

cussion 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.