and I cannot believe it possible that I could have discussed with him the views of Sir George Cartier. It must be borne in mind, that all this time, and for many months afterwards, indeed till after the Session of Parliament of 1872, the objects of the promoters of the Pacific scheme and of the Government were wholly at variance. Mr. McMullen and his followers, both before and after their association with Sir Hugh Allan, were trying in every possible way, and for this they cannot be blamed, to get the Government committed to entrust the building of the railroad to their Company, while the Government were anxious simply to get all possible information so as to enable them to submit a scheme to Parliament that would be acceptable to capitalists, without being too burdensome to the country. It is alleged that after Sir Hugh Allan returned from England, I said something about advertising for tenders, so as to avoid blame. I must, in the first place, declare that I never made any authorized communication to Sir Hugh Allan, nor do I recollect that the subject of advertising for tenders was ever under the consideration of the Government. If Sir Hugh Allan was pressing for immediate action, nothing would be more natural than that I should point out to him that the Government could not enter into a contract without having previously submitted a scheme to Parliament. I may have talked of advertising for tenders as a mode of ascertaining not only the terms of capitalists, but also whether there were any other parties prepared to make offers. I cannot now recollect what passed at these conversations, but I am clear that I merely gave expression to my private opinion, and that I was pointing out the impossibility of any immediate action being taken. This was not owing, as Mr. McMullen alleges, to the exigencies of the political situation, but simply to the necessity of obtaining the concurrence of Parliament to whatever scheme the Government might finally decide on. The only further reference to me in Mr. McMullen's letter is to certain alleged money transactions. *I solemnly declare that I never asked and never obtained, either by loan or gift, any sum of money from Sir Hugh Allan, or from any person on his behalf, or from any person in connection with the Pacific Railway*; that I never was sounded by Sir Hugh Allan as to my personal expectations, and never, directly or indirectly, asked or obtained any money in connection with the scheme. Mr. McMullen asserts that I required not only a sum of money for myself, but a situation for my son at a salary of not less than $2,000 per annum. I never made any such demand, but I did, on one occasion, casually say to Sir Hugh Allan, as I had done to other friends, that if he happened to know of any employment for my youngest son I would be glad if he would bear him in mind. I had not the least idea at the time of employment under a Company not likely to be in existence for an indefinite and certainly a long time. Sir Hugh replied, that no doubt when the Pacific Company was formed, he would have no difficulty in finding him employment, and there the matter terminated. This was long before the disputes which arose between the rival Companies, from which time I determined that no one connected with me should have any employment in any such Company, and this determination I communicated to Mr. Abbott. Meantime my son got employment of a different kind, and without any reference to Sir Hugh Allan. I may add, that at the time the conversation took place, my youngest son, who held an appointment in British Guiana, was on leave of absence, and paying a visit to his family. I was anxious that he should resign his appointment, and remain in Canada, and undertook to find him suitable employment. I mentioned him to several friends in Montreal, where I wished him to settle, and I also mentioned him to Sir Hugh Allan. I never imagined that I would incur the risk of being charged with bargaining for my support to the Pacific Railway scheme. I desire to state, in conclusion, that *the Canadian Government was never in any way a party to any arrangement between Sir Hugh Allan and his American associates.* From the very first there was the strongest opposition to the introduction of the American element on the part of several members of the Cabinet, and for myself, though not unfavourable to Americans being introduced, I always felt that Mr. McMullen was a source of weakness. *I further state most positively, that the Government never entered into any agreement to give the Pacific Railway Charter for monetary considerations of any kind.* The various conditions and the Charter were discussed on their merits, and Sir Hugh Allan and his immediate friends were repeatedly obliged to yield points which they desired to press. The Government honestly tried to obtain an amalgamation between the two Canadian Companies to the exclusion of Americans, and, failing that, they incorporated a Canadian Company, in which Sir Hugh Allan's influence most certainly does not preponderate.

"I am, &c.,
"F. HINCKS."