toronto, which, for want of a better, took as their cry, “No foreign influence”—“No Yankee dictation”—“No Northern Pacific to choke off our Canadian Pacific,” and others equally sensible.

So much effect, however, was produced both in and out of Parliament by these cries, and the agitation consequent on them, that after consulting Mr. McMullen, I was forced unwillingly to drop, ostensibly from our organization, every American name, and to put in reliable people on this side in place of them. It will be apparent to you that at this point Mr. McMullen and I differed a little as to the means to be adopted to influence the Government itself. Two opposing companies, desiring to build the railroad, were formed, the one from Ontario having the greatest number of names, while that from Quebec had the greatest political power.

Mr. McMullen was desirous of securing the inferior members of the Government, and entered into engagements of which I did not approve, as I thought it was only a waste of powder and shot. On a calm review of the situation, I satisfied myself that the whole decision of the question must ultimately be in the hands of one man, and that man was Sir George E. Cartier, the leader and chief of the French party. This party has held the balance of power between the other factions. It has sustained and kept in office and existence the entire Government for the last five years. It consists of forty-five men, who have followed Cartier and voted in a solid phalanx for all his measures. The Government majority in Parliament being generally less than forty-five, it follows that the defection of one-half or two-thirds would at any time put the Government out of office. It was therefore evident that some means must be adopted to bring the influence of this compact body of members to bear in our favour, and as I soon made up my mind what was the best course to pursue, I did not lose a moment in following it up.

A railroad from Montreal to Ottawa, through the French country north of the Ottawa river, has long been desired by the French inhabitants; but Cartier, who is the salaried solicitor of the Grand Trunk Railroad, to which this would be an opposition, has always interposed difficulties, and by his influence prevented its being built. The same reason made him desirous of giving the contract for the Canadian Pacific into the hands of parties connected with the Grand Trunk Railroad, and to this end he fanned the flame of opposition to us. But I saw, in this French railroad scheme, and in the near approach of the general elections, when Cartier as well as others had to go to their constituents for

re-election, a sure means of attaining my object, especially as I propose to carry it through to the terminus on the Pacific. The plans I propose are in themselves the best for the interests of the Dominion, and in urging them on the public I am really doing a most patriotic action. But even in that view, means must be used to influence the public, and I employed several young French lawyers to write it up for their own newspapers. I subscribed a controlling influence in the stock, and proceeded to subsidize the newspapers themselves, both editors and proprietors. I went to the country through which the road would pass, and called on many of the inhabitants. I visited the priests, and made friends of them, and employed agents to go amongst the principal people and talk it up.

I then began to hold public meetings, and attended to them myself, making frequent speeches in French to them, showing them where their true interest lay. The scheme at once became popular, and I formed a committee to influence the members of the Legislature.

This succeeded so well that, in a short time, I had 27 out of the 45 on whom I could rely, and the electors of the ward in this city, which Cartier himself represents, notified him that unless the contract for the Pacific Railway was given in the interests of Lower Canada, he need not present himself for re-election. He did not believe this, but when he came here and met his constituents, he found, to his surprise, that their determination was unchangeable.

He then agreed to give the contract, as required, in this way, that there would be seventeen Provisional Directors, of which Ontario would have eight and we nine,—thereby giving us the control. We at once proceeded to organize the company (our section), and they named me the President; D. McInnes, of Hamilton, Vice-President; E. L. De Bellefeuille, Secretary; and the Hon. J. J. C. Abbott, Legal Adviser.

We have advertised that the books for subscription of stock will be opened 15th July, at the different places named in the Act, and we have notified the Government that we are willing to take the contract for building the Canadian Pacific Railroad on the terms and conditions prescribed in the Act. The next thing to be done is to subscribe the stock, which must be done by British subjects only, and ten per cent. of the subscription must be paid in cash at the time of subscribing. We have the right of subscribing nine-seventeenths (9-17) at present, and of taking up whatever the other party may not subscribe at the end of one month. I have arranged, in the meantime, that if you will send a certificate of the equivalent of \$1,000,000 gold, having been placed by Jay Cooke & Co. to the credit of the Merchants' Bank of Canada, Montreal, in their own bank in New York, it will accept the cheques for the subscription, but no money will pass till the contract is entered into, and then ten per cent. on the amount of Stock awarded us will have to be paid into the Receiver-General. Be pleased, therefore, to send me as early as possible, powers of attorney to subscribe the stock, and Jay Cooke & Co.'s certificate above mentioned. I have had several letters from England, offering to take the whole thing up if we desire to part with it, but it looks to me to be too good to part with readily. If you desire any further information, I will go to New York next week, if you desire it, and communicate with you personally. Please telegraph if you wish to see me, and the day. As you may suppose, the matter has not reached this point without great expense, a large portion of it only payable when the contract is obtained, but I think it will reach not much short of \$300,000.

Yours faithfully,

(Signed,)

HUGH ALLAN.

I presume you desire that unless we can obtain and secure a majority of the stock, you could not take any. But on this point I wish to be instructed.

H. A.

Letter No. 14.

MONTREAL, July 16, 1872.

MY DEAR MR. McMULLEN,—I feared you had got entirely lost in the depths of matrimony, but I am glad to notice, by your letter dated 11th inst., that you have got safely back.

Since I saw you last, the Pacific Railroad (Canada) scheme has gone through many phases, and its present position is difficult to describe.

Sir George Cartier has been in town for some days, and I have had several interviews with him. He now tells me that he does not now, and never did intend, to deal with either Macpherson's Company or ours, and that he only allowed them to get incorporated as a matter of amusement. But he says, he always intended that the Government would form its own Company, who would carry on the work *under the orders of the Government, according to the views of the Government engineers, and with money furnished by the Government.* He says, that he and Sir John A. made up their minds to this long ago, but did not tell any of their colleagues.

A kind of negotiation is going on with both Macpherson and myself, relative to the composition of this Government Company, but it has not come to anything as yet. Meantime, the period of the elections is drawing near, and unless the matter is arranged satisfactorily to Lower Canada, Sir George Cartier's prospect of being returned is very slim indeed. I cannot foresee with any certainty the ultimate result, but the decision cannot be long put off.

I will advise you as soon as anything is positively known.

Yours truly,
(Signed,) HUGH ALLAN.

Letter No. 15.

MONTREAL, August 6th, 1872.

DEAR MR. McMULLEN,—I have been hoping, from day to day, that some conclusion, which I could communicate to you, would be arrived at respecting the Pacific Railroad negotiation, but some obstacle to cause delay always intervened. The near approach of the elections, however, and the stand taken by my French friends, that they would lend no help till I pronounced myself satisfied, has at length brought the matter to a crisis, and I think the game I have been playing is now likely to be attended with success.

Yesterday we entered into an agreement, by which the Government bound itself to form a Company of Canadians, only, according to my wishes. That this Company will make me President, and that I and my friends will get a majority of the stock, and that the contract for building the road will be given to this company, in terms of the Act of Parliament. Americans are to be carefully excluded, in the fear that they will sell it to the Northern Pacific, but I fancy we can get over that some way or other.

This position has not been attained without large payments of money. I have already paid over \$200,000, and I will have at least \$100,000 more to pay. I must now soon know what our New York friends are going to do. They did not answer my last letter.

Yours, truly,
(Signed,) HUGH ALLAN.

Letter No. 16.

MONTREAL, 7th August, 1872.

G. W. Cass, Esq.,
New York:

DEAR SIR,—I wrote you on 1st July, giving you a detailed account up till that date, of the events and my movements in connection with the Canadian Pacific Railway. I have not had any acknowledgment of the receipt by you of that letter, but I presume it reached you in due course. The questions I asked you, however, remain unanswered, and I now proceed to inform you of the progress of the negotiations since the date of my letter. The policy I adopted has been quite successful, the strong French influence I succeeded in obtaining has proved sufficient to control the elections, and as soon as the Government realized this fact, which they were unwilling to admit and slow to see, they opened negotiations with me.

It is unnecessary to detail the various phases through which it passed, but the result is that we yesterday signed an agreement, by which, on certain monetary conditions, they agree to form a Company, of which I am to be President, to suit my views; to give me and my friends a majority of the stock, and to give the Company so formed the contract to build the road on the terms of the Act of Parliament, which are \$30,000,000 in cash, and 50,000,000 acres of land, with all other advantages and privileges which can be given to us under the Act; and they agree to do everything in their power to encourage and assist the company during the whole period of construction. The final contract is to be executed within six weeks from this date, probably sooner.

Our opponents are to get the minority of the stock, and they regard us with great jealousy and dislike, in consequence of their defeat, and on that account the Government is obliged to stipulate that no foreigner is to appear as a shareholder, so as to avoid the former cry of selling ourselves to the Northern Pacific, and succumbing to foreign influence. The shares taken by you and our other American friends, will therefore have to stand in my name for some time.

We shall get six million dollars of the stock out of the whole capital of ten million dollars.

I again ask you if the parties are willing to take the reduced amount of stock in the same proportions, as the amount signed for previously.

As is my duty, I offer it to you, but there are plenty desirous to get it. Ten per cent. on the amounts will have to be paid up and deposited in the hands of the Government as security, but will be returned, I think, as soon as the work is fully begun. The expenses incurred in bringing the matter to this point have been very great. I have already paid away about \$250,000, and will have to pay at least \$50,000 before the end of this month. I don't know that even that will finish it, but I hope so.

Of course this will all have to come from the subscribers to the six million dollars stock, if you elect to go on with the subscription, I will visit New York about the end of this month, to settle the details with you. Please apply as early as convenient.

I am, yours faithfully,

(Signed),

HUGH ALLAN.

Letter No. 17.

MONTREAL, 16th September, 1872.

DEAR MR. McMULLEN,—I wanted at this time to have a meeting in New York, to see what our friends there were disposed to do, but to day I have a letter from General Cass, stating that he is leaving New York for Chicago, there to join Mr. Ogden, and the two are going to Puget Sound. They say no meeting can be held till 15th November, which will not do at all.

I hope in ten days or so to have the contract signed, and would like immediately after to go to England to raise the money to build the line. I have disbursed \$343,000 in gold, which I want to get repaid. I have still to pay \$13,500, which will close everything off.

I will go to New York as soon as the contract is signed, say about 7th October, and would be glad to meet you there at that time.

Yours truly,
(Signed)

HUGH ALLAN.

G. W. McMULLEN, Esq.,
553 Washington St., Chicago, Ills.

Letter No. 18.

MONTREAL, 24th Oct., 1872.

DEAR MR. McMULLEN,—No action as yet (so far as I know) has been taken by the Government in the matter of the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect of shutting out our American friends from any participation in the road, and I apprehend all that negotiation is at an end.

It is still uncertain how it will be given (the contract), but in any case the Government seem inclined to exact a declaration that no foreigner will have directly or indirectly any interest in it. But everything is in a state of uncertainty, and I think it unnecessary for you to visit New York, on this business at present, or at all, till you hear what the result is likely to be.

Public sentiment seems to be decided that the road shall be built by Canadians only.

Yours truly,
(Signed)

HUGH ALLAN.

G. W. McMULLEN, Esq.,
Picton, Ont.

(The following reply was sent to the above.)

Letter No. 19.

PICTON, Nov. 6th, 1872.

MY DEAR SIR HUGH.—Since the receipt of your letter, the contents of which surprised me considerably, following so soon after our conversation at Montreal, and in view of the fact, that the Government seem so much at sixes and sevens about the whole matter, I have of course communicated the substance of it to my friends. They are anxious to know whether such a decision will be arrived at, after the various pledges made, as will debar our association from participating in the construction of the railway. Whatever skirmishing may be done by way of talk, they can hardly have an idea that you will prove recreant to your business associates, in an arrangement mainly of their own suggestion, (I mean the Government, who first requested you to write to Chicago). However much they may be beset with political problems, I do not believe they could get, in any other way, so difficult a one on their hands as they could by taking such a course. Mr. Ogden and party are now back from Puget Sound, and I shall take an early opportunity of meeting them.

I should like any possible positive information, and in case the affair goes so that our association, either directly or through you, cannot handle it, it would be well to know it. But as the Government could not expect you to go into it and leave the others out entirely, I should think you could have it arranged, as we have several times talked,

i.e., the stock held by you, subject to private arrangement with the others. And whatever street rumour may say of public opinion, I should judge that this would do all that is needed.

Please let me hear from you.

Truly yours,
(Signed,)

G. W. McMULLEN.

SIR HUGH ALLAN,
Montreal.

Letter No. 20.

Reply to above.

MONTREAL, 11th November, 1872.

DEAR MR. McMULLEN,—Your really know as much about the Pacific Railroad contract as I do, and that is not much.

I am assured that the Government have resolved to form a new company, but under what conditions, or who the parties will be, I am ignorant. It is said that the whole matter will be arranged by the end of this month, and if so, we will soon know it.

I have not changed my views of what it ought to be.

Yours truly,
(Signed,)

HUGH ALLAN:

G. W. McMULLEN, Esq.,
Picton, Ont.

K.

Copy of 1st Contract between Sir Hugh Allan and his American Associates.

NEW YORK, Dec. 23, 1871.

The undersigned hereby agree to associate themselves together for the following purposes, to wit:

First.—To form the Canadian Pacific Railway Company, under a charter substantially as agreed upon, and subject to such modifications or changes as shall be hereafter mutually assented to, which charter is to be procured by Messrs. Sir Hugh Allan, Charles M. Smith, and Geo. W. McMullen, from the Parliament of Canada at its approaching Session.

Second.—Under and by authority of said charter, the undersigned propose to construct the said railway.

For these purposes, we, the undersigned, each for himself, and not for the others, agree to subscribe in all the sum of ten millions of dollars to the capital stock of the said Canada Pacific Railroad Company as follows:—

The various names subscribed to this contract at the end of it, except Allan, C. M. Smith, and McMullen, and such others as they may associate with them, shall subscribe five millions five hundred thousand dollars (\$5,500,000); and Sir Hugh Allan, Chas. M. Smith, and George W. McMullen, and such others as they may associate with them, shall subscribe four millions five hundred thousand dollars (\$4,500,000); and it is further agreed, that the above named parties who shall subscribe for five million five hundred thousand dollars, shall pay in the sum of ten per centum on the whole ten million of dollars of stock, to be subscribed as aforesaid, into the Banking House of Jay Cooke, & Co., in New York City, to the credit of the Canada Pacific Railway Company, upon its organization, to be used for the construction of said Railway, and for such other purposes as the Directors of the said Company, hereafter to be elected, shall determine; and

it is also agreed, that on the organization of said Railway Co., such a by-law shall be adopted as will prohibit any further assessments on the stock beyond the ten per cent., paid as before specified, unless ordered by a vote of at least nine tenths ($\frac{9}{10}$) of all the outstanding stock of the Company at some regular or special shareholders' meeting.

It is further agreed by the parties hereto, that they shall associate themselves together as the Canada Land and Improvement Co., which it is proposed shall be hereafter incorporated by the Parliament of Canada, for the purpose of constructing the said railway, and for the purchase and sale of lands, and for other needed objects, and that their interests in the said Land and Improvement Co. shall be in the same proportions as their usual subscriptions to the railway stock aforesaid bear to the whole ten millions of dollars (\$10,000,000) subscribed; and it is agreed that the contracts for building any or all of the various sections of the Canada Pacific Railway, when let, shall be let to the said Canada Land and Improvement Co., at fair prices, and the Canada Land and Improvement Co., shall operate and be allowed the use of the said railway, during the period of its construction, without charge therefor, except the expense of keeping the same in good order and repair, at their own cost, during such use and control of said railway.

It is also agreed, that the first working capital of the said Canada Land and Improvement Company, shall be the aforesaid one million of dollars, to be paid in on the railway stock before named, less any amounts previously expended by order of the Board of Directors, and shall also consist of such sums or profits as shall thereafter be received by it, from time to time from the said railway company, for construction and for work done in excess of the cost of such work, or so much thereof as may be necessary for the successful prosecution of said work. And it is expressly agreed, that the first profits arising from the contracts above referred to, shall be used to reimburse (parties subscribing for \$5,500,000), and their associates for the one million of dollars paid by them as a ten per cent. instalment on the railway stock aforesaid, with interest thereon at the rate of seven per cent. per annum.

And it is furthermore agreed, that all, or at least a majority of all the stock or interest in both the Canada Pacific Railway Company and the Canada Land and Improvement Company, held by each of the undersigned, shall be placed in the hands of a Trustee (who is to be selected by the undersigned), to be held by him during the time occupied in building the said railway, or until two-thirds of the owners or representatives of the said stock, so held by said Trustees, shall elect to terminate said trust, and the said stock shall be voted on by the said Trustee or his successor, meanwhile, at all the meetings of stockholders, as he shall be directed to vote by the owners of a majority thereof. It is hereby agreed, that after the one million of dollars heretofore mentioned, with the specified interest thereon, has been refunded to the parties advancing it, then all divisible profits of both the Canada Pacific Railway Company and the Canada Land and Improvement Company, shall be divided among the stockholders of each Company in proportion to the shares they severally hold.

It is hereby understood, that the names "Canada Pacific Railway Co." and "Canada Land and Improvement Co." are used for the sake of convenience, and in case different names shall be adopted by the Canadian Parliament, or in case they shall fail to authorize any such Land and Improvement Co., then this agreement shall be understood to relate to such Railway as shall be authorized to be constructed, in accordance with the provisions hereof, across British Territory to the Pacific Ocean, Gulf of Georgia, or Straits of Fuca and to the Improvement Company or association proposed to be organized to construct the same, which may be organized under and in accordance with the Laws of any of the States comprising the United States, and its terms shall govern the parties hereto in relation to the same, in the same manner as if the names above mentioned had been used in the said proposed Charters for said proposed organizations.

It is understood that no moneys in excess of one hundred thousand dollars shall be drawn from the funds of the proposed Canada Pacific Railway Company until the actual construction of the road begins, unless by consent of the owners of or subscribers to at

least two-thirds of the ten millions of dollars of stock to be subscribed in accordance with the terms of this contract.

The essential conditions of the charter referred to are a subsidy of fifteen thousand dollars (\$15,000) per mile for each and every mile of road constructed, payable on the completion of sections of twenty miles, and a grant of lands equal to twenty thousand acres per mile for all the Road, except from Fort Garry East on the North Shore of Lake Superior to a junction with the section proposed to be built from Lake Nipissing to the Sault Ste. Marie, on which the grant of lands is to be equal to twenty-five thousand acres per mile. The only forfeiture, in case of failure to complete the entire road within the time specified, is to be the right to finish the uncompleted portions, the payments being absolute on the completion of each section of twenty miles.

The amounts proposed to be subscribed by the various parties to this contract are as follows:—Jay Cooke & Co. \$1,000,000; D. McLaren, \$500,000; William B. Ogden, \$637,500; J. Gregory Smith, \$500,000; G. W. Cass, \$637,500; H. R. Payson, \$175,000; Thomas A. Scott, \$500,000; F. E. Canda, \$175,000; C. J. Canda, \$150,000; R. D. Rice, W. G. Fargo, Frederick Billings, William Windova, B. P. Cheney, A. H. Barney and Thomas H. Canfield, or so many of them as become parties to this agreement, in all \$1,225,000.

Sir Hugh Allan, Charles M. Smith, and George W. McMullen, for themselves and others, \$4,500,000.

(Signed) Jay Cooke & Co., one million of dollars.

Wm. B. Ogden, six hundred and thirty-seven thousand five hundred dollars.

G. W. Cass, six hundred and thirty-seven thousand five hundred dollars.

J. Gregory Smith, five hundred thousand dollars.

D. McLaren, five hundred thousand dollars.

Thos. A. Scott, five hundred thousand dollars.

H. R. Payson, one hundred and seventy-five thousand dollars.

F. E. Canda, one hundred and seventy-five thousand dollars.

C. J. Canda, one hundred and fifty thousand dollars.

R. D. Rice, two hundred and thirty thousand dollars.

Frederick Billings, two hundred and thirty thousand dollars.

A. H. Barney, two hundred and thirty thousand dollars.

Wm. G. Fargo, for self and B. P. Cheney, two hundred and thirty thousand dollars.

Thomas H. Canfield, Wm. Windova, one hundred and eighty thousand dollars.

Samuel Wilkinson, seventy-five thousand dollars.

Walter Hinchman, fifty thousand dollars.

\$5,500,000.

Hugh Allan, one million four hundred and fifty thousand dollars.

Charles Mather Smith, one million five hundred and twenty-five thousand dollars.

George W. McMullen, one million five hundred and twenty-five thousand dollars.

\$4,500,000.

L.

Copy of Supplementary Contract between Sir Hugh Allan and his American Associates, dated March 28th, 1872.

Whereas, it appears that the Canadian Government prefer to give a gross sum of money and a gross amount of land for the construction of the Canada Pacific Railway and the branch thereof from Fort Garry to Pembina or St. Vincent or the International boundary line in that vicinity, now therefore the undersigned agree to so alter their contract or agreement of December 23d, 1871, as to agree to take thirty-five millions of dollars (\$35,000,000) in money (gold), and fifty millions of acres of land in

amount, to be selected as proposed, and the money to be paid *pro rata* per mile as constructed, each mile to be counted as the one-twenty-five hundredth ($\frac{1}{2500}$) part of the whole line to be built, and the land at the rate of twenty thousand acres for every mile of railway built, and in case in the judgment of our associate, Sir Hugh Allan, it should be deemed expedient by him to submit to the acceptance of thirty-three millions of dollars in gold (\$33,000,000) and fifty millions (50,000,000) acres of land as compensation for the construction of said road, he is hereby authorized to do so; and in case a further reduction in price is found to be indispensable in order to secure the contract for the construction of the said Canada Pacific Railway, then J. Gregory Smith, Sir Hugh Allan, G. W. McMullen, Geo. W. Cass, and Wm. B. Ogden are hereby constituted a Committee, with authority in them or a majority of them, to submit to such further reduction in the money price, to be paid in their discretion to any sum not below thirty millions of dollars (\$30,000,000) as they shall think necessary or advisable; and the said committee, or a majority of them, shall have power to make such assessments, from time to time, for the general purposes of the company, not exceeding in all one and one-half per cent. of the amounts agreed to be subscribed by us to the stock of the Canada Pacific Railway Company, as they shall deem expedient. The said assessments are to be considered as part of the one million dollars agreed to be paid on the stock contracted to be subscribed by us in the agreement of December 23rd, 1871, and to be subject to the same conditions of payment and refunding with interest as are therein set forth.

And we hereby authorize the said Committee to take such other action for us as they may deem necessary in the premises, consistent with the general terms of the contract of December 23, 1871, and as modified hereby.

New York, March 28th, 1872.

(Signed,) Jay Cooke & Co., J. Gregory Smith, B. P. Cheney for self and W. J. Fargo, R. D. Rice, Thos. H. Canfield, A. H. Barney, G. W. Cass, Daniel McLaren by J. W. Ellis, Frederick Billings, Wm. Windowa, H. R. Payson, F. E. Canda, C. J. Canda, Samuel Wilkinson, W. B. Ogden, Walter Hinchman, Hugh Allan, Charles Mather Smith, George W. McMullen.

M.

Copy of acknowledgment from Jay Cooke & Co. to G. W. McMullen, of his drafts on various parties. etc.

(COPY.)

NEW YORK, April 1st, 1872.

G. W. McMULLEN, Esq., Secretary,
Canada Pacific R. R. Ex. Committee.

DEAR SIR,—We have to-day received of you your drafts on various parties to the amount of \$50,000, which sum we credit to the Executive Committee of the Canada Pacific R. R. Association, subject to the draft of Sir Hugh Allan.

Respectfully,
(Signed,)

JAY COOKE & Co.

No. 1.

JAY COOKE & Co., Bankers,
Corner Nassau and Wall Streets:

Pay to myself or order,
Fifteen thousand dollars.

\$15,000.

(Signed,)

GH ALLAN,

No. 2.

JAY COOKE & Co., Bankers,
Corner of Nassau and Wall Streets :

NEW YORK, May 3rd, 1873.

Pay to myself or order,
Twenty-five Thousand Dollars.

\$25,000.

(Signed,)

HUGH ALLAN.

I have also receipts for Fees on the Bills of the Canada Pacific R. R. Company, and the Canada Improvement Company, paid with other things to the Hon. J. J. C. Abbott, and by him settled with Mr. Todd, whose receipt I hold. Also my cheque showing the payment, returned me by Bank of Montreal, in due course.

(Signed,)

G. W. McMULLEN.

N.

(Enclosed in Envelope Number Two, being portion of contents of "A" or "sealed packet.")

MERCHANTS' BANK OF CANADA,
February 26th, 1873.

\$17,500.00.

Pay Hon. Henry Starnes, or Order, seventeen thousand five hundred dollars cy.

(Signed,)

HUGH ALLAN.

To the Cashier.

Endorsement on back of above Cheque.

Mr. Starnes will please endorse and collect this Cheque, and pay proceeds to Mr. McMullen, if he becomes entitled to it by the instructions.

(Signed,)

H. A.

O.

(Enclosed in small Envelope, addressed "Hon. Henry Starnes," being portions of contents of "A" or "sealed packet.")

The Honorable Henry Starnes is requested to deliver over envelope No. *One* to Sir Hugh Allan ; and envelope number *Two* to Mr. George W. McMullen, unless Sir Hugh Allan claims that the contents of the letters contained in envelope number *One* have been divulged, or copies of them have been given to other than one person mentioned to Mr. Abbott, (which Mr. McMullen declares has not been and will not be done); in which case Mr. Starnes will open envelope number *One*, and having heard the parties will determine whether the contents of such letters have been divulged, copies granted other than above, or not. If he decides that they have not, he shall hand over envelope number *Two* to Mr. McMullen, and the letters to Sir Hugh Allan. If he decides otherwise, he is to hand over envelope number *Two* to Sir Hugh Allan, and the letters also, unless Mr. McMullen pays him twenty thousand dollars in gold, in which case he will hand the letters to Mr. McMullen, and envelope number *Two* to Sir Hugh Allan, with the twenty thousand dollars. And Mr. McMullen declares that the said envelope number *One* contains all of Sir Hugh Allan's letters in his possession or under his control.

(Signed,)

G. W. McMULLEN,
HUGH ALLAN.

Montreal, 26th February, 1873.

(Endorsement on envelope covering above.)

If Mr. Starnes is not requested to decide any disputes, in regard to the ownership of papers herewith, he is to burn this envelope with its contents unopened, immediately on settlement.

Hon. HENRY STARNES.

Endorsement on large inner envelope, contained in "A," or "sealed packet," and covering envelopes Nos. One and Two, and small envelope, addressed "Hon. Henry Starnes."

Within ten days after the end of the coming Session of Parliament, the Hon. Henry Starnes is requested to deliver envelope number One to Sir Hugh Allan, and envelope number Two to Mr. G. W. McMullen, unless objections 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.

Endorsement on "A," or "sealed packet."

Papers produced by Mr. Starnes, before Select Committee, and returned to him subject to be produced to this Committee, on their order.

(Signed,)

J. HILLYARD CAMERON,

Chairman.

"

J. G. BLANCHET,

"

A. A. DORION.

17th May, 1873.

P.

Copy of first Contract between Sir Hugh Allan and his American Associates.

(DUPLICATE ORIGINAL.)

NEW YORK, December 23rd, 1871.

The undersigned hereby agree to associate themselves together for the following purposes, to wit:

First—To form the Canada Pacific Railway Company, under a charter, substantially as agreed upon, and subject to such modification or changes as shall be hereafter mutually assented to; which charter is to be procured by Messrs. Sir Hugh Allan, Charles M. Smith, and George W. McMullen from the Parliament of Canada, at its approaching Session.

Second—Under and by authority of said charter, the undersigned propose to construct the said railway. For these purposes, we, the undersigned, each for himself, and not for the others, agree to subscribe, in all, the sum of ten millions of dollars to the capital stock of the said Canada Pacific Railway Company, as follows:

And such others as they may associate with them, shall subscribe five millions five hundred thousand dollars (\$5,500,000), and Sir Hugh Allan, Charles M. Smith, and George W. McMullen, and such others as they may associate with them, shall subscribe four millions five hundred thousand dollars (\$4,500,000); and it is further agreed, that the above named parties who shall subscribe for five millions five hundred thousand dollars of said stock, shall pay in the sum of ten per centum, on the whole ten millions of

dollars of stock to be subscribed, as aforesaid, into the Banking House of Jay Cooke & Co., in New York City, to the credit of the Canada Pacific Railway Company upon its organization, to be used for the construction of the said railway, and for such other purposes as the Directors of said Company, hereafter to be elected, shall determine. And it is also agreed, that on the organization of said railway company, such a by-law shall be adopted as will prohibit any further assessment on the stock, beyond the ten per cent. paid as before specified, unless ordered by a vote of at least nine-tenths of all the outstanding stock of the Company, at some regular or special shareholders' meeting.

And it is further agreed by the parties hereto, that they shall associate themselves together as the Canada Land and Improvement Company, which it is proposed shall be hereafter incorporated by the Parliament of Canada, for the purpose of constructing the said railway, and for the purchase and sale of lands, and for other needed objects; and that their interest in the said Land and Improvement Company, shall be in the same proportion as their several subscriptions to the railway stock aforesaid, bear to the whole ten millions of dollars subscribed. And it is agreed that the contracts for building any or all of the various sections of the said Canada Pacific Railway, when let, shall be let to the said Canada Land and Improvement Company at fair prices, and the Canada Land and Improvement Company shall operate and be allowed the use of the said railway during the period of its construction, without charge therefor, except the expense of keeping the same in good order and repair at their own cost, during such use and control of said railway.

It is also agreed, that the first working capital of the said Canada Land and Improvement Company shall be the aforesaid one million dollars, to be paid in on the railway stock before named, less any amounts previously expended by order of the Board of Directors, and shall also consist of such sums or profits as shall thereafter be received by it, from time to time, from said railway company, for construction and for work done in excess of the cost of such work, or so much thereof as may be necessary for the successful prosecution of said work.

And it is expressly agreed that the first profits arising from the contracts before referred to, shall be used to reimburse

And their associates, for the one million dollars paid by them as a ten per cent. instalment on the railway stock aforesaid, with interest thereon, at the rate of seven per cent. per annum. And it is furthermore agreed that all, or at least a majority of all the stock or interest in both the Canada Pacific Railway Company and the Canada Land and Improvement Company aforesaid, held by each of the undersigned, shall be placed in the hands of a Trustee (who is to be selected by the undersigned), to be held by him during the time occupied in building the said railway, or until two-thirds of the owners or representatives of said stock, so held by said Trustee, shall elect to terminate said trust; and the said stock shall be voted on by the said Trustee or his successor, meanwhile, at all the meetings of stockholders, as he shall be directed to vote by the owners of a majority thereof. It is hereby agreed, that after the one million of dollars, heretofore mentioned, with the specified interest thereon, has been refunded to the parties advancing it, then all divisible profits of both the Canada Pacific Railway Company, and the Canada Land Improvement Company, shall be divided among the stockholders of each Company, in proportion to the shares they severally hold.

It is hereby understood that the names, "Canada Pacific Railway Company," and "Canada Land and Improvement Company," are used for the sake of convenience, and in case different names shall be adopted by the Canadian Parliament, or in case they shall fail to authorize any such Land and Improvement Company, then this agreement shall be understood to relate to such railway as shall be authorized to be constructed, in accordance with the provisions hereof, across British territory to the Pacific Ocean, Gulf of Georgia, or Straits of Fuca, and to the Improvement Company or Association proposed to be organized, to construct the same, which may be organized under and in accordance with the laws of any of the States comprising the United States; and its terms shall govern the parties hereto in relation to the same, in the

same manner as if the names above mentioned had been used in the said proposed charter for said proposed organizations.

It is understood, that no money in excess of one hundred thousand dollars shall be drawn from the funds of the proposed Canada Pacific Railway Company until the actual construction of the work begins, unless by consent of the owners of or subscribers to at least two-thirds of the ten millions of dollars of stock to be subscribed in accordance with the terms of this contract.

The essential conditions of the charter referred to are a subsidy of fifteen thousand dollars per mile for each and every mile of road constructed, payable on the completion of sections of twenty miles, and a grant of lands equal to twenty thousand acres per mile for all the road, except from Fort Garry east on the north shore of Lake Superior to a junction with the section proposed to be built from Lake Nipissing to the Sault Ste. Marie, on which the grant of lands is to be equal to twenty-five thousand acres per mile. The only forfeiture in case of failure to complete the road within the time specified to be the right to finish the incompleted portions. The payments being absolute on the completion of each section of twenty miles.

— Q.

Certified copy of Letter from Sir George E. Cartier to Sir Hugh Allan.

(Private and Confidential).

MONTREAL, 30th July, 1872.

DEAR SIR HUGH,—The friends of the Government will expect to be assisted with funds in the pending elections; and any amount which you or your Company shall advance for that purpose, shall be recouped to you.

A memorandum of immediate requirements is below.

Very truly yours,
GEO. E. CARTIER.

SIR HUGH ALLAN.

NOW WANTED

" Sir John A. Macdonald	\$25,000
" Hon. Mr. Langevin.....	15,000
" Sir G. E. C.	20,000
" Sir J. A. (add'l).....	10,000
" Hon. Mr. Langevin (add'l).....	10,000
" Sir G. E. C.	30,000

The foregoing certified to be a true copy of the original letter produced by Sir Hugh Allan, before the Royal Commission, *Re. Canada Pacific Railway*, which original was at his desire allowed to be retained by him

(Signed,)

CHARLES DEWEY DAY.
Chairman.

September 19, 1873.

— R.

Certified Copy of Letter from Sir G. E. Cartier to Sir Hugh Allan.

MONTREAL, 30th July, 1872.

DEAR SIR HUGH :

I enclose you copies of telegrams received from Sir John A. Macdonald, and with reference to their contents I would say, that in my opinion the Governor in Council will approve of the amalgamation of your Company with the Inter-Oceanic Company under

the name of the Canadian Pacific Railway Company, the Provisional Board of the amalgamated Company to be composed of seventeen members, of whom four shall be named from the Province of Quebec by the Canada Pacific Railway Company, four from the Province of Ontario by the Inter-Oceanic Railway Company, and the remainder by the Government; the Amalgamated Company to have the powers specified in the tenth section of the Act incorporating the Canada Pacific Company, and the agreement of amalgamation to be executed between the Companies within two months from this date. The Canada Pacific Company might take the initiative in procuring the amalgamation, and if the Inter-Oceanic Company should not execute an agreement of amalgamation upon such terms and within such limited time, I think the contemplated arrangements should be made with the Canada Pacific Company under its charter.

Upon the subscription and payment on account of stock being made as required by the Act of last Session respecting the Canadian Pacific Railway Company, I have no doubt but that the Governor in Council will agree with the company for the construction and working of the Canadian Pacific Railway, with such branches as shall be agreed upon, and will grant to the company all such subsidies and assistance as they are empowered to do by the Government Act. I believe all the advantages which the Government Act empowers the Government to confer upon any company will be required to enable the works contemplated to be successfully carried through, and I am convinced that they will be accorded to the company to be formed by amalgamation, or to the Canada Pacific Company as the case may be.

I would add, that as I approve of the measures to which I have referred in this letter I shall use my best endeavors to have them carried into effect.

Very truly yours,
(Signed) GEO. E. CARTIER.

The foregoing certified to be a true copy of the original letter produced by Sir Hugh Allan before the Royal Commission, *Re* Canada Pacific Railway, which original was at his desire allowed to be retained by him.

(Signed,) CHARLES DEWEY DAY,
Chairman.

Sept. 19th, 1873.

8.

Receipt for House Fees on Canada Improvement Company Bill.

PRIVATE BILL OFFICE.

HOUSE OF COMMONS,
OTTAWA, 1st June, 1873.

Fee and Charges on the Bill to Incorporate the Canada Improvement Company		
Fee payable under the 58th Rule.....		\$100.00
Charge for printing Bill {	500 English.....	2.25
	200 French.....	1.35
Charge for printing Act {	500 English.....	1.34
	250 French.....	0.97
Translation.....		3.00

\$108.91

Received payment from Hon. J. J. C. Abbott, M. P.,
(Signed,)

ALFRED TODD
Chief Clerk Private Bill Office.

T.

Receipt for House Fees on Canada Pacific Railway Company Bill.

PRIVATE BILL OFFICE.

HOUSE OF COMMONS,
OTTAWA, 1st June 1872.

Fee and Charges on the Bill to Incorporate the Canada Pacific Railway Company.

Fee payable under the 58th Rule		\$100.00
Charge for printing Bill {	500 English.....	9.66
	200 French.....	4.75
Charge for printing Act {	500 English.....	5.36
	250 French.....	3.38
Translation		14.00
		<u>\$137.15</u>

Received payment from Hon. J. J. C. Abbott, M. P.

(Signed,)

ALFRED TODD,
Chief Clerk Private Bill Office

U.

Letter from G. W. McMullen to Hon. J. J. C. Abbott.

MONTREAL, Feb. 25th, 1873.

DEAR SIR,—If before the expiry of ten days after the termination of the coming Session of Parliament I do not hand you Messrs. Smith & Hurlburt's confirmation of the arrangement I have this day made with Sir Hugh Allan, I authorize the Honorable Henry Starnes to retain the envelope No. two, delivered to him, containing Sir Hugh Allan's cheque, until I do produce such letter.

Yours truly,

(Signed,)

GEO. W. McMULLEN.

Hon. J. J. C. ABBOTT.

APPENDIX.

OTTAWA, 21st August, 1873

To the Hon. LUCIUS SETH HUNTINGTON, of the City of Montreal, in the Province of Quebec.

SIR,—I have the honor to enclose herewith a printed copy of the Royal Commission appointing Commissioners to inquire into and report upon the several matters stated in the Resolution moved by you in the House of Commons, on the 2nd day of April last, relating to the Canada Pacific Railway, and to inform you that the Commissioners therein named will meet in the City of Ottawa, in the Parliament House, on Thursday, the fourth

day of September next, at noon, for the purpose of making enquiry and taking evidence concerning the allegations contained in the Resolution, and fully set forth in the Commission. You are requested to furnish to the Commission, with all convenient diligence, a list of the witnesses whom you may wish to examine, in order that they may be duly summoned to appear on the day and at the place above specified, and you are requested then and there to proceed with your evidence in the premises.

I have the honor to be, Sir,

Your obedient servant,

(Signed.)

CHARLES D. DAY,

Chairman.

OTTAWA, 21st August, 1873.

SIR,—I have the honor to inform you, that the Commissioners appointed to inquire into and report upon the several matters contained and stated in a certain Resolution, moved by the Hon. Mr. Huntington, in the House of Commons, on the 2nd April, 1873, relating to the Canadian Pacific Railway, will meet in the Parliament House, in the City of Ottawa, on Thursday, the fourth day of September next, at noon, for the purpose of making inquiry and taking evidence under the authority of the Commission concerning the allegations and matters contained in that Resolution, and that notice has been given to the Honorable Mr. Huntington to appear and proceed with his evidence then and there.

I have the honor to be, Sir,

Your obedient servant,

(Signed.)

CHARLES D. DAY,

Chairman.

MONTREAL, 26th August, 1873.

TO THE HONORABLE CHARLES D. DAY, *Chairman,*
Ottawa.

SIR,—I have the honor to acknowledge the receipt of your letter of the 21st of August instant, enclosing a copy of the Royal Commission, appointing Commissioners to enquire into and report upon the several matters stated in the Resolution moved by me in the House of Commons, on the 2nd day of April last, and requesting me to furnish to the Commission a list of the witnesses I might wish to examine, in order that they may be duly summoned to appear, and to proceed with my evidence.

I have to call your attention to the fact, apparent on the face of the Commission, that it was as a member of the House of Commons, and from my place in Parliament, that I preferred these charges against Ministers of the Crown, and members of that House, which, on the 8th day of April last, entertained the charges, determined to investigate them itself, and appointed a Select Committee to enquire into and report upon them; and to the further fact, apparent on the Journals of the House, that to the said Committee I furnished a list of some of the principal witnesses, whose evidence I believe could establish my charges, and I have always been ready to proceed to the proof thereof before the tribunal constituted by the House for the investigation.

The determination of the Commons to investigate these charges remains unaltered, and I deem it inconsistent with my duty as a member of Parliament, and a breach of the undoubted privileges of the House, to recognize any inferior or exceptional tribunal, created to enquire into charges still pending before the Commons, and so essentially affecting the privileges, dignity and independence of Parliament.

I believe that it is a breach of those privileges, that a Royal Commission issued without the special sanction of the House, should take any cognizance of, or should as-

sume to call on me, to justify words which I have spoken on the floor of the Commons, and for which I am responsible to them, and to them alone.

I feel that I should do no act which may be construed into an acquiescence in the attempt to remove from the Commons the conduct and control of the enquiry.

I believe that the creation of the Commission involves a breach of that fundamental principle of the constitution, which preserves to the Commons the right and duty of initiating and controlling inquiries into high political offences; that it involves also a breach of that fundamental principle of justice, which prevents the accused from creating the tribunal and controlling the procedure for their trial; and that it is a Commission without precedent, unknown to the Common Law, unsanctioned by the Statute Law, providing by an exercise of the prerogative for an enquiry out of the ordinary course of justice into misdemeanor cognizable by the Courts, and consequently illegal and void.

Entertaining these views, you will not expect me to act otherwise than in conformity with them, and you will be satisfied that by my non-appearance before the Commission I intend no disrespect to the Commissioners, but am moved by the same sense of public duty which will constrain me, at the earliest practicable moment, to renew the efforts which I have been making since April last to bring to trial, before the Commons of Canada, the men whom I have impeached as public criminals.

I have the honor to be, Sir, —

Your obedient servant,

(Signed,)

L. S. HUNTINGTON.