

Canada.

and Mr. Kersteman. They were bearers of an informal proposal for undertaking the work, and it is true that they had the names of several parties of the highest respectability. Mr. McMullen admits that it speedily became apparent to myself and associates that Mr. Waddington had been over sanguine in the idea that the formation of any Company would be entrusted to his hand. I do not pretend to recollect all that passed in the brief conversation that took place, but the substance was that the Government was not in a position to negotiate on the subject. After the return of the party to Toronto, I had some further correspondence on the subject, which I only refer to that I may show how I came into communication with Sir Hugh Allan. I received a letter on the 24th of July, acquainting me that the writer intended going during the following week to Montreal, along with a gentleman who has been active in promoting railway enterprises, with a view to bringing this scheme under the notice of Sir Hugh Allan and other capitalists in Montreal. I at once sent the following reply:—

“ ‘Confidential.

“ ‘MY DEAR SIR,

“ ‘Ottawa, July 20, 1871.

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

“ ‘I am,

“ ‘James Beaty, jun., Esq.’

“ ‘F. HINCKS.

“ ‘I readily admit that from the time when the proposals made through Mr. McMullen were first submitted, I was most anxious, but solely on public grounds, that the negotiations should fall into other hands. After having prevented, as I believed I had done, the communication to Sir Hugh Allan, I determined to let him know what was going on. I accordingly gave him the names of the American gentlemen who had made the informal communication, but I certainly could not have requested Sir Hugh to communicate with them. I did not then even know that Sir Hugh Allan was prepared to embark in the scheme, but I readily admit that I was of opinion that several of the American names were wholly unobjectionable, and that Sir Hugh Allan was as likely as any other Canadian capitalist to secure co-operation both in England and Canada. Mr. McMullen refers to an interview, or interviews, with two prominent railway bankers at New York, and prior, I think, to my first communication to Sir Hugh Allan, in the month of August, 1871. During my brief visit to New York in August, 1871, which, I may observe, was wholly unconnected with Pacific Railway matters, I had interviews with the gentleman referred to, and I believe that I did suggest that the American capitalists, who were inclined to promote the undertaking, would find Sir Hugh Allan a better medium of communication with the Canadian Government than Mr. McMullen and his Chicago friends. I acted entirely in the interest of the Canadian people in suggesting to the gentlemen referred to that the parties who had brought the scheme before the Government had not the standing that it was desirable they should have. I was on my way to New Brunswick and Nova Scotia when the conversations in New York took place, and I certainly never gave any address to Sir Hugh Allan. On my return I gave him a list of names, and he remarked that he knew all or most of them by reputation. The next reference to me in Mr. McMullen’s letter is to the meeting of Council on the 5th of October, 1871, when Mr. McMullen says:—‘It was at once apparent that they were not ‘fully in accord among themselves.’ How this was apparent it would be difficult for Mr. McMullen to show, inasmuch as to the best of my recollection no member of the Government said a word except Sir John. Sir John asked Sir Hugh Allan whether he had any proposition to submit, to which Sir Hugh replied by inquiring whether, if he made a proposition, the Government would be prepared to consider it, or enter into negotiations; to which Sir John replied that they were not prepared to do so, and Sir Hugh rejoined that in that case he did not think it advisable to make any suggestion. I have no recollection whatever of holding any private conversation with Mr. McMullen,